

Sales Tax Audit Committee

Monday April 8<sup>th</sup>, 2019

4:00 p.m.

First Floor Conference Room

City Hall – 4<sup>th</sup> Floor

**A G E N D A**

1. Approve minutes from March 4, 2019 meeting
2. Review the 1<sup>st</sup> Quarter results
3. Open Discussion.
4. Adjourn

**Future Meetings:**

**July 8<sup>th</sup>** (Review 2<sup>nd</sup> quarter results, 2018 annual report, 2020 budget)

**October 14<sup>th</sup>** (Review 3<sup>rd</sup> quarter results)

**January 13<sup>th</sup> 2020** (Review 4<sup>th</sup> quarter results)

**April 13<sup>th</sup> 2020** (Review 1<sup>st</sup> quarter results, hold officer elections)

# City of Lawrence

## Sales Tax Audit Committee

### March 4<sup>th</sup>, 2019 minutes

MEMBERS PRESENT: Linda Jalenak, Amber Nickel, Linda Gwaltney, and Timothy Bateman  
MEMBERS ABSENT: Samantha Peterson  
STAFF PRESENT: Casey Toomay, Jeremy Willmoth  
PUBLIC PRESENT: None

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The meeting was called to order at: 4:04 pm

The minutes from the December 17<sup>th</sup>, 2018 meeting were reviewed. A motion was made by Linda Gwaltney to approve the minutes. The motion was seconded by Linda Jalenak. The motion passed 3-0.

Calls for nomination for Chair were opened. Timothy Bateman nominated Linda Jalenak and the nomination was seconded by Linda Gwaltney. The motion passed 3-0. Linda Jalenak nominated Linda Gwaltney for vice-chair and the nomination was seconded by Timothy Bateman. The motion passed 3-0.

Casey Toomay, Assistant City Manager walked the committee through the By-Laws for the Committee. After some discussion, Timothy Bateman motioned to approve the By-Laws. The motion was seconded by Linda Gwaltney. The motion passed 4-0.

Jeremy Willmoth, Finance Director walked the Committee through the revised 2016 annual report noting some errors in the original report. Linda Jalenak motioned to approve the revised report. The motion was seconded by Linda Gwaltney. The motion was approved 4-0.

Jeremy Willmoth walked the Committee through the 2017 report. Some typos in the report were noted. Timothy Bateman made a motion to approve the report with the revisions noted. Amber Nickel seconded the motion. The motion passed 4-0.

The Committee Established the following schedule for its meetings. The second Monday of the first month of each quarter. For 2019, that will be:

**April 8<sup>th</sup>** (Review 1<sup>st</sup> quarter results)

**July 8<sup>th</sup>** (Review 2<sup>nd</sup> quarter results, 2018 annual report, 2020 budget)

**October 14<sup>th</sup>** (Review 3<sup>rd</sup> quarter results)

**January 13<sup>th</sup>** (Review 4<sup>th</sup> quarter results)

A motion to adjourn was made by Linda Jalenak and seconded by Timothy Bateman. The motion passed 4-0.

The meeting was adjourned at: 5:15 pm.

# Streets/Infrastructure, and Public Transportation, Housing Sales and Use Taxes

## 2019 Report – 1<sup>st</sup> Quarter

The Sales Tax Audit Committee was formed to ensure the money generated by each of the special sales taxes was expended pursuant to the ballot language approving the tax. The following information summarizes the revenues collected and expenditures made from each of the three sales taxes in 2019.

### **0.3 Percent for Streets and Infrastructure**

*This tax was initially approved in 2008 to help Lawrence catch up on the maintenance of residential streets and make improvements to high traffic streets by creating a dedicated revenue sources for streets, sidewalks, trails, equipment, and storm sewers. The tax was renewed for an additional ten years beginning April 1, 2019. A complete plan for the expenditure of proceeds from this sales tax is located in the City's CIP. Funds not spent in 2019 will carry forward to fund purchases in future years.*

*Budgeted 2019 Collection: \$5,094,000*

<b>Unspent taxes from prior years</b>	<b>\$ 2,296,712.21</b>
<b>Current year taxes collected</b>	<b>1,422,859.98</b>
<b>Current year taxes expensed:</b>	
Wakarusa Dr & Harvard Rd, Intersection Improvement	23,045.80
19th St. Reconstruction, Iowa St. to Naismith Dr.	37.44
Safe Routes to School, 2018	7,600.00
19th & Iowa Underpass	37.44
23rd, La to Mass, Geometric Improvements	509.02
Kasold Dr., Clinton Pkwy to HyVee, Street Reconstruction	28.00
2018 Sidewalk Gaps & ADA Ramps	1,500.00
2019 Sidewalk Gap and ADA Ramp Improvements	45.66
Lawrence Ave Waterline Replacement (8th St - BBPW)	38.00
<b>Subtotal Street/Infrastructure</b>	<b><u>32,841.36</u></b>
Equipment	-
<b>Total expenses</b>	<b><u>32,841.36</u></b>
<b>Unspent tax available for future projects</b>	<b><u>\$ 3,686,730.83</u></b>

### **Note:**

The 0.3 cent sales tax is split with \$500,000 allocated to the Equipment Reserve Fund and the balance in the Capital Improvement Reserve Fund. Both of these funds have other revenues and expenditures charged to them, which are not included here as they are separate from the sales tax. This report is a combination of both funds, but only those revenues and expenditures tied to the special sales tax.

### **0.2 Percent for Public Transportation**

*This dedicated funding source replaced property tax in 2008 as the main local revenue source for operation of the City's public transit system. It was approved to ensure that the City had the resources to cooperate with the University of Kansas transit system. This tax was renewed for an additional ten years beginning April 1, 2019. Funds not spent in 2019 will carry forward to fund purchases in future years.*

*Budget 2019 Collection: \$3,995,000*

# Streets/Infrastructure, and Public Transportation, Housing Sales and Use Taxes

## 2019 Report – 1<sup>st</sup> Quarter

<b>Unspent taxes from prior years</b>	<b>\$ 4,866,785.11</b>
<b>Current year taxes collected</b>	<b>948,573.32</b>
<b>Current year taxes expensed:</b>	
Staff costs	34,175.28
Transit contractor costs	661,472.16
<b>Total expenses</b>	<b>695,647.44</b>
<b>Unspent tax available for future projects</b>	<b>\$ 5,119,710.99</b>

**Note:**

This sales tax is recorded in the Public Transportation Fund. There are other revenues which are not included here as they are separate from the sales tax. Please refer to the Comprehensive Annual Financial Report for a listing of all transit related expenses.

### **0.05 Percent for Public Transportation Expanded Through March 31st**

*This tax was approved to provide additional dedicated resources for the transit system in 2008 for route enhancements and vehicle and facility improvements. This tax expired on March 31, 2018. Funds not spent in 2019 will carry forward to fund purchases in future years.*

*Budgeted 2019 Collection: \$413,000*

<b>Unspent taxes from prior years</b>	<b>\$ 7,575,972.00</b>
<b>Current year taxes collected</b>	<b>237,143.33</b>
<b>Current year taxes expensed:</b>	-
	-
<b>Total expenses</b>	-
<b>Unspent tax available for future projects</b>	<b>\$ 7,813,115.33</b>

### **0.05 Percent for Public Housing Beginning April 1st**

*This tax was approved to provide dedicated resources for public housing for ten years beginning April 1, 2019. Funds not spent in 2019 will carry forward to fund purchases in future years.*

*Budgeted 2019 Collection: \$497,000*

<b>Unspent taxes from prior years</b>	<b>\$ -</b>
<b>Current year taxes collected</b>	<b>-</b>
<b>Current year taxes expensed:</b>	-
	-
<b>Total expenses</b>	-
<b>Unspent tax available for future projects</b>	<b>\$ -</b>