

**MINUTES OF THE
HATTIESBURG TOURISM COMMISSION
BOARD MEMBERS & MANAGEMENT**

Minutes of the regularly scheduled meeting of the Board Members of the Hattiesburg Tourism Commission of the City of Hattiesburg, Mississippi, held on:

February 26, 2025

Be it remembered that on the 26th day of February, the Board Members of the Hattiesburg Tourism Commission met in person at the Turner Building board room in Downtown Hattiesburg following a tour of the facility at 300 Hardy Street. Frank James, chair of the Hattiesburg Tourism Commission, called the meeting to order at 12:11 p.m. The following Members of the Board were found to be present:

PRESENT

Frank James
Melanie Archer
Michael Marks
Bonnie Warren

ABSENT

Anthony Harris
Shawn Lowrey
Dr. Joe Paul

ALSO PRESENT

Marlo Dorsey, Management
Kristen Brock, Staff
David Ott, Counsel

Citizens Forum

Marlo introduced Doug King and Shelbi Quimby of King CPA to present the annual audit reports for FY2023 and 2024 to the Hattiesburg Tourism Commission.

All commissioners in attendance were provided with a prior digital copy of the completed financial audits and statements prepared by King CPA. Doug King presented audit findings verifying HTC's assets, liabilities, revenue, and expenses from fiscal years FY23 and FY24. After a thorough review, King stated that no exceptions were found and that all internal controls for the commission comply, noting the firm of King CPA found no procedural problems or material errors in the financial information provided. Additionally, King CPA conducted the federal compliance audit on American Rescue Plan Act (ARPA) funds awarded to the tourism commission as well.

Following thorough reporting and full discussion, a motion was made by Melanie Archer and seconded by Michael Marks to accept the FY2023 and FY2024 audit reports as presented. The motion carried unanimously.

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

Minutes from Previous Board Meetings

After a full review of the December 2024 meeting minutes, and upon motion by Michael Marks, duly seconded by Bonnie Warren, there was a unanimous favorable vote of the board to approve the minutes as presented.

Financial Report

Dorsey presented the financial report. Updated tax receipts for the commission's 2% special hotel levy were down 18.4% year-over-year, with a total collection of \$317,224 to date. Dorsey noted that actual tax collections from the MS Department of Revenue continue to be lower than the projected occupancy-based revenue reported by national firm Smith Travel Research, with estimates that more than \$300,000 in hotel tax revenue has not been received over the last three years. Dorsey continues to be in conversation with the Department of Revenue regarding the discrepancies, and the board suggested a meeting with Mayor Barker to address the ongoing issue.

A separate report showed tourism tax proceeds up 1.18% over the previous calendar year, while restaurant taxes were up 4.43% for the same period.

Claims dockets for the months of November, December, and January 2025 were presented. A listing of all ARPA and non-ARPA expenditures was provided in full detail by line item; all were budgeted expenses. ARPA updates on procured vendors and the overall budget were also presented.

The board was provided with reconciled balances of all Hattiesburg Tourism Commission assets through January 31, 2025, showing a total balance of \$3,902,372.72. A statement of financial position through January 31, 2025, and comparative statements of revenue and expenses, provided by accounting firm McArthur, Slay, and Dews LLC, were also included.

After full review, and upon motion by Melanie Archer, duly seconded by Michael Marks, there was a unanimous favorable vote to approve the financial update as presented.

Old Business

Prior to the meeting, board members were invited to tour 300 Hardy Street, the potential site for a future welcome center. Dorsey has met several times with VERB architecture firm regarding the design, as approved by the board, and a proposed concept was presented during the walkthrough. Dorsey noted she has been in regular conversation with legislators and the Governor's office regarding the MS Main Street Revitalization Grant and will have a funding update at the next board meeting.

David Ott presented the board with a draft lease contract and agreement with the City of Hattiesburg regarding the building. After discussion, and upon motion by Melanie Archer, duly seconded by Bonnie Warren, the board approved Marlo to work through the details of the lease with the City of Hattiesburg once all funding sources and a timeline had been finalized.

New Business

Dorsey shared two separate pieces of legislation that would redefine “hotel” as it pertains to special levy collections. The Mississippi DMO Association has been working with the Mississippi Department of Revenue (MS DOR), as well as Chairman of Ways and Means in the House Trey Lamar and Vice-Chairman of Finance in the Senate Chris Johnson, on tax compliance legislation for short-term rentals. If passed, tax rates on short-term rentals would match the city or county rate of that special levy. Taxes would be added to the total cost of the stay and remitted to the MS DOR by code area to ensure the local entity receives the funding for tourism. More details will be provided at the next board meeting; however, Dorsey said the legislation has been met with great support across both chambers.

Brock presented a Sales & Visitor Services update, overviewing current groups being served by the department along with recent sales efforts. Ten groups have been serviced through Red Carpet Services so far in FY25. Brock also announced the hiring of Megan Mallory as Sales and Visitor Services Manager, who brings a wealth of hospitality industry experience to the role.

Brock presented a 2025–2027 sculpture exhibition update. The commission previously approved a \$50,000 budget transfer to fund the show, which will bring large-scale sculptures to Hattiesburg for the first time since 2019. Following a national call for artists, eleven sculptures designed by artists from across the country were selected and will be installed over the next month.

A Mississippi Miss Hospitality update was presented, showing strong growth for the 2025 program, with more than 40 contestants expected to participate.

Dorsey presented a marketing and public relations overview, including a domestic visitor update reporting that visitors spent an average of 1.6 days in Hattiesburg, with 73% staying overnight and 68.9% returning from a previous stay. Dorsey noted these visitor data and behavior reports provide insight on the highest and best sectors for marketing campaign investments.

A marketing recap showed 148 pieces of coverage between May 2023 and December 2024, resulting in readership of 13.1 million. An additional report on international travelers showed an average length of stay of 4.6 days, with 87.6% of international travelers staying overnight.

Dorsey updated the board on the recent unveiling of a Country Music Marker in Hattiesburg, honoring Lloyd Green on the campus of The University of Southern Mississippi. She also informed the board that VisitHATTIESBURG won two ADDY awards in the Mississippi competition: a Gold designation for the Geotour campaign and a Judge's Choice nod for the Sloth Adventure campaign. These campaigns will continue to national competition at the advertising industry's largest and most representative event, which attracts more than 25,000 entries every year.

There being no further business, and upon motion by Melanie Archer, duly seconded by Michael Marks, the meeting was adjourned at 1:45 p.m.

Hattiesburg Tourism Commission:

Frank James, Chair

Marlo Dorsey, CEO