

BAL HARBOUR VILLAGE RESORT TAX COMMITTEE
REGULAR MEETING MINUTES – FEBRUARY 14, 2013

A Regular Meeting of the Bal Harbour Village Resort Tax Committee was held on Thursday, February 14, 2013, in the Conference Room at Bal Harbour Village Hall (655 – 96th Street, Bal Harbour, Florida).

The meeting was called to order at 9:00 a.m. by Mayor Rosenfield.

PLEDGE OF ALLEGIANCE: The Pledge was led by Mr. Pearl.

1. CALL TO ORDER/ROLL CALL: The following members were present:

Mayor Jean Rosenfield
Bruce Gelb
Michael M. Krop
Sandra Lansing
Richard Lodes

Absent: Gilberto Garcia-Tunon

Others Present: Councilman Martin Packer
Angelica Lenox, St. Regis Bal Harbour
Raj Singh, Sea View Hotel
Juan Arcila, Quarzo Hotel
Jay Smith, Acting Village Manager
Ellisa L. Horvath, MMC, Village Clerk
Matthew Pearl, Village Attorney
Carolyn Travis, Director of Tourism Marketing

As a quorum was determined to be present, the meeting commenced.

2. PLEDGE OF ALLEGIANCE: The pledge was done earlier in the meeting.

3. APPROVAL OF MINUTES: *A motion was offered by Mr. Lodes and seconded by Ms. Lansing to approve the January 10, 2013 Regular Meeting Minutes. The motion carried (5-0).*

Beach Renourishment Project: Mayor Rosenfield reported that the beach renourishment project was still delayed. Mr. Smith reported that a start date had not been received, but that June was the projected date and the project would take approximately one month. He explained that the Village would receive the sand from the federal renourishment project before it would be able to truck in sand (trucking would cost approximately \$700,000.00). Mayor Rosenfield reported that the Council would begin considering increasing the money in reserves, for beach renourishment. Mr. Smith reported that Brian Flynn, Miami-Dade County, would provide an update at the February Council meeting. He reported that there would also be an estimated cost of \$500,000.00 to replace the dunes, trees, and sprinklers on the beach that had been damaged from the encroaching salt water.

Dr. Krop didn't think that the federal government was concerned about the Village and voiced concern regarding the Village's tourism being affected, since the beach was the biggest tourist attraction. He noted that the Village may need to look at renourishment yearly and should budget funds for that. Mr. Gelb agreed with Dr. Krop and noted that the beaches were the top attraction for tourists. Mr. Smith will consult with the County again regarding permits, etc.

Mr. Gelb suggested that a sub-committee discuss other options to fix the problem, other than relying on the federal government. Mayor Rosenfield discussed the continual erosion on the beach. She reported that the renourishment was done approximately every five years and the renourishment dates were chosen by the federal government. Mr. Gelb spoke against having to rely on the federal government. Mayor Rosenfield reported that Brian Flynn, Miami-Dade County, would provide an update at the Council meeting and urged the Committee members to attend. Mr. Smith explained that the Army Corps of Engineers Renourishment Project was delayed until June, due to permitting issues with the State and County.

Councilman Packer arrived.

Mayor Rosenfield explained that the Village was working with Mr. Flynn and Miami-Dade County, to get the project done.

Councilman Packer noted that the Village was promised by the County that everything was good with the permits. Mayor Rosenfield noted that the Army Corps of Engineers had a different opinion.

Mr. Gelb questioned what the Committee could do. Mayor Rosenfield noted that the Committee had done their job and looked into trucking sand. Mr. Lodes agreed that it wasn't an easy problem to solve. He noted that the Village didn't have the money and needed to rely on the federal government. Dr. Krop reported that the estimated cost for a total renourishment project was \$7 million.

Dr. Krop questioned what happened to the \$500,000.00, which was allocated for the sand transfer station. Mr. Wallace explained that money was budgeted from the reserves two years ago, some of that money was spent, and the remainder of it went back into fund balance. Dr. Krop disagreed and noted that the money was spent and wasn't in fund balance. Mr. Wallace explained that the money was shown in beach renourishment. Dr. Krop noted that the money in fund balance was gone. Mr. Wallace explained governmental accounting standards. He discussed beach renourishment and undesignated fund balance. He explained there was \$2.4 million total in reserves, with \$1 million of that restricted for beach renourishment. Mayor Rosenfield explained that the Council would discuss increasing that amount. She discussed the money that was spent looking into the sand transfer station, which was ongoing.

Mr. Gelb requested that Brian Flynn be asked to attend the March Committee meeting. He questioned what would happen, if the renourishment project was delayed beyond June, and what could be done to alleviate that from happening.

Councilman Packer suggested that the Council and Committee members push those in Washington, to put pressure on the Army Corps of Engineers to get the project done. He suggested that both Senators be invited to Bal Harbour, to see what was happening with

the beach. Mayor Rosenfield agreed that was an excellent suggestion to encourage people to contact the Village's representatives in Washington. Mr. Smith reported Congresswoman Schultz and an aid from Senator Nelson's office met two weeks ago with the Army Corps of Engineers, to discuss the urgency of the renourishment of the east coast, including Bal Harbour.

A motion was offered by Mr. Gelb to recommend that a sub-committee be set up to tackle the problem. He volunteered to serve on the Committee.

Mrs. Horvath didn't believe that the Committee could appoint a sub-committee. Mr. Pearl agreed and clarified that the Council would have to appoint a committee.

The motion died due to the lack of a second.

A motion was offered by Mr. Gelb and seconded by Dr. Krop to recommend that the Council appoint a sub-committee (comprised of people who represent Bal Harbour's best interest) to specifically attack the problem.

Mrs. Horvath explained the process and requirements that a sub-committee would have to follow. She explained that another option would be to have a Committee member spearhead researching or investigating options and bringing that back to the Committee, which Council approval would not be needed for. Mr. Pearl agreed.

Dr. Krop suggested that Mr. Flynn attend the Committee meeting to inform the members. It was the consensus of the Committee that Mr. Flynn's attendance would alleviate any need for further investigation by a sub-committee, etc.

Mr. Gelb withdrew his motion. Dr. Krop withdrew his second to the motion.

Mr. Smith will ask Brian Flynn, Miami-Dade County, to attend the Committee's March meeting.

Bal Harbour Weekend Destination: Dr. Krop questioned the status of the weekend destination idea in Bal Harbour. Ms. Travis explained that was still being worked on.

4. ACCEPTANCE OF APPOINTMENT AND OATH OF OFFICE: Mrs. Horvath gave the oath of office to Committee members Mayor Rosenfield, Mr. Gelb, Dr. Krop, Ms. Lansing, and Mr. Lodes.

5. SELECTION OF CHARMAIN: *A motion was offered by Ms. Lansing and seconded by Mr. Lodes to select Mayor Rosenfield to serve as the Committee Chair. The motion carried (5-0).*

6. CONSIDERATION OF RECOMMENDATION TO THE VILLAGE COUNCIL FOR THE APPOINTMENT OF RESORT TAX COMMITTEE MEMBER: The Committee reviewed the resume of Angelica Lenox, St. Regis Bal Harbour Director of Sales & Marketing.

A motion was offered by Ms. Lansing and seconded by Mr. Lodes to recommend that Angelica Lenox be appointed by the Council to the Committee. The motion carried (5-0).

7. FINANCIAL UPDATE REPORT – CHRISTOPHER WALLACE:

Mr. Wallace reviewed the report provided in the agenda.

Raj Singh, Sea View Hotel, discussed Unreserved and Undesignated Fund Balance and suggested that a forecast be provided of what hadn't been spent or received, to provide a more accurate picture of what would be in the fund balance. Mr. Wallace noted that would be difficult to do. He reviewed the estimated fund balance. Mr. Singh clarified that forecasted revenues would also need to be done.

Mr. Wallace expected the revenues to increase. Ms. Travis reported that December was slightly down, but food and beverage had increased. Dr. Krop questioned the reported increase, compared to the prior year. Mr. Wallace explained that the St. Regis wasn't online the prior year (in December 2011), so the numbers were skewed. Dr. Krop noted that the St. Regis was also doing better than he expected. He suggested that Mr. Wallace review the figures again. Mr. Wallace confirmed that the figures were correct.

Angelica Lenox, St. Regis, reported that the next report would show the February figures, which would provide a better picture for the hotel, since they came online mid-January last year.

Dr. Krop discussed the television coverage on a stock program on Starwood, which focused some time on the St. Regis Bal Harbour.

Dr. Krop discussed the footnoted items, which pointed out changes.

Raj Singh, Sea View Hotel, voiced concern regarding the sizeable adjustments for the credit card charges and wire transfers, which dated back to October. Mr. Wallace explained that international wire transfers were done in November for October, which had been reflected since then. He reported that the wire transfer process was changed and those would now be posted the same month. Ms. Travis explained that two of the credit card charges were miscoded and had to be moved. Mr. Wallace explained that the rest was just the timing of when the charges were received. He clarified that the adjustments didn't change the amount, but just the line item that it was reported to.

8. DIRECTOR OF TOURISM MARKETING REPORT – CAROLYN

TRAVIS: Ms. Travis reviewed her report, provided in the agenda. The following items were discussed:

GMCVB Partnership 2013 – Proposed Plan of Work: Ms. Travis reported that the Committee had allocated \$50,000.00 from the prior year budget, which the GMCVB matched, and had budgeted \$50,000.00 in the current budget, which the GMCVB would also match. She reviewed proposals for the \$200,000.00 combined amount.

Ms. Travis discussed using \$150,000.00 (of the \$200,000.00) for an 8-page insert in Travel & Leisure (American Express Publishing), in August and September, for a Miami ad featuring Bal Harbour. She noted that small pieces of advertising would be available within that spread, which she suggested asking the hotels to participate in.

Ms. Travis discussed using \$50,000.00 (of the \$200,000.00) to attend the Arabian Travel Mart (ATM).

Ms. Travis clarified that both programs would be in partnership with the GMCVB.

Ms. Travis requested approval of \$50,000.00 from the current budget, for the contribution to the GMCVB.

Raj Singh, Sea View Hotel, questioned if Marco Selva (St. Regis) or Rikki Boparai (ONE Bal Harbour) knew about the proposal for the Arabian Travel Mart. Ms. Travis reported that the St. Regis and ONE both supported the program, as well as the Bal Harbour Shops. Mr. Singh suggested that the Village participate in ITB in Berlin instead. Ms. Travis thought that the Village could gain more by going directly to the market.

Angelica Lenox, St. Regis, spoke in favor of pursuing the Arab market, which had a lot of potential. She noted that ITB was not the right market for the St. Regis, since it was too vast and didn't have the top tier of the market that the St. Regis wanted.

Mr. Singh noted that the program should not be geared to one hotel. He suggested targeting travel agents, which attended the ITB.

Ms. Lenox discussed those who attended the Arabian Travel Mart. She added that the St. Regis supported the Arabian Travel Mart 100 percent.

Mr. Lodes spoke in favor of pursuing the Arabian market.

Mr. Singh noted that the Arabians would only come to the St. Regis, not the other hotels, in Bal Harbour.

Ms. Travis reported that all of the properties had provided positive feedback.

Mr. Singh didn't think there were any numbers to support spending the money.

Ms. Travis suggested using \$35,000.00 for the ATM and \$15,000.00 for additional American Express advertorial. She explained her discussion with the GMCVB about emerging markets (Russia, Asia, and the GCC).

Mayor Rosenfield suggested a chair at the ITB, in the GMCVB booth.

Mr. Singh thought that it was too late to participate in ITB this year, but that it should be looked at for next year.

Dr. Krop spoke in favor of partnering with the GMCVB.

A motion was offered by Mr. Lodes and seconded by Mr. Gelb to approve the \$50,000.00 contribution to the GMCVB for FY2013. The motion carried (5-0).

Mr. Gelb spoke in favor of the American Express partnership, but not in favor of the ATM.

Angelica Lenox, St. Regis, thought that it would be a missed opportunity not to go to the ATM.

Ms. Travis suggested \$35,000.00 for the ATM and \$15,000.00 to enhance the American Express program.

Mayor Rosenfield spoke in favor of doing that. Ms. Lansing agreed and noted that the Village would only know if the ATM was effective by attending it. Mr. Lodes agreed and pointed out that it was a market that the Village hadn't explored yet.

Raj Singh, Sea View Hotel, noted that the trade shows needed to be planned a year ahead of time, not a month or two ahead. Ms. Travis agreed and noted that they normally were, but explained the unique opportunity.

Ms. Travis discussed the goal to have a plan with the GMCVB in August, for the next year.

It was the consensus of the Committee to approve the Village's contribution to be used for the American Travel Mart (\$35,000.00) and to enhance the American Express program (\$15,000.00).

Travel: Ms. Travis distributed and reviewed proposed travel expenses. She requested approval of \$10,000.00 for the Arabian Travel Mart (\$5,000.00 travel and \$5,000.00 client event) and \$4,500.00 for the American Express Publishing Luxury Summit.

A motion was offered by Dr. Krop and seconded by Ms. Lansing to approve. The motion carried (5-0).

Bal Harbour's Brazil Public Relations and Sales Representatives: Ms. Travis suggested a \$500.00 monthly increase for each representative, starting in March, until the end of the year.

A motion was offered by Mr. Lodes and seconded by Dr. Krop to approve.

Mayor Rosenfield requested the percentage of where guests were from that stayed at the hotels.

Juan Arcila, Quarzo, discussed the percentage increase in Brazilian business.

Angelica Lenox, St. Regis, will provide the information to Ms. Travis.

Ms. Travis explained that not all of the Village's hotels were willing to provide the information on percentages of where the guests were from.

Raj Singh, Sea View Hotel, explained that he would provide the percentages, but not the travel agents that were used, etc.

Ms. Travis will send an email to the Committee members requesting their guest percentages by country.

The motion carried (5-0).

Bal Harbour Art & Culture, Museum Partnerships - UPDATE: Ms. Travis reported an offer from MOCA, MAM, and Bass Museums for free admission (not membership) for guests and residents for \$5,000.00 (each museum).

Dr. Krop suggested starting with one museum. He distributed and reviewed an email from Bonnie Clearwater, MOCA, who offered membership for Bal Harbour residents and free admission for tourists, for \$10,000.00, for one year. Ms. Travis reported that she had spoken to Ms. Clearwater about the Village providing \$5,000.00, for an Art Basel event. Mr. Pearl clarified that any deal would need to be structured, so that the residents and tourists received the same benefit. Ms. Travis suggested an event with MOCA during Art Basel.

Angelica Lenox, St. Regis, spoke in favor of partnering with the museums.

Mr. Smith suggested the resort tax paying for the tourists and making a recommendation to for the Council to pay for the residents.

Juan Arcila, Quarzo, suggested that tourists be provided passes.

Councilman Packer suggested a membership for tourists also.

Ms. Lansing spoke in favor of starting with MOCA.

Ms. Travis and Mr. Pearl will speak with Bonnie Clearwater, MOCA, regarding a program.

Ms. Travis will provide another proposal at the next meeting.

Unscripted Recap – Update on Limited Editions and Sales: Ms. Travis distributed and reviewed the media recap and press value received from the Unscripted program. She reported that the program exceeded expectations with an ad value of \$156,333.00 and a public relations value of \$468,701.00. She noted that the Village needed to sell \$40,000.00 of the limited edition items, to recoup the amount paid for the program. She reported that \$11,487.00 of the limited edition items had been sold thus far.

Dr. Krop discussed the theatre on 71st Street, which the Village may want to take advantage of for programs.

Tourism Bus – Review of 2012 Numbers and Discussion: Ms. Travis distributed and reviewed figures for the number of riders on the bus. She reported that the ONE, Quarzo, and the Shops used the bus the most. She estimated the cost to be \$11 per person, per ride.

Juan Arcila, Quarzo, discussed the added value of the ad on the bus being seen in South Beach.

Dr. Krop suggested increasing the efficiency of the bus, before getting rid of it. Ms. Travis explained that the bus was used as an added value for the hotels and the Shops.

Raj Singh, Sea View Hotel, suggested that the bus run later in the day, since South Beach didn't start until late. Ms. Travis will look into that.

Ms. Travis discussed having a central stop for the bus in the Village, such as one of the bus stops.

Mr. Arcila questioned if ridership on the bus had increased from the prior year. Ms. Travis

reported that there was a minimal increase.

Mr. Singh discussed people not wanting to wait for the bus.

Ms. Travis reported that the bus was listed in the Bal Harbour tourism welcome letter, which guests received from the concierge and at check in. She will ride the bus to see what the challenges were. She questioned what the Committee would need to consider the bus to be successful.

Councilman Packer agreed that a central stop would be good and suggested that the bus schedule be published.

Mayor Rosenfield spoke in favor of promoting the bus more.

Ms. Travis will ride the bus, consider changes, and look into installing bus stop signs.

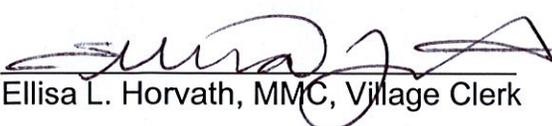
Kids Camp Closeout: Ms. Travis reported that the camp was no longer convenient for the Sea View to have at their location. She reported that the ONE would be starting their own kids camp. She requested to donate the items from the current Kids Camp to the Miami Children's Museum. *It was the consensus of the Committee to do so.*

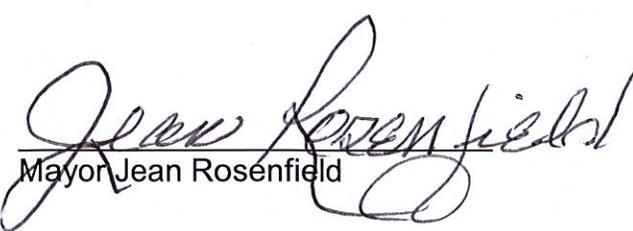
9. OTHER BUSINESS: None.

10. ADJOURN: There being no further business, *the meeting was adjourned by consensus of the Committee at 11:03 a.m.*

Attest:




Ellisa L. Horvath, MMC, Village Clerk


Mayor Jean Rosenfield