

Sales Tax Audit Committee

Monday July 8th, 2019

4:00 p.m.

City Manager's Conference Room

City Hall – 4th Floor

A G E N D A

1. Approve minutes from April 8, 2019 meeting
2. Review 2018 annual report
3. Review 2nd quarter results
4. Review 2020 City Manager's Recommended Budget
5. Adjourn

Future Meetings:

October 14th 2019 (Review 3rd quarter results)

January 13th 2020 (Review 4th quarter results)

April 13th 2020 (Review 1st quarter results, hold officer elections)

July 13th 2020 (Review 2nd quarter results, 2019 annual report, 2021 budget)

City of Lawrence
Sales Tax Audit Committee
April 8th, 2019 minutes

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

The meeting was called to order at: 4:02 pm

The minutes from the March 4th, 2019 meeting were reviewed. A motion was made by Amber Nickel to approve the minutes. The motion was seconded by Timothy Bateman. The motion passed 5-0.

Jeremy Willmoth, Finance Director presented the first quarter 2019 report. The Committee asked for a listing of expenses by vendor to be included in future reports.

A motion to adjourn was made by Linda Jalenak and seconded by Samantha Peterson. The motion passed 5-0.

The meeting was adjourned at: 4:20 pm.

Streets/Infrastructure, and Public Transportation Sales and Use Taxes

2018 Report

In November of 2008, voters approved these three special use taxes for ten years. When they were approved, the City pledged to create a Sales Tax Audit Committee to ensure the money generated by each was expended pursuant to the ballot language approving the tax.

0.3 Percent for Streets and Infrastructure

This tax was approved for maintenance of residential streets and to make improvements to high traffic streets by creating a dedicated revenue sources for streets, sidewalks, trails, equipment, and storm sewers. A complete plan for the expenditure of proceeds from this sales tax is located in the City's CIP. Funds not spent in 2018 will carry forward to fund purchases in future years.

Budgeted 2018 Collection: \$5,582,000

Unspent tax from 2017 and prior years	\$ 5,514,496
2018 tax collected	5,516,405
2018 expenditures	
Residential street maintenance	716,855
Kasold – Bob Billings Pkwy to 6 th	4,255,113
Wakarusa & Harvard – intersection imp	14,707
19 th Street (Iowa to Naismith)	233,758
Safe Routes to School (phase two)	310,843
Safe Routes to School (2018)	60,498
23 rd Street – Louisiana to Mass. (Geometric Impr.)	51,233
13 th and Mass. Intersection Improvements	124,525
6 th and Tenn. Geometric Improvements	35,648
2018 Pierce Velocity pumper truck	666,362
Engine exhaust system for all locations	183,727
Misc.	2,606
Total expenditures	<u>6,655,875</u>
Unspent tax available for future projects	<u>\$ 4,375,026</u>

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 sales tax is 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. Funds not spent in 2018 will carry forward to fund purchases in future years.

Budget 2018 Collection: \$3,878,000

Unspent tax from 2017 and prior years	\$ 2,949,359
2018 tax collected	3,677,603
2018 transit expenditures:	<u>3,248,675</u>
Unspent tax available for future projects	<u>\$ 3,378,287</u>

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

This tax was approved to provide additional resources for the transit system for route enhancements and vehicle and facility improvements. Funds not spent in 2018 will carry forward to fund purchases in future years.

Budgeted 2018 Collection: \$972,000

Unspent tax from 2017 and prior years	\$ 6,675,972
2018 Tax Collected:	919,401
2018 Expenditures:	<u>0</u>
Unspent tax available for future projects	<u>\$ 7,595,373</u>

City of Lawrence
Public Transportation Sales Taxes (0.2 and 0.05 cents)
Expenditures by Vendor
January through December 2018

Vendor	Expenditures	Description
Brinks	12,104	Courier Services
Trapeze Software Group Inc	14,295	2018 maintenance fee for Trapeze Passes
MV Public Transportation Inc	2,209,978	Contract for public transportation services
Johnson County Transit	135,000	FY2018 K-10 Connector funding.
Various	27,250	Utilities
Various	697,984	Vehicle fuel and maintenance
Salaries, benefits, & expenses	129,599	Charges for employees of the City.
University of Kansas Parking & Transit	21,718	Pro-rated utility charges for shared building space.
Verizon Wireless	747	Monthly cell phone charges.
Total	<u>3,248,675</u>	
Total 0.2 Sales tax for transit	\$ 3,248,675	
Total 0.05 Sales tax for transit	-	
Total All Funds	<u>3,248,675</u>	

City of Lawrence
Intrastructure Sales Tax - 0.3 Percent
Expenditures by Project
January through December 2018

Project Name	Project No	Vendor	Funding Source	Expenditures	Description
Residential street maintenance					
	PW1801	Sunflower Paving Inc	Capital Improve Reserve	716,855	Annual mill and overlay projects
				716,855	
Kasold (Bob Billings to 6th)					
	PW1505	Carl & Elizabeth Hird Trust	Capital Improve Reserve	2,400	Temporary easement
	PW1505	Cook Flatt & Strobel Engineers	Capital Improve Reserve	73,922	Design services
	PW1505	Douglas County Register of Deeds	Capital Improve Reserve	218	Recording temporary easements
	PW1505	KDHE - Bureau of Water	Capital Improve Reserve	60	Stormwater construction permit fee
	PW1505	RD Johnson Co	Capital Improve Reserve	4,172,357	Construction services
	PW1505	Westside Presbyterian Church	Capital Improve Reserve	6,156	Right of Way and Temporary easements
				4,255,113	
Wakarusa Dr & Harvard Rd, Intersection Improvement					
	PW1527	Mac's Fence Inc	Capital Improve Reserve	800	6' Privacy fence (1x6x6 cedar)
	PW1527	Rylie Equipment & Contracting Co	Capital Improve Reserve	3,350	Equipment rental
	PW1527	Turf Design Inc	Capital Improve Reserve	4,660	Landscaping in right of way
	PW1527	Turf Masters Inc	Capital Improve Reserve	5,897	Landscaping on roundabout
				14,707	
19th St. Reconstruction, Iowa St. to Naismith Dr.					
	PW1535	Barton Investments LLC	Capital Improve Reserve	5,000	Temporary easement
	PW1535	Biel	Capital Improve Reserve	500	Temporary easement
	PW1535	Bloom	Capital Improve Reserve	500	Temporary easement
	PW1535	Chase LLC	Capital Improve Reserve	7,200	Temporary easement
	PW1535	Cooper Williams Properties LLC	Capital Improve Reserve	500	Temporary easement
	PW1535	Douglas County Register of Deeds	Capital Improve Reserve	697	Recording temporary easements
	PW1535	First Management Inc	Capital Improve Reserve	9,000	Temporary easement
	PW1535	Frost	Capital Improve Reserve	6,600	Temporary easement
	PW1535	Kansas Secured Title	Capital Improve Reserve	1,600	Title work
	PW1535	Morris	Capital Improve Reserve	2,000	Temporary easement
	PW1535	Professional Engeneering Consultants	Capital Improve Reserve	197,581	Design services
	PW1535	Rosehill Gardens	Capital Improve Reserve	730	Trees
	PW1535	Tschudy	Capital Improve Reserve	500	Temporary easement
	PW1535	Westar Energy	Capital Improve Reserve	1,350	Temporary easement
				233,758	
Safe Routes to School, Phase Two					
	PW1614	Freeman Concrete Construction LLC	Capital Improve Reserve	310,843	Construction services
				310,843	
Safe Routes to School, 2018					
	PW1720	Affinis Corp	Capital Improve Reserve	60,498	Engineering services
				60,498	
23rd, La to Mass, Geometric Improvements					
	PW1722	2300 Louisiana Co LLC	Capital Improve Reserve	4,800	Temporary easement
	PW1722	Aul Appraisals LC	Capital Improve Reserve	4,900	Appraisal fees
	PW1722	Ballard	Capital Improve Reserve	500	Temporary easement
	PW1722	Black	Capital Improve Reserve	1,200	Temporary easement
	PW1722	C-Hawkk Construction Inc	Capital Improve Reserve	1,850	Temporary easement
	PW1722	Douglas County Register of Deeds	Capital Improve Reserve	715	Recording temporary easements
	PW1722	Elkins	Capital Improve Reserve	8,300	
	PW1722	Haag Properties LLC	Capital Improve Reserve	1,000	Temporary easement
	PW1722	Intrachat	Capital Improve Reserve	1,500	Temporary easement
	PW1722	Kansas Secured Title & Abstract Co Inc	Capital Improve Reserve	150	Title work
	PW1722	Lawrence Journal World	Capital Improve Reserve	49	Advertisements
	PW1722	O'Reilly Auto Enterprises LLC	Capital Improve Reserve	500	Temporary easement
	PW1722	Redbarry Fairway LLC	Capital Improve Reserve	500	Temporary easement
	PW1722	Sunflower Paving Inc	Capital Improve Reserve	16,169	Construction services

City of Lawrence
Intrastructure Sales Tax - 0.3 Percent
Expenditures by Project
January through December 2018

Project Name	Project No	Vendor	Funding Source	Expenditures	Description
	PW1722	Tryon Properties LC	Capital Improve Reserve	4,100	Temporary easement
	PW1722	Wagner	Capital Improve Reserve	5,000	Temporary easement
				51,233	
13th and Mass. Intersection Improvements					
	PW1812	Bartlett & West Inc	Capital Improve Reserve	26,725	Engineering services
	PW1812	C-Hawkk Construction Inc	Capital Improve Reserve	97,705	Construction services
	PW1812	Lawrence Journal World	Capital Improve Reserve	95	Advertisements
				124,525	
6th and Tenn. Geometric Improvements					
	PW19E2	Professional Engingeering Consultants	Capital Improve Reserve	35,648	Engineering services
				35,648	
Fire Equipment from the Equipment Reserve Sales Tax					
	FM1817	Conrad Fire Equipment Inc	Equipment Reserve	666,362	2018 Pierce Velocity Pumper
	FM1807	Air Vacuum Corporation	Equipment Reserve	183,727	Engine Exhaust Air Filtration System for all Fire Medical Locations
				850,089	
Miscellaneous:					
Traffic Calming					
	PW1816	Lawrence Journal World	Capital Improve Reserve	46	Advertisements
				46	
Queens Road (6th to City Limits)					
	PW1528	Lawrence Journal World	Capital Improve Reserve	51	Advertisements
				51	
Haskell Rail Trail, Shared Use Path					
	PW1342	KDOT	Capital Improve Reserve	2,509	Reimbursement per grant
				2,509	
Miscellaneous					
				2,606	
Total Capital Improvement Reserve Sales Tax				5,805,786	
Total Equipment Reserve Sales Tax				850,089	
Total All Funds				6,655,875	

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

2019 Report – 2nd 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

Unspent taxes from prior years	\$ 4,375,026
Current year taxes collected	2,745,600
Current year taxes expensed:	
Wakarusa Dr & Harvard Rd, Intersection Improvement	23,046
19th St. Reconstruction, Iowa St. to Naismith Dr.	97
Safe Routes to School, 2018	14,416
19th & Iowa Underpass	37
23rd, La to Mass, Geometric Improvements	15,060
6th St/Tenn. Intersection Geometric Improvements	500
Kasold Dr., Clinton Pkwy to HyVee, Street Reconstruction	28
2018 Sidewalk Gaps & ADA Ramps	263,794
2019 Sidewalk Gap and ADA Ramp Improvements	46
Sidewalk hazard mitigation plan - public grants	534
Sidewalk hazard mitigation plan - city property	132,749
Subtotal Street/Infrastructure	450,307
Equipment	-
Total expenses	450,307
Unspent tax available for future projects	\$ 6,670,319

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 – 2nd Quarter

Unspent taxes from prior years	\$ 3,378,287
Current year taxes collected	1,830,400
Current year taxes expensed:	
Staff costs	65,854
Transit contractor costs	1,801,765
Total expenses	1,867,619
Unspent tax available for future projects	\$ 3,341,068

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

Unspent taxes from prior years	\$ 7,595,373
Current year taxes collected	379,694
Current year taxes expensed:	-
	-
Total expenses	-
Unspent tax available for future projects	\$ 7,975,067

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

Unspent taxes from prior years	\$ -
Current year taxes collected	77,906
Current year taxes expensed:	-
	-
Total expenses	-
Unspent tax available for future projects	\$ 77,906

City of Lawrence
Public Transportation Sales Taxes (0.2 and 0.05 cents)
Expenditures by Vendor
January through June 2019

Vendor	Expenditures	Description
Brinks	4,351	Courier Services
Central Maintenance Billing	1,123	Monthly centralized vehicle maintenance billing
Employee Travel Reimbursements	1,864	Conference in New Orleans Feb 24-27, and APTA Conference
First Transit Inc	1,374,196	Contract for public transportation services
Johnson County Transit	155,000	FY2018 K-10 Connector funding
Lawrence Journal World	47	Advertising
Various	430	Supplies
Progressive Communication Products	450	Annual maintenance agreement for Transit call accounting software
Salary & Benefits	56,958	Charges for employees of the City
University of Kansas Parking & Transit	260,649	Pro-rated utility charges & fuel for shared building space
Verizon Wireless	619	Monthly cell phone charges
The Park Catalog	11,920	20 park benches
Wash Me! Car Wash	12	Car wash services
Total	<u>1,867,619</u>	
Total 0.2 Sales tax for transit	\$ 1,867,619	
Total 0.05 Sales tax for transit	-	
Total All Funds	<u>1,867,619</u>	

Note:

The 0.05 sales tax expired 3/31/19. The Affordable Housing Sales Tax began April 1, and is tracked separately. All funds collected for this purpose shall remain in the transportation sales tax fund.

City of Lawrence
Intrastructure Sales Tax - 0.3 Percent
Expenditures by Project
January through June 2019

Project Na	Project No	Vendor	Funding Source	Expenditures	Description
Wakarusa Dr & Harvard Rd, Intersection Improvement					
	PW1527	Lawrence Landscape Inc	Capital Improve Reserve	23,046	Irrigation service and parts.
				23,046	
19th St. Reconstruction, Iowa St. to Naismith Dr.					
	PW1535	Kansas Courts	Capital Improve Reserve	97	Statutory bond for RD Johnson.
				97	
Safe Routes to School, 2018					
	PW1720	Aul Appraisals LC	Capital Improve Reserve	2,250	Appraisal Report.
	PW1720	Braide	Capital Improve Reserve	500	Temporary easements
	PW1720	CC Man Holdings LLC	Capital Improve Reserve	1,050	Temporary easements
	PW1720	Cole	Capital Improve Reserve	1,600	Temporary easements
	PW1720	Douglas County Register of Deeds	Capital Improve Reserve	266	Recording of easements
	PW1720	Harewood & Associates LLC	Capital Improve Reserve	3,600	Temporary easements
	PW1720	Jones Group	Capital Improve Reserve	800	Temporary easements
	PW1720	Kansas Secured Title & Abstract Co Inc	Capital Improve Reserve	1,250	E-File Fee.
	PW1720	Loch	Capital Improve Reserve	500	Temporary easements
	PW1720	Smith	Capital Improve Reserve	1,600	Temporary easements
	PW1720	Sunrise Green LLC	Capital Improve Reserve	500	Temporary easements
	PW1720	Wadkins	Capital Improve Reserve	500	Temporary easements
				14,416	
19th & Iowa Underpass					
	PW1721	Kansas Courts	Capital Improve Reserve	37	Statutory bond for RD Johnson.
				37	
23rd, La to Mass, Geometric Improvements					
	PW1722	Aul Appraisals LC	Capital Improve Reserve	2,000	Appraisers fees - 2305 Vermont Condemnation
	PW1722	Buhler	Capital Improve Reserve	1,250	Appraisers fees - 2305 Vermont Condemnation
	PW1722	C-Hawkk Construction Inc	Capital Improve Reserve	500	
	PW1722	Douglas County Register of Deeds	Capital Improve Reserve	76	Recording of easements
	PW1722	Douglas County District Court	Capital Improve Reserve	7,800	Court Ordered settlement for 2305 Vermont for easement
	PW1722	Hack	Capital Improve Reserve	1,250	Appraisers fees - 2305 Vermont Condemnation
	PW1722	Keller Tim	Capital Improve Reserve	1,250	Appraisers fees - 2305 Vermont Condemnation
	PW1722	Lawrence Journal World	Capital Improve Reserve	934	Advertisements
				15,060	
6th St/Tennessee St Intersection, Geometric Improvements					
	PW1807	Holt	Capital Improve Reserve	500	Temporary easements
				500	
Kasold Dr., Clinton Pkwy to HyVee, Street Reconstruction					
	PW1812	Drexel Technologies	Capital Improve Reserve	28	Engineering design fees
				28	
2018 Sidewalk Gaps & ADA Ramps					
	PW1817	Douglas County Register of Deeds	Capital Improve Reserve	190	Recording of easements
	PW1817	Nieder Properties Inc	Capital Improve Reserve	3,100	Temporary easements
	PW1817	Phoenix Concrete LLC	Capital Improve Reserve	258,504	Construction services
	PW1817	Talley	Capital Improve Reserve	500	Temporary easements

PW1817	Tilson	Capital Improve Reserve	600	Temporary easements
PW1817	Umholtz	Capital Improve Reserve	900	Temporary easements
2019 Sidewalk Gap and ADA Ramp Improvements			263,794	
PW1903	Lawrence Journal World	Capital Improve Reserve	46	Advertisements.
Sidewalk Hazard Mitigation - Public Grants			46	
PW19E4	Matthews	Capital Improve Reserve	534	50% reimbursement per grant rules
Sidewalk Hazard Mitigation - City Property			534	
PW19E4	USA Concrete Inc	Capital Improve Reserve	132,749	City sidewalk improvements
			132,749	
Total Capital Improvement Reserve Sales Tax			450,307	
Total Equipment Reserve Sales Tax			-	
Total All Funds			450,307	

City of Lawrence
Public Transportation Sales Tax - .20 percent
City Manager's Recommended Budget
FY 2020

Projected Sales Tax	\$ 4,482,000
Prior years surplus funds for capital projects	<u>4,150,000</u>
Total available for projects	<u>8,632,000</u>

Recommended Projects	
Personnel Cost	\$ 140,000
Transit operations	4,342,000
Multimodal facility	3,500,000
Shelter/Amenities	150,000
Transit busses	<u>500,000</u>
Total projects	<u>8,632,000</u>

Amount in excess, (less) than revenue	<u><u>\$ -</u></u>
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City of Lawrence
Infrastructure Sales Tax - 0.3 Percent
City Manager's Recommended Budget
FY 2020

Projected Sales Tax	\$ 5,128,000
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Recommended Projects	
Sidewalk/Bike/Ped Impr.	\$ 500,000
ADA ramp improvements	250,000
CCLIP (State Road Projects)	300,000
Street Maintenance	2,250,000
Curb/gutter program	400,000
23rd Street (Haskell Bridge to City Limits) Design	<u>500,000</u>
Total projects	<u>4,200,000</u>

Amount in excess, (less) than revenue	<u><u>\$ 928,000</u></u>
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Note:

The \$928,000 is earmarked for the construction of the 23rd street project in 2021.

City of Lawrence
Affordable Housing Sales Tax - 0.05 Percent
City Manager's Recommended Budget
FY 2020

Projected Sales Tax	\$ 924,000
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Recommended Projects	
Housing projects	<u>\$ 924,000</u>
Total projects	<u>924,000</u>

Amount in excess, (less) than revenue	<u><u>\$ -</u></u>
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