CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: FY 2015-16 FY Hotel/Motel Tax Allocations **DATE:** May 18, 2015

FINANCIAL IMPACT: The projected FY 2015-16 revenues are $3,650,000 and allocated expenditures are $3,568,714, so fund balance is expected to rise from $326,265 to $407,551 by June 30, 2016.

BACKGROUND: Although a significant portion of the City's annual Hotel/Motel Tax revenue has been previously committed through established policy or previous Council action, the Council is also able to use discretion when allocating the remainder. For the upcoming fiscal year, staff received applications from 11 non-profit organizations requesting discretionary funding.

Organization made presentations and answered questions regarding the funding requests to members of the Finance and Administration Sub-Committee at meetings on March 11, 2015, March 25, 2015 and April 22, 2015. Members of the Finance and Administration Sub-Committee reviewed the applications and notes from the presentations at a meeting on May 14, 2015 and are recommending allocations in accordance with the attached schedule. Highlights include the following:

- The West Des Moines Public Arts program will receive funding of $160,000, of which $120,000 is the "maximum" calculated contribution deriving from action taken by the Council in January 2011 and the remaining $40,000 is a discretionary one-time contribution. To encourage private donations to the Public Arts program, additional funds have been allocated to match dollar for dollar donations, with a maximum match of $60,000
- Central Iowa Shelters & Services will receive $12,000 for the third annual contribution toward a five year $60,000 commitment made by Council in 2013.
- $50,000 will be allocated for continued improvements to the Holiday Park Baseball Complex.
- The WDM high school robotics team (STEAM Innovation Zone) will receive $10,000 along with an understanding that the group must demonstrate matching funds prior to receiving funds.
- The WDM Business Incubator will receive $10,000 along with an understanding that the group must demonstrate matching funds prior to receiving funds.
- The WDM Historical Society will receive $40,000 for infrastructure improvements which represents an increase of $20,000 from the previous year. $15,000 of this total was committed by previous Council action in December 2013.
- The Iowa Senior Games will receive $10,000 which represents an increase of $2,150 from the previous year.
- Iowa Homeless Youth Centers will receive $1,000 which represents an increase of $275 from the previous year.
- All other discretionary programs will be funded at the same level as FY14-15.

OUTSTANDING ISSUES: None

RECOMMENDATION: Motion approving the Finance and Administration Committee recommendations regarding FY15-16 allocation of Hotel/Motel tax revenues.

Lead Staff Member: Chris Hamlett, Budget Analyst CH

STAFF REVIEWS

Department Director	Tim Stiles, Finance Director TS
Appropriations/Finance	
Legal	
Agenda Acceptance	RTG

PUBLICATION(S) (if applicable)

Published In	n/a
Dates(s) Published	n/a

SUBCOMMITTEE REVIEW (if applicable)

Committee	Finance & Administration		
Date Reviewed	May 14, 2014		
Recommendation	(Yes)	No	Split

City of West Des Moines
F&A Recommendation
Hotel Motel Tax Fund FY 15-16

Hotel Motel Tax Revenue Budgeted		**3,650,000**
Contractual Agreements		
Convention Visitors Bureau (2/7th)	1,042,857	
Iowa Events Center (ends FY 18/19)	65,000	
Bravo (2/7th less IA Events Center)	977,857	
Civic Center of Greater Des Moines (ends FY 17/18)	16,500	
Total Committed by Agreement		**2,102,214**
Approved by Council		
WDM Community Enrichment Foundation (approved 9/7/10)	10,000	
Public Arts (3/7 of excess of $2,550,000 : $50,000 min $120,000 max)	160,000	
Public Arts ($ for $ donation match up to $60,000)	60,000	
Central Iowa Shelter ($12,000 annually for 5 yrs, thru FY 17-18)	12,000	
WDM Historical Society ($15,000 annually for 4 yrs, thru FY 17-18)	15,000	
Solheim Cup	30,000	
Vyvacity (BBE Partners)	15,000	
Total Committed by Previous Council Resolution		**302,000**
City Budget Commitments		
City Programs	637,000	
Economic Development Emphasis (Fund 1706)	50,000	
Total Committed by City Approved Budget		**687,000**
Incremental FY 16 Amount Available for Distribution		**558,786**
City Uses		
City Newsletter -WDM Magazine	100,000	
City Entrance Sign	15,000	
July 4th Celebration	17,000	
Publicity/Advertising	10,000	
Valley Junction Operations	25,000	
Youth In Parks Programming	25,000	
Holiday Park Baseball Improvements	50,000	
Total Planned City Uses		**242,000**

FY 15-16 Outside Requests	**Requested by Organization**	**F&A Recommendation**	
Eddie Davis Community Center	15,000	15,000	
Historic Valley Junction Foundation	75,000	75,000	
Iowa Homeless Youth Centers	2,000	1,000	
Iowa Senior Games	10,000	10,000	
Iowa STEAM Innovation Zone	15,000	10,000	<< requires match
Junior Achievement	10,000	10,000	
Link Associates	10,000	-	
Tiger Softball Club	2,000	2,000	
WDM Business Incubator	20,000	10,000	<< requires match
WDM Chamber of Commerce & Dev. Connection	77,500	77,500	
WDM Historical Society	65,000	25,000	
WDM Girls Softball (advanced FY 14-15, 15-16, 16-17)	NA	NA	
WDM Soccer Club (resumes $20,000 in FY 16-17)	NA	NA	
Total Outside Funding Awarded	**301,500**		**235,500**
Increase (Decrease) Fund Balance			**81,286**
Beginning Fund Balance			**326,265**
Ending Fund Balance			**407,551**

FY 2014-15 Hotel Motel Tax

Policy	Activity/Organization	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Suggested
3.2	**Hotel/Motel Tax Revenue**	$ 2,903,788	$ 3,071,320	$ 3,287,208	$ 3,457,345	$ 3,150,000	$ 3,650,000
4.0	**Contractual Agreements**						
	Convention/Visitors Bureau	$ 804,397	$ 849,837	$ 911,149	$ 997,887	$ 900,000	$ 1,042,857
	BRAVO (Cultural Alliance)	707,779	784,837	846,149	932,887	835,000	977,857
	Iowa Events Center (ends 18/19 FY)	65,000	65,000	65,000	65,000	65,000	65,000
	Principal Park (Sec Taylor Stadium) (ends 10/11 FY)	31,617		-	-	-	-
	Contractual Agreements Sub-Total	$ 1,608,793	$ 1,699,673	$ 1,822,297	$ 1,995,774	$ 1,800,000	$ 2,085,714
5.0	**City Budget Commitments**						
5.1	City Programs	829,356	874,837	939,202	987,813	637,000	637,000
5.2	Economic Development Emphasis	50,000	50,000	50,000	50,000	75,000	50,000
5.3	Public Art	-	-	147,435	120,000	160,000	220,000
	City Budget Commitments Sub-Total	$ 879,356	$ 924,837	$ 1,136,638	$ 1,157,813	$ 872,000	$ 907,000
6.0	**Other Activities**						
6.1	**Amount Available for Further Allocation**	$ 415,639	$ 446,811	$ 328,273	$ 303,758	$ 478,000	$ 657,286
6.2.1	**West Des Moines Based Activities**						
	City Newsletter - WDM Magazine	66,296	86,100	86,100	86,100	88,000	$ 100,000
	City Signs	-	-	-	10,907	25,000	15,000
	Council Directive	-	-	-	-	-	-
	Eddie Davis Community Center	15,000	15,000	15,000	15,000	15,000	15,000
	Historic Valley Junction Foundation	45,212	59,779	60,000	75,000	75,000	75,000
	Holiday Park Baseball Club, Inc.	20,000	20,000	136,950	-	-	-
	Holid Park Baseball Improvements	-	-	-	-	-	50,000
	July 4th Celebration	14,500	15,000	15,500	16,000	16,500	17,000
	Mainstream Living	-	-	-	-	6,190	-
	Publicity/Advertising	9,464	10,534	15,458	6,835	10,000	10,000
	Solheim Cup	-	-	-	-	-	30,000
	Tiger Softball Club	2,000	2,000	2,000	2,000	2,000	2,000
	Valley Junction Operations	3,737	12,718	4,626	43,763	25,000	25,000
	Vyvacity	-	-	-	-	-	15,000
	WDM Business Incubator	-	-	10,000	-	10,000	* 10,000
	WDM Chamber of Commerce	15,000	15,000	15,000	15,000	27,500	27,500
	WDM Community Celebration	15,000	15,000	15,000	-	-	-
	WDM Community Enrichment Foundation (ongoing)	-	-	-	10,000	10,000	* 10,000
	WDM Development Connection	-	40,000.00	40,000	50,000	50,000	50,000
	WDM Girls Softball	20,000	20,000	80,000	20,000	0	-
	WDM Historical Society	11,700	11,700.00	11,700.00	15,000	5,000	25,000
	WDM Historical Society ($15,000 per year through FY 17-18)	-	-	-	-	15,000	15,000
	WDM Soccer Club (resumes in FY 16-17)	120,000	-	-	-	-	-
	WDM STEAM Innovation Zone	-	-	-	-	10,000	* 10,000
	West Side Track Club	2,000	-	-	-	-	-
	Youth In Park Programs	36,589	26,483	30,060	14,245	25,000	25,000
	West Des Moines Sub-Total	$ 396,498	$ 349,314	$ 537,394	$ 379,849	$ 415,190	$ 526,500
6.2.2	**Metropolitan Based Activities**						
	Choose Des Moines Communities	$ 25,000	$ -	$ -	$ -	$ -	$ -
	Dallas County Development Alliance	10,250	-	-	-	-	-
	Warren County Economic Development	5,000	-	-	-	-	-
	Central Iowa Shelters & Services (ends 17-18 FY)	-	-	-	12,000	12,000	12,000
	Civic Center of Greater Des Moines (ends 18-19 FY)	16,500	16,500	16,500	16,500	16,500	16,500
	Iowa Homeless Youth Center	725	725	725	-	725	1,000
	Iowa Senior Olympics	7,850	7,850	7,850	-	7,850	10,000
	Raccoon River Valley Trail (ends 12-13 FY)	20,000.00	20,000	20,000	-	-	-
	Junior Achievement	10,000.00	-	-	-	10,000	10,000
	Polk County Conservation	-	-	-	-	15,000	-
	Principal Charity Classic (ends 12-13 FY)	25,000	40,000	40,000	-	-	-
	Metropolitan Organizations Sub-Total	$ 120,325	$ 85,075	$ 85,075	$ 28,500	$ 62,075	$ 49,500
	Total Expenditures	$ 3,004,972	$ 3,058,899	$ 3,581,404	$ 3,561,937	$ 3,149,265	$ 3,568,714
	Increase (Decrease) in Fund Balance	(101,184)	12,422	(294,196)	(104,591)	735	81,286
	Beginning Fund Balance	1,382,344	1,281,160	1,293,582	999,386	325,530	326,265
	Ending Fund Balance	$ 1,281,160	$ 1,293,582	$ 999,386	$ 894,794	$ 326,265	$ 407,551
	Accounts Payable (Sept Payments for 6/30 Receipts)				569,264		
	Adjusted Ending Fund Balance				325,530		