

To the Mayor and Members of the City Council

August 16, 2011

Page 1 of 2



SUBJECT: August 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 August 10th. 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 the month of June. 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 JUNE

CITY OF FORT WORTH

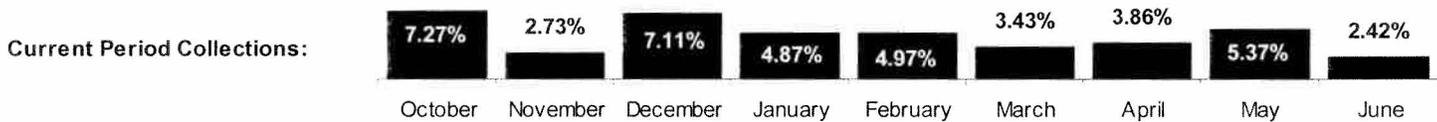
JUNE FY2011	\$ 13,763,588	<u>DOLLAR VARIANCE</u>		<u>% VARIANCE</u>
JUNE FY2010	\$ 9,112,377	\$4,651,212	↑	51.04% ↑



Note: The City has experienced collection growth in the current fiscal year. The City's June sales tax collections were up **\$4,651,212** compared to last year. As you know, the Comptroller has modified our sale tax for the past three months. The adjustments relate to sales tax paid on exempt equipment. Staff has worked with the Comptroller and this month the City received a reallocation of \$3.7M for the prior adjustments.

COLLECTION DETAIL FOR CITY SALES TAX

	JUNE 2010	JUNE 2011	CHANGE
Current Period Collections:	\$ 10,087,557	\$ 10,332,048	2.42% ↑
Other Collections:	392,906	163,480	-58.39%
Audit Collections:	(1,144,517)	3,690,341	422.44%
Service Fee:	(186,719)	(283,717)	51.95%
Retainage:	(36,851)	(138,563)	276.01%
Net Payment	\$ 9,112,377	\$ 13,763,588	51.04% ↑



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

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

INFORMAL REPORT TO CITY COUNCIL MEMBERS

No. 9421

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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	\$ 71,884,450	\$ 78,567,774	9.30%	↑
CRIME CONTROL AND PREVENTION DIST.	\$ 31,511,906	\$ 35,439,849	12.46%	↑
MASS TRANSIT AUTHORITY - THE "T"	\$ 33,984,760	\$ 36,917,220	8.63%	↑
	<u>ADOPTED BUDGET</u>	<u>BUDGET RE-ESTIMATE</u>	<u>YR END VARIANCE</u>	
CITY OF FORT WORTH	\$ 96,351,438	\$ 103,034,762	6.94%	↑
CRIME CONTROL AND PREVENTION DIST.	\$ 42,237,472	\$ 46,165,415	9.30%	↑
MASS TRANSIT AUTHORITY - THE "T"	\$ 45,552,000	\$ 48,484,460	6.44%	↑

Note: The City collections total **\$6,683,324** more than budget. Staff recommends maintaining a conservative forecast, until the City and Comptroller can finalize payment plans for the total amount due as well as monitoring changes in the national economy.

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>QTR 3</u>	<u>JUNE</u>	<u>YTD</u>
BURLESON	14.02%	-1.10%	16.85%	10.95%	10.18%
GRAPEVINE	13.59%	3.00%	12.10%	15.06%	9.63%
FORT WORTH	9.29%	0.90%	12.49%	51.04%	7.63%
SOUTHLAKE	2.15%	8.00%	7.90%	8.74%	5.81%
EULESS	7.28%	6.60%	3.58%	8.35%	5.74%
HURST	6.62%	2.80%	3.44%	1.13%	4.45%
DALLAS	3.59%	4.70%	3.71%	3.90%	3.99%
ARLINGTON	8.10%	0.50%	0.06%	-1.85%	2.86%
WATAUGA	6.13%	0.40%	-0.18%	-4.47%	2.17%
KELLER	2.81%	-2.40%	2.83%	8.93%	1.09%
NORTH RICHLAND HILLS	5.27%	-3.00%	-1.45%	-3.39%	0.33%
GRAND PRAIRIE	-6.73%	-2.70%	1.49%	-0.81%	-2.58%
BEDFORD	-0.61%	-7.90%	-7.12%	-6.61%	-5.27%
STATE TOTAL	8.26%	10.00%	9.55%	7.19%	9.27%

Note: YTD collections for Fort Worth are up **7.63%** 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.


Tom Higgins
 Interim City Manager