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**CITY OF PORT LAVACA**

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**CITY COUNCIL MEETING: MARCH 10, 2025**

**AGENDA ITEM \_\_\_\_\_**

**DATE:** FEBRUARY 27, 2025

**TO:** THE HONORABLE MAYOR AND CITY COUNCIL MEMBERS

**FROM:** BRITTNEY HOGAN, FINANCE DIRECTOR

**SUBJECT:** CONSIDER PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF PORT LAVACA AND AVENU INSIGHTS FOR LOCAL HOTEL OCCUPANCY TAX FIELD AUDIT SERVICES

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**BACKGROUND:**

The City has been utilizing Avenu Insights & Analytics, LLC to conduct annual local hotel occupancy tax audit services since 2012. The audits conducted have helped the City preserve, enhance, and manage our Hotel Occupancy Tax funds in recent years. Avenu Insights has also aided the City with the accuracy of tax filings, and with the identification of any non-compliant businesses by conducting these annual audits. All amendments to the original agreement have been exhausted since the last approval in 2021. Therefore, Avenu Insights is requesting the Council approve a new agreement for their audit services, which will be for a period of three years and automatically renew for two one-year terms.

**FINANCIAL IMPACT:**

Funds have been budgeted for this service in the Hotel Occupancy Tax fund. The breakdown of contract compensation schedule is below:

- HOT administration services for \$250.00 per property per year
  - The City currently has 13 properties (\$3,250.00 per year)
- \$2000.00 for each hotel examination in the first year, \$2100.00 thereafter.
  - The City determines how many hotels to exam each year and which properties.

**RECOMMENDATION:**

Staff Recommends council approve the professional services agreement provided by Avenu Insights & Analytics, LLC to conduct local hotel occupancy tax field audit services.