

MEMORANDUM

To: Honorable Mayor & City Council

From: Toni Kunz City Administrator

Date: September 2, 2026

Agenda Item: 6F Determine process to award HOT funds and review applications.

Action Requested: Discussion and action

Overview and Background:

City of Bandera has received applications from 3 local organizations for HOT funds requesting \$114,000 reimbursement for their events that occurred in FY2026. Each has provided detailed financial information regarding money spent, which is available for you to review at City Hall.

Per our website, City of Bandera Hotel Occupancy Tax Grant Policy was adopted March 12, 2024. Once annually during the last quarter of the fiscal year (July - August) the City advertises through multiple media sources soliciting applications for granting Hotel Occupancy Tax (HOT) money. There will be a minimum 30-day window for accepting applications with a deadline of August 31st. Criteria:

Annually the City Council will review the application and award grant monies based on the following criteria, subject to available funds available in the current annual HOT fund budget:

1. Applications must be filled out completely to disclose the HOT funding received by other entities and current application (s) for any HOT funding from other entities.
2. All grants are awarded on a reimbursement basis with proper documentation.
3. No more than 50% of the annual HOT budget will be awarded in grants. This may spread across multiple applications. However, one application may not receive more than 25% of the annual budget for HOT funds.
4. Grant awards are always based on the monies available at the time of the award in September.

Recommendation:

Refresh training on current HOT fund usage by reading the TML Hotel Tax Two-Step document. If determined there is still funds available, have a 2nd submittal deadline, review, award dates.