

September 4, 2013

Mayor DuPree & Members of the City Council
City of Hattiesburg
PO Box 1898
Hattiesburg, MS 39403-1898

Dear Mayor and Council Members:

Greetings from the Hattiesburg Convention Commission. Following, you will find the proposed Hattiesburg Convention Commission's Fiscal Year Ending 2014 Budget. The Commission seeks your approval of this budget.

FISCAL YEAR ENDING 2014 BUDGET

Estimated Beginning Cash

Last year's budget projected an ending balance of \$2.9 million as we began to match grants and continue construction on the Historic Eureka School Museum project. However, the impact of the tornado threw off the timing of this project and with the influx of some insurance monies and the delay in the scheduled portion of that project, we anticipate beginning the new fiscal year with approximately \$3.2 million.

Revenue

We project to receive \$4.3 million in the special sales tax revenue, which is down from our amended budget number of \$4.4 million. This is because of the 2013 tornado-induced spike in restaurant sales, which we are not budgeting for in 2014. This causes us to budget down 2.5% over the prior year.

Though we are focusing on increasing our revenue generating events at the Zoo and Saenger, we are budgeting for general operating revenue to remain at the amended levels of 2013, which were up 36%. Our goal is to beat this, but with some belt-tightening in certain economic sectors, we want to be conservative in our planning.

We also project Food and Beverage revenue and interest income to remain level with the FYE 2013 budget.

Expenditures

Debt Service

Our Debt Service is fixed and thus, should remain consistent with last year.

Facilities Operations

With the modifications in the Amended 2013 Fiscal Year Budget due to some major repairs and projects, we project that Facility Operations will see a decrease of \$132,764 (-6.5%) from last year.

Repairs, Refurbishment, & Fixed Assets

We project this category to remain relatively flat with a 0.3% increase of \$1,287.

Insurance, Professional Services, & Marketing

Having addressed the need for additional marketing funds for the Zoo and Saenger Theater in the amended FYE 2013 budget, we are projecting this category to remain flat as well, with a slight decrease of 0.2% or down \$1,391.

Staffing Costs

We are projecting a slight increase in seasonal staffing for the Zoo during the upcoming fiscal year, as well as the need to add a position in our Facilities Services (maintenance) department. In addition, we project some increases in our insurances, both workers comp and health. These projected increases combined with a plan for small cost-of-living increases for our hourly, part-time, seasonal and other staff call for an increase in this item of 6.5%.

Special Projects Income

As with the Amended FYE 2013 budget, for clarity we did not include these insurance, bond and grant monies in the overall income items but listed them within the Special Projects section. All of this income is restricted in its use to the projects identified.

Due to ongoing tornado repairs at the USO, we project to take in insurance proceeds in the amount of \$500,000 for the contents of the African American Military History Museum at the Historic USO Club.

Based on plans for continued development of the Eureka School and the Hattiesburg Zoo, we anticipate receiving \$595,000 in state and local bond money.

Based on grants awarded to-date, we project to receive \$558,000 in special project grants for the Eureka School and the Hattiesburg Zoo.

Expenditures

Likewise, we will expend monies on these special projects in line with the influx as noted above.

At the USO, we will expend the insurance proceeds to repair the museum contents. At Eureka, we will expend bond money and pay the balance of our Phase III costs as we conclude this Phase and begin Phase IV which will be supported in part through the bond money. And, at the Zoo, we will complete the Asbury Discovery Center utilizing the Asbury Grant and some 2001 Bond Issue monies.

In addition, we are allocating \$30,000 to cosmetically renovate the Saenger Annex dressing rooms and \$6,000 to operate the Trolleys for civic and university events.

This budget proposal outlines the financial side of the Commission's on-going task of building, improving, operating and marketing key tourism facilities for visitors and Hattiesburg residents alike. Combining these financial resources with our manpower and commitment to excellence will increase these facilities value to our local economy through increased visitor spending, while improving local quality of life.

Sincerely,

FOR THE COMMISSION



Richard Taylor
Executive Director

attachment

**Hattiesburg Convention Commission
Fiscal Year 2013 - 2014
Budget Analysis for All Funds**

			BUDGET			
Classification	Category	FYE 2013A Totals	FYE 2014 Totals	\$\$\$ Variation	% Variation	FYE 2014 % of Totals
Income & Beginning Cash	Estimated Beginning Cash	\$4,233,513	\$3,279,484	-\$954,029	-22.5%	34.60%
	Special Sales Tax (2% Food & Beverage Tax Revenue)	\$4,489,475	\$4,377,300	-\$112,175	-2.5%	46.19%
	Saenger Theater/ Convention Center / USO / Zoo Revenue	\$1,091,365	\$1,085,269	-\$6,096	-0.6%	11.45%
	F&B Revenue	\$734,437	\$734,437	\$0	0.0%	7.75%
	Interest	\$1,124	\$1,124	\$0	0.0%	0.01%
	Estimated Total Income & Beginning Cash	\$10,549,914	\$9,477,614	-\$1,072,300	-10.2%	100.00%
Expenditures	Debt Service					
<i>Convention Center</i>	Principal & Interest - Saenger Bonds	\$125,124	\$125,124	\$0	0.0%	1.98%
<i>Visitors Center</i>	Sub-total Debt Service	\$125,124	\$125,124	\$0	0.0%	1.98%
<i>Saenger Theater</i>	Facilities Operations					
<i>USO</i>	Electricity, Natural Gas, Telecommunications, Janitorial Supplies,	\$2,037,808	\$1,905,044	-\$132,764	-6.5%	30.10%
<i>Eureka</i>	Safety Equipment, Training, Contracted Services, Animal Feed					
<i>Zoo</i>	Repairs, Refurbishment, Fixed Assets					
	Refurbishment of Facilities/ Replacement of Equipment, Fixtures	\$371,440	\$372,727	\$1,287	0.3%	5.89%
	Insurance, Professional Services, Marketing					
	Trustee Fees, Insurance, Surety Bonds, Audit, Legal Fees, Saenger Talent Buying, Marketing, Show Production, etc.	\$633,091	\$631,700	-\$1,391	-0.2%	9.98%
	Staffing Costs (including benefits)					
	Full-time + benefits, Part-time & Event Based Staff	\$3,093,949	\$3,295,166	\$201,217	6.5%	52.06%
	Sub-total Estimated Expenditures	\$6,261,412	\$6,329,761	\$68,349	1.1%	100.00%
	Sub-total Cash - All Funds	\$4,288,502	\$3,147,853			
	<i>Insurance Proceeds for Tornado Repairs</i>	(\$889,497)	(\$500,000)			
	<i>Bond Money - State and/or Local</i>	(\$126,169)	(\$595,000)			
	<i>Special Projects Grants Income (Zoo & Eureka)</i>		(\$558,000)			
Project Expenses	Historic USO Club & Museum Development	\$456,120	\$500,000			
	Historic Eureka School Museum Renovation/Development	\$1,239,564	\$800,000			
	Saenger Theater	\$0	\$30,000			
	Trolleys	\$4,000	\$6,000			
	Zoo	\$325,000	\$375,000			
	Sub-total Project Expenses	\$1,009,018	\$58,000			
Total Estimated Ending Cash		\$3,279,484	\$3,089,853			