

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, was held via teleconference on the GoToMeeting platform on:

August 25, 2021

Be it remembered that on the 25th day of August, the Board Members of the Hattiesburg Tourism Commission met via teleconference due to the gathering restrictions of COVID-19. Frank James, Chairman of the Hattiesburg Tourism Commission, called the meeting to order at 12:01 p.m. The following Members of the Board were found to be present:

PRESENT

Frank James
Fei Xue, Ph.D. (virtual)
Melanie Archer
Michael Marks
Shawn Lowrey

ABSENT

Bonnie Warren
Anthony Harris

ALSO PRESENT

Marlo Dorsey, Management
Kristen Brock, Staff
David Ott, Counsel
Doug King, King CPA
Shelbi Quimby, King CPA

Citizens Forum

Marlo introduced Doug King and Shelbi Quimby of King CPA to present the annual audit report for FY2020 to the Hattiesburg Tourism Commission.

All commissioners in attendance were provided with a copy of a completed FY2020 general-purpose financial audit and statement prepared by King CPA. Doug King presented audit findings verifying HTC's financial figures, revenue, trends, and expenses from the previous fiscal year. King noted that deferred revenue is higher than normal due to CARES Act funding for tourism recovery. These funds will not show up as revenue until the FY2021 report, when all grant monies were expended. He also noted that revenues for FY2020 didn't fall as much as projected due the strong financial condition of the commission at the beginning of the fiscal year. King noted that no exceptions were found and that all internal controls for the commission are in compliance, noting that financial management changes made by current leadership have been very favorable. After a thorough review, the firm of King CPA found no procedural problems or material errors in the financial information provided.

After full discussion and upon motion made by Michael Marks and duly seconded by Shawn Lowrey there was a unanimous favorable vote to accept the FY2020 audit report as presented.

King and Quimby exited the meeting following the passed motion. With no further public guests present, citizens forum was adjourned.

Minutes from Previous Board Meetings

After full review and upon motion by Michael Marks, duly seconded by Shawn Lowrey, there was unanimous favorable vote of the board to approve June 2021 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 revenue at \$699,857, including a \$94,361 check for June 2021 hotel stays, a record monthly hotel tax collection for Hattiesburg. With a 30% budgeted decrease in income this fiscal year due to travel disruptions from Covid-19, year-to-date income is actually currently projecting an increase over 2019 and tourism in Hattiesburg is performing higher overall compared to other parts of the nation.

The claims dockets for the months of June and July 2021 were presented. Budgeted expenditures were provided in full detail by line item, along with Tourism Recovery Fund expenses which were recorded and presented separately. It was noted that all TRF funds have been expended and required reports have been submitted to the State of MS.

Reconciled balances of all Hattiesburg Tourism Commission assets through July 31, 2021 were presented with a total balance of \$1,746,961.47. These funds include TRF, umbrella accounts, and recouped funds from previous years' tax collections. Round 2 of PPP funding will continue to be considered a liability until the loan is forgiven. Included on the report were details of each account with financial institution, current interest rates, and maturity dates listed. All accounts have been reconciled by accountants at McArthur, Slay, & Dews, PLLC.

After a full discussion and upon a motion made by Michael Marks and duly seconded by Shawn Lowrey, there was a unanimous favorable vote to approve the financial update.

Old Business

Marlo provided a staffing update, informing the board that the advertised position of Communications and Promotions Manager has been filled. Meagan Duckworth, previous employee of the Area Development Partnership and Merit Health Wesley, joined the team in early August following a competitive interview process.

New Business

The board was provided with VisitHattiesburg's annual report for FY2020. This report, along with the FY2020 audit, will be presented to the Hattiesburg City Council per the commission's legislation. After full review of the document and discussion among the board, Shawn Lowrey made a motion to allow Marlo, alongside Frank or Anthony, to present the reports to City Council at an upcoming meeting. Duly seconded by Melanie Archer, there was unanimous favorable vote to approve the motion.

Marlo presented the FY2022 budget recommendation, which begins October 1, 2021. The proposed budget forecasted a 15% reduction in revenue based on industry projections due to ongoing Covid-19 travel restrictions. Reflecting this reduction, the proposal also included the option to move \$70,000 from Operational Reserves next fiscal year. After full review and upon motion by Melanie Archer, duly seconded by Shawn Lowrey, there was unanimous favorable vote of the board to approve the FY2022 budget as presented.

Kristen provided a brief overview of current sales efforts, as work continues to bring group business to Hattiesburg. A year-over-year overview of hotel and restaurant tax levies shows that hotel collections are up 28% for the year while restaurant collections are 20% higher than the previous year, thanks in part to the high number of group sports events hosted in 2021

along with the return of leisure travel to Hattiesburg. As the Covid-19 Delta variant threatens safe group travel, motorcoach groups have begun to cancel trips while meetings and conventions are currently planning to responsibly gather.

Marlo shared that Mississippi Tourism Recovery grant funds have been fully expended to complete the “Safely Open for You” campaign. Recovery funds, along with allocations from the FY2021 operating budget, have allowed more than \$600,000 to be spent on the campaign marketing Hattiesburg as a visitor destination. Examples of the marketing materials were provided in the board packet for review.

Kristen presented a Programs & Promotions update, beginning with a final report of the 2021 Mississippi Miss Hospitality operations budget. Despite increased costs in facility rentals and technology and a projected decrease in profit, the program was able to increase sponsorships and reduce costs in other areas to end the year with a projected net income of \$22,980.76. These funds will be used for the 2022 program and to continue increasing scholarship allocations for contestants. After full review and upon motion by Michael Marks, duly seconded by Shawn Lowrey, there was unanimous favorable vote of the board to approve the 2021 Mississippi Miss Hospitality closeout budget as presented.

A Hattiesburg Alliance for Public Art update was provided, showing recently completed public art projects. In addition, Kristen informed the board that HAPA was recently awarded a \$16,000 operating grant from the MS Arts Commission for FY22, the largest HAPA grant to-date. Upcoming projects were also presented, including renderings for a mural on the 4th Street Tunnel along the Longleaf Trace, to be completed by well-known artist Ivan Roque of Miami.

The board was asked to save-the-date for the 4th Annual Hattiesburg Restaurant Week, slated for October 2-9, 2021.

Being no other business, and upon motion by Michael Marks, duly seconded by Shawn Lowrey, the meeting was adjourned at 12:57 p.m.

Hattiesburg Tourism Commission:

Frank James, Board Chair

Marlo Dorsey, Executive Director

