



STAFF REPORT

MEETING DATE: March 25, 2025

TITLE:

Consider and act on second reading of Ordinance No. 2025- 30, amending the FY 2024-25 budget by reducing the Hotel Occupancy Tax (HOT) Reserve amount by \$350,000 and increasing the Hotel Occupancy Tax (HOT) Fund operating expenses by \$350,000.

AGENDA ITEM SUBMITTED BY:

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, City Manager

BACKGROUND/HISTORY:

On March 3, 2025, the City Council voted to approve two expenses directly related to the HOT fund. The first was the purchase of the property located at 1311 Walnut Street for \$150,000 plus closing expenses. The second was the engagement of Focused Advocacy for the advancement of a Qualified Hotel and Convention Center project and associated legislation for \$200,000; \$100,000 of which is due this fiscal year. Finally, there is an additional request for \$50,000 for specialized qualified HOT events that are exclusive of the \$75,000 amount granted to Visit Bastrop.

The required reserve limit is 50% of the operating expenses of the fund, which in this fiscal amount is \$2,020,058.

The HOT fund has approximately \$2,989,957 in reserve with \$969,898 of that being above the required reserve limit.

There are a number of hotels expected to come online in 2025 and 2026, that will assist in replenishment of the HOT fund over the next several years.

Given the many facets of growth the City is experiencing and it's desire to attempt a Convention Center/Hotel project, we will need to review our annual allocations each year.

FISCAL IMPACT:

\$350,000 from HOT Fund Reserve into the HOT fund operating account. .

RECOMMENDATION:

Approve as submitted.

ATTACHMENTS:

1. Ordinance 2025-30
2. Balance Sheets