

1. Was the Citywide Sales Tax Program Successful?

Yes. On April 7, 2009, voters approved the following ballot question: “Shall the City of Topeka levy an additional retailers’ sales tax in the amount of five-tenths of one percent (0.5%) to be used exclusively for costs of maintenance and improvements of existing City streets, gutters, curbs, sidewalks, alleys and street lighting, provided such tax shall take effect October 1, 2009, and expire ten (10) years from the date of imposition?”

The strategy for implementing the program focused on major streets, arterials and collectors that the majority of Topekans travel every day. In addition to these streets, the work also included several neighborhood street projects

As of June 1, 2018:

- 99 Projects Completed
 - 6 Projects Under Construction
 - 25 Projects In Design/Planned
 - 270 Lane Miles Completed
 - 10 Lane Miles Under Construction
 - 30 Lane Miles Planned
- (*The City is responsible for maintenance of 1,615 Lane Miles)

The attached map shows project locations for all street projects funded through the Citywide Sales Tax program.

2. How did the Citywide Sales tax change funding for streets?

Prior to the imposition of the citywide sales tax, funding for major street improvements relied on revenues received to the City’s general fund. For the period of 1997 to 2009 the City of Topeka had an annual average expenditure of \$4,164,550 for major street projects. The majority of this spending focused on traffic capacity improvements – adding lanes as opposed to general street maintenance.

Prior to 2009, funding for general maintenance and street repair was provided through the Motor Fuel Fund. The motor fuel fund budget is limited to proceeds from the motor fuel tax. Revenue from motor fuel tax has remained relatively flat for the last 20 years, with an average annual budget of \$6,386,600. This budget supports the labor, equipment, and material costs for day-to-day maintenance of streets, alleys, and other street-related services such as snow removal, street sweeping.

Approval of the Citywide Sales Tax has provided a much-needed boost to street maintenance spending by providing an average annual revenue of approximately \$14 million each year since imposition of the tax.

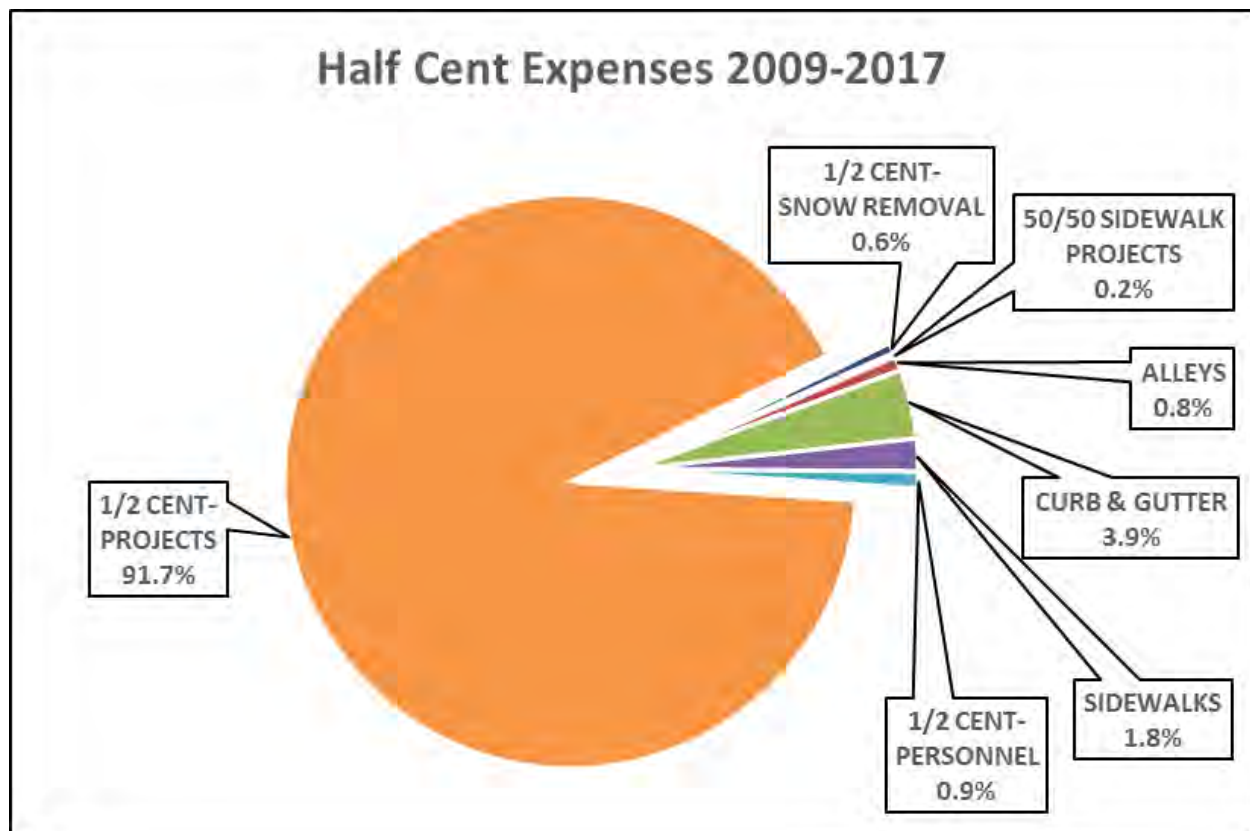
3. Please provide an accounting of expenditures of the Citywide sales tax:

The following tables provide a summary of the sales tax revenues and expenditures from 2009 through 2017. This information is based on information contained in the Comprehensive Annual Financial

Report, a report that is compiled for each budget year. Since 2009, the Citywide sales tax fund has had \$107,325,950 in expenditures and \$120,650,985 in revenues. Any funds unspent at year-end remain in the sales tax fund and are available for the next year's citywide sales tax projects.

1/2 Cent Sales Tax - REVENUES				
	50/50 Sidewalk Projects	Sales Taxes	Investment Returns	Total
2009		\$3,390,700		\$3,390,700
2010	\$45,110	\$13,306,534	\$20,798	\$13,372,442
2011	\$18,804	\$16,077,876	\$10,317	\$16,106,996
2012	\$26,979	\$13,645,465	\$16,269	\$13,688,712
2013	\$10,610	\$13,965,074	\$4,483	\$13,980,166
2014	\$25,101	\$14,496,761	\$67,853	\$14,589,715
2015	\$22,291	\$14,474,856	\$176,058	\$14,673,206
2016	\$24,384	\$15,283,512	\$260,211	\$15,568,108
2017	\$36,908	\$15,113,789	\$130,242	\$15,280,940
Totals	\$210,188	\$119,754,566	\$686,231	\$120,650,985

1/2 Cent Sales Tax - EXPENSES								
					Street Maintenance			
	50/50 Sidewalk Projects	Alleys	Curb & Gutter	Sidewalks	1/2 Cent- Personnel	1/2 Cent- Projects	1/2 Cent- Snow Removal	Total
2009								
2010		\$42,246	\$787,154	\$164,576	\$80,632	\$4,564,080		\$5,638,688
2011		\$77,045	\$128,290	\$382,234	\$122,287	\$13,072,339		\$13,782,195
2012		\$206,435	\$414,263	\$375,295	\$124,061	\$8,723,278		\$9,843,333
2013	\$32,248	\$250,138	\$350,649	\$80,591	\$153,618	\$14,103,274		\$14,970,518
2014	\$29,336	\$12	\$401,883	\$211,477	\$153,839	\$6,132,681		\$6,929,228
2015	\$55,304	\$48,147	\$549,052	\$287,983	\$96,494	\$14,239,227	\$260,194	\$15,536,401
2016	\$59,891	\$237,252	\$946,966	\$209,640	\$134,220	\$17,866,297	\$188,225	\$19,642,491
2017	\$75,321	\$1,625	\$606,492	\$256,436	\$146,415	\$19,712,826	\$183,982	\$20,983,097
Totals	\$252,100	\$862,900	\$4,184,750	\$1,968,232	\$1,011,564	\$98,414,004	\$632,401	\$107,325,950



4. Help us understand the financial accounting of the program.

Sales tax revenues collected by the state are received monthly by the City. A dedicated accounting fund was established for Citywide Sales Tax revenue and expenditures. The Citywide Sales Tax fund account only contains revenues generated by the Citywide half-cent sales tax and funds used for expenditures generated by activities approved by the voters at the polls. Improvements not funded by sales tax, such as street widening or storm sewer replacement elements associated with any given project, use other fund sources.

5. Explain the difference between the sales tax programs (Countywide, Citywide)

Currently within Topeka, two special purpose sales taxes exist: The Citywide half cent sales tax and the Countywide half cent sales tax.

The *Citywide half* cent sales tax is used exclusively for costs of maintenance and improvements of existing City of Topeka streets, gutters, curbs, sidewalks, alleys and street lighting. The levy began on Oct. 1, 2009, and will expire Oct. 1, 2019. This sales tax is only imposed within the city limits of Topeka.

The *Countywide* half cent sales tax is used for specifically-identified road projects, economic development initiatives, improvements to the Kansas Expocentre and the Topeka Zoological

Park, and implementation of the Bikeways Master Plan. The levy was renewed on Jan. 1, 2017, and will expire 15 years later, or at the end of 2031. This sales tax is imposed in Shawnee County, including the City of Topeka.

6. **How does the City ensure that Citywide Sales tax funds are used for their intended purpose?**

In 2009, the Governing Body engaged in a great deal of discussion and ultimately decided to limit the use of the sales tax to maintenance and improvements of existing City streets, gutters, curbs, sidewalks, alleys and street lighting. This language was reflected in the ballot question approved by voters in April 2009.

To assist staff with ensuring projects would be eligible to receive a portion of the funds generated by the half-cent sales tax, City Legal staff provided an opinion on Oct. 9, 2009, which provided guidance on what types of expenditures would be considered to be in compliance with the ballot language. Eligible expenses are limited to maintenance of existing infrastructure listed within the ballot language - City streets, gutters, curbs, sidewalks, alleys and street lighting.

In addition to the ballot language and legal guidance, the annual Capital Improvement Plan and operating budget process provide review of proposed projects and expenditures. Annually, City staff recommends Citywide sales tax projects through the Capital Improvements Plan and operating expenditures for the operating budget. These recommendations are presented to the public and the Governing Body. The Governing Body has final review and approval of these recommendations through adoption of the Capital Improvement Plan and operating budgets.