

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 13

DATE: June 3, 2008

STAFF: Kelly DiMartino
Bev Gast

SUBJECT

First Reading of Ordinance No. 059, 2008, Appropriating Prior Year Reserves in the General Fund for Cultural Development and Programming Activities and the Fort Collins Convention and Visitors Bureau.

RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

FINANCIAL IMPACT

This Ordinance appropriates \$224,277 from the General Fund Lodging Tax Reserves for Cultural Development and Programming ("CDP"), Visitor Events, and the Convention and Visitors Bureau from the following sources:

	<u>CDP</u>	<u>Visitor Events</u>	<u>CVB</u>	<u>Total</u>
Unappropriated 2007 Lodging Tax Receipts	\$26,543	\$ 5,309	\$ 74,321	\$106,173
Prior Years Unexpended Funds	<u>82,362</u>	<u>35,742</u>	<u>0</u>	<u>118,104</u>
Total Appropriated	\$108,905	\$41,051	\$74,321	\$224,277

EXECUTIVE SUMMARY

This Ordinance appropriates lodging tax revenues that were in excess of 2007 budgeted lodging tax receipts to Cultural Development and Programming ("CDP"), Visitor Events, and the Convention and Visitors Bureau ("CVB") accounts. Lodging tax revenue for 2007 was estimated to be \$731,600 and the 2007 budget appropriated an equal amount. However, actual receipts totaled \$837,773 for 2007 and the difference of \$106,173 has not been appropriated.

BACKGROUND

Section 25-244 of the City Code requires that 75% of the total lodging tax receipts are to be used for the promotion of convention and visitor activities and 25% for cultural development and programming activities. The total amount collected in 2007 is \$837,773, resulting in a contract commitment with the CVB for \$586,441.

The suggested total 2007 allocation of surplus lodging tax receipts is as follows:

	<u>2008 Budget</u>	<u>2007 Receipts</u>	<u>Difference</u>
CVB	\$512,120	\$586,441	\$74,321
Visitor Events	<u>36,580</u>	<u>41,889</u>	<u>5,309</u>
Total Visitor Activities 75%	\$548,700	\$628,330	\$79,630
 CDP - Cultural Activities 25%	 <u>\$182,900</u>	 <u>\$209,443</u>	 <u>\$26,543</u>
Total	\$731,600	\$837,773	\$106,173

The CDP and Visitor Events accounts each had funds from revenue received and previous year lodging tax allocations which were not used during 2007. The unexpended 2007 funds are: CDP - \$82,362, and Visitor Events - \$35,742. These funds are in the General Fund reserves for lodging taxes and must be appropriated into the respective CDP and Visitor Events accounts.

This Ordinance also appropriates the CDP and Visitor Events funds in the General Fund reserves for lodging taxes 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 makes recommendations to the City Council.

ORDINANCE NO. 059, 2008
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING PRIOR YEAR RESERVES IN THE GENERAL FUND
FOR CULTURAL DEVELOPMENT AND PROGRAMMING ACTIVITIES
AND THE FORT COLLINS CONVENTION AND VISITOR'S BUREAU

WHEREAS, Section 25-244 of the Code of the City of Fort Collins requires that 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, during the budget process the City estimates lodging taxes and in 2007 lodging taxes exceeded the estimate by \$106,173; and

WHEREAS, the excess lodging taxes should be distributed in the following amounts to the following accounts:

- Cultural Development and Programming account \$ 26,543
- Visitor Events account \$ 5,309
- Convention and Visitor's Bureau account \$ 74,321

and

WHEREAS, the Cultural Development and Programming Account had prior year funds in the amount of \$82,362 that were not expended in 2007; and

WHEREAS, the Visitor Events Account had funds from prior years in the amount of \$35,742 that were not expended in 2007; and

WHEREAS, at the end of 2007, 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 City wishes to appropriate all funds allocated for cultural development and programming, visitor events, and the Convention and Visitor's Bureau.

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 ONE HUNDRED EIGHT THOUSAND NINE HUNDRED FIVE DOLLARS (\$108,905) for Cultural Development and Programming.

Section 2. That there is hereby appropriated for expenditure from prior year reserves in the General Fund the total sum of FORTY ONE THOUSAND FIFTY ONE DOLLARS (\$41,051) for Visitor Events.

Section 3. That there is hereby appropriated for expenditure from prior year reserves in the General Fund the total sum of SEVENTY FOUR THOUSAND THREE HUNDRED TWENTY-ONE DOLLARS (\$74,321) for the Convention and Visitor's Bureau.

Introduced, considered favorably on first reading, and ordered published this 3rd day of June, A.D. 2008, and to be presented for final passage on the 1st day of July, A.D. 2008.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 1st day of July, A.D. 2008.

Mayor

ATTEST:

City Clerk