

ADMINISTRATION

Russell B. Truell
Assistant City Administrator, CFO
Finance



Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

H I S T O R I C
F R A N K L I N
T E N N E S S E E

MEMORANDUM

October 14, 2012

TO: Eric Stuckey, City Administrator

FR: Russ Truell, ACA/CFO

RE: Local Sales Tax Report

The local sales tax remittance from the State of Tennessee for October was \$2,101,518 compared to \$1,843,928 for the same month in 2011, an increase of \$257,591, or 14.0%. Without certain adjustments from the TN Department of Revenue*, the increase would have been 9.2%. [The October remittance is for sales tax collected during the month of August, representing the second month of the fiscal year on an accrual basis.] During the same period, the State of Tennessee sales tax collections were up 2.8%.

Year-to-date, the City has received \$4.1 million compared to \$3.8 in the previous year, a difference of \$ 335,915 or 8.9%. The State of Tennessee sales tax collections, year-to-date, were \$1.14 billion compared to \$ 1.12 billion in the prior year, a difference of \$ 22.1 million or 2.0%.

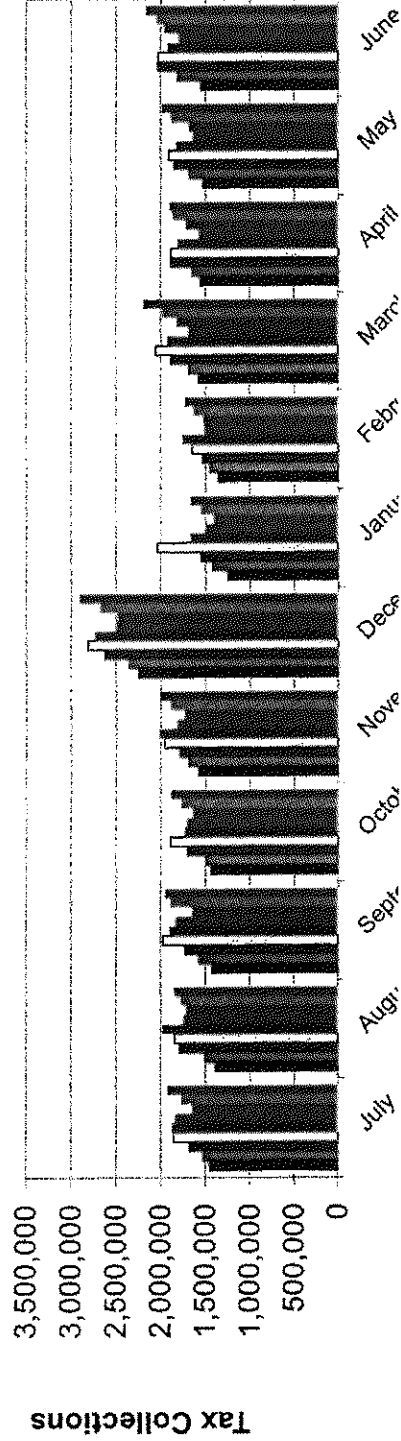
For budget comparisons, the City anticipated collections of \$1.9 million for the second month of the fiscal year. Through August, the City is \$163,553 above budgeted collections. As a further comparison, the August collection of \$2.10 million compares to \$1.98 million in 2007, \$1.75 million in 2008, \$1.71 in 2009 and \$1.77 in 2010.

*Note: Included in the August numbers is an adjustment of \$ 87,588 for local sales taxes previously collected in the City of Franklin but attributed to either Williamson County or the City of Brentwood. The adjustment results from a routine audit conducted by our Revenue management Department.

Local Sales Tax Revenue Comparison


Month	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	% over prior yr	\$ over prior yr
July	1,448,615	1,520,851	1,676,862	1,857,805	1,876,318	1,842,160	1,646,449	1,769,523	1,925,395	2,003,719	4.1%	78,324
August	1,381,099	1,498,953	1,788,477	1,837,563	1,985,123	1,747,507	1,711,487	1,774,021	1,843,928	2,101,518	14.0%	257,591
September	1,423,877	1,567,311	1,724,983	1,977,557	1,900,808	1,834,286	1,645,241	1,888,809	1,946,970	0	0.0%	0
October	1,433,786	1,484,549	1,695,501	1,887,613	1,734,361	1,707,123	1,639,767	1,767,404	1,881,099	0	0.0%	0
November	1,571,854	1,686,900	1,787,276	1,960,370	2,018,105	1,816,125	1,736,146	1,892,149	1,998,723	0	0.0%	0
December	2,245,611	2,348,329	2,617,849	2,806,905	2,730,286	2,491,017	2,479,640	2,670,491	2,902,675	0	0.0%	0
January	1,241,700	1,415,392	1,544,557	2,034,121	1,664,281	1,502,087	1,401,398	1,552,324	1,664,281	0	0.0%	0
February	1,351,992	1,445,409	1,526,301	1,649,397	1,752,131	1,507,868	1,521,898	1,628,745	1,729,002	0	0.0%	0
March	1,572,431	1,682,707	1,880,654	2,054,793	1,925,296	1,688,794	1,819,095	1,979,080	2,191,405	0	0.0%	0
April	1,553,462	1,649,228	1,883,777	1,885,024	1,812,244	1,572,824	1,719,674	1,866,180	1,897,741	0	0.0%	0
May	1,524,900	1,674,495	1,846,229	1,909,074	1,824,127	1,642,271	1,686,756	1,884,275	1,989,477	0	0.0%	0
June	1,547,355	1,812,106	2,033,237	2,025,044	1,926,353	1,800,044	1,961,270	2,047,664	2,168,095	0	0.0%	0
Total Budgeted	18,296,682	19,786,230	22,005,703	23,885,264	23,149,433	21,152,117	20,968,821	22,720,667	24,138,792	4,105,237	3,769,323	335,915
	Up 11.6%	Up 8.1%	Up 11.2%	Up 8.5%	Down -3.1%	Down -8.6%	Down -0.9%	year to date 8.4%	year to date 6.2%	year to date 8.9%	last yr YTD 3,769,323	YTD difference 335,915

Local Sales Taxes





TENNESSEE DEPARTMENT OF REVENUE

COUNTY EXECUTIVE/MAYOR
 WILLIAMSON COUNTY
 1320 W MAIN ST STE 125
 FRANKLIN TN 37064-3700


October 8, 2012
 Month of: SEPTEMBER
 Tot. Collections: \$7,112,507.79
 Cost of Admin: \$80,015.71
 Net Collections: \$7,032,492.08

The Department of Revenue has collected and allocated the above total during the month indicated from Local Option Sales Tax as follows:

COUNTY/CITY NAME	TOTAL COLLECTIONS	LESS ADMIN. COSTS	NET COLLECTIONS
WILLIAMSON COUNTY	\$162,491.26	\$1,828.03	\$160,663.23
FRANKLIN	\$4,293,796.85	\$48,305.21	\$4,245,491.64
FAIRVIEW	\$130,471.72	\$1,467.81	\$129,003.91
BRENTWOOD	\$2,228,724.80	\$25,073.15	\$2,203,651.65
SPRING HILL	\$160,154.17	\$1,801.73	\$158,352.44
THOMPSON STATION	\$95,655.76	\$1,076.13	\$94,579.63
NOLENSVILLE	\$41,213.23	\$463.65	\$40,749.58

Note that we have deducted 1.125% state cost of administration leaving the net collections. The Department of Finance and Administration has been notified to issue a payment to the Trustee of your county in the amount of the net collections.

Please be aware that normal Local Option Sales Tax collections may fluctuate. This could be due to additional collections on assessments or reductions as a result of taxpayer refunds or returned checks. Should your collection amount increase significantly, it might be the result of an audit assessment.

For additional information regarding the allocation you may call the Division of Fiscal Services at (615) 741-1028 between 8:00 a.m. and 4:30 p.m., Monday through Friday, holidays excepted. If you need information concerning other matters, please see the back of this notice for our local offices and phone numbers.

c: County Trustee; City Mayor
 Director of Accounts: County, F & A



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285

MARK A. EMKES
COMMISSIONER

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 9, 2012

CONTACT: JERRY ADAMS
615-741-4806

SEPTEMBER REVENUES

NASHVILLE – Sales tax collections in Tennessee continued to show marginal growth in September revenue figures. Finance and Administration Commissioner Mark Emkes reported today that overall September revenues were \$1.1 billion, which is 5.45% above the budgeted estimate. September sales tax collections reflect spending that occurred in August.

“The sales tax is the ‘bread and butter’ of our revenue collections in Tennessee, and it’s our leading economic indicator,” Emkes said. “September sales tax collections continue to reflect the sluggish national economy, but we are very pleased with the positive growth rates reported in corporate franchise and excise taxes.

“Leading economic indicators on the national level continue to reflect mixed results, which calls for continued scrutiny of expenditures for the balance of this fiscal year, so we can keep the budget in balance and conservatively manage the state’s spending.”

On an accrual basis, September is the second month in the 2012-2013 fiscal year.

September collections were \$55.8 million more than the budgeted estimate. The general fund was over collected by \$57.7 million and the four other funds were under collected by \$1.9 million.

Sales tax collections were \$2.2 million less than the estimate for September. The September growth rate was 2.84%.

Franchise and excise taxes combined were \$54.9 million above the September budgeted estimate of \$254.2 million. The September growth rate was positive 22.31%.

Gasoline and motor fuel collections for September decreased by 2.12% and were \$3.0 million below the budgeted estimate of \$71.5 million.

Tobacco tax collections for the month were under collected by \$2.9 million, and the growth rate was negative 7.51%.

Privilege tax collections were \$5.3 million more than the budgeted estimate of \$15.4 million.

Inheritance and estate tax collections were \$0.1 million above the budgeted estimate. All other taxes were over collected by a net of \$3.6 million.

Year-to date collections for two months were \$41.9 million more than the budgeted estimate. The general fund was over collected by \$51.4 million and the four other funds were under collected by \$9.5 million.

The budgeted revenue estimates for 2012-2013 are based on the State Funding Board’s consensus recommendation of December 19th, 2011 and adopted by the second session of the 107th General Assembly in April 2012. They are available on the state’s website at <http://www.tn.gov/finance/bud/budget.html>.

Table 2
Revenue Collections by Fund
Year-to-Date
August - September
2012-2013

Fund	2012-2013				2011-2012 Actual	2012-2013	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
General Fund	\$1,578,492,000	\$1,527,107,000	\$51,385,000	3.36%	\$1,504,674,000	\$73,818,000	4.91%
Highway Fund	107,589,000	116,097,000	(8,508,000)	-7.33%	112,209,000	(4,620,000)	-4.12%
Sinking Fund	66,776,000	66,932,000	(156,000)	-0.23%	65,247,000	1,529,000	2.34%
City & County Fund	134,255,000	135,059,000	(804,000)	-0.60%	133,397,000	858,000	0.64%
Earmarked Fund	5,799,000	5,801,000	(2,000)	-0.03%	4,351,000	1,448,000	33.28%
Total	\$1,892,911,000	\$1,850,996,000	\$41,915,000	2.26%	\$1,819,878,000	\$73,033,000	4.01%

Revenue Collections by Tax
Year-to-Date
August - September
2012-2013

Tax Source	2012-2013				2011-2012 Actual	2012-2013	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
Franchise & Excise	\$344,588,000	\$284,500,000	\$60,088,000	21.12%	\$286,635,000	\$57,953,000	20.22%
Income	2,865,000	2,903,000	(38,000)	-1.31%	2,098,000	767,000	36.56%
Inheritance & Estate	19,553,000	14,697,000	4,856,000	33.04%	29,819,000	(10,266,000)	-34.43%
Gasoline	103,969,000	108,297,000	(4,328,000)	-4.00%	105,794,000	(1,825,000)	-1.73%
Petroleum Special	10,775,000	11,193,000	(418,000)	-3.73%	10,934,000	(159,000)	-1.45%
Tobacco	47,496,000	49,519,000	(2,023,000)	-4.09%	46,954,000	542,000	1.15%
Beer	3,147,000	3,196,000	(49,000)	-1.53%	3,147,000	0	0.00%
Motor Vehicle Registration	39,737,000	41,700,000	(1,963,000)	-4.71%	40,226,000	(489,000)	-1.22%
Motor Vehicle Title	1,923,000	2,071,000	(148,000)	-7.15%	2,093,000	(170,000)	-8.12%
Mixed Drink	10,957,000	10,222,000	735,000	7.19%	10,398,000	559,000	5.38%
Business	26,749,000	27,763,000	(1,014,000)	-3.65%	25,628,000	1,121,000	4.37%
Privilege	36,504,000	31,748,000	4,756,000	14.98%	30,342,000	6,162,000	20.31%
Gross Receipts	11,395,000	13,572,000	(2,177,000)	-16.04%	15,461,000	(4,066,000)	-26.30%
TVA - In Lieu of Tax Payments	64,412,000	58,047,000	6,365,000	10.97%	58,360,000	6,052,000	10.37%
Alcoholic Beverage	8,166,000	7,862,000	304,000	3.87%	7,745,000	421,000	5.44%
Sales and Use	1,139,474,000	1,157,400,000	(17,926,000)	-1.55%	1,117,337,000	22,137,000	1.98%
Motor Vehicle Fuel	20,827,000	25,796,000	(4,969,000)	-19.26%	26,399,000	(5,572,000)	-21.11%
Severance	346,000	464,000	(118,000)	-25.43%	507,000	(161,000)	-31.76%
Coin-operated Amusement	28,000	46,000	(18,000)	-39.13%	19,000	9,000	47.37%
Unauthorized Substance	0	0	0	NA	(18,000)	18,000	NA
Total	\$1,892,911,000	\$1,850,996,000	\$41,915,000	2.26%	\$1,819,878,000	\$73,033,000	4.01%

Table 1
Revenue Collections by Fund
September
2012-2013

Fund	2012				2011	2012	
	Actual	Budgeted	B/(W)	Percent	Actual	B/(W)	Percent
General Fund	\$918,971,000	\$861,317,000	\$57,654,000	6.69%	\$855,608,000	\$63,363,000	7.41%
Highway Fund	53,699,000	57,723,000	(4,024,000)	-6.97%	55,397,000	(1,698,000)	-3.07%
Sinking Fund	33,379,000	33,421,000	(42,000)	-0.13%	32,575,000	804,000	2.47%
City & County Fund	69,161,000	66,994,000	2,167,000	3.23%	67,493,000	1,668,000	2.47%
Earmarked Fund	2,901,000	2,899,000	2,000	0.07%	2,175,000	726,000	33.38%
Total	\$1,078,111,000	\$1,022,354,000	\$55,757,000	5.45%	\$1,013,248,000	\$64,863,000	6.40%

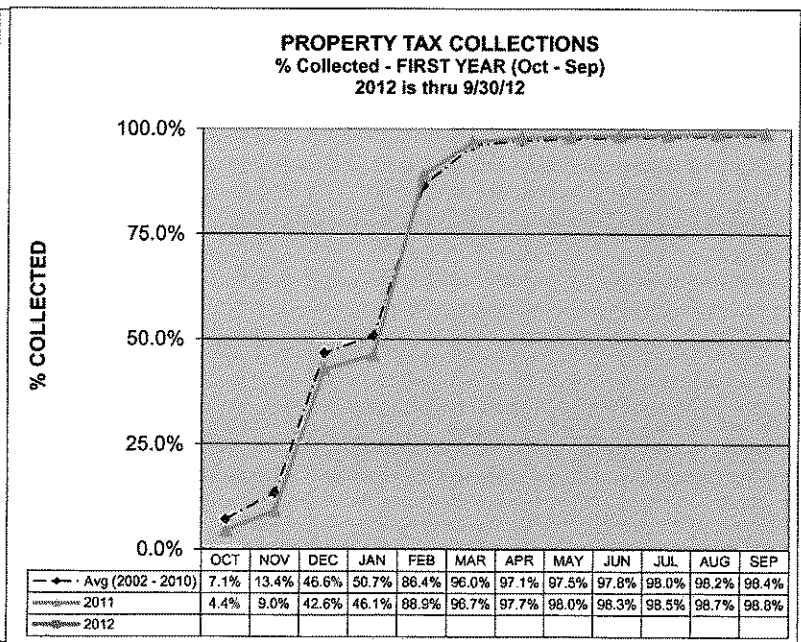
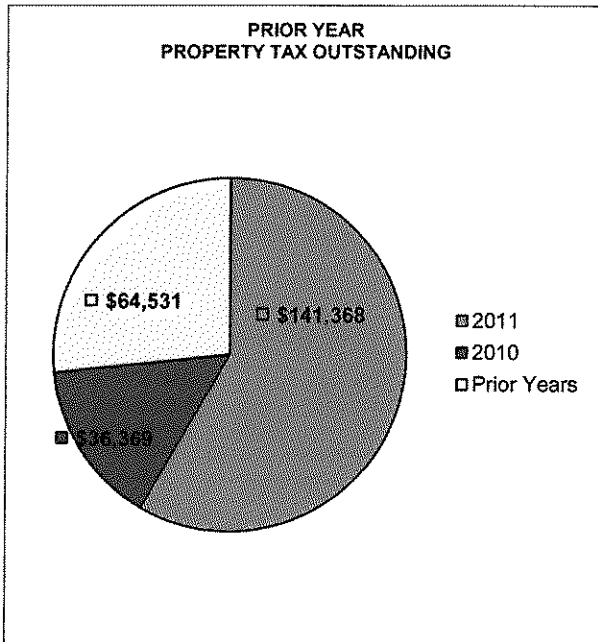
Revenue Collections by Tax
September
2012-2013

Tax Source	2012				2011	2012	
	Actual	Budgeted	B/(W)	Percent	Actual	B/(W)	Percent
Franchise & Excise	\$309,144,000	\$254,200,000	\$54,944,000	21.61%	\$252,761,000	\$56,383,000	22.31%
Income	1,784,000	1,515,000	269,000	17.76%	972,000	812,000	83.54%
Inheritance & Estate	7,373,000	7,241,000	132,000	1.82%	20,313,000	(12,940,000)	-63.70%
Gasoline	51,938,000	53,515,000	(1,577,000)	-2.95%	52,985,000	(1,047,000)	-1.98%
Petroleum Special	5,464,000	5,614,000	(150,000)	-2.67%	5,475,000	(11,000)	-0.20%
Tobacco	22,726,000	25,652,000	(2,926,000)	-11.41%	24,570,000	(1,844,000)	-7.51%
Beer	1,673,000	1,576,000	97,000	6.15%	1,663,000	10,000	0.60%
Motor Vehicle Registration	19,083,000	21,314,000	(2,231,000)	-10.47%	20,629,000	(1,546,000)	-7.49%
Motor Vehicle Title	890,000	1,016,000	(126,000)	-12.40%	953,000	(63,000)	-6.61%
Mixed Drink	5,551,000	4,976,000	575,000	11.56%	5,071,000	480,000	9.47%
Business	9,409,000	11,186,000	(1,777,000)	-15.89%	9,189,000	220,000	2.39%
Privilege	20,676,000	15,355,000	5,321,000	34.65%	15,347,000	5,329,000	34.72%
Gross Receipts	155,000	97,000	58,000	59.79%	139,000	16,000	11.51%
TVA - In Lieu of Tax Payments	35,750,000	29,385,000	6,365,000	21.66%	32,265,000	3,485,000	10.80%
Alcoholic Beverage	4,476,000	4,092,000	384,000	9.38%	4,162,000	314,000	7.54%
Sales and Use	570,755,000	573,000,000	(2,245,000)	-0.39%	554,974,000	15,781,000	2.84%
Motor Vehicle Fuel	11,076,000	12,367,000	(1,291,000)	-10.44%	11,503,000	(427,000)	-3.71%
Severance	186,000	236,000	(50,000)	-21.19%	288,000	(102,000)	-35.42%
Coin-operated Amusement	2,000	17,000	(15,000)	-88.24%	7,000	(5,000)	-71.43%
Unauthorized Substance	0	0	0	NA	(18,000)	18,000	NA
Total	\$1,078,111,000	\$1,022,354,000	\$55,757,000	5.45%	\$1,013,248,000	\$64,863,000	6.40%

**CITY of FRANKLIN
PROPERTY TAX COLLECTIONS
As of SEPTEMBER 30, 2012**

YEAR	Beginning Balance	200 Receipts	150 Corrections	600 Refunds	400 Adjustments	100 Pickups	210 Cleanup	700 Returned Checks	AR Balance
2012	\$11,902,186	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,902,186
2011	\$11,718,525	(\$11,900,850)	(\$19,818)	\$128,313	(\$120)	\$214,059	\$0	\$1,259	\$141,368
2010	\$11,785,700	(\$12,117,188)	(\$29,276)	\$156,198	(\$2,346)	\$237,079	\$0	\$6,203	\$36,369
Prior Years	\$75,353,332	(\$77,911,004)	(\$176,750)	\$842,888	(\$46,039)	\$1,977,714	(\$675)	\$25,064	\$64,531

Beginning Balance does not include RR & Public Utilities added later, rollbacks & other adjustments
 RR and Public Utilities typically added in January (PICKUPS)
 2010 and earlier have been turned over to Clerk & Master to initiate legal action for collection
 Some prior years are hidden but are included in **Prior Years**
 Receipts include penalty & interest



The TMA Group - Accrual
GRANT RECEIPTS-DISBURSEMENTS/BUDGETS
Grant 20 and Grant 98 Franklin Transit Service
For The Month Ending September 30, 2012

	<u>Month</u> <u>Actual</u>	<u>Month</u> <u>Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual</u> <u>Budget</u>
REVENUES:					
Revenue Grant - Transit	\$ 94,799.42	\$ 94,626.00	\$ 285,733.23	\$ 283,878.00	1,135,515.00
Revenue - Contracts	1,460.00	625.00	3,660.00	1,875.00	7,500.00
Revenue - Transit Fares	5,410.16	4,583.00	14,895.51	13,750.00	55,000.00
Revenue - Transit Net/Other	0.00	0.00	0.00	0.00	0.00
Revenue - Transit Fares; HT	0.00	0.00	0.00	0.00	12,000.00
Revenue - Transit-Other	0.00	0.00	0.00	0.00	0.00
Total Revenues	101,669.58	99,834.00	304,288.74	299,503.00	1,210,015.00
TRANSIT OPERATIONS COST:					
Salaries - Transit Admin.	5,252.77	6,667.00	19,607.47	20,001.00	80,000.00
Salaries - Transit Drivers	25,675.78	23,084.00	90,528.43	69,252.00	277,000.00
Salaries - Contracts	770.69	459.00	1,402.45	1,377.00	5,500.00
Salaries - Transit Operations	6,671.65	6,489.00	24,603.42	19,467.00	77,862.00
Salaries - Cleaning	76.12	84.00	453.23	252.00	1,000.00
Salaries - Holly Trolley	0.00	834.00	0.00	2,502.00	10,000.00
Employer PR Tax	3,217.79	3,002.00	11,364.51	9,004.00	36,000.00
Emp'ers WC/UC	1,478.47	1,518.00	5,383.35	4,554.00	18,210.00
Emp'ee Benefits-Transit Admin	1,607.77	2,466.00	5,189.06	7,398.00	29,600.00
Emp'ee Benefits-Transit Drivr	7,370.07	7,500.00	23,601.26	22,500.00	90,000.00
Employee Benefits - Contracts	221.22	166.00	356.80	498.00	2,000.00
Emp'ee Benefits-Transit Oper.	1,915.06	2,531.00	6,435.12	7,593.00	30,366.00
Employee Benefits - Cleaning	21.85	3.00	109.26	9.00	40.00
Bank/Credit Card Charges	0.00	0.00	0.00	0.00	0.00
Meetings	0.00	166.00	116.07	498.00	2,000.00
Memberships/Dues	0.00	721.00	5,409.00	2,161.00	8,650.00
Subscriptions	0.00	16.00	0.00	48.00	200.00
Education/Community Outreach	0.00	834.00	0.00	2,502.00	10,000.00
Print Advertising	718.44	850.00	1,605.94	2,550.00	10,200.00
TV Advertising	0.00	200.00	49.00	600.00	2,400.00
Radio Advertising	350.00	750.00	1,133.33	2,250.00	9,000.00
Printed Brochures & Pieces	0.00	584.00	0.00	1,752.00	7,000.00
Promotional Products	0.00	416.00	788.00	1,248.00	5,000.00
Transit Maintenance	10,417.41	6,250.00	19,377.78	18,750.00	75,000.00
Transit Bldg/Oper. Maintenance	0.00	1,000.00	499.50	3,000.00	12,000.00
Transit Maint. Facility-Rent	3,354.67	3,375.00	10,064.01	10,125.00	40,500.00
Transit Maint. Fac - Utilities	959.49	2,000.00	2,505.74	6,000.00	24,000.00
Trolley Cleaning & Supplies	0.00	84.00	0.00	252.00	1,000.00
Transit Center Cleaning	400.00	400.00	1,010.00	1,200.00	4,800.00
Equipment - Transit	0.00	416.00	203.78	1,248.00	5,000.00
Postage	12.00	88.00	104.00	264.00	1,065.00
Professional Services	0.00	425.00	0.00	1,275.00	5,100.00
Supplies	358.81	816.00	993.38	2,448.00	9,800.00
Uniforms	516.27	709.00	2,662.33	2,127.00	8,500.00
Radio Communications	634.74	750.00	2,006.39	2,250.00	9,000.00
Travel & Training	147.47	375.00	147.47	1,125.00	4,500.00
Transit Fuel	10,964.54	8,334.00	32,026.83	25,002.00	100,000.00
Automobile/Trolley Insurance	6,269.55	6,000.00	6,269.55	18,000.00	72,000.00
Legal Fees	0.00	209.00	0.00	627.00	2,500.00
Transit General Liability	3,658.66	3,500.00	3,774.04	10,500.00	42,000.00
Errors & Omissions Liability	0.00	547.00	0.00	1,639.00	6,562.00
Transit-DAM Compliance	162.00	209.00	718.50	627.00	2,500.00
Planning/Transit	0.00	2,701.00	17,000.00	8,101.00	32,410.00
Ind Chgs Reassign-Transit	7,479.42	3,250.00	16,062.63	9,750.00	39,000.00
Ind Chgs Reassign-Contracts	153.00	63.00	207.75	189.00	750.00
Total Operations Cost	100,735.71	100,841.00	313,769.38	302,515.00	1,210,015.00
Net Difference (Deficits)	933.87	(1,007.00)	(9,480.64)	(3,012.00)	0.00

Transit Maint Facility-Rent: 80% Federal and 10% State Funding Reimbursed Directly to CDF
Equipment-Transit: 80% Federal and 10% State Funding Reimbur

Results of Fuel Hedging contract, FY2012-2013, through month of September

		7.14%		3.30%	
		12,000 gallons		9,700 gallons	
<u>Gas Price</u>	<u>Gas Contract</u>	<u>Gas Spread</u>	<u>Diesel Price</u>	<u>Diesel Contract</u>	<u>Spread</u>
\$2.8211	\$2.5500	\$0.271	\$2.8813	\$2.7650	\$0.116
3.0297	2.5500	0.480	3.1456	2.7650	0.381
2.9963	2.5500	0.446	3.1873	2.7650	0.422
2.9490	2.5500	0.399	3.0714	2.7650	0.306
			Fiscal Yr Total		
			14,365.00	8,916.24	23,281.24
<u>Month</u>	<u>Gas Contracts</u>	<u>Diesel Contracts</u>	<u>Total</u>		
July	\$3,253.20	\$1,128.11	\$4,381.31		
August	5,756.64	3,691.82	9,448.46		
September	5,355.16	4,096.31	9,451.47		
October	0.00	0.00	0.00		
November	0.00	0.00	0.00		
December	0.00	0.00	0.00		
January	0.00	0.00	0.00		
February	0.00	0.00	0.00		
March	0.00	0.00	0.00		
April	0.00	0.00	0.00		
May	0.00	0.00	0.00		
June	0.00	0.00	0.00		

Contract schedule:

<u>Contract</u>	<u>Trade Date</u>	<u>Effective Date</u>	<u>Termination Date</u>	<u>Price</u>	<u>Gallons</u>
Diesel	9/22/11	7/1/12	6/30/13	2.900	42,000
Gasoline	9/22/11	7/1/12	6/30/13	2.650	42,000
Gasoline	9/23/11	7/1/12	6/30/13	2.550	42,000
Diesel	9/30/11	7/1/12	6/30/13	2.800	84,000
Gasoline	9/30/11	7/1/12	6/30/13	2.590	84,000
Diesel	10/3/11	7/1/12	6/30/13	2.750	84,000
Diesel	6/18/12	7/1/12	6/30/13	2.710	42,000
Diesel	6/28/12	7/1/12	6/30/13	2.645	42,000