

Memorandum

City of Lawrence

Finance Department

To: Dave Corliss, City Manager
From: Ed Mullins, Finance Director
Date: January 31, 2012
Subject: Sales Tax and Franchise Fess Distributions

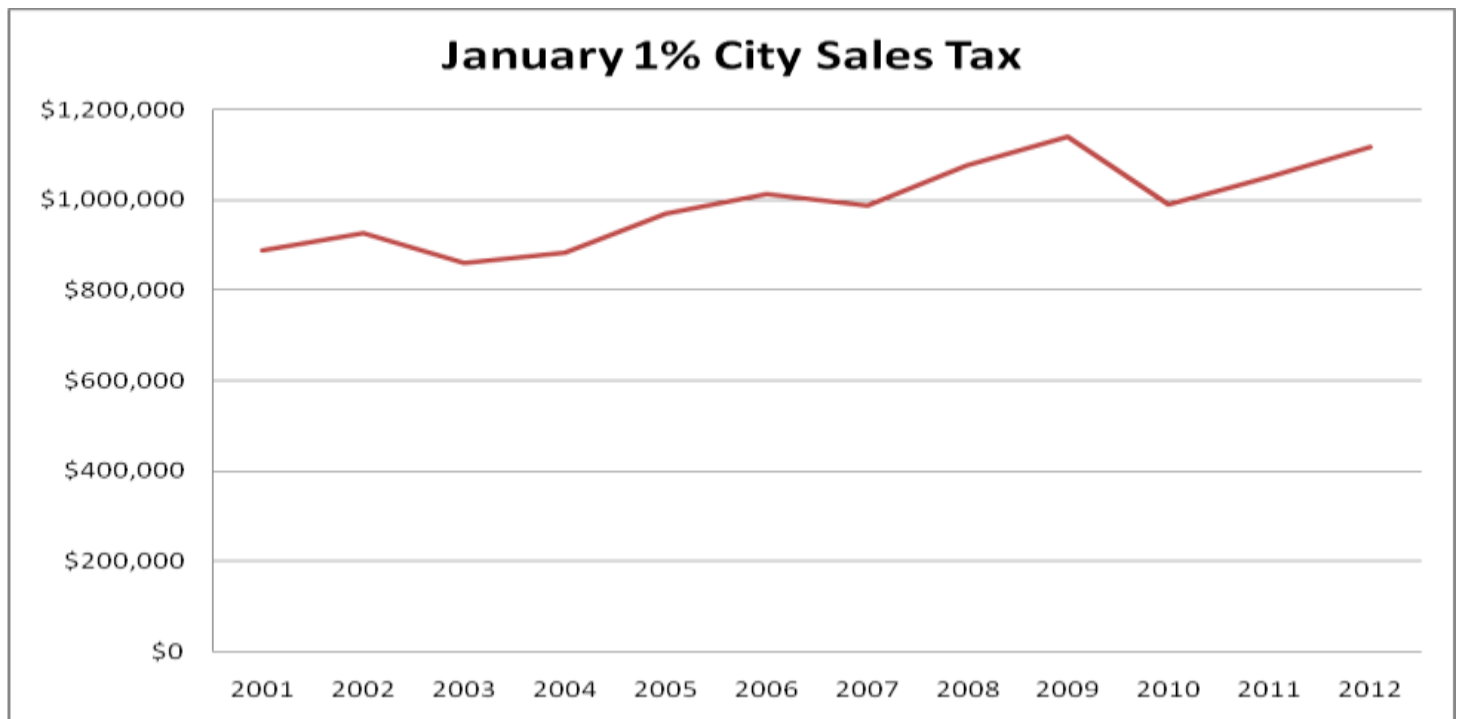
Sales Tax

The City of Lawrence has recently received its January sales tax distribution. The distribution is the result of retail sales from mid-November to mid-December. The distribution of \$2,681,711.37 is \$140,000 more than the prior year distribution for the same month. It also includes \$4,842.57 from the Free State Transportation Development District and \$7,542.92 from the Oread District. The distribution also includes other amounts that will be paid to the Oread Tax Increment Financing District.

The city has now received the 2011 distributions. The 2011 revenue was \$30,835,169 compared to the budget of \$30,090,000. The January 2012 distribution is counted as 2011 revenue because the sales took place in 2011. A summary of the latest city sales/use tax distribution is shown in the table below.

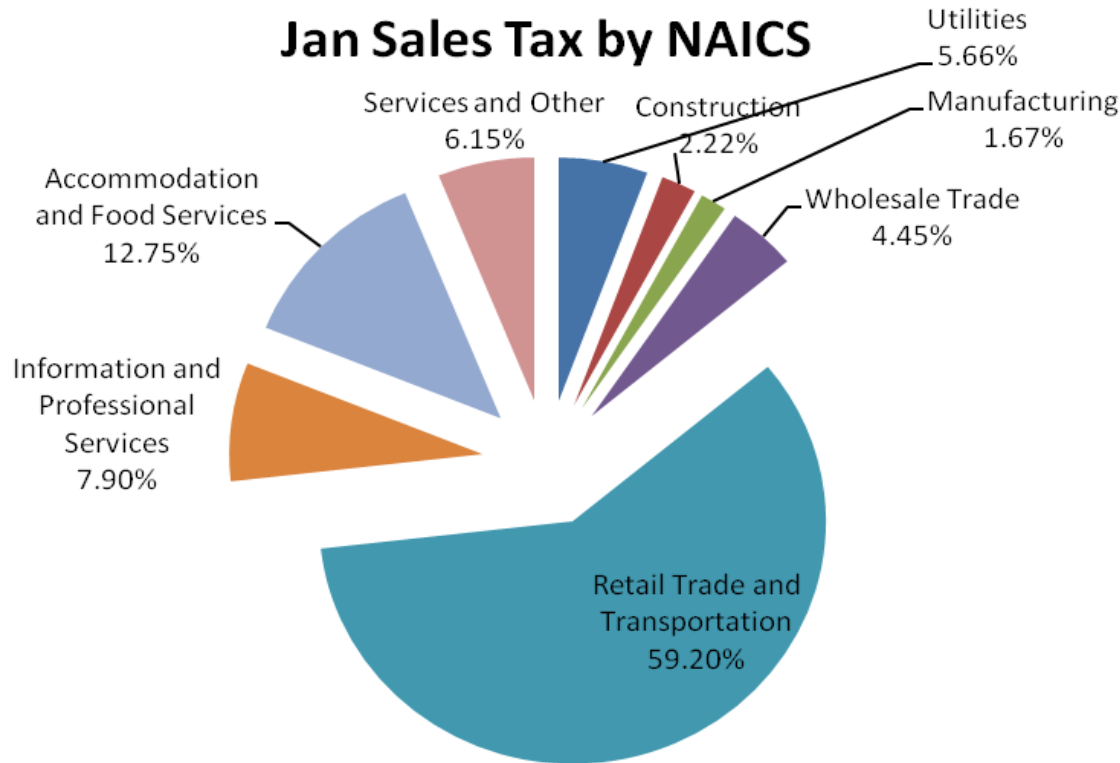
Sales/Use Tax	Budget	Month	Year to Date	% of Budget
City 1%	13,880,266	1,227,270	1,227,270	8.8%
Infrastructure .3%	4,164,079	368,181	368,181	8.8%
Transit .2%	2,776,053	245,454	245,454	8.8%
Transit Eq. .05%	694,013	61,363	61,363	8.8%
County 1%	9,041,050	767,058	767,058	8.5%

A spreadsheet showing total monthly sales tax distributions since 2001 is [attached](#). Additional sales tax information is provided in the tables and graphs below.



City of Lawrence 1.55% Sales Tax by NAICS

NAICS	Description	Amount	Jan 2012 Percent	Jan 2011 Percent
22	Utilities	98,103.93	5.66%	5.03%
23	Construction	38,486.04	2.22%	1.71%
31-33	Manufacturing	28,963.43	1.67%	1.45%
42	Wholesale Trade	77,188.10	4.45%	4.19%
44-49	Retail Trade and Transportation	1,026,454.73	59.20%	61.34%
51-62	Information and Professional Services	136,879.72	7.90%	8.36%
71-72	Accommodation and Food Services	221,051.69	12.75%	12.16%
81-99	Services and Other	106,623.05	6.15%	5.77%
		1,733,750.69	100.00%	100.00%



**City of Lawrence
Monthly sales/use tax budget variance**

Month	1% City Sales/Use	Budget	Over (Under)	County Sales/Use	Budget	Over (Under)	.55% City Sales/Use	Budget	Over (Under)
January	1,227,270	1,120,880	106,390	767,058	738,586	28,472	674,998	616,483	58,515
February	0	1,250,569			805,642			687,813	
March	0	1,187,463			774,126			653,105	
April	0	948,084			617,929			521,446	
May	0	1,154,754			755,243			635,115	
June	0	1,154,946			746,466			635,220	
July	0	1,197,423			773,079			658,583	
August	0	1,070,212			704,267			588,617	
September	0	1,107,604			728,037			609,182	
October	0	1,246,994			813,318			685,847	
November	0	1,201,507			779,850			660,829	
December	0	1,239,830			804,508			681,907	
	1,227,270	13,880,266	106,390	767,058	9,041,050	28,472	674,998	7,634,147	58,515

Franchise Fees

The City of Lawrence receives franchise fees for electricity, natural gas, telephone and cable television services. A table showing franchise fee revenue for the last ten years is shown in the table below. Similarly to the sales tax, the January distribution represents prior year revenue.

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Franchise Fees	3,632,803	3,660,488	3,684,941	3,754,184	3,986,982	4,784,605	5,543,194	5,872,925	6,364,990	6,294,955

A table showing 2012 franchise fee revenue by utility as a percent of budget is shown in the table below. The amount received for electricity and natural gas is seasonal with electric franchise fees higher in the summer and natural gas franchise fees higher in the winter. There is also a one month delay in the collection of the fee and the payment to the city.

Franchise	2012 Budget	Year to Date	Percent of Budget
Electric	4,166,000	324,391	7.8%
Natural Gas	938,000	100,313	10.7%
Telephone	448,000	14,370	3.2%
Cable Television	848,000	54,703	6.5%
Total	6,400,000	493,777	7.7%