



CITY COUNCIL AGENDA ACTION FORM

AGENDA DATE:	07/27/2021		
AGENDA SUBJECT:	Discussion, consideration, and possible action regarding the Interlocal Agreement for HOT Funds and the distribution of previously collected HOT Funds by the City.		
PREPARED BY:	City Secretary Ritchie	DATE SUBMITTED:	07/22/2021
EXHIBITS:	Interlocal Agreement for HOT		
BUDGETARY IMPACT:	Required Expenditure:		\$00.00
	Amount Budgeted:		\$00.00
	Appropriation Required:		\$00.00
CITY ADMINISTRATOR APPROVAL:			
SUMMARY:	<p>We received an inquiry from Somervell County about the transfer of HOT funds. After review of the Interlocal Agreement staff asked City Attorney Pendleton for opinion. The Agreement seems to address the transfer of incoming HOT funds (current receivables) to the County but doesn't appear to address the disposition of previously received funds. This matter is addressed in sections I. A & B and V. A. Staff assumes that the Council's intent was to transfer all the funds, but we are not sure this agreement accomplishes that intention. Attorney Pendleton will be giving an opinion but suggested that the Council may need to address the disposition of the funds in our bank account.</p> <p>Now that the agreement is in effect and County has taken possession of the building, we have just been notified by county maintenance that an A/C unit at the CVB building needs to be replaced. We understand that we can't use any of the funds contractually due to the County to replace the A/C, but can the City use the previously collected funds in our bank account for that purpose? Our CVB budget includes a line for building maintenance. We are expecting a new unit to cost around \$15,000 and there are no funds budgeted to cover this repair in general fund.</p> <p>Assuming that Council (Attorney) believes under the agreement as it is written that the City should transfer the existing bank balances, how do we handle issue? Do we retain some funds for general maintenance of the building, or do we transfer all funds.</p>		
RECOMMENDED ACTION:			