

# 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, November 20, 2019

- Present (Voting):** Gary Froeba, Chair; Himanshu Karvir, Vice Chair;  
Leah Ashburn, Andrew Celwyn, Chip Craig, John Luckett,  
James Poole
- Absent (Voting):** John McKibbon, Tom Ruff
- Present (Ex-Officio):** Buncombe County Commissioner Joe Belcher
- Absent (Ex-Officio):** Asheville City Councilwoman Julie Mayfield
- CVB Staff:** Stephanie Brown, Marla Tambellini, Dianna Pierce, Glenn Cox,  
Jennifer Kass-Green, Kathi Petersen, Jonna Sampson,  
Dodie Stephens, Hannah Dosa
- BC Finance:** Don Warn, Buncombe County/BCTDA Fiscal Agent
- Advertising Agency:** No one was present from 360i
- Guests:** Sabrina Rockoff, McGuire, Wood & Bissette/BCTDA Legal  
Counsel  
Jim Muth, BCTDA Immediate Past Chair & Beaufort House Inn  
Kit Cramer, Samantha Cole; Asheville Area Chamber of  
Commerce  
Gaby Miller, CliftonLarsonAllen LLP  
John Ellis, BCTDA Finance Committee  
Madison Davis, Asheville Buncombe Regional Sports  
Commission  
Nicole Will, Asheville Wellness Tours  
Robert Foster, Virtelle Hospitality  
Maria Pilos, Johnson Price Sprinkle  
Roy Harris, Citizen & National Association of Black Storytellers  
Karen MacNeil, Citizen  
Jason Sandford, Ashvegas  
Brooke Randle, Mountain Xpress  
Holden Mesk, Sunshine Request

## **Executive Summary of Meeting Minutes**

- Chairman Froeba called the joint meeting of the BCTDA, Public Authority and BCTDA, Nonprofit Corporation, to order at 9:01 a.m.
- Minutes from the October 30, 2019 BCTDA regular monthly meeting were approved with a 7-0 vote.
- The October 2019 financial statements were reviewed and approved with a 7-0 vote.
- The final June 2019 financial statements were reviewed and approved with a 7-0 vote.
- Gaby Miller, auditor with CliftonLarsonAllen LLP, presented the BCTDA's FY 2018-19 audit in which a 'clean and unmodified opinion' was rendered. In a 7-0 vote, the audit was accepted and placed on file.
- Ms. Brown reported that the Hill House Bed & Breakfast penalty waiver request discussed at last month's meeting was approved by the Buncombe County Commissioners.
- In her President's Report, Ms. Brown briefly reviewed recent Explore Asheville CVB and tourism industry metrics and events and answered all related questions. She also shared the BCTDA's FY 2020-21 meeting schedule.
- With a 7-0 vote, the BCTDA meeting scheduled on December 19, 2019, was canceled.
- Ms. Kappes shared a PowerPoint presentation highlighting the openings of three downtown landmark institutions that received significant funding from the Tourism Product Development Fund.
- Ms. Pierce provided a Group Sales & Services departmental update.
- Ms. Tambellini and Dodie Stephens shared a PowerPoint presentation highlighting marketing, public relations and advertising initiatives, metrics and activities.
- A brief update from Buncombe County Commissioner Joe Belcher was provided.
- Under Miscellaneous Business, Mr. Karvir spoke about a recent anti-tourism op-ed in the Asheville Citizen-Times, disputing the opinion piece and encouraging the community to come together to work towards solutions instead of being divisive.
- Under Comments from the General Public, several people shared announcements and comments, including some speaking in support of Mr. Karvir's statements and the BCTDA.
- The joint meeting of the BCTDA, Public Authority and BCTDA, Nonprofit Corporation, adjourned at 11:29 a.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 9:01 a.m. and welcomed everyone. The visitors in attendance introduced themselves.

Chairman Froeba congratulated Leah Ashburn on being recognized as Woman Executive of the Year by the Asheville Area Chamber of Commerce at last week's WomanUp event.

## **Approval of Meeting Minutes**

Mr. Celwyn made a motion to approve the October 30, 2019 regular meeting minutes as presented. Mr. Karvir seconded the motion. There was no discussion and with all in favor, the motion carried 7-0.

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

## **Financial Reports**

### **October 2019 Financial Statements**

Mr. Warn reviewed the October 2019 financial statements and answered all related questions.

Mr. Luckett made a motion to approve the October 2019 financial statements as presented. Mr. Craig seconded the motion. Discussion included Mr. Celwyn requesting that the size of the Total Room Sales by Category graph on page 8 be increased so that it is more legible. Mr. Warn responded that it appeared to be a printing issue and will be corrected next month. A vote was then taken and with all in favor, the motion carried 7-0.

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

### **Final June 2019 Financial Statements**

Mr. Warn reviewed the final June 2019 financial statements and answered all related questions. These financial statements are being presented in conjunction with the FY 2018-19 audit.

Mr. Craig made a motion to approve the final June 2019 financial statements as presented. Ms. Ashburn seconded the motion. There was no discussion and with all in favor, the motion carried 7-0.

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

### **FY 2018-19 Audit Presentation**

Gaby Miller, Director of State and Local Government for the accounting firm of CliftonLarsonAllen LLP, introduced herself and said she will present the BCTDA's FY 2018-19 audit. She said Mr. Warn reviewed the year-end figures from the final June 2019 statements and she would be happy to answer any questions related to them. She walked everyone through the audit process and referred to the documents provided in advance of the meeting and in the board books. Ms. Miller 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.

Ms. Miller said she was pleased to report that the audit result rendered a 'clean and unmodified opinion' on the FY 2018-19 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 was one uncorrected misstatement related to payroll accrual, which was immaterial to the financial statements.
- No difficulties were encountered in performing the audit.
- There were 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.

Ms. Miller then briefly mentioned the new regulations that will affect the financial statements beginning in 2021, which was shared by her colleague, Chris Kessler, last year. She said the change which will require all leases and service contracts that used to be recorded as an expense to be listed as a liability for the entire committed term. She also said some governments have been experiencing IT threats and CliftonLarsenAllen can provide services in that area, if needed.

In response to Chairman Froeba's inquiry asking how she would score or grade this audit, Ms. Miller responded by stating she would give it an A or an A plus. She then answered all related questions.

In response to Commissioner Belcher's question asking where Buncombe County's fee for collecting the occupancy taxes appears on the financial statements, Mr. Warn said it is netted out and he will share that total with the board after the meeting. *(Note: Mr. Warn followed-up with an email to the board indicating the collection fee is 1.5% of all Occupancy Tax collections and the total for FY19 on the General Leger was \$379,805.)*

Mr. Celwyn made a motion to accept the BCTDA's FY 2018-19 audit as presented and place it on file. Mr. Karvir seconded the motion. There was no further discussion and with all in favor, the motion carried 7-0.

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

#### *Update on Hill House Bed & Breakfast Penalty Waiver Request*

Ms. Brown informed the board that the Hill House Bed & Breakfast penalty waiver request, in the amount of \$300.18 that was discussed at last month's meeting, was approved by the Buncombe County Board of Commissioners. She added the property owner has been notified and no further action is required.

#### **President's Report**

##### *Explore Asheville Annual Holiday Party*

Ms. Brown said the annual Explore Asheville holiday party is scheduled on Tuesday, December 10, and she encouraged everyone to attend. She expressed gratitude to the

Renaissance Asheville Hotel and US Foods for hosting the event, and to The Omni Grove Park Inn and Biltmore for being generous beverage sponsors again this year.

#### BCTDA FY 2020-21 Meeting Schedule

Ms. Brown said the BCTDA's meeting schedule for FY 2020-21 is in the board books and calendar appointments will be sent. She added the date of this year's annual planning retreat may need to be changed. *(Note: the BCTDA's annual planning retreat was canceled and the monthly meeting date was changed to March 25. It is estimated that the February, March and April board meetings will each be three hours in length.)*

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

Ms. Brown briefly reviewed select industry performance metrics from the October Destination Dashboard and Staff Recap and answered all related questions. She provided insight on the positive and negative trends in the numbers and reiterated that CVB staff meets regularly to review and discuss industry metrics.

#### Other Updates

Ms. Brown said 80 industry partners attended yesterday's CVB Partner Forum entitled, "Build the Perfect Listing & ExploreAsheville.com Advertising Opportunities." She added a stakeholder group for attractions began meeting this year and a group for general managers will launch in December.

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).

#### **Consideration to Cancel December Board Meeting**

Ms. Brown said she has received a request to look into canceling the December board meeting. She has checked with legal and said that while the BCTDA's by-laws require monthly meetings, board action can be taken to cancel a meeting. Ms. Brown stated that if the board chooses to cancel, the staff will provide two sets of meeting materials at the January meeting.

Mr. Craig made a motion to cancel the BCTDA meeting scheduled on Wednesday, December 19, 2019. Mr. Karvir seconded the motion. There was no discussion and with all in favor, the motion carried 7-0.

#### **Recent Tourism Product Development Fund Project Openings**

Ms. Kappes shared a PowerPoint presentation providing ribbon-cutting photos from three landmark institutions that have opened in downtown Asheville recently that received funding from the Tourism Product Development Fund (TPDF). These projects include: The Wortham Center for the Performing Arts (\$700,000 TPDF award in 2016), the Asheville Art Museum (\$1,500,000 in TPDF awards in 2007 and 2009), and the Center for Craft – National Craft Innovation Hub (\$975,000 TPDF award in 2016). Ms. Kappes also highlighted ways the projects have provided BCTDA funding recognition.

Next, Ms. Kappes said the BCTDA has invested in 12 downtown projects through the TPDF and she shared a map that showed the locations of each. The total of funding for downtown projects is \$14,700,000, which does not include the county-wide wayfinding program.

Commissioner Belcher added the lights were recently turned on at the Enka ballfields, which is another TPDF project and valuable community asset.

Chairman Froeba thanked Ms. Kappes for the report.

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

### **Group Sales & Services Report**

Ms. Pierce provided a verbal update on recent Group Sales & Services departmental efforts, including the meetings brand refresh project and an updated schedule of sales activities. This schedule included FAMs, 48-Hour Meeting Planner Experiences, trade shows and other events that the sales team will be hosting or attending for the remainder of the fiscal year. She noted the schedule has been posted on [Ashevillecvb.com/group-sales-and-services](http://Ashevillecvb.com/group-sales-and-services) and encouraged partners to review the list and reach out to the sales team if they would like to participate.

Chairman Froeba thanked Ms. Pierce for the update.

### **Marketing Update**

Ms. Tambellini and Explore Asheville's Director of Communications, Dodie Stephens, shared a PowerPoint presentation highlighting the marketing team's advertising, content and public relations efforts. The objective of the marketing team is to build the awareness and reputation of Asheville as a destination that inspires overnight visitor demand. Ms. Tambellini said this is accomplished in collaboration with the advertising agency to showcase the vibrancy of the Asheville area, provide reasons to visit, and encourage group business travel and events. During the presentation, Ms. Tambellini and Ms. Stephens shared new television spots, imagery, kudos from a Travel + Leisure senior editor, the process followed for news releases, earned media efforts, improvements to hiking pages on [ExploreAsheville.com](http://ExploreAsheville.com), and an overview of the holiday campaign.

Next, Ms. Tambellini reviewed budget shifts made within the existing FY 2019-20 marketing budget, totaling \$435,000, and explained how these dollars will be utilized in markets in spring and summer campaigns. She also shared an updated media flow chart.

Ms. Brown said that in January, the agency will bring back a proposed supplemental plan and funding request to bolster spring and summer advertising campaigns and support direct flights through Asheville Regional Airport. When asked by Ms. Brown if this was agreeable, board members nodded affirmatively.

During and after the presentation, Ms. Tambellini and Ms. Stephens answered all related questions. Board members and Ms. Brown commended the marketing team for their efforts.

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

### **Asheville City Council Update**

Asheville City Councilwoman Mayfield was not in attendance at this meeting, therefore, a report was not provided.

### **Buncombe County Commission Update**

Buncombe County Commissioner Joe Belcher reported on county-related business, including the recently added bus route in Leicester, an ongoing facilities review of county-owned buildings and the potential to add solar power to some, affordable housing development efforts, school investments via sales taxes, and development progress in the Enka-Candler area. He answered all related questions.

Chairman Froeba thanked Commissioner Belcher for the report.

### **Miscellaneous Business**

Mr. Karvir introduced Robert Foster as Virtelle Hospitality's new Chief Operating Officer.

Mr. Karvir shared a statement in response to an editorial piece that appeared in the Asheville Citizen-Times.

Chairman Froeba thanked Mr. Karvir for his comments and said he and BCTDA Past Chairman Jim Muth have both submitted pro-tourism op-eds to the Asheville Citizen-Times.

Commissioner Belcher said he has experienced similar negativity in his position and encouraged Mr. Karvir to not be discouraged. He stated Mr. Karvir is a man of character and high moral standards with a solid family, and said he looks forward to having positive conversations with the goal of arriving at viable solutions.

### **Comments from the General Public**

Robert Foster announced that \$60,000 was raised for the Sweet Dreams Full Plates initiative, which will be given to Manna FoodBank to help the underprivileged in our community. This amount represents \$10,000 over the goal and hotels will be repeating the effort for the holidays.

Roy Harris said he is with the National Association of Black Storytellers and he would like to know if he is in the right place to start the process of possibly bringing the group's annual meeting to Asheville. Ms. Brown responded that she is looking forward to meeting with him to discuss that possibility at their meeting scheduled on December 2.

Nicole Will said she and her business partner started Asheville Wellness Tours a couple of years ago and, because of their partnership with the Explore Asheville CVB, they have developed over 50 relationships with local businesses. That, coupled with the free marketing services provided, has enabled her company to keep its doors open and last month, they doubled their numbers even with her partner being out on maternity leave. Ms. Will extended her appreciation to the BCTDA and Explore Asheville team.

Karen MacNeil said she has been frustrated with the impacts of tourism and the BCTDA and has appreciated the presentations and discussions today, including Mr. Karvir's comments. She said she is listening and learning to see both sides of the tourism equation and hopes more common ground can be found. Ms. Brown encouraged Ms. MacNeil to engage with the Explore Asheville team and learn more about the Tourism Management & Investment Plan, which is being designed in collaboration with the city and county and community stakeholders. Ms. Brown thanked Ms. MacNeil for attending today's meeting in an effort to learn more and for being open to building bridges.

Commissioner Belcher said in the past few years, the TPDF has been a significant funder for county-owned and county-managed projects.

Ms. Cramer said it's unfortunate that the BCTDA often does not get recognized for providing funds to community projects that are beneficial to residents and visitors alike, and the very thoughtful process taken to approve that funding. She commended Mr. Karvir for sharing his thoughts and said he represents the beliefs of many folks in the Asheville area.

Maria Pilos thanked Mr. Karvir for his comments and said that since moving to Asheville in 1995 and seeing downtown boarded up, she joyfully experiences the economic vitality of the Asheville area even though it means there are sometimes busy roads and sidewalks. She added it's a great place to raise a family.

### **Adjournment**

Ms. Ashburn moved to adjourn the meeting and Mr. Craig seconded the motion. With all in favor, the meeting adjourned at 11:29 a.m. The December meeting has been canceled, therefore, the BCTDA will next meet on Wednesday, January 29, 2020, at 9:00 a.m., in the Board Room of the Explore Asheville Convention & Visitors Bureau.

Respectfully submitted,



Jonna Sampson, Executive Operations Manager