

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

The Omni Grove Park Inn – Country Club

Board Meeting Minutes

Friday, March 23, 2018

- Present (Voting):** Jim Muth, Chair; Gary Froeba, Vice Chair; Leah Ashburn, Andrew Celwyn, Chip Craig, Himanshu Karvir, John Luckett, John McKibbon, Paula Wilber
- Absent (Voting):** None
- Present (Ex-Officio):** Buncombe County Commissioner Joe Belcher
- Absent (Ex-Officio):** Asheville City Councilmember Julie Mayfield
- BC Finance:** Blair Chamberlain
- Advertising Agency:** Michelle Edelman, Desmond LaVelle, Lauren Wegmann; Peter Mayer Agency
- CVB Staff:** Stephanie Brown, Marla Tambellini, Glenn Cox, Pat Kappes, Dianna Pierce, Jonna Reiff
- CVB Staff Absent:** None
- Guests:** Kit Cramer, Asheville Area Chamber of Commerce
Bob McMurray, Black Mountain/Swannanoa Chamber of Commerce
Jane Anderson, Asheville Independent Restaurant Association

Executive Summary of Meeting Minutes

- Chairman Muth called the joint meeting of the BCTDA, Public Authority and Nonprofit Corporation, to order at 9:06 a.m.
- Minutes from the February 28, 2018 BCTDA meeting were approved with a 9-0 vote.
- The February 2018 financial reports were reviewed and approved with a 9-0 vote.
- A budget resolution to return \$72,500, for the TPDF grant awarded to the Haywood Street Congregation that was subsequently withdrawn, to the undesignated TPDF fund balance was approved with a 9-0 vote.
- Mr. Craig provided a BCTDA Finance Committee report.

- Ms. Brown shared a PowerPoint presentation related to establishing a revenue objective for the FY 2018-19 budget. The board approved setting the revenue objective at a 5 percent increase in occupancy tax revenue with a 9-0 vote.
- Ms. Tambellini and the Peter Mayer team shared PowerPoint presentations highlighting past, current and future marketing and advertising strategies.
- Ms. Kappes provided a Public Affairs/Community Engagement/TPDF update.
- Ms. Brown presented a proposal received from the Tryon International Equestrian Center that would secure Asheville as a sponsor of the FEI World Equestrian Games in September. The proposal was approved with a 6-3 vote.
- An update from Buncombe County Commissioner Joe Belcher was heard.
- The joint meeting of the BCTDA, Public Authority and Nonprofit Corporation, adjourned at 2:17 p.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 9:06 a.m. and welcomed everyone. The guests in attendance introduced themselves.

Approval of Meeting Minutes

Mr. Celwyn made a motion to approve the February 28, 2018 regular meeting minutes as presented. Mr. Karvir seconded the motion. There was no discussion and with all in favor, the motion carried 9-0.

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

Financial Reports

February 2018 Financial Reports

Ms. Chamberlain reviewed the February 2018 financial reports.

Occupancy tax revenue received in February for January sales totaled \$763,649. February expenditures totaled \$478,755. YTD revenue exceeded expenditures (including appropriated fund balance) by \$4,117,973 and includes eight months of expenditures and seven months of revenue. February expenditures for Administration: \$19,055; Professional Services/Contract: \$171,387; Staff & Facilities: \$3,855; Net Media: \$130,513; Motorcoach Sales: \$7,324; Meetings and Conventions: \$17,962; Convention Services: \$1,809; Marketing/Public Affairs: \$834; Marketing/Public Relations: \$9,472; International: \$432; Public Affairs: \$160; Event Grants Program: \$22,500.

There is currently \$2,538,335 in undedicated funds in the Tourism Product Development Fund (TPDF).

Ms. Ashburn made a motion to approve the February 2018 financial reports as presented. Mr. Craig seconded the motion. There was no discussion and with all in favor, the motion carried 9-0.

Ms. Brown highlighted requirements from the board's fund balance policy, including the review of the undesignated fund balance, adding it will be relevant to an upcoming discussion later in the meeting.

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

TPFD Budget Ordinance – Haywood Street Congregation Grant

The Haywood Street Congregation has withdrawn their request for funding. Ms. Chamberlain presented a budget amendment to return the \$72,500 that was awarded back into the TPDF undesignated fund balance.

Mr. McKibbin made a motion to approve the budget resolution as presented. Mr. Karvir seconded the motion. A vote was taken and with all in favor, the motion carried 9-0.

The resolution will be kept on file with the Explore Asheville Convention & Visitors Bureau and the Buncombe County Finance Department.

Finance Committee Report

Mr. Craig said the finance committee met recently and focused on three things: completing a third-party compensation study; establishing a recommendation for next year's revenue objective; and the benefit of building reserves to give the BCTDA discretion to fund additional marketing initiatives based on market conditions. He said the finance committee agrees with and approves the revenue objective recommendation that Ms. Brown will share at the end of her presentation.

Ms. Brown suggested that at the National Tourism Week Summit on May 3, Paul Ouimet can share the results of the Destination Assessment Survey in a keynote address, and then immediately following the presentation, he could lead a workshop for key stakeholders to further discuss the results of the assessment and prioritize strategies for the future. Board members nodded in agreement at this recommendation.

Revenue Objective Presentation

Ms. Brown shared a PowerPoint presentation outlining the process and general timeline followed to develop and present the next fiscal year's budget to the BCTDA. She said staff would like to receive budget guidance from the board to establish the revenue objective today, which is the percentage of increase or decrease that next year's budget will be predicated upon, so that staff has a base budget number to work with. Staff will then scope the program of work and prepare the draft budget, which the finance committee reviews and provides feedback on prior to being presented to the BCTDA in May. Following a 30-day public notice period, the budget is approved at the June meeting and goes into effect on July 1, 2018.

Ms. Brown said effective April 1, all of Buncombe County and the Explore Asheville CVB will switch over to a brand-new accounting and payroll system called Workday. This will require staff to build a budget as has been done in the past, and then map it to flow into the new system.

Ms. Brown reviewed the BCTDA's Financial Management Policy, last year's revenue objective, and economic outlook reports from Oxford Economics and Smith Travel

Research. She then shared several types of data, including lodging trends, the group sales booking pace, and hotel development pipeline.

After reviewing several BCTDA business considerations and a revenue projection worksheet, Ms. Brown said the staff recommendation for next year's budget is to establish an objective of a 5 percent increase in occupancy tax revenue. She said that would mean the operating budget would be approximately \$17.6 million.

A discussion took place regarding revenue and variables that can affect next year's budget, specifically related to: events, the impact new hotels will have on supply and demand, the effect of short-term rentals on occupancy and ADR, the success of investing in marketing, research benefits, staff capacity, national trends and media buys.

During the conversation, board members expressed that they were comfortable with setting next year's business objective at a 5 percent increase in revenue.

Chairman Muth thanked Ms. Brown for presenting the data and the board members for their input. He then called for action.

Action to Establish Business Objective

Mr. McKibbin made a motion to set the BCTDA's revenue objective for FY 2018-19 at a 5 percent increase in occupancy tax revenue. Mr. Froeba seconded the motion. There was no further discussion and with all in favor, the motion carried 9-0. The CVB staff will develop the budget based on this directive.

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

CVB Staff Recap, Visitor Index & Quick List

The Staff Recap, Visitor Index and Quick List were not reviewed at this meeting. Monthly reports, financials, meeting agendas and minutes are posted on ExploreAshevilleCVB.com.

Marketing & Advertising Strategies

Ms. Tambellini shared a PowerPoint presentation in which she highlighted recent trends and their intersection and impact on future marketing events. The four broad areas of focus included: content channels and distribution, mobile first marketing, data and measurement and the power of authentic imagery. She also showcased a new set of digital dashboards and commended CVB Web Manager Elizabeth White for their development using Google Data Studio.

Next, Ms. Wegmann introduced Michelle Edelman and Desmond LaVelle, her colleagues from Peter Mayer, and together they shared a PowerPoint presentation highlighting the year in review, beginning with strategies shared at last year's retreat. They briefly reviewed previous campaign strategies and learnings and then pivoted to recommended refinements and messaging for FY 2018-19.

During and after the presentation, Ms. Tambellini and the Peter Mayer team answered all related questions.

Chairman Muth thanked Ms. Tambellini, Ms. Wegmann, Ms. Edelman and Mr. LaVelle for the presentation. The meeting broke for lunch and reconvened at 12:54 p.m.

The PowerPoint presentations are on file with the Explore Asheville Convention & Visitors Bureau.

Public Relations Strategies

Ms. Tambellini introduced Director of Communications Dodie Stephens.

Ms. Stephens shared a PowerPoint presentation focusing on PR strategies and detailed insights from the recently instituted TrendKite dashboard. She noted that since adding a full-time PR Specialist position two years ago, reach is up 34 percent.

Ms. Stephens then focused on influencer partnerships, including a new relationship with Zach King, who will be in Asheville in April to shoot video footage. He currently has 21.6 million followers on Instagram and video completion is anticipated in May. Ms. Stephens said the team is very excited about this collaboration and she concluded her report by sharing an example of a popular Zach King YouTube video.

Ms. Tambellini said Asheville was one of the first destinations to use TrendKite and praised Ms. Stephens for becoming a trailblazer with this new platform. She added the willingness of Ms. Stephens to share insights about its use with other PR professionals has been appreciated.

Chairman Muth thanked Ms. Stephens for the update and for the PR team's efforts.

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

Public Affairs/Community Engagement/TPDF Update

Ms. Kappes said the Public Affairs team, consisting of Data Specialist Brit Martin and herself, serves as the liaison between staff, board and partners. She shared a PowerPoint presentation highlighting the importance of partner relations. Ms. Kappes gave an overview of the onboarding process followed to engage with new tourism-related businesses and connect them to relevant CVB departments and initiatives. Ms. Kappes reviewed ways the CVB communicates and connects with partners on a regular basis via events, emails, Facebook, the ExploreAshevilleCVB.com industry website and CVB 101 sessions. She reviewed community relations efforts, memberships with partner organizations and community service efforts. She also touched on the ongoing collaboration with RADA, RADBA and the City of Asheville to provide signage, a landing page, and be a resource to help communicate construction updates in the River Arts District.

Next, Ms. Kappes shared FY 2018-19 Public Affairs priorities and efforts related to managing the Tourism Product Development Fund and wayfinding program.

A brief question and answer period took place with Ms. Kappes and Ms. Brown answering all related questions. Ms. Kappes said it is a privilege to continue spreading the word about the CVB's initiatives and free marketing opportunities to the CVB's 1,200+ partners.

Chairman Muth thanked Ms. Kappes for the update.

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

Tryon Equestrian Center Partnership

Ms. Brown said that based on the strength of the testing of the current creative, staff is requesting permission to develop an alternative plan to reallocate the dollars budgeted for production in this fiscal year to bring to the board for approval at a future meeting. BCTDA board members nodded in agreement at this recommendation.

Ms. Brown shared a proposal to reach attendees of the World Equestrian Games to attract them to book lodging in Buncombe County. She reviewed the elements of the proposal, including Asheville being recognized as the event's preferred destination and receiving exposure in the official destination guide, including the cover, at test events and on the website. She added the negotiated cost of the package is \$75,000 and said staff is bringing this to the board for consideration.

A discussion took place centering on the various components associated with the event and experiences board members have had with the Tryon Equestrian Center. Ms. Wilber said it is important for Asheville to have a presence at and be supportive of this international, world-class event.

When the discussion ended, Mr. Craig made a motion to approve the sponsorship proposal from Tryon International Equestrian Center as presented and move \$75,000 from the production budget to cover the cost. Mr. Lockett seconded the motion. A vote was taken and with Mr. Celwyn, Mr. Karvir and Mr. Froeba against, the motion carried 6-3.

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

Asheville City Council Update

Councilwoman Mayfield was absent from this meeting, therefore, an update on Asheville City Council activities was not provided.

Buncombe County Commission Update

Commissioner Belcher reported on county-related business, including: affordable housing, planned work sessions to develop a growth strategy, the legal suit against opioid manufacturers, potential tax advantages if Mission Hospital is purchased by a for-profit company, the likelihood of the submission of a Major Works TPDF project application for the Buncombe County Sports Park, and the benefit of upcoming baseball tournaments scheduled at the Bob Lewis Ballpark in Enka.

Chairman Muth thanked Commissioner Belcher for his report.

Miscellaneous Business

There was no miscellaneous business shared at this meeting.

Comments from the General Public

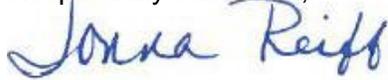
There were no comments from the general public made at this meeting.

Adjournment

Chairman Muth expressed his sincere gratitude to Vice Chairman Froeba and his competent, accommodating staff at The Omni Grove Park Inn for their generosity in hosting the two-day retreat. Chairman Muth thanked everyone for attending the meeting and for their input, adding that it is an honor and privilege to be part of the BCTDA and Explore Asheville CVB organizations and to work with professional, smart, hard-working people.

The meeting adjourned at 2:17 p.m. The BCTDA will next meet on Wednesday, May 2, 2018, 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