

City of Fayetteville Item Review Form

2014-0041

Legistar File Number

~~2/18/2014~~ 4.1.14 *dm*

City Council Meeting Date - Agenda Item Only

N/A for Non-Agenda Item

Shelly Turberville *ST*

Submitted By

Finance

Department

Action Required:

To renew the contract with the Advertising and Promotion Commission.

Does this item have a cost? Yes

\$52,656.03

Cost of this request

Category or Project Budget

Program or Project Name

1010.0001.4400.00

Account Number

Funds Used to Date

Program or Project Category

-\$52,656.03

Project Number

Remaining Balance

Fund Name

Budgeted Item? Yes

Budget Adjustment Attached?

V20130812

Previous Ordinance or Resolution # _____

Original Contract Number: _____



Comments:

The 52,656.03 figure is revenue collected in 2013.

[Signature] 3-17-14

Paula Becker 3-17-2014

[Signature] 3-17-14
[Signature]



THE CITY OF FAYETTEVILLE, ARKANSAS

To: Lioneld Jordan, Mayor

From: Shelly Turberville, Accounting Manager 

Thru: Paul Becker, Finance Director

Date: March 14, 2014

Re: Renew Agreement with A&P Commission to collect its 1% HMR tax

The existing Agreement with the A&P Commission is up for renewal. The last Agreement was signed January 5, 2010. The new Agreement will be for a five year time period and automatically renewed for an additional five years unless either party notified the other in writing prior to the expiration of the agreement.

The City of Fayetteville's agreement with the A&P Commission was established to help the A&P Commission collect Hotel, Motel, and Restaurant taxes due and to compensate the City of Fayetteville for the collection and reporting of the HMR taxes. The City of Fayetteville received a total of \$52,656.03 in 2013 for the 2% collection fee stated in the agreement.

The City of Fayetteville and the A&P Commission need to have a new agreement.

RESOLUTION NO. _____

A RESOLUTION TO APPROVE A FIVE YEAR AGREEMENT WITH THE FAYETTEVILLE ADVERTISING AND PROMOTION COMMISSION TO FURNISH COLLECTION AND ACCOUNTING SERVICES FOR THE HOTEL, MOTEL, AND RESTAURANT TAXES COLLECTED FOR THE A & P COMMISSION FOR A FEE OF 2% OF SUCH COLLECTIONS

WHEREAS, the City of Fayetteville has long collected the Hotel, Motel and Restaurant tax for the A & P Commission for a fee of 2% of such collections.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby approves the attached Agreement with the Fayetteville Advertising and Promotion Commission to furnish collection and accounting services for the Hotel, Motel and Restaurant taxes for 2% of the amount collected.

PASSED and APPROVED this 1st day of April, 2014.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer

AGREEMENT

This Agreement, made and entered into this 15th day of April, 2014, by and between the City of Fayetteville, Arkansas, a municipal corporation, and the Fayetteville Advertising and Promotion (A&P) Commission.

WITNESSETH, IN CONSIDERATION of mutual promises of the parties contained herein and other good and valuable consideration, the parties agree as follows:

1. This agreement continues the existing agreement of the City and the A&P Commission entered into on January 5, 2010 under the same terms and conditions and shall remain in full force and effect for an initial term of five years from the above date. Upon completion of the initial term, this agreement will automatically be renewed for an additional five year term unless either party notifies the other party in writing at least sixty (60) days prior to the expiration of the initial term that no renewal is desired.

2. The A&P Commission agrees to pay 2% of the A&P portion of the Hotel, Motel, Restaurant (HMR) taxes collected by the City in consideration of the following duties and obligations to be performed by the City:

- a. Provide reporting forms and handle all communications with the tax remitters concerning the HMR tax;
- b. Receive tax reports and remittances from the tax remitters;
- c. Check tax reports for accuracy and timely reporting;
- d. Invoice tax remitters for underpaid taxes and/or penalties and interest if applicable;
- e. Perform collection efforts in accordance with established procedures as described in Exhibit "A";
- f. Disburse funds to Bond Trustees for debt service on outstanding bonds supported by the A&P Commission's portion of the HMR taxes;
- g. Provide a monthly accounting of all revenues collected for the previous month and remit the collections less the bond payments and collection fees to the A&P Commission by the 15th of the month;

h. Invest funds not needed for immediate expenditures as part of the City's pooled investments and allocate interest on the basis of percentage of ownership in the pool.

3. The City of Fayetteville and the Fayetteville Advertising and Promotion Commission agree to work collaboratively to develop necessary rules and regulations to implement Sections 35.26 and 35.27 of the Code of Fayetteville.

4. Neither party may assign any of its rights or obligations under this agreement, without the express written consent of the other.

5. The parties agree and understand that this Agreement is exclusive of any and all other agreements, and that it in no way alters, amends or abridges any rights, obligations or duties of the parties contained in such agreements.

6. A waiver by either party of any of the terms or conditions herein shall be limited to that particular instance, and shall not be construed as a general waiver of any other breaches by either party.

7. This Agreement constitutes the entire understanding of the parties, and no modification or variation of the terms of this agreement shall be valid unless made in writing and signed by the duly authorized agents of the City and the A&P Commission.

IN WITNESS WHEREOF, the City of Fayetteville and the Advertising and Promotion Commission have executed this Agreement on or as of the date first written above.

**FAYETTEVILLE
ADVERTISING & PROMOTION
COMMISSION**

**CITY OF FAYETTEVILLE,
ARKANSAS**

By: _____
CHING MONG, Chairman

By: _____
LIONELD JORDAN, Mayor

Attest:

Attest:

By: _____
Marilyn Heifner, Executive Director

By: _____
Sondra Smith, City Clerk/Treasurer

Exhibit "A"

HMR COLLECTION PROCEDURES

ACCOUNTING DIVISION

At the end of each month, after balancing collections with General Ledger accounts:

1. Analyze listing of payments received for the year to determine which establishments are delinquent.
2. Prepare a list of all establishments that are delinquent. If an establishment has had to be prosecuted within the last two years, immediately refer to the City Prosecutor. Indicate on the list if the delinquent establishment also has an alcoholic beverage permit. If an establishment has a private club or an on premises consumption permit, also indicate if they are delinquent in their supplement beverage tax payments.
3. Send notices to all establishments that are delinquent in their HMR remittances. This notice shall advise each establishment of the date (21 days after notice mailed) delinquent taxes must be paid to avoid referring the case to the City Prosecutor.
4. If delinquent taxes are not paid by the stated date, refer the case to the City Prosecutor's Office.

CITY PROSECUTOR'S OFFICE

5. Upon receipt of the delinquent HMR file, the City Prosecutor may send a letter/notice that charges will be filed unless delinquent taxes are paid within thirty (or fewer) days. Prosecutions should commence within sixty or fewer days from the initial delinquency discovered by the Accounting Department.

RESOLUTION NO. 08-10

A RESOLUTION TO APPROVE AN AGREEMENT WITH THE FAYETTEVILLE ADVERTISING AND PROMOTION COMMISSION TO FURNISH COLLECTION AND ACCOUNTING SERVICES FOR THE HOTEL, MOTEL, AND RESTAURANT TAXES COLLECTED FOR THE A & P COMMISSION

WHEREAS, the City of Fayetteville has long collected the Hotel, Motel and Restaurant tax for the A & P Commission for a fee of 2% of such collections.

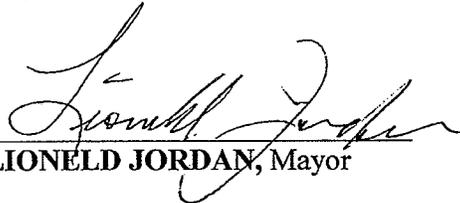
NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

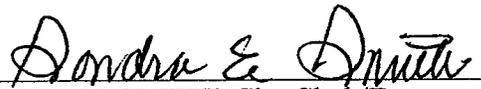
Section 1: That the City Council of the City of Fayetteville, Arkansas hereby approves the attached Agreement with the Fayetteville Advertising and Promotion Commission to furnish collection and accounting services for the Hotel, Motel and Restaurant taxes for 2% of the amount collected.

PASSED and APPROVED this 5th day of January, 2010.

APPROVED:

ATTEST:

By: 
LIONELD JORDAN, Mayor

By: 
SONDRA E. SMITH, City Clerk/Treasurer



AGREEMENT

This Agreement, made and entered into this 5th day of January, 2010, by and between the City of Fayetteville, Arkansas, a municipal corporation, and the Fayetteville Advertising and Promotion (A&P) Commission.

WITNESSETH, IN CONSIDERATION of mutual promises of the parties contained herein and other good and valuable consideration, the parties agree as follows:

1. This agreement shall remain in full force and effect for an initial term of two years from the above date. Upon completion of the initial term, this agreement will automatically be renewed for an additional two year term unless either party notifies the other party in writing prior to the expiration of the initial term that no renewal is desired.

2. The A&P Commission agrees to pay 2% of the A&P portion of the Hotel, Motel, Restaurant (HMR) taxes collected by the City in consideration of the following duties and obligations to be performed by the City:

- a. Provide reporting forms and handle all communications with the tax remitters concerning the HMR tax;
- b. Receive tax reports and remittances from the tax remitters;
- c. Check tax reports for accuracy and timely reporting;
- d. Invoice tax remitters for underpaid taxes and/or penalties and interest if applicable;
- e. Perform collection efforts in accordance with established procedures as described in Exhibit "A";
- f. Disburse funds to Bond Trustees for debt service on outstanding bonds supported by the A&P Commission's portion of the HMR taxes;
- g. Provide a monthly accounting of all revenues collected for the previous month and remit the collections less the bond payments and collection fees to the A&P Commission by the 15th of the month;
- h. Invest funds not needed for immediate expenditures as part of the City's pooled investments and allocate interest on the basis of percentage of ownership in the pool.

3. The City of Fayetteville and the Fayetteville Advertising and Promotion Commission agree to work collaboratively to develop necessary rules and regulations to implement Sections 35.26 and 35.27 of the Code of Fayetteville.

4. Neither party may assign any of its rights or obligations under this agreement, without the express written consent of the other.

5. The parties agree and understand that this Agreement is exclusive of any and all other agreements, and that it in no way alters, amends or abridges any rights, obligations or duties of the parties contained in such agreements.

6. A waiver by either party of any of the terms or conditions herein shall be limited to that particular instance, and shall not be construed as a general waiver of any other breaches by either party.

7. This Agreement constitutes the entire understanding of the parties, and no modification or variation of the terms of this agreement shall be valid unless made in writing and signed by the duly authorized agents of the City and the A&P Commission.

IN WITNESS WHEREOF, the City of Fayetteville and the Advertising and Promotion Commission have executed this Agreement on or as of the date first written above.

**FAYETTEVILLE
ADVERTISING & PROMOTION
COMMISSION**

By: *Tim Freeman*
TIM FREEMAN, Chairman

Attest:

By: *Marilyn Heifner*
Marilyn Heifner, Executive Director

**CITY OF
FAYETTEVILLE,
ARKANSAS**

By: *Lionel Jordan*
LIONELD JORDAN, Mayor

Attest:

By: *Sondra E. Smith*
Sondra E. Smith, City Clerk/Treasurer



Exhibit "A"

HMR COLLECTION PROCEDURES

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4. If delinquent taxes are not paid by the stated date, refer the case to the City Prosecutor's Office.

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5. Upon receipt of the delinquent HMR file, the City Prosecutor may send a letter/notice that charges will be filed unless delinquent taxes are paid within thirty (or fewer) days. Prosecutions should commence within sixty or fewer days from the initial delinquency discovered by the Accounting Department.