



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

**AGENDA ITEM NO.: 8
AGENDA DATE: Thu 12/01/2005
PAGE: 1 of 2**

SUBJECT: Approve an ordinance amending the Fiscal Year 2005-2006 Hotel Occupancy Tax Fund Operating Budget of Ordinance No. 20050912-001 to increase the beginning balance by an amount of \$289,595 and increase transfers out to the Tourism and Promotion Fund by an amount of \$289,595; and amending the Tourism and Promotion Fund to increase transfers in from the Hotel Occupancy Tax Fund by an amount of \$289,595 and increase Tourism and Promotion Contract expense appropriations by an amount of \$289,595.

AMOUNT & SOURCE OF FUNDING: Funding is available from increased hotel tax collections in Fiscal Year 2004-2005.

FISCAL NOTE: A fiscal note is attached.

REQUESTING Convention Center
DEPARTMENT:

**DIRECTOR'S
AUTHORIZATION:** Robert Hodge

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

PRIOR COUNCIL ACTION: The Fiscal Year 2005-2006 Operating Budget was approved September 12, 2005.

BOARD AND COMMISSION ACTION: N/A

This action amends the Fiscal Year 2005-2006 Operating Budget by increasing the Tourism and Promotion Fund beginning balance by \$291,790 and increasing expenses for the Tourism and Promotion Contract between the City and the Austin Convention and Visitors Bureau (ACVB) by \$291,790. Upon approval of the amendment, the ACVB contract will incorporate this change in the budget.

The City received \$1.8 million more in hotel tax revenue than it had projected at the time the Fiscal Year 2005-2006 budget was prepared. This action provides ACVB its share of the Fiscal Year 2005 excess ending balance to use as described below.

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)



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- 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 hurricane Katrina (\$20,000)

ORDINANCE NO.

AN ORDINANCE ACCEPTING GRANT FUNDS; AMENDING THE FISCAL YEAR 2005-2006 HOTEL OCCUPANCY TAX FUND OPERATING BUDGET AND THE TOURISM AND PROMOTION FUND OF ORDINANCE NO. 20050912-001 TO TRANSFER FUNDS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. The Council amends the Fiscal Year 2005-2006 Hotel Occupancy Tax Fund Operating Budget of Ordinance No. 20050912-001 to increase the beginning balance by an amount of \$289,595 and increase transfers out to the Tourism and Promotion Fund by an amount of \$289,595; and amending the Tourism and Promotion Fund to increase transfers in from the Hotel Occupancy Tax Fund by an amount of \$289,595 and increase Tourism and Promotion Contract expense appropriations by an amount of \$289,595.

PASSED AND APPROVED

_____, 2005 §
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 § _____
 Will Wynn
 Mayor

APPROVED: _____
 David Allan Smith
 City Attorney

ATTEST: _____
 Shirley A. Brown
 City Clerk

**OPERATING BUDGET
FISCAL NOTE**

DATE OF COUNCIL CONSIDERATION:
WHERE ON AGENDA:
DEPARTMENT:

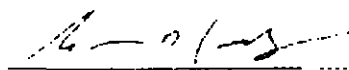
12/1/2005
Ordinance
Austin Convention Center Department

DESCRIPTION: Amend Ordinance No. 20050912-001, the fiscal year 2005-06 Operating Budget to increase the Tourism and Promotion Fund beginning balance by \$291,790 and increase Tourism and Promotion Fund expenses for Tourism and Promotion contracts by \$291,790.

FINANCIAL INFORMATION:
Tourism & Promotion Fund

	2005-06 Approved Budget	This Amendment	2005-06 Amended Budget
BEGINNING BALANCE	\$184,100	\$291,790	\$475,890
REVENUE	\$4,000	\$0	\$4,000
TRANSFERS IN			
Hotel/Motel Bed Tax Revenue	\$4,793,208	\$0	\$4,793,208
General Fund	\$125,382	\$0	\$125,382
TOTAL TRANSFERS IN	\$4,918,590	\$0	\$4,918,590
TOTAL AVAILABLE FUNDS	\$4,922,590	\$0	\$4,922,590
EXPENSES			
Tourism and Promotion Contracts	\$5,106,690	\$291,790	\$5,398,480
ENDING BALANCE	\$0	\$0	\$0

Budget Office Approval



Date: 12-14-05