



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		11/08/2010		
Department:		Budget & Research		
Department Head		Karen Rhodes-Whitley		
Agenda Coordinator (include phone #): Casey Srader, x5152				
CAPTION				
<p>An Ordinance of the City of Plano, Texas, transferring the sum of \$82,502 from the General Fund unappropriated fund balance to the General Fund operating appropriation for fiscal year 2010-11 for the purpose of providing funds for payment of disputed sales tax for certain operations at the Pecan Hollow Golf Course; amending the budget of the City and Ordinance 2010-9-8, Section 1, Item "A" to reflect the actions taken herein; declaring this action to be a case of public necessity; and providing an effective date.</p>				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: 2010-11	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	197,057,891	0	197,057,891
Encumbered/Expended Amount	0	0	0	0
This Item	0	82,502	0	82,502
BALANCE	0	197,140,393	0	197,140,393
FUND(S): GENERAL FUND				
<p>COMMENTS: Supplemental appropriations approved to date for the General Fund, including this item, total \$82,502. The current General Fund balance supports this supplemental appropriation in the amount of \$82,502. There is a companion agenda item in the amount of \$82,502 for a Resoluution authorizing the payment of disputed sales tax to the State Comptroller's Office.</p> <p>STRATEGIC PLAN GOAL: Providing additional funding for the payment of disputed sales tax to the State Comptroller's Office relates to the City's Goal of "Financially Strong City with Service Excellence".</p>				
SUMMARY OF ITEM				
Supplemental Appropriation No. 1				
<p>This supplemental appropriation will provide necessary funding for payment of disputed sales tax to the State Comptroller's Office. The settlement is a result of a dispute with the State Comptroller's Office on whether the Pecan Hollow Golf Course green fees should be subject to sales tax. The settlement is for over a four-year period and is approximately one-third of what the Comptroller determined in its audit. \$70,000 of the settlement relates to the green fees and \$12,502 for the driving range.</p>				



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List of Supporting Documents: Supplemental Appropriation Log	Other Departments, Boards, Commissions or Agencies n/a

An Ordinance of the City of Plano, Texas, transferring the sum of \$82,502 from the General Fund unappropriated fund balance for Fiscal Year 2010-11 to the General Fund operating appropriation for the purpose of providing funds for payment of disputed sales tax for certain operations at the Pecan Hollow Golf Course; amending the budget of the City and Ordinance 2010-9-8, Section 1, Item "A" as amended, to reflect the actions taken herein; declaring this action to be a case of public necessity; and providing an effective date.

WHEREAS, the City Council of the City of Plano approved and adopted the budget for the City for Fiscal Year 2010-11 setting the appropriations for the General Fund at \$197,057,891; and

WHEREAS, the City of Plano owns and maintains the Pecan Hollow Golf Course, which is operated by a third party and the City implemented and programmed equipment that was used to calculate sales tax on certain services at this golf course; and

WHEREAS, the Texas Comptroller of Public Accounts "Comptroller" conducted a sales tax audit and determined that sales tax on fees generated from use of the greens and the driving range have not been collected or paid since October 1, 2006; and

WHEREAS, the City has contested that the green fees are subject to sales tax for reasons including but not limited to the fact the fees are set by the City, the third party receives no amount of the fees, the City fully controls the charges and operation of the course, including its maintenance and improvements; and

WHEREAS, there exists a bona fide dispute and controversy between the Comptroller, the City, and the operator of the course that sales tax is owed for the green fees and by reason of such dispute, the parties desire to compromise and settle all claims in any way arising from such sales tax audit in an amount less than what the Comptroller has concluded from its audit; and

WHEREAS, the City Council deems it to be in the best interest of the City of Plano and its citizens to expend public funds to pay the owed sales tax; and

WHEREAS, such necessary and essential costs cannot be fully met through appropriations in the existing budget; and

WHEREAS, the City Council now finds that additional appropriations to the General Fund Operating Appropriation should be made in order to provide additional funding for the payment of owed sales tax, and that such action is a public necessity.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

SECTION I. The estimated sum of EIGHTY TWO THOUSAND FIVE HUNDRED TWO DOLLARS (\$82,502) is hereby transferred from the General Fund unappropriated fund balance to the General Fund operating appropriation.

SECTION II. The budget of the City of Plano for Fiscal Year 2010-11 as adopted by Ordinance No. 2010-9-8 is amended to reflect the action taken herein.

SECTION III. The actions taken herein are found and declared to be a case of public necessity.

SECTION IV. This supplemental appropriation Ordinance No. 1 shall become effective immediately from and after the date of its passage.

DULY PASSED AND APPROVED THIS THE 8th DAY OF NOVEMBER, 2010.

Phil Dyer, **MAYOR**

ATTEST:

Diane Zucco, **CITY SECRETARY**

Diane C. Wetherbee, **CITY ATTORNEY**

FY 2010-11
SUPPLEMENTAL APPROPRIATIONS

Description	Department	Amount
Supplemental Appropriation for Pecan Hollow Golf Course sales tax audit.	Parks & Recreation	82,502
TOTAL GENERAL FUND APPROPRIATIONS		<u>\$ 82,502</u>
TOTAL CATV FUND APPROPRIATIONS		<u>\$ -</u>
TOTAL MUNICIPAL DRAINAGE FUND APPROPRIATIONS		<u>\$ -</u>
TOTAL WATER & SEWER FUND		<u>\$ -</u>
TOTAL SUSTAINABILITY & ENVIRONMENTAL FUND APPROPRIATIONS		<u>\$ -</u>
TOTAL CONVENTION & TOURISM FUND APPROPRIATIONS		<u>\$ -</u>
TOTAL PROPERTY/LIABILITY FUND APPROPRIATIONS		<u>\$ -</u>
TOTAL PROPERTY MANAGEMENT FUND APPROPRIATIONS		<u>\$ -</u>
TOTAL GOLF COURSE FUND APPROPRIATIONS		<u>\$ -</u>
TOTAL RECREATION FUND APPROPRIATIONS		<u>\$ -</u>
TOTAL INTERNAL SERVICE FUNDS AND OTHER FUNDS APPROPRIATIONS		<u>\$ -</u>
GRAND TOTAL ALL FUNDS		<u>\$ 82,502</u>