

Explore ASHEVILLE

Buncombe County Tourism Development Authority

**Buncombe County Tourism Development Authority,
A Joint Meeting of the Public Authority and Nonprofit Corporation**

Explore Asheville Convention & Visitors Bureau – 27 College Place, Asheville

Board Meeting Minutes
Wednesday, February 26, 2020

- Present (Voting):** Gary Froeba, Chair; Himanshu Karvir, Vice Chair;
Leah Ashburn, Andrew Celwyn, Chip Craig, John McKibbon
- Absent (Voting):** John Lockett, James Poole, Tom Ruff
- Present (Ex-Officio):** Buncombe County Commissioner Joe Belcher
Asheville City Councilwoman Julie Mayfield
- Absent (Ex-Officio):** None
- CVB Staff:** Stephanie Brown, Marla Tambellini, Dianna Pierce, Glenn Cox,
Pat Kappes, Jennifer Kass-Green, Kathi Petersen,
Jonna Sampson, Dodie Stephens, Josh Jones, Sarah Kilgore,
Sarah Lowery, Ritchie Rozzelle, Landis Taylor, Audrey Wells,
Elizabeth White
- BC Finance:** Don Warn, Buncombe County/BCTDA Fiscal Agent
- Advertising Agency:** Cindy Stein, Angie Arner, Ashley Keetle, Emery Morris; 360i
- Guests:** Sabrina Rockoff, McGuire, Wood & Bissette/BCTDA Legal
Counsel
Chris Cavanaugh, Magellan Strategy Group
Kit Cramer, Samantha Cole; Asheville Area Chamber of
Commerce
John Ellis, Past BCTDA Board Member
Jane Anderson, Asheville Independent Restaurant Association
Sharon Tabor, Jon Brooks; Black Mountain-Swannanoa
Chamber of Commerce
Rick Bell, Engadine Inn
Frank Bloom, Pisgah Brewing Company
Bob Michel, Asheville Homestay Network
Roy Harris, Southside Community & National Association of
Black Storytellers
Christy Miller, Christy Miller Consulting
Mark Ritzenthaler, Resident
Jason Sandford, Ashvegas
John Boyle, Asheville Citizen-Times
Brooke Randle, Mountain Xpress

Executive Summary of Meeting Minutes

- Chairman Froeba called the joint meeting of the BCTDA, Public Authority and BCTDA, Nonprofit Corporation, to order at 9:02 a.m.
- Minutes from the January 29, 2020 BCTDA regular monthly meeting were approved with a 6-0 vote.
- The January 2020 financial statements were reviewed and approved with a 6-0 vote.
- A budget ordinance, in the amount of \$1,693,000 to close out four Tourism Product Development Fund project budgets, was approved with a 6-0 vote.
- A transfer of \$1,854,828 from the Undesignated Fund to the Designated Contingency fund was approved with a 6-0 vote.
- In her President's Report, Ms. Brown shared a PowerPoint presentation highlighting recent Explore Asheville CVB and tourism industry metrics and events.
- Ms. Brown shared a PowerPoint presentation highlighting destination performance and industry trends.
- Ms. Pierce, Ms. Tambellini, Ms. Stephens and agency representatives shared presentations outlining learnings gleaned in this fiscal year that will help direct the FY 21 program of work.
- Mr. Craig provided a BCTDA finance committee report and Ms. Brown shared a presentation reviewing variables to consider when establishing next year's revenue objective. In a 6-0 vote, the revenue objective for the FY 21 budget was set at a one percent increase over the current year.
- Updates from Asheville City Councilwoman Julie Mayfield and Buncombe County Commissioner Joe Belcher were provided.
- The joint meeting of the BCTDA, Public Authority and BCTDA, Nonprofit Corporation, adjourned at 12:19 p.m.

Call of the Joint BCTDA Meeting to Order

Chairman Froeba called the joint meeting of the Buncombe County Tourism Development Authority (BCTDA), a Public Authority and BCTDA, a Nonprofit Corporation, to order at 9:02 a.m. and welcomed everyone. The visitors in attendance introduced themselves.

Introduction of Chris Cavanaugh, Magellan Strategy Group

Chairman Froeba welcomed Chris Cavanaugh, president of Magellan Strategy Group, to the meeting. Mr. Cavanaugh briefly shared his background as a consultant, marketing professional and former BCTDA chair, and said he is present to help support the annual planning discussion taking place later in the meeting.

Approval of Meeting Minutes

Mr. McKibbin made a motion to approve the January 29, 2020 regular meeting minutes as presented. Mr. Celwyn seconded the motion. There was no discussion and with all in favor, the motion carried 6-0.

The minutes are on file with the Explore Asheville Convention & Visitors Bureau (CVB).

Financial Reports

January 2020 Financial Statements

Mr. Warn reviewed the January 2020 financial statements. Ms. Brown responded to questions posed by board members related to short-term rentals.

Mr. Craig made a motion to approve the January 2020 financial statements as presented. Ms. Ashburn seconded the motion. Discussion included Councilwoman Mayfield asking for clarification on numbers she previously spoke with Ms. Brown about, and Ms. Brown said the error in the pie chart calculations has been corrected. A vote was taken and with all in favor, the motion carried 6-0.

The January financial statements are on file with the Explore Asheville Convention & Visitors Bureau.

TPDF Completed Projects Budget Ordinance

Ms. Brown presented a budget ordinance to close out the budgets of four Tourism Product Development Fund (TPDF) projects that have been completed and paid in full, totaling \$1,693,000. She said TPDF budgets are established on a project (instead of fiscal) basis since they span multiple years.

The ordinance closes out the following TPDF project budgets:

- City of Asheville/Riverfront Destination Development 2.0 (2015) - \$25,000
- Friends of the Nature Center/WNC Nature Center (2015) - \$313,000
- NC Department of Agriculture/WNC Farmers Market (2016) - \$380,000
- Center for Craft/National Craft Innovation Hub (2018) - \$975,000

Mr. Celwyn made a motion to approve the Product Development Fund Ordinance, in the amount of \$1,693,000, as presented. Mr. Karvir seconded the motion. There was no discussion and with all in favor, the motion carried 6-0.

The ordinance is on file with the Explore Asheville Convention & Visitors Bureau.

Undesignated Fund Balance Transfer

Ms. Brown asked the board to turn to the balance sheet in the January financial statements. She reviewed the different categories listed under Fund Balances, noting that the Unassigned total includes both unspent budgeted dollars for the current fiscal year and any funds that were unspent from the prior fiscal year. She referred to the background document provided and the current Financial Management Policy. Ms. Brown said staff is recommending a transfer of \$1,854,828 from the Undesignated (Unassigned) Fund Balance to the Designated Contingency (Assigned for Management Contingencies) line, noting this would more clearly distinguish operating cash from unbudgeted funds.

A brief conversation centering on this request took place with Ms. Brown answering all related questions. Mr. Karvir recommended changing the names of the fund balance lines in the financial statements to match the terminology found in the financial management policy.

Mr. Craig made a motion to approve transferring \$1,854,828 from the Undesignated fund to the Designated Contingency fund as presented. Mr. Karvir seconded the motion. Discussion included Councilwoman Mayfield asking Mr. Warn to consider adding the words “cash flow” next to the Unassigned line in the balance sheet, to which he responded affirmatively. A vote was taken and with all in favor, the motion carried 6-0.

Chairman Froeba will signed the transfer request and the document will be kept on file with the Explore Asheville Convention & Visitors Bureau.

President’s Report

Ms. Brown explained that the reason for today’s extended board meeting is because it was previously decided, in cooperation with Chairman Froeba, that instead of having the customary full-day annual planning retreat, staff would present next year’s program of work recommendations in a series of three-hour monthly meetings, saving time for everyone in the long run. She provided an overview of what will be presented today and in the coming months, culminating with the proposed FY 21 budget being presented for consideration at the April 29, 2020 meeting.

Ms. Brown shared a PowerPoint presentation highlighting recent Explore Asheville and industry news and events, including: the opening of the LEAF Global Arts Center, record attendance at the WNC Nature Center (both TPDF projects), the BCTDA’s Festival & Cultural Events Fund supporting \$582,800 in local events over the past three years, the hosting of a Love Local business resource fair, local media and outreach efforts, a staff service day, and partner news.

Next, Ms. Brown shared slides about the process staff is undergoing to become reaccredited via the Destination Management Accreditation Program (DMAP) through Destinations International. She reviewed the categories under which the 92 rigorous required standards fall and said Jonna Sampson is working with the CVB team to submit the online application by the March 31 deadline.

Ms. Brown said one of the DMAP standards requires Explore Asheville to agree to abide by the DMAP Code of Ethics. Ms. Brown shared the document that Chairman Froeba has reviewed and signed and read the Code of Ethics to the board. Ms. Brown said the signed document will be submitted with the completed application.

Ms. Brown concluded her presentation by sharing some quick facts about visitor spending in Buncombe County compared to other counties in the state and answered all related questions.

The PowerPoint presentation is on file with the Explore Asheville Convention & Visitors Bureau.

Destination Dashboard, Quick List & CVB Staff Recap

CVB Staff Recaps, Destination Dashboards, Quick Lists, financial statements, board meeting minutes, agendas, and relevant research reports can be found on ExploreAshevilleCVB.com.

Chairman Froeba thanked Ms. Brown for the report. The PowerPoint presentation and the signed DMAP Code of Ethics are on file with the Explore Asheville Convention & Visitors Bureau.

Destination Performance Overview

As a resource to help with understanding current and historical industry trends as the board prepares to make budget-related decisions over the next few months, Ms. Brown provided notebooks that included budget information, statistical reports, and other documents to board members.

Ms. Brown then shared a PowerPoint presentation highlighting historical, current and forecasted trends related to destination performance. During and after the presentation, Ms. Brown answered all related questions. A discussion took place centering on the dynamics of the trends presented, with board members and Mr. Cavanaugh sharing their insights from both business- and community-minded perspectives.

The PowerPoint presentation is on file with the Explore Asheville Convention & Visitors Bureau.

Setting the Stage for FY 21

Group Sales: Insights & Analyses

Ms. Pierce shared a PowerPoint presentation highlighting metrics and insights gleaned in the current fiscal year, including results from sales and meeting planner-oriented research, that will help direct program of work and budget planning for FY 21. She then reviewed areas of focus for the next fiscal year that centered on strategies, clients, technology and data, and the brand refresh project.

During and after the presentation, Ms. Pierce answered all related questions.

The PowerPoint presentation is on file with the Explore Asheville Convention & Visitors Bureau.

Marketing: Insights & Analyses

Ms. Tambellini introduced Angie Arner, Cindy Stein and Ashley Keetle with 360i, the BCTDA's agency of record. She said they will present learnings and insights that will be incorporated into the advertising strategies to be presented at next month's meeting.

Ms. Arner, Ms. Keetle and Ms. Stein shared a PowerPoint presentation that provided data on past performance related to audience, markets, media and messaging, which will lay the groundwork for building the advertising program for FY 21.

During and after the presentation, input was received from board members and all questions were answered. A brief discussion took place centering on the agency's flexibility to make quick changes in a year of uncertainty.

Next, Ms. Tambellini shared slides that centered on message personalization and automation, seasonal motivation, content and search, visitor dispersal, and FY 21 program of work initiatives. During the presentation, Ms. Tambellini provided a live demonstration of a new voice search command on Alexa currently in development to find hikes by launching "Asheville Hike Finder," which pulls information from ExploreAsheville.com. She commended Josh Jones, web manager, for his efforts to

develop the Asheville Hike Finder resource and incorporate the voice search feature on Alexa. A round of applause for Mr. Jones and the marketing team was received.

Ms. Stephens shared slides and reviewed PR and media relations metrics, processes involved in creating pitches, responding to journalist inquiries and media visits, and how the team works to find new opportunities by making data-driven decisions.

Ms. Tambellini praised the efforts of Ms. Stephens and Explore Asheville's PR team. She concluded the presentation by reviewing marketing opportunities that are being explored for FY 21 that involve arts and health and wellness audiences.

The PowerPoint presentation is on file with the Explore Asheville Convention & Visitors Bureau.

FY 21 Budget Process

Finance Committee Report

As chairman of the BCTDA finance committee, Mr. Craig said that on February 7, committee members and Chairman Froeba met with Ms. Brown and Ms. Kass-Green to give direction to staff regarding the FY 21 budget. The focus of the meeting was to review variables that affect the operating budget year-over-year and come to a consensus on a revenue objective recommendation to present to the board. Mr. Craig said the committee will meet again to review the proposed budget prior to it being presented to the full BCTDA and invited Ms. Brown to present the committee's revenue objective recommendation along with relevant background information.

Establish FY 21 Revenue Objective

Ms. Brown shared a PowerPoint presentation highlighting several business considerations for the board members to bear in mind as they look to establish the FY 21 revenue objective today, which is the percentage of increase or decrease that next year's budget will be predicated upon. She reviewed the BCTDA's mandate, lodging metrics, supply increases, financial management policy, current media investment, staffing levels, fund balance status, marketing challenges in an election year, and information related to the current year budget.

Ms. Brown said that after considering the variables presented, the finance committee recommends setting the revenue objective at a one percent increase in revenue, assuming the rest of this year meets budget. Ms. Brown said with this directive, the FY 21 base budget would be rounded to \$19.9 million.

Next, Ms. Brown said if the occupancy tax split is changed from the current 75% - 25% to 67% - 33%, funds could be transferred from fund balance to make up any budgetary shortfall.

Ms. Brown shared some additional metrics and said staff is in the process of scoping strategies to present at next month's meeting.

A brief discussion took place centering on this topic with Ms. Brown answering all related questions. When the discussion ended, Chairman Froeba called for action.

Action to Establish Revenue Objective

Mr. Craig made a motion to set the revenue objective for the FY 21 BCTDA operating budget at a one percent increase, establishing a base budget of \$19,900,000, assuming current year revenue meets budget. Mr. Karvir seconded the motion. There was no further discussion and with all in favor, the motion carried 6-0. The CVB staff will develop the budget based on this directive.

The PowerPoint presentation is on file with the Explore Asheville Convention & Visitors Bureau.

Asheville City Council Update

Councilwoman Mayfield stated the documentation from the Urban Land Institute's recent presentation and recommendations related to the hotel moratorium can be found on the City of Asheville's website. Ms. Brown complimented the planning staff on compiling the data.

Chairman Froeba thanked Councilwoman Mayfield for the update.

Buncombe County Commission Update

Commissioner Belcher reported on county-related business, including paying tribute to Commissioner Mike Fryar, whom he called "a champion for fiscal responsibility and the poorest in our community," who passed away recently. He noted Anthony Penland will be appointed to complete Commissioner Fryar's term until the general election in November.

Commissioner Belcher reported on the commission's recent approval to fund the completion of the Enka connector bridge that will significantly benefit the area. He thanked the BCTDA for its early support of the Bob Lewis Ballpark through the Tourism Product Development Fund.

Chairman Froeba thanked Commissioner Belcher for the report.

Miscellaneous Business

Chairman Froeba wished Mr. Craig well as he participates in the upcoming Mt. Mitchell Challenge.

Comments from the General Public

Sharon Tabor encouraged everyone to remind their employees to complete the Census form online so that door-to-door canvassing can be minimized.

Mr. Roy Harris spoke about how his position with the National Association of Black Storytellers will have him traveling to different cities over the next four years. He said he has a new appreciation for travel since he began interacting with Explore Asheville and the BCTDA and applauds the efforts of this board as being valuable to the community.

Adjournment

Chairman Froeba adjourned the meeting at 12:19 p.m. The BCTDA will next meet on Thursday, April 2, 2020, at 9:00 a.m.

Respectfully submitted,



Jonna Sampson, Executive Operations Manager