
Buncombe County Tourism Development Authority
Asheville Area Chamber of Commerce

Board Meeting Minutes
Wednesday, May 31, 2017

- Present (Voting):** Paula Wilber, Chair; Jim Muth, Vice Chair; Leah Ashburn, Chip Craig, John Ellis, Himanshu Karvir, John Lockett, John McKibbon
- Absent (Voting):** Gary Froeba
- Present (Ex-Officio):** Buncombe County Commissioner Joe Belcher
- Absent (Ex-Officio):** Asheville City Councilwoman Julie Mayfield
- BC Finance:** Jennifer Durrett
- Advertising Agency:** David Crane, Jeremy Braud; Peter Mayer
- CVB Staff:** Stephanie Brown, Marla Tambellini, Glenn Cox, Dianna Pierce, Jonna Reiff, Pat Kappes, Tina Porter, Brooke Ptaszek, Justine Tullos
- CVB Staff Absent:** Tom Roberson
- Guests:** Hill Carrow, Sports & Properties, Inc.
Samantha Fann, The Princess Anne Hotel
Kit Cramer, Asheville Area Chamber of Commerce
Bob McMurray, Black Mountain-Swannanoa Chamber of Commerce
Demp Bradford, Madison Davis; Asheville Buncombe Regional Sports Commission
Rick Bell, Inn at Engadine
Andrew Celwyn, Herbiary
Maria Pilos, Johnson Price Sprinkle, P.A.

Executive Summary of Meeting Minutes

- Chair Wilber called the meeting to order at 9:04 a.m.
- Minutes from the April 26, 2017 BCTDA meeting were approved with an 8-0 vote.
- The April 2017 financial reports were reviewed and approved with an 8-0 vote.
- Two penalty waiver requests were presented for consideration. In separate 8-0 votes, the BCTDA denied the request from The Mountaineer Inn and approved the request from The Princess Anne Hotel.

- A budget resolution in the amount of \$29,600 to move funds from contingency to non-general tourism budget categories was approved with an 8-0 vote.
- In her Executive Director report, Ms. Brown highlighted recent CVB activities and metrics.
- Hill Carrow with Sports & Properties, Inc., presented the Asheville and Buncombe Sports Tourism Market Analysis report and related recommendations.
- Following the recommendations of the BCTDA Nominating Committee, with an 8-0 vote, the BCTDA appointed Jim Muth as Chair, Gary Froeba as Vice Chair, and Chip Craig as Treasurer of the board, effective July 1, 2017.
- In his BCTDA Finance Committee report, Mr. Ellis said the committee has completed a comprehensive review of the expenditures included in the proposed FY 2017-18 budget that is being presented by the staff and agency today.
- Ms. Brown presented the proposed BCTDA FY 2017-18 Operating, TPDF Admin, and Earned Income budgets and answered all related questions. A program of work overview was presented by Ms. Tambellini, representatives from Peter Mayer, Ms. Pierce and Ms. Kappes. A motion to accept the Finance Committee's recommendation to approve the proposed budget as presented at the June meeting was made and passed with an 8-0 vote.
- An update from Buncombe County Commissioner Joe Belcher was heard.
- Ms. Cramer and Mr. McMurray shared items under Miscellaneous Business.
- Under Comments from the General Public, Andrew Celwyn suggested the BCTDA partner with the City of Asheville to provide funds to support an area pool.
- The meeting adjourned at 11:25 a.m.

Call of BCTDA Meeting to Order

Chair Wilber called the regular meeting of the Buncombe County Tourism Development Authority (BCTDA) to order at 9:04 a.m. and welcomed everyone. She thanked everyone for attending and the visitors in attendance introduced themselves.

Approval of Meeting Minutes

Mr. Karvir made a motion to approve the April 26, 2017 regular meeting minutes as presented. Mr. Ellis seconded the motion. There was no discussion and with all in favor, the motion carried 8-0.

The minutes are on file with the Asheville Convention & Visitors Bureau.

Financial Reports

April 2017 Financial Reports

Ms. Durrett reviewed the April financial reports. Occupancy tax revenue received in April for March sales totaled \$1,070,359. April expenditures totaled \$595,493. YTD revenue exceeded expenditures by \$3,364,339 and includes ten months of expenditures and nine months of revenue. April expenditures for Tourism Administration: \$186,370; Professional Services: \$187,778; General Tourism (excludes media buys): \$139,877; Net Media: \$10,216; Motorcoach Sales: \$2,960; Meetings and Conventions: \$32,204; Convention Services: \$952; Marketing/Public Relations: \$32,292; International: \$0;

Public Affairs: \$344; Event Grants Program: \$2,500. There is currently \$2,562,714 in undedicated dollars in the Tourism Product Development Fund (TPDF).

Revenue Summary: March operating (75%) collections equaled \$1,070,359, and TPDF (25%) collections totaled \$356,786.

Ms. Durrett then reported on the number of properties delinquent on submitting occupancy tax reports and payments.

Mr. Luckett made a motion to approve the April 2017 financial reports as presented. Mr. Craig seconded the motion. There was no discussion and with all in favor, the motion carried 8-0.

Ms. Durrett said the Buncombe County Finance Department (BCF) is currently testing an occupancy tax online payment portal, which should be rolling out in June and be ready to receive remittances due July 20, 2017. She added BCF will absorb the costs associated with occupancy taxes being remitted by electronic check, however, properties will pay the fees if remitting via credit card. Ms. Durrett said she believes Buncombe County will be the first county in North Carolina to offer online occupancy tax payments. This news was well-received by the hoteliers in the room and Ms. Durrett answered all related questions.

The financial reports are on file with the Asheville Convention & Visitors Bureau.

Penalty Waiver Requests

Days Inn Candler

Ms. Brown said the BCTDA has two penalty waivers to consider today, as the requests do not meet the criteria outlined by the board for her, as executive director, to review and decide upon since one is over the \$500 threshold and the other is not a first-time late offense. The BCTDA previously authorized Ms. Brown to approve or deny requests when they meet both of those conditions. It was noted that one request was received that does meet that criteria, from Days Inn Candler, in the amount of \$271.35. The property's request letter stated the payment was mailed on February 14, however, was not postmarked until March 1, and indicated it was a postal error. This was the property's first offense dating back to 2011 and Ms. Brown approved this request to be passed on to the Buncombe County Commission for further and final consideration.

The Mountaineer Inn

Ms. Durrett said the Mountaineer Inn has requested a penalty waiver in the amount of \$384.40. She said the request letter sent from Crawley, Lee & Company indicated the reason for the late remittance was due to the timing and confusion of changing accounting firms. Ms. Durrett noted that in the past five years, the Mountaineer Inn has been late on seven occasions, with the last occurrence being in 2015. No one was present from the property or accounting firm to answer questions related to this request.

Mr. McKibbon made a motion to deny the penalty waiver request from the Mountaineer Inn. Mr. Karvir seconded the motion. There was no discussion and with all in favor, the motion carried 8-0.

The CVB will notify the property of the board's decision.

The Princess Anne Hotel

Samantha Fann, general manager of The Princess Anne Hotel, was present to request a penalty waiver on behalf of Operations Manager Elizabeth Ross, who resides out of state and is responsible for submitting occupancy tax payments. Ms. Fann explained that Ms. Ross handed her son, who likes to help with the mail, the remittance envelope to give to the mail carrier. She later found that the envelope was placed in the mailbox instead of being handed to the carrier and, since it was after 5:00 p.m., could not be mailed until the next day. The envelope was postmarked one day late. She apologized for the tardiness and said this is the first time they have been delinquent, and assured the board that it would not happen again.

Ms. Durrett said the new property owners registered in January 2017 and the other four monthly remittances submitted to date have been received on time.

Mr. McKibbon made a motion to approve The Princess Anne Hotel's penalty waiver request in the amount of \$547.54. Mr. Craig seconded the motion. There was no discussion and with all in favor, the motion carried 8-0.

Ms. Brown said staff will forward the requests from The Princess Anne Hotel and Days Inn Candler to the Buncombe County Commission for further and final consideration. Mr. Craig requested to make it a standard practice that the board be informed of the Commission's decision at future meetings. Mr. McKibbon added that once the county begins accepting online payments, these requests will be reduced.

Documents relevant to the penalty waiver requests are on file with the Asheville Convention & Visitors Bureau.

Budget Resolution

Ms. Brown reviewed the budget resolution and supporting documentation provided in the board books that outlined recent uses of contingency dollars to be moved to specific budget line items. She explained expenditures were needed for a SoCon Elected Officials Reception, the set-up of new payroll and IT systems, and a transfer to the CVB staff line to meet year-end obligations for salaries.

Mr. Craig made a motion to approve the budget resolution in the amount of \$29,600 as presented, and the transfer of \$1,880 to fund the SoCon elected officials' reception within the General Tourism category. Mr. Lockett seconded the motion. There was no discussion and with all in favor, the motion carried 8-0.

The budget resolution will be executed by Chair Wilber and kept on file with Buncombe County Finance and the Asheville Convention & Visitors Bureau.

Executive Director Report

April CVB Staff Recap

Ms. Brown reviewed highlights from the April Staff Recap. She commended Mr. Cox and Ms. Reiff for their efforts in managing the processes to establish the CVB as an independent organization and relocate to new office space, including setting up employee files, switching to a new payroll system, and completing the benefits enrollment process. Ms. Brown gave an overview of items related to the upcoming

move, including computer equipment reassignment, and the transfer of email and data. She said this will happen in advance of the move so that if there are delays with the building which is currently under major renovation, staff will be able to work from anywhere via the new Explore Asheville cloud-based system. She said the upfit of the building is moving along and staff is now focusing on end-of-fiscal year goals and evaluations. She also thanked Ms. Tambellini, Ms. Pierce and Ms. Kappes for their hard work during this very busy transitional time.

The April Recap is on file with the Asheville Convention & Visitors Bureau and is posted on AshevilleCVB.com.

April Visitor Index

Ms. Brown briefly reviewed select numbers from the April Visitor Index and answered all related questions. She added that a new research manager position is included in next year's proposed budget and once that person is on board, staff will provide a more detailed comparative set. A brief discussion took place centering on increases and decreases of sales by property type with Chair Wilber stating she looks forward to better understanding the current trends and the impact they have on the industry.

The April Index is on file with the Asheville Convention & Visitors Bureau and is posted on AshevilleCVB.com.

April CVB Quick List

The April Quick List provides the most up-to-date perspective on hotel metrics and was provided in the board books.

Chair Wilber thanked Ms. Brown for her report and the CVB staff for their efforts.

Asheville & Buncombe County Sports Tourism Market Analysis

Hill Carrow, Chief Executive Officer of Sports & Properties, Inc., extended his gratitude to Demp Bradford and the board of the Asheville Buncombe Regional Sports Commission (ABRSC) and Ms. Brown and the BCTDA for contracting with him to complete the Asheville and Buncombe County Sports Tourism Market Analysis. He shared an executive summary and PowerPoint presentation highlighting the main points of the report, which provided recommendations for strategically growing sports tourism in the region, especially in the lower occupancy months of January through March. Mr. Carrow noted that in the United States, the sports tourism market grew 10 percent in 2016 and Asheville and Buncombe County have been involved in sports tourism for over 90 years.

Mr. Carrow shared the action plan in three segments of Near Term (event recruitment), Mid-Term (facility improvements) and Longer Term (venue development). During and after the discussion, he answered questions related to his recommendations of needed improvements to the U.S. Cellular Center, Memorial Stadium, the JBL Soccer Complex expansion and UNC Asheville track, along with the future recommendations to add an aquatic center, fieldhouse, indoor track and cross-country course. Following a discussion on how 25-yard and 50-meter pools differ and are used in varying levels of swim competitions, Commissioner Belcher suggested visiting the aquatic center in Kingsport to see an example of a well-run swim facility.

Mr. Carrow stressed the importance of maintaining venues at a high-level to draw and maintain sports tourism. He then continued his presentation by recommending the development of a sports authority and establishing a building fund dedicated to supporting sports tourism venues, and gave examples of how these initiatives have been successful in other cities. He answered all related questions and said additional information can be found in the full analysis report. In response to Mr. McKibbon's question regarding the CVB's efforts related to this topic, Ms. Brown said there is a suite of collateral and information on the website specific to attracting the sports market and Senior Sales Manager Tina Porter heads the recruitment efforts. The facilities inventory that is part of this report has been needed for some time and staff will work with the ABRSC to identify the best opportunities for the business needs of the destination.

Chair Wilber thanked Mr. Carrow for the report.

The PowerPoint presentation, report and executive summary are on file with the Asheville Convention & Visitors Bureau.

Nominating Committee Report

Chair Wilber said her two-year term as board chair is coming to an end on June 30 and it is necessary to nominate new officers for the BCTDA. She thanked Mr. Ellis and Ms. Ashburn for serving on the BCTDA Nominating Committee.

On behalf of the Nominating Committee, Mr. Ellis presented the following nominations effective for a one-year term beginning July 1, 2017:

BCTDA Chair: Jim Muth
BCTDA Vice Chair: Gary Froeba
BCTDA Treasurer: Chip Craig

Mr. McKibbon made a motion to approve the nominations as presented. Mr. Karvir and Mr. Luckett simultaneously seconded the motion. There was no discussion and with all in favor, the motion carried 8-0.

BCTDA Proposed FY 2017-18 Budget

Finance Committee Report

Mr. Ellis said the proposed FY 2017-18 budget is being presented today for review and to receive input and the actual adoption will take place at next month's meeting once both the appropriate waiting period and public budget hearing have taken place. He said development of the budget has been more involved this year due to establishing the CVB as an independent organization and he thanked committee members Chip Craig and John Luckett, and Chair Wilber and Vice Chairman Muth, for their collaborative input during the review process. He also commended CVB staff members for their diligence and detail in the budget preparation, and the members of the Fiduciary Task Force for their work in creating the policies and decisions that have an impact on the operating budget. Mr. Ellis said at the Annual Planning Retreat in March, the business objective was set at a five percent increase in revenue, and staff developed the operating budget based on that directive. The committee met twice to review the budget expenditures and included in it are outcomes and recommendations gleaned at the March retreat, those made by the Fiduciary Task Force related to the transition, and the BCTDA's responsibilities as outlined in the BCTDA/Chamber MOU, all keeping within legislative

mandates. Mr. Ellis said there are three budgets being presented today: the Operating budget, the TPDF Admin budget, and the Earned Income budget.

Chair Wilber thanked Mr. Ellis and the members of the Finance Committee for their efforts during the budget planning process.

BCTDA Proposed FY 2017-18 Budget Presentation

Ms. Brown asked the BCTDA to turn to the budget documentation provided in the board books and in advance of the meeting. She said she will begin by giving a general overview of the budget and then CVB staff and Peter Mayer agency representatives will provide detail regarding the main program of work areas.

Ms. Brown reviewed the FY 2017-18 budget notes, which outlined the steps staff followed to reach a revenue amount from which to build the budget. She reiterated that the March BCTDA meeting, the board established the five percent business objective, which is the percentage of increase in revenue that the budget was to be predicated upon. This directive led staff to estimate an operating budget of \$16,170,721 after calculating additional fund balance requirements and other variables; using the assumption that revenue for the rest of this fiscal year will come in at 10 percent over prior year actuals.

Ms. Brown then reviewed details and changes related to staffing, salaries, benefits, rent, IT, the Chamber MOU, and legal and contingency lines. She noted that a new research manager position is included in the budget, however, with the organizational changes taking place, two shared visitor services staff members will remain with the Chamber, and the CVB staff will net a one-half FTE increase.

Ms. Brown answered all questions related to the budget and turned it over to Ms. Tambellini and the Peter Mayer agency.

Marketing Strategies

Ms. Tambellini, Mr. Crane and Mr. Braud shared a PowerPoint presentation highlighting marketing and advertising strategies planned in FY 2017-18. Ms. Tambellini began by providing an overview of changes in the marketing budget, noting advertising and paid content will see a slight increase over last year's budget, and ad production and web development will have significant increases, as developing new broadcast creative is planned to be shot next spring and two significant contracts are in place to increase SEO and goal conversion on the website.

Mr. Crane and Mr. Braud continued the presentation, reviewing campaign strategies and tactics related to the \$8.8 million net advertising budget, for which the agency is responsible. The plan should generate 406 million total impressions. They shared market-by-market advertising and messaging approaches followed by strategies for addressable television, integrated partnerships, broadcast sponsorships, and print ad placements. Next, Mr. Crane and Mr. Braud shared how insights gleaned from the Buxton research helped direct broadcast, radio, and digital placements. They finished by reviewing wedding and Black Mountain advertising efforts and shared the media flowchart.

Ms. Tambellini concluded the presentation by reviewing the FY 2017-18 plans for PR, content and social strategies. Tactics include media tours, content additions, web highlights and new marketing tools, such as a photo archive and curation platform and using the TrendKite PR Optimization dashboard. She answered all related questions and then turned it over to Ms. Pierce to share strategies related to Group Sales and Services.

Group Sales & Services Strategies

Ms. Pierce said the ongoing advertising and PR efforts that were just shared to draw leisure visitors to the Asheville area simultaneously attract group business. She shared a PowerPoint presentation focusing on the Group Sales & Services team's FY 2017-18 areas of focus related to client connections, inbound FAMs, the SoCon sponsorship, and trade events associated with national, regional, state, motorcoach and international audiences.

Ms. Pierce said projects funded by the TPDF also help group business, and staff looks forward to booking sports groups at the Enka ballfields and Montreat facilities. She then asked everyone to turn in their board books to the document highlighting the economic impact of SoCon, completed internally using DMAI's Event Calculator Tool developed by Tourism Economics. The CVB staff began using the Calculator this year and is pleased to be able to accurately determine the economic impact of local events. She said direct spending related to SoCon was more than \$4.2 million, and the weekend had a total business spend of nearly \$7 million.

Ms. Pierce then reviewed high-profile sponsorship "brand boosters," media placements, and the sales team's incentive program and collateral. She announced that in a recent ad study by SIGNET, out of 43 ads reviewed, Asheville's "Have More Fun On Us" print ad was rated #1 as the most effective from the February 2017 issue of Successful Meetings magazine.

Ms. Pierce answered all questions during and after the presentation.

Public Affairs Programs

Ms. Kappes shared an overview of the goals and strategies of the Public Affairs department. She reviewed communications channels, monthly events, headliner events, and CVB efforts related to community relations.

Ms. Kappes then reviewed the proposed TPDF Administrative Budget that supports the TPDF project funding cycle process and wayfinding program and answered all related questions.

Proposed Budget Detail and Ordinance

Ms. Brown said the three proposed budgets and the ordinance that will need to be approved in June to enact them are included in the board books. She concluded the budget presentation, answered all related questions, and asked the board to consider accepting the recommendation of the BCTDA's Finance Committee to approve the budgets next month.

Mr. Ellis made a motion that the BCTDA accept the proposed Operating (\$16,170,721), TPDF Admin (\$181,950), and Earned Income (\$115,000) budgets as presented for final approval at the June 28, 2017 meeting. Mr. Karvir seconded the motion. There was no discussion and with all in favor, the motion carried 8-0.

Chair Wilber thanked everyone for their work in developing the budgets and for today's detailed presentation.

The PowerPoint presentations and budget documents are on file with the Asheville Convention & Visitors Bureau.

Asheville City Council Update

Councilmember Mayfield was not in attendance at this meeting, therefore, an Asheville City Council update was not provided.

Buncombe County Commission Update

Commissioner Belcher reported on county-related business, including the recent announcement of County Manager Wanda Greene's retirement, tax collections and appeals, and the upcoming budget approval on June 6. He concluded his update by thanking the BCTDA for its ongoing consideration of the Town of Woodfin's Greenway and Blueway project via the TPDF Major Works Pathway tool.

Chair Wilber thanked Commissioner Belcher for the report.

Miscellaneous Business

Ms. Cramer said she hopes everyone saw the analysis the EDC recently released regarding the economic impact of breweries on the local economy. She was also excited to share the news about last week's announcement of the Riverbend Malt House expansion.

Mr. McMurray thanked the BCTDA and Asheville CVB for including Black Mountain in ongoing promotional efforts to bring more people to the "Little Town that Rocks."

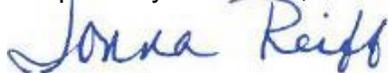
Comments from the General Public

After hearing the earlier discussion regarding aquatic centers during Mr. Carrow's presentation, Andrew Celwyn suggested the BCTDA partner with the City of Asheville and dedicate funds to the pool on Walton Street.

Adjournment

Chair Wilber thanked everyone for attending and the meeting adjourned at 11:25 a.m. The BCTDA will next meet on Wednesday, June 28, 2017, at 10:00 a.m., in the Boardroom of the Asheville Area Chamber of Commerce.

Respectfully submitted,



Jonna Reiff, Executive Operations Manager