



DRIPPING SPRINGS
Texas

To: Mayor Bill Foulds, Jr. and City Council, City of Dripping Springs

From: Shawn Cox, Interim Deputy City Administrator 

Date: June 6, 2023

RE: FY 2023 Proposed Budget Amendment #3

DSRP Fund:

Revenues:

- TXF from HOT has increased **\$40,000.00** (From \$395,000.00 to \$435,000.00)
 - These additional HOT revenues are being proposed to offset the additional costs related to the Drainage Project.

Expenditures:

- Improvements has increased **\$40,000.00** (From \$345,000.00 to \$385,000.00)
 - Bids for the second phase of the DSRP drainage project came in higher than expected. This proposed increase will provide adequate funding for the project, which is being presented to Council on June 6th for consideration. Due to the additional HOT revenues, there is no impact on the ending fund balance for FY 2023.

HOT Fund:

Revenues:

- Balance Forward has increased **\$43,901.05** (From \$439,566.31 to \$483,467.36)
 - Revenues and expenditures for FY 2022 were better than projected, providing for a larger balance forward for FY 2023.
- Hotel Occupancy Tax has increased **\$100,000.00** (From \$700,000.00 to \$800,000.00)
 - Based on HOT funds received to date and historical quarterly payments, it is anticipated that at least \$800,00.00 will be received in HOT funds for FY 2023.
- Interest has increased **\$9,760.00** (From \$240.00 to \$10,000.00)
 - The budgeted interest revenues were calculated prior to our bank's resolution to the account's interest accrual issues. Though April, \$7,732.87 has been received for FY 2023. This includes back interest owed.

Expenditures:

- TXF to Event Center has increased **\$40,000.00** (From \$395,000.00 to \$435,000.00)
 - These proposed additional expenditures are being requested to fund the second phase of the DSRP's drainage project mentioned above. Based on the increased revenues and additional expenditures the

ending fund balance in the HOT Fund is anticipated to increase \$113,661.05 from \$87,143.98 to \$200,805.03.