

RESOLUTION NO. R-2016-05

A RESOLUTION OF THE
CITY COUNCIL OF BASTROP, TEXAS REGARDING FUNDING AND
REPORTING REQUIREMENTS FOR HOTEL/MOTEL TAX REVENUE
GRANTS BY THE CITY, FOR PUBLICITY AND TOURISM GRANTS, AND
PROCESSES FOR FUTURE GRANT CYCLES

WHEREAS, the City of Bastrop, Texas, ("City"), is a Home Rule municipality incorporated and operating under the Laws of the State of Texas and, accordingly has been granted full legal authority to enact rules and procedures related to its grant of Hotel/Motel Tax revenue funds ("HOT Funds") to local recipients to enhance and encourage tourism in the City of Bastrop, as per the Texas Tax Code, Chapter 351.001 *et seq.*; and

WHEREAS, the City Council has determined that identifying certain "tiers" of priorities, related to the City's allocation and expenditure of HOT Funds, is advisable and will assist both the City and the Grant Recipients in accomplishing their grant objectives, as well as assist the City in ensuring compliance with applicable State laws pertaining to the use of HOT Funds; and

WHEREAS, the City Council has determined that identification of the City's HOT Fund priorities, and implementation of a "Tiered Priority" process for evaluation, allocation and use of the City's HOT Funds, should be adopted, as set out herein, below

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

Part 1: The Council hereby adopts the following Tiered Priority process for its annual evaluation, establishment of priorities, and approval of City expenditures/commitments of the City's Hotel/Motel Tax revenue funds (HOT Funds):

- A. **"TIER ONE"** - The "Tier One" priority for the City's HOT FUND expenditures shall be placed on those budget items which the Council has determined necessitate the City's use of HOT Funds, as set forth in the City Manager's rolling, five year debt/expenditure projection. The following list comprises the City's agreed upon "Tier One" priority expenses, and the Council hereby agrees that these identified payment and retention obligations of the City shall have priority on approval and expenditure of HOT Funds, by the Council, each year during the Council's HOT Fund disbursement process:
1. Payment of debt service and operational expenses associated with the City's Convention and Exhibition Center;
 2. Payment of expenses associated with the City's "Main Street Program" commitments;
 3. Payment of expenses associated with the City's operation of the Rodeo Arena;

4. Payment of administration and City staffing expenses related to the City's provision of support for any HOT Funded events, projects, or programs; and
5. Retention of HOT Funds, as appropriate, for maintaining the reserve funds related to maintaining the City's bond rating.

B. **"TIER TWO"** - The "Tier Two" priority for the City's HOT FUND expenditures shall be placed on those annual HOT grant programs, that are customarily evaluated and approved for HOT Fund grants, by the Council.

C. **"TIER THREE"** – In approximately April of each year, the City Manager will report to the Council as to whether, during that annual HOT Funding cycle, HOT Funds remain available in the City's HOT Fund reserves/account, after the Tier One and Tier Two priorities are approved and committed by the Council, then the following additional "Tier Three" HOT Fund expenditures may be considered for approval and funding by the Council:

1. Any action(s) taken in a prior HOT Funding year that binds the Council to appropriate and utilize HOT Funds for authorized projects, programs and events; and
2. Projects, events, programs that the Council has identified for evaluation and consideration as a "Tier Three" priority during the prior 12 month period; and
3. Accelerated payment on the debt of the City related to the City's Convention and Exhibition Center.

Part 2: This Resolution shall become effective immediately upon passage, subject to publication as required by State law.

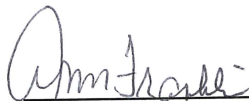
PASSED, ADOPTED AND APPROVED this 9th day of February, 2016.

APPROVED:



KEN KESSELUS, MAYOR

ATTEST:



ANN FRANKLIN, CITY SECRETARY