

To the Mayor and Members of the City Council

May 17, 2011

Page 1 of 2



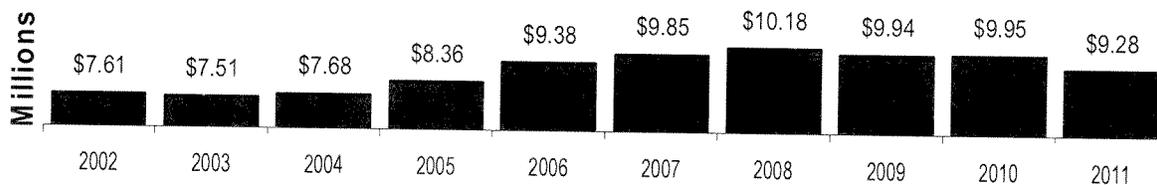
SUBJECT: May 2011 – Sales Tax Update

In response to the volatile nature of sales tax revenue, the Staff is committed to providing you a brief update of the sales tax collections. The Texas Comptroller's Office posted results on May 11th. The results are dependent upon the timeliness and accuracy of sales tax payers' returns. This payment from the State represents taxes collected on sales that occurred primarily in March and in prior months. In this report, you will see our sales tax collection compared to last year and the impact on the current year's budget.

**MONTHLY SALES TAX COLLECTIONS FOR MARCH**

CITY OF FORT WORTH

MARCH FY2011	\$ 9,280,580	<b>DOLLAR VARIANCE</b>	<b>% VARIANCE</b>
MARCH FY2010	\$ 9,951,915	(\$671,335) ↓	-6.75% ↓

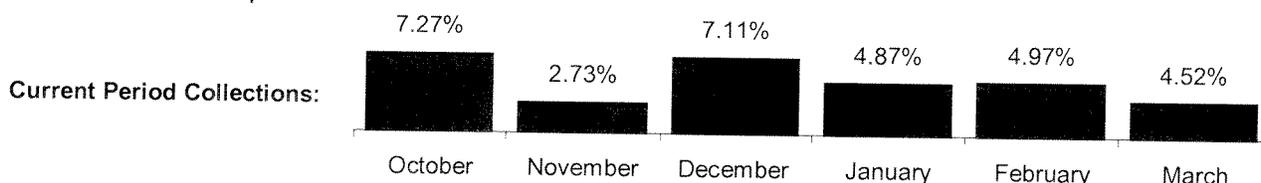


**Note:** The City's March sales tax collections were down **\$671,335** compared to last year. This drop is due to a one time audit adjustment of approximately \$1.1M. A single entity filed a refund for taxes paid on tax exempt equipment. The refund stemmed from an audit that occurred between 2004 and 2007. This is clearly an isolated and unusual event.

**COLLECTION DETAIL FOR CITY SALES TAX**

	MARCH 2010	MARCH 2011	CHANGE
<b>Current Period Collections:</b>	\$ 10,169,658	\$ 10,629,138	4.52% ↑
Audit Collections:	49,693	(1,112,477)	-2338.68%
Service Fee:	(204,463)	(190,374)	-6.89%
Retainage:	(66,771)	(47,725)	-28.52%
Unidentified:	3,798	2,018	-46.87%
<b>Net Payment</b>	<b>\$ 9,951,915</b>	<b>\$ 9,280,580</b>	<b>-6.75% ↓</b>

**Note:** As you can see below, "Current Period" collections have a positive trend signaling continued sales tax improvement.



City Sales Tax Trend: Variance for the last six months vs. same period last year.

**INFORMAL REPORT TO CITY COUNCIL MEMBERS**

**No. 9381**



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Page 2 of 2

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**CITY OF FORT WORTH BUDGET COMPARISON - FY2011**

	<u>YTD BUDGET</u>	<u>YTD ACTUAL</u>	<u>YTD VARIANCE</u>	
CITY OF FORT WORTH	\$ 47,898,398	\$ 51,267,195	7.03%	↑
CRIME CONTROL AND PREVENTION DIST.	\$ 20,997,167	\$ 22,946,121	9.28%	↑
MASS TRANSIT AUTHORITY - THE "T"	\$ 22,644,891	\$ 23,992,684	5.95%	↑
	<u>ADOPTED BUDGET</u>	<u>BUDGET RE-ESTIMATE</u>	<u>YR END VARIANCE</u>	
CITY OF FORT WORTH	\$ 96,351,438	\$ 99,720,235	3.50%	↑
CRIME CONTROL AND PREVENTION DIST.	\$ 42,237,472	\$ 44,186,426	4.61%	↑
MASS TRANSIT AUTHORITY - THE "T"	\$ 45,552,000	\$ 46,899,793	2.96%	↑

**Note:** Through March, the City has collected a total of **\$3,368,797** more than budget. While the YTD results are overall favorable, staff recommends maintaining a conservative forecast.

The following chart demonstrates how our trend compares to the state and other cities:

**CITY OF FORT WORTH  
CITY COMPARISONS - FY 2011 v. FY 2010**

<u>CITY</u>	<u>QTR 1</u>	<u>QTR 2</u>	<u>MARCH</u>	<u>YTD</u>
GRAPEVINE	13.59%	3.00%	-1.09%	8.47%
EULESS	7.28%	6.60%	-0.40%	6.94%
BURLESON	14.02%	-1.10%	-4.36%	6.53%
FORT WORTH	<b>9.29%</b>	<b>0.90%</b>	<b>-6.75%</b>	<b>5.21%</b>
HURST	6.62%	2.80%	-0.26%	4.91%
SOUTHLAKE	2.15%	8.00%	12.39%	4.79%
ARLINGTON	8.10%	0.50%	1.63%	4.30%
DALLAS	3.59%	4.70%	6.78%	4.13%
WATAUGA	6.13%	0.40%	-6.29%	3.32%
NORTH RICHLAND HILLS	5.27%	-3.00%	-6.23%	1.23%
KELLER	2.81%	-2.40%	-7.73%	0.20%
BEDFORD	-0.61%	-7.90%	-12.77%	-4.33%
GRAND PRAIRIE	-6.73%	-2.70%	-13.45%	-4.77%
STATE TOTAL	8.26%	10.00%	9.93%	9.13%

**Note:** YTD collections for Fort Worth are up **5.21%** compared to last year.

Again, hopefully you find this additional information helpful. If you have any questions, please call Horatio Porter, Budget Officer, at 817.392.2379.

*for*   
**Tom Higgins**  
Interim City Manager