



COMMUNITY/CONVENTION CENTER
CITY OF SACRAMENTO
SAM J. BURNS, GENERAL MANAGER

May 28, 1980

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Community Center
FY 1979-80 Budget

SUMMARY

This report indicates that there is a strong probability that transient occupancy tax revenues received for FY 1979-80 will be less than planned. The attached Resolution is required to alleviate any budgetary deficit in the Community Center Fund and the City General Fund.

BACKGROUND

Transient occupancy tax (hotel/motel) revenues for FY 1979-80 are not being realized as anticipated. This is because of:

- A) The emerging recession adversely affecting travel.
- B) Fears surrounding Proposition 9 have adversely affected the number delegates attending state government conferences.
- C) Reduced credit card usage as a result of recent Federal Reserve Board consumer credit restrictions.

- more -

APPROVED
BY THE CITY COUNCIL

JUN 17 1980

OFFICE OF THE
CITY CLERK



FINANCIAL

Following is a recap comparing the FY 1979-80 budget to the current projection for transient occupancy (T.O.) tax:

	<u>9% to Community Center Fund</u>	<u>1% to Convention Bureau</u>	<u>10% Total</u>
ADOPTED FINAL 1979-80 BUDGET:	\$2,390,000	\$265,000	\$2,655,000
CURRENT PROJECTION, 1979-80: (Worst Case)	<u>1,953,000</u>	<u>217,000</u>	<u>2,170,000</u>
SHORTFALL: (Worst Case)	<u>\$ 437,000</u>	<u>\$ 48,000</u>	<u>\$ 485,000</u>

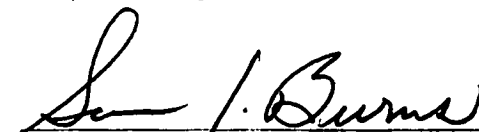
The above figures indicate the potential for up to a \$485,000.00 shortfall. The Community Center Fund does not have funds available to absorb much more than \$75,000.00 - \$100,000.00 shortfall.

In order to alleviate this potential problem and avoid an unauthorized operating budget overrun, a budget amendment is required.

RECOMMENDATION

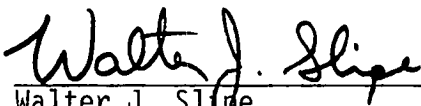
Approval of the attached Resolution authorizing amendment to the FY 1979-80 Budget.

Respectfully submitted,



Sam J. Burns
General Manager

Recommendation approved:


Walter J. Slize
City Manager

/bjk
Attachment: Resolution

June 17, 1980

RESOLUTION NO.

80-375

Adopted by The Sacramento City Council on date of

A RESOLUTION AUTHORIZING THE DIRECTOR OF FINANCE
TO AMEND THE FY 1979-80 COMMUNITY CENTER BUDGET
TO THE EXTENT REQUIRED BY A SHORTFALL IN CITY
TRANSIENT OCCUPANCY TAX REVENUE RECEIPTS.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

That to the extent FY 1979-80 transient occupancy tax revenues
are less than budgeted, the Director of Finance is authorized to:

- A) First, reduce the \$351,316.00 planned Community Center payback
to the City of Sacramento General Fund, and;
- B) Second, utilize FY 1979-80 Community Center Operating Budget
savings as required to cover revenue shortfalls in the
Community Center Fund.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

JUN 17 1980

OFFICE OF THE
CITY CLERK



CITY OF SACRAMENTO

OFFICE OF THE CITY CLERK

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LORRAINE MAGANA
CITY CLERK

MEMORANDUM

TO: COMMUNITY/CONVENTION CENTER

FROM: ANNE MASON, DEPUTY CITY CLERK *Am*

SUBJECT: ITEM 36, COUNCIL AGENDA OF JUNE 17, 1980

DATE: JUNE 19, 1980

Pursuant to Council action the following matter was approved by the City Council and Resolution No. 80-375 adopted.

Amend Community Center Budget due to a shortfall in City Transient Occupancy Tax Revenue .