

2014 REVENUE MANUAL

PREPARED BY CITY OF AUBURN FINANCE DEPARTMENT

May 2014

Dear Reader:

The purpose of this document is to provide the City Council and the general public a greater understanding of the major sources of City revenues and the laws and regulations governing each source.

As with any organization, prudent long-term financial planning and a clear understanding of the available sources of revenue are critical to the sustainability of public services. This document provides the reader a general understanding of each of the City's major sources of revenue, the respective local and state regulations that govern each source, and a presentation of the historical (2010-2013) and forecasted (2014) performance of each revenue source.

If after reviewing this document you have remaining questions, please contact the Finance Department, Financial Planning Division, at (253) 804-5019.

Sincerely,

Shelley Coleman, Finance Director

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Introduction

Washington State laws provide cities with the powers to establish and levy taxes, fees and charges for the purposes of financing government services. The City of Auburn collects revenue from these sources and deposits them into one of 34 funds managed by the City. Separate fund accounting is used to reflect legal restrictions imposed by these funds by either State law or City code (for example, rate revenues collected for water utility operations are deposited into the water utility fund and is, by law, limited for the purpose of financing the operating and capital needs of the water utility).

The **General Fund** is the City's largest fund and is used to account for the majority of City resources. Approximately three-quarter of the City's General Fund revenues are derived from three (3) sources: property taxes (approximately 28%); sales taxes (approximately 27%); and utility taxes (approximately 22%). The remainder of the City's resources are derived from licenses and permits, planning and permitting fees and charges, park recreation program fees, fines and forfeits, intergovernmental payments for services, and other miscellaneous sources such as investment interest and rental income.

Other major funds (and sources of City revenue) include water, sewer, storm drainage and solid waste utility rate revenues, airport fees, charges, rents, real estate excise taxes, and mitigation/impact fees assessed upon new commercial and residential construction. Revenues collected from these sources are limited in purpose and can only be used to benefit specific programs (for example, water utility rate revenues are deposited into the water utility fund and can only be used to support water operating and capital expenditures).

Revenue Manual – A Reader’s Guide

Presentation and discussion of the City’s revenues herein are presented as follows:

REVENUE: ELECTRIC UTILITY TAX

DESCRIPTION: Electric utility taxes are used to support general City operations and arterial street improvements.

HISTORICAL DATA:

General Fund and Fund 105	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Total \$	3,647,183	3,739,160	3,750,848	4,059,278	4,038,779

BASE: The electric utility tax rate is 6%. The tax is applied on the total gross revenues received from the operation of electrical and power business enterprises within the City.

AUBURN CITY CODE: 3.88.040: Levy authority of 6% tax rate. The City levies the maximum allowed under State laws.

REVISED CODE OF WA: 35.21.870: Establishes city authority to assess a utility tax on electric telephone natural gas, or steam energy and limits the tax to a maximum of six percent (6%).

A Revenue source and description.

B Historical collections, presented both in tabular and graphic formats.

C Base for calculation or assessment of City revenue source; including legislative basis (city code and State laws).

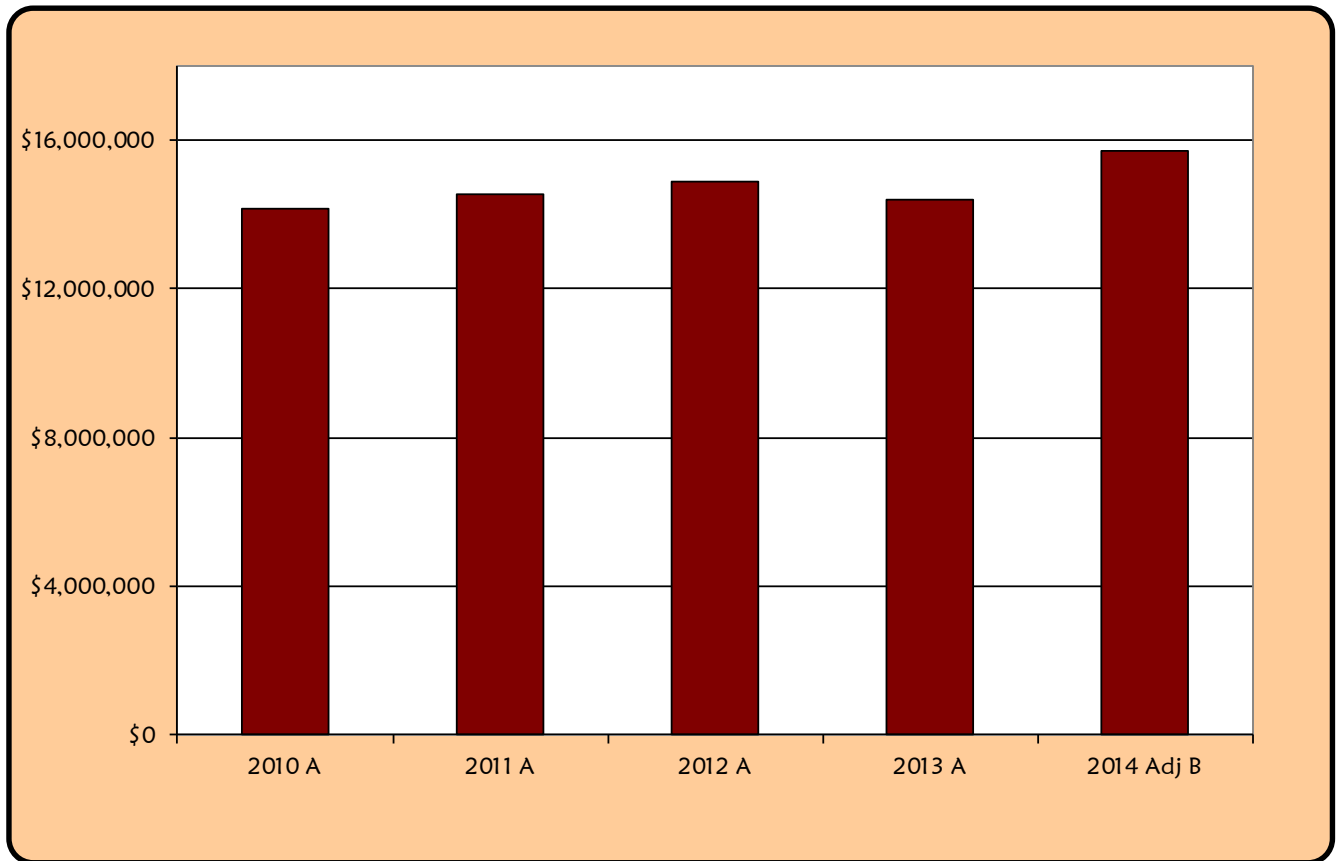
Taxes

REVENUE: PROPERTY TAX

DESCRIPTION: Property tax is a tax placed on each piece of property within the City. This revenue is used to support general governmental purposes. Rates are expressed in “dollars per \$1,000 of assessed value (AV)”.

HISTORICAL DATA:

<i>General Fund, Fund 103, Fund 611</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Total Property Tax	\$ 14,169,811	\$ 14,566,894	\$ 14,866,488	\$ 14,415,456	\$ 15,699,417
Total Assessed Value (in 000's)	\$ 7,765,878	\$ 7,564,507	\$ 7,225,550	\$ 6,911,112	\$ 7,288,023
City Levy Rate per \$1,000 of AV	\$ 1.82	\$ 1.93	\$ 2.08	\$ 2.10	\$ 2.17



BASE: All land, buildings and residential homes within City limits.

AUBURN CITY CODE: Each year the City adopts a Property Tax rate by ordinance. The ordinance is not codified.

REVISED CODE OF WA: 84.52.043: Established maximum levy rates for the various types of taxing districts (state, counties, cities, etc.).

84.55.010: Established a limitation on the increase in regular property taxes for taxing districts.

**PROPERTY TAX
LEVY RATES**

The following table summarizes the local and overlapping regular and special property tax levy rates for the City of Auburn. Note, there are several overlapping districts throughout the City of Auburn as well as several school districts; this includes only Auburn School District.

	2012	2013	2014
Direct regular and special levies City of Auburn [a]	\$ 2.07527	\$ 2.10000	\$2.16739
Overlapping regular and special levies			
Auburn School District	6.14004	6.62190	6.50262
King County	1.41588	1.54051	1.51605
State of Washington	2.42266	2.56720	2.47044
Port of Seattle	.22982	.23324	.21533
Emergency Medical Services	.30000	.30000	.33500
Hospital District	.50000	.50000	.50000
King County Library District	.56992	.56743	.56175
Valley Regional Fire	1.18925	1.20479	1.20294
Authority			
King County Flood Zone	.11616	.13210	.15369
King County Ferry District	.00372	.00378	.00349
Subtotal – overlapping levies	\$ 12.88745	\$ 13.67095	\$ 13.46131
Total	\$ 14.96272	\$ 15.77095	\$ 15.62870

Source: King and Pierce County Department of Assessments

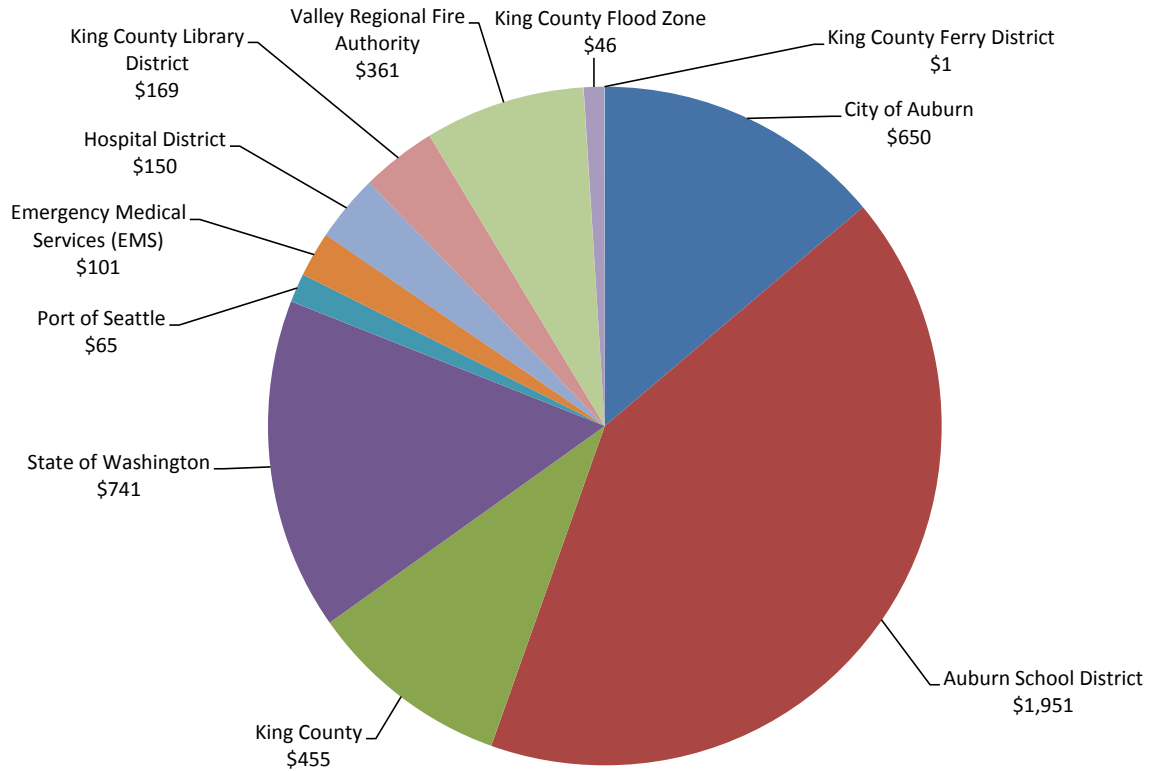
[a] The maximum City levy rate is \$2.3250. Rates are expressed in dollars per \$1,000 of assessed value (AV).

Where Your Property Tax Dollars Go



Property Tax Levied on a \$300,000 Home - 2014

Where it Goes



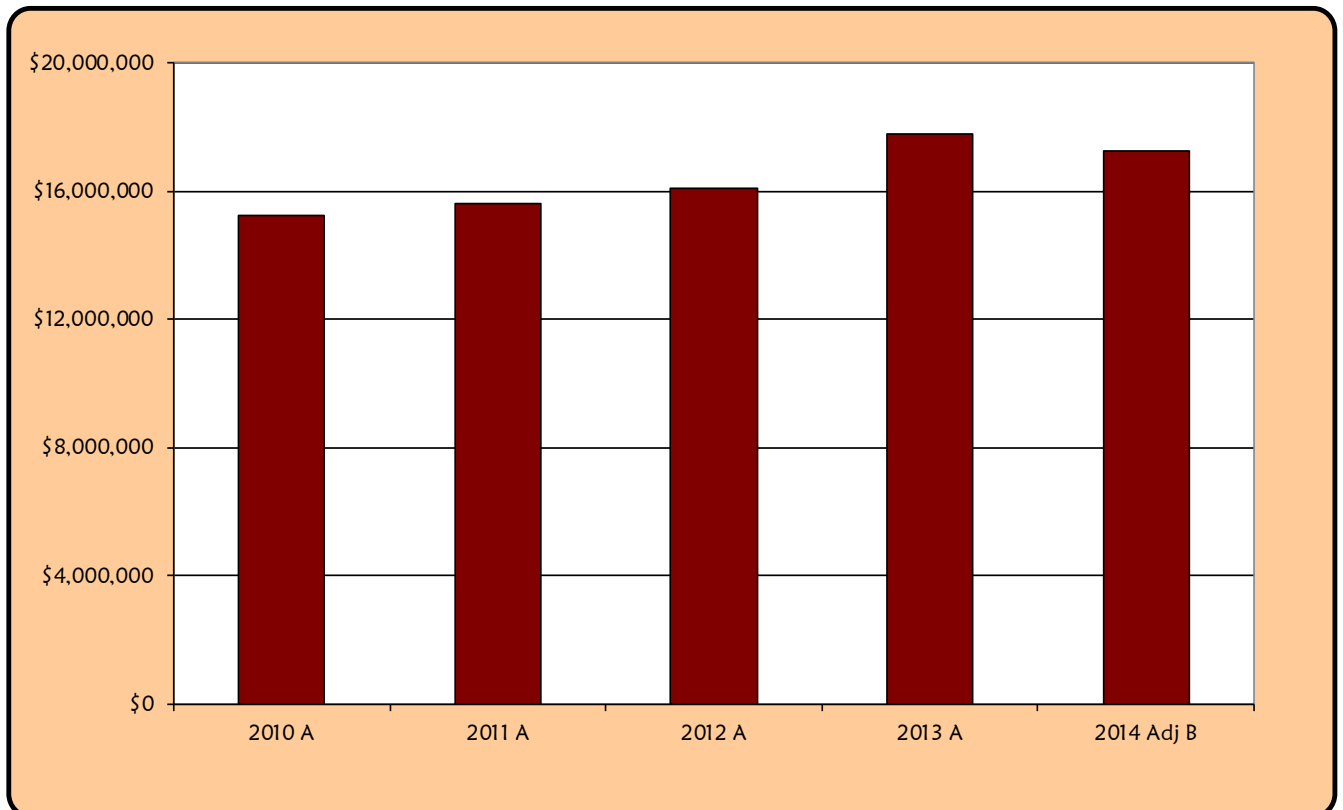
REVENUE: SALES AND USE TAX

DESCRIPTION: Revenue from sales taxes is used to support general City services and local street repair and maintenance. The sales tax rate for the City of Auburn is 9.5% in the King County section of the City, and 9.4% in the Pierce County section of the City. The following table provides a breakdown of the sales tax rate.

	King County	Pierce County
State rate	6.50%	6.50%
City rate	0.85%	0.85%
County rate	0.15%	0.15%
Transportation (METRO)	0.90%	0.60%
Regional Transit Authority	0.90%	0.90%
Mental Health local tax	0.10%	0.00%
Criminal Justice local tax	0.10%	0.10%
Juvenile Facility local tax	0.00%	0.10%
Zoo and Aquarium local tax	0.00%	0.10%
Emergency Communications	0.00%	0.10%
	9.50%	9.40%

HISTORICAL DATA:

<i>General Fund, Fund 103, Fund 611</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Sales & Use Tax	\$ 12,583,152	\$ 12,818,411	\$ 13,163,556	\$ 14,572,991	\$ 14,608,552
Sales Tax Credit for Annexation	1,408,532	1,466,220	1,542,272	1,694,630	1,404,590
Criminal Justice Sales Tax	1,248,969	1,347,647	1,401,995	1,516,946	1,231,185
Total	\$ 15,240,652	\$ 15,632,279	\$ 16,107,823	\$ 17,784,567	\$ 17,244,327

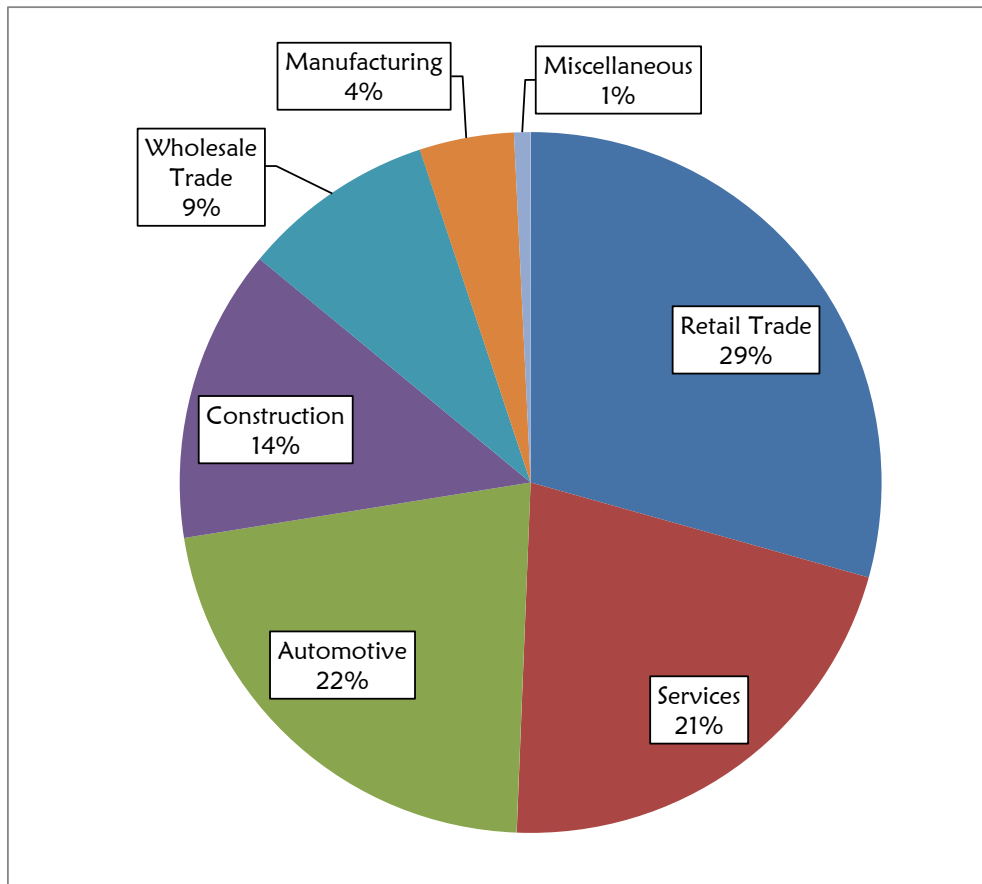


BASE: This tax is imposed on all personal and business purchases of tangible property.

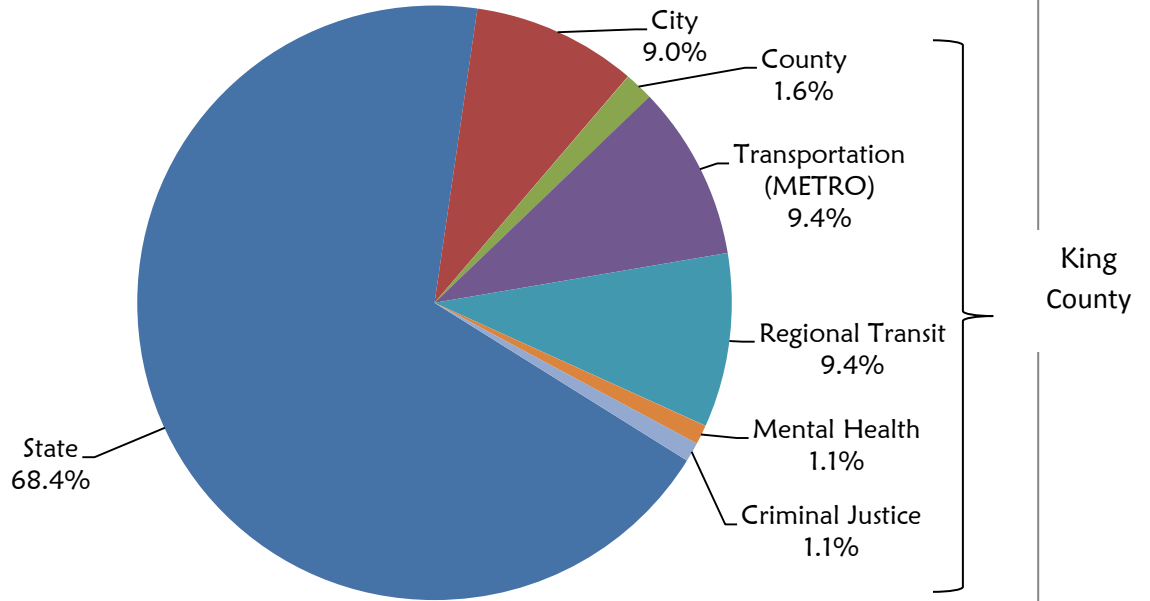
AUBURN CITY CODE: 3.60.010: Authorizes the tax.

REVISED CODE OF WA: 82.14: Provides authorization to the City to tax all taxable retail sales and use events.

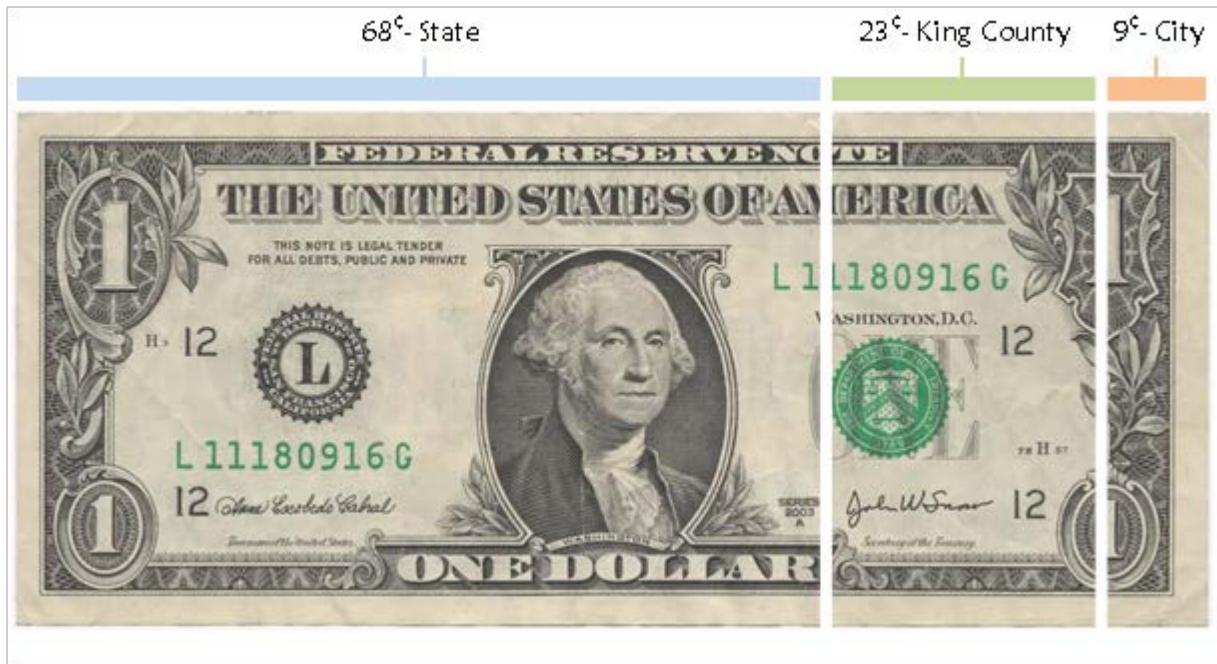
CITY ECONOMIC PROFILE: The City has a diverse economy with approximately half of the City's sales taxes derived from retail activity and automotive dealers. The following pie chart illustrates the major sources for the City's retail sales and use taxes for the latest 12 month period ending December 2013.



Sales Taxes - Where It Goes



Where Your Sales Tax Dollars Go



Summary of Utility and Other Tax Rates

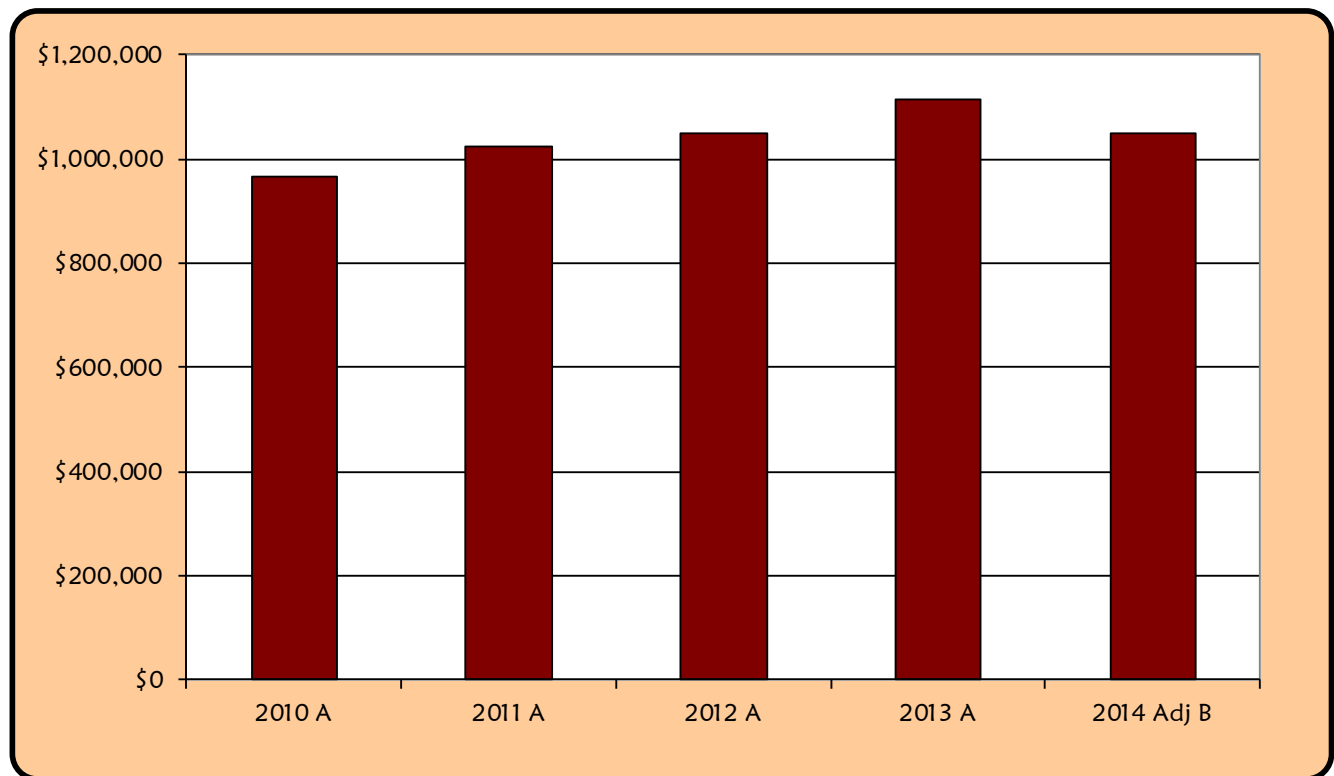
Tax	Maximum Allowable under State Law	Current Authorized under City Code	Auburn City Code
Cable TV Utility Tax	6.0%	1.0%	3.42
Cable TV Franchise Fee	5.0%	5.0%	13.36.230
City Utility Taxes (Water, Sewer, Storm, Solid Waste)	No limit.	7.0%	3.40.020 3.41.020 (Solid Waste)
Electric Utility Tax	6.0%	6.0%	3.88.040
Natural Gas Utility Tax	6.0%	6.0%	3.88.040
Solid Waste Tax -External	No limit.	7.0%	3.41.010
Telephone Utility Tax	6.0%	6.0%	3.84.040
Admission Tax	5.0%	5.0%	3.52.010
Gambling Tax Card games Punchboards/Pull tabs For profit Not for profit Amusement Games Bingo and Raffles	20.0% of gross receipts 10% of net receipts 10% of net receipts 2% of net receipts 5% of net receipts	4.0% of gross revenue 10% of net receipts 10% of net receipts 2% of net receipts 5% of net receipts	3.80.010
Hotel/Motel Tax	2.0%	1.0%	3.58.010
Leasehold Excise Tax	4.0%	4.0%	3.44.010
Real Estate Excise Tax	0.50% (REET 1 and 2)	0.50% (REET 1 and 2)	3.56.010

REVENUE:**CABLE TV UTILITY TAX AND FRANCHISE FEE****DESCRIPTION:**

Cable television utility tax and franchise fee revenues are used to support general governmental services and the City's Arterial Street Preservation program.

HISTORICAL DATA:

<i>General Fund and Fund 105</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Cable TV Franchise Fee	\$ 806,721	\$ 860,952	\$ 885,044	\$ 941,372	\$ 878,310
Cable TV Utility Tax	160,408	161,950	166,102	174,105	171,654
Total	\$ 967,129	\$ 1,022,902	\$ 1,051,146	\$ 1,115,477	\$ 1,049,964

**BASE:**

Gross revenues of the cable and satellite franchises.

AUBURN CITY CODE:

3.42: Establishes the City's authority to levy a 1.0% cable TV utility tax to be used by the City in support of its arterial street system. The maximum tax rate allowable under state law is 6.0%.

13.36.030: City's authority to grant franchises.

13.36.230: Defines franchise fees of 5% and the quarterly payment schedule.

REVISED CODE OF WA:

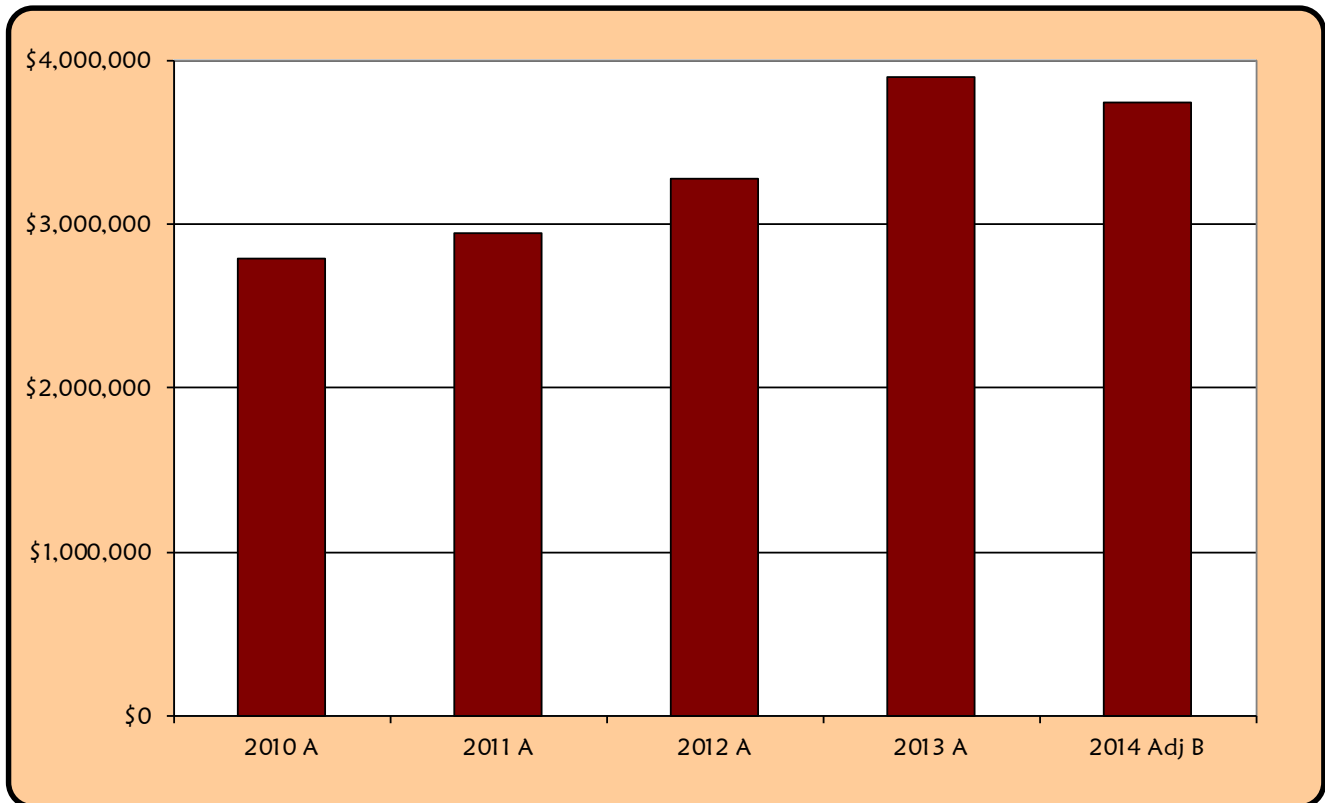
80.32.010: Cities and counties may grant franchises.

REVENUE: CITY UTILITY TAXES

DESCRIPTION: Utility taxes are used to support general City operations and arterial street improvements.

HISTORICAL DATA:

<i>General Fund and Fund 105</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Interfund Sewer Taxes	\$ 1,134,966	\$ 1,191,454	\$ 1,321,453	\$ 1,691,577	\$ 1,503,788
Interfund Water Taxes	663,491	690,188	754,424	854,719	928,540
Interfund Solid Waste Taxes	495,360	524,656	641,488	727,546	683,128
Interfund Storm Taxes	494,266	541,999	564,450	618,408	622,584
Total	\$ 2,788,083	\$ 2,948,297	\$ 3,281,816	\$ 3,892,250	\$ 3,738,040



BASE: Total revenues from City utility funds.

AUBURN CITY CODE: 3.40.020: Establishes the City’s authority to assess a 7.0% tax. State law does not provide a maximum rate.

REVISED CODE OF WA: 82.16: Defines public utility tax.

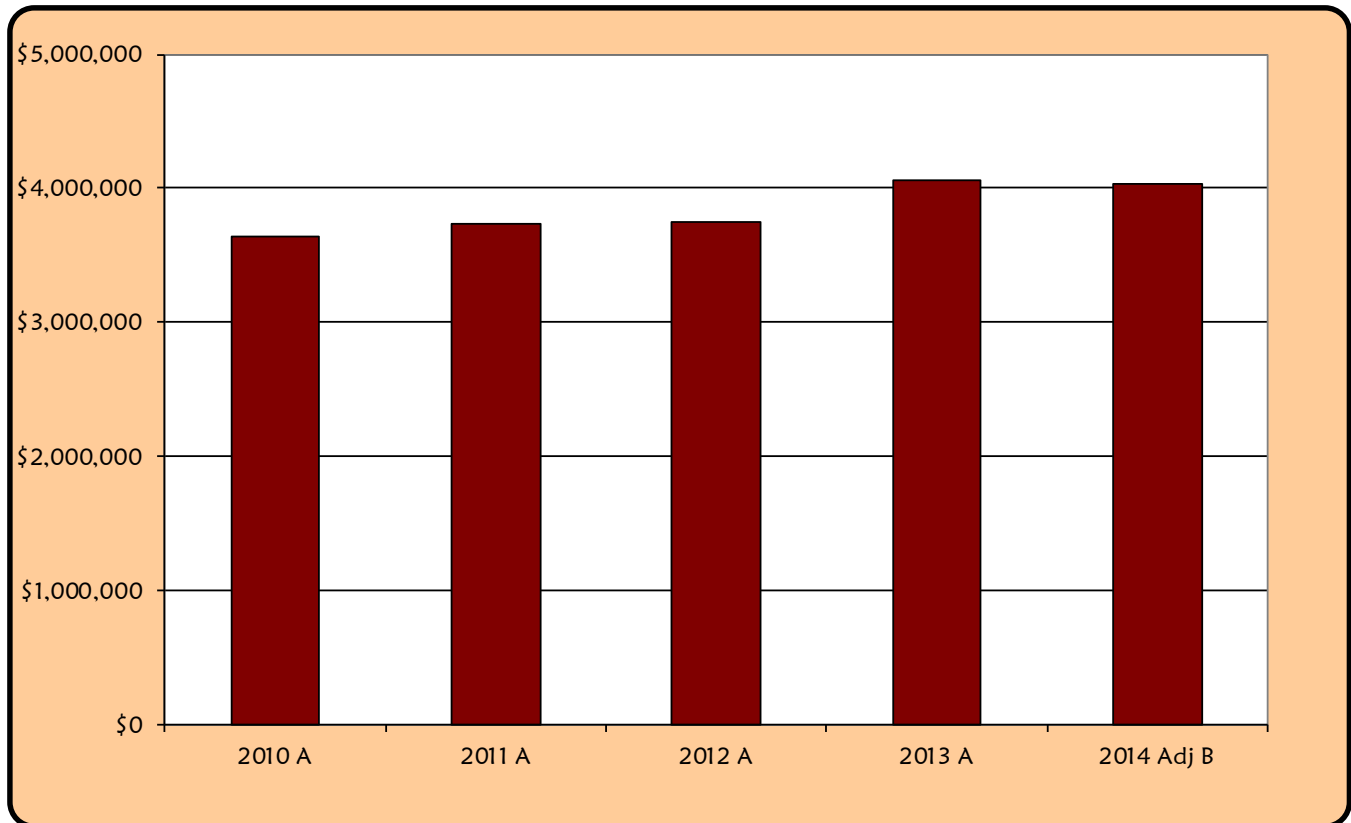
35.22.280: Authority to levy and collect taxes. There are no restrictions on the tax rate.

REVENUE: ELECTRIC UTILITY TAX

DESCRIPTION: Electric utility taxes are used to support general City operations and arterial street improvements.

HISTORICAL DATA:

<i>General Fund and Fund 105</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Total \$	\$ 3,647,183	\$ 3,739,160	\$ 3,750,846	\$ 4,059,276	\$ 4,038,779



BASE: The electric utility tax rate is 6%. The tax is applied on the total gross revenues received from the operation of electrical and power business enterprises within the City.

AUBURN CITY CODE: 3.88.040: Levy authority of 6% tax rate. The City levies the maximum rate allowed under state laws.

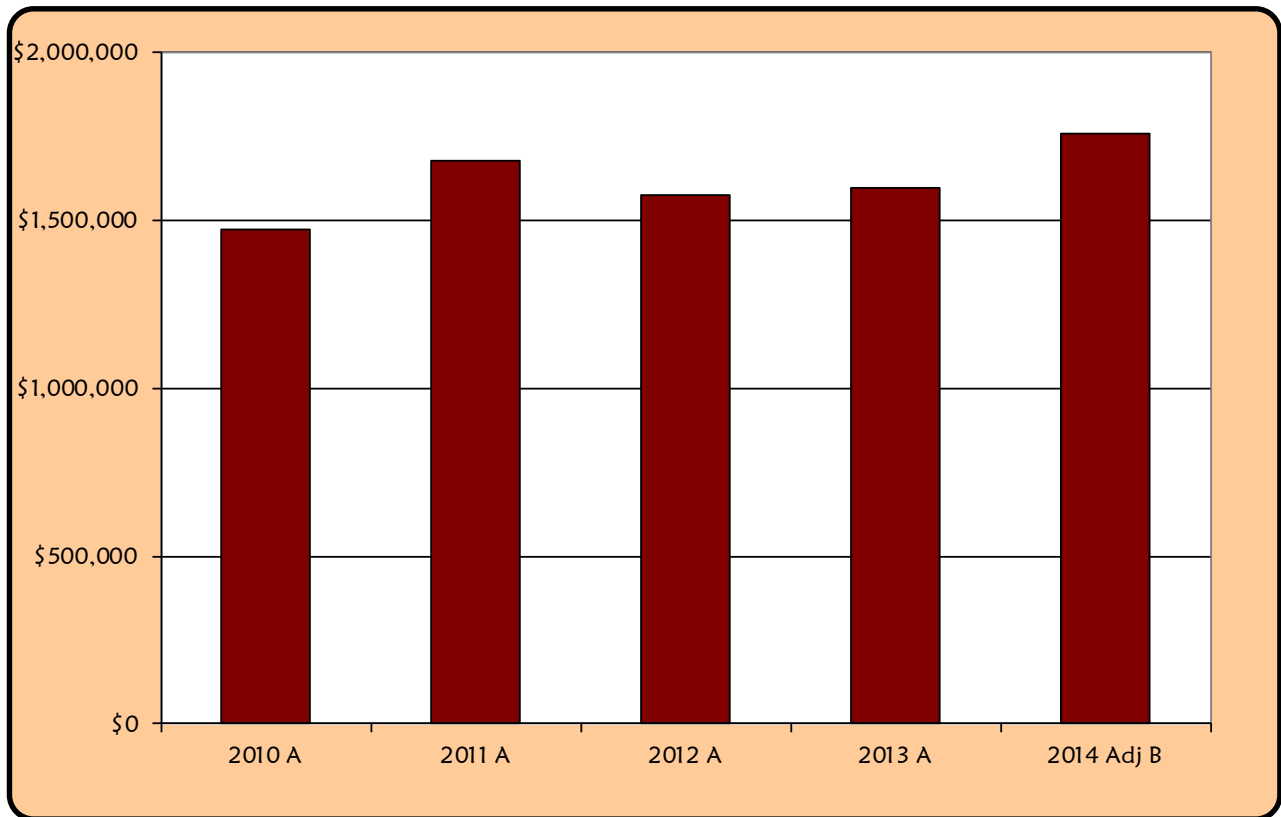
REVISED CODE OF WA: 35.21.870: Establishes city authority to assess a utility tax on electricity, telephone natural gas, or steam energy and limits the tax to a maximum of six percent (6%).

REVENUE: NATURAL GAS TAX

DESCRIPTION: Natural gas utility taxes are used to support general City operations and arterial street improvements.

HISTORICAL DATA:

<i>General Fund and Fund 105</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Total	\$ 1,472,202	\$ 1,675,963	\$ 1,576,954	\$ 1,596,891	\$ 1,757,554



BASE: The utility tax is based on the gross revenues from the operation of a public or privately owned utility (includes transportation). Use tax imposed on the individual consumer for the privilege of using natural gas.

AUBURN CITY CODE: 3.61.010: Imposes Use tax.

3.88.040: Levy authority of 6% tax rate. The City levies the maximum rate.

REVISED CODE OF WA: 35.21.870: Establishes city authority to assess a utility tax on electricity, telephone natural gas, or steam energy and limits the tax to a maximum of six percent (6%).

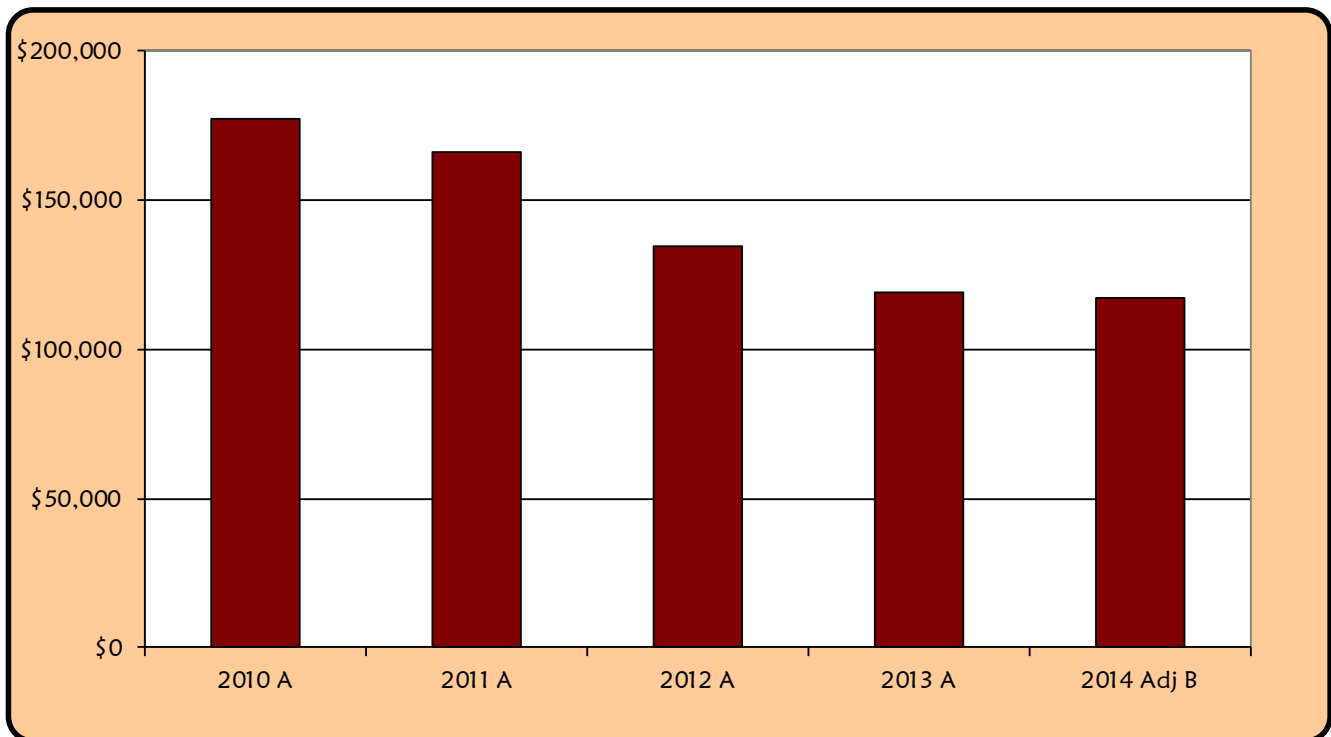
82.14.230: Authorizes a city to impose a natural gas or manufactured use tax.

REVENUE: SOLID WASTE TAX - EXTERNAL

DESCRIPTION: Solid waste utility taxes are used to support general City operations and arterial street improvements.

HISTORICAL DATA:

<i>General Fund and Fund 105</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Total	\$ 177,208	\$ 166,289	\$ 134,680	\$ 119,094	\$ 117,385



BASE: The tax is applied on the total gross income derived from solid waste enterprises in the City, to include garbage, recyclables and yard debris. This tax revenue is collected solely from external refuse haulers operating within the City and does not include the customer base serviced by the City of Auburn (see Solid Waste Utility Fund).

AUBURN CITY CODE: 3.41.010: Levy authority of 7% tax rate.

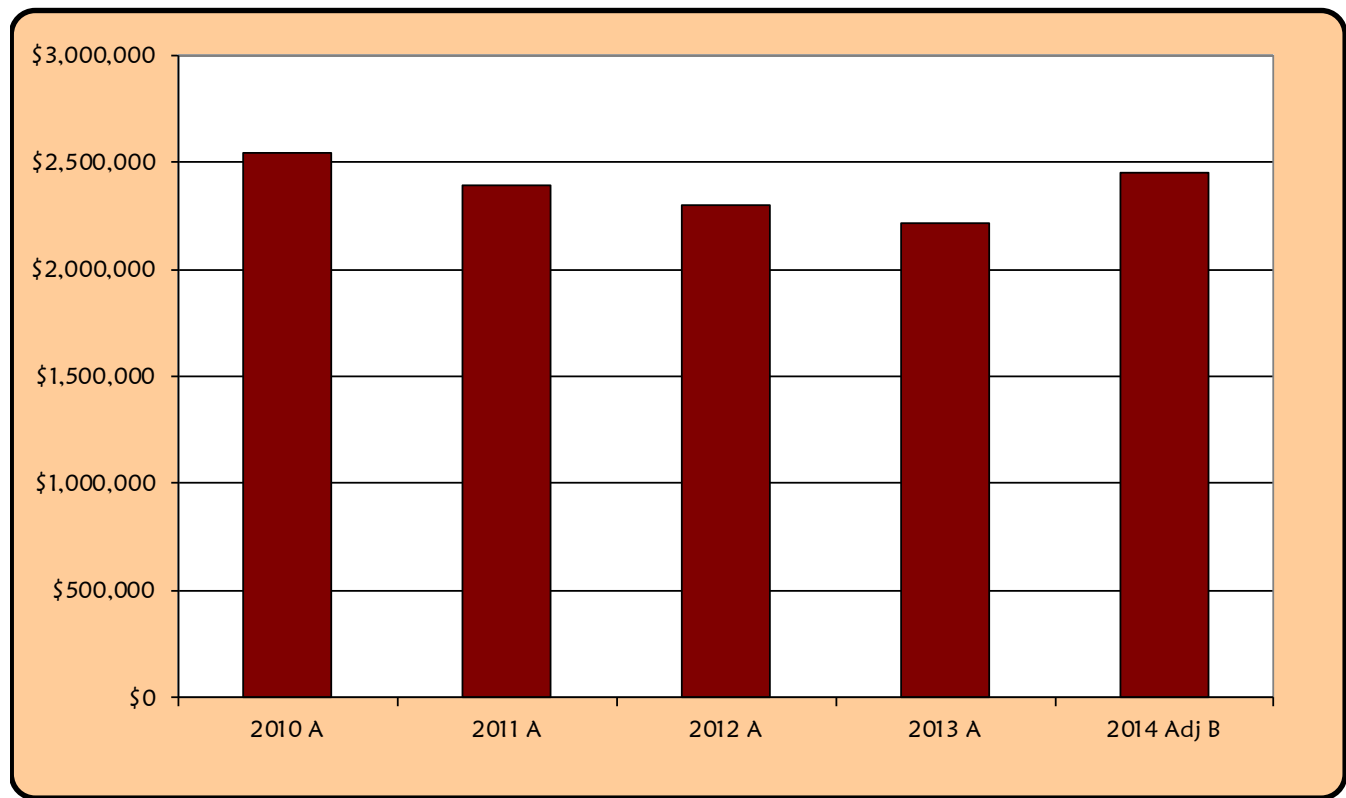
REVISED CODE OF WA: 82.18: Establishes authority to assess a solid waste utility tax.

REVENUE: TELEPHONE TAX

DESCRIPTION: Telephone utility taxes are used to support general City operations and arterial street improvements.

HISTORICAL DATA:

<i>General Fund and Fund 105</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Total	\$ 2,540,160	\$ 2,390,385	\$ 2,297,352	\$ 2,214,292	\$ 2,451,284



BASE: A telephone business is defined as a business that provides access to a local telephone network, local telephone network switching service, toll service, cellular phone service, or coin phone service.

AUBURN CITY CODE: 3.84.010: Defines the telephone business.

3.84.040: Authorizes a tax of six percent (6%) on total gross operating receipts. The City levies the maximum rate.

REVISED CODE OF WA: 35.21.870: Establishes city authority to assess a utility tax on electricity, telephone natural gas, or steam energy and limits the tax to a maximum of six percent (6%).

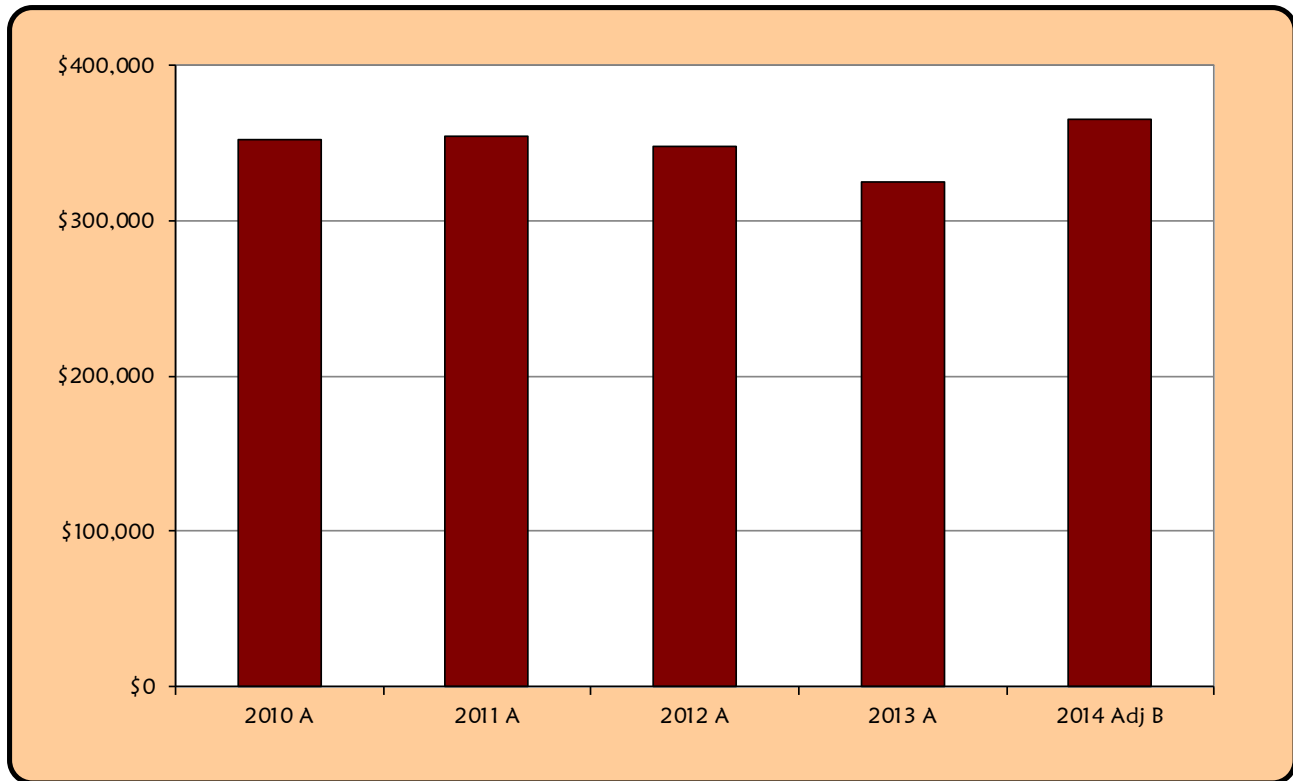
82.04.065: Defines telephone and telecommunications businesses.

REVENUE: ADMISSION TAX

DESCRIPTION: Admissions taxes are used to support general City operations.

HISTORICAL DATA:

<i>General Fund</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Admission Tax	\$ 351,906	\$ 353,825	\$ 347,732	\$ 324,906	\$ 365,427
Less Transfer to Golf Course	(39,704)	(48,607)	(49,028)	(51,646)	0
Total	\$ 312,202	\$ 305,218	\$ 298,703	\$ 273,260	\$ 365,427



BASE: Tax is placed on charges for general admission, season tickets, cover charges, parking charges, etc. The tax is also included on food and beverage if entertainment is provided. The City levies an admission tax of five percent (5%). By City policy, admission taxes collected from the Auburn Golf Course is transferred to the Golf Course fund and used to support general operating expenses. Starting in 2014, Golf Course operations is included as part of the Parks, Arts and Recreation General Fund budget.

AUBURN CITY CODE: 3.52.010: Authorizes a tax of five percent (5%).

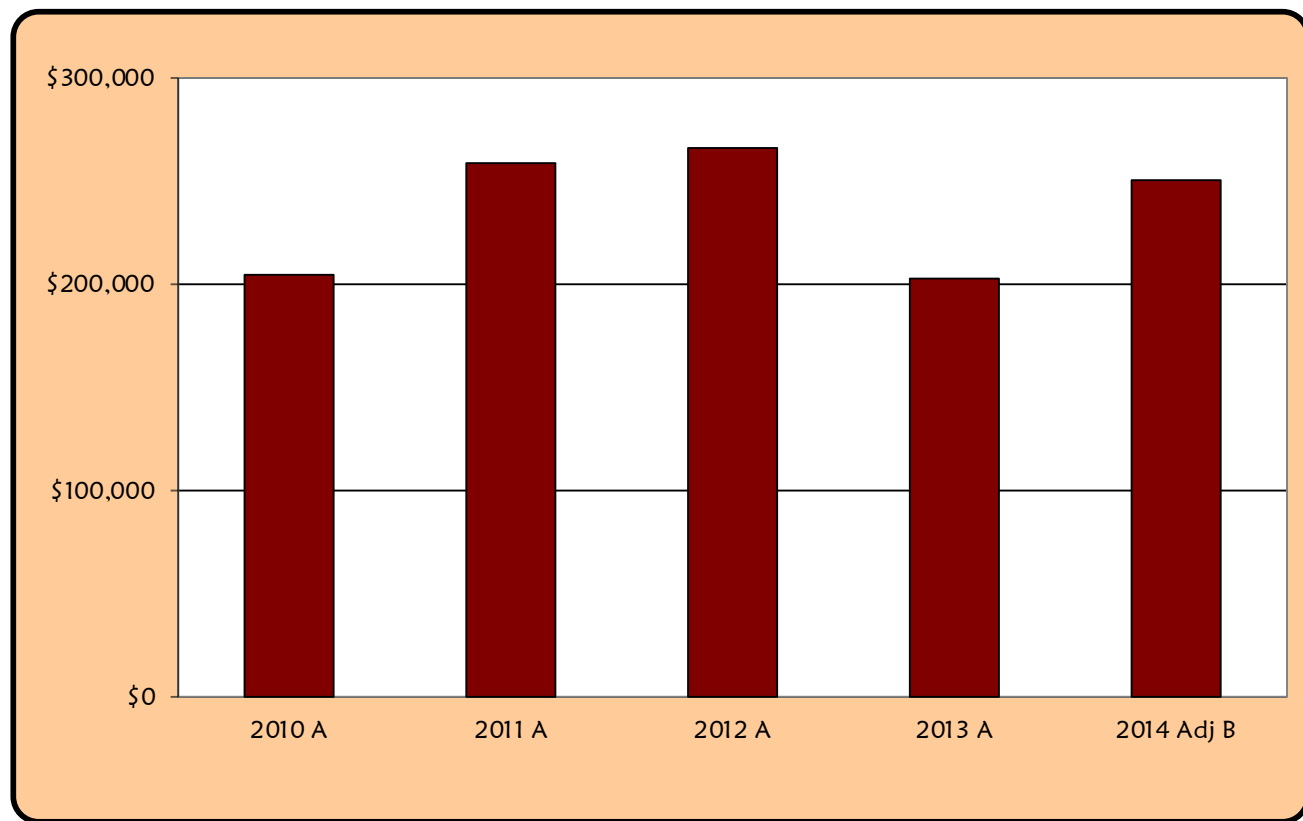
REVISED CODE OF WA: 35.21.280: Authorizes a city to establish a tax on admissions, up to a maximum of 5.0%.

REVENUE: GAMBLING TAX

DESCRIPTION: This tax applies to all punch board games, pull tabs, bingo games, raffles, amusement games and card games played within the City limits.

HISTORICAL DATA:

<i>General Fund</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Card Games	\$ 145,786	\$ 198,359	\$ 218,923	\$ 169,325	\$ 208,464
Punch Board and Pull Tabs	50,250	53,385	38,633	28,750	35,175
Amusement Games	2,471	3,797	4,875	1,404	4,060
Bingo and Raffles	5,606	2,510	3,061	2,678	2,538
Total	\$ 204,112	\$ 258,050	\$ 265,491	\$ 202,157	\$ 250,237



BASE: Based on gross or net receipts of gambling within the City limits, as prescribed by state law. Net receipt is defined as gross receipts less amounts awarded as cash and merchandise. Charitable or non-profit organizations are exempt from the tax.

AUBURN CITY CODE: 3.80.010: Authorizes a city to tax any person, association or organization engaging in gambling activities pursuant to a state license.

REVISED 9.46.110: Authorizes this tax on gross receipts of gambling activities.
CODE 9.46.113: States that the tax collected on gambling activities must be used
OF WA: primarily for the purpose of public safety.

The following table summarizes the gambling taxes in effect.

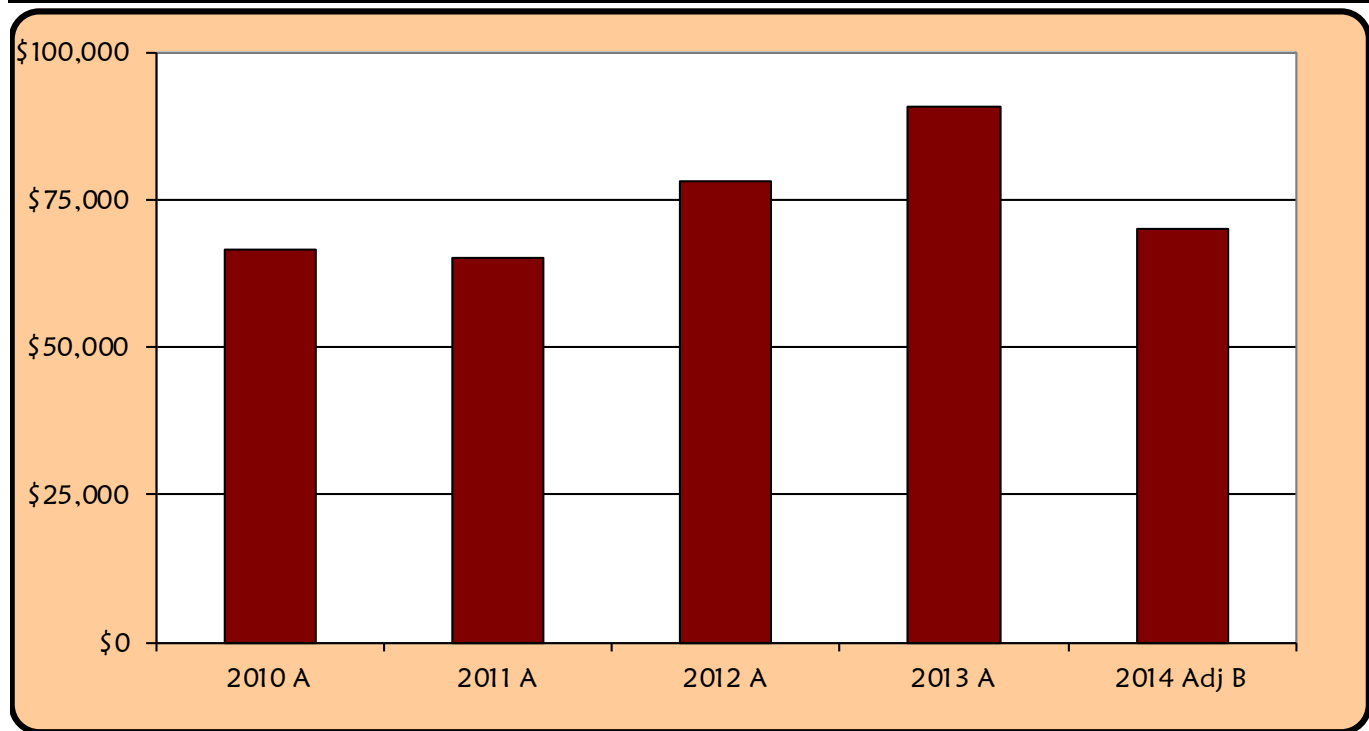
Activity Type	Auburn Tax	Allowed by RCW
Card Games	4% of gross revenue	20% of gross receipts
Punchboards and Pull-Tabs		
For-Profit	10% of net receipts	5% of gross receipts or 10% of net receipts
Non-Profit	10% of net receipts	10% of net receipts
Amusement Games	2% of net receipts	2% of net receipts
Bingo and Raffles	5% of net receipts	5% of net receipts

REVENUE: HOTEL / MOTEL EXCISE TAX

DESCRIPTION: The Hotel/Motel Tax, also known as Lodging Tax, is levied on all lodging in hotels, rooming houses, tourist courts, motels or trailer camps within the City of Auburn and is used for the sole purpose of paying for the cost of tourist promotion activities.

HISTORICAL DATA:

<i>Fund 104</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Total \$	\$ 66,549	\$ 65,058	\$ 78,143	\$ 90,581	\$ 70,000



BASE: Applies to the sale or charge made for furnishing lodging by a hotel, rooming house, tourist court, motel or trailer camp. The state maximum Hotel/Motel tax rate is 2%, however most Cities in King County are limited to 1% as the other 1% is allocated to the debt payment for Safeco and Century Link Fields. The City of Auburn levies a 1% Hotel/Motel tax.

AUBURN CITY CODE: 3.58.010: Authorizes a tax of 1.0%.

3.58.040: Designates all receipts for tourist promotion and tourism related activities.

REVISED CODE OF WA: 82.08: Defines the lodging tax.

67.28.120: Authorizes cities to acquire and operate tourism-related facilities.

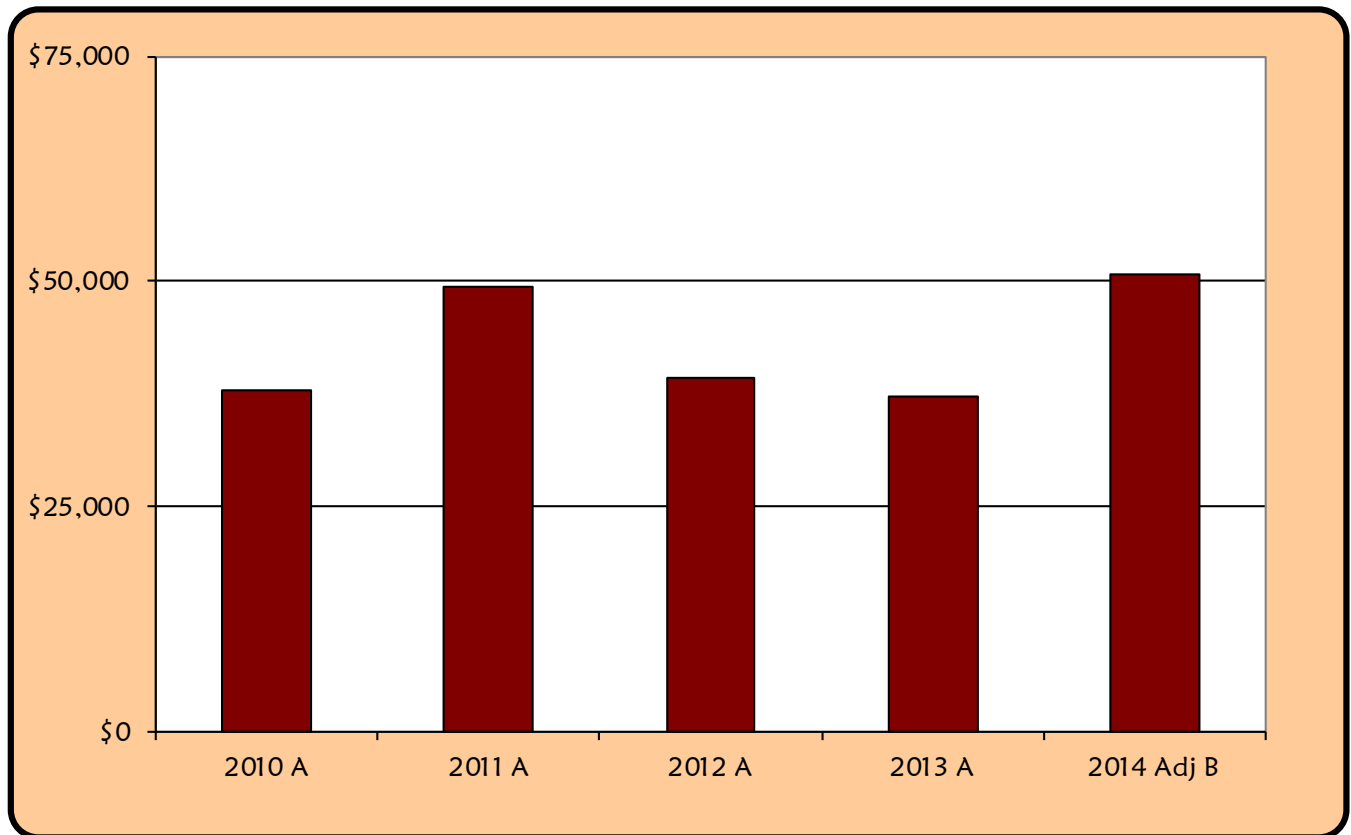
67.28.180: Authorizes the lodging tax - identifies the maximum rate of 2.0%.

REVENUE: LEASEHOLD EXCISE TAX

DESCRIPTION: The City levies an excise tax on private lessees for occupying or using publicly owned real or personal property. Revenues are used to support general governmental services.

HISTORICAL DATA:

<i>General Fund</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Total \$	37,985	\$ 49,467	\$ 39,262	\$ 37,215	\$ 50,754



BASE: Private lessees of public property, such as hangar rentals at the airport and rental houses on City owned property. Property owned by the state, counties, school districts, and other municipal corporations are subject to leasehold excise tax. The state rate is 12.84% of which 4% is returned to the City.

AUBURN CITY CODE: 3.44.010: Authorizes imposition of tax.
 3.44.020: Establishes the City tax rate of 4%.
 3.44.060: Authorizes the City to collect the tax on behalf of the State.

REVISED CODE OF WA: 82.29A.040: Grants authorization to cities to levy and collect a leasehold excise tax, up to a maximum of 4%.

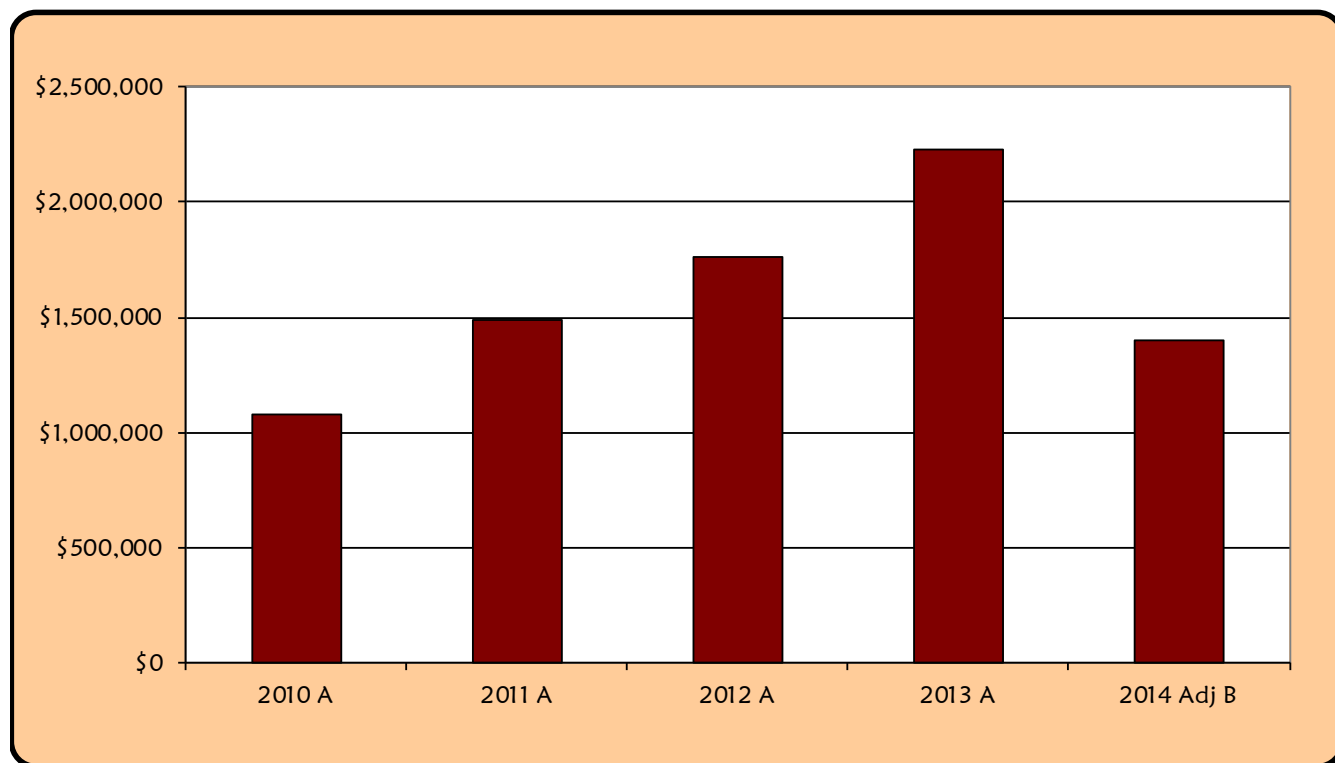
82.29A.090: Distributions by the State Treasurer.

REVENUE: REAL ESTATE EXCISE TAX

DESCRIPTION: Real Estate Excise Tax (REET) is imposed on the sale of property and dedicated to local capital projects. Proceeds are placed in the capital improvement fund.

HISTORICAL DATA:

<i>Fund 328</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
REET 1	\$ 540,160	\$ 743,582	\$ 879,362	\$ 1,112,949	\$ 700,000
REET 2	540,098	743,582	879,362	1,112,949	700,000
Total	\$ 1,080,258	\$ 1,487,163	\$ 1,758,725	\$ 2,225,898	\$ 1,400,000



BASE: Sales of property measured by the full selling price, which must include any liens, mortgages or other debt. Transfers of controlling interests in entities that own property in Washington State.

AUBURN CITY CODE: 3.56.010: Imposition of tax.
3.56.040: Distribution of tax proceeds and limitations.

REVISED CODE OF WA: 82.46.010: Authorizes the City to impose an excise tax of 1/4% on each sale of real property that shall be used for local capital improvements (REET 1).
82.46.035: Authorizes the imposition of an additional 1/4% excise tax which is to be used for local capital improvements (REET 2). (See table on following page for limitations of use).

From June 30, 2012 to December 31, 2016, a city can use the greater of one hundred thousand dollars or thirty five percent of REET revenues (not to exceed one million dollars per year) for the operations and maintenance of existing capital projects.

**LIMITATIONS
ON USES OF
REET**

REET 1	REET 2
Administrative facilities, bridges, domestic water systems, fire protection facilities, highways/roads/streets, judicial facilities, law enforcement facilities, libraries, parks, recreational facilities, flood control projects, sewer systems, sidewalks, storm systems, street lighting, traffic signals, trails.	Bridges, domestic water systems, highways/roads/streets, sewer systems, sidewalks, storm systems, street lighting, and traffic signals.

Source: RCW 82.46.010.

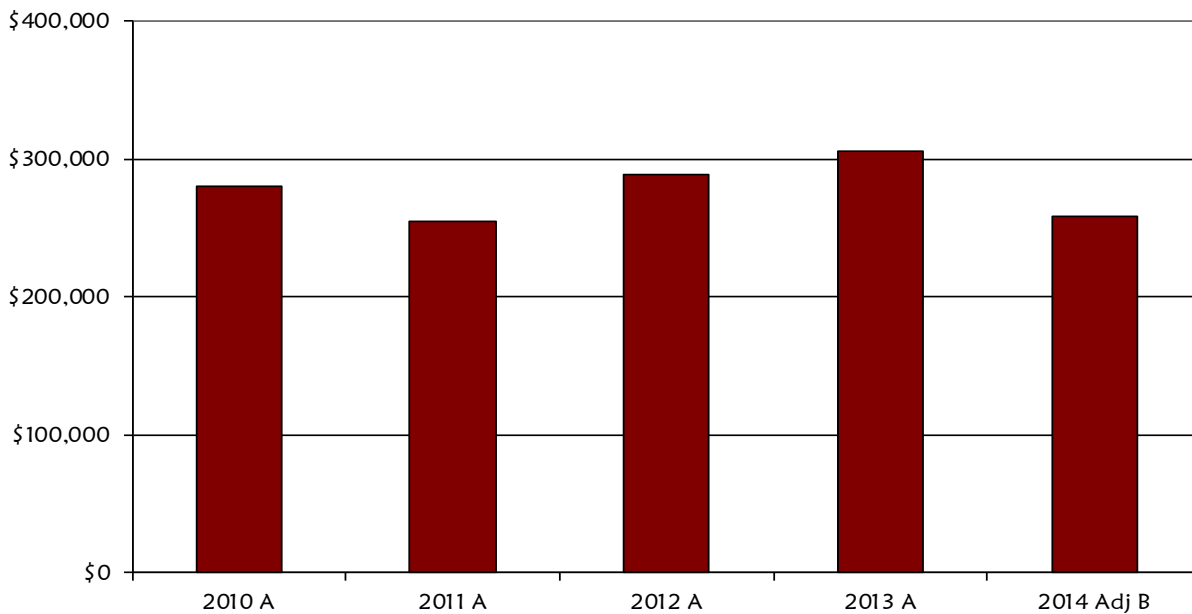
Licenses, Permits and Other Fees/Charges

REVENUE: BUSINESS LICENSES

DESCRIPTION: Businesses located within the City, or that operates temporarily within the City, must obtain a business license. The annual fee for a business license is a flat \$50 and covers the period of January 1 through December 31.

HISTORICAL DATA:

<i>General Fund and Fund 121</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Business Licenses	\$ 215,268	\$ 195,377	\$ 231,957	\$ 236,162	\$ 203,015
Business Improvement Area	65,234	58,678	56,734	69,475	55,000
Total	\$ 280,501	\$ 254,054	\$ 288,690	\$ 305,637	\$ 258,015



BASE: Every business enterprise, including those with a temporary or portable sales location, shall first obtain from the City a general business license for the period of January 1st to December 31st of each calendar year. Business licenses are required under Auburn City Code.

Businesses located within the Business Improvement Area (BIA) are assessed an additional fee of \$.15/leasable square feet, no less than \$150/year and no more than \$1,500/year (Ord. 4293). Revenues generated from the BIA are deposited directly into the BIA Fund (Fund 121) and may be used to support downtown improvements, marketing, or safety measures.

AUBURN CITY CODE: ACC section 5 provides for regulation and enforcement of the City's business licenses. Ordinance No. 4293.

REVISED CODE OF WA: 19.02: Establishes business regulations.

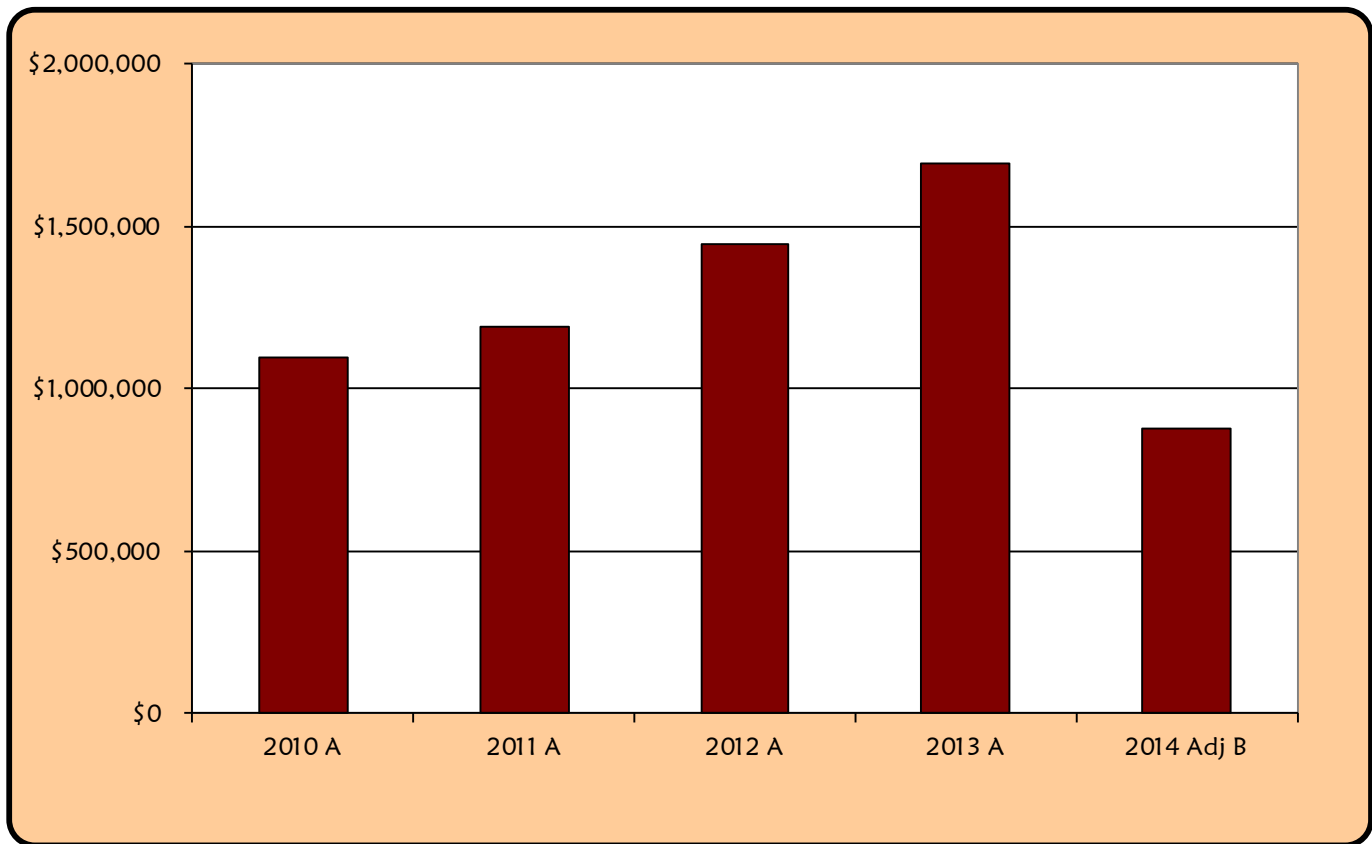
35.87A.010: Authorizes Parking and Business Improvement Areas.

REVENUE: MITIGATION / IMPACT FEES

DESCRIPTION: Includes transportation, fire, traffic, park and school impact fees as well as wetland mitigation. The fees are used to mitigate costs associated with City growth and are imposed at the time of application to the City for a development activity permit.

HISTORICAL DATA:

<i>Fund 124</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Transportation Impact	\$ 794,967	\$ 826,684	\$ 1,282,567	\$ 1,411,260	\$ 800,000
Fire Impact/Mitigation	96,467	144,185	132,951	173,103	50,000
Traffic Mitigation	18,718	170,000	-	4,862	-
Park Impact/Mitigation	141,797	30,432	10,500	39,500	20,000
School Impact/Mitigation	9,188	17,260	21,528	25,142	5,000
Wetland Mitigation	36,570	-	-	38,594	-
Total	\$ 1,097,708	\$ 1,188,560	\$ 1,447,547	\$ 1,692,460	\$ 875,000



BASE: Development occurring within the City of Auburn.

AUBURN CITY CODE: Title 19: Establishes school, transportation, traffic, fire and park impact fees.

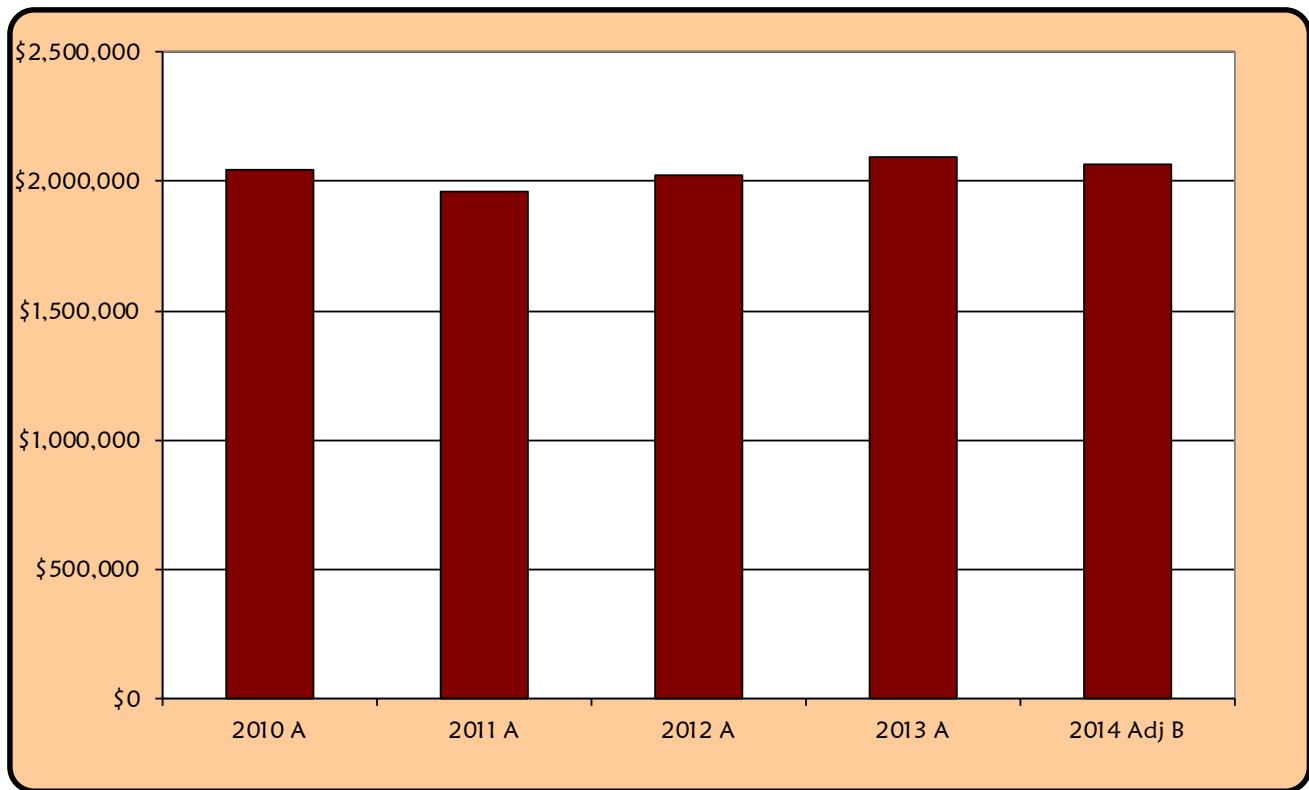
REVISED CODE OF WA: 82.02.050-100: Establishes regulations pertaining to impact fees.

REVENUE: PARK FEES

DESCRIPTION: Park fees include charges for services at the Auburn Golf Course, recreational classes, athletic leagues, theatre performances and classes, senior center activities, concession sales, and special events.

HISTORICAL DATA:

<i>General Fund</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Golf Course Revenues	\$ 1,189,399	\$ 1,159,227	\$ 1,157,242	\$ 1,217,633	\$ 1,233,000
Recreational Classes	662,887	574,363	456,248	380,866	400,299
League Fees	-	11,121	152,529	145,105	128,000
Theatre/Arts	84,183	110,350	144,292	148,169	114,500
Senior Center Programs	110,991	108,689	107,745	100,888	114,000
Special Events	-	-	8,231	99,926	72,750
Other	600	389	381	480	-
Total	\$ 2,048,060	\$ 1,964,139	\$ 2,026,667	\$ 2,093,067	\$ 2,062,549



BASE: Parks, Arts and Recreation department programs and facilities associated with a fee.

AUBURN CITY CODE: 3.68.010: Authorizes fees and charges for the use of City recreation programs and facilities.

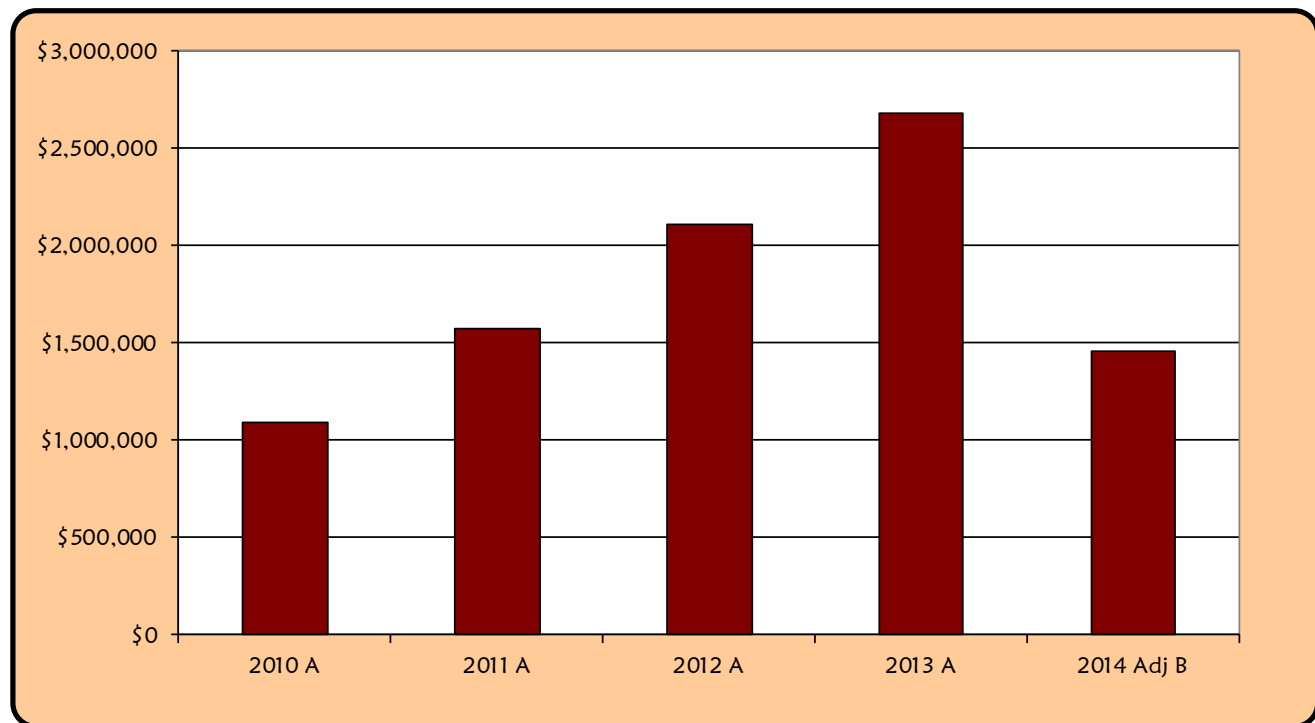
REVISED CODE OF WA: 67.20.010: Gives the city the authority to acquire and operate certain recreational facilities.

REVENUE: PERMIT FEES

DESCRIPTION: Building permit fees include basic building, mechanical and electrical permit fees. Additional permit fees include plumbing, excavation, electrical inspection permits, alarm permits, street/curb permits, and other permits (concealed weapons permit fees).

HISTORICAL DATA:

<i>General Fund</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Building Permits	\$ 769,678	\$ 1,104,185	\$ 1,683,465	\$ 2,101,174	\$ 1,169,160
Plumbing Permits	116,903	213,299	196,022	208,691	123,624
Excavation Permits	78,188	76,442	76,567	105,945	51,000
Electrical Inspection Permits	43,228	60,617	65,174	86,143	41,208
Alarm Permits	57,431	93,204	59,828	104,818	50,000
Street/Curb Permits	22,694	15,989	17,827	55,888	12,240
Other Permits	8,526	10,404	13,803	15,824	10,000
Total	\$ 1,096,648	\$ 1,574,140	\$ 2,112,686	\$ 2,678,483	\$ 1,457,232



BASE: Fees are assessed on individuals, organizations, or businesses that purchase permits for the purpose of construction and/or building related activities.

AUBURN CITY CODE: 15.08A.011: Adoption the of 2009 International Building Code.

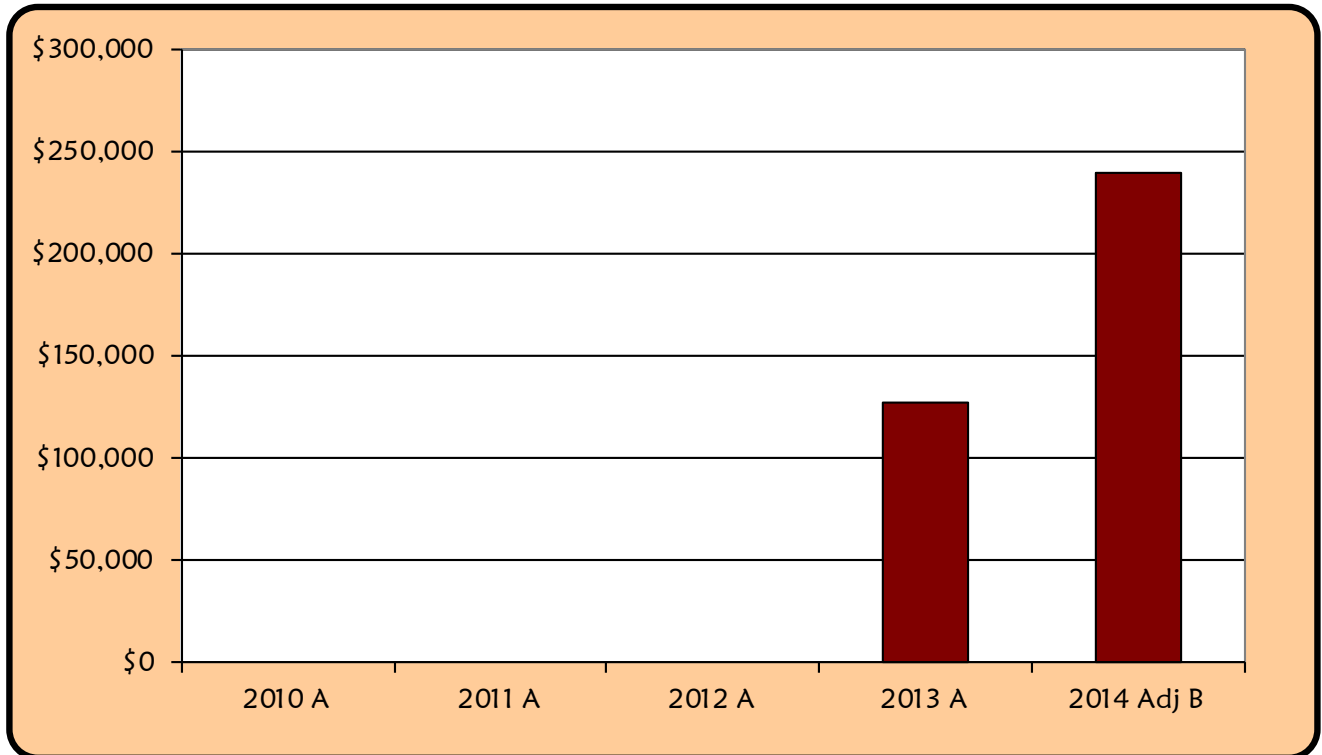
REVISED CODE OF WA: 19.27.031: Adoption of State Building Code by all cities and counties.
 19.27.100: Authorizes a city, town, or county of the state to impose fees different from those set forth in the State Building Code.

REVENUE: ANIMAL LICENSES

DESCRIPTION: Beginning January 1, 2013, the City of Auburn began providing animal licensing, animal control and animal sheltering (this service was previously provided by King County).

HISTORICAL DATA:

<i>General Fund</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Total	\$ -	\$ -	\$ -	\$ 127,303	\$ 240,000



BASE: A license fee is assessed on every dog and/or cat owned. With the implementation of the Auburn Valley Humane Society (AVHS) and animal control services being provided by the City of Auburn's police department, pet licensing revenue is now retained by the City effective January 1, 2013, per Resolution No. 4868.

AUBURN CITY CODE: 6.04.010: Requires animal license on any dog or cat over the age of eight weeks of age.

18.31.230: Establishes the type and maximum number of animals permitted.

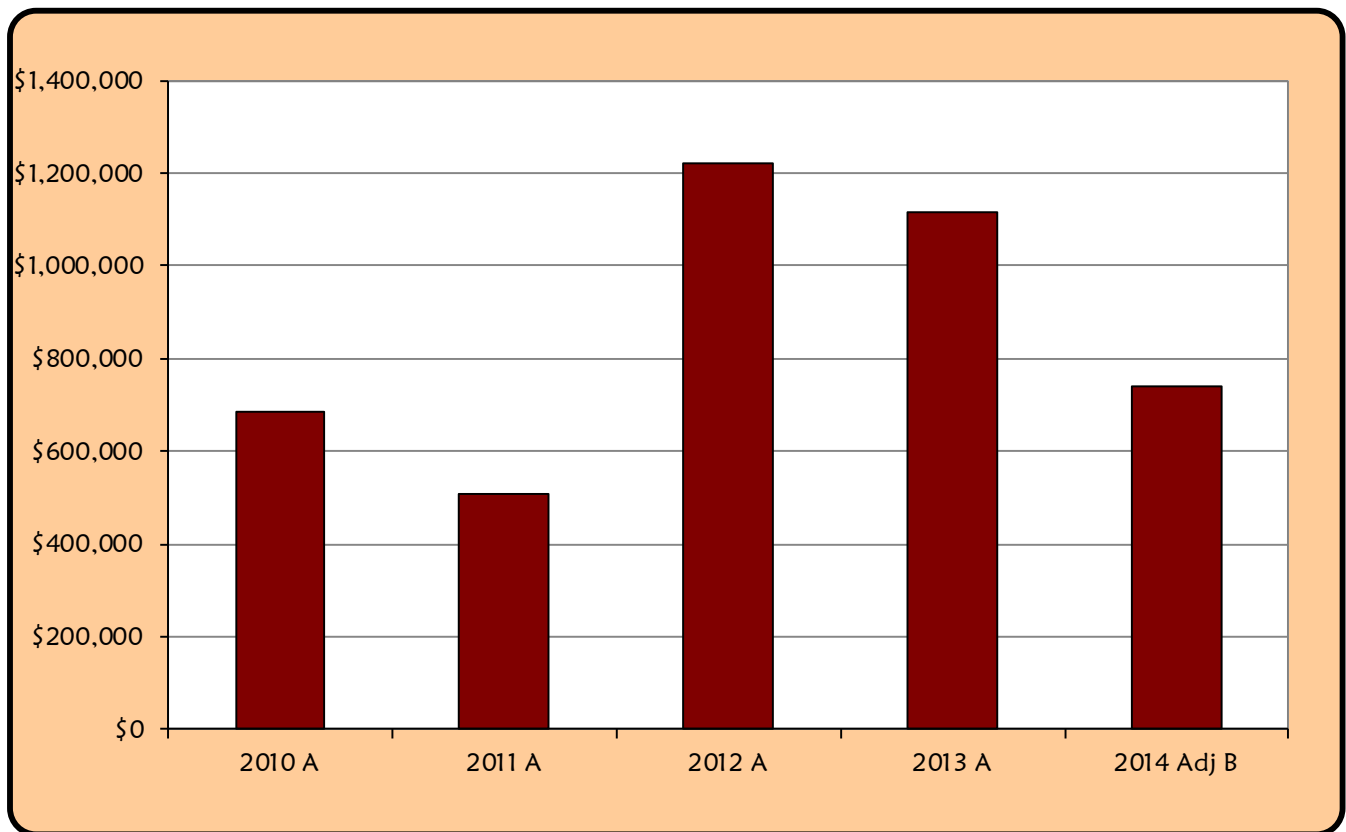
REVISED CODE OF WA: 16.52.015: Defines law enforcement agencies and animal care and control agencies.

REVENUE: PLANNING AND DEVELOPMENT FEES

DESCRIPTION: Fees included in this category include plan check fees, zoning and subdivision fees, and FAC linear charges (fees assessed on projects that require extension of public facilities).

HISTORICAL DATA:

<i>General Fund</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Plan Check Fees	\$ 467,282	\$ 435,262	\$ 1,091,442	\$ 828,033	\$ 584,590
Zoning/Subdivision Fees	133,961	40,998	63,454	109,790	83,236
FAC Linear Charges	83,681	33,154	67,988	178,789	71,055
Total	\$ 684,924	\$ 509,414	\$ 1,222,884	\$ 1,116,612	\$ 738,881



BASE: Fees are assessed on individuals, organizations, or businesses to review building plans, fees for zoning and subdivisions, and charges for the extension of public facilities.

AUBURN CITY CODE: 15.08A.011: Adoption the of 2009 International Building Code.

REVISED CODE OF WA: 19.27.031: Adoption of State Building Code by all cities and counties.
19.27.100: Gives cities the authority to impose fees different from the State Building Code.

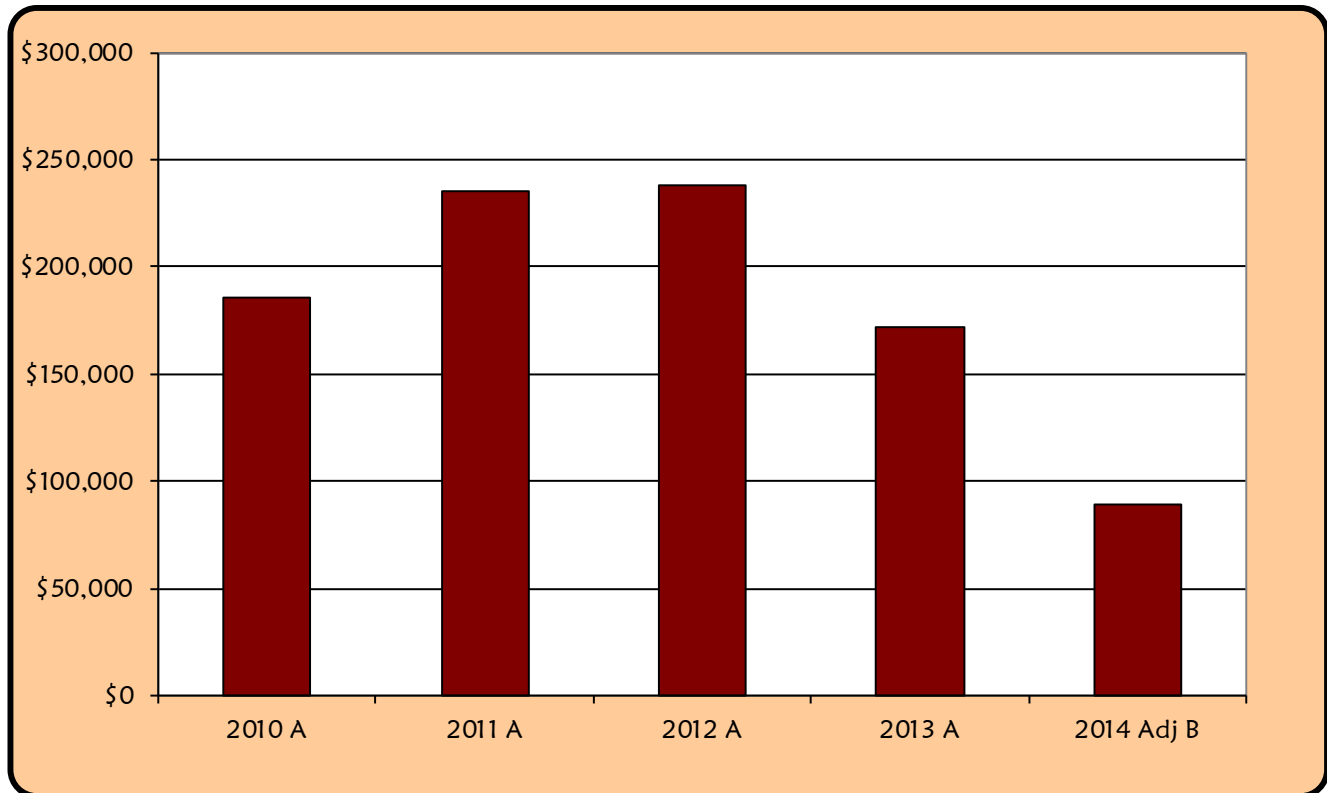
Intergovernmental

REVENUE: CRIMINAL JUSTICE

DESCRIPTION: These are state shared revenues distributed to cities based upon crime rate and/or population, and are used to support local law enforcement activities.

HISTORICAL DATA:

<i>General Fund</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Total \$	185,608 \$	235,036 \$	238,147 \$	171,736 \$	88,880 \$



BASE: State distributed money includes Criminal Justice (CJ) High Crime, CJ Violent Crime, CJ Special Programs, CJ Population, CJ Contracted Services and CJ DUI. State high crime distributions were discontinued in 2013 and 2014, reflecting a decline in the City’s crime rate relative to the state-wide average.

AUBURN CITY CODE: Not applicable.

REVISED CODE OF WA: 82.14.320: Municipal criminal justice assistance account - eligibility and use requirements.

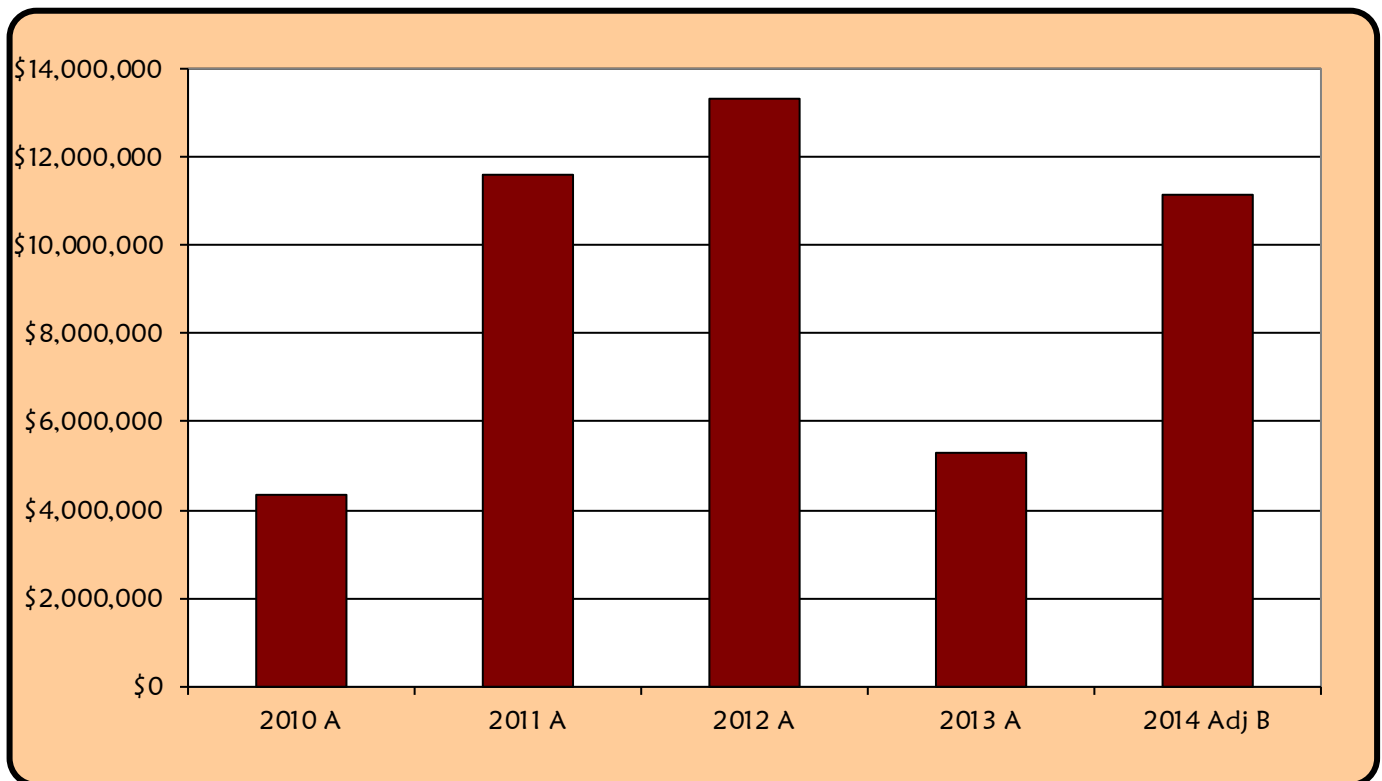
82.14.330: Municipal criminal justice assistance account, distribution based on crime rate and/or population.

REVENUE: FEDERAL / STATE / LOCAL GRANTS

DESCRIPTION: The City of Auburn actively seeks Federal, State, and Local grant funding for a variety of programs that benefit the City, such as transportation improvements, airport maintenance, park programs, and police services.

HISTORICAL DATA:

<i>By Fund</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
General Fund	\$ 994,136	\$ 790,643	\$ 992,874	\$ 362,754	\$ 382,776
Other Funds	3,331,853	10,834,918	12,317,670	4,951,932	10,756,732
Total	\$ 4,325,989	\$ 11,625,562	\$ 13,310,544	\$ 5,314,685	\$ 11,139,508
<i>By Source</i>					
Federal	\$ 2,921,892	\$ 8,707,161	\$ 3,849,578	\$ 2,415,660	\$ 6,193,513
State	429,339	2,226,994	7,539,790	2,395,063	4,387,916
Local	974,758	691,406	1,921,176	503,962	558,079
Total	\$ 4,325,989	\$ 11,625,562	\$ 13,310,544	\$ 5,314,685	\$ 11,139,508



BASE: Grants are based on existing programs and competitive applications.

AUBURN CITY CODE: Grants are applied for and accepted by Council via Resolution.

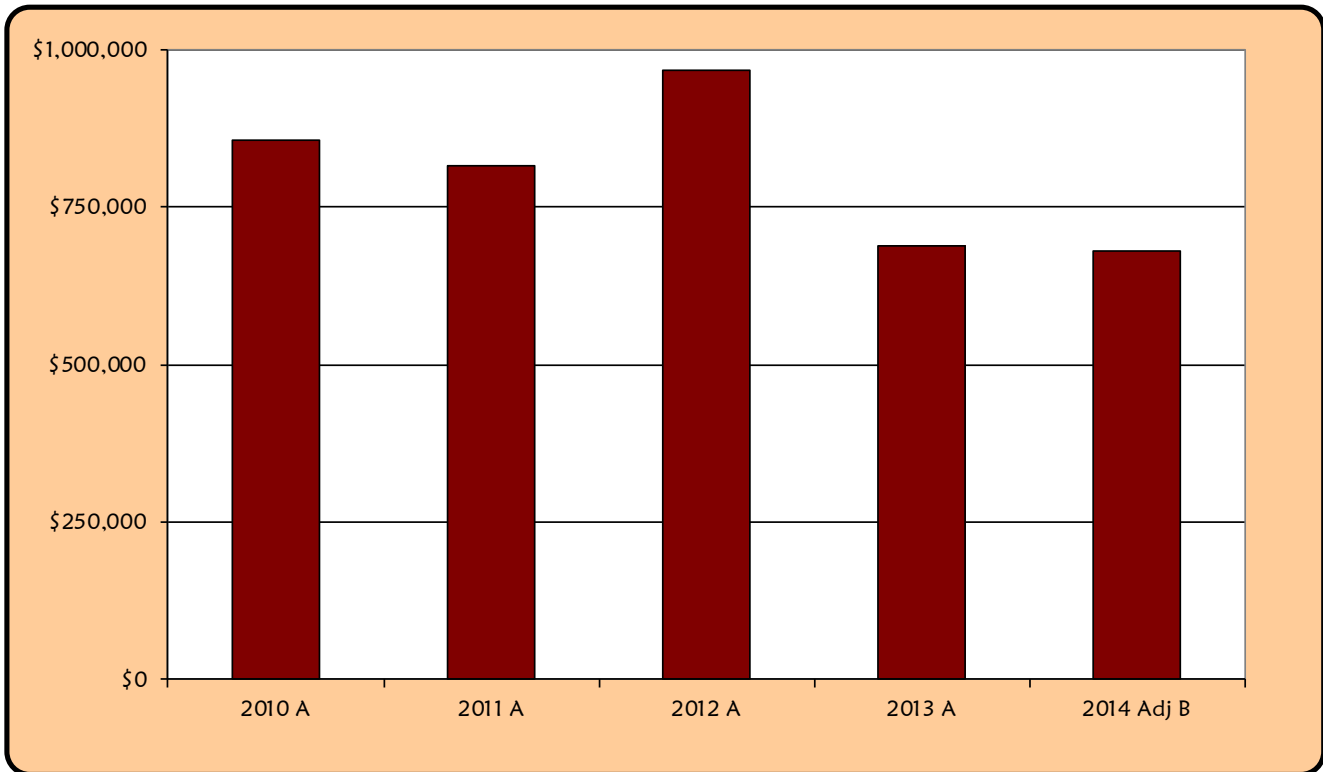
REVISED CODE OF WA: Not applicable.

REVENUE: LIQUOR EXCISE TAX AND PROFIT

DESCRIPTION: These are state shared revenues distributed to cities based upon population to help pay for local policing of liquor establishments.

HISTORICAL DATA:

<i>General Fund</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Liquor Excise Tax	\$ 327,709	\$ 335,127	\$ 260,420	\$ 47,724	\$ 200,000
Liquor Profits	529,022	479,381	517,056	640,375	480,000
Liquor Store Sales	-	-	188,230	-	-
Total	\$ 856,732	\$ 814,509	\$ 965,706	\$ 688,099	\$ 680,000



BASE: Sale of spirits in their original package. Spirits include any beverage containing alcohol obtained by distillation, including wines with more than 24% alcohol by volume.

AUBURN CITY CODE: Section 3.04.040: Establishes the "alcoholism funds" account which holds the 2% to be used for treatment programs.

REVISED CODE OF WA: 82.08.150: Establishes the tax rate on certain sales of intoxicating liquors.

82.08.170: Apportions and distributes funds based on city population and authorized the one year moratorium of excise taxes.

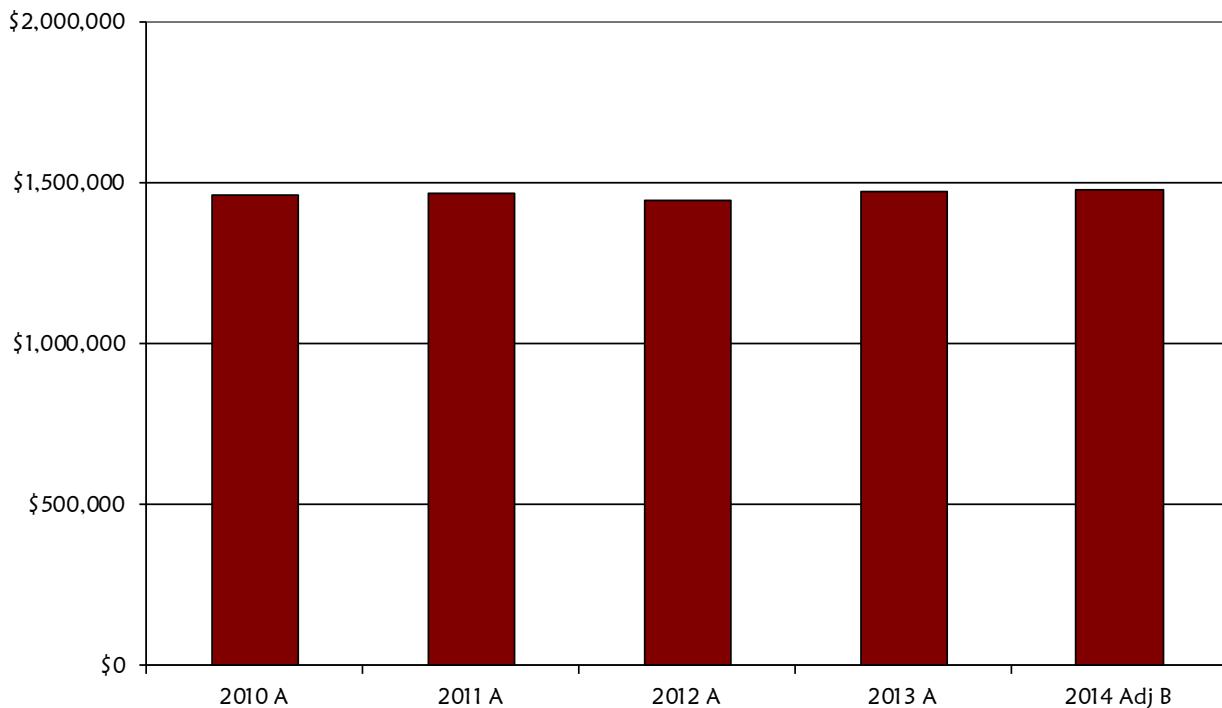
66.24.620: Authorized privatization of distribution and sales effective June 1, 2012.

REVENUE: MOTOR VEHICLE FUEL TAX

DESCRIPTION: These are state shared revenues distributed to cities primarily for road repair. The state motor vehicle fuel tax is 37.5 cents per gallon and the City’s share is just under 3 cents.

HISTORICAL DATA:

<i>General Fund, Fund 102, Fund 120</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Total \$	1,461,709	\$ 1,465,720	\$ 1,444,724	\$ 1,472,734	\$ 1,476,423



BASE: The total Motor Vehicle Fuel Tax (MVFT) rate is 37.5 cents per gallon.

AUBURN CITY CODE: Authority is established by the RCW.

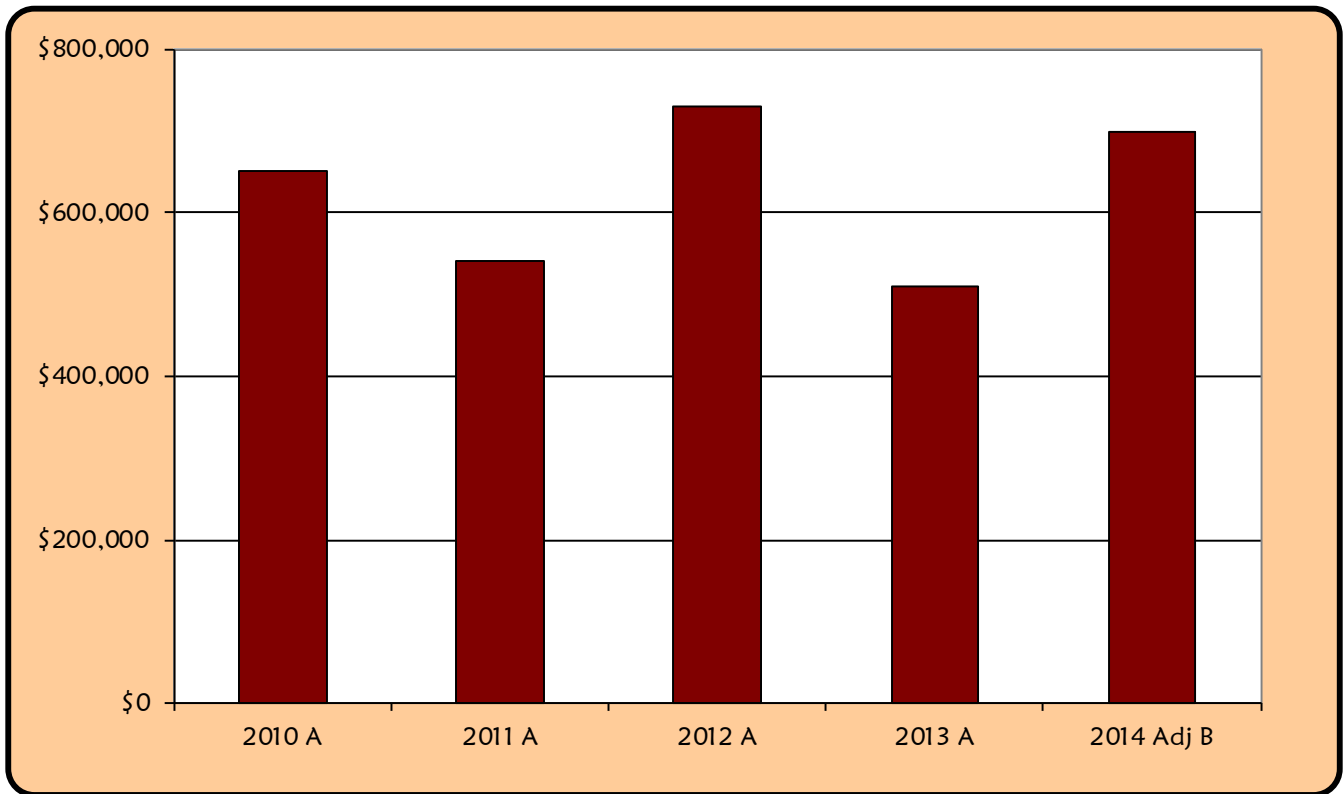
- REVISED CODE OF WA:**
- 46.68.090: Distribution of statewide fuel taxes.
 - 47.24.040: Expenditures of MVFT to the street fund.
 - 47.30.050: Expenditures of MVFT to paths and trails.
 - 82.36: Motor Vehicle Fuel Tax.
 - 82.36.025: Establishes rate of tax.
 - 82.38.030: Defines tax rate of special fuel.

REVENUE: MUCKLESHOOT CASINO – REIMBURSEMENT FOR SERVICES RENDERED

DESCRIPTION: This revenue is received from the Muckleshoot Indian Tribe (MIT) for reimbursement of police, street maintenance, and legal services provided by the City.

HISTORICAL DATA:

<i>General Fund</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Total \$	\$ 652,155	\$ 540,050	\$ 730,376	\$ 509,734	\$ 700,000



BASE: Reimbursement of actual cost of services provided, reviewed and approved annually by the Muckleshoot Indian Tribe; governed by contractual agreement with the City.

AUBURN CITY CODE: None.

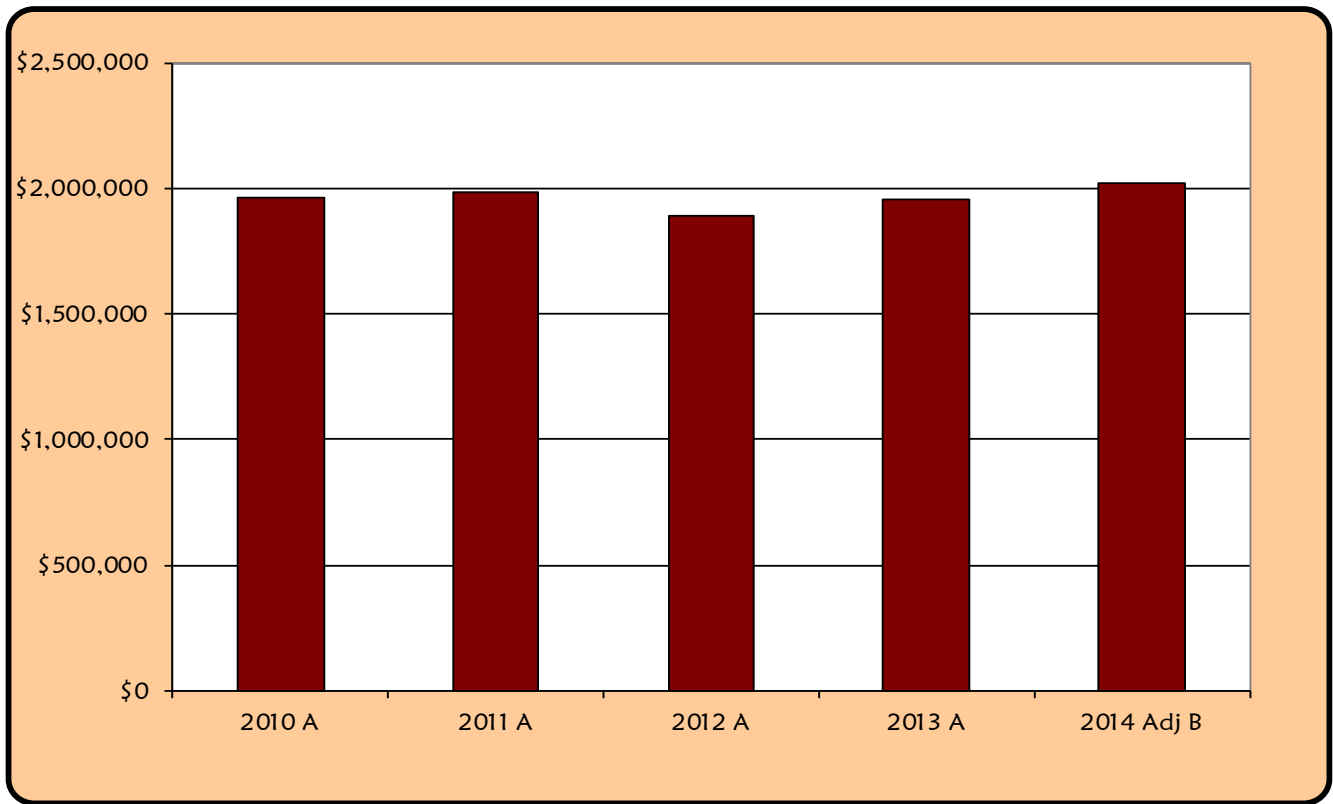
REVISED CODE OF WA: None.

REVENUE: STREAMLINED SALES TAX

DESCRIPTION: The Streamlined Sales Tax revenue source was implemented in 2008 as a way for cities to offset the negative fiscal impact of the Streamlined Sales and Use Tax Agreement (SSUTA), also known as ‘destination sourcing’.

HISTORICAL DATA:

<i>General Fund</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Total	\$ 1,965,472	\$ 1,987,348	\$ 1,894,001	\$ 1,952,778	\$ 2,020,000



BASE: All taxable retail sales and events. This revenue source is collected by the Department of Revenue and distributed to cities quarterly.

AUBURN CITY CODE: 3.60.010: Authorizes the tax.

REVISED CODE OF WA: 82.14: Provides authorization to cities to tax all taxable retail sales and events.

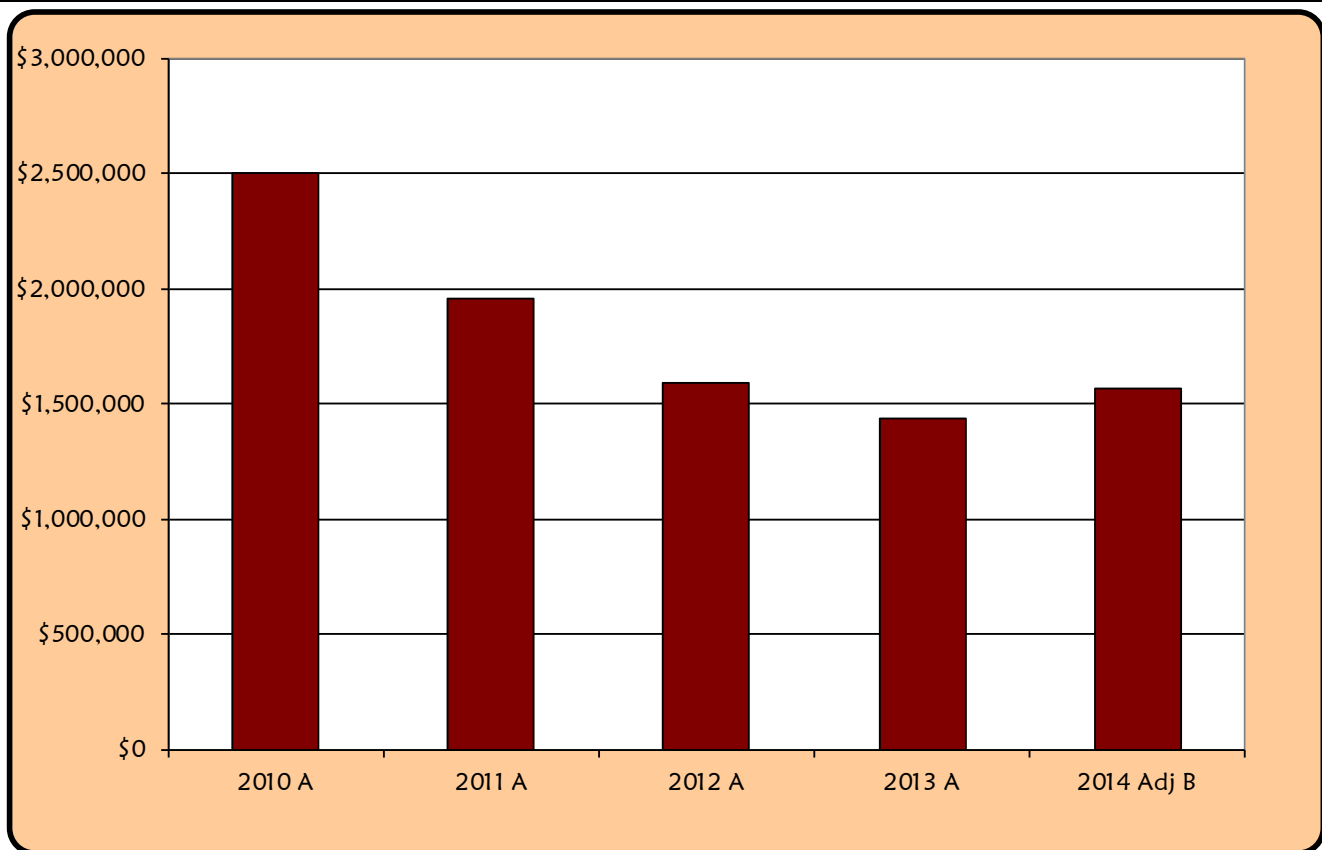
Fines, Forfeits and Other Revenues

REVENUE: FINES AND FORFEITS

DESCRIPTION: Fines and penalties are assessed upon individuals violating City code.

HISTORICAL DATA:

<i>General Fund</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Traffic Infractions	\$ 725,523	\$ 652,860	\$ 593,132	\$ 441,145	\$ 653,250
Redflex Photo Enforcement	1,199,896	825,337	595,247	599,772	497,475
Parking Infractions	189,860	172,137	109,691	116,659	170,000
Criminal Non-Traffic	106,563	86,790	84,020	56,899	90,000
Criminal Traffic	64,290	63,996	61,019	35,826	64,000
Driving While Intoxicated	22,482	17,491	29,121	19,477	18,000
Other Revenues	193,819	134,517	121,056	166,906	76,956
Total	\$ 2,502,433	\$ 1,953,129	\$ 1,593,286	\$ 1,436,685	\$ 1,569,681



BASE: Persons who violate municipal laws which are punishable by fine or fee within the City of Auburn.

AUBURN CITY CODE: Section 1 and 10 of the Auburn City Code governs civil penalties and vehicle and traffic safety.

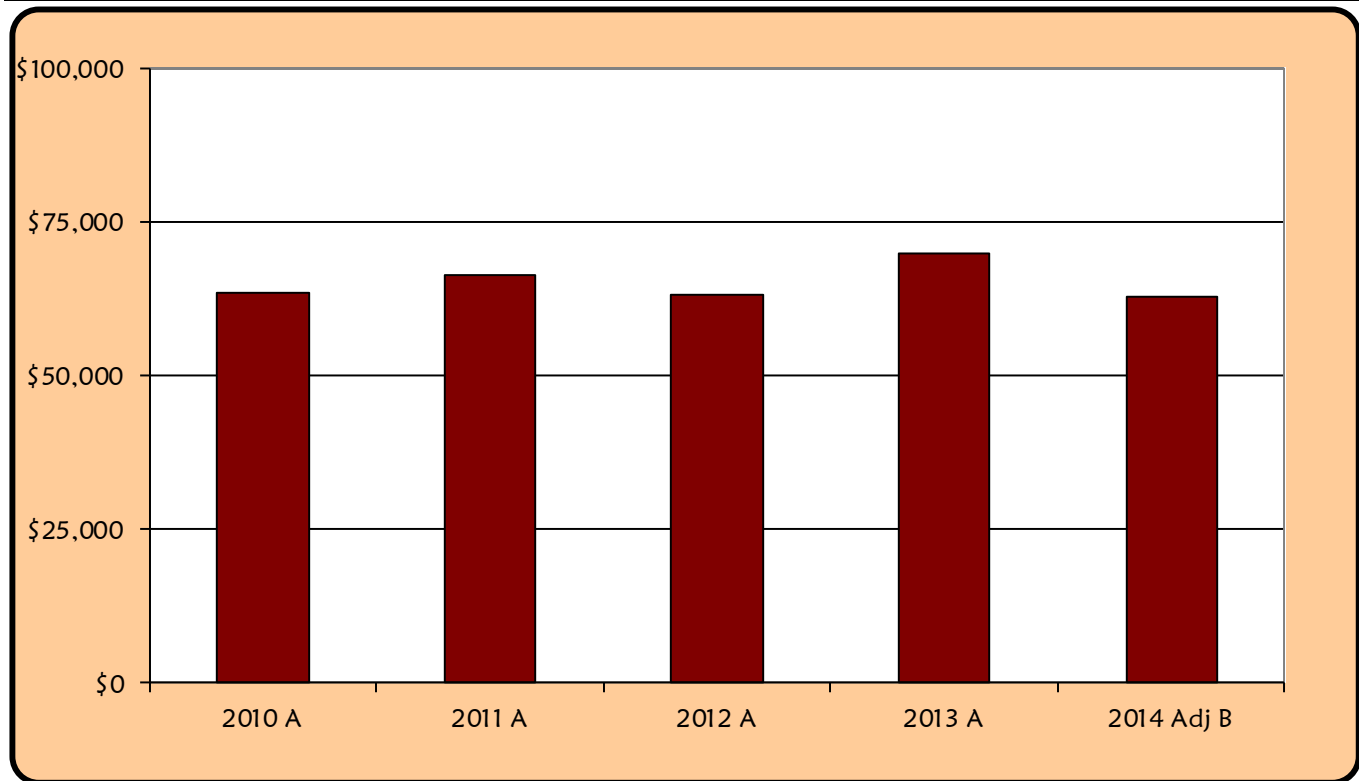
REVISED CODE OF WA: Various section governing civil penalties and public safety.

REVENUE: FIRE INSURANCE PREMIUM TAX

DESCRIPTION: The state collects a two percent tax on the premiums of all insurance policies written, 25% of the revenue collected are distributed to cities and fire districts that have firemen's pension funds.

HISTORICAL DATA:

<i>Fund 611</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Total \$	\$ 63,545	\$ 66,375	\$ 63,205	\$ 70,036	\$ 63,000



BASE: Net premiums received by authorized insurers.

AUBURN CITY CODE: Authority for this tax was established by RCW.

REVISED CODE OF WA: 48.14.020: Authorizes the state to impose this tax.

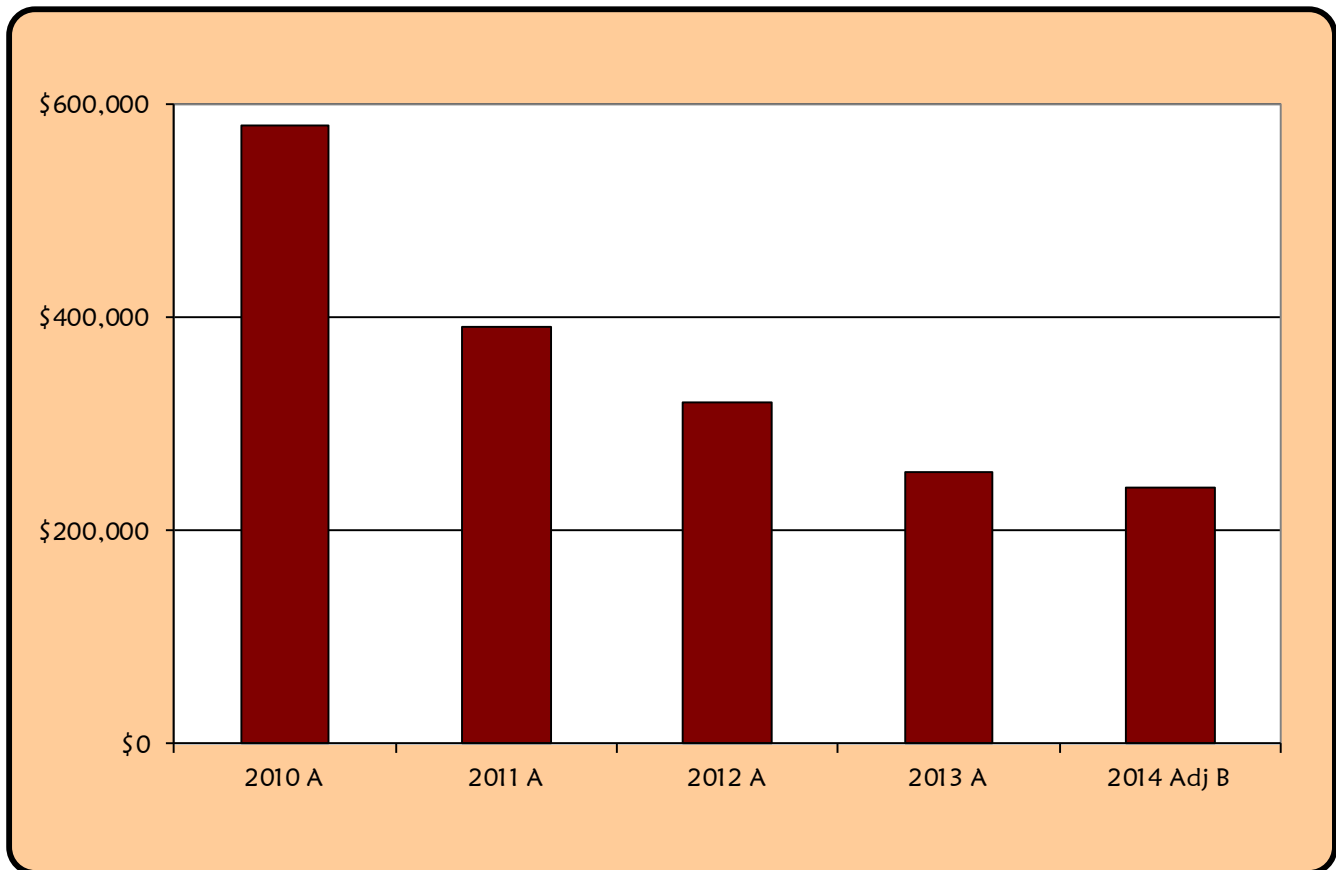
41.16.050: Authorizes the distribution of the tax to the city to fund its Fire Pension requirements. Distribution is based on the city's report to the State Treasurer on the number of paid firemen. Entire amount is deposited into the firemen's pension fund.

REVENUE: INVESTMENT INCOME

DESCRIPTION: This includes interest earnings on investments that are held or sold, net of investment fees.

HISTORICAL DATA:

<i>Fund Types</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
General Fund	\$ 152,158	\$ 86,932	\$ 89,805	\$ 45,977	\$ 42,230
All Other Funds	427,302	304,665	231,540	208,180	197,494
Total	\$ 579,460	\$ 391,596	\$ 321,345	\$ 254,157	\$ 239,724



BASE: Interest rates from the state investment pool, interest on money market accounts, and interest from U.S. Government Securities.

AUTHORITY: This is authorized by the City of Auburn Investment Policy, approved by Ordinance No. 3034.

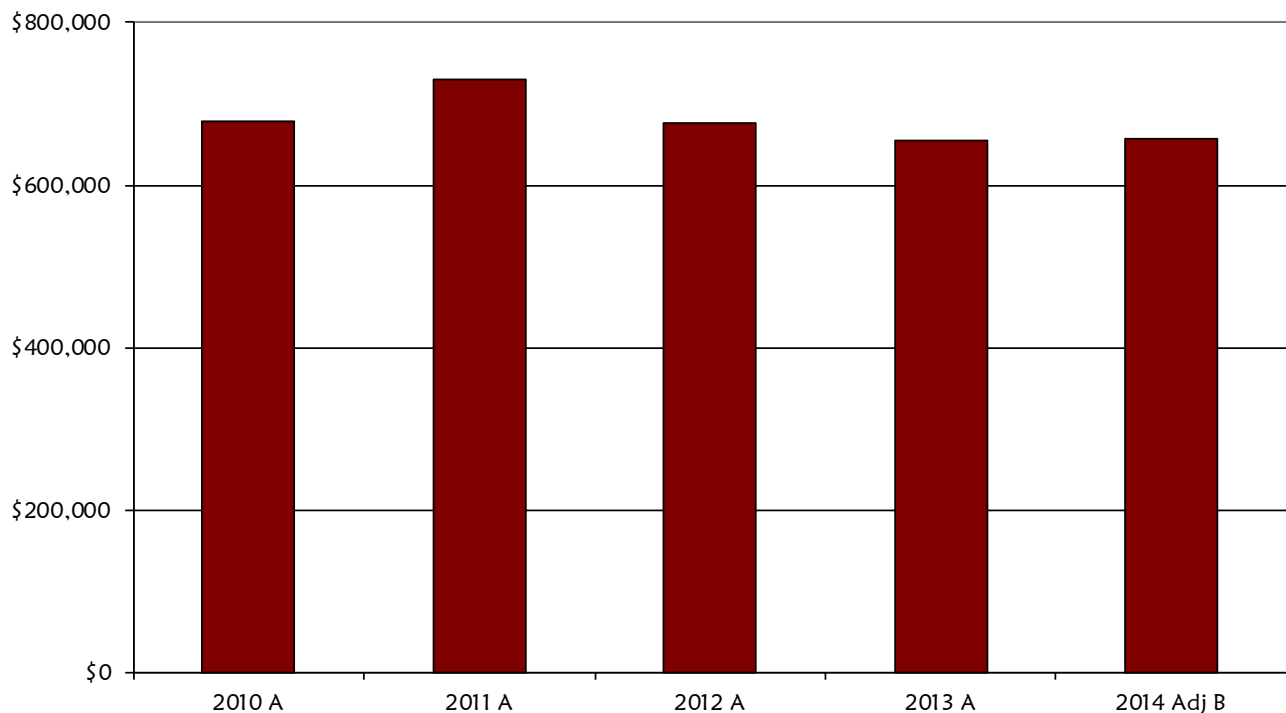
REVISED CODE OF WA: 35.39.030: Excess or inactive funds – Investments.

REVENUE: RENTAL INCOME

DESCRIPTION: Rental income includes payments received for the use of City owned facilities such as room rentals at the Senior Center and other park facilities, fees for use of golf cart rentals, fees for use of all athletic fields, picnic shelters, and campsites. This category also includes revenues generated from Auburn Avenue Theatre rentals, cell phone tower leases at Game Farm Park, and other lease revenues.

HISTORICAL DATA:

<i>General Fund, Fund 104, 321 and 505</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
General Fund	\$ 468,284	\$ 572,812	\$ 513,833	\$ 493,878	\$ 513,000
Hotel/Motel Fund	11,900	17,137	12,775	-	6,100
Municipal Parks Fund	64,261	59,736	52,169	52,801	55,000
Facilities Fund	133,067	80,066	97,527	107,574	82,800
Total	\$ 677,512	\$ 729,751	\$ 676,304	\$ 654,253	\$ 656,900



BASE: All leased City owned properties and fees generated activities referenced above. This category does not include property leases, tie down and hanger rent at the Auburn Municipal Airport. Those revenues are included in this manual under Airport Revenues.

AUBURN CITY CODE: 3.68.040: City Parks and Recreation - standards for setting fees and charges.

REVISED CODE OF WA: Not Applicable.

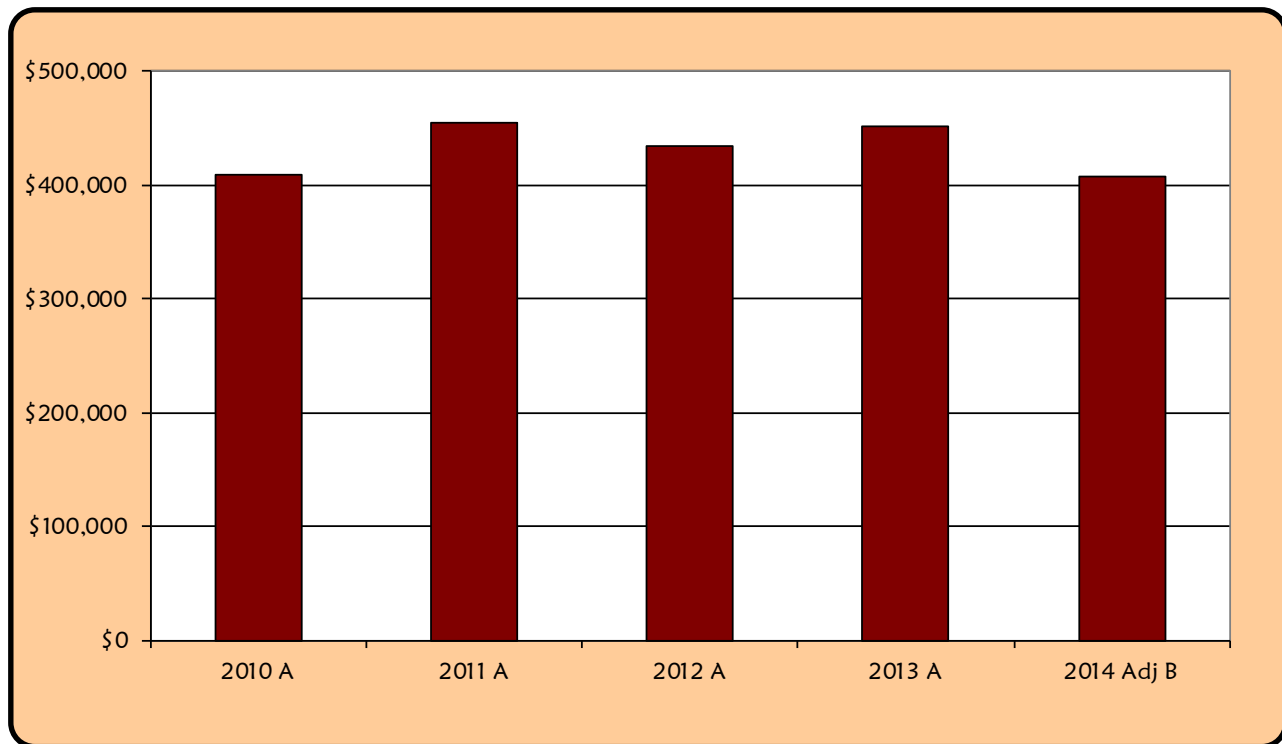
Enterprise Funds

REVENUE: AIRPORT REVENUES

DESCRIPTION: Airport revenues are derived from hangar rents, tie downs, property leases and fuel flowage fees.

HISTORICAL DATA:

<i>Airport Fund</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Tie Down and Hangar Rent	\$ 364,602	\$ 410,487	\$ 390,745	\$ 407,827	\$ 380,500
Fuel Facility Rent	18,000	18,000	18,000	18,000	-
Airport Security Service	15,977	15,530	15,443	15,481	15,000
Flowage Fees	10,705	10,454	10,380	10,380	12,000
Total	\$ 409,284	\$ 454,471	\$ 434,568	\$ 451,688	\$ 407,500



BASE: Hangar rentals, tie downs, property leases and fuel flowage fees. Due to the revised Airport contract in 2014, fuel flowage fees are based on a percentage of fuel pumped and fuel facility rent is no longer applicable. Auburn Municipal Airport is one of the busiest general aviation airports in Washington State. There are approximately 141,000 takeoffs and landings a year with 274 aircrafts based at the Airport. The Airport is owned by the City, but privately operated under contract.

AUBURN CITY CODE: 3.04: Creates the airport fund and establishes uses of funds.

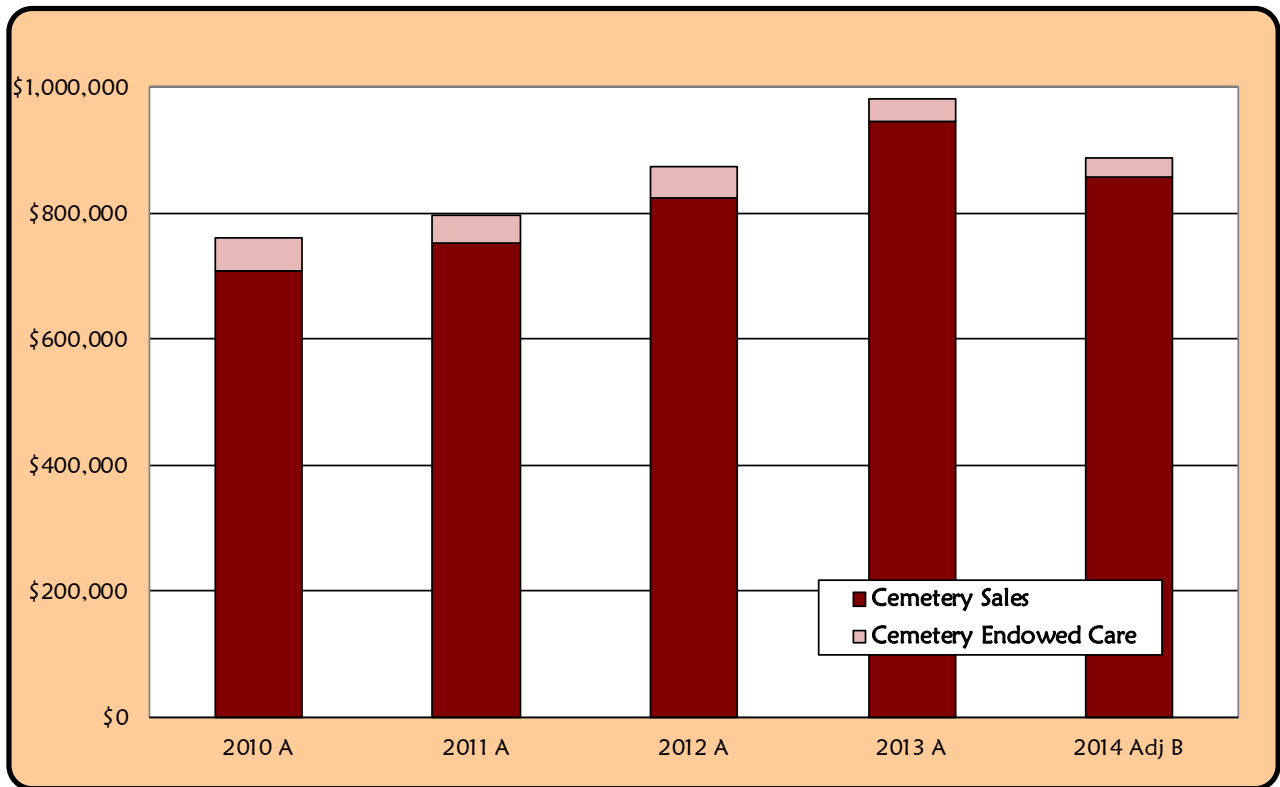
REVISED CODE OF WA: 14.08.120: Grants cities the power to operate a municipal airport.

REVENUE: CEMETERY REVENUES – OPERATIONS AND ENDOWED CARE

DESCRIPTION: This includes revenues from the sale of lots, liners, markers and related openings/closings.

HISTORICAL DATA:

<i>Fund 436 and Fund 701</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Lot Sales	\$ 285,711	\$ 252,510	\$ 281,407	\$ 374,994	\$ 330,000
Openings/Closings	179,393	211,457	194,181	209,319	200,000
Liners/Settings	136,210	172,603	167,811	184,667	165,000
Markers	99,810	104,957	171,507	158,882	144,000
Cemetery Endowment Care	52,156	44,829	48,660	37,506	32,000
Other Revenues	7,352	10,387	10,298	16,417	17,000
Total	\$ 760,633	\$ 796,742	\$ 873,864	\$ 981,784	\$ 888,000



BASE: Charges include lot sales, liners, markers, vases, mausoleum space, opening and closing fees, and miscellaneous cemetery revenues.

AUBURN CITY CODE: 3.04.080: Establishes the cemetery fund and guidelines for its use.

3.04.090: Establishes the cemetery endowment care fund.

2.72.040: Created a board of five cemetery commissioners serving terms of five years.

REVISED CODE OF WA: 68.52: Grants cities and towns authority to own and operate cemeteries.

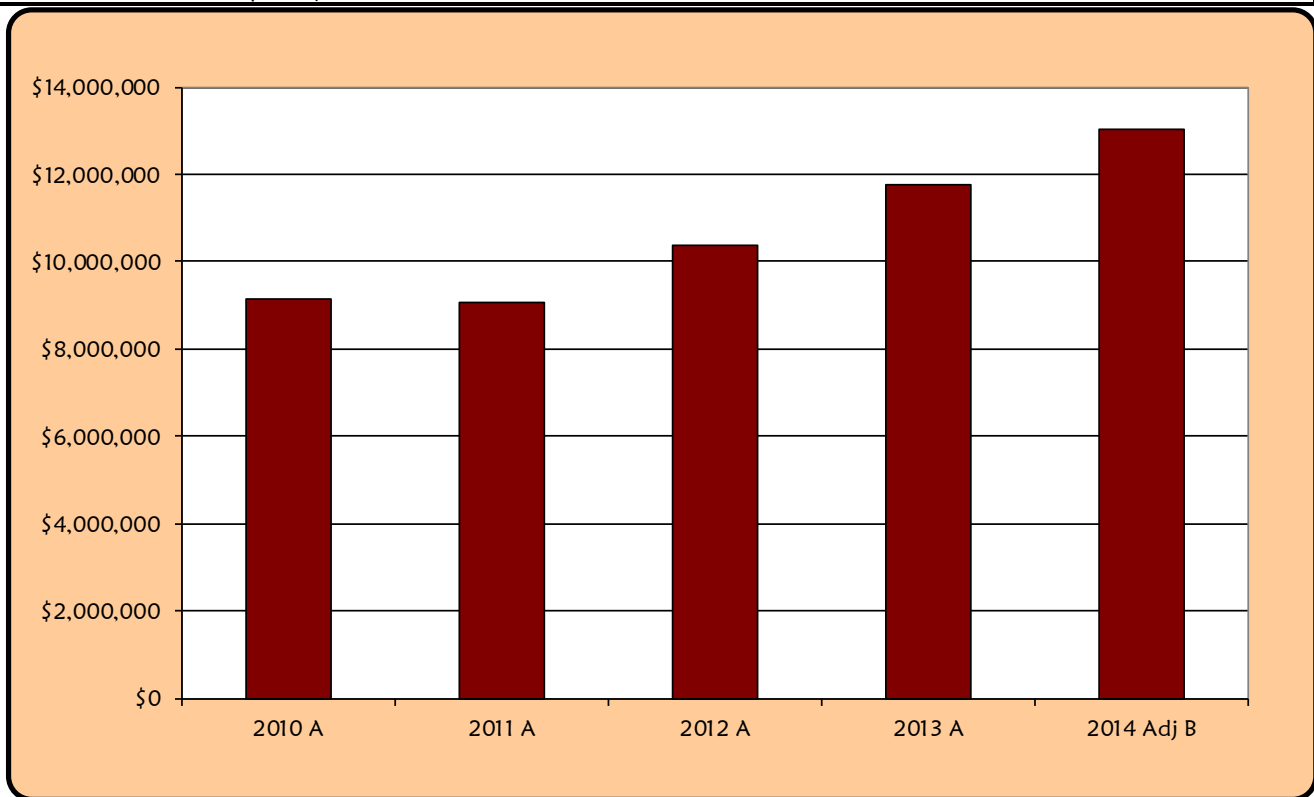
REVENUE: WATER UTILITY REVENUES

DESCRIPTION: The Water Utility bills customers a monthly base rate and consumption charge based on the quantity of water consumed. In addition, the Water Fund receives revenue from cell phone providers who rent space on City owned water towers. The City also provides water to the City of Algona and Water District #111 under wholesale agreements.

HISTORICAL DATA:

<i>Fund 430</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
City Water Services	\$ 8,997,492	\$ 8,918,617	\$ 10,209,742	\$ 11,551,283	\$ 12,886,725
Application and Other Revenues	103,207	105,495	126,022	144,068	90,000
Rents, Leases and Concessions	46,521	52,385	50,122	51,840	50,000
Total	\$ 9,147,220	\$ 9,076,497	\$ 10,385,886	\$ 11,747,191	\$ 13,026,725
MGD* Water Sold	7.5	6.5	6.7	6.7	6.7

*Million Gallons per Day



BASE: Number of water accounts and volume of water consumed.

AUBURN CITY CODE: 13.06: Establishes the City's water fund and rates and charges.

REVISED CODE OF WA: 35.91: Municipal water and sewer facilities act.

35.92.010: Authorizes cities to operate waterworks.

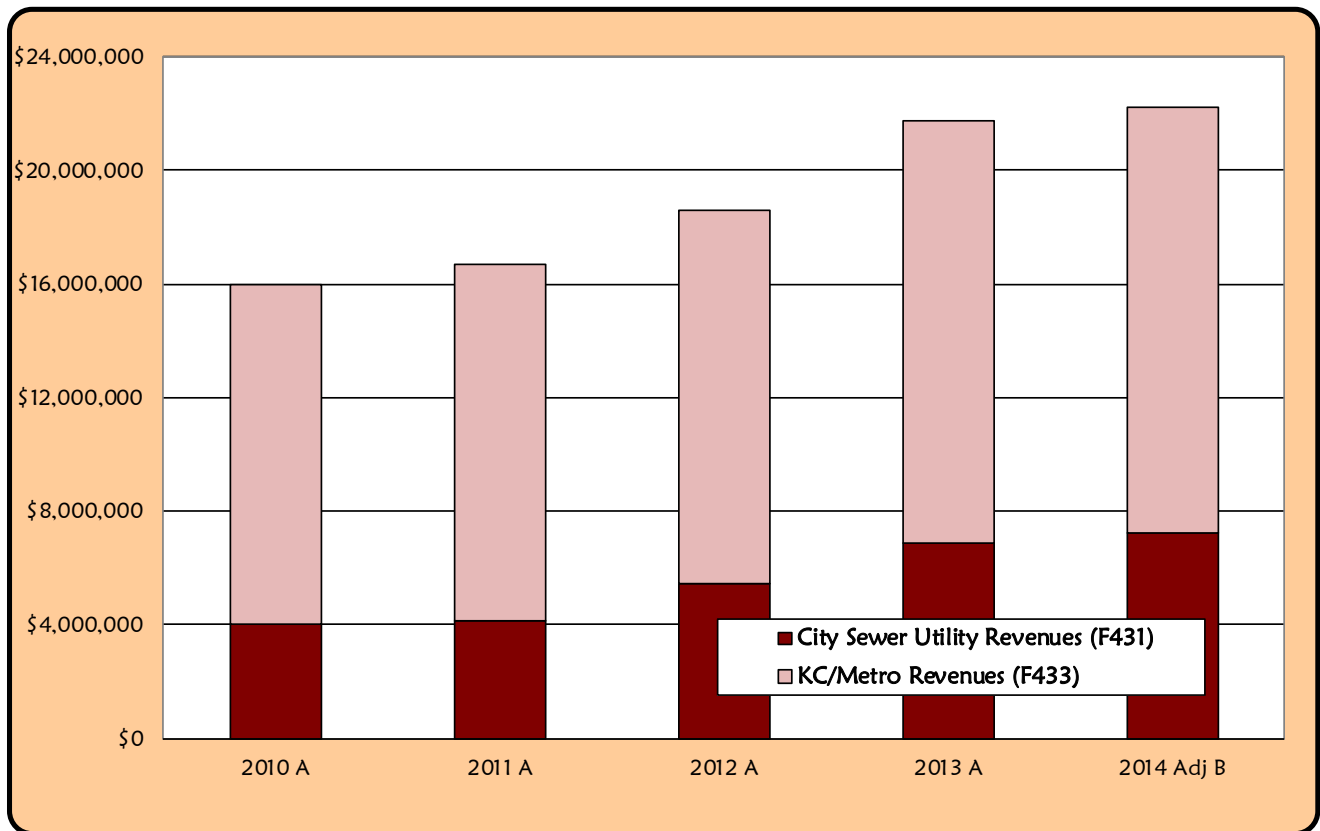
35.92.025: Authorizes cities to charge for connection to the city water system.

REVENUE: SEWER UTILITY REVENUES

DESCRIPTION: The Sewer Utility bills customers a fee for wastewater collection and conveyance to King County for treatment.

HISTORICAL DATA:

<i>Fund 431 and Fund 433</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
Metro Service Charge	\$ 11,423,732	\$ 12,028,504	\$ 12,616,197	\$ 14,323,538	\$ 14,500,000
City Sewer Services	3,969,859	4,105,670	5,405,875	6,806,771	7,206,431
Metro Industrial Charge	552,816	505,385	516,133	580,544	500,000
Application Revenues	21,824	27,590	47,082	53,394	25,000
Total	\$ 15,968,231	\$ 16,667,149	\$ 18,585,288	\$ 21,764,247	\$ 22,231,431



BASE: Number of sewer accounts and volume of wastewater discharged.

AUBURN CITY CODE: 13.20.020: Establishes the sewer utility, rates and charges.

REVISED CODE OF WA: 35.67.010: Defines system of sewerage.

35.91: Establishes the municipal water and sewer facilities act.

35.91.030: Authority to set rates.

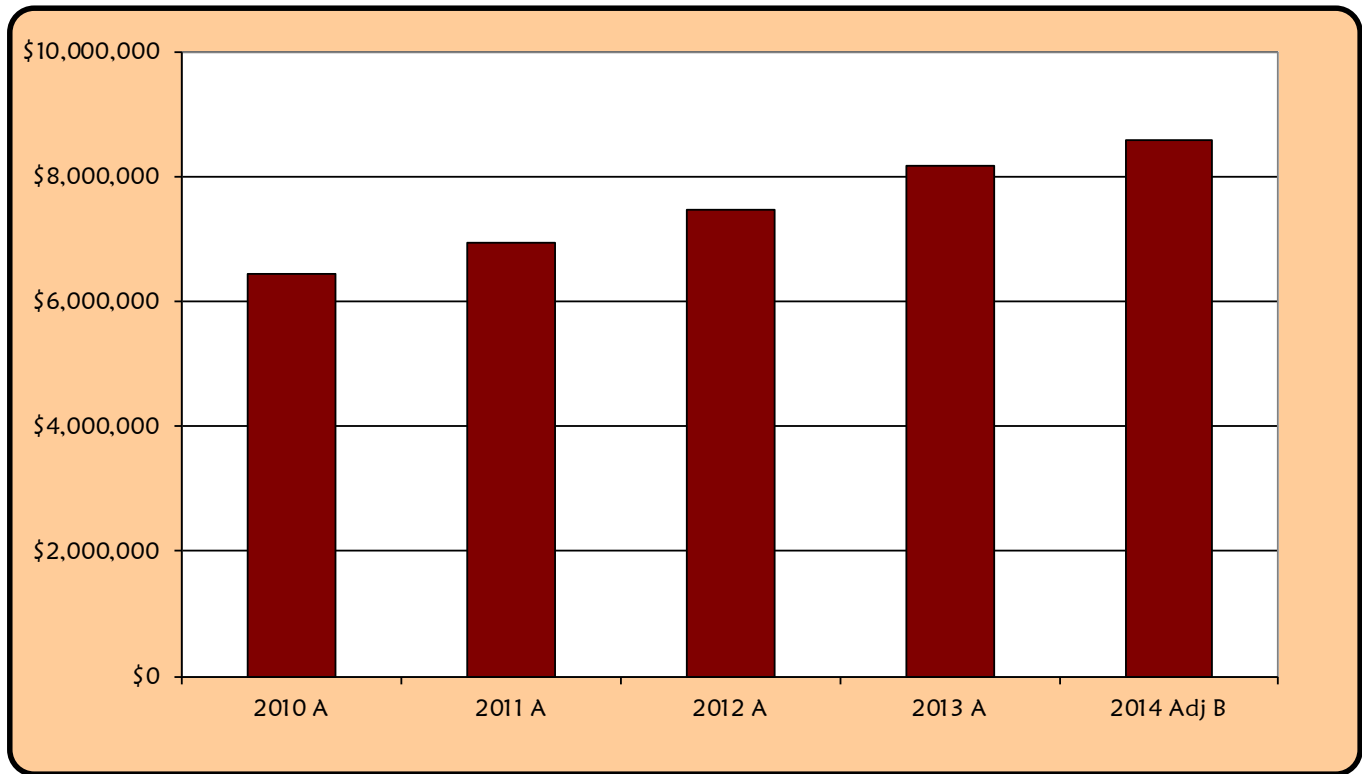
35.92.020: Authority to acquire and operate sewerage and solid waste handling systems, plants, sites, or facilities.

REVENUE: STORM DRAINAGE UTILITY REVENUES

DESCRIPTION: The Storm Drainage Utility bills customers for management, collection and conveyance of surface water runoff from roads and properties.

HISTORICAL DATA:

<i>Fund 432</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
City Storm Drainage Services	\$ 6,399,873	\$ 6,870,985	\$ 7,330,241	\$ 8,034,652	\$ 8,521,917
Storm Application Revenues	41,853	67,390	149,339	149,651	60,000
Total	\$ 6,441,726	\$ 6,938,375	\$ 7,479,580	\$ 8,184,303	\$ 8,581,917



BASE: Number of storm drainage accounts and amount of impervious surface area such as parking lots. Credits are provided in the event of privately provided surface water management facilities.

AUBURN CITY CODE: 13.48: Establishes the storm drainage utility, rates and charges.

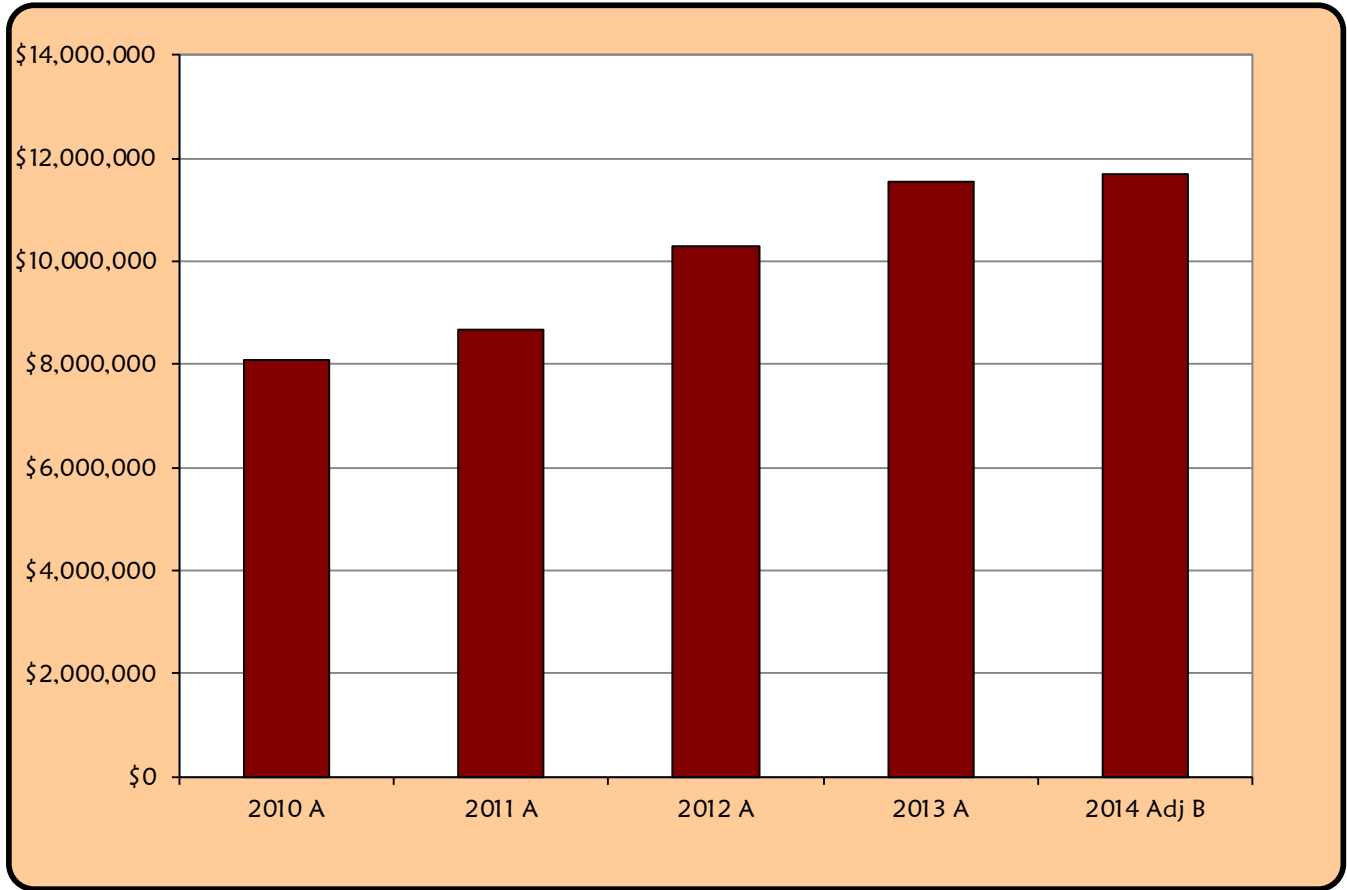
REVISED CODE OF WA: 35.21.210: Authorizes cities to provide storm drainage services and systems.

REVENUE: SOLID WASTE UTILITY REVENUES

DESCRIPTION: The Solid Waste Utility bills customers for garbage pickup. The Solid Waste Utility contracts with Waste Management.

HISTORICAL DATA:

<i>Fund 434</i>	2010 A	2011 A	2012 A	2013 A	2014 Adj B
City Solid Waste Services	\$ 7,917,226	\$ 8,021,907	\$ 9,484,140	\$ 10,650,203	\$ 10,786,037
Yard Waste	183,565	642,517	801,747	911,909	921,369
Total	\$ 8,100,791	\$ 8,664,423	\$ 10,285,887	\$ 11,562,112	\$ 11,707,406



BASE: The rates charged to customers are dependent on the service level they choose - which is the container size and frequency of pick-ups.

AUBURN CITY CODE: 8.08.060: Establishes the City's Solid Waste Fund.

8.08.170: Establishes the authority to establish fees and charges.

8.08.180: Establishes collection charges.

REVISED CODE OF WA: 35.21.152: Establishes the authority for a city to handle solid waste services.

35.21.157: Establishes the procedures for rate increase notification.

Appendix

Historical Factors Affecting City Revenues

City revenue collections can be affected by a variety of factors including regional and national economic conditions such as business cycles and periods of economic expansion and contraction (i.e., recessions); geo-political events which can affect consumer and business confidence, national equity markets and thus local economic conditions; and voter approved and State legislated mandates affecting City revenues.

Since 1995, there have been several voter approved and State legislative actions that have permanently affected revenues for the City of Auburn. It is estimated that the cumulative effects of these actions have resulted in a permanent loss of \$51.1 million to the City. A description of several of these key actions is presented below.

Sales Tax Exemption on Purchase and Lease of Manufacturing Equipment, Retooling of Manufacturing Equipment, and General Research and Development (1995). Legislation was passed to exempt the purchase and lease of manufacturing equipment from state and local sales taxes. The next year further legislation was enacted exempting sales taxes on research and development and on the retooling of manufacturing equipment.

Initiative 695 (1999). In November 1999, the voters of Washington State approved Initiative 695, which repeals the State's long standing motor vehicle excise tax (MVET) and requires future voter approval of tax and fee increases proposed by state, county and local governments. The ruling was upheld on appeal at the Washington State Supreme Court.

The loss of the MVET eliminated an average of \$750 million annually as a funding source for local governments, transit systems and state transportation projects. The loss of MVET revenues was approximately 2% of total General Fund revenues. During 2000, State funding was provided to assist in the revenue losses. The City of Auburn received approximately \$200,000 in 2001 and 2002. Early in 2003, the State discontinued this funding assistance.

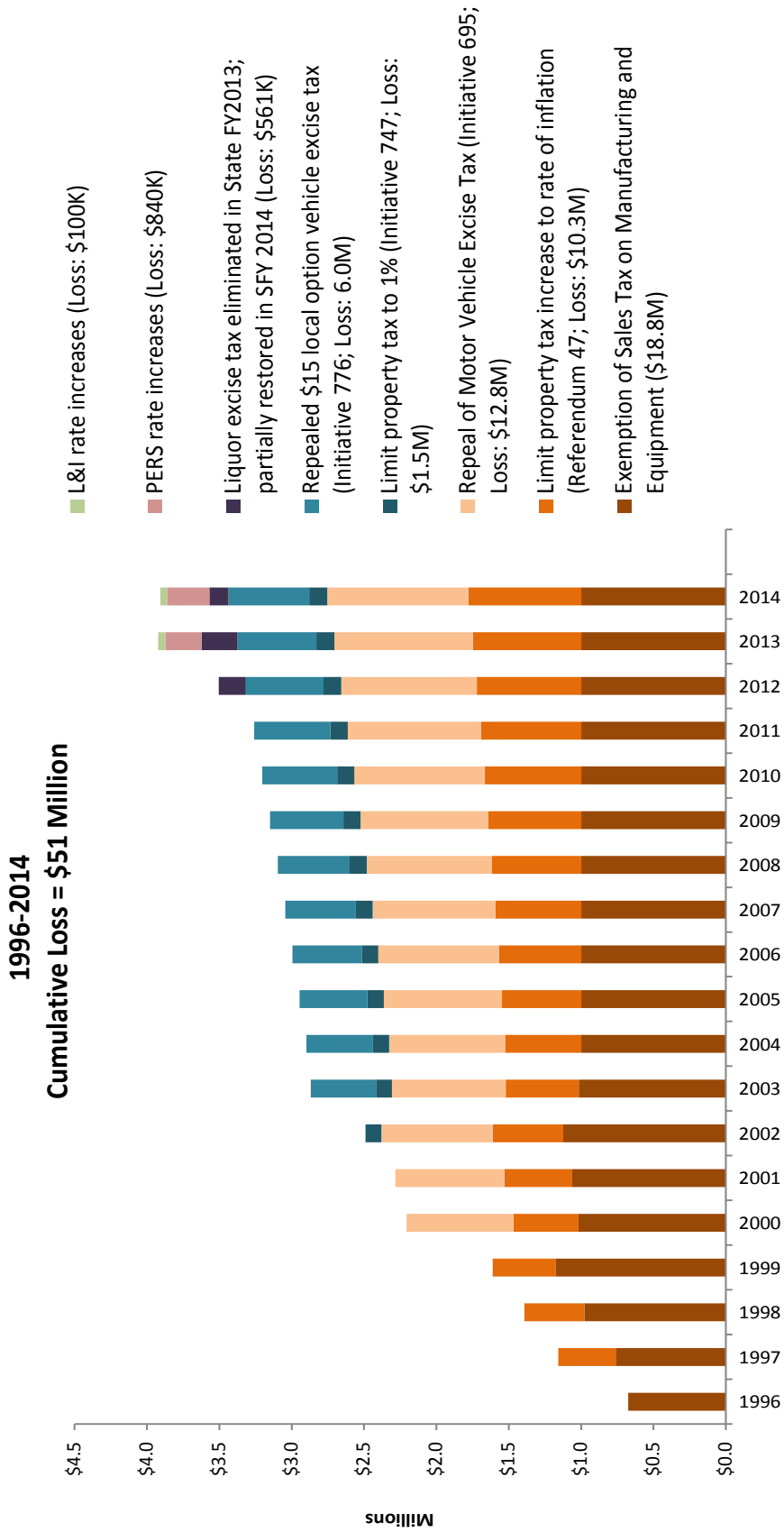
Initiative 747 (2001). One of the largest losses to City revenue is due to I-747 which limits property tax increases to the lesser of 1% or inflation. I-747 was passed by Washington State voters in November of 2001. This measure was declared unconstitutional by the King County Superior court on June 13, 2006. In November 2007, the State Supreme Court decision was to overturn I-747. Following this decision, the Washington Legislature approved House Bill 2416 reinstating the provisions of I-747 retroactively to 2002, restoring the one percent limit on property tax increases.

Initiative 776 (2002). The voters approved this initiative in the fall of 2002 to repeal the \$15 local option vehicle excise tax levied in King, Snohomish and Douglas counties. The voters of these counties initially approved this tax and there was argument whether a statewide vote could repeal a local voted tax. After several court cases and subsequent appeals the state Supreme Court upheld the initiative. The loss to the City street program is approximately \$450,000 annually.

Streamlined Sales and Use Tax (SST) (2008). In 2003, the Legislature enacted Senate Bill 5783 to adopt several provisions of the Streamlined Sales and Use Tax Agreement. The agreement attempts to create a Sales Tax collection system that is uniform across all states. Washington State changed from a point of sale collection process to a point of delivery collection process in July 2008. Funding to mitigate the losses as a result of SST is currently being provided by the State.

Liquor State Shared Revenue Distributions (2012). In 2012, as a part of the State Legislature's strategy to balance the State budget, local distributions of liquor excise taxes and liquor profits were suspended/reduced. Specifically, liquor excise taxes were temporarily suspended for the period July 1, 2012 to June 30, 2013 and was reinstated at approximately 65% of its original levels. Liquor profits were frozen at 2011 levels.

City of Auburn Tax Loss from Washington State Legislative or Initiative Action

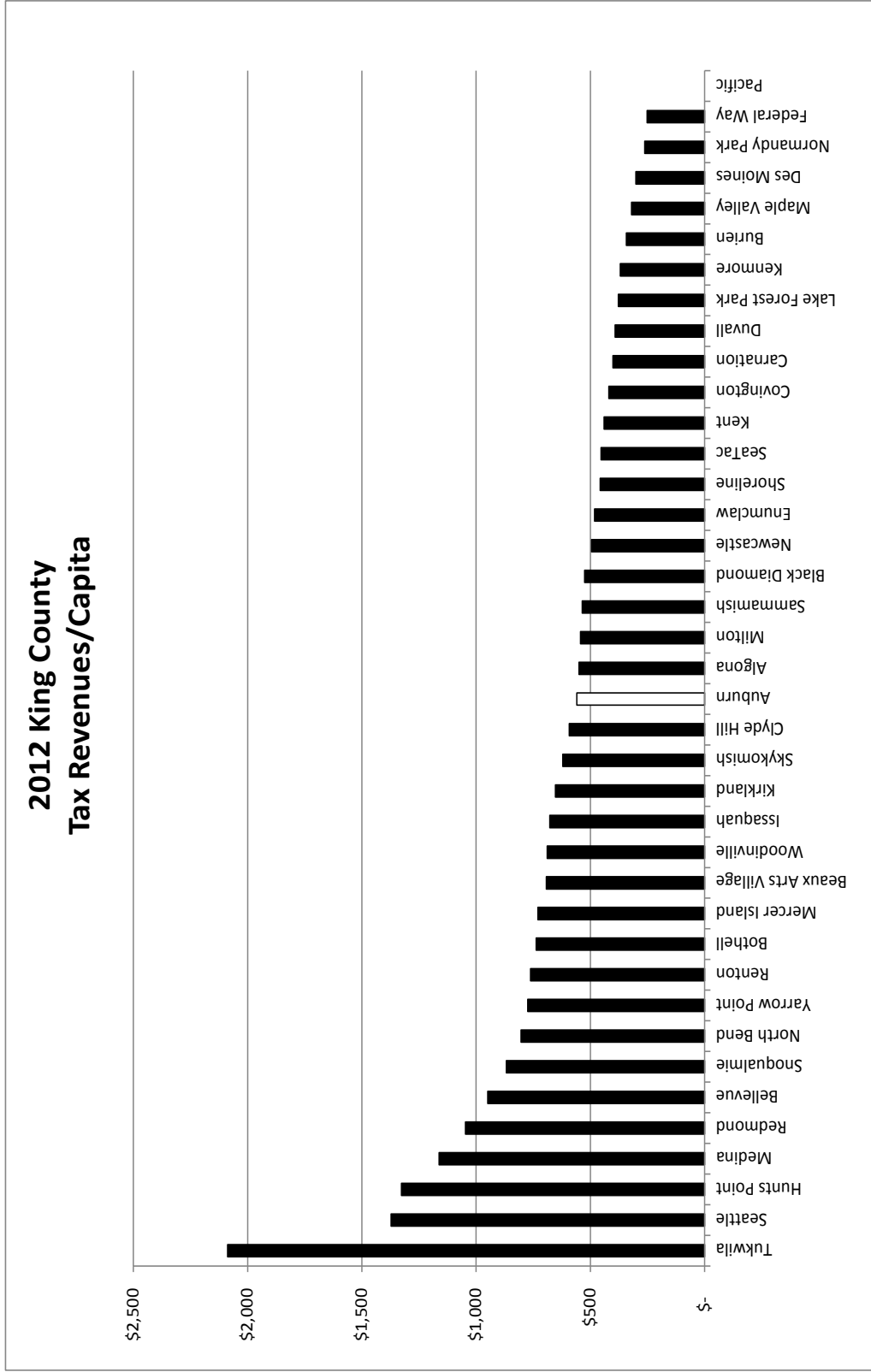


City of Auburn compared to other Washington Cities

When evaluating revenues between municipalities, one common methodology is to normalize the information on a per-capita basis. Based upon information collected and maintained by the Washington State Auditor's Office for calendar year 2012 (the latest year in which data is available on the SAO website), the following graphics provide some insight as to how the City of Auburn's General Fund revenues compare to surrounding jurisdictions in King County.

Note that these comparisons are for the General Fund only and do not include revenues that are receipted into other funds such as rates from Water, Sewer, Storm Drainage and Solid Waste utility services, Real Estate Excise Taxes or the City's 1% of utility taxes that are earmarked for arterial street improvements.

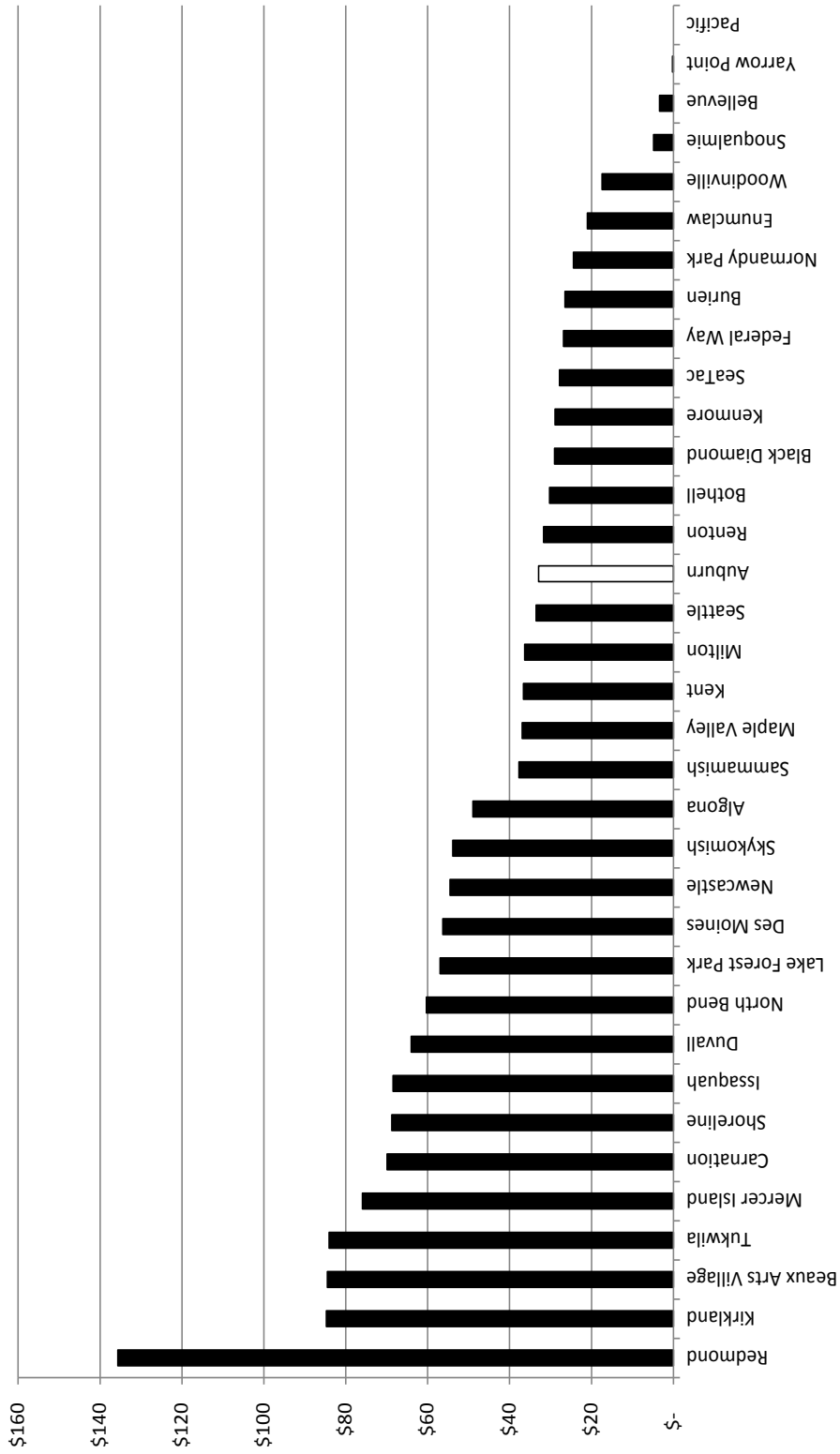
Taxes per Capita: This graphic compares tax revenues/capita for all cities in King County. This revenue category includes all forms of taxes including property, sales, and utility taxes. In 2012, Auburn collected \$560 in taxes on a per capita basis as compared to \$440 for the City of Kent, \$762 compared to the City of Renton, and \$251 for the City of Federal Way. Variances in this statistic can reflect local economic differences such as the valuation of local properties, the local property and utility tax rates, or the number of large retail establishments, such as big-box retailers or destination-based shopping centers.



Source: Washington State Auditor's Office, Local Government Financial Reporting System

Licenses and Permits per Capita: This next graphic compares revenues from licenses and permits on a per capita basis. In 2012, Auburn collected \$33 on a per capita basis as compared to \$27 for the City of Federal Way, \$37 for the City of Kent, and \$32 for the City of Renton. Variances in this statistic can reflect the local level of development activity, the type of projects and the size of the fees and permits that it charges, and the amount of development activity that result in building permits and plan check fees.

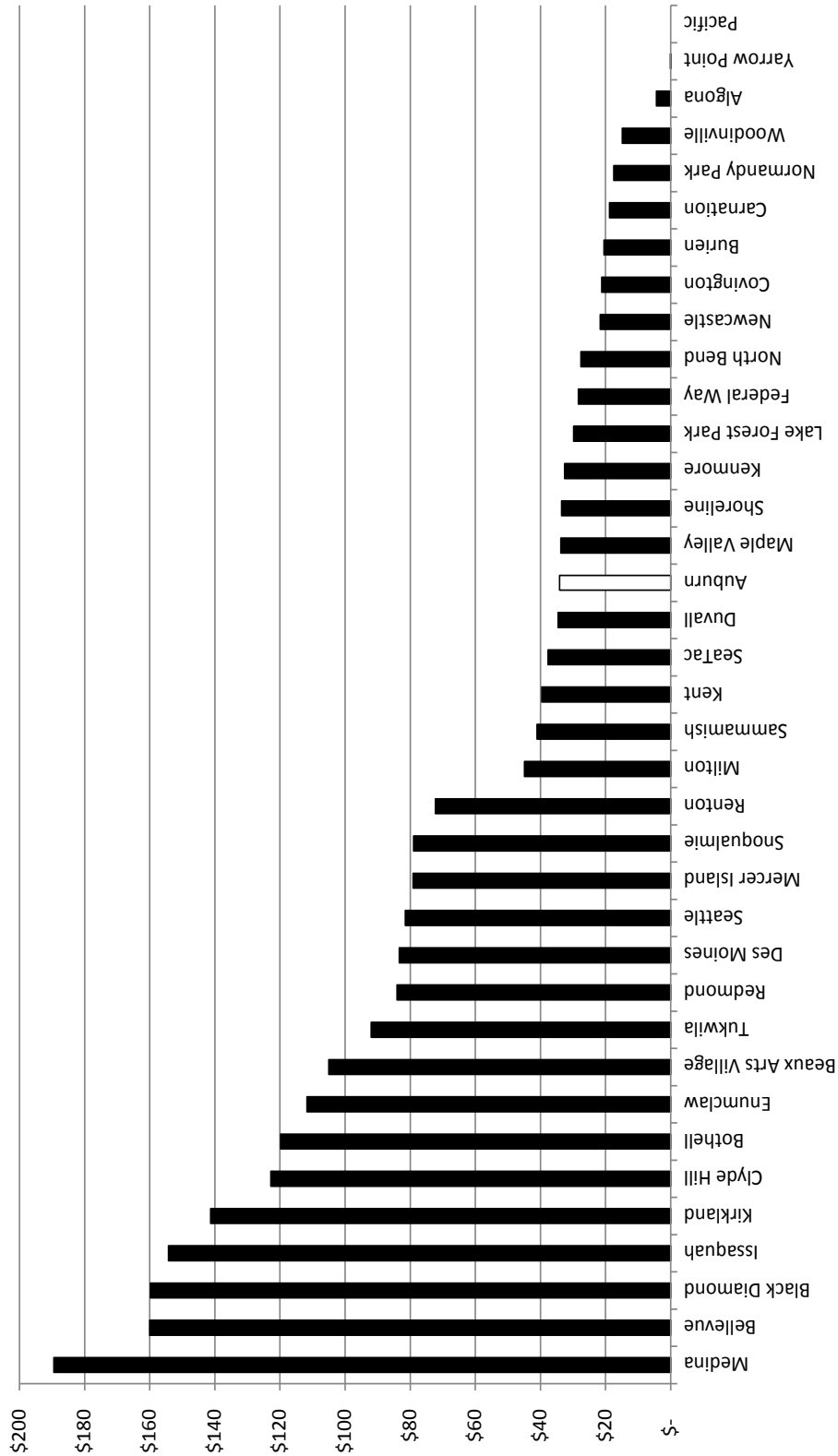
**2012 King County
Licenses & Permit Revenues/Capita**



Source: Washington State Auditor's Office, Local Government Financial Reporting System

Charges for Goods and Services per Capita: This next category compares revenues from goods and services per capita. In 2012, Auburn collected \$34 on a per capita basis as compared to \$28 for Federal Way, \$40 for Kent, and \$72 for Renton. Variances in this revenue source can reflect the type and number of contracted agreements that a city has in place and the value of these agreements.

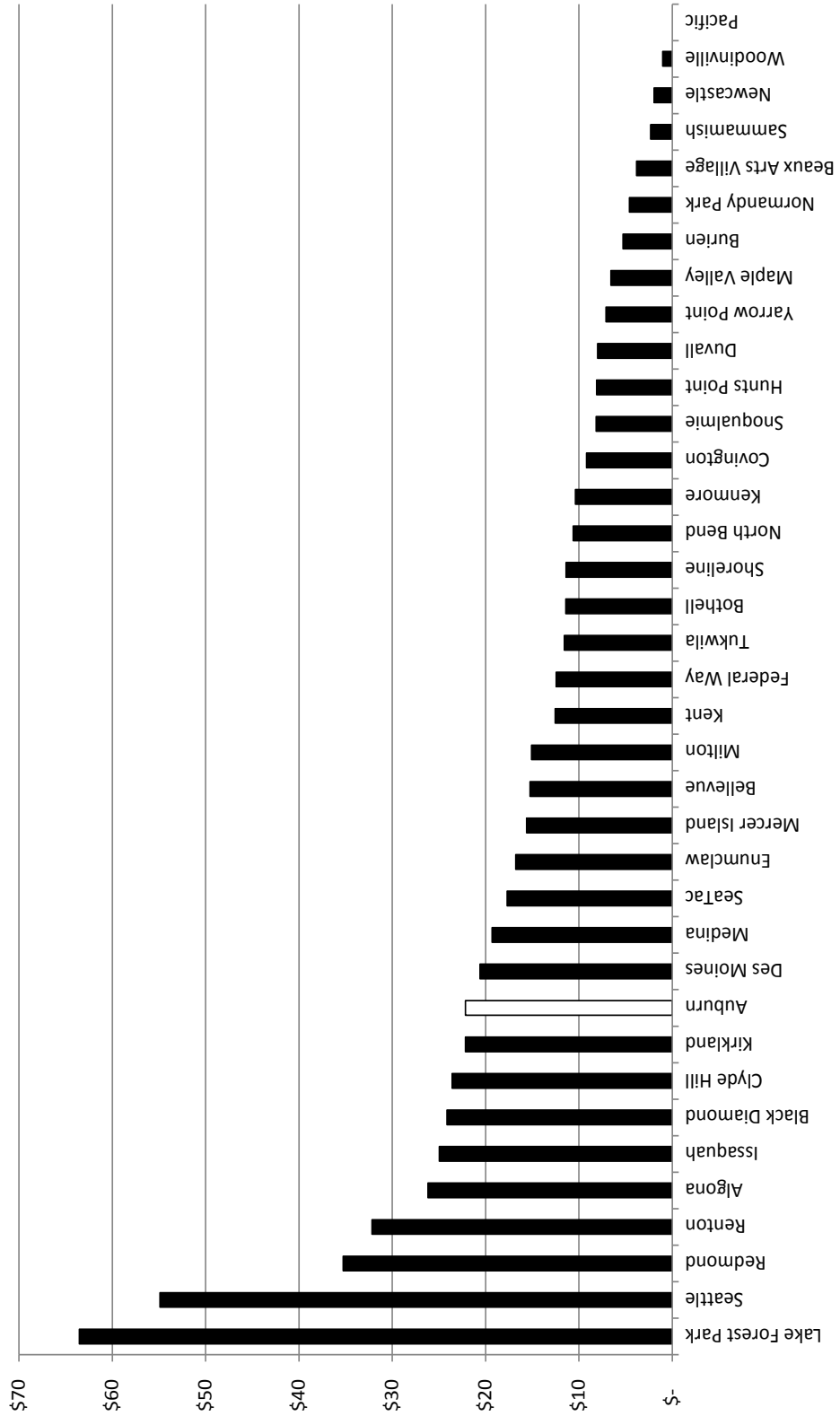
2012 King County Charges for Goods and Services Revenue/Capita



Source: Washington State Auditor's Office, Local Government Financial Reporting System

Fines and Forfeits per Capita: This next category compares revenues from fines and forfeits per capita. In 2012, Auburn collected \$22 on a per capita basis, as compared to \$13 for Kent, \$12 for Federal Way and \$32 for Renton. Variances in this revenue source can reflect the type of activities that may generate fines and forfeits that a city has in place (for example photo enforcement cameras and the number of intersections monitored can affect the amount of revenue collected in this category).

2012 King County Fines & Penalties Revenue/Capita



Source: Washington State Auditor's Office, Local Government Financial Reporting System

While these comparative per capita statistics provide interesting insights into the level of revenue collected between jurisdictions, it is important to be aware that there can be many factors affecting revenue collections and that the amount of revenue collected can often reflect the relative priorities of a community (for example, the type and level of utility taxes assessed or whether a jurisdiction has installed photo enforcement cameras). Therefore, while these comparisons make for interesting comparisons, conclusions should not and cannot be drawn without the benefit from a more in-depth analysis of publicly available information.

REVENUES BY CATEGORY*

For all fund types

	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Adjusted Budget
TAXES					
Property	\$ 14,169,811	\$ 14,566,894	\$ 14,866,488	\$ 14,415,456	\$ 15,699,417
Sales & Use	15,240,652	15,632,279	16,107,823	17,784,567	17,244,327
Cable TV	967,129	1,022,902	1,051,146	1,115,477	1,049,964
City Utility	2,788,083	2,948,297	3,281,816	3,892,250	3,738,040
Electric Utility	3,647,183	3,739,160	3,750,846	4,059,276	4,038,779
Natural Gas Utility	1,472,202	1,675,963	1,576,954	1,596,891	1,757,554
Solid Waste - External Utility	177,208	166,289	134,680	119,094	117,385
Telephone Utility	2,540,160	2,390,385	2,297,352	2,214,292	2,451,284
Admissions	312,202	305,218	298,703	273,260	365,427
Gambling	204,112	258,050	265,491	202,157	250,237
Hotel/Motel Excise	66,549	65,058	78,143	90,581	70,000
Leasehold Excise	37,985	49,467	39,262	37,215	50,754
Real Estate Excise Tax (REET)	1,080,258	1,487,163	1,758,725	2,225,898	1,400,000
Sub-Total	\$ 42,703,535	\$ 44,307,126	\$ 45,507,430	\$ 48,026,412	\$ 48,233,168
LICENSES, PERMITS AND OTHER FEES/CHARGES					
Business Licenses	\$ 280,501	\$ 254,054	\$ 288,690	\$ 305,637	\$ 258,015
Mitigation/Impact Fees	1,097,708	1,188,560	1,447,547	1,692,460	875,000
Park Fees	2,048,060	1,964,139	2,026,667	2,093,067	2,062,549
Permit Fees	1,096,648	1,574,140	2,112,686	2,678,483	1,457,232
Animal Licenses	-	-	-	127,303	240,000
Planning and Development Fees	684,924	509,414	1,222,884	1,116,612	738,881
Sub-Total	\$ 5,207,841	\$ 5,490,307	\$ 7,098,475	\$ 8,013,563	\$ 5,631,677
INTERGOVERNMENTAL REVENUES					
Criminal Justice Sales Tax	\$ 185,608	\$ 235,036	\$ 238,147	\$ 171,736	\$ 88,880
Federal/State/Local Grant	4,325,989	11,625,562	13,310,544	5,314,685	11,139,508
Liquor Excise & Profits	856,732	814,509	965,706	688,099	680,000
Motor Vehicle Fuel Tax	1,461,709	1,465,720	1,444,724	1,472,734	1,476,423
Muckleshoot Casino	652,155	540,050	730,376	509,734	700,000
Streamlined Sales Tax	1,965,472	1,987,348	1,894,001	1,952,778	2,020,000
Sub-Total	\$ 9,447,664	\$ 16,668,225	\$ 18,583,498	\$ 10,109,766	\$ 16,104,811
FINES AND FORFEITS AND OTHER REVENUES					
Fines and Forfeits	\$ 2,502,433	\$ 1,953,129	\$ 1,593,286	\$ 1,436,685	\$ 1,569,681
Fire Insurance Premiums	63,545	66,375	63,205	70,036	63,000
Investment Income	579,460	391,596	321,345	254,157	239,724
Rental Income	677,512	729,751	676,304	654,253	656,900
Sub-Total	\$ 3,822,949	\$ 3,140,851	\$ 2,654,140	\$ 2,415,130	\$ 2,529,305
ENTERPRISE FUND REVENUES					
Airport	\$ 409,284	\$ 454,471	\$ 434,568	\$ 451,688	\$ 407,500
Cemetery	760,633	796,742	873,864	981,784	888,000
Water Utility	9,147,220	9,076,497	10,385,886	11,747,191	13,026,725
Sewer Utility	15,968,231	16,667,149	18,585,288	21,764,247	22,231,431
Storm Drainage Utility	6,441,726	6,938,375	7,479,580	8,184,303	8,581,917
Solid Waste Utility	8,100,791	8,664,423	10,285,887	11,562,112	11,707,406
Sub-Total	\$ 40,827,884	\$ 42,597,658	\$ 48,045,073	\$ 54,691,325	\$ 56,842,979
Grand Total	\$ 102,009,874	\$ 112,204,166	\$ 121,888,617	\$ 123,256,197	\$ 129,341,940

*The above table represents major sources of revenue. Sources excluded from this revenue manual include beginning fund balances, working capital balances, and interfund transfers.

REVENUES PER CAPITA BY CATEGORY*

For all fund types

	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Adjusted Budget
City Population					
King County portion	62,761	63,050	63,390	64,320	64,963
Pierce County portion	7,419	7,655	7,850	8,915	9,004
Total	70,180	70,705	71,240	73,235	73,967
TAXES					
Property	\$ 202	\$ 206	\$ 209	\$ 197	\$ 212
Sales & Use	217	221	226	243	233
Cable TV	14	14	15	15	14
City Utility	40	42	46	53	51
Electric Utility	52	53	53	55	55
Natural Gas Utility	21	24	22	22	24
Solid Waste - External Utility	3	2	2	2	2
Telephone Utility	36	34	32	30	33
Admissions	4	4	4	4	5
Gambling	3	4	4	3	3
Hotel/Motel Excise	1	1	1	1	1
Leasehold Excise	1	1	1	1	1
Real Estate Excise Tax (REET)	15	21	25	30	19
Sub-Total	\$ 608	\$ 627	\$ 639	\$ 656	\$ 652
LICENSES, PERMITS AND OTHER FEES/CHARGES					
Business Licenses	\$ 4	\$ 4	\$ 4	\$ 4	\$ 3
Mitigation/Impact Fees	16	17	20	23	12
Park Fees	29	28	28	29	28
Permit Fees	16	22	30	37	20
Animal Licenses	-	-	-	2	3
Planning and Development Fees	10	7	17	15	10
Sub-Total	\$ 74	\$ 78	\$ 100	\$ 109	\$ 76
INTERGOVERNMENTAL REVENUES					
Criminal Justice Sales Tax	\$ 3	\$ 3	\$ 3	\$ 2	\$ 1
Federal/State/Local Grant	62	164	187	73	151
Liquor Excise & Profits	12	12	14	9	9
Motor Vehicle Fuel Tax	21	21	20	20	20
Muckleshoot Casino	9	8	10	7	9
Streamlined Sales Tax	28	28	27	27	27
Sub-Total	\$ 135	\$ 236	\$ 261	\$ 138	\$ 218
FINES AND FORFEITS AND OTHER REVENUES					
Fines and Forfeits	\$ 36	\$ 28	\$ 22	\$ 20	\$ 21
Fire Insurance Premiums	1	1	1	1	1
Investment Income	8	6	5	3	3
Rental Income	10	10	9	9	9
Sub-Total	\$ 54	\$ 44	\$ 37	\$ 33	\$ 34
ENTERPRISE FUND REVENUES					
Airport	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6
Cemetery	11	11	12	13	12
Water Utility	130	128	146	160	176
Sewer Utility	228	236	261	297	301
Storm Drainage Utility	92	98	105	112	116
Solid Waste Utility	115	123	144	158	158
Sub-Total	\$ 582	\$ 602	\$ 674	\$ 747	\$ 768
Grand Total	\$ 1,454	\$ 1,587	\$ 1,711	\$ 1,683	\$ 1,749

*The above table represents major sources of revenue. Sources excluded from this revenue manual include beginning fund balances, working capital balances, and interfund transfers.

City of Auburn Revenue Manual

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