

Transylvania County Tourism Development Authority

Minutes of 9/24/20 Virtual Board Meeting

Present: Aaron Baker, Layton Parker, Mac Morrow, Libby Freeman, Tracie Trusler, Tad Fogel, Grant Bullard, Dee Dee Perkins, Mike Hawkins

Absent: None

Staff Present: Clark Lovelace, Prentiss Brewer, Mary Jo Gordon, Karen Tessier, Nathan Jordan

Guests Present: Sally Burnett, Jonathan Griffin, Brian Farmer, Kieran Roe

Call to Order – Layton Parker

The meeting was called to order at 8:32AM by Layton Parker.

Presentation of Minutes – Layton Parker

The minutes of August 27, 2020 were presented for review by Layton Parker. Libby Freeman made a motion to approve as presented. Aaron Baker seconded. Motion passed.

Office Report – Clark Lovelace

Financials – Clark reminded that financials with comments from him were included in the advance packet and he would just quickly touch on high points and is then open to any questions. July returns surpassed June totals, giving us our second record-setting month. Short-term rentals were 2.5-3 times higher than usual again. Being almost entirely leisure travel, plus having incredible outdoor options, plus being remote, all seem to be working in our favor with regard to demand. Expenses are in line. We're well ahead of where we projected when creating year-end projections for FY20 and a budget for FY21. More details on that will be provided during the finance committee update. Mac Morrow made a motion to approve financials. Tracie Trusler seconded. Motion passed.

Office Report and Tourism Updates – Clark covered the following:

- VisitNC coordinated a marketing credit program with funds from the CARES act where destinations could apply for a maximum amount based on their total revenue for cooperative options. We applied and received a \$61K credit. We signed up for digital marketing (ads and pre-roll), a full-page ad in an insert (250K copies), and Arrivalist statistics on TC.
- The Black Folks Camp Too video should come out on 9/22.
- The Leave it Better campaign and contest continues. An insert was in the TTimes last week.
- The Transylvania Business Support Task Force will be restarting the Transylvania Tomorrow relief fund to support businesses as winter hits. It previously supported 90+ businesses with \$160K+ in funding. We contributed \$10K as a founding member when it started. More funds are a possibility. The city has provided \$30K and is working on more for the second push.
- Local Tourism News
 - Twin Flame Bistro and Lola's have closed.
 - Visitor Center Coordinator Sally Burnett was introduced and asked the board for ideas to help get more people through the door at the Visitor Center.

Chair Report – Layton Parker

2021 Board of Directors – As touched on last month, there are openings for new board members and action is needed. There is an opening for Tad's spot, which is a "member-at-large" spot, meaning they can be

accommodations owners/operators or non-owners/operators. Layton's is opening as well and as discussed at the last meeting, he intends to serve a second term and continue as chair for a second year. Aaron will recommend a replacement for himself from the Chamber board. Mark Tooley, Robin Pickel, and Kevin Howell have applications on file, although all were submitted over a year ago. We should consider them and reach out if we're interested. Other names were suggested. Clark will send out all names that were mentioned and request individual feedback. We need a tentative decision by our next board meeting and a final decision by our joint Nov/Dec meeting.

Committee Updates – Layton updated the board on recent activity out of the Finance Committee. Here is a summary of the recent factors:

1. FY20 final income statement – Due to our conservative occupancy tax projections and higher May returns and much higher June returns than anticipated, our net income was much better than our projected year-end. We had originally forecasted to utilize \$182,818 from the fund balance to supplement the annual budget. Our actual use of the fund balance for the year was only 33,207. That left us with a year end fund balance of \$396,965, about \$150,000 more than originally budgeted.
2. FY21 Budget – We were conservative again due to uncertainty with the pandemic and for July we generated \$194,525 compared to our budgeted \$85,188 producing an additional \$109,000 in surplus cash.
3. Fund Balance – Based on better year-end FY20 than anticipated and substantially better revenues in the first month of FY21, we are trending toward our revenues far exceeding our budgeted expenses and actually adding to our fund balance at the end of FY21. If we simply continue to meet our conservative budget, we will have a fund balance of almost \$480,000 as of year-end if we do not adjust our spending levels for the current year. If anything, that is a low point since it seems highly likely that the final 11 months will exceed our budget that had a projected 36% decrease in occupancy revenue.

Having considered that the revenues and expenditures for the year ending June 30, 2020, varied significantly from estimates and recognizing a need for additional spending to meet the Authority's goals and priorities for FY21, the Finance Committee brings a motion as follows:

Amend the FY21 budget ordinance for the Authority to increase the appropriation of fund balance by \$145,000. This appropriated fund balance will go to finance the following expenditures:

- An additional \$30,000 for the Transylvania Always program
- An additional \$65,000 for Marketing purposes
- An additional \$20,000 for implementation of the Authority's strategic plan
- An additional \$20,000 for the tourism grant program
- An additional \$10,000 in expenditures to contribute to the Transylvania Tomorrow business support program

Dee Dee Perkins seconded the motion from committee. Motion passed unanimously.

Guest Speaker – Kieran Roe with Conserving Carolina

Layton introduced Kieran Roe, Executive Director of Conserving Carolina. Kieran updated the board on progress with the Ecusta Trail.

Old Business

Layton reminded that we decided at the last meeting that the conversation on an occupancy tax increase will be held at next month's meeting.

New Business

None

Public Comment

None

Meeting Adjourn

Meeting was adjourned at 10:32 AM by chairperson Layton Parker.

Minutes respectfully submitted by Prentiss Brewer.
