

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 Holiday Inn North's meeting room and teleconference via GoToMeeting platform during COVID-19 on:

October 29, 2020

Be it remembered that on the 29th day of October, 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 1:10 p.m. The following Members of the Board were found to be present:

PRESENT

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

ABSENT

Bonnie Warren
Anthony Harris

ALSO PRESENT

Marlo Dorsey, Management
David Ott, Counsel (teleconference)
Kristen Brock, Staff

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 Melanie Archer, there was unanimous favorable vote of the board to approve the August 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 September 30, the report showed year-to-date received revenue at \$744,122 for FY2020, compared to \$778,215 from FY2019, recording a 4.4% total decline in revenue. Marlo again noted that the strong start to the fiscal year was of great benefit to the overall budget since the pandemic has caused numerous convention and group event cancellations as well as a steep decline in leisure travel, reducing hotel revenue for the next several quarters. Of note, without a strong beginning of the fiscal year, including back taxes recovered by the MS Dept. of Revenue, total income for FY2020 would have been down approx. 19.5%, which is one par with other communities in the state. Overall, the year-over-year tax check comparisons show that hotel tax collection is down 19% and food & beverage tax collection is down 10.9%, reflecting the effects of COVID-19.

The claims dockets for the months of August and September were presented. Budgeted expenditures were provided in full detail by line item, along with Tourism Recovery Fund expenses which were recorded separately. All remaining TRF funds will be spent by December 31, 2020 per state and federal guidelines.

After full review and upon motion by Michael Marks, duly seconded by Shawn Lowrey, there was a unanimous favorable vote to approve expenditures and financial balances as presented.

Reconciled balances of all Hattiesburg Tourism Commission assets through September 31, 2020 were presented with a total amount of \$2,115,359.91. These funds include TRF, PPP, and recouped funds from previous years' tax collections. 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.

A comprehensive FY2020 budget update was then shared with year-end revenue and expenses listed. With the budget cuts taken in April due to COVID-19, the FY2020 budget was aligned with new projections and expenditures. Overall, FY2020 net income was up from the projection discussed by the commissioners in April, for a total of \$543,332. Preliminary year-end statements of financial performance prepared by accountants at McArthur, Slay, & Dews, PLLC were presented. After a full discussion and upon a motion made by Melanie Archer and duly seconded by Michael Marks, there was a unanimous favorable vote to approve the FY2020 financial update.

Old Business

Marlo provided an update on the Visitors' Center lease, informing the board that the City of Hattiesburg has offered a proposed alternate office location following an HCC letter stating that the current office lease would not be renewed in 2021. The City of Hattiesburg has asked the VisitHattiesburg staff to occupy the Hattiesburg Train Depot office space, with the City covering all rent and utilities at no cost to VisitHattiesburg. Attorneys David Ott and Shawn Lowrey offered to ensure that the HTC is under no liability when vacating the current facility after paying for a portion of the building's construction costs in 2003, which was deeded to the HCC upon completion and has served as office space for the HTC since 2004. After full discussion, Michael Marks made a motion to request a 2-week lease extension from the HCC with the goal of moving by January 15, 2021, entering a two-year lease agreement with the City of Hattiesburg for the Hattiesburg Train Depot office space, which was duly seconded by Melanie Archer and unanimously approved by the board.

Marlo informed the board that the HTC owns assets and furniture located in the current Visitors Center office space. Following full discussion and upon motion by Melanie Archer, duly seconded by Michael Marks, the board unanimously agreed to allow Marlo Dorsey to enter discussion with the City of Hattiesburg and Hattiesburg Convention Commission regarding moving existing furniture and potentially selling certain assets at fair depreciation value, also approving associated moving costs.

Marlo presented a public funds net interest checking account proposal from Regions Bank that offers modernized banking services and accrued interest to offset any associated fees. After full review and upon motion by Michael Marks, duly seconded by Shawn Lowrey, the board unanimously voted to move \$500,000 from the current money market account at Great Southern National Bank to begin operating a checking account at Regions.

New Business

Marlo shared a comprehensive update on Hattiesburg's portion of the Mississippi Tourism Recovery grant funds with the commissioners, showing an expense report of how the grant dollars through CARES ACT funding have been spent through September 30, 2020. A plan for the remaining funds, to be spent by December 31, 2020, was also presented.

Commissioners were also provided with a copy of a letter signed by Marlo and Frank James and sent to the Governor, Lieutenant Governor, and legislatures, showing appreciation for their support and passing of Tourism Recovery Funds.

An overview of Hattiesburg's "Safely Open" campaign, paid through the Tourism Recovery Fund, was presented to the commissioners. The presentation included videos, photos, itineraries, and other collateral that has been completed to-date in marketing Hattiesburg as a safely open destination for visitors. Upcoming plans in the tourism recovery campaign were also shared, including virtual tours of Hattiesburg and a public art trail.

At the August 2020 Hattiesburg Tourism Commission meeting, commissioners allocated an initial \$20,000 in VisitHattiesburg operating reserves to fund public art projects through Hattiesburg Alliance for Public Art. Today, commissioners were presented with recent public art additions and a budgeted list of proposed projects over the next 3 months. After reviewing public art plans and upon motion by Melanie Archer, duly seconded by Michael Marks, the board unanimously approved the budget and plans as presented.

Also at the August 2020 Commission meeting, commissioners approved the 2021 Mississippi Miss Hospitality Competition comprehensive budget, which included in-state and out-of-state travel. Following full discussion and upon motion by Shawn Lowrey, duly seconded by Melanie Archer, the board unanimously approved resuming all travel plans in a responsible manner.

Marlo provided a brief overview of remaining meeting documents, including tourism/hotel sales updates and a recap of the 3rd Annual Hattiesburg Restaurant Week.

Being no other business, and upon motion by Michael Marks, duly seconded by Melanie Archer, the meeting was adjourned at 2:19 p.m.

Hattiesburg Tourism Commission:

Frank James, Board Chair

Attested:

Marlo Dorsey, Executive Director

