

**RESOLUTION NO. 2017 R-09**

**A RESOLUTION OF THE CITY OF BASTROP, TEXAS, PERTAINING TO EXPENDITURES TO BE MADE PURSUANT TO TEXAS TAX CODE § 351.101 OF THE MUNICIPAL HOTEL OCCUPANCY TAX, INCLUDING THE ESTABLISHMENT OF A STARTER BOARD AND THE ASSIGNMENT OF DUTIES TO THE STARTER BOARD AND PROVIDING FOR SEVERABILITY.**

WHEREAS the City of Bastrop receives a share of the municipal hotel occupancy tax levied on certain businesses in the City of Bastrop and its extra territorial jurisdiction; and

WHEREAS pursuant to Texas Tax Code § 351.101(a) such funds may be used only to promote tourism and the convention and hotel industry; and

WHEREAS for the City of Bastrop Texas Tax Code § 351.101(a)(1) – (9) limits the use of such funds for the purposes specified in these sections of the statute; and

WHEREAS Texas Tax Code § 351.101(b) provides that such funds shall be expended in a manner directly enhancing and promoting tourism and the convention and hotel industry and may not be used for the general revenue purposes or general government operations of the City of Bastrop; and

WHEREAS under Texas Tax Code § 351.101(c), the City of Bastrop may by contract delegate to a person, another governmental entity or a private organization the management or supervision of programs and activities funded with revenue from the municipal hotel occupancy tax so long as (1) the City of Bastrop in writing shall approve in advance the annual budget of the person to which it delegates those functions, (2) the person provides at least quarterly reports to the City of Bastrop listing the expenditures made by the person with revenue from the municipal hotel occupancy tax, (3) the person does not commingle such funds with any other funds, and (4) the approval of the annual budget creates a fiduciary duty on the part of the person to whom the function is delegated with respect to the revenue provided to the person; and

WHEREAS funds from the municipal hotel occupancy may be spent by the person to whom the functions described above are delegated for day-to-day operations, salaries, office rental, travel expenses and other administrative costs only if those administrative costs are incurred directly in the promotion and servicing expenditures authorized under Texas Tax Code § 351.101(a)(1) – (9) which expenditures are subject to further limitations as outlined in Texas Tax Code § 351.101(e) and (f); and

WHEREAS the City of Bastrop has a duty to insure that the person, other governmental entity or private organization to which management and supervision are delegated is organized, structured and operated in a manner consistent with Texas Tax Code § 351.101;

NOW THEREFORE; BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS:


1. The City Manager is instructed to execute a contract with DMO-proz at the company's regular hourly rate of \$250 per hour plus expenses, with total cost not to exceed \$36,000 plus expenses so that DMO-proz will assist the starting board created below and the city council in working through details to create a DMO;

2. The Destination Marketing Organization (DMO) starting board is hereby created composed of the following members:

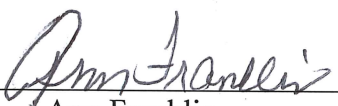
- (a) Clint Howard – Arts Industry
- (b) Hiren Patel – Hotels and Lodging
- (c) Richard Bracket – Restaurants and night life
- (d) Anne Smarzik – Retail
- (e) Former Mayor Tom Scott who will represent the City council,

3. The Starting Board will meet in public sessions at posted meetings and at city hall whenever possible,

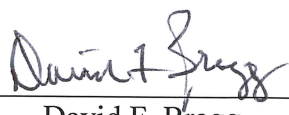
PASSED AND APPROVED this 24th day of January, 2017.

/s/   
\_\_\_\_\_  
Kenneth Kesselus  
Mayor

ATTEST:

/s/   
\_\_\_\_\_  
Ann Franklin  
City Secretary

APPROVED AS TO FORM:

/s/   
\_\_\_\_\_  
David F. Bragg  
City Attorney