

# AGENDA ITEM SUMMARY

## FORT COLLINS CITY COUNCIL

ITEM NUMBER: 21

DATE: May 18, 1999

STAFF: Bruno/Siever

### SUBJECT:

First Reading of Ordinance No. 84, 1999, Appropriating Prior Year Reserves and Unanticipated Revenue in the General Fund for Promotion of Convention and Visitor Activities and for Cultural Development and Programming Activities.

### RECOMMENDATION:

Staff recommends adoption of the Ordinance on First Reading.

### FINANCIAL IMPACT:

This Ordinance appropriates \$103,275 from the General Fund Lodging Tax Reserves and unanticipated revenue for the Convention and Visitors Bureau, Cultural Development and Programming (CDP), Visitor Events, and Tourism Capital from the following sources:

	<u>CVB</u>	<u>CDP</u>	<u>Visitor Events</u>	<u>Capital</u>	<u>Total</u>
Unappropriated 1998 Lodging Tax Receipts	\$504	\$17,281	\$12,835	\$38,504	\$ 69,124
Unexpended 1998 Appropriations	--	22,665	7,191	--	29,856
1998 Unappropriated Revenue for CDP	--	2,295	--	--	2,295
1999 Unappropriated Revenue for CDP	--	<u>2,000</u>	--	--	<u>2,000</u>
Total Appropriated by this Ordinance	\$504	\$44,241	\$20,026	\$38,504	\$103,275

### EXECUTIVE SUMMARY:

This Ordinance appropriates 1998 lodging tax receipts dedicated to the Convention and Visitors Bureau, Cultural Development and Programming (CDP), Visitor Events, and Tourism Capital. In addition, it appropriates unexpended 1998 appropriations for CDP and visitor events, and revenue received for CDP in 1998 and 1999 for use in the specified programs. The following information explains each of these funding sources.

Lodging tax revenue for 1998 was estimated to be \$459,673, while the actual receipts totaled \$528,797. The 1999 budget appropriated the estimated 1998 receipts of \$459,673. The additional 1998 lodging tax receipts in the amount of \$69,124 have not been appropriated. In accordance with City Code Section 25-244, 75% of the total receipts are to be used for the promotion of convention and visitor activities, and 25% for cultural development and programming (CDP) activities. In

accordance with the City's contract for services with the Convention and Visitors Bureau (CVB) for 1996, the City's 1996 payment to CVB was set at \$250,000, with annual increases at a rate not to exceed the prevailing rate of inflation as established by the Denver-Boulder Consumer Price Index. The total 1999 allocation of funds is as follows:

	<u>1999 Budget</u>	<u>1998 Receipts</u>	<u>Difference</u>
CVB	\$275,574	\$276,078	\$ 504
Tourism Capital	51,886	90,390	38,504
Visitor Events	<u>17,295</u>	<u>30,130</u>	<u>12,835</u>
Visitor 75%	\$344,755	\$396,598	\$51,843
CDP 25%	<u>\$114,918</u>	<u>\$132,199</u>	<u>\$17,281</u>
Total	\$459,673	\$528,797	\$69,124

The Cultural Development and Programming (CDP) and Visitor Events funds are in the General Fund reserves for lodging taxes and must be appropriated to be used to support events that provide a public benefit to the Fort Collins community and promote the utilization of public accommodations within the City. The City's Cultural Resources Board reviews applications for these funds and will make recommendations to the City Council in June of this year.

The CDP and Visitor Events accounts also had funds from the previous year's lodging tax allocations which were appropriated, but not used during 1998. The unexpended 1998 appropriations for CDP are \$22,665, and for Visitor Events, \$7,191. These funds are in the General Fund reserves for lodging taxes and must be appropriated into the CDP and Visitor Events accounts to be used to promote cultural development and programming activities.

In addition, CDP received \$2,295 in 1998 that was not appropriated during the year. These funds were granted, but not used, and thus returned to CDP. The \$2,295 was added to the Lodging Tax reserves at the end of 1998. CDP has also received \$2,000 in 1999 that was granted as reimbursable funding and then paid back to CDP. The revenue received in 1999 was not included in the budget and is unanticipated revenue. Both of these amounts must be appropriated into the CDP account to be used to promote cultural development and programming activities.

ORDINANCE NO. 84, 1999  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
APPROPRIATING PRIOR YEAR RESERVES AND  
UNANTICIPATED REVENUE IN THE GENERAL FUND  
FOR PROMOTION OF CONVENTION AND VISITOR ACTIVITIES AND FOR  
CULTURAL DEVELOPMENT AND PROGRAMMING ACTIVITIES

WHEREAS, in accordance with Section 25-244 of the City Code, lodging tax revenue is to be allocated as follows: 75% for the promotion of convention and visitor activities, and 25% for cultural development and programming activities; and

WHEREAS, in 1998 the City received lodging tax revenues in the amount of \$69,124 in excess of the original estimate for 1998 lodging tax receipts; and

WHEREAS, in addition, the Cultural Development and Programming Account had appropriated funds from 1998 in the amount of \$22,665 that were not expended in 1998; and

WHEREAS, in addition, the Visitor Events Account had appropriated funds from 1998 in the amount of \$7,191 that were not expended in 1998; and

WHEREAS, the Cultural Development and Programming Account also received revenue in 1998 in the amount of \$2,295 that was not appropriated or expended in 1998; and

WHEREAS, at the end of 1998, all of the above lodging tax funds lapsed into the General Fund Reserves for lodging taxes; and

WHEREAS, Article V, Section 9, of the Charter of the City of Fort Collins permits the City Council to appropriate by ordinance at any time during the fiscal year such funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated; and

WHEREAS, the Cultural Development and Programming Account has also received revenue in 1999 in the amount of \$2,000 that has not yet been appropriated in 1999; and

WHEREAS, Article V, Section 9, of the Charter of the City of Fort Collins permits the City Council to make supplemental appropriations by ordinance at any time during the fiscal year, provided that the total amount of such supplemental appropriations, in combination with all previous appropriations for that fiscal year, do not exceed the then current estimate of actual and anticipated revenues to be received during the fiscal year.

WHEREAS, the City wishes to appropriate all funds allocated for the promotion of convention and visitor activities and for cultural development and programming and visitor events.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That there is hereby appropriated for expenditure from prior year reserves in the General Fund the total sum of FIVE HUNDRED FOUR DOLLARS (\$504) for the Convention and Visitors Bureau.

Section 2. That there is hereby appropriated for expenditure from prior year reserves in the General Fund the total sum of FORTY-TWO THOUSAND TWO HUNDRED FORTY-ONE DOLLARS (\$42,241) for Cultural Development and Programming.

Section 3. That there is hereby appropriated for expenditure from prior year reserves in the General Fund the total sum of TWENTY THOUSAND TWENTY-SIX DOLLARS (\$20,026) for Visitor Events.

Section 4. That there is hereby appropriated for expenditure from prior year reserves in the General Fund the total sum of THIRTY EIGHT THOUSAND FIVE HUNDRED FOUR DOLLARS (\$38,504) for Tourism Capital.

Section 5. That there is hereby appropriated for expenditure from unanticipated revenue in the General Fund the sum of TWO THOUSAND DOLLARS (\$2,000) for Cultural Development and Programming.

Introduced and considered favorably on first reading and ordered published this 18th day of May, A.D. 1999, and to be presented for final passage on the 1st day of June, A.D. 1999.

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Mayor

ATTEST:

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City Clerk

Passed and adopted on final reading this 1st day of June, A.D. 1999.

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Mayor

ATTEST:

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City Clerk