

# Mayor and Council Communication

DATE: 11/14/23

M&C FILE NUMBER: M&C 23-0967

LOG NAME: 25C&TFY2023OPERATINGWINDUP

## **SUBJECT**

(ALL) Adopt Appropriation Ordinance Adjusting the Fiscal Year 2023 Operating Budget in the Culture and Tourism Fund to \$55,866,900.00; Eliminate Capital Appropriations in the Culture and Tourism Capital Projects Fund for the Will Rogers Memorial Center Sheep & Swine Barn Renovation Project, Reverse Transfers to the Culture and Tourism Fund Unappropriated Balance and Amend the Fiscal Years 2023-2027 Capital Improvement Program

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## **RECOMMENDATION:**

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Culture and Tourism Fund in the amount of \$1,440,237.00 by increasing estimated receipts and appropriations in the hotel occupancy tax (HOT 7%) and other revenues in the amount of \$3,992,971.67 and decreasing estimated appropriations in the use of fund balance in the amount of \$2,552,734.67, for an amended Fiscal Year 2022-2023 budget of \$55,866,900.00; and
2. Eliminate appropriations in the Will Rogers Memorial Center Sheep and Swine Barn Renovation Project (City Project No. 104828) of the Culture and Tourism Capital Projects Fund in the amount of \$5,500,000.00 and reverse transfers to the Culture and Tourism Fund unappropriated balance in the same amount; and
3. Amend the Fiscal Year 2023 Culture and Tourism Operating Budget and Fiscal Years 2023-2027 Capital Improvement Program.

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## **DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to eliminate interim capital financing and reverse transfers from the Culture and Tourism (C&T) Fund associated with the renovation and remodeling of the Sheep and Swine Barn and Livestock Handling Facilities (Project) at the Will Rogers Memorial Center (WRMC), and to adjust and increase allocations in the Fiscal Year (FY) 2023 Culture and Tourism Fund operating budget of Public Events Department (PED) to account for revenue collections in excess of the approved estimated budget, to correct overages associated with unbudgeted expenses and to adjust the net use of fund balance to facilitate accordingly for year-end close.

M&C 23-0331, April 25, 2023, and 23-0510, June 13, 2023, collectively approved interim capital funding in the total amount of \$5.5M for the award of the Design Procurement Agreement (DPA) and advance procurement needs for components with long lead times through the Construction Manager at Risk (CMAR) for the Sheep & Swine Barn project at WRMC. Funding was provided by and transferred from the fund balance of the Culture and Tourism Fund to the project pending the sale and appropriation of the 2023 A&B Special Tax Revenue Bonds, which was approved by City Council September 26, 2023 in M&C 23-0792 and amended October 17, 2023 in M&C 23-0950. This M&C eliminates the project appropriations associated with that advance funding, which has now been replaced with bond fund appropriations, and reverses the advanced funding transfers to the unappropriated balance of the Culture and Tourism Fund.

Funding for the Project was included in the FY2024-2028 Capital Improvement Program for year 2024, as approved in connection with ordinance 26453-09-2023, as replacement of the interim advanced capital transfer being reversed by the actions in this M&C, which amends the FY2023-2027 Capital Improvement Program as approved in connection with ordinance 25773-09-2022. Funding for the reversal of the transfers from the WRMC Sheep and Swine Barn project is available in the Culture and Tourism Capital Fund.

In addition to capital advances, anticipated need for the use of fund balance was also estimated for the annual true-up payment to Visit Fort Worth (VFW.) VFW's annual base funding is paid in 12 equal monthly installments, calculated from budgeted projections of hotel occupancy tax (HOT 7%) revenues, and at the conclusion of FY2022 HOT 7% revenues exceeded budget expectations resulting in an unbudgeted true-up payment of \$1.6M being made to VFW in January 2023, ultimately causing a budgetary overage for FY2023 in the C&T operating fund as anticipated in the PED fiscal month five budget forecast. The insufficient allocation to the current expenditure budget is corrected with the appropriation ordinance approved by this M&C and as a result of the C&T fund both exceeding operational revenue expectations for the year, and realizing saving in other expenditure categories, the net adjustment results in an overall decrease to the anticipated use of fund balance for FY2023 in the C&T fund.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

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## **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are currently available in the WRMC-Sheep and Swine Barn Ren project within the Culture & Tourism Cap Projects Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the Culture & Tourism Fund. Prior to an expenditure being incurred, the Public Events Department has the responsibility of verifying the availability of funds.

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