

2% Hotel Tax	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actuals	Estimated	Proposed	Projected	Forecast	Forecast	Forecast
Beginning Fund Balance	\$ 3,854	\$ (572)	\$ 300	\$ (17)	\$ (340)	\$ (644)	\$ (923)
Revenues							
Interest Earnings	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transient Occupancy Tax	217	500	539	567	623	686	754
Total Revenues	\$ 219	\$ 500	\$ 539	\$ 567	\$ 623	\$ 686	\$ 754
Expenditures							
Operating	\$ 142	\$ 139	\$ 136	\$ 139	\$ 142	\$ 145	\$ 148
Debt Service	425	457	720	750	785	820	855
Total Expenditures	\$ 567	\$ 596	\$ 856	\$ 889	\$ 927	\$ 965	\$ 1,003
Transfer In	\$ -	\$ 1,018	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer Out	\$ 4,079	\$ 49	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ (572)	\$ 300	\$ (17)	\$ (340)	\$ (644)	\$ (923)	\$ (1,172)

Values are shown in thousands.

The 2% Hotel Tax Fund accounts for the Measure C voter-approved 2% hotel tax revenue, the related transfers to the Capital Improvement Program Fund, and the debt service on the variable rate bonds that were utilized to partially fund the police administration facility.

Due to COVID, hotel taxes decreased significantly in 2020-21. \$4 million was transferred out to support the construction work related to the new Fire Station 25 and to the Borel Park development. As a result, the fund balance went negative at the close of 2020-21. The General Fund made a one-time \$1 million transfer to bring the fund back to positive. However, as shown in the five-year plan, the fund will continue facing pressure, largely due to slow revenue recovery and increased interest rates pushing debt service up. However, due to many uncertainties from COVID and the Federal monetary policy, it is determined that General Fund support is not required at this time. The fund will be monitored closely, and the plan will be updated accordingly as more information becomes available.