

**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, December 20, 2017

- Present (Voting):** Gary Froeba, Vice Chair; Andrew Celwyn, Chip Craig, Himanshu Karvir, John McKibbon
- Absent (Voting):** Jim Muth, Chair; Leah Ashburn, John Luckett, Paula Wilber
- Present (Ex-Officio):** Asheville City Councilmember Julie Mayfield
Buncombe County Commissioner Joe Belcher
- Absent (Ex-Officio):** None
- BC Finance:** Jennifer Durrett
- Advertising Agency:** No one was present from the Peter Mayer Agency
- CVB Staff:** Stephanie Brown, Marla Tambellini, Dianna Pierce, Jonna Reiff
- CVB Staff Absent:** Glenn Cox, Pat Kappes
- Guests:** Tonya Marshall, Gould Killian CPA Group, P.A.
Kit Cramer, Asheville Area Chamber of Commerce
Jane Anderson, Asheville Independent Restaurant Association
John Ellis, Past BCTDA board member
Jackson Tierney, Exeter Building
Jason Sandford, Ashvegas

Executive Summary of Meeting Minutes

- Vice Chairman Froeba called the joint meeting of the BCTDA, Public Authority and Nonprofit Corporation, to order at 9:07 a.m.
- Minutes from the November 29, 2017 BCTDA meeting were approved with a 5-0 vote.
- The November 2017 financial reports were reviewed and approved with a 5-0 vote.
- Tonya Marshall with Gould Killian CPA Group, LLC, gave an in-depth report on the BCTDA's FY 2016-17 audit and answered all related questions.
- In her President's Report, Ms. Brown reviewed recent industry and Explore Asheville CVB activities and metrics.

- Ms. Tambellini presented an overview of the winter advertising campaign that will launch in January.
- Updates from Asheville City Councilmember Julie Mayfield and Buncombe County Commissioner Joe Belcher were heard.
- The joint meeting of the BCTDA, Public Authority and Nonprofit Corporation, adjourned at 10:36 a.m.

Call of the Joint BCTDA Meeting to Order

Vice Chairman Froeba called the joint meeting of the Buncombe County Tourism Development Authority (BCTDA), Public Authority and BCTDA, a Nonprofit Corporation, to order at 9:07 a.m. and welcomed everyone. The visitors in attendance introduced themselves.

Approval of Meeting Minutes

Mr. Karvir made a motion to approve the November 29, 2017 regular meeting minutes as presented. Mr. McKibbon seconded the motion. There was no discussion and with all in favor, the motion carried 5-0.

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

Financial Reports

November 2017 Financial Reports

Ms. Durrett reviewed the November 2017 financial reports.

Occupancy tax revenue received in November for October sales totaled \$1,907,296. November expenditures totaled \$2,739,394. YTD revenue exceeded expenditures (including appropriated fund balance) by \$1,720,320 and includes five months of expenditures and four months of revenue. November expenditures for Administration: \$12,889; Professional Services/Contract: \$168,874; Staff & Facilities: \$4,167; Net Media: \$2,296,158; Motorcoach Sales: \$1,632; Meetings and Conventions: \$30,449; Convention Services: \$1,127; Marketing/Public Affairs: \$834; Marketing/Public Relations: \$18,135; International: \$806; Public Affairs: \$276; Event Grants Program: \$250.

There is currently \$1,241,352 in undedicated funds in the Tourism Product Development Fund (TPDF).

Ms. Durrett apologized for an error on the budget remaining total in the expenditures column that will be corrected, adding revised financial statements with the correct total will be posted on the portal. Ms. Durrett then explained that the negative 3 percent revenue figure showing for October is due to a late payment being received last year from a large property that inflated the 2016 revenue figure.

In response to a request to have both charts and reports with figures that show hotel sales trends included in the financial statements, Ms. Durrett said she will work to develop some options for consideration. Mr. McKibbon asked her to also add charts that show sales comparisons by lodging type.

Ms. Brown said that with the success of the online payment option and based on the board's recent directive, the CVB staff will work with BCF to send a letter to all tax-collecting properties indicating future penalty waiver requests will not be considered due to postal service errors or delays. She said the letter will also communicate successes and marketing opportunities available to them that are attributable to ongoing occupancy tax collections.

Mr. Craig made a motion to approve the November 2017 financial reports as presented. Mr. Celwyn seconded the motion. There was no discussion and with all in favor, the motion carried 5-0.

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

FY 2016-17 Audited Financial Statements Presentation

Vice Chairman Froeba introduced Tonya Marshall, Assurance Manager with Gould Killian CPA Group, P.A., who is present today to provide additional insight from the FY 2016-17 audit.

Ms. Marshall said that at the October BCTDA meeting, she briefly reported on last year's audit. She said Gould Killian issued an unmodified (clean) opinion, providing reasonable assurance that the financial statements are free from material misstatements and there were no material weaknesses or noncompliance with laws and regulations. She said Ms. Brown asked her to return to give a more in-depth presentation to the BCTDA.

Ms. Marshall then shared a PowerPoint presentation focusing on auditing processes. She also highlighted key statistics from the financial statements, gave a balance sheet summary and reviewed Tourism Product Development Fund commitments. During and after the presentation, Ms. Marshall, Ms. Durrett and Ms. Brown answered all questions.

Commissioner Belcher and Ms. Durrett also answered questions related to Buncombe County's new internal controls and processes that have been instituted in recent months, which are designed to increase transparency.

When the discussion ended, Ms. Marshall said it is an important responsibility for any board to assess risk and have solid policies in place. She commended the BCTDA for initiating today's audit conversation, adding it is necessary to regularly review internal controls and procedures.

Vice Chairman Froeba thanked Ms. Marshall attending today and providing the in-depth audit report. The PowerPoint presentation is on file with the Explore Asheville Convention & Visitors Bureau.

President's Report

Ms. Brown said that as 2017 comes to a close, she wanted to thank the BCTDA board members for their significant work and support over the past year, which was transformative for the Explore Asheville CVB. She then reviewed highlights from the November Recap, Quick List and Visitor Index and answered all related questions. A brief discussion centering on hotel metrics as reported from AirDNA and Smith Travel Research took place. The conversation ended with Ms. Brown suggesting it could be worthwhile to form a task force to fully combine and review available reports to further

understand the impact of STRs in the market. She said she will present some additional data at the January meeting on this topic.

Monthly Visitor Indexes and CVB Staff Recaps are posted on ExploreAshevilleCVB.com.

Marketing Report – Winter Advertising Campaign

Ms. Tambellini shared a PowerPoint presentation showcasing the elements of the BCTDA's winter advertising campaign, which will run January 10 – February 28 with the objective of positioning the Asheville area as an ideal cozy winter getaway destination. She shared the strategies, targets, imagery, creative, media plan, PR, content, and social elements of the campaign.

Next, Ms. Tambellini praised Jason Tarr, the CVB's content specialist, for his efforts to cover events throughout the area during the holiday season and creating videos, "snackable content" pieces, and other holiday-related assets that can be used in future seasonal promotional efforts.

Ms. Tambellini answered all related questions during and after the presentation. Vice Chairman Froeba thanked her for sharing the winter campaign.

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

Asheville City Council Update

Councilmember Mayfield reported on city-related business, including bond contracts, affordable housing qualifications, and progress on the City's Comprehensive Plan. She then shared new data received and regulations related short-term rentals in the Central Business District. A discussion on this topic took place with Councilwoman Mayfield answering all related questions.

Buncombe County Commission Update

Commissioner Belcher reported on county-related business, including the Woodfin Greenway, Coxe Avenue parking deck, recent meetings with the City of Asheville and BCTDA, East Asheville library construction, Enka ballfields, recreational opportunities, efforts to combat opioid abuse, and recently approved strategic priorities. Commissioner Belcher then gave an overview of changes that have occurred over the past several months at the county related to approval processes, audit controls, and increased transparency. A brief discussion took place on this topic with Commissioner Belcher and Ms. Durrett answering all related questions.

Miscellaneous Business

Ms. Cramer shared information related to recent and upcoming Chamber events, including Restaurant Week, the annual career fair, a business walk, and an initiative with the Center for Craft, Creativity and Design focusing on affordable housing for local artists.

Comments from the General Public

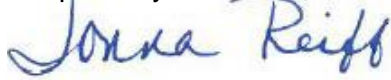
Mr. Ellis wished everyone a happy holiday season.

Adjournment

Vice Chairman Froeba thanked everyone for attending. Mr. McKibbon made a motion to adjourn the meeting. Mr. Karvir seconded the motion. There was no discussion and with all in favor, the motion carried 5-0 and the meeting adjourned at 10:36 a.m.

The BCTDA will next meet on Wednesday, January 31, 2017, at 9:00 a.m., in the Boardroom of the Explore Asheville Convention & Visitors Bureau.

Respectfully submitted,

A handwritten signature in blue ink that reads "Jonna Reiff". The signature is written in a cursive, flowing style.

Jonna Reiff, Executive Operations Manager