

AGENDA ITEM SUMMARY

City Council



STAFF

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

SUBJECT

Second Reading of Ordinance No. 071, 2025, Appropriating Prior Year Reserves in the General Fund for Cultural Development and Programming Activities, Tourism Programming, and Convention and Visitor Program Services.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on April 15, 2025, appropriates \$424,224, of which \$296,957 is proposed for Convention and Visitors Bureau, \$106,056 is proposed for Cultural Development and Programming Activities (Fort Fund), and \$21,211 is proposed for Tourism Programming (Fort Fund) all from unanticipated 2024 Lodging Tax revenue collections.

Lodging taxes are annually collected by the City 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 2024, total Lodging tax revenues collected came in \$424,224 above projected collections.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

FIRST READING BACKGROUND / DISCUSSION

Section 25-244 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 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 2024 tax year, as determined March 2025, was \$424,224 more than the Lodging tax revenue anticipated and appropriated for expenditure in 2025. Accordingly, upward adjustments to the 2025 appropriations under Section 25-244 of the Code are required. These appropriation adjustments are described below.

CITY FINANCIAL IMPACTS

2025 LODGING TAX CLARIFICATION

Section 25-44 of the City Code:	75%		25%	
	Promote Convention		Promote Cultural Development	
	& Visitor Activities		& Programming	
	503200	503202	503201	
	Convention & Visitors Bureau 70%	Fort Fund (Tourism Programming) 5%	Fort Fund (Cultural Development & Programming) 25%	Total
Lodging Tax				
Unanticipated Lodging Tax	\$ 296,957	\$ 21,211	\$ 106,056	\$ 424,224
Total of Unanticipated Lodging Tax Appropriations Available for 2025	\$ 296,957	\$ 21,211	\$ 106,056	\$ 424,224

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

First Reading attachments not included.

- 1. Ordinance for Consideration