

**To the Mayor and Members of the City Council**

**October 13, 2015**

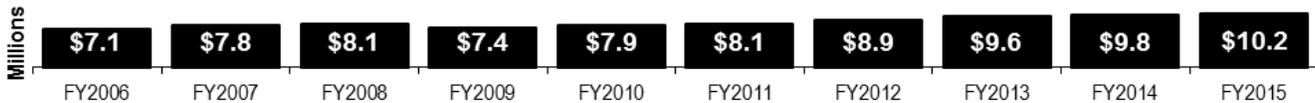
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**SUBJECT: AUGUST 2015 – SALES TAX UPDATE**

Sales tax revenue represents approximately twenty one percent (21%) of the City’s General Fund anticipated revenue in Fiscal Year 2015. It is the second largest revenue source, with property tax being the largest. In addition, sales tax revenue represents the largest revenue source in the Crime Control and Prevention District Fund. Staff is committed to providing regular updates on this important and sometimes volatile revenue source. The Texas Comptroller’s Office posted August 2015 (Fiscal Year 2015, Period 11) collection results on October 7<sup>th</sup>. Actual receipts are dependent upon the timeliness and accuracy of sales tax payers’ returns. This report provides Fort Worth’s sales tax collection compared to last year and the impact on the current year’s budget.

**AUGUST NET SALES TAX COLLECTIONS (10-YEAR HISTORY)**

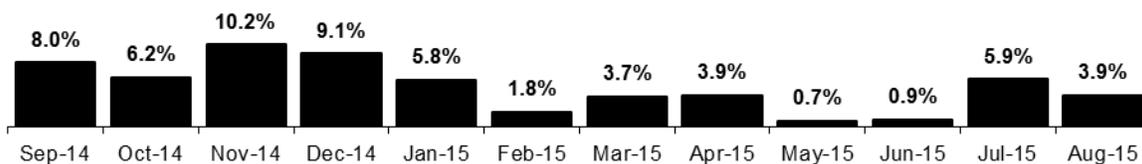


The City’s net sales tax collection is up **\$379,726** or **3.9%**, compared to the same month last year. As depicted in the table below, the City experienced **\$383,631** or **3.9%**, in growth when compared to last year’s collections for the same month. Current period collections include only transactions that occurred within the month, so this number reflects pure economic activity.

**COLLECTION DETAIL FOR CITY SALES TAX**

	August 14	August 15	Variance (\$)	Variance (%)
<b>Current Period Collections</b>	\$9,726,355	\$10,109,986	\$383,631	3.9% ↑
Other Collections	114,123	201,558	87,436	76.6%
Audit Collections	139,458	52,320	(87,138)	(62.5%)
Service Fee	(199,599)	(207,277)	(7,679)	(3.8%)
Retainage	3,881	7,357	3,476	89.6%
<b>Net Collections</b>	<b>\$9,784,218</b>	<b>\$10,163,944</b>	<b>\$379,726</b>	<b>3.9% ↑</b>

**CURRENT PERIOD COLLECTIONS**  
Change Compared to Same Month in Prior Year



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The City's Sales Tax collections year-to-date are outpacing both the budget year-to-date and the year-to-date total for the same period last year.

**CITY OF FORT WORTH YTD NET COLLECTIONS COMPARISON**

	<u>Budget as of Period 11</u>	<u>Current Receipts Through Period 11</u>	<u>FY 2014 Receipts Through Period 11</u>
CITY OF FORT WORTH			
GENERAL FUND	\$113,630,551	\$119,553,774	\$113,200,401
CRIME CONTROL AND PREVENTION DISTRICT	52,505,548	56,007,502	52,612,271
<b>TOTAL</b>	<b>\$166,136,099</b>	<b>\$175,561,276</b>	<b>\$165,812,672</b>

**CITY OF FORT WORTH FISCAL YEAR COMPARISON – FY2015**

	<u>Adopted Budget</u>	<u>Fiscal Year Projections</u>	<u>Variance (\$)</u>	<u>Variance (%)</u>	
CITY OF FORT WORTH					
GENERAL FUND	\$126,013,570	\$131,936,793	\$5,923,223	4.7%	↑
CRIME CONTROL AND PREVENTION DISTRICT	\$58,227,401	\$61,441,115	\$3,213,714	5.5%	↑
FORT WORTH TRANSPORTATION AUTHORITY - THE "T"	\$64,761,746	\$65,428,745	\$666,999	1.0%	↑

The City anticipates collecting **\$131,936,793** by fiscal year end, which exceeds original estimates in the FY2015 adopted budget by **4.7%**. As depicted above, the positive results are affecting the City's partner agencies as well. While these results are encouraging, staff recommends maintaining a conservative forecast for FY2015, as uncertainty continues regarding the national economy and potential audit adjustments from the Texas Comptroller's Office.

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The chart below indicates how current year sales tax collections in Fort Worth and other cities in the region compare to FY2014 collections for the same period.

**CITIES COMPARISON  
FY2015 vs. FY2014**

<b>City</b>	<b>1st Quarter</b>	<b>2nd Quarter</b>	<b>3rd Quarter</b>	<b>August</b>	<b>YTD</b>
BEDFORD	39.1%	25.3%	28.3%	16.5%	28.5%
SOUTHLAKE	11.7%	43.8%	2.7%	(0.2%)	14.0%
KELLER	14.6%	11.6%	3.6%	3.6%	9.4%
HURST	5.1%	14.4%	4.2%	5.5%	7.3%
BURLESON	25.6%	6.1%	7.8%	(20.2%)	7.2%
DALLAS	8.3%	6.4%	8.4%	3.4%	6.8%
GRAND PRAIRIE	5.0%	2.3%	8.5%	4.1%	5.7%
<b>FORT WORTH</b>	<b>7.4%</b>	<b>6.7%</b>	<b>3.3%</b>	<b>3.9%</b>	<b>5.6%</b>
WATAUGA	7.1%	4.8%	5.4%	1.0%	5.2%
ARLINGTON	9.8%	2.7%	4.0%	2.0%	5.1%
GRAPEVINE	9.9%	1.3%	2.3%	(2.1%)	3.9%
EULESS	4.5%	(1.0%)	1.5%	10.1%	3.5%
NORTH RICHLAND HILLS	2.0%	1.7%	5.3%	0.1%	2.6%
STATE TOTAL	9.3%	8.3%	1.8%	-0.4%	5.4%

If you have any questions, please call Aaron Bovos, Chief Financial Officer, at 817-392-8517.

**David Cooke  
City Manager**