

# Explore ASHEVILLE

Buncombe County Tourism Development Authority

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

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

**Board Meeting Minutes**  
Wednesday, May 29, 2019

- Present (Voting):** Jim Muth, Chair; Gary Froeba, Vice Chair; Leah Ashburn, Andrew Celwyn, Chip Craig, Himanshu Karvir, John McKibbon, Tom Ruff
- Absent (Voting):** John Lockett
- Present (Ex-Officio):** Asheville City Councilwoman Julie Mayfield  
Buncombe County Commissioner Joe Belcher
- Absent (Ex-Officio):** None
- CVB Staff:** Stephanie Brown, Marla Tambellini, Dianna Pierce, Glenn Cox, Jennifer Kass-Green, Pat Kappes, Jonna Sampson
- BC Finance:** Don Warn, Autumn Lyvers
- Advertising Agency:** No one was in attendance from 360i
- Guests:** Richard Kort, McGuire, Wood & Bissette/BCTDA Legal Counsel  
Chris Kessler, Kasey Harris; CliftonLarsonAllen, LLP  
Ron Storto, Biltmore Farms/Former BCTDA Chair  
Demp Bradford, Asheville-Buncombe Regional Sports Commission  
Bob McMurray, Black Mountain - Swannanoa Chamber of Commerce  
John Ellis, BCTDA Finance Committee  
Chris Corl, US Cellular Center  
Joey Robison, City of Asheville  
John Beatty, NC Restaurant & Lodging Association  
Jason Sandford, Ashvegas  
Virginia Daffron, Hannah Massen; Mountain Xpress  
Holden Mesk, Sunshine Request  
Steffi Rausch, Citizens Climate Lobby  
Don Nicholson, Nicholson & Sun, LLC  
Susan Russo-Klein, Roberts & Stevens  
Kim Roney, Asheville Resident

## **Executive Summary of Meeting Minutes**

- Chairman Muth called the joint meeting of the BCTDA, Public Authority and BCTDA, Nonprofit Corporation, to order at 9:05 a.m.
- Minutes from the April 24, 2019 BCTDA regular meeting were approved with an 8-0 vote.
- The April 2019 financial statements were approved with an 8-0 vote.
- The final June 2018 financial statements were approved with an 8-0 vote.
- Christopher Kessler, with CliftonLarsonAllen LLP, presented the BCTDA's FY 2017-18 audit, in which a 'clean and unmodified opinion' was rendered. In an 8-0 vote, the audit was accepted and placed on file.
- In her President's Report, Ms. Brown briefly reviewed recent Explore Asheville and industry metrics and activities and provided an update on the Tourism Management and Investment Plan.
- On behalf of the nominating committee, Chairman Muth presented a slate of officer nominations, which was accepted with an 8-0 vote. The BCTDA appointed Gary Froeba as Chair, Himanshu Karvir, as Vice Chair, and Chip Craig as Treasurer of the board for one-year terms, effective July 1, 2019.
- A draft signature policy was presented to the board and tabled until a future BCTDA meeting.
- In his BCTDA Finance Committee report, Mr. Craig said the committee has completed a comprehensive review of the expenditures included in the proposed FY 2019-20 budget that is being presented.
- Ms. Brown presented the proposed BCTDA FY 2019-20 Operating (\$19,358,035), TPDF Admin (\$504,950), and Earned Income (\$175,000) budgets and answered all related questions.
- A public hearing to receive input on the proposed FY 2019-20 budget was held.
- A motion to accept the proposed FY 2019-20 budget ordinance as presented, and announce the public hearing at the June 26 meeting, was approved with an 8-0 vote.
- Ms. Brown shared a PowerPoint presentation outlining elements of the recently launched Community Engagement Campaign.
- Under Comments from the General Public, Steffi Rausch and Don Nicholson encouraged board members to support the Energy Innovation Carbon Dividend Act.
- Under Miscellaneous Business, Demp Bradford provided a brief update on the Asheville Buncombe Regional Sports Commission's recent and upcoming activities and initiatives.
- Updates from Buncombe County Commissioner Joe Belcher and Asheville City Councilwoman Julie Mayfield were heard.
- The joint meeting of the BCTDA, Public Authority and BCTDA, Nonprofit Corporation, adjourned at 10:44 a.m.

## **Call of the Joint BCTDA Meeting to Order**

Chairman Muth called the joint meeting of the Buncombe County Tourism Development Authority (BCTDA), a Public Authority and BCTDA, a Nonprofit Corporation, to order at 9:05 a.m. and welcomed everyone.

## **Approval of Meeting Minutes**

Ms. Ashburn made a motion to approve the April 24, 2019 regular meeting minutes as presented. Mr. Karvir seconded the motion. There was no discussion and with all in favor, the motion carried 8-0.

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

## **Financial Reports**

### **April 2019 Financial Statements**

Ms. Lyvers reviewed the April 2019 financial statements and answered all related questions.

Mr. Craig made a motion to approve the April 2019 financial statements as presented. Mr. Celwyn seconded the motion. There was no discussion and with all in favor, the motion carried 8-0.

### **Final June 2018 Financial Statements**

Ms. Lyvers reviewed the final June 2018 financial statements and answered all related questions. These financial statements are being presented in conjunction with the FY 2017-18 audit.

Mr. McKibbin made a motion to approve the final June 2018 financial statements as presented. Ms. Ashburn seconded the motion. There was no discussion and with all in favor, the motion carried 8-0.

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

### **FY 2017-18 Audit Presentation**

Christopher Kessler, Principal, State and Local Government, with the accounting firm of Clifton Larson Allen LLP, introduced himself, along with Kasey Harris, Manager, State and Local Government, who managed the BCTDA's FY 2017-18 audit process. Mr. Kessler said Ms. Lyvers presented the year-end figures from the final June 2018 statements, and he would walk everyone through the audit process. He referred to the documents provided in advance of the meeting and shared a PowerPoint presentation highlighting the steps followed to complete the audit. Those steps included: services performed, reports and deliverables, auditors' required communications, an audit approach summary, and a Governmental Accounting Standards Board update on emerging issues.

Mr. Kessler said he was pleased to report that the audit result rendered a 'clean and unmodified opinion' on the FY 2017-18 financial statements, and the BCTDA's significant accounting policies are in accordance with generally accepted accounting principles and consistent with industry practices and standards. The Auditors' Required Communications stated:

- Scope of audit proceeded as planned.
- Financial statement disclosures are neutral, consistent, and clear.
- There were no uncorrected misstatements.

- There were no corrected misstatements.
- No difficulties encountered in performing the audit.
- No disagreements with management.
- Management did not consult with other accountants on the application of GAAP or GASB Statements.
- No major issues were discussed with management prior to CliftonLarsenAllen being selected as the auditors.
- No audit findings were reported.

Mr. Kessler shared some new regulations that will affect the financial statements beginning in 2021, requiring all leases and service contracts that used to be recorded as an expense will be required to be listed as a liability for the entire committed term. He then answered all related questions.

Mr. Craig made a motion to accept the BCTDA's FY 2017-18 audit as presented and place it on file. Ms. Ashburn seconded the motion. There was no further discussion and with all in favor, the motion carried 8-0.

The PowerPoint presentation and audit documents are on file with the Explore Asheville Convention & Visitors Bureau.

### **President's Report**

#### **Tourism Management & Investment Plan**

Ms. Brown shared an update on the Tourism Management & Investment Plan (TMIP). She said the steering committee will meet today and the first Community Leadership Council meeting is scheduled on June 12. Ms. Brown noted anyone interested in learning more about the plan can visit [ExploreAshevilleCVB.com/tmip](http://ExploreAshevilleCVB.com/tmip) to download documents, review updates, and to sign up to be notified about upcoming meetings.

#### **CVB Staff Recap, Destination Dashboard & Quick List**

Ms. Brown briefly reviewed select metrics from the Staff Recap and Destination Dashboard and answered all related questions.

The CVB Staff Recap, Destination Dashboard, Quick List, financial statements, board meeting minutes, agendas, and relevant research reports can be found on [ExploreAshevilleCVB.com](http://ExploreAshevilleCVB.com).

### **BCTDA Nominating Committee**

On behalf of the nominating committee, Chairman Muth presented the following nominations, effective for a one-year term beginning July 1, 2019:

BCTDA Chair: Gary Froeba  
BCTDA Vice Chair: Himanshu Karvir  
BCTDA Treasurer: Chip Craig

Chairman Muth offered to accept questions or comments, to which Mr. Celwyn indicated he is supportive of the nominations.

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

### **Signature Authority Policy**

Attorney Richard Kort said he has been working with Ms. Brown and Mr. Warn to further develop best practices and policies for the Buncombe County Tourism Development Authority. He presented the Contract, Signature and Procurement Card Policy that he has drafted and apologized for not providing the document to the board in advance of the meeting. Mr. Kort reviewed each section of the proposed policy, noting this is a good starting point for discussion and can be modified.

Board members reviewed the draft policy and an open discussion centering on contracts, purchase orders, signature authority and procurement cards took place. Feedback was received by board members and when the discussion ended, Ms. Brown said the policy will be further refined and presented to the board at a future meeting.

Mr. Celwyn suggested a provision related to officers or board members receiving nominal gifts under a certain dollar amount be included in the revised version.

### **Buncombe County Commission Update**

Commissioner Belcher said he needs to leave the meeting early due to a conflict and requested to move his report up on the agenda. He said lights for the Bob Lewis Ballpark will be completed in July, and that Buncombe County is looking at a flat budget, which will include significant investments in affordable housing and preschool.

Chairman Muth thanked Commissioner Belcher for the update.

### **Proposed BCTDA FY 2019-20 Budget**

#### **BCTDA Finance Committee Report**

Mr. Craig said the BCTDA's finance committee met on May 10 to review the BCTDA's proposed FY 2019-20 budget. He said Chairman Muth and committee members reviewed the detailed budget along with a narrative explanation, the proposed operating budget in the new Workday hierarchy format, the proposed TPDF Admin budget, and the proposed Earned Revenue Budget. Mr. Craig said the proposed FY 2019-20 budget ordinance, which is the document to be presented to approve the three budgets, was also reviewed. He noted all board members were invited to attend budget work sessions to on May 15 and 16. Mr. Craig said the budget documents being presented today are in alignment with BCTDA's direction given to staff at the annual planning retreat and in previous monthly meetings. He invited Ms. Brown to present the proposed budget to the board for consideration.

#### **BCTDA Proposed FY 2019-20 Proposed 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 shared a PowerPoint presentation highlighting the components of the proposed FY 2019-20 budget, seven budget objectives, the revenue estimate, the established business objective, and Fund Balance totals. Ms. Brown said the proposed operating budget totals \$19,358,035, which

included a slight modification from what was originally presented due to an adjustment made to estimated revenue.

Next, Ms. Brown reviewed slides related to major initiatives that are included in the budget. She then shared the TPDF Admin budget in the amount of \$504,950, and Earned Revenue budget, in the amount of \$175,000. During and after the presentation, Ms. Brown answered all related questions.

Mr. Craig noted the budget ordinance was posted on ExploreAshevilleCVB.com on May 10 for inspection.

### Public Hearing – Proposed BCTDA FY 2019-20 Budget

At 10:14 a.m., Chairman Muth opened the public hearing to receive questions or input related to next year's budget. There were no comments made and Chairman Muth closed the hearing.

Mr. Craig said a second public hearing will be held at the June 26 meeting prior to the budget ordinance being presented for approval. A legal notice will be posted in the Asheville Citizen-Times.

### Action

On behalf of the finance committee, Mr. Craig made a motion that the board accept the proposed BCTDA FY 2019-20 budget ordinance as presented, and provide it for public comment, including a public hearing during the BCTDA board meeting on June 26, prior to final adoption on that date. Mr. Karvir seconded the motion. There was no discussion and with all in favor, the motion carried 8-0.

The PowerPoint presentation, proposed budgets, ordinance, and all related documents are on file with the Explore Asheville Convention & Visitors Bureau.

### Community Engagement Campaign

Ms. Brown shared a PowerPoint presentation highlighting the media plan and placements included in the community engagement campaign that is currently underway. She said the CVB partnered with local media outlets for the campaign, and she shared a Tourism Builds Community video that was presented at the Tourism Week Summit. Ms. Brown reviewed partnerships with local media sites, a radio commercial, examples of digital ads, and articles/editorial pieces that ran in the Mountain Xpress and the Asheville Citizen-Times, and initiatives with iHeart Radio and Blue Ridge Radio.

Ms. Tambellini said she is pleased with how everything came together on this effort, and dollars are included in next year's budget to continue the campaign.

Chairman Muth commended Ms. Brown and Ms. Tambellini on the campaign. The PowerPoint presentation is on file with the Explore Asheville Convention & Visitors Bureau.

## **Comments from the General Public**

Steffi Rausch, with the Citizens Climate Lobby, passed around handouts explaining the Energy Innovation Carbon Dividend Act. She referenced increasing climate events such as drought and flooding and said relief funding is needed. Ms. Rausch spoke about support that has been received thus far and asked board members to endorse the Act.

Don Nicholson, a local zero carbon builder and professor of physics at UNC Asheville, spoke about costs associated with climate change and said it's imperative for individuals and organizations to act as soon as possible to put a price on carbon. He echoed Ms. Rausch's request for board members to endorse the Act.

Chairman Muth thanked Ms. Rausch and Mr. Nicholson for their comments.

## **Miscellaneous Business**

Demp Bradford thanked the BCTDA board and the CVB staff for their continued support of the Asheville Buncombe Regional Sports Commission. He provided a brief update on the tremendous success of Haute Route, which had 319 registered cyclists from around the world. Mr. Bradford also encouraged board members to watch for a press release announcing the Grand Fondo, owned by Haute Route, will be moving the national championship to Asheville next year. He added Southern Conference Commissioner John Iamarino will retire at end of June.

## **Asheville City Council Update**

Councilwoman Mayfield asked board members if they had any city-related questions or comments, to which Mr. McKibbin said he is very impressed with new City Manager Debra Campbell.

US Cellular Center General Manager Chris Corl said at its meeting last night, Asheville City Council approved the bid for Harrah's Cherokee Casino to secure naming rights for the facility effective January 1, and the new name will be Harrah's Cherokee Center Asheville. He noted the ExploreAsheville.com Arena name will not be changed.

Ms. Brown said it's good to note that the BCTDA has naming rights on the arena as a result of investing nearly \$6 million in Tourism Product Development Fund grant awards.

In response to Councilwoman Mayfield's request to publicly share the reason the BCTDA did not submit a bid for naming rights, Ms. Brown said doing so would fall outside of the legislative mandate directing how occupancy tax dollars are spent.

West Asheville resident Kim Roney spoke and said she is encouraged after hearing more about TMIP and would like to see an expansion of the public transit system, which would connect employees to hospitality employers, included in ongoing discussions. Ms. Brown said Rich Lee is representing the Multi-Modal Transit Committee on the Community Leadership Council and will bring this topic to the conversations.

Councilwoman Mayfield said the City and County are both in their respective budget processes, and a significant new investment in transit will add 20,000 hours to the current program. She echoed Ms. Roney's desire to include funding for transit in the TMIP.

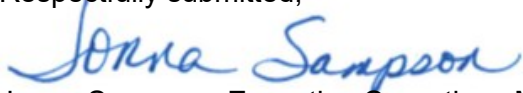
Councilwoman Mayfield concluded her report by stating City Manager Debra Campbell is starting a conversation about putting framework around hotel approvals in the downtown area, and she will keep the BCTDA updated on the process.

Chairman Muth thanked Councilwoman Mayfield for the update.

**Adjournment**

Chairman Muth thanked everyone for attending and adjourned the meeting at 10:44 a.m. The BCTDA will next meet on Wednesday, June 26, 2019, at 9:00 a.m., in the Board Room of the Explore Asheville Convention & Visitors Bureau.

Respectfully submitted,



Jonna Sampson, Executive Operations Manager