

Mayor and Council Communication

DATE: 03/21/23

M&C FILE NUMBER: M&C 23-0221

LOG NAME: 25FY23BUDGETAMENDMENT

SUBJECT

(ALL) Adopt Appropriation Ordinances Increasing Appropriations in Various Public Events Department Funds to Account for Increased Revenues and Amend the Fiscal Year 2023 Adopted Budget

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Culture & Tourism Fund Fiscal Year 2023 Operating Budget in the amount of \$2,596,047.00 for additional anticipated collections in the Hotel Occupancy Tax 7% collections, increasing appropriations in the amount of \$573,467.00 for contractual payment to Visit Fort Worth resulting from additional anticipated Hotel Occupancy Tax revenue collections and increasing budgeted contributions to fund balance in the amount of \$2,022,580.00 for the net difference for an amended annual operating budget of \$49,098,764.00;
2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Culture & Tourism 2% Hotel Fund Fiscal Year 2023 Operating Budget in the amount of \$741,728.00 for additional anticipated collections and increasing budgeted contributions to fund balance by the same amount for an amended annual operating budget of \$8,681,425.00;
3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Culture & Tourism Project Finance Zone Fund 2023 Operating Budget in the amount of \$1,162,938.00 for additional anticipated collections and increasing budgeted contributions to fund balance by the same amount for an amended annual operating budget of \$9,392,701.00;
4. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Culture & Tourism Venue Operating Fund Fiscal Year 2023 Operating Budget in the amount of \$1,876,617.00 for increased collections and increasing budgeted contributions to fund balance by the same amount for an amended annual operating budget of \$7,831,857.00; and
5. Amend Fiscal Year 2023 Adopted Budgets.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to adjust the Fiscal Year (FY) 2023 amended appropriations for various funds associated with the Public Events Department (PED) to take into account updated, higher projections for hotel occupancy tax (HOT), which results in a new calculated base for payment to the Convention & Visitors Bureau (Visit Fort Worth), and higher than anticipated FY2023 venue tax collections to date.

Public Events has been collaborating with Financial Management Services, Treasury Division and working with Hunden Strategic Partners (HSP) and PFM Financial Advisors to update tax revenues. While the last two years have seen a significant recovery period from the pandemic in terms of both hotel rate and occupancy, future Hotel Occupancy Tax growth is expected to normalize with increased inflation. With new future supply in the market, HSP updated the tax fund revenues at the end of December and the Public Events Department is amending their FY2023 budgets in response to that anticipated growth.

Culture & Tourism Fund (Recommendation 1)

The action in this M&C will amend the Fiscal Year 2023 Adopted Budget as approved in connection with Ordinance 25773-09-2022, Section 2. Special Revenue Funds, as listed on page 7.

Fund / Department	FY2023 Adopted Budget	Authority	Budget Adjustment	Revised FY2023 Budget
Budget Category				
Culture and Tourism Fund				
Revenues				
Hotel Occupancy Taxes	\$27,863,939.00	This M&C Rec # 1	\$2,596,047.00	\$30,459,986.00
License and Permits	\$6,000.00			\$6,000.00
Charges for Services	\$5,043,250.00			\$5,043,250.00
Use of Money and Property	\$8,383,961.00			\$8,383,961.00
Other				
Miscellaneous Revenue	\$88,500.00			\$88,500.00
Recovery of Labor Costs	\$642,611.00			\$642,611.00
Recovery of Supplies	\$1,196,000.00			\$1,196,000.00
Recovery of Utilities	\$215,000.00			\$215,000.00

Transfer from General Fund (380 Agreement)	\$2,927,456.00			\$2,927,456.00
Use of Fund Balance		M&C 22-0984	\$136,000.00	\$136,000.00
Total Revenues	\$46,366,717.00		\$2,732,047.00	\$49,098,764.00
Expenditures				
Culture and Tourism	\$42,431,499.00	M&C 22-0984 This M&C Rec # 1	\$136,000.00 \$573,467.00	\$42,567,499.00
Transfer to General Fund	\$943,581.00			\$943,581.00
Transfer to Capital Fund	\$500,000.00			\$500,000.00
Transfer to Vehicle and Equipment Replacement Fund	\$179,155.00			\$179,155.00
Transfer to IT Refresh Capital	\$44,054.00			\$44,054.00
Transfer to Debt Fund	\$798,907.00			\$798,907.00
Contribution to Fund Balance/Net Position	\$1,469,521.00	This M&C Rec # 1	\$2,022,580.00	\$3,492,101.00
Total Expenditures	\$46,366,717.00		\$2,732,047.00	\$49,098,764.00

Culture and Tourism 2% Hotel Fund (Recommendation 2)

The action in this M&C will amend the Fiscal Year 2023 Adopted Budget as approved in connection with Ordinance 25773-09-2022, Section 2. Special Revenue Funds, as listed on page 8.

Fund / Department Budget Category	FY2023 Adopted Budget	Authority	Budget Adjustment	Revised FY2023 Budget
Culture and Tourism 2% Hotel Fund				
Revenues				
Hotel Occupancy Taxes	\$7,939,697.00	This M&C Rec # 2	\$741,728.00	\$8,681,425.00
Total Revenues	\$7,939,697.00		\$741,728.00	\$8,681,425.00
Expenditures				
Transfer to Capital Fund	\$3,371,000.00			\$3,371,000.00
Transfer to Debt Fund	\$3,717,367.00	M&C 22-0984	-\$2,740,617.00	\$976,750.00
Contribution to Fund Balance/Net Position	\$851,330.00	M&C 22-0984 This M&C Rec # 2	\$2,740,617.00 \$741,728.00	\$4,333,675.00
Total Expenditures	\$7,939,697.00		\$741,728.00	\$8,681,425.00

Culture and Tourism Project Finance Zone Fund (Recommendation 3)

The action in this M&C will amend the Fiscal Year 2023 Adopted Budget as approved in connection with Ordinance 25773-09-2022, Section 2. Special Revenue Funds, as listed on page 8-9.

Fund / Department Budget Category	FY2023 Adopted Budget	Authority	Budget Adjustment	Revised FY2023 Budget
Culture and Tourism Project Finance Zone Fund				
Revenues				
Intergovernmental Revenue	\$8,229,763.00	This M&C Rec 3	\$1,162,938.00	\$9,392,701.00
Total Revenues	\$8,229,763.00			\$9,392,701.00
Expenditures				
Transfer to Debt Fund	\$6,571,554.00	M&C 22-0984	\$1,658,209.00	\$8,229,763.00
Contribution to Fund Balance/Net Position	\$1,658,209.00	M&C 22-0984 This M&C Rec 3	-\$1,658,209.00 \$1,162,938.00	\$1,162,938.00
Total Expenditures	\$8,229,763.00		\$1,162,938.00	\$9,392,701.00

Venue Operating Fund (Recommendation 4)

The action in this M&C will amend the Fiscal Year 2023 Adopted Budget as approved in connection with Ordinance 25773-09-2022, Section 2. Special Revenue Funds, as listed on page 9.

Fund / Department Budget Category	FY2023 Adopted Budget	Authority	Budget Adjustment	Revised FY2023 Budget
Venue Operating Fund				
Revenues				
Other Taxes				
Stall Tax Revenue	\$274,067.00	This M&C Rec 4	-\$53,457.00	\$220,610.00
Ticket Tax Revenue	\$3,633,704.00	This M&C Rec 4	\$675,879.00	\$4,309,583.00

Parking Tax Revenue	\$2,047,469.00	This M&C Rec 4	\$1,254,195.00	\$3,301,664.00
Total Revenues	\$5,955,240.00		\$1,876,617.00	\$7,831,857.00
Expenditures				
Transfer to Venue Debt Fund	\$5,255,547.00	M&C 22-0984	\$699,693.00	\$5,955,240.00
Contribution to Fund Balance/Net Position	\$699,693.00	M&C 22-0984	-\$699,693.00	\$1,876,617.00
		This M&C Rec 4	\$1,876,617.00	
Total Expenditures	\$5,955,240.00		\$1,876,617.00	\$7,831,857.00

Adoption of this M&C and the attached ordinances will revise the FY2023 Amended Budget.

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

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the recommendations and adoption of the attached appropriation ordinances funds will be available in the Culture & Tour Proj Fin Zone, Venue Operating, Culture & Tourism 2% Hotel and Culture & Tourism Operating Funds. Prior to an expenditure being incurred, the Public Events Department has the responsibility of verifying the availability of funds.

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