



## BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: 6/6/2023

*\*= Mandatory, information must be provided*

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Click or tap the boxes to enter text. If not applicable, indicate "N/A".

**\*Title:**

Request for the Board of Supervisors to approve an exception to Board of Supervisors Policy D 22.8 for operating transfers related to the receipt of hotel/motel taxes, in excess of the amount budgeted, that are due to the Kino Stadium District.

**\*Introduction/Background:**

Board of Supervisors policy D22.8 requires the Finance Department to seek Board approval for any Unbudgeted Operating Transfer in excess of \$500,000.00. The receipts from the hotel/motel tax are deposited into the General Fund with 50% being further allocated to Attractions & Tourism and the Kino Stadium District. The 34% allocation to the Kino Stadium District Fund is accounted for as an operating transfer. When the operating transfer budget for the current fiscal year was developed it did not anticipate the receipt of back taxes from local properties that were remitted to other municipalities in error.

On March 7, 2023 the Board of Supervisors approved an increase to the fiscal year 2023 operating transfer for hotel/motel receipts due to the Stadium District by \$2,145,000 to address the additional funds received from the Arizona Department of Revenue audit of a local property. In April the department was made aware of another distribution that will be received this fiscal year or early in fiscal year 2024. To accommodate this and any further distributions related to the actual hotel/motel tax receipts in the current fiscal year or fiscal year 2024, the Finance Department is requesting the hotel/motel tax distributions due to the Stadium District be exempted from the Board of Supervisors Policy D 22.8 through June 30, 2024.

**\*Discussion:**

The Finance Department is requesting Board of Supervisors authorization to transfer the Kino Stadium District allocation of hotel/motel tax receipts received in excess of the amount budgeted in the current fiscal year and fiscal year 2024. This transfer ensures the accuracy of the cash position on the Kino Stadium District Financials.

**\*Conclusion:**

The limited exception to Board policy for the hotel/motel tax receipts that are due from the General Fund to the Kino Stadium District based on actual hotel/motel receipts will provide the Finance Department with the required authorization to accurately record the cash due to the Kino Stadium District in fiscal years 2023 and 2024

**\*Recommendation:**

Staff recommends that the Board of Supervisors approve this request to process any operating transfers from the General Fund to the Kino Stadium District based on actual hotel/motel tax receipts in order to accurately account for the hotel/motel tax receipts in fiscal years 2023 and 2024.

**\*Fiscal Impact:**

The transfer of the hotel/motel tax receipts received by the General Fund that are due to the Kino Stadium District has no negative impact to the General Fund cash position and ensures the Kino Stadium District Financial Statements accurately reflect the cash position of the District.

**\*Board of Supervisor District:**

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Department Director Signature:  Date: 4/21/23

Deputy County Administrator Signature: \_\_\_\_\_ Date: \_\_\_\_\_

County Administrator Signature:  Date: 4/25/23