

**AGENDA ITEM SUMMARY**  
**FORT COLLINS CITY COUNCIL**

**ITEM NUMBER: 7**

**DATE: June 6, 2006**

**STAFF: Kelly DiMartino**  
**Bev Gast**

**SUBJECT**

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Second Reading of Ordinance No. 075, 2006, Appropriating Prior Year Reserves in the General Fund for Cultural Development and Programming Activities and the Fort Collins Convention and Visitor's Bureau.

**RECOMMENDATION**

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Staff recommends adoption of the Ordinance on Second Reading.

**EXECUTIVE SUMMARY**

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This Ordinance, unanimously adopted on First Reading on May 16, 2006, appropriates lodging tax revenues that were in excess of 2005 budgeted lodging tax receipts to Cultural Development and Programming ("CDP"), Visitor Events, and the Convention and Visitors Bureau ("CVB") accounts. Lodging tax revenue for 2005 was estimated to be \$593,122 and the 2006 budget appropriated an equal amount. However, actual receipts totaled \$668,499 for 2005 and the difference of \$75,377 has not been appropriated.

**AGENDA ITEM SUMMARY**  
**FORT COLLINS CITY COUNCIL**

ITEM NUMBER: 10

DATE: May 16, 2006

STAFF: Kelly DiMartino  
Bev Gast

**SUBJECT**

First Reading of Ordinance No. 075, 2006, Appropriating Prior Year Reserves in the General Fund for Cultural Development and Programming Activities and the Fort Collins Convention and Visitor's Bureau.

**RECOMMENDATION**

Staff recommends adoption of the Ordinance on First Reading.

**FINANCIAL IMPACT**

This Ordinance appropriates \$75,377 from the General Fund Lodging Tax Reserves for Cultural Development and Programming ("CDP"), Visitor Events, and the Convention and Visitor's Bureau from the following sources:

	<u>CDP</u>	<u>Visitor Events</u>	<u>CVB</u>	<u>Total</u>
Unappropriated 2005 Lodging Tax Receipts	\$18,801	\$ (373)	\$56,949	\$75,377
Prior Years Unexpended Funds	<u>51,603</u>	<u>11,999</u>	<u>0</u>	<u>63,602</u>
Total Appropriated	\$70,404	\$11,626	\$56,949	\$138,979

**EXECUTIVE SUMMARY**

This Ordinance appropriates lodging tax revenues that were in excess of 2005 budgeted lodging tax receipts to Cultural Development and Programming ("CDP"), Visitor Events, and the Convention and Visitors Bureau ("CVB") accounts. Lodging tax revenue for 2005 was estimated to be \$593,122 and the 2006 budget appropriated an equal amount. However, actual receipts totaled \$668,499 for 2005 and the difference of \$75,377 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 City's contract for services with the CVB makes a total payment of \$467,949 to CVB for 2006.

The suggested total 2006 allocation of surplus lodging tax receipts is as follows:

	<u>2006 Budget</u>	<u>2005 Receipts</u>	<u>Difference</u>
CVB	\$411,000	\$467,949	\$56,949
Visitor Events	<u>33,798</u>	<u>33,425</u>	<u>(373)</u>
Total Visitor Activities 75%	\$444,798	\$501,374	\$56,576
CDP - Cultural Activities 25%	<u>\$148,324</u>	<u>\$167,125</u>	<u>\$18,801</u>
Total	\$593,122	\$668,499	\$75,377

The CDP and Visitor Events accounts each had funds from previous year lodging tax allocations which were not used during 2005. The unexpended 2005 funds are: CDP - \$51,603, and Visitor Events - \$11,999. 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.

COPY

ORDINANCE NO. 075, 2006  
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 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, in 2005 the City received lodging taxes in the amount of \$75,377 in excess of the original estimate for 2005 lodging tax receipts; and

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

- |  |           |
|--|-----------|
| • Cultural Development and Programming account | \$ 18,801 |
| • Visitor Events account                       | \$ (373)  |
| • Convention and Visitor's Bureau account      | \$ 56,949 |

and

WHEREAS, the Cultural Development and Programming Account had prior year funds in the amount of \$51,603 that were not expended in 2005; and

WHEREAS, the Visitor Events Account had funds from prior years in the amount of \$11,999 that were not expended in 2005; and

WHEREAS, at the end of 2005, 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 Visitors Bureau.

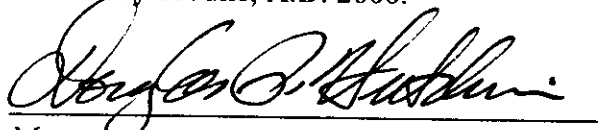
NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That there is hereby appropriated for expenditure from prior year reserves in the General Fund the total sum of SEVENTY THOUSAND FOUR HUNDRED AND FOUR DOLLARS (\$70,404) for Cultural Development and Programming for the purposes of cultural development and programming activities.

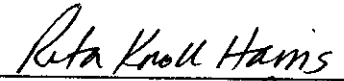
Section 2. That there is hereby appropriated for expenditure from prior year reserves in the General Fund the total sum of ELEVEN THOUSAND SIX HUNDRED TWENTY-SIX DOLLARS (\$11,626) for Visitor Events for the promotion of convention and visitor activities.

Section 3. That there is hereby appropriated for expenditure from prior year reserves in the General Fund the total sum of FIFTY-SIX THOUSAND NINE HUNDRED FORTY-NINE DOLLARS (\$56,949) for the Convention and Visitors Bureau for the promotion of convention and visitor activities.

Introduced, considered favorably on first reading, and ordered published this 16th day of May, A.D. 2006, and to be presented for final passage on the 6th day of June, A.D. 2006.

  
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Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk / Chief Deputy

Passed and adopted on final reading this 6th day of June, A.D. 2006.

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Mayor

ATTEST:

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City Clerk