



**STAFF REPORT**  
**City of Dripping Springs**  
**PO Box 384**  
**511 Mercer Street**  
**Dripping Springs, TX 78602**

---

**Submitted By:** Michelle Fischer, City Administrator

---

**Council Meeting Date:** February 16, 2021

**Agenda Item Wording:** **Discuss and consider An Ordinance of the City of Dripping Springs, Texas Amending the Current 2020-2021 Fiscal Year Budget.**

**Agenda Item Requestor:** Jenny Pack, Executive Director, Dr. Pound Historical Farmstead

---

**Summary/Background:** The City previously approved a Local Hotel Occupancy Tax Grant Funding Agreement with the Dr. Pound Historical Farmstead. The agreement awarded \$4,700 for advertising and preservation project expenses. The museum's board (Friends of the Pound House Foundation) recently approved its 2021 budget and Jenny Pack, Executive Director, worked with city staff to review the budget and determine expenditures eligible for local hotel occupancy tax funds.

The museum's revenues last year were significantly reduced due to the pandemic preventing the museum from holding several events that would have generated significant revenues. Additionally, construction activities by the city in Founders Memorial Park interrupted their operations and caused a loss of revenue for the museum. The ongoing pandemic is expected to significantly impact the museum's revenues in 2021.

The museum's board has requested the City Council consider amending the grant agreement to add \$41,571.25 in hotel occupancy tax grant funds. This includes the following: \$13,371.25 for preservation projects; \$9,200.00 for advertising; and \$19,000 for administrative costs related to staffing.

Additional funds need to be authorized in a budget amendment. If approved, City Staff will draft an amendment to the Local Hotel Occupancy Tax Grant Funding Agreement with the Dr. Pound Historical Farmstead for consideration at the March 9<sup>th</sup> City Council meeting.

City Staff recommends assisting the museum with its request due to the extraordinary circumstances it has experienced in the past year. It should also be noted that the board may apply for Fiscal Year 2021-2022 Local Hotel Occupancy Tax Grant Program funds to be awarded with the city's approval of the budget and funded in October 2021. This could provide

additional hotel occupancy tax grant funds for the last three months of its budget year.

**Commission  
Recommendations:**

N/A

**Recommended  
Council Actions:**

Staff recommends approval of amending the budget to authorize \$32,071.25 in additional hotel occupancy tax program grant funding to the Dr. Pound Farmstead, including the following: \$13,371.25 for preservation projects; \$9,200.00 for advertising; and \$9,500 for administrative costs related to staffing.

**Attachments:**

Dr. Pound Farmstead request letter for additional funding and the museum's 2021 budget with notes on expenditures eligible for hotel occupancy tax funding and the additional funds being requested.

**Next Steps/Schedule:**

Execute budget amendment and draft an amendment to the grant agreement.