

# Memorandum

## City of Lawrence

### Finance Department

To: Dave Corliss, City Manager  
 From: Ed Mullins, Finance Director  
 Date: June 29, 2012  
 Subject: Sales Tax and Franchise Fess Distributions

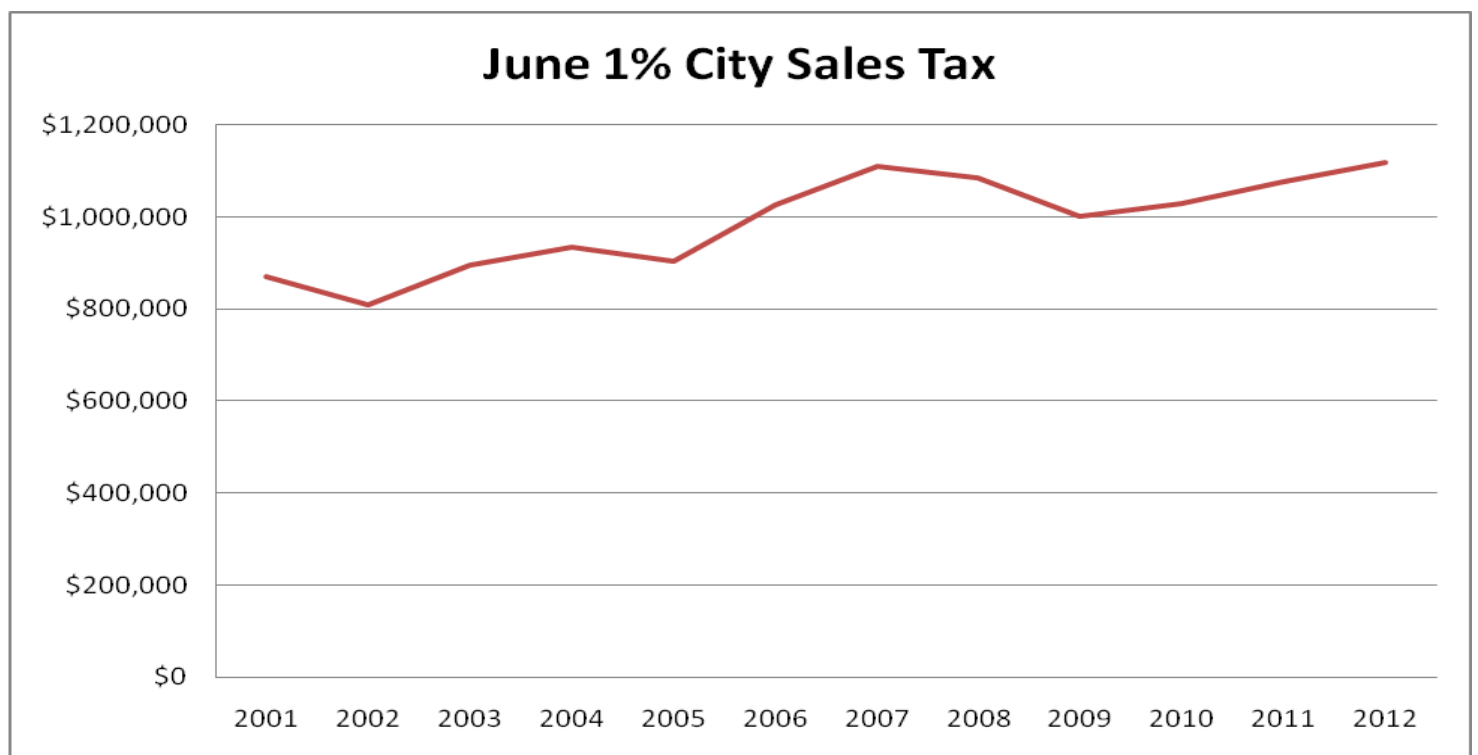
#### Sales Tax

The City of Lawrence has recently received its June sales tax distribution. The distribution is the result of retail sales from mid-April to mid-May. The distribution of \$2,648,616.70 is nearly \$90,000 more than the prior year distribution for the same month. It also includes \$3,186.09 from the Free State Transportation Development District and \$9,422.62 from the Oread District. The distribution also includes other amounts that will be paid to the Oread Tax Increment Financing District.

The 2012 budget for the total sales and use tax distribution is \$30,555,461. A summary of the latest city sales/use tax distribution is shown in the table below. The total sales/use taxes for 2012 are now projected to be \$31,675,000.

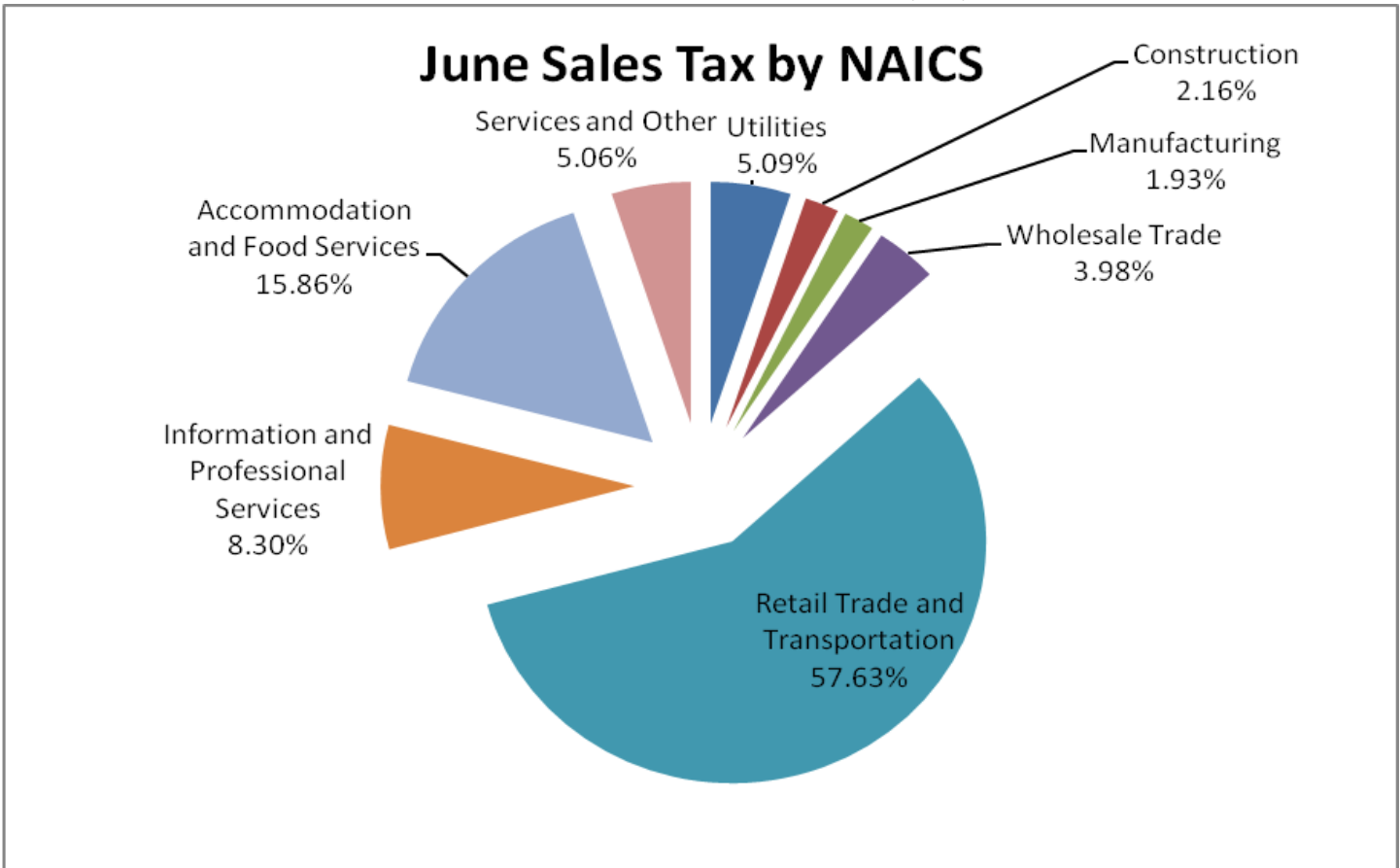
Sales/Use Tax	Budget	Month	Year to Date	% of Budget
City 1%	13,880,266	1,208,601	7,269,124	52.4%
Infrastructure .3%	4,164,079	362,580	2,180,737	52.4%
Transit .2%	2,776,053	241,721	1,453,824	52.4%
Transit Eq. .05%	694,013	60,430	363,457	52.4%
County 1%	9,041,050	762,675	4,570,169	50.5%

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	June 2012 Percent	June 2011 Percent
22	Utilities	88,260.13	5.09%	7.00%
23	Construction	37,426.66	2.16%	1.28%
31-33	Manufacturing	33,486.17	1.93%	1.58%
42	Wholesale Trade	68,962.56	3.98%	4.53%
44-49	Retail Trade and Transportation	999,368.99	57.63%	55.95%
51-62	Information and Professional Services	143,859.34	8.30%	8.48%
71-72	Accommodation and Food Services	274,937.68	15.86%	14.10%
81-99	Services and Other	87,673.37	5.06%	6.89%
		<b>1,733,974.90</b>	<b>100.00%</b>	<b>100.00%</b>



**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	1,312,285	1,250,569	61,716	824,375	805,642	18,733	721,757	687,813	33,944
March	1,249,033	1,187,463	61,570	788,033	774,126	13,877	686,967	653,105	33,862
April	1,045,992	948,084	97,908	657,139	617,929	39,210	575,296	521,446	53,850
May	1,225,943	1,154,754	71,189	770,919	755,243	15,676	674,269	635,115	39,154
June	1,208,601	1,154,946	53,655	762,675	746,466	16,209	664,731	635,220	29,511
July		1,197,423			773,079			658,583	
August		1,070,212			704,267			588,617	
September		1,107,604			728,037			609,182	
October		1,246,994			813,318			685,847	
November		1,201,507			779,850			660,829	
December		1,239,830			804,508			681,907	
	7,269,124	13,880,266	452,428	4,570,169	9,041,050	132,177	3,998,018	7,634,147	248,836

## 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.

	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	6,342,124

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	1,932,306	46.4%
Natural Gas	938,000	529,704	56.5%
Telephone	448,000	246,032	54.9%
Cable Television	848,000	334,029	39.4%
Total	6,400,000	3,042,071	47.5%