

City of Lawrence

Sales Tax Audit Committee

September 27, 2011 minutes

MEMBERS PRESENT: Ted Boyle, Jon King, Charlie Sedlock, Tim Bateman
MEMBERS ABSENT: None
STAFF PRESENT: David L. Corliss, City Manager
Casey Toomay, Budget Manager
Ed Mullins, Finance Director
Robert Nugent, Transit Administrator
PUBLIC PRESENT: None

The meeting was called to order at 4:00 by Corliss.

Toomay walked the committee through revenues and expenditures for the infrastructure sales tax and transit sales tax.

As of August 31, 2011, proceeds from the three City sales and use taxes received and receipted to the general fund totaled \$5,065,592. Proceeds were transferred to the appropriate funds as follows:

- Proceeds from the 0.30% sales tax received as of August 31, 2011, totaled \$2,763,051.
 - \$2,429,716 has been transferred to the Capital Improvement Reserve Fund for infrastructure;
 - \$333,335 has been transferred to the Equipment Reserve Fund for fire apparatus and equipment.
- Proceeds from the 0.20% sales tax received as of August 31, 2011, totaled \$1,842,033 and were transferred to the Transit Fund for operating costs;
- Proceeds from the 0.05% sales tax received as of August 31, 2011, totaled \$460,508 and were transferred to the Equipment Reserve Fund for transit equipment purchases;

As of August 31, 2011, expenditures are as follows:

- \$2,029,904 of the 0.30% sales tax was spent on the following projects:

Residential street maintenance	\$500,000
Kasold, 23 rd to 31 st	1,529,904
TOTAL	\$2,029,904
- A total of \$5,258,833 has been spent on transit from all funds as of the end August, 2011. The expenditures were paid from federal, state, and local funds as follows:
 - \$2,352,033 of expenses were paid with proceeds from the 0.20% sales tax, fare box receipts, bus pass sales, and motor vehicle taxes;
 - \$2,906,800 of expenditures were paid with federal and state grants;

- None of the 0.05% sales tax has been spent to date in 2011.

Nugent provided an update on the City's transit operations. He discussed coordination efforts, new vehicle purchases, and ridership information and trends.

Corliss discussed the 2012 budget and decisions made that impact plans for the infrastructure sales tax. The City will spend \$800,000 of infrastructure sales tax on minor street maintenance projects annually. This is an increase from the original plan to spend \$500,000 each year on minor projects. By increasing the amount, the City's general fund could be reduced, avoiding the need for a mill levy increase in 2012. As a result, however, there will be less sales tax revenue available for fire apparatus over the ten years of the sales tax. Instead, the City will rely more on debt to purchase apparatus.

The minutes from the meeting on March 15, 2011 were reviewed. A motion to approve minutes was made by King, seconded by Sedlock. The motion passed 4-0.

The Committee discussed the need for a new chairperson to replace Keith Yehle, who is no longer on the board. King nominated Sedlock, Bateman seconded the nomination. The nomination passed 4-0.

The next meeting was tentatively scheduled for March 2012.

A motion was made by King to adjourn. It was seconded by Boyle and passed 4-0. The meeting adjourned at 5:00 pm.