

MINUTES OF THE HATTIESBURG TOURISM COMMISSION BOARD MEMBERS & MANAGEMENT

Minutes of a regularly scheduled meeting of the Board Members of the Hattiesburg Tourism Commission of the City of Hattiesburg, Mississippi, held in person at Hilton Garden Inn's meeting room and teleconference via GoToMeeting platform during COVID-19 on:

August 26, 2020

Be it remembered that on the 26th day of August, the Board Members of the Hattiesburg Tourism Commission met in a regular meeting in person and via teleconference due to the gathering restrictions of Coronavirus Disease 2019 (COVID-19). Frank James, Chairman of the Hattiesburg Tourism Commission, called the meeting to order at 1:05 p.m. The following Members of the Board were found to be present:

PRESENT

Bonnie Warren
Frank James
Fei Xue, Ph.D. (teleconference)
Melanie Archer
Anthony Harris
Michael Marks (teleconference)
Shawn Lowrey

ABSENT

ALSO PRESENT

Marlo Dorsey, Management
David Ott, Counsel

Citizens Forum

With no public guests present, citizens forum was not held.

Minutes from Previous Board Meetings

After full review and upon motion by Michael Marks, duly seconded by Bonnie Warren, there was unanimous favorable vote of the board to approve the June 2020 meeting minutes.

Financial Report

Marlo presented the financial report. Included was a document with updated tax receipts for the commission's 2% special hotel levy. As of July 31, the report showed year-to-date received revenue at \$617,985 for the first ten months of FY2020, compared to \$646,079 from the first ten months of last fiscal year. Marlo again noted the strong start to the fiscal year was of great benefit to the overall budget since COVID-19 has caused numerous convention cancellations and group events, reducing hotel revenue for the next several quarters. Of note, July 2020 hotel revenue was \$34,856, down 48.5% from the previous year. August has seen leisure travel slightly rebounding from COVID-19 closures.

The claims dockets for the months of June and July were presented. These budgeted expenditures were provided in full detail by line item. Reconciled balances of all Hattiesburg Tourism Commission assets through July 31, 2020 were

presented with a total balance of \$1,598,281.29. Included on the report were details of each account with financial institution, current interest rates, and maturity dates listed. After full review and discussion and upon motion by Bonnie Warren and duly seconded by Michael Marks, there was a unanimous favorable vote to approve financial reports as presented.

A comprehensive FY2020 budget update was then shared with year to date revenue and expenses. With the budget cuts taken in April due to COVID-19, the FY2020 budget was aligned with new projections and expenditures. After a full discussion and upon a motion made by Michael Marks and duly seconded by Fei Xue, including an upcoming discussion on Mississippi Tourism Recovery Funding grants under new business, there was a unanimous favorable vote to approve the FY2020 budget update.

Old Business

Marlo provided an informational update on the FY2019 audit for reserve allocations following the April board meeting. No action was needed or taken.

Marlo provided an update on the Visitors' Center lease, stating she was looking for alternate locations to have options to vacate by the end of the calendar year. At the request of the HCC via a letter, the HCC said they needed the space and would not renew the lease terms.

New Business

Marlo shared a comprehensive update on the Mississippi Tourism Recovery Fund grant application with the commissioners. The HTC was notified it was approved for \$499,856 in grant dollars through CARES ACT funding appropriated through HB1791 and HB1790. This amount was determined from HTC's FY2019 expenditures and a pro-rata share for visitor volume in Mississippi as a top 10 destination. The check was expected the following week.

Prior to submitting the grant application, Attorney Ott reviewed all contents of the application. Additionally, the expenditures provided were audited amounts for qualifying expenditures. After a full discussion and upon a motion made by Michael Marks and duly seconded by Anthony Harris, there was a unanimous favorable vote to officially accept the Grant Agreement and associated documents for the funds as presented.

A full plan called the Mississippi Tourism Marketing Plan for each destination receiving funds also had to be submitted for funding. The plan outlined how the funds would be allocated by category as outlined in the legislation. Copies of the plan were provided to the commission with categories, key markets, goals, and tactics.

After a full discussion and upon a motion made by Melanie Archer, and duly seconded by Shawn Lowrey, there was a unanimous favorable vote to adopt the marketing plan for VisitHattiesburg's tourism recovery efforts. It was noted three commissioners were part of the RFP committee along with Marlo and Paige Hunt to select an ad agency for the production portion of the project: Fei Xue, Melanie Archer, and Michael Marks. A contract would be signed with Maris West and Baker following the competitive process.

Marlo noted that if any market conditions or other items arose that caused for the plan to be modified, she would provide those updates at each board meeting. Additionally, monthly reports were to be submitted to the Department of Finance and Administration (DFA) through the CARES ACT portal for third-party review. Additionally, U.S. Treasury Guidelines called for the funding to be spent by December 31, 2020.

A full FY2021 budget, along with the Mississippi Tourism Recovery Budget portion for FY2021, was then presented. With a 30% forecast in revenue reductions from hotels (based upon industry trends and projections from COVID-19), the

revenue and expenses were presented. With a commitment to the continuation of the newly adopted strategic plan objectives for destination building, reserve allocations would be transferred to the operating budget to ensure a strong year of financial stability for FY2021. After a lengthy discussion on best practices in marketing, convention sales, leisure visitors, and Hattiesburg's tourism partners, and upon a motion by Bonnie Warren and duly seconded by Shawn Lowrey, there was a unanimous vote to approve the FY2021 budget for the Hattiesburg Tourism Commission. (attached)

Marlo provided a brief update on staffing, where directors were following social distancing guidelines to work in the office, but also shared the magnitude of work in the community with partners to ensure best safety practices were in place and efforts to assist with recovery were being done. Additionally, the visitors center could not be reopened to the public without having a full-time cleaning assistant on contract or payroll to ensure the standards of cleanliness to public foot traffic were met.

A briefing was then presented on the Mississippi Miss Hospitality competition, which was able to continue in a hybrid manner with virtual preliminaries being conducted and an in-person Top 10 competition at the Saenger Theater for one evening on Saturday, July 18. Although the finals in-person event was limited in seating due to social distancing guidelines, approximately 100 guests were in attendance. The live webcast for the competition had thousands of viewers, which provided a tremendous opportunity for all areas of the state to tune in for the event. Michael Marks and Bonnie Warren noted all the safety guidelines were followed and showed their appreciation for working as a community for the show to continue.

The final budget for 2020 closeout with expenses was presented to the board for approval and review. After full review and upon motion by Melanie Archer, duly seconded by Anthony Harris, there was unanimous favorable vote of the board to approve the income and expenses for the 2020 year.

A 2021 budget for Miss Hospitality was then presented, accounting for an in-person competition, travel for the winner in line with traditional years, and a full production. After full review and discussion and upon a motion made by Bonnie Warren, duly seconded by Melanie Archer, there was unanimous favorable vote of the board to approve the 2021 budget for Miss Hospitality.

Updates were provided for the Hattiesburg Alliance for Public Art with additional murals and public art features in the works for fall and for the remaining FY2021 to follow the destination development tactics in the adopted strategic plan. After full review and discussion and upon a motion made by Melanie Archer, duly seconded by Shawn Lowrey, there was unanimous favorable vote of the board to approve public art planning for FY2021.

Being no other business, the meeting was adjourned at 2:29 p.m.

Hattiesburg Tourism Commission:

Frank James, Board Chair

Attested:

Marlo Dorsey, Executive Director