

AGENDA ITEM SUMMARY

City Council



STAFF

Amanda King, Communications/Public Involvement Director
Dean Klingner, Community Services Director
Chris Martinez, IES Financial Planning and Analysis Manager

SUBJECT

First Reading of Ordinance No. 042, 2024, Appropriating Prior Year Reserves in the General Fund for Cultural Development and Programming Activities, Tourism Programming, and Convention and Visitor Program Services.

EXECUTIVE SUMMARY

The purpose of this item is to appropriate \$560,178, of which \$392,125 is proposed for Convention and Visitors Bureau, \$140,044 is proposed for Cultural Development and Programming Activities (Fort Fund), and \$28,009 is proposed for Tourism Programming (Fort Fund) all from unanticipated 2023 Lodging Tax revenue collections.

Lodging taxes are annually collected by the City of Fort Collins for Cultural Development and Tourism programming activities. Anticipated revenue is projected through each Budgeting for Outcomes (BFO) cycle and then adjusted annually as needed based on final actual collections. For 2023, total Lodging tax revenues collected came in \$560,178 above projected collections.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

Section 25-44 of the City Code requires that 75% of the total lodging tax receipts be used for the promotion of convention and visitor activities in the City and 25% of receipts be used for cultural development and programming activities in the City. Actual revenue collected is appropriated based on this allocation formula and any excess revenue and budget savings are reserved for these activities in the General Fund.

Pursuant to a contract with the Fort Collins Convention and Visitors Bureau (FCCVB), the City has paid a portion of lodging tax receipts to the FCCVB since 2011 for delivery of convention and visitors programming services in furtherance of the City Code requirement. The amount due for convention and visitors programming is appropriated based on prior year receipts and paid annually to FCCVB after the close of the prior tax year.

When actual lodging tax receipts exceed the anticipated amount appropriated for cultural development and programming activities, the City also appropriates additional funds and adjusts the amount allocated for those activities in the year following the year in which the tax is collected. Appropriated lodging tax revenues remaining unspent at the end of the tax year lapse into the General Fund and may be appropriated the following year for the same purposes as they were originally appropriated.

The actual tax revenue collected during the 2023 tax year, as determined March 2024, was \$560,178 more than the Lodging tax revenue anticipated and appropriated for expenditure in 2024. Accordingly, upward adjustments to the 2024 appropriations under Section 25-44 of the City Code are required. These appropriation adjustments are described below.

CITY FINANCIAL IMPACTS

2024 LODGING TAX CLARIFICATION				
Section 25-44 of the City Code:	75%		25%	
	Promote Convention & Visitor Activities		Promote Cultural Development & Programming	
	503200	503202	503201	
Lodging Tax	Convention & Visitors Bureau 70%	Fort Fund (Tourism Programming) 5%	Fort Fund (Cultural Development & Programming) 25%	Total
Unanticipated Lodging Tax	\$ 392,125	\$ 28,009	\$ 140,044	\$ 560,178
Total of Unanticipated Lodging Tax Appropriations Available for 2024	\$ 392,125	\$ 28,009	\$ 140,044	\$ 560,178

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance for Consideration