

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 9

DATE: July 7, 2009

**STAFF: Kelly DiMartino
Bev Gast**

SUBJECT

Second Reading of Ordinance No. 065, 2009, 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 this Ordinance on Second Reading.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on June 2, 2009, appropriates lodging tax revenues that were in excess of 2008 budgeted lodging tax receipts to Cultural Development and Programming ("CDP"), Visitor Events, and the Convention and Visitors Bureau ("CVB") accounts. Lodging tax revenues for 2008 were estimated to be \$746,241 and the 2008 budget appropriated an equal amount. However, actual receipts totaled \$833,468 for 2008 and the difference of \$87,227 has not been appropriated.

The CDP and Visitor Events accounts each had funds from revenue received and previous year lodging tax allocations which were not used during 2008. The unexpended 2008 funds are: CDP - \$75,207, and Visitor Events - \$54,031. These funds are in the General Fund reserves for lodging taxes and must be appropriated into the respective CDP and Visitor Events accounts.

ATTACHMENTS

1. Copy of First Reading Agenda Item Summary - June 2, 2009.
(w/o original attachments)

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 18

DATE: June 2, 2009

STAFF: Kelly DiMartino
Bev Gast

COPY

SUBJECT

First Reading of Ordinance No. 065, 2009, 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 \$87,227 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:

| | CDP | Visitor Events | CVB | Total |
|--|----------|-------------------|-----------|-----------|
| Unappropriated 2008 Lodging Tax Receipts | \$21,806 | \$ 4,361 | \$ 61,060 | \$87,227 |
| Prior Years Unexpended Funds | 75,207 | 54,031 | 0 | 129,238 |
| Total Appropriated | \$97,013 | \$58,392 | \$61,060 | \$216,465 |

EXECUTIVE SUMMARY

This Ordinance appropriates lodging tax revenues that were in excess of 2008 budgeted lodging tax receipts to Cultural Development and Programming ("CDP"), Visitor Events, and the Convention and Visitors Bureau ("CVB") accounts. Lodging tax revenues for 2008 were estimated to be \$746,241 and the 2008 budget appropriated an equal amount. However, actual receipts totaled \$833,468 for 2008 and the difference of \$87,227 has not been appropriated.

The CDP and Visitor Events accounts each had funds from revenue received and previous year lodging tax allocations which were not used during 2008. The unexpended 2008 funds are: CDP - \$75,207, and Visitor Events - \$54,031. These funds are in the General Fund reserves for lodging taxes and must be appropriated into the respective CDP and Visitor Events accounts.

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 2008 is \$833,468, resulting in a contract commitment with the CVB for \$583,428.

The suggested total 2008 allocation of surplus lodging tax receipts is as follows:

| | <u>2009 Budget</u> | <u>2008 Receipts</u> | <u>Difference</u> |
|------------------------------------|----------------------|----------------------|---------------------|
| CVB | \$522,367 | \$583,427 | \$61,060 |
| Visitor Events | <u>37,313</u> | <u>41,674</u> | <u>4,361</u> |
| Total Visitor Activities 75% | \$559,680 | \$625,102 | \$65,421 |
| CDP1 - Cultural Activities 25% | <u>\$186,561</u> | <u>\$208,367</u> | <u>\$21,806</u> |
| Total | \$746,241 | \$833,468 | \$87,227 |

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.

COPY

ORDINANCE NO. 065, 2009
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 VISITORS BUREAU

WHEREAS, Section 25-244 of the City Code requires that lodging tax revenues 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, lodging taxes are appropriated based on an estimate of lodging tax revenues and in 2008 lodging taxes exceeded the estimated amount by \$87,227 (the "Excess Lodging Tax"); and

WHEREAS, based upon the required allocation, the Excess Lodging Taxes should be distributed in the following amounts to the following accounts:

- | | |
|--|-----------|
| • Cultural Development and Programming account | \$ 21,806 |
| • Visitor Events account | \$ 4,361 |
| • Convention and Visitors Bureau account | \$ 61,060 |

and

WHEREAS, in addition, the Cultural Development and Programming Account had funds from prior years in the amount of \$75,207 that were not expended in 2008; and

WHEREAS, also, the Visitor Events Account had funds from prior years in the amount of \$54,031 that were not expended in 2008; and

WHEREAS, at the end of 2008, all of the above lodging tax funds lapsed into the General Fund Reserves for lodging taxes; and

WHEREAS, Article V, Section 9, of the City Charter 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 of the above-described funds to be allocated for cultural development and programming, visitor events, and the Convention and Visitors Bureau.

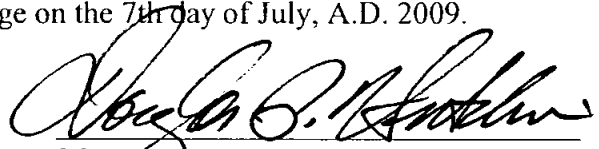
NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That there is hereby appropriated for expenditure from prior year reserves in the General Fund the total sum of NINETY SEVEN THOUSAND THIRTEEN DOLLARS (\$97,013) 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 FIFTY EIGHT THOUSAND THREE HUNDRED NINETY TWO DOLLARS (\$58,392) for Visitor Events.

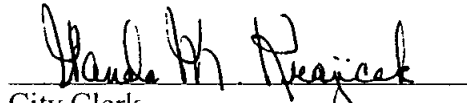
Section 3. That there is hereby appropriated for expenditure from prior year reserves in the General Fund the total sum of SIXTY ONE THOUSAND SIXTY DOLLARS (\$61,060) for the Convention and Visitors Bureau.

Introduced, considered favorably on first reading, and ordered published this 2nd day of June, A.D. 2009, and to be presented for final passage on the 7th day of July, A.D. 2009.



Mayor

ATTEST:



City Clerk

Passed and adopted on final reading on the 7th day of July, A.D. 2009.

Mayor

ATTEST:

City Clerk