

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 at the Lake Terrace Convention Center on:

FEBRUARY 28th, 2018

Be it remembered that on the 28th day of February, the Board Members of the Hattiesburg Tourism Commission met in a regular meeting at the Lake Terrace Convention Center, being a place fixed by law for such meetings. Frank James, Chairman of the Hattiesburg Tourism Commission, called the meeting to order at 11:33 a.m. The following Members of the Board were found to be present:

PRESENT

Bonnie Warren
Frank James
Torksy Williams
Marshall Bell
Fei Xue, Ph.D.

ABSENT

Adrienne Garanich-Hicks
Anthony Harris

ALSO PRESENT

Marlo Dorsey, Management
David Ott, Counsel
Paige Hunt, Sales and Visitor Services
Doug King, King CPA, PLLC
Shelbi Quimby, King CPA, PLLC

Minutes from Previous Board Meetings

Upon motion made by Marshall Bell, duly seconded by Bonnie Warren a waiver of the reading of the minutes was approved, as the minutes were provided via mail prior to the Commission meeting. Upon a motion made by Bonnie Warren, duly seconded by Marshall Bell, there was a favorable vote of the Board to approve the minutes of the previous meeting.

As an aside, Bonnie Warren gave a brief update on long-time HTC Liaison and Convention Commissioner, Mr. Bud Kirkpatrick, sharing she had visited with him after learning he was not in good health. She asked the Commission to keep him in their thoughts and prayers. Marlo also let the group know a floral arrangement and well wishes had been sent on their behalf to Mr. Kirkpatrick.

Financial Report

Marlo Dorsey presented the updated FYE 2018 lodging tax receipts, noting some progress on receivables for delinquent hotel revenues had been made since the prior commission meeting. Dorsey also stated she was in regular contact with the MS Department of Revenue and the City of Hattiesburg on updating the current hotel listings to ensure all properties were in compliance. A letter from the City of Hattiesburg to the MS Department of Revenue was shared with the Commissioners, stating the gap in hotel tax receivables and its need to be researched and corrected.

The outcome of the audit would be provided in the next 60 to 90 days according to Chris Bagwell, the sales tax director at the MS Department of Revenue.

Marlo then presented the relevant financial reports since the last Commission meeting, including the current Claims Dockets for December through February. Upon motion made by Fei Xue and duly seconded by Torsky Williams, there was a unanimous favorable vote to approve the Claims Docket and Financial Reports as presented.

Old Business

Chairman James asked for the agenda's old business to be moved to the end of the agenda to give way for the FY2017 audit to be presented by Doug King, CPA and a member of his team, accountant Shelbi Quimby. These old business items included cooperative opportunities with the Hattiesburg Convention Commission and lease considerations.

New Business

Mr. King provided each Commissioner with a printed copy of the audit, duly updating the Commission on the revenues and expenses from the prior fiscal year, along with the internal controls within the organization for FY2017. Mr. King noted that this financial audit was for the time period under the leadership of former Executive Director, Rick Taylor. During the fall of 2017, his team worked with Danielle Herrington and Marlo Dorsey to compile the financial reports and research to complete the audit. Mr. King stated he conducted satisfactory interviews on the newly established accounting processes between the Hattiesburg Tourism Commission and McArthur, Slay, and Dews, PLLC, where he reviewed internal controls in place with the new management team. Mr. King also updated the group on two contingencies, including the outstanding issues raised by the State Auditor's office, which should not have any negative impact on the Commission. Additionally, he noted the outstanding receivables on uncollected hotel tax from FY2017, which were discovered and reported to the MS Department of Revenue in fall 2017.

Following his presentation and a discussion, a motion was made by Marshall Bell and duly seconded by Bonnie Warren, to approve the audit as received. The motion carried with a unanimous favorable vote.

Attorney Ott then presented a proposed Mississippi Miss Hospitality agreement to the group, which had also been mailed prior to the meeting. The agreement included operational and financial guidelines for the annual program, which operates under the Tourism Commission's purview. The goal of the agreement was to create transparency while also ensuring compliance with state purchasing and operational guidelines. Attorney Ott noted that while the financial accounts are kept independently, and the program is self-sustaining, the commission should review and approve the financial statements on a regular basis. Additionally, Ott noted the positive economic impact of the program, and Marlo also shared recent enhancements to grow the program's outreach efforts. After discussion and feedback on the proposed agreement, a motion was made by Bonnie Warren and seconded by Marshall Bell to adopt the agreement presented for the Mississippi Miss Hospitality program. The motion carried with a unanimous favorable vote.

Marlo then presented numerous tourism and hotel sales updates including highlights of the most recent regional marketing campaign, the new HBURG sales kits, hotel leads/bids activity for meetings and conventions, and an invitation to the first HBURG Hotel and Hospitality Association Meeting on March 28, 2018. Additionally, she introduced Paige Hunt, Director of Sales and Visitor Services, to the group and gave her a few moments to provide additional hotel and hospitality activity reports as she had made in-person introductions to Hattiesburg hotels in her

first month on the job. Marlo then shared with the group that Kristen Brock had been hired as Programs and Promotions Manager, and she would begin in March.

Additional updates were made on the new community calendar, a project of VisitHattiesburg, to share with organizational partners all the activities and events for Hattiesburg. An update on the TravelSouth Showcase in mid-March was also provided with travel writers stopping in Hattiesburg overnight for a familiarization tour. Marlo noted it had been ten years since this regional event was hosted in Mississippi, and the tourism team was heavily involved in ensuring they provided a memorable stay for the group.

Chairman James called for any other business, and hearing none, asked the group to return to the outstanding items for old business.

Old Business

The first item of old business was the update on cooperative opportunities with the Hattiesburg Convention Commission. Chairman James stated a draft cooperative agreement was presented to the Convention Commission, and it was placed on the agenda for their January 28, 2018 meeting. Following that meeting, Chairman James received a letter from Rick Taylor stating there was no desire to enter into a formal agreement between both Commissions. Chairman James then deferred to Attorney Ott to share additional updates. The copies of the letter were then shared with the Tourism Commission.

The second item of old business was the Consideration of Lease Agreement at the Visitors Center, which was previously tabled pending the outcome of a cooperative agreement with the Convention Commission to cover costs of certain operations of the facility, along with other ways to maximize available resources. Marlo then provided an expense listing as to the costs to operate the Visitors Center for day tripper traffic, noting the Tourism Commission is funded by overnight visitors from hotel stays, and the Convention Commission is funded by day trip visitors who eat at restaurants or visit attractions. Marlo shared the idea for an alternate location option in Downtown Hattiesburg that would cost less to operate and provide more exposure to larger groups.

Marshall Bell then made a motion to go into Executive Session for the purposes of lease discussions, as well as the Commission attorney report and a personnel update. Bonnie Warren provided a second to this motion. After which, the Commissioners voted unanimously to go into Executive Session for these purposes. The Chair requested that Marlo Dorsey remain with the Commission during the Executive Session.

The Commission took no action in Executive Session, but legal and personnel matters were discussed.

Upon motion by Marshall Bell to exit the Executive Session, Torsky Williams seconded the motion. At which, the Commissioners present voted unanimously to leave the Executive Session.

A motion was made by Marshall Bell and seconded by Torsky Williams, to give Marlo the authority to make reasonable attempts to enter a lease with the Hattiesburg Convention Commission for the Visitors Center, or the authority to seek another location and lease option, with the stipulation to notify Chairman James of the selected option prior to entering into a formal agreement. After further discussion, the motion passed unanimously.

A motion was made by Bonnie Warren and seconded by Marshall Bell, to pay an outstanding Tourism Commission invoice from 2016 for legal services provided by Bryan Nelson, P.A. The motion passed unanimously.

Being no other business, the meeting was adjourned.

Hattiesburg Tourism Commission

Frank James, Board Chair

Attested:

Marlo Dorsey, Executive Director