



AGENDA MEMORANDUM

First Reading for the City Council Meeting of September 25, 2012
Second Reading for the City Council Meeting of October 9, 2012

DATE: October 9, 2012

TO: Ronald L. Olson, City Manager

FROM: Wes Pierson, Assistant City Manager
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Appropriation of Funds Related to the
American Bank Center's Marketing and Co-Promotion Fund

CAPTION:

Ordinance appropriating \$600,000 from the unreserved fund balance in the No. 1130 Arena Facility Fund and transferring to and appropriating in the No. 4710 Visitors Facilities Fund for American Bank Center Marketing and Co-Promotion Expenditures; appropriating \$115,999.96 from the reserved fund balance in the No. 4710 Visitors Facilities Fund for American Bank Center Marketing and Co-Promotion Expenditures; changing the FY 2012-2013 Operating Budget adopted by Ordinance No. 029577 to increase revenues by \$600,000 and expenditures by \$ 1,315,999.96.

PURPOSE:

City Council's approval is needed to appropriate \$715,999.96 of funds that the Corpus Christi Business and Job Development Board (i.e., the "Type A Board") previously approved from the unreserved fund balance in the Fund 1130 "Arena Facility Fund" for marketing and co-promotion expenditures at the American Bank Center. Part of those funds were approved by the Type A Board in April 2012 (\$600,000) and reside in Fund 1130 "Arena Facility Fund". This ordinance authorizes the transfer of these funds to Fund 4710 "Visitors Facilities Fund" where the expenditures will be made.

Additionally in Fund 4710 "Visitors Facilities Fund", there is another \$115,999.96 of unexpended marketing and co-promotion funds from prior fiscal years that the Type A Board previously approved that will be appropriated by this agenda item. The sum of the \$600,000 from Fund 1130 "Arena Facility Fund" and the \$115,999.96 from Fund 4710 "Visitor Facilities Fund" totals \$715,999.96 which is the amount of increased appropriations in Fund 4710 "Visitor Facilities Fund" that results from this agenda item.

Ordinance No. 029577, adopting the FY 2012-2013 operating budget, must increase expenditures by \$1,315,999.96, however, because the \$600,000 is an expenditure in Fund 1130 "Arena Facility Fund" that is being transferred to Fund 4710 "Visitors Facilities Fund", and \$715,999.96 will become an expenditure in Fund 4710 "Visitors Facilities Fund". The sum of the expenditures from these two funds equals \$1,315,999.96. Since the ordinance adopting the FY 2012-2013 operating budget approves total revenue for all funds and total expenditures for all funds, the ordinance for this agenda item must include the sum of the increase in expenditures for both funds.

BACKGROUND AND FINDINGS:

On May 15, 2009 the Corpus Christi Business and Job Development Board (i.e. the "Type A Board") approved to spend \$500,000 from Fund 1130 "Arena Facility Fund" for marketing co-promotion to promote, retain, secure, and host various events at the Arena facility. At July 31, 2012, \$11,000 of this \$500,000 remained uncommitted and unspent, and \$104,999.96 had been previously committed but unspent at July 31, 2012.

On April 16, 2012 the Type A Board approved an additional \$600,000 to be spent in the same manner. This additional \$600,000 had not previously been brought to the City Council for approval and appropriation. This action is necessary to appropriate the funds in the Fund 1130 "Arena Facility Fund" and to approve the transfer to the Fund 4710 "Visitors Facility Fund" so that they can be expensed in the current fiscal year. The additional \$115,999.96 that is being appropriated in the Fund 4710 "Visitors Facility Fund" is sum of the unspent amount from prior years noted above that was reserved in fund balance at July 31, 2012 and the uncommitted amount from prior years that is in the unreserved fund balance in the Fund 4710 "Visitors Facility Fund".

Any funds remaining at July 31, 2013 will be again be reserved in fund balance in Fund 4710 "Visitors Facilities Fund" and will either be included in the fiscal year 2013-2014 operating budget for Fund 4710 "Visitors Facilities Fund" or will be appropriated during fiscal year 2013-2014 as the need arises.

ALTERNATIVES:

None.

OTHER CONSIDERATIONS:

None.

FINANCIAL IMPACT:

Not Applicable Operating Expense Revenue CIP

FISCAL YEAR:	Project to Date Exp. (CIP Only)	Current Year	Future Years	TOTALS
Budget	-	\$ -	\$ -	\$ -
Encumbered/Expended amount of (date)	-	-	-	-
This item	-	\$ 715,999.96	\$ -	\$ 715,999.96
BALANCE	-	\$ 715,999.96	\$ -	\$ 715,999.96
FUND(S): Fund 1130 "Arena Facility Fund" Fund 4710 "Visitors Facility Fund"				

COMMENTS:

The SMG contract was approved by the City Council on February 24, 2009. The amount listed in this agenda item has already been approved by the Type A Board.

RECOMMENDATION:

Staff recommends that City Council approve this agenda item as presented.

CONFORMITY TO CITY POLICY:

This item conforms to City policy.

EMERGENCY / NON-EMERGENCY:

Non-Emergency.

DEPARTMENTAL CLEARANCES:

- Financial Services Department
- Legal Department

LIST OF SUPPORTING DOCUMENTS:

Ordinance