

ASHEVILLE

Buncombe County Tourism Development Authority

Asheville Area Chamber of Commerce Boardroom

Excerpts from Board Meeting Minutes

Wednesday, December 16, 2015

- Present (Voting):** Paula Wilber, Chair, Jim Muth, Vice Chair, Chip Craig, John Ellis, Steve Frabitore, Gary Froeba, Himanshu Karvir, John Lockett, John McKibbon
- Absent (Voting):** None
- Present (Ex-Officio):** Asheville City Councilwoman Julie Mayfield
- Absent (Ex-Officio):** Buncombe County Commission Vice Chair Joe Belcher
- BC Finance:** Tim Flora
- Advertising Agency:** No one was in attendance from the Peter Mayer Advertising Agency
- CVB Staff:** Stephanie Brown, Marla Tambellini, Dianna Pierce, Glenn Cox, Jonna Reiff, Tom Roberson, Pat Kappes
- CVB Staff Absent:** None
- Guests:** Kit Cramer, Asheville Area Chamber of Commerce
Bob McMurray, Black Mountain/Swannanoa Chamber of Commerce
Phil Smith, Van Winkle Law Firm
Sharon Gordon, Mainstream Professional Accounting Services, Inc., representing Best Western /Biltmore East
Cathy Ball, City of Asheville
Lacy Cross, Old Town Bank
Jason Sandford, Ashvegas

Financial Reports

Penalty Waiver Request

Sharon Gordon, an accountant with Mainstream Professional Accounting Services, Inc., (Mainstream) was in attendance to explain the circumstances surrounding the penalty waiver request she has submitted to the BCTDA for consideration on behalf of the Best Western/Biltmore East. Relevant documentation was sent to board members in advance of the meeting and was also provided in the board books. The penalty, in the amount of \$1,575.04, was assessed by the Buncombe County Finance Department (BCF) due to the envelope containing the Best Western/Biltmore East's September 2015 occupancy

tax report and remittance check being postmarked on October 30, 2015, which was required to have been postmarked on or before October 20, 2015.

Ms. Gordon introduced herself and said her small accounting firm files occupancy tax reports for several local hotels. Due to the processes her company follows for submitting taxes, including walking outgoing mail to the post office and requesting it to be hand-stamped, she has no explanation as to why the envelope was postmarked on October 30. She said the owner of this hotel has two other properties that she files taxes for and all three were processed and mailed at the same time and the other two were not postmarked late. She also reviewed the process Mainstream follows to record outgoing mail on internal spreadsheets allowing postage fees to be appropriately charged to her clients, and back-up documentation was provided showing the outgoing mail charges were in line with other properties that were simultaneously filed. Ms. Gordon added post office clerks are often reluctant to hand-stamp outgoing mail and can be quite disagreeable when such requests are made. Ms. Gordon said the property owner has an excellent payment history and based on the processes Mainstream follows to ensure payment is sent on time, and there being no other explanation other than postal error, she respectfully requests approval of the penalty waiver.

For the newer board members, Ms. Brown explained that penalties collected are directed to county schools and are not retained by the BCTDA. She added that since this is a county tax, approval is a two-step process and if the BCTDA recommends that the penalty waiver be granted, it will then be forwarded to the Buncombe County Commission for further and final consideration.

Mr. McKibbon said he has reviewed the materials and said he looks forward to the time when occupancy taxes can be paid online, which will alleviate postal issues. In the meantime, he said that based on the explanation and documentation provided, he believes this was a post office error. That, coupled with the provided confirmation from Buncombe County Finance that the property has not been late filing occupancy tax payments in 15 years, he would be willing to recommend the waiver. Mr. Craig added he currently has little confidence in the postal service and shared an example of delays he experienced with a recent mailing. Mr. Ellis said he finds it interesting that the envelope was postmarked 10 days late, not just one or two.

Chairwoman Wilber said the board has always been very reluctant to approve waiver requests in the past, however, has made a few exceptions when extenuating circumstances were presented. She thanked Ms. Gordon for providing the explanation, back-up documentation, and for having such an excellent payment history. She invited further questions and none were raised.

Mr. McKibbon made a motion to approve the request made by Sharon Gordon on behalf of Best Western/Biltmore East to waive the \$1,575.04 penalty assessed by the Buncombe County Finance Department. Mr. Muth seconded the motion. There was no discussion and with all in favor, the motion carried 9-0.

The CVB staff will send the request and relevant documentation to the Buncombe County Commission for further and final consideration.

Respectfully submitted,

Jonna Reiff
Executive Operations Manager