

Explore ASHEVILLE

Buncombe County Tourism Development Authority

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

Via Zoom Webinar due to the COVID-19 Pandemic/State of Emergency

Board Meeting Minutes

Wednesday, November 17, 2021

Present (Voting): Kathleen Mosher, Chair; Brenda Durden, Vice Chair; Andrew Celwyn, Larry Crosby, Matthew Lehman, HP Patel

Absent (Voting): Leah Ashburn, Michael Lusick, Scott Patel

Present (Ex-Officio): Asheville City Councilmember Sandra Kilgore
Buncombe County Commissioner Robert Pressley

Absent (Ex-Officio): None

CVB Staff: Vic Isley, Marla Tambellini, Marshall Hilliard, Pat Kappes, Jonna Sampson, Julia Simpson

BC Finance: Don Warn, Buncombe County/BCTDA Fiscal Agent

Legal Counsel: Sabrina Rockoff, McGuire, Wood & Bisette/BCTDA Attorney

Online Attendees: Chris Kessler, Gaby Miller, CliftonLarsonAllen LLC
Carli Adams, Glenn Cox, Hannah Dosa, Jennifer Kass-Green, Sarah Kilgore, Sarah Lowery, Holly Oakley, Kathi Petersen, Michael Poandl, Tinal Porter, Sha'Linda Pruitt, Charlie Reed, Crystal Sheriff, Whitney Smith, Dodie Stephens; Explore Asheville Staff
Jane Anderson, Asheville Independent Restaurant Association
Sharon Tabor, Black Mountain-Swannanoa Chamber of Commerce
Demp Bradford, Madison Davis; Asheville Buncombe Regional Sports Commission
Meghan Rogers, Asheville Downtown Association
Dawn Chavez, Asheville GreenWorks
Leah Rainis, Asheville Brewers Alliance
Chip Craig, Greybeard Rentals
Jim Muth, John Ellis; Past BCTDA Board Members
Robert Michel, Asheville Homestay Network
Ruth Summers, Grove Arcade Public Market Foundation
Lacy Cross, Movement Bank
Diane Rogers, Pinecrest B&B
Jason Sandford, Ashvegas
John Boyle, Asheville Citizen-Times

Executive Summary of Meeting Minutes

- Chairwoman Mosher called the virtual joint regular meeting of the BCTDA, Public Authority and BCTDA, Nonprofit Corporation, to order at 9:01 a.m.
- Minutes from the October 27, 2021, BCTDA meeting were approved with a 6-0 vote.
- The October 2021 financial statements were reviewed and approved with a 6-0 vote.
- The final June 2021 financial statements were reviewed and approved with a 6-0 vote.
- Chris Kessler, with CliftonLarsonAllen LLP, presented the BCTDA's FY 2020-21 audit. With a 6-0 vote, the audit was accepted and placed on file.
- Ms. Isley shared her President & CEO's report.
- Ms. Kappes shared a Tourism Product Development Fund (TPDF) update. With a 5-1 vote, the board approved moving forward with a TPDF grant funding cycle in 2022 and to issue a call for candidates to fill vacant seats on the TPDF committee.
- Ms. Tambellini provided a marketing update.
- Updates from Asheville City Councilmember Sandra Kilgore and Buncombe County Commissioner Robert Pressley were heard.
- With a 6-0 vote, the board approved the cancellation of the BCTDA meeting scheduled on December 15, 2021.
- There were no emailed public comments, nor requests to speak, received for this meeting.
- With a 6-0 vote, the BCTDA meeting adjourned at 10:31 a.m.

Call of the Joint BCTDA Meeting to Order

Chairwoman Mosher called the virtual joint regular meeting of the Buncombe County Tourism Development Authority (BCTDA), a Public Authority and BCTDA, a Nonprofit Corporation, to order at 9:01 a.m. She said the agenda and meeting documents are provided on AshevilleCVB.com and the recording and additional materials will be posted after the meeting.

Board Member Roll Call: Board members responded as Chairwoman Mosher called roll verifying eight of eleven BCTDA members were virtually in attendance, with Leah Ashburn, Michael Lusick, and Scott Patel being absent.

Approval of Meeting Minutes

Vice Chairwoman Durden made a motion to approve the October 27, 2021, regular meeting minutes as presented. Mr. Celwyn seconded the motion. There was no discussion and with all in favor via a roll call vote, the motion carried 6-0.

Financial Reports

October 2021 Financial Reports

Mr. Warn reviewed the October 2021 financial reports. There were no questions.

Vice Chairwoman Durden made a motion to approve the October 2021 financial reports as presented. Mr. Lehman seconded the motion. There was no discussion and with all in favor via a roll call vote, the motion carried 6-0.

Final June 2021 Financial Reports

Mr. Warn reviewed the final June 2021 financial statements and answered all related questions. These revised financial statements are being presented in conjunction with the FY 2020-21

audit and include revenue received and expenditures paid in July that were accrued back to the prior fiscal year.

Mr. Celwyn made a motion to approve the final June 2021 financial statements as presented. Vice Chairwoman Durden seconded the motion. There was no discussion and with all in favor via a roll call vote, the motion carried 6-0.

FY 2020-21 Audit Presentation

Chris Kessler, CPA/Principal, State and Local Government for the accounting firm of CliftonLarsonAllen LLP (CLA), introduced himself and shared a PowerPoint presentation in which he provided an overview of the BCTDA's FY 2020-21 audit and process. He noted his colleague, Gaby Miller, who executed many of the audit functions, was also in attendance at today's meeting.

Mr. Kessler said the final June 2021 financial statements that were just presented by Mr. Warn have been audited and are in alignment with the financial statements issued by CLA, in accordance with Government Auditing Standards.

Mr. Kessler reviewed the audit reports that were distributed to the board in advance of the meeting, which include the Independent Auditor's Report, the Report on Internal Control over Financial Reporting and Compliance and Other Matters, and the Governance Communication Letter.

Mr. Kessler reported:

- The audit had an unmodified opinion on the financial statements.
- The scope and timing of the audit proceeded as planned.
- There were no difficulties encountered in performing the audit.
- There were no disagreements with management.
- Significant accounting policies are in accordance with generally accepted accounting principles and consistent with industry practices and standards.
- There were no uncorrected misstatements.
- There was one corrected misstatement to accounts payable and expenditures in the amount of \$395,414 that was noted in the audit.

Mr. Kessler explained the misstatement found was for one invoice that was received and paid after FY 2020-21 ended that should have been accrued back to the prior year, which is a common mistake. He said the audit adjustment is a reportable finding for which management has provided a corrective action plan, which CLA views as sufficient and is provided in the financial statements.

Mr. Kessler said the NC Local Government Commission requires that any audit findings need to be responded to by the board within 60 days from the audit presentation, and Mr. Warn will work with Ms. Isley and the BCTDA on this process.

Next, Mr. Kessler reviewed highlights of the BCTDA's financial position as of June 30, 2021. He offered his gratitude to Explore Asheville and Buncombe County Finance staff for their assistance in getting the audit done quickly and efficiently. Mr. Kessler invited questions, of which there were none.

Mr. Lehman made a motion to accept the BCTDA's FY 2020-21 audit as presented and place it on file. Mr. Crosby seconded the motion. There was no discussion and with all in favor via a roll call vote, the motion carried 6-0.

Ms. Isley thanked everyone who worked on the audit and noted that while the team always strives for a clean report, the audit did what it was designed to do and uncovered an area of weakness. She said the correction plan has been developed and will be implemented.

President & CEO Report

Ms. Isley said that due to this month's meeting happening earlier than normal, she does not have updated lodging metrics to share with the board.

Noting that today marks her 17th anniversary with the Explore Asheville organization, Ms. Isley recognized Jonna Sampson for her dedication in serving the BCTDA throughout the years. Ms. Isley then reported on the success of the inaugural Asheville Championship basketball tournament and shared that a press conference was held yesterday announcing the Billie Jean King Cup will be returning to Asheville in April 2022 for the third time.

Ms. Isley said the BCTDA's FY 2020-21 Annual Report has been published and is on the AshevilleCVB.com website. She invited everyone to attend Explore Asheville's annual holiday party on December 8 at the Center for Craft. Ms. Isley provided a legislative update on the status of the state budget, which includes significant funding for hospitality businesses and workforce development. She added it is unclear if the Buncombe County occupancy tax bill will be considered in the current session.

Next, Ms. Isley shared a list of the 39 Tourism Product Development Fund (TPDF) projects funded from \$44 million in BCTDA grants. She also provided an overview of the TPDF's Tourism Management and Investment Plan's (TMIP) timeline, noting that the guiding principles identified through the TMIP process align with Explore Asheville's strategic pillars that direct our collective efforts. Ms. Isley said Ms. Kappes will provide a TPDF update to include plans for a 2022 funding cycle later in the meeting.

Following Ms. Isley's report, a discussion took place related to Mr. Celwyn expressing his disappointment that, from his perspective, the community input and deliverables from the TMIP process have not directed TPDF spending, which has been on hold for three years. Ms. Isley responded by briefly outlining the public TMIP process that was followed, which was interrupted by the Covid pandemic. She added the influx of significant ARPA funds to the city and county has impacted the priorities previously identified through the TMIP process, and time is needed for those government leaders to work through the process to disburse those ARPA funds and reevaluate future TPDF needs. It was also noted that hoteliers continue to advocate for a legislative change that will increase TPDF funding.

Chairwoman Mosher thanked Mr. Celwyn for sharing his thoughts.

Other Updates

Ms. Isley concluded her report by noting the CVB Staff Recap, Destination Dashboard, and Quick List are posted on AshevilleCVB.com.

Tourism Product Development Fund (TPDF) Update

Continuing the TPDF conversation and based on where the legislation stands today, Ms. Isley said Ms. Kappes will now provide an update on the Tourism Product Development Fund. She added that when the legislation changes from the current 75/25 occupancy tax split to the proposed 67/33 percent scenario that is being advocated for by local lodging owners, staff will come back to the board with an updated plan.

Ms. Kappes began by noting that at the end of her presentation, she will be requesting approval to proceed with hosting a TPDF grant funding cycle in 2022, and to issue a call for prospective candidates to fill vacant seats on the TPDF committee. She shared a PowerPoint presentation in which she provided an overview of the current enabling legislation, funding pathways, current funding criteria, and a proposed TPDF grant cycle timeline. Next, she reviewed the status of the TPDF committee, noting there are currently five members and four vacancies. Ms. Kappes then reviewed the policies and procedures associated with appointing committee members and outlined next steps in the process.

Ms. Kappes concluded her presentation by inviting questions from the board, of which there were none.

Mr. Crosby made a motion to proceed with hosting a TPDF grant funding cycle in 2022 and issuing a call for TPDF committee candidates to fill vacant seats on the TPDF committee. Vice Chairwoman Durden seconded the motion. Discussion included Mr. Celwyn stating he would be voting against this motion as he wants to see additional changes to the TPDF process as requested by the community in the TMIP process. A roll call vote was taken and the motion carried 5-1, with Mr. Celwyn casting the opposing vote.

Marketing Update

Ms. Tambellini shared a PowerPoint presentation highlighting Explore Asheville's marketing efforts and initiatives. She reviewed the Asheville Championship media sponsorship results, holiday marketing efforts to include the Holiday Gift Guide and paid media, media partnerships, audience shifts to better align with the strategic pillars, and a seasonal/pillar flow chart.

Next, Ms. Tambellini shared an update on content development, which included new sections added to ExploreAsheville.com featuring the River Arts District, the South Slope Mural Trail, and the James Vester Miller Trail.

On the public relations front, Ms. Tambellini said Explore Asheville's PR team recently added two new team members: Michael Poandl, PR manager, and Sha'Linda Pruitt, PR coordinator. She shared highlights of Asheville being featured on Good Morning America, Fortune, and Chuck's Big Adventure. Ms. Tambellini concluded her presentation by reviewing an upcoming winter promotion, which will focus on wellness.

Chairwoman Mosher extended her personal thanks to Ms. Kappes and Ms. Tambellini for their presentations, which clearly show how their teams are being intentional about integrating the strategic pillars into Explore Asheville's program of work. Vice Chairwoman Durden echoed Chairwoman Mosher's sentiment.

Asheville City Council Update

Councilmember Kilgore started her update by thanking the Explore Asheville team for the increased outreach to minority populations, noting it is bringing more diverse people into the community. She then reported on city-related business, including the merging of the City of Asheville's and Buncombe County's 911 systems, forward movement on an opportunity to build an affordable housing development, and the selection of a tenant for a city-owned property in the River Arts District.

Chairwoman Mosher thanked Councilmember Kilgore for the update.

Buncombe County Commission Update

Commissioner Pressley provided an update on county-related business, including thanking Councilmember Kilgore for sharing about the merger of the 911 systems, the success of the Asheville Championship basketball tournament, and the distribution of the first half of the \$52 million in American Rescue Plan Act awards.

Chairwoman Mosher thanked Commissioner Pressley for his report.

Consideration to Cancel December Board Meeting

Chairwoman Mosher said considering the upcoming busy holiday season and acknowledging everyone's full schedules, she would like the board to consider taking action to cancel the December BCTDA meeting. She invited questions or comments. In response to Mr. Celwyn's question asking about the timing of signing the audit response document previously referenced within the 60-day window, Ms. Isley thanked him and said signatures can be obtained electronically outside of a board meeting to meet this requirement.

Vice Chairwoman Durden made a motion to cancel the BCTDA meeting scheduled on Wednesday, December 15, 2021. Mr. HP Patel and Mr. Lehman simultaneously seconded the motion. There was no discussion and with all in favor via a roll call vote, the motion carried 6-0.

Miscellaneous Business

There was no miscellaneous business discussed at this meeting.

Comments from the General Public

Live Public Comments

Chairwoman Mosher said members of the public were invited to sign-up to verbally share live comments during today's virtual BCTDA meeting. She reported that as of yesterday's 12:00 p.m. registration deadline, no requests to speak had been received.

Written Public Comments

Chairwoman Mosher said members of the public were invited to submit comments via email to Reply@ExploreAsheville.com through 4:00 p.m. on Tuesday, November 16, 2021. She reported there were no written public comments received by the deadline.

Adjournment

Chairwoman Mosher said she hopes to see everyone at the holiday gathering on December 8 at the Center for Craft.

Mr. Celwyn moved to adjourn the meeting and Vice Chairwoman Durden seconded the motion. There was no discussion and with all in favor via a roll call vote, the motion carried 6-0 and the meeting ended at 10:31 a.m.

The PowerPoint presentation and relevant documents are on file with the Explore Asheville Convention & Visitors Bureau and are posted on AshevilleCVB.com.

The next joint BCTDA meeting will be held virtually on Wednesday, January 26, 2022, beginning at 9:00 a.m.

Respectfully submitted,



Jonna Sampson, Executive Operations Manager