



**Budget Amendment
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 7
AGENDA DATE: Thu 12/01/2005
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SUBJECT: Approve an amendment to the Austin Convention and Visitors Bureau (ACVB) Fiscal Year 2005-2006 Approved Marketing Plan and Budget by increasing the contract payment from the City of Austin to the ACVB by \$291,790 to \$6,121,680 and increasing expenditures in the amount of \$291,790 to \$5,398,480 for the Fiscal Year 2005-2006.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$291,790 is available in the Fiscal Year 2005-2006 Operating Budget of the Tourism and Promotion Fund.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Convention Center **DIRECTOR'S**
DEPARTMENT: **AUTHORIZATION:** Robert Hodge

FOR MORE INFORMATION CONTACT: Robert Hodge, Director/404-4040; Larry Anderson, Chief Financial Officer/404-4055

PRIOR COUNCIL ACTION: The ACVB Marketing Plan and Budget for Fiscal Year 2005 - 2006 was approved September 12, 2005.

BOARD AND COMMISSION ACTION: N/A

This action amends the Fiscal Year 2005 – 2006 Marketing Plan and budget for ACVB by increasing the contract payment from the City of Austin to ACVB by \$291,790

The contract between the City of Austin and ACVB allows either party to propose a revised budget during the Fiscal Year reflecting a change in Hotel/Motel Tax collections that vary from the expectations on which the budget was based. In prior years for example, ACVB's budget has been cut in mid-year because of declining hotel tax revenues. In 2002, the City made a mid-year reduction to its payments to ACVB by approximately \$600,000. In 2004, there was a mid-year reduction of approximately \$370,000. In mid 2005, a sufficient increase over budgeted revenue allowed an increase to the ACVB budget by \$240,000. The current proposed action would allow an increase to ACVB's Fiscal Year 2005 - 2006 appropriation by the excess Fiscal Year 2004 - 2005 occupancy tax and interest earnings that were collected over the estimated amounts for Fiscal Year 2004 – 2005

ACVB proposes to use the additional funding for the following purposes:

- Multicultural market development (\$100,000)
- Convention Center related sales events targeting future group business (\$75,000)
- Promotional funds for future national convention groups already booked (\$20,000)
- Creative and media support (\$46,790)
- Incentive fund for acquisition of new Convention Center business (\$30,000)
- Replace program dollars which were utilized to support group business relocation during



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hurricane Katrina (\$20,000)