

-Memorandum-


City of Seguin

Finance Department

P. O. Box 591, Seguin, Texas 78156-0591
Phone (830) 401-2450 Fax (830) 401-2499

Date: October 12, 2015

To: Mayor and City Councilmembers
Douglas Faseler, City Manager

From: Susan Caddell 
Director of Finance

Subject: Occupancy Tax Fund Civic Organization Agreements

During the fiscal year 2016 budget process, City Council approved funding to various civic organizations through the Occupancy Tax Fund. In addition, the Occupancy Tax Committee met on October 5 concerning increasing this funding. It is the recommendation of the committee to leave the funding as originally approved by the City Council during the 2016 budget process. In order to provide the funding to these organizations, an agreement between the organization and the City must be signed. The second paragraph in Section II states that if the City of Seguin does not receive the expected revenue of \$675,000 for fiscal year 2016, the organization's funding will be reduced on a pro rata basis. This is to insure that more money will not be distributed than what was received.

A new paragraph has been added to the agreement. The sixth paragraph in Section IV refers specifically to lobbying political campaigns. It states, "*Delegee is prohibited from using any hotel occupancy tax funds to directly or indirectly communicate, influence, attempting to influence, or otherwise lobby any political entity, an agent or employee of a political entity, or any political campaign. Any violation of this prohibition shall result in disqualification from receiving future funds.*"

In addition, the Seguin Area Chamber requested funds for a new event. The Occupancy Tax Committee has suggested to provide half of the funding prior to the event, with the remainder of their funding in quarterly payments after the event has occurred. If the event does not occur, no further funding will be provided. This has been written into their contract.

The last paragraph in Section IV states that in order for an organization to receive funding, the organization cannot owe any delinquent ad valorem taxes, any liens, or any unpaid debt to the City. Currently, there are no Occupancy Tax Fund civic organizations that have any outstanding debt owed to the City. Attached are the agreements with the various organizations and resolutions for your approval.

Please let me know if you have any further questions.