HOTEL OCCUPANCY TAX COMMITTEE MINUTES
June 21, 2018

After determining that a quorum is present, the Hotel Occupancy Tax Committee (HOT) convened into an Open Meeting on Thursday, June 21, 2018, at 9:05 a.m., in the City Hall Conference Room, City of Denton City Hall, 215 E. McKinney Street, Denton, Texas.

PRESENT: Committee Chair, Dalton Gregory, Mayor Chris Watts and Councilmember Gerard Hudspeth

STAFF PRESENT:
Bryan Langley, Assistant City Manager
Antonio Puente, Jr, Director of Finance
Jerry Drake, First Assistant City Attorney
Stephanie Neil, Assistant City Attorney
Kevin Ann Mullen, Treasury Manager
Randee Klingele, Treasury Analyst

AGENDA ITEM 1: CONSIDER APPROVAL OF HOTEL OCCUPANCY TAX MINUTES FROM APRIL 26, 2018.

Minutes were approved as written by Mayor Watts and seconded by Councilmember Gregory.
Motion passed unanimously.

AGENDA ITEM 2: RECEIVE A REPORT, HOLD A DISCUSSION AND PROVIDE RECOMMENDATIONS REGARDING PROGRAM FUNDING LEVELS AND BUDGET REQUESTS FOR PROGRAM YEAR 2019.

Randee Klingele, introduced the item by providing the estimated revenue projection of $2.4 million versus the twenty-six budget request totaling $3.2 million. The estimated revenue reflects a 2% increase over the current PY2018 budget.

Committee reviewed budget requests compared to revenue availability and decided that the fund had approximately $74,000 to allocate with Program Year's 2018 budget to increase or add new applications for Program Year 2019. The targeted fund balance for this fund is 15% of expenditures. This target allows for unexpected downturn in hotel receipts, one-time allocations and planning for future projects. Allocation discussions began with new applicants then centered on the application budgets with the largest increase request. The committee honored applicants that requested less or the same as the previous year, while providing most others with a slight increase. The committee decided to provide the Chamber's Convention and Visitors Bureau (CVB) application with an increase to support their staffing needs. In addition, the committee increased several applicants with multiple day events. During discussions staff presented the committee with both statutory comments regarding legitimate expenditures along with historical program background on previous allocations.

Mayor Watts moved to forward to Council the budget of $2,484,276 which includes two new recipients, seconded by Councilmember Gregory.
Motion passed unanimously.

AGENDA ITEM 3: RECEIVE A REPORT, HOLD A DISCUSSION AND PROVIDE RECOMMENDATIONS REGARDING SPONSORSHIP FUNDING LEVELS AND BUDGET REQUESTS FOR FISCAL YEAR 2018-19.

The committee reviewed budget requests noting the requests that also applied for the Hotel Occupancy Tax Program. Staff, presented Katherine Barnett, Sustainability and Customer Initiatives Manager to speak on behalf of the budget request for Keep Denton Beautiful (KDB) and Solid Waste's Recycling Outreach and Marketing. Katherine and staff provided background information for KDB's annual request and current contract for management services. The committee recommends the current KDB contract be updated to include all funding sources from the city to meet the TCEQ stormwater permit and all other necessary program and events. Once the contract is approved by Council, the KDB will no longer need to request any sponsorship funds and the revenue for this sponsorship program will be reduced by $28,000. Most of the Recycling's Outreach and Marketing budget, although maintained under the sponsorship title, needs to be reviewed in detail to determine its validity in the sponsorship application process. This budget along with other requests will be reviewed again in a future meeting. Staff has been tasked with obtaining detailed budget request from all applicants to determine how the awarded funds would be expended.

AGENDA ITEM 4: NEW BUSINESS

No new business.

Meeting adjourned 11:17 am

GERARD HUDSPETH
COMMITTEE CHAIR
CITY OF DENTON, TEXAS

RANDEE KLINGELE
RECORDING SECRETARY
CITY OF DENTON, TEXAS