

**FY2016-17 Recommended Budget
TRANSIENT OCCUPANCY TAX REVENUE AND ALLOCATION**

The FY2016-17 Recommended General Fund Budget reflects the receipt of \$5,141,000 in Transient Occupancy Tax (TOT) revenue, which is \$591,000 (13%) more than the amount included in the FY2015-16 Adopted Budget. The Recommended Budget allocates the \$5.14 million as follows:

- A \$180,000 transfer to the Economic Development Fund to pay for economic development marketing activities (\$90,000) and TOT program administration (\$90,000). The Recommended Budget includes \$180,000 less for economic development and marketing activities compared to the FY2015-16 Adopted level. This is due to the fact that the FY2015-16 Budget included an additional \$180,000 in one-time funding for these activities.
- A \$2,055,000 transfer to the Transient Occupancy Tax Fund to fund grants to community organizations and provide \$120,000 to each Board district - \$20,000 for Neighborhood Programs and \$100,000 for Community Services Projects. With the exception of the elimination of \$10,000 in funding for the Sacramento Area Regional Technology Alliance and a \$100,000 increase in funding for the Sacramento Metropolitan Arts Commission (SMAC), the recommended funding for the various community organizations is the same as the FY2015-16 budgeted TOT allocation for these purposes. The funding for the Technology Alliance is being eliminated because that organization no longer exists. The one-time additional \$100,000 in funding for SMAC will match a similar increase in funding from the City of Sacramento. As part of the actions approving the Recommended Budget, the Board is being asked to revise the current Allocation Policies and Procedures for use of Community Service money to allow the use of these funds to cover the cost of additional extra help staff for a Board district at a Supervisor's request and to change the current language in the Policy that requires a minimum contribution amount of \$10,000. The recommended new amount will be \$1,000 per contribution.
- \$20,000 to the Department of Finance to cover the cost of audits and related costs.
- The remaining \$2,886,000 is recommended to be retained in the General Fund and used to cover general Net County Cost needs.

ATTACHMENT 5

This is a \$687,000 increase compared to the amount of TOT revenue used for this purpose in the FY2015-16 Adopted Budget.

The following table provides a more detailed comparison of the FY2015-16 Adopted TOT allocations and the FY2016-17 Recommended allocations.

Category	FY2015-16 Adopted Budget	FY2016-17 Recommended	Difference
TOT Program Administration	90,000	90,000	0
Economic Development & Marketing	270,196	90,000	-180,196
Total Transferred to Economic Development Fund	360,196	180,000	-180,196
Music Circus Debt Service	66,000	66,000	
Board of Supervisors – Neighborhood Programs	100,000	100,000	
Sacramento Convention & Visitors Bureau	105,000	105,000	
Sports Marketing & Events Support - SCVB	70,000	70,000	
Special Events Support	100,000	100,000	
American River Parkway Foundation	16,000	16,000	
Center for Sacramento History	202,000	202,000	
Powerhouse Science Center	93,000	93,000	
Sacramento History Museum	108,000	108,000	
Sacramento Metropolitan Arts Commission (Cultural Arts Awards)	336,000	436,000	100,000
Repayment of Pooled Interest	6,175	0.00	-6,175
Northern California World Trade Center	10,000	10,000	
Sacramento Area Commerce & Trade Organization/Greater Sacramento Area Economic Council	239,000	239,000	
Sacramento Area Regional Technology Alliance	10,000	0.00	-10,000
Sacramento Metropolitan Chamber of Commerce	10,000	10,000	
Community Services Projects	500,000	500,000	
Total Transferred to Transient Occupancy Tax (TOT) Fund	1,971,175	2,055,000	83,825
Finance Department for Audits, etc. (General Fund)	20,000	20,000	
Total Allocated to Specific Programs	2,351,371	2,255,000	96,371
Estimated TOT Revenue (General Fund – Non-departmental Revenue)	4,550,000	5,141,000	591,000
Available to Cover General Net County Cost Needs	2,198,629	2,886,000	687,371

Note: Annual TOT revenue only; does not include re-budgeting or use of fund balance.