

April 7, 2014

To: Carrboro Tourism Development Authority

From: Arche L. McAdoo, Finance Officer

Subject: Budget for FY 2014-15

As a public authority, the Carrboro Tourism Development Authority (CTDA) governing board has responsibility to adopt a budget that complies with the provisions of the Local Government Budget and Fiscal Control Act (G.S. 159-7 through G.S. 159-17.1). Below is a proposed schedule for development of the budget for 1914-15.

Budget Development Schedule

Friday, April 18, 2014	Good Friday Holiday
Tuesday, April 22, 2014	CTDA meets with Carrboro Board of Aldermen to receive input on budget priorities
Monday, May 12, 2014	Public Notice of Public Hearing
Monday, May 12, 2014	FY 2013-14 Mid-Year Budget Status Report
Monday, June 02, 2014	CTDA holds Public Hearing on Recommended Budget
Monday, June 09, 2014	First Budget Work Session (if necessary)
Monday, May 26, 2014	Memorial Day Holiday
Monday, June 23, 2014	CTDA Adopts FY 2014-15 Budget

For the current fiscal year 2013-14 the CTDA has adopted a budget of \$61,595 with projected revenues from the hotel and motel room occupancy tax levied by the Town. This tax rate is 3% of the gross receipts derived from the rental of any room, lodging or accommodation furnished by a hotel, motel, inn, etc. The Town is required to remit to the CTDA on a quarterly basis, the net proceeds of the occupancy tax (gross proceeds less the cost to the town of administering and collecting the tax).

Revenues totaling \$31,113.23 have been distributed by the Town to the CTDA representing the net proceeds through December 31, 2013. Net proceeds in the amount of \$15,130.20 for the third quarter ending March 31, 2014 are due for distribution in April 2014. Thus, total revenues through March 31, 2014 total \$46,243.50. If the current trend continues through the fourth quarter, revenues may exceed the budget.

There have been no expenditures of funds so far this year. However, there are a number of expenses that will need to be paid in the fourth quarter. These expenses include payment to the Town for the 300 East Main Street Parking Deck, public official's liability, advertising, and support for local projects.

The CTDA is required to use at least two-thirds of the funds remitted to it to promote travel and tourism in Carrboro (see Section 8A-4). To comply with certain requirements of the Local Government Budget and Fiscal Control Act, funds are needed for administrative costs (such as audit, fidelity bonds, general liability insurance, advertising, etc.). Also, the Local Government Commission requires public entities to maintain a fund balance (or rainy day fund) equal to at least 8% of budget.

RECOMMENDATION

That the Carrboro Tourism Development Authority adopt the above schedule for development of the fiscal year 2014-15 budget.