

2015 REVENUE MANUAL

This Revenue Manual includes:

- 2011 – 2013 actual results
- 2014 actual results (unaudited)
- 2015 amended budget (through Council Approved Budget Amendment #1 and March Mayor Debit/Credit).

June 2015

Dear Reader:

The purpose of this document is to provide the City Council and the general public a clear 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 (2011-2014) and forecasted (2015) performance of each revenue source.

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

Sincerely,



Shelley Coleman, Finance Director

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Introduction

Washington State laws provide cities with the power 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 are, 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-quarters of the City's General Fund revenues are derived from three sources: property taxes (approximately 30%); sales and use tax (approximately 29%); and utility taxes (approximately 19%). The remainder of the City's resources are derived from licenses and permits, planning and permitting fees and charges, park, arts and 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 as described above.

Revenue Manual – A Reader’s Guide

The presentation and discussion of the City’s revenues herein are shown as follows:

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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Total \$	3,739,160	3,750,846	4,059,276	3,997,291	4,122,700

Year	Amount (\$)
2011 A	3,739,160
2012 A	3,750,846
2013 A	4,059,276
2014 Est A	3,997,291
2015 Adj B	4,122,700

BASE:	The electric utility tax rate is 6.0%. 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 6.0% tax rate. The City levies the maximum rate allowed under state law.
REVISED CODE OF WA:	35.21.870: Establishes the City’s authority to assess a utility tax on electricity, telephone, natural gas, or steam energy and limits the tax to a maximum of six percent (6.0%).

A Revenue source and description.

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

C Basis for calculation or assessment of City revenue source; including legislative basis (Auburn City Code and State law).

Significant Revenue Sources by Category – 2015 Adjusted Budget

	2015 Adjusted Budget	
TAXES		
Property	\$ 17,307,600	12.2%
Sales & Use	18,957,000	13.3%
City Utility	4,030,300	2.8%
Electric Utility	4,122,700	2.9%
All Other Taxes	7,374,600	5.2%
Sub-Total Taxes	\$ 51,792,200	
LICENSES, PERMITS AND OTHER FEES/CHARGES		
Mitigation/Impact Fees	\$ 990,000	0.7%
Park Fees	2,095,180	1.5%
Permit Fees	1,472,300	1.0%
All Other Fees and Permits	1,114,000	0.8%
Sub-Total Fees and Permits	\$ 5,671,480	
INTERGOVERNMENTAL REVENUES		
Federal/State/Local Grant	\$ 17,721,506	12.5%
Motor Vehicle Fuel Tax	1,487,100	1.0%
Streamlined Sales Tax	2,000,000	1.4%
All Other Intergovernmental Revenues	2,221,270	1.6%
Sub-Total Intergovernmental Revenues	\$ 23,429,876	
FINES, FORFEITS AND OTHER REVENUES		
Fines and Forfeits	\$ 802,840	0.6%
Rental Income	650,050	0.5%
All Other Fines and Forfeit Revenues	206,234	0.1%
Sub-Total Fines and Forfeit Revenues	\$ 1,659,124	
ENTERPRISE FUND REVENUE		
Water Utility	\$ 13,292,465	9.4%
Sewer Utility	23,762,993	16.7%
Storm Drainage Utility	8,960,928	6.3%
Solid Waste Utility	11,863,800	8.4%
All Other Enterprise Revenues	1,602,600	1.1%
Sub-Total Enterprise Revenues	\$ 59,482,786	
TOTAL REVENUE	<u>\$ 142,035,465</u>	

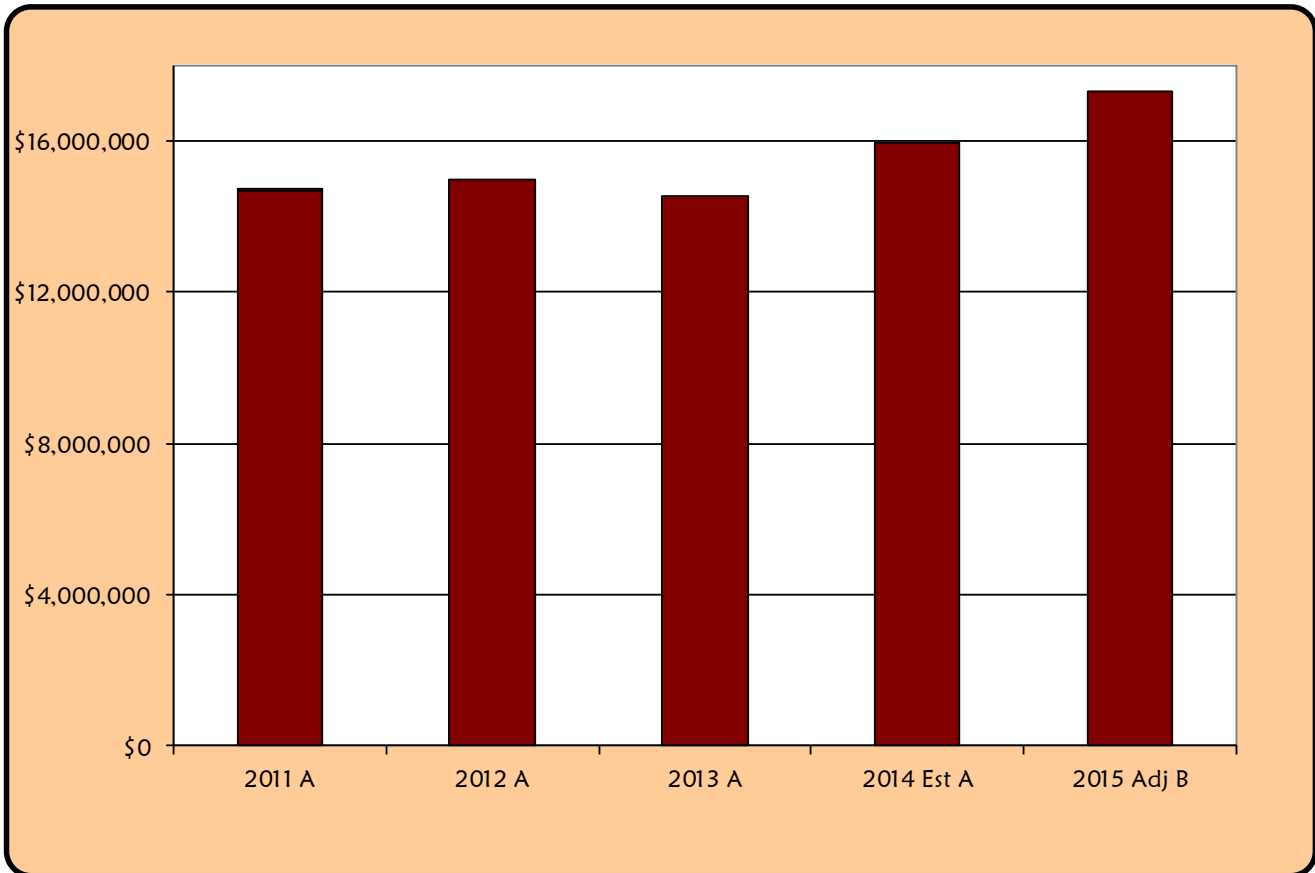
Taxes

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 and Fund 321</i>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Total Property Tax	\$ 14,683,328	\$ 14,987,637	\$ 14,535,673	\$ 15,933,338	\$ 17,307,600
Total Assessed Value (in 000's)	\$ 7,564,507	\$ 7,225,550	\$ 6,911,112	\$ 7,422,169	\$ 8,238,289
City Levy Rate per \$1,000 of AV	\$ 1.93	\$ 2.08	\$ 2.10	\$ 2.17	\$ 2.08



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: Establishes maximum levy rates for the various types of taxing districts (state, counties, cities, etc.).

84.55.010: Establishes 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.

	2013	2014	2015
Direct regular and special levies City of Auburn [a]	\$ 2.10000	\$ 2.16739	\$2.08085
Overlapping regular and special levies			
Auburn School District	6.62190	6.50262	6.16768
King County	1.54051	1.51605	1.34522
State of Washington	2.56720	2.47044	2.28514
Port of Seattle	.23324	.21533	.18885
Emergency Medical Services	.30000	.33500	.30217
Hospital District	.50000	.50000	.50000
King County Library District	.56743	.56175	.50276
Valley Regional Fire	1.20479	1.20294	1.18043
Authority			
King County Flood Zone	.13210	.15369	.13860
King County Ferry District	.00378	.00349	.00000
Subtotal – overlapping levies	\$ 13.67095	\$ 13.46131	\$ 12.61085
Total	\$ 15.77095	\$ 15.62870	\$ 14.69170

Source: King and Pierce County Department of Assessments

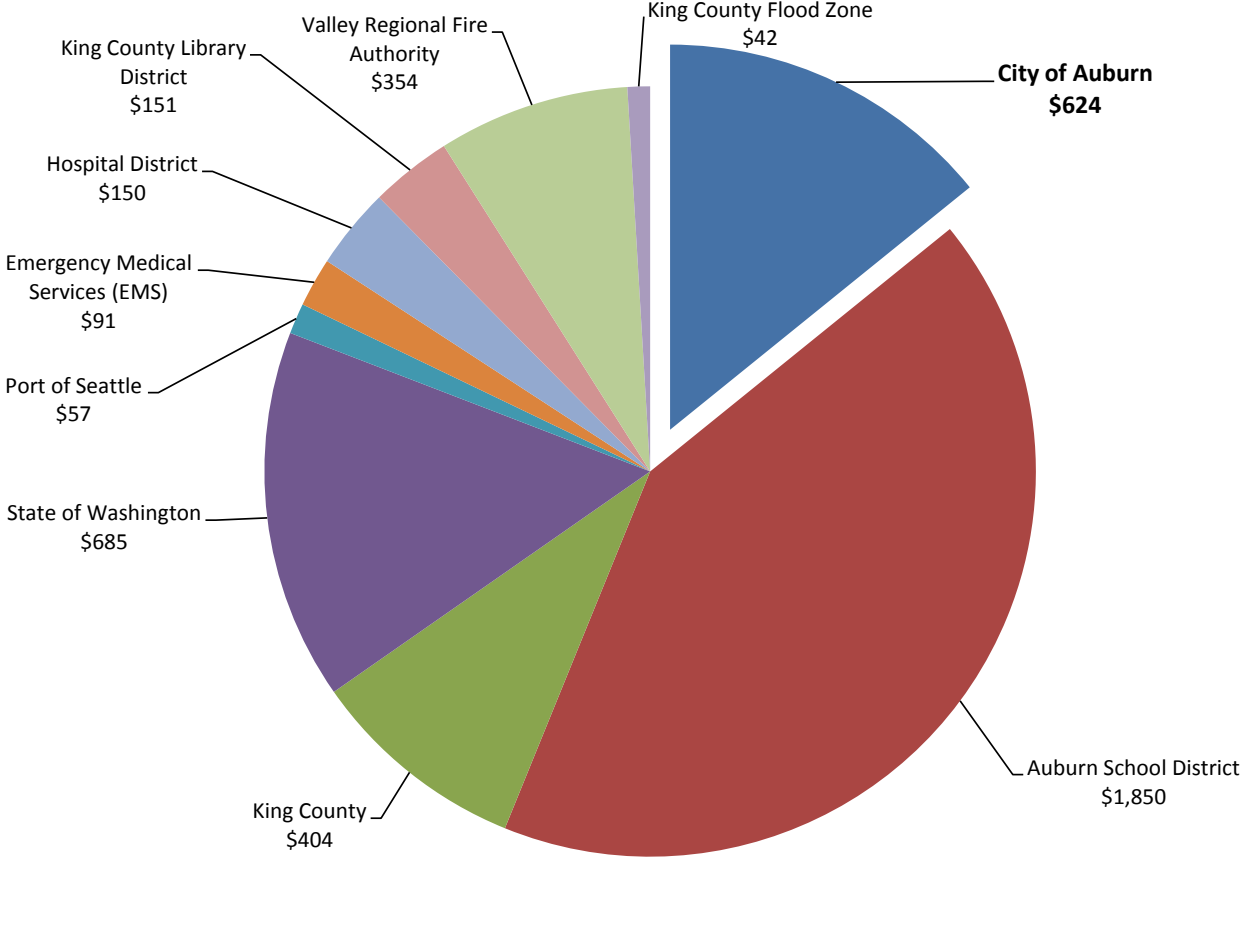
[a] The maximum City levy rate is \$2.38818. Rates are expressed in dollars per \$1,000 of assessed value (AV).

Where Your Property Tax Dollars Go



Property Tax Levied on a \$300,000 Home - 2015

Where it Goes



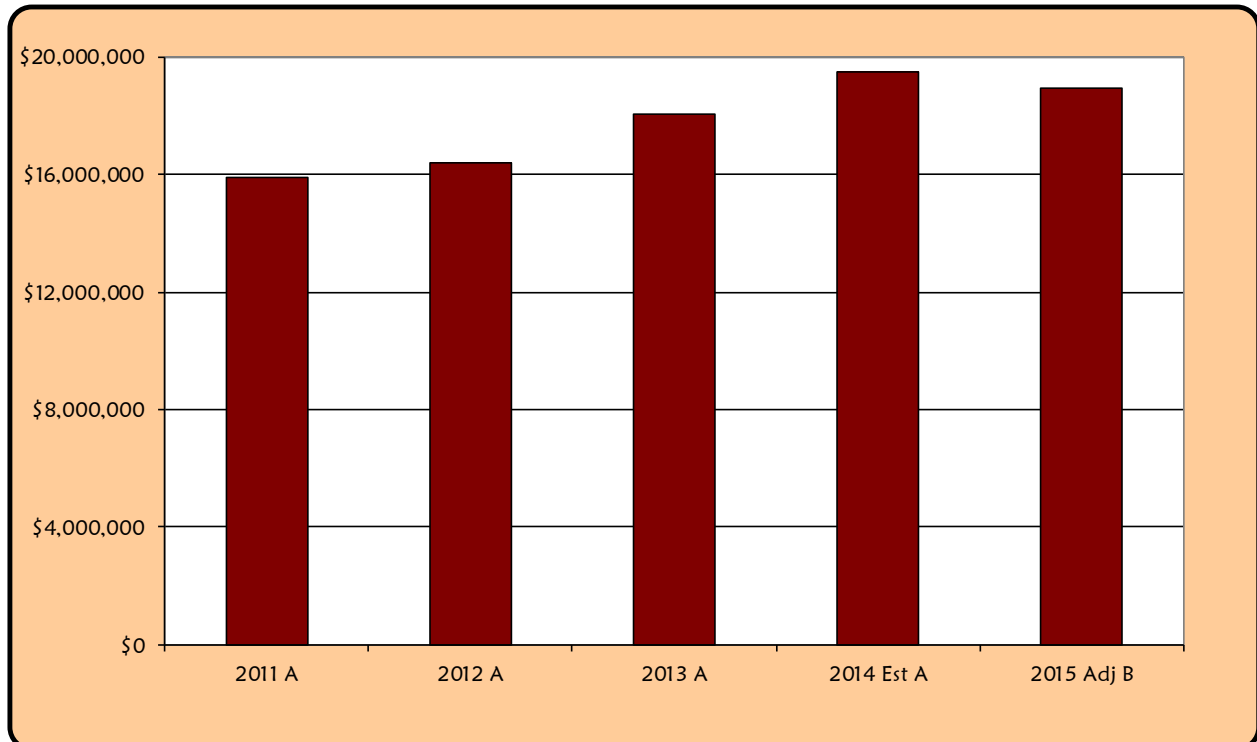
REVENUE: SALES AND USE TAX

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 and Fund 231</i>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Sales & Use Tax	\$ 12,818,411	\$ 13,163,556	\$ 14,572,991	\$ 15,732,971	\$ 15,262,000
Sales Tax Credit for Annexation	1,466,220	1,542,272	1,694,630	1,836,391	1,856,000
Criminal Justice Sales Tax	1,347,647	1,401,995	1,516,946	1,658,228	1,589,000
LRF Sales Tax Credit	282,129	269,243	277,292	241,767	250,000
Total	\$ 15,914,408	\$ 16,377,066	\$ 18,061,858	\$ 19,469,356	\$ 18,957,000

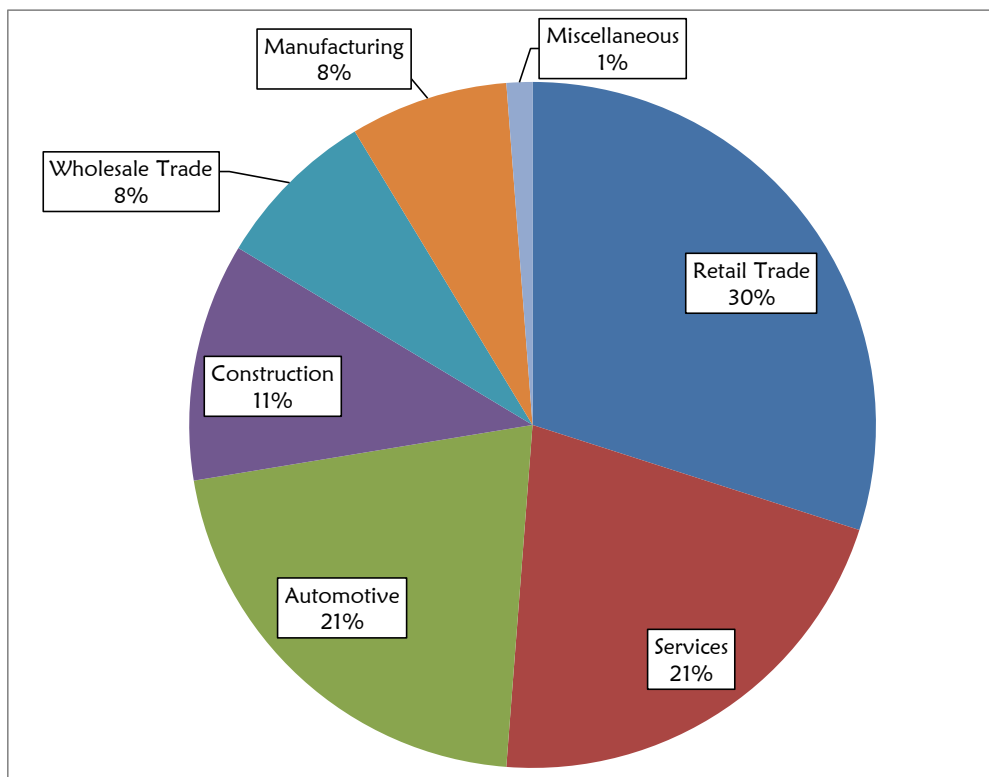


BASE: This tax is imposed on all personal and business purchases of tangible property.

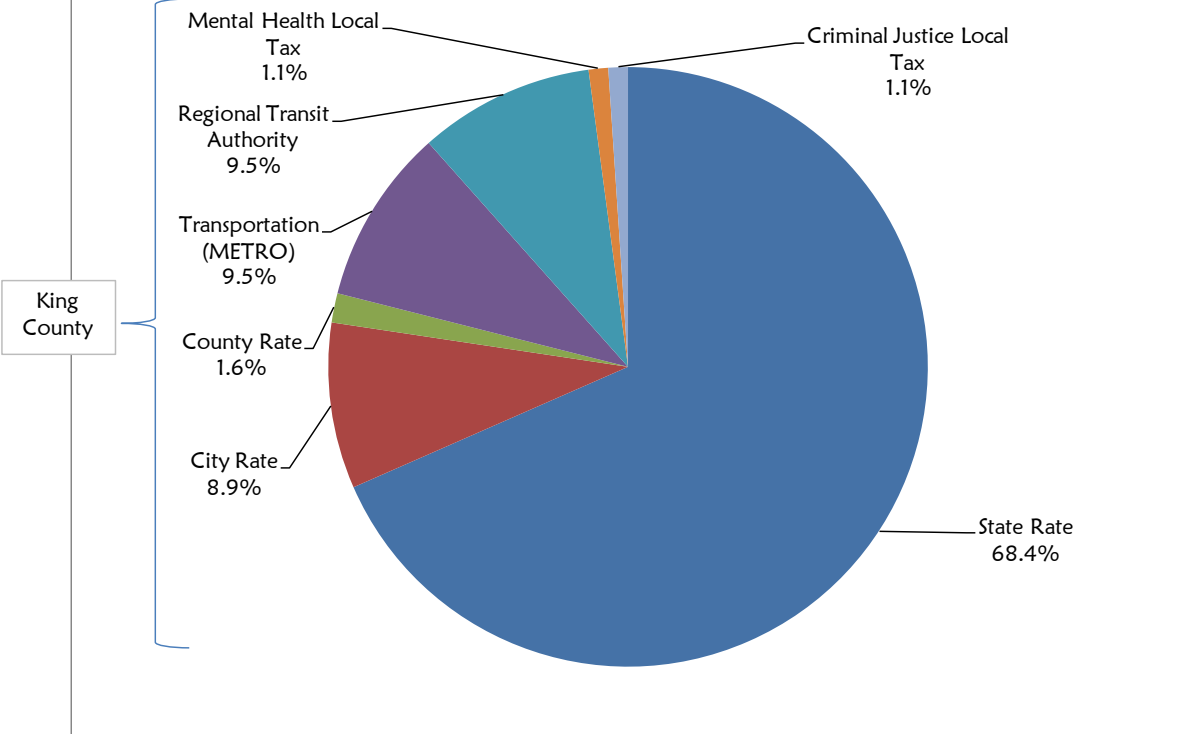
AUBURN CITY CODE: 3.60.010: Authorizes the tax.

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

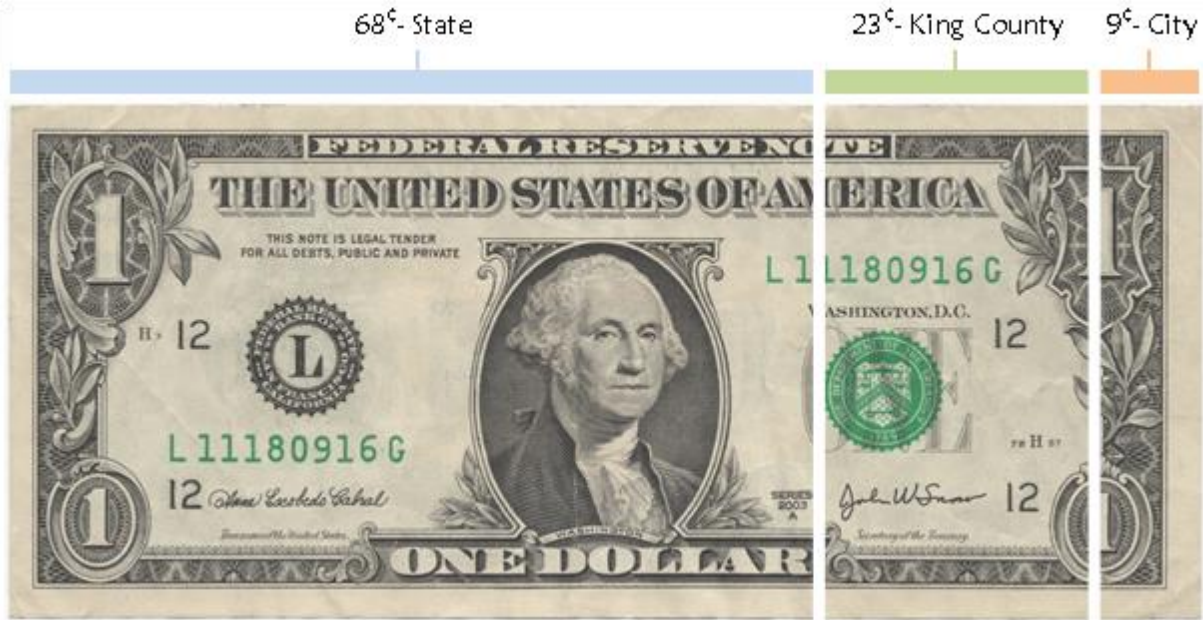
CITY ECONOMIC PROFILE: The City has a diverse economy with approximately half of the City's sales taxes derived from retail activity and automotive dealers. The following pie chart illustrates the major sources for the City's retail sales and use taxes for the latest 12 month period ending December 2014.



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 10.0% of net receipts 10.0% of net receipts 2.0% of net receipts 5.0% of net receipts	4.0% of gross revenue 10.0% of net receipts 10.0% of net receipts 2.0% of net receipts 5.0% 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:

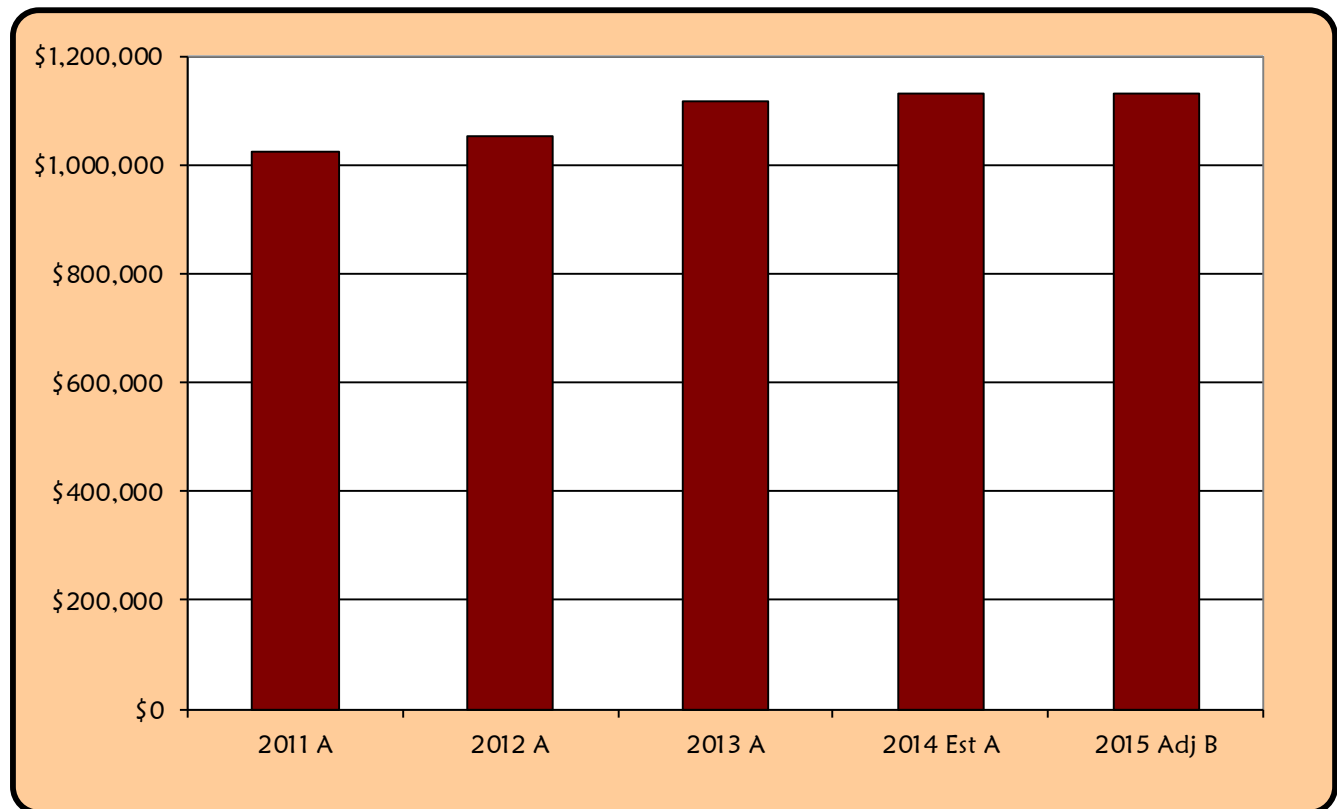
CABLE TV UTILITY TAX AND FRANCHISE FEE

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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Cable TV Franchise Fee	\$ 860,952	\$ 885,044	\$ 941,372	\$ 952,199	\$ 951,900
Cable TV Utility Tax	161,950	166,102	174,105	179,054	177,800
Total	\$ 1,022,902	\$ 1,051,146	\$ 1,115,477	\$ 1,131,253	\$ 1,129,700



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 5.0% and the quarterly payment schedule.

REVISED CODE OF WA:

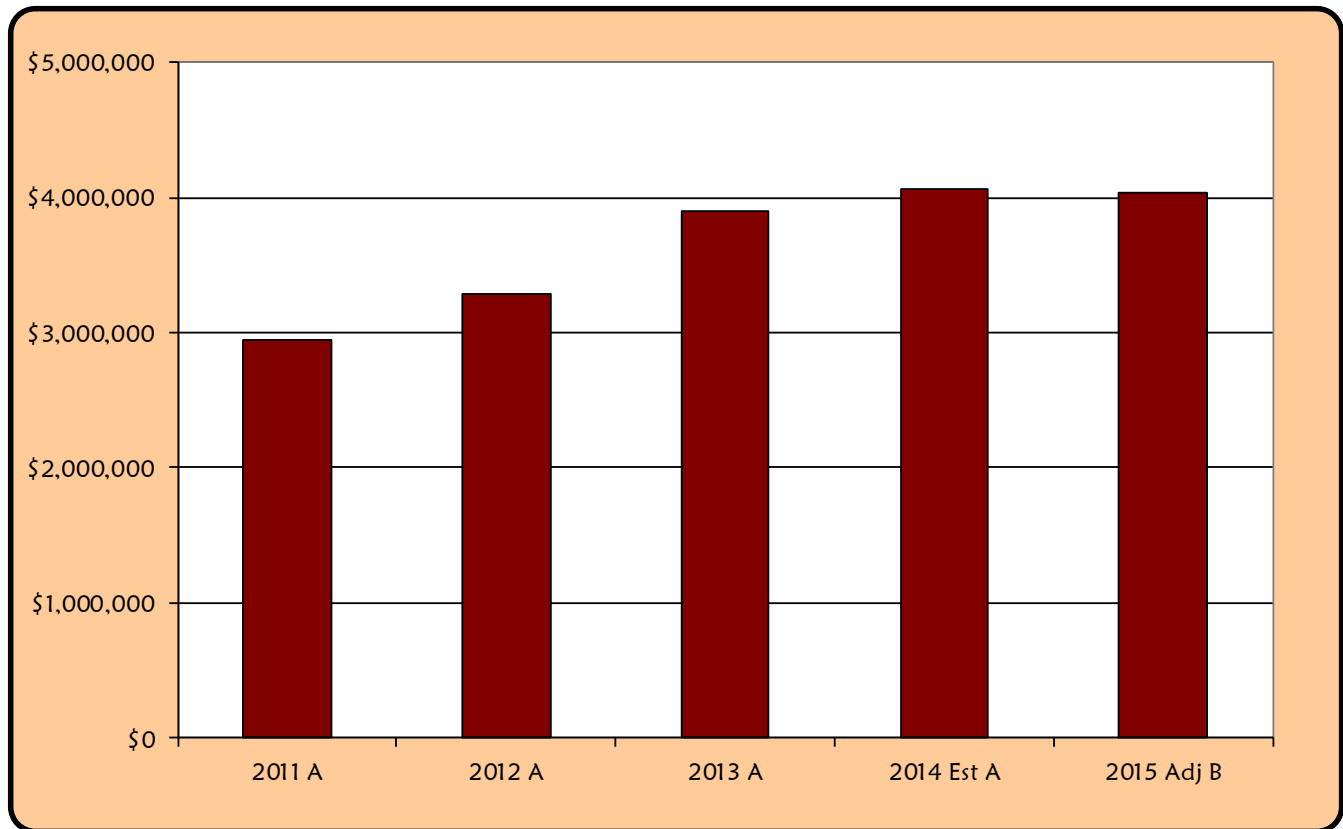
80.32.010: Cities and counties may grant franchises.

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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Interfund Sewer Taxes	\$ 1,191,454	\$ 1,321,453	\$ 1,691,577	\$ 1,637,814	\$ 1,684,200
Interfund Water Taxes	690,188	754,424	854,719	958,507	946,300
Interfund Solid Waste Taxes	524,656	641,488	727,546	775,555	750,000
Interfund Storm Taxes	541,999	564,450	618,408	696,791	649,800
Total	\$ 2,948,297	\$ 3,281,816	\$ 3,892,250	\$ 4,068,667	\$ 4,030,300



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.

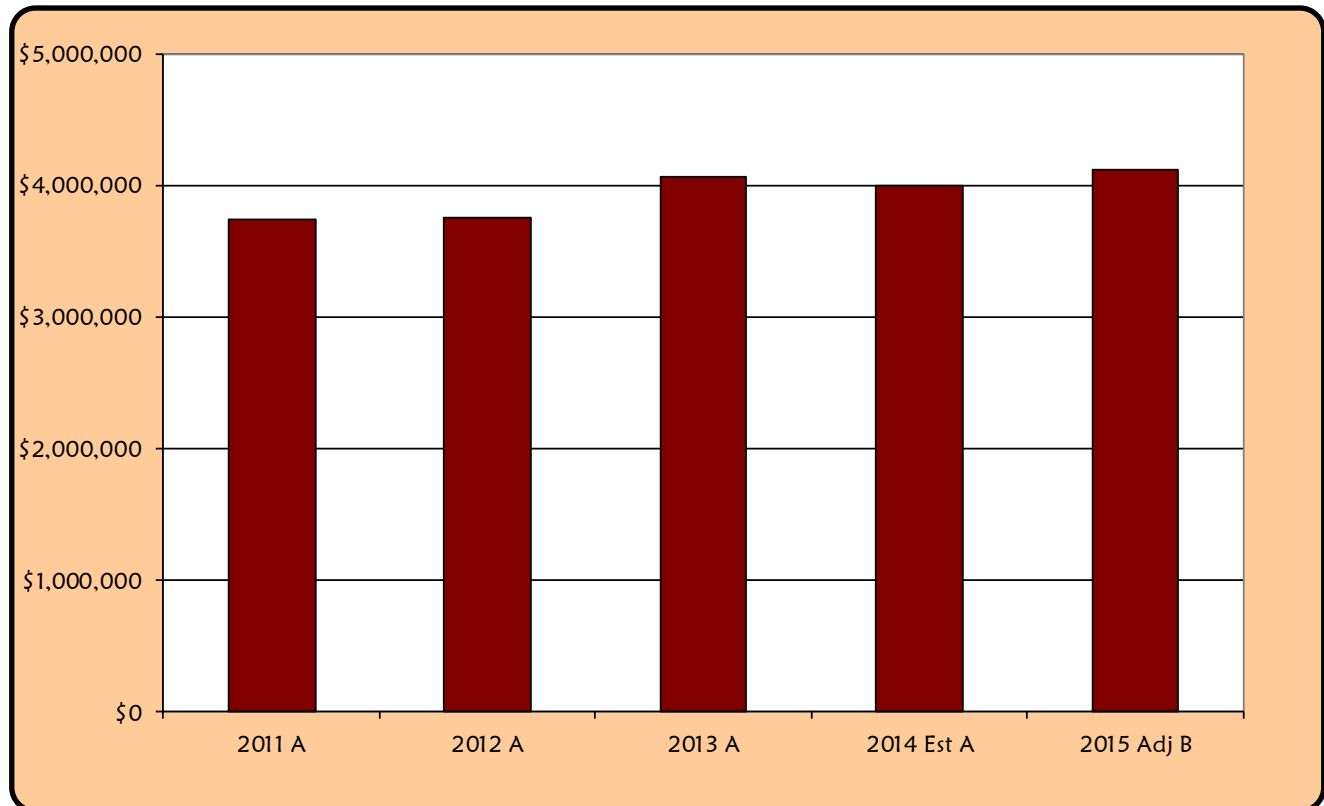
35.22.280: Authority to levy and collect taxes. There are no restrictions on the tax rate.

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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Total	\$ 3,739,160	\$ 3,750,846	\$ 4,059,276	\$ 3,997,291	\$ 4,122,700



BASE: The electric utility tax rate is 6.0%. 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 6.0% tax rate. The City levies the maximum rate allowed under state law.

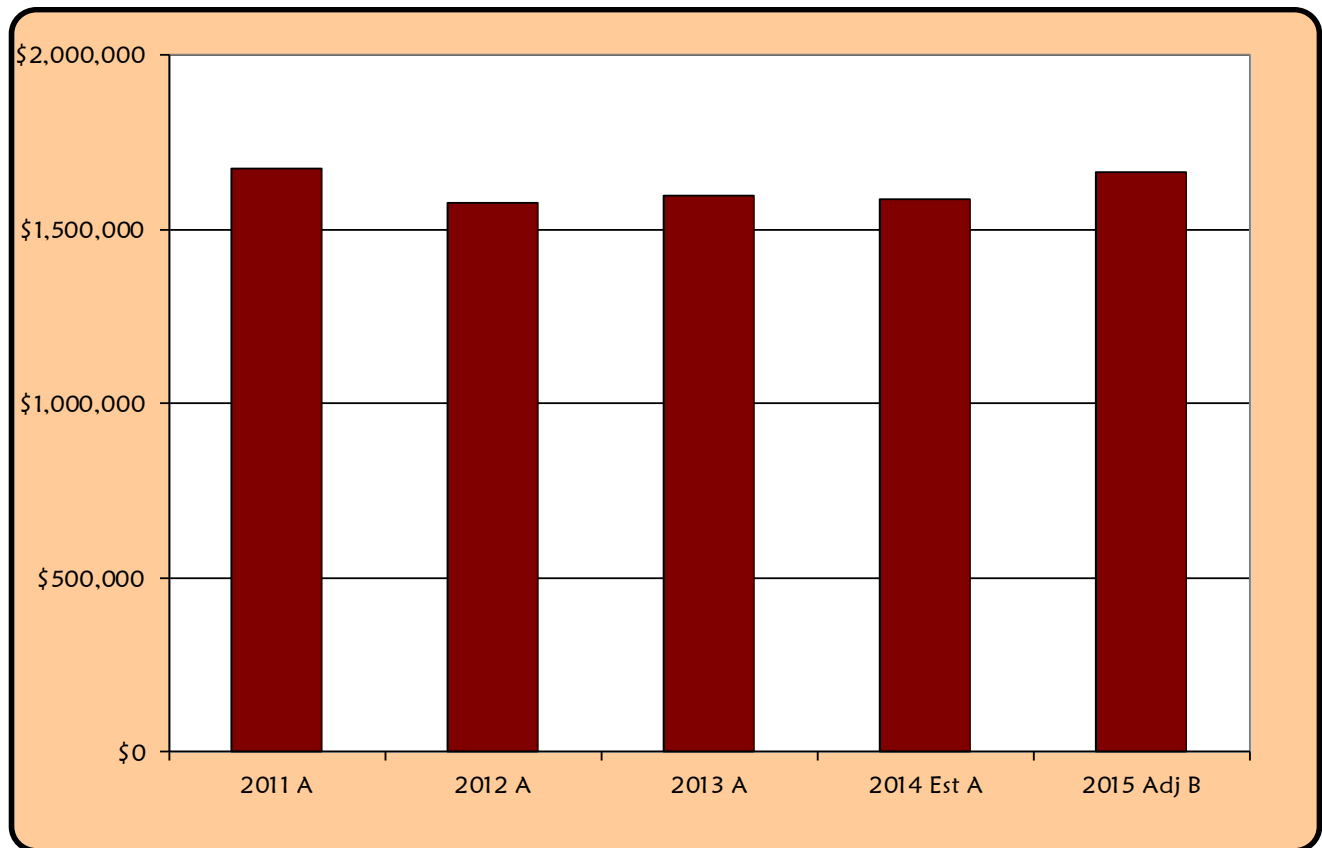
REVISED CODE OF WA: 35.21.870: Establishes the City’s authority to assess a utility tax on electricity, telephone, natural gas, or steam energy and limits the tax to a maximum of six percent (6.0%).

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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Total \$	1,675,963	\$ 1,576,954	\$ 1,596,891	\$ 1,584,211	\$ 1,664,400



BASE: The utility tax is based on the gross revenues from the operation of a public or privately owned utility. 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 6.0% tax rate. The City levies the maximum rate allowed under state law.

REVISED CODE OF WA: 35.21.870: Establishes the City’s authority to assess a utility tax on electricity, telephone, natural gas, or steam energy and limits the tax to a maximum of six percent (6.0%).

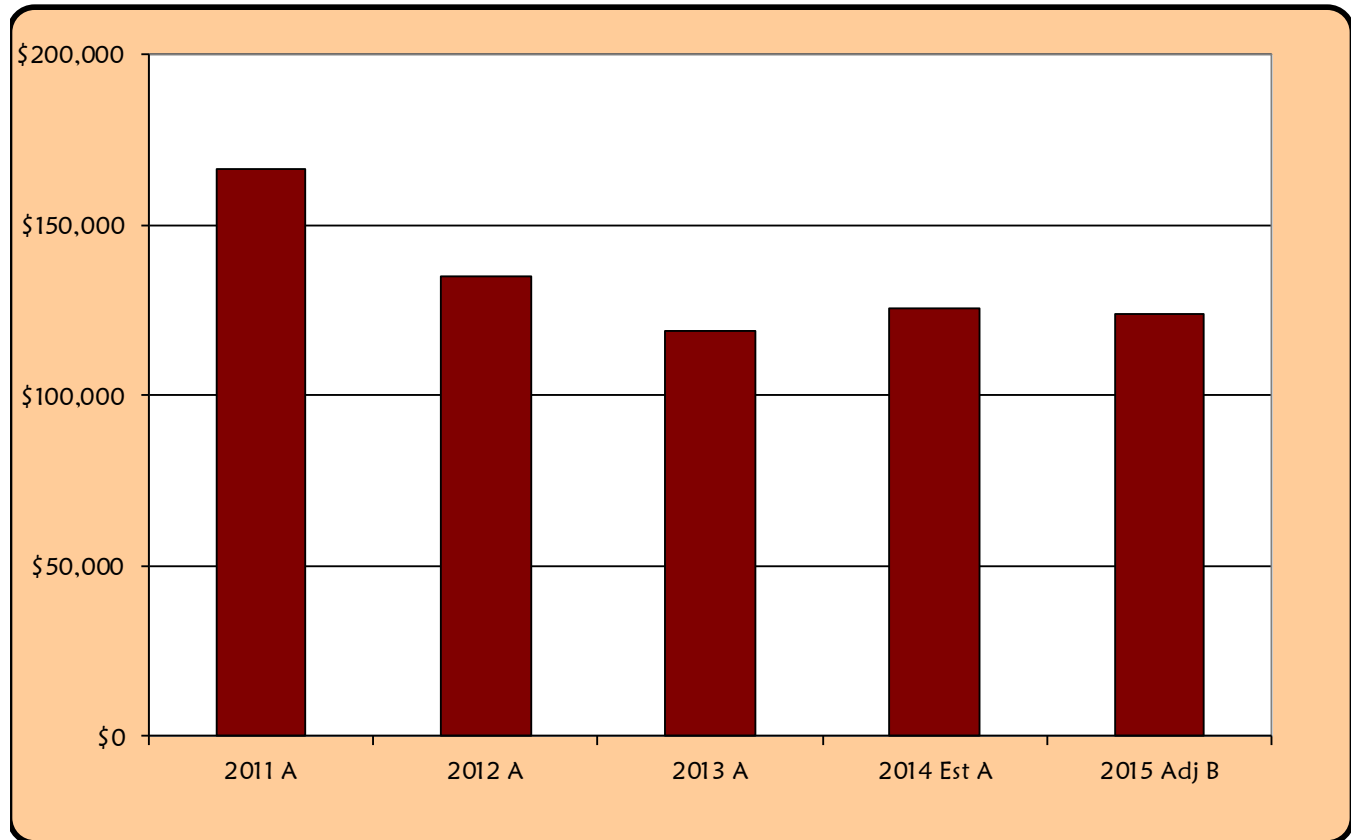
82.14.230: Authorizes a city to impose a natural gas or manufactured use tax. Effective July 1, 2015, natural gas sold or used as transportation fuel is exempt from this tax rate.

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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Total	\$ 166,289	\$ 134,680	\$ 119,094	\$ 125,504	\$ 123,700



BASE: The tax is applied on the total gross income derived from solid waste enterprises in the City, including 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 Revenues).

AUBURN CITY CODE: 3.41.010: Levy authority of 7.0% tax rate.

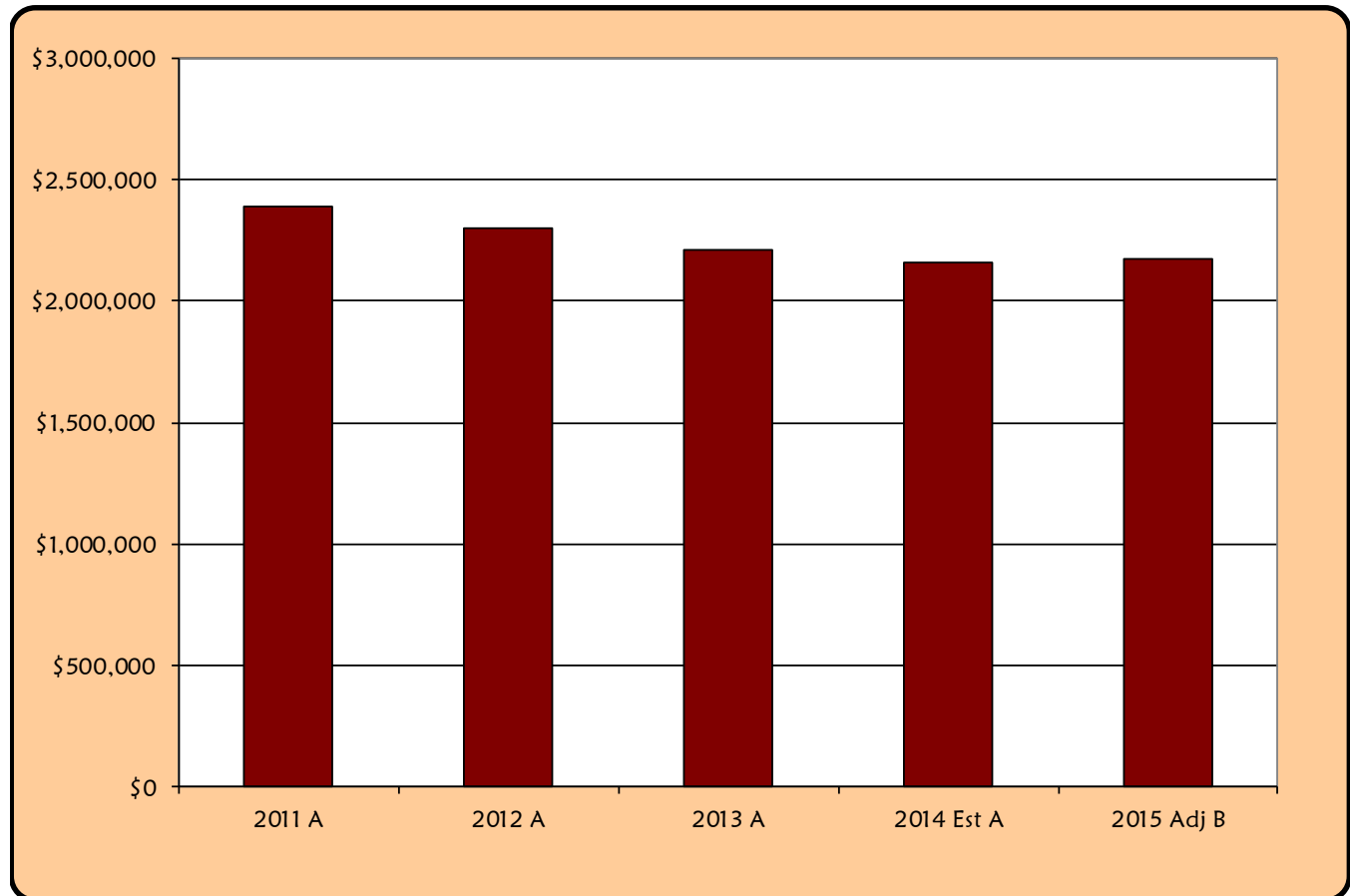
REVISED CODE OF WA: 82.18: Establishes the City’s authority to assess a solid waste utility tax.

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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Total	\$ 2,390,385	\$ 2,297,352	\$ 2,214,292	\$ 2,156,067	\$ 2,173,200



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 (6.0%) on total gross operating receipts. The City levies the maximum rate.

REVISED CODE OF WA: 35.21.870: Establishes the City’s authority to assess a utility tax on electricity, telephone, natural gas, or steam energy and limits the tax to a maximum of six percent (6.0%).

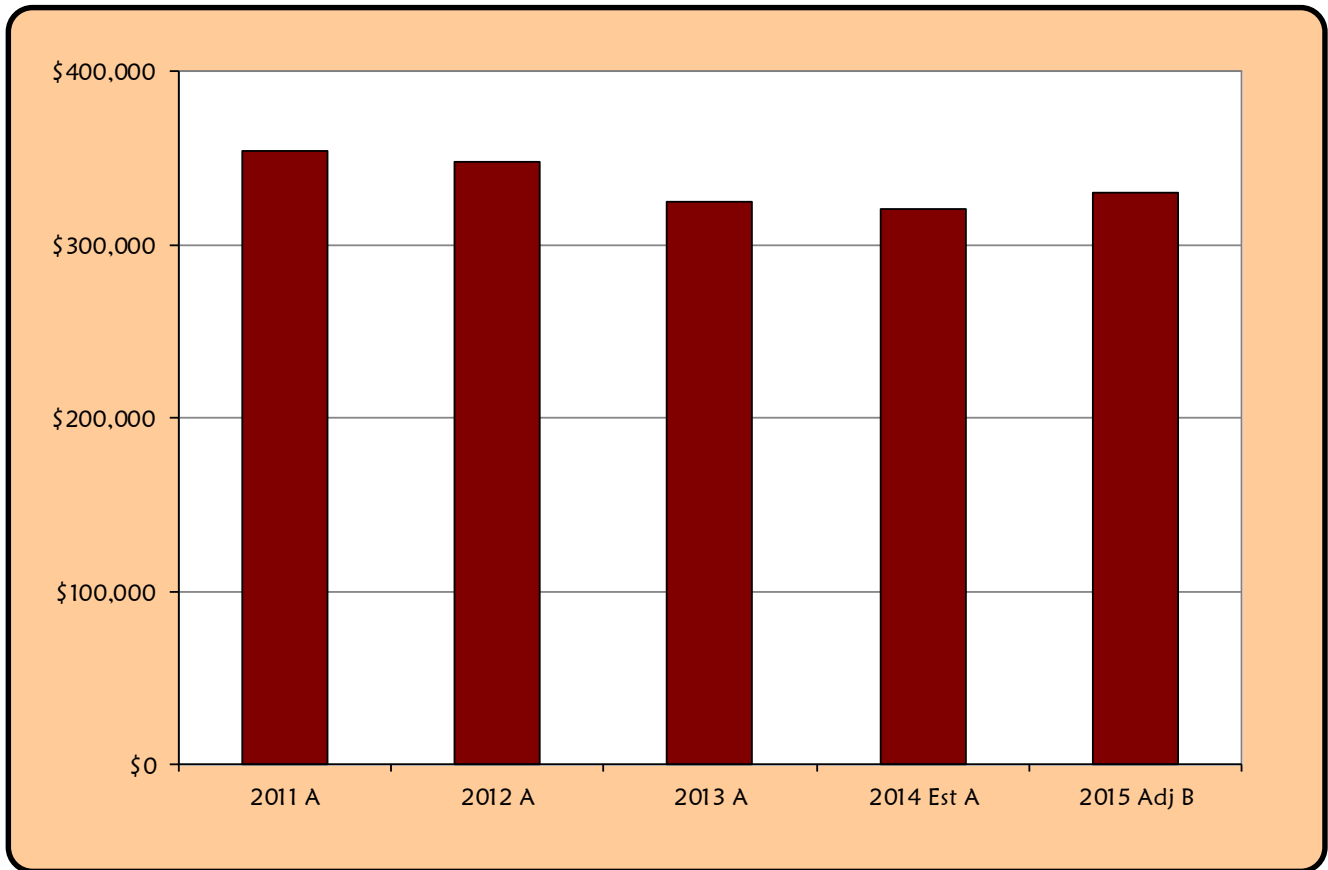
82.04.065: Defines telephone, telecommunications, and ancillary services.

REVENUE: ADMISSION TAX

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

HISTORICAL DATA:

<i>General Fund</i>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Total \$	\$ 353,825	\$ 347,732	\$ 324,906	\$ 321,016	\$ 330,300



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 (5.0%). By City policy, admission taxes collected from the Auburn Golf Course are collected and transferred to this General Fund account.

AUBURN CITY CODE: 3.52.010: Authorizes a tax of five percent (5.0%).

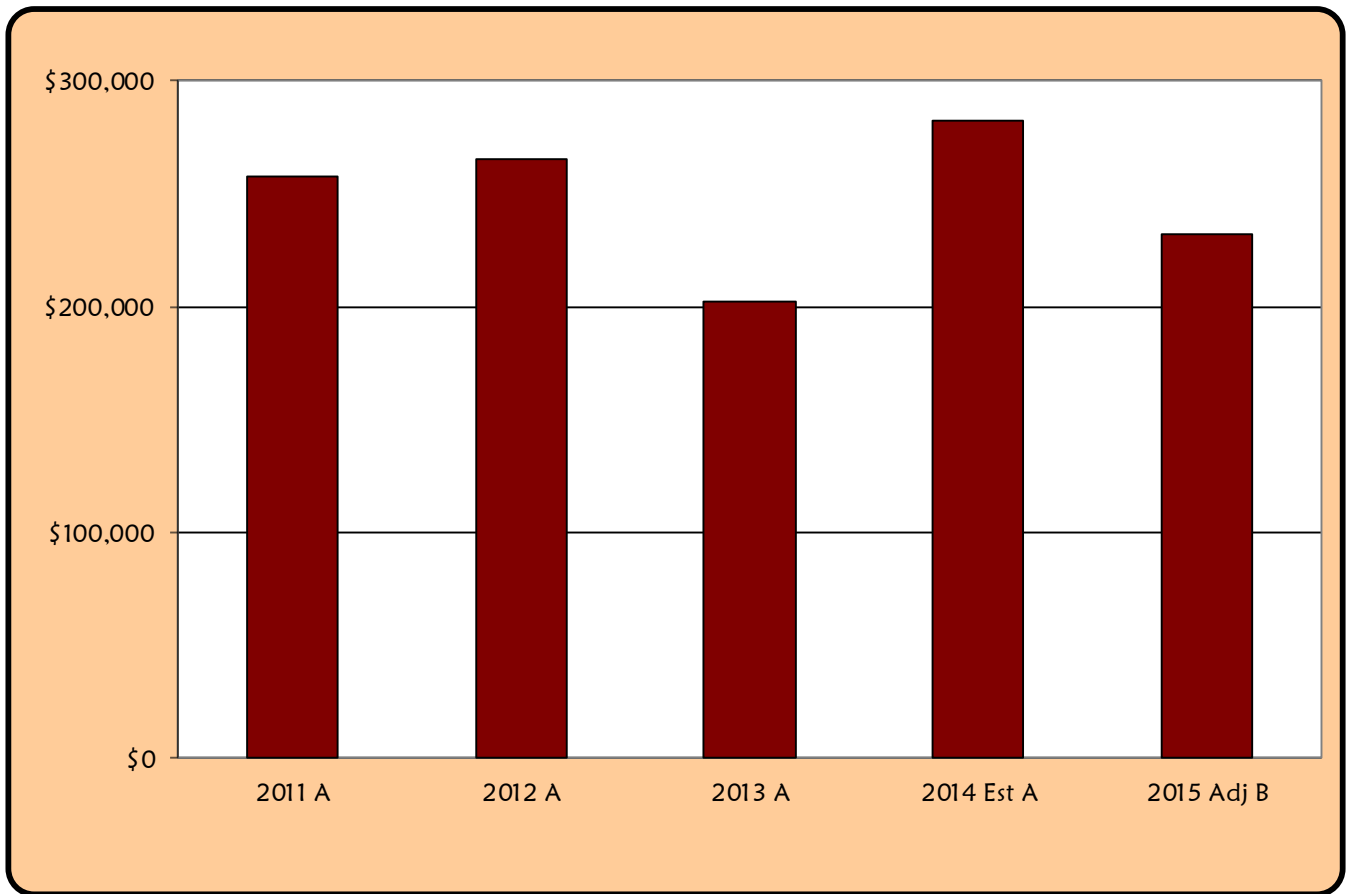
REVISED CODE OF WA: 35.21.280: Authorizes a city to establish a tax on admissions, up to a maximum of 5.0%.

REVENUE: GAMBLING TAX

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

HISTORICAL DATA:

<i>General Fund</i>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Card Games	\$ 198,359	\$ 218,923	\$ 169,325	\$ 238,032	\$ 199,000
Punch Board and Pull Tabs	53,385	38,633	28,750	40,295	30,000
Bingo and Raffles	2,510	3,061	2,678	2,094	2,000
Amusement Games	3,797	4,875	1,404	1,724	1,400
Total	\$ 258,050	\$ 265,491	\$ 202,157	\$ 282,144	\$ 232,400



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	4.0% of gross revenue	20.0% of gross receipts
Punchboards and Pull-Tabs		
For-Profit	10.0% of net receipts	5.0% of gross receipts or 10.0% of net receipts
Non-Profit	10.0% of net receipts	10.0% of net receipts
Amusement Games	2.0% of net receipts	2.0% of net receipts
Bingo and Raffles	5.0% of net receipts	5.0% of net receipts

REVENUE:

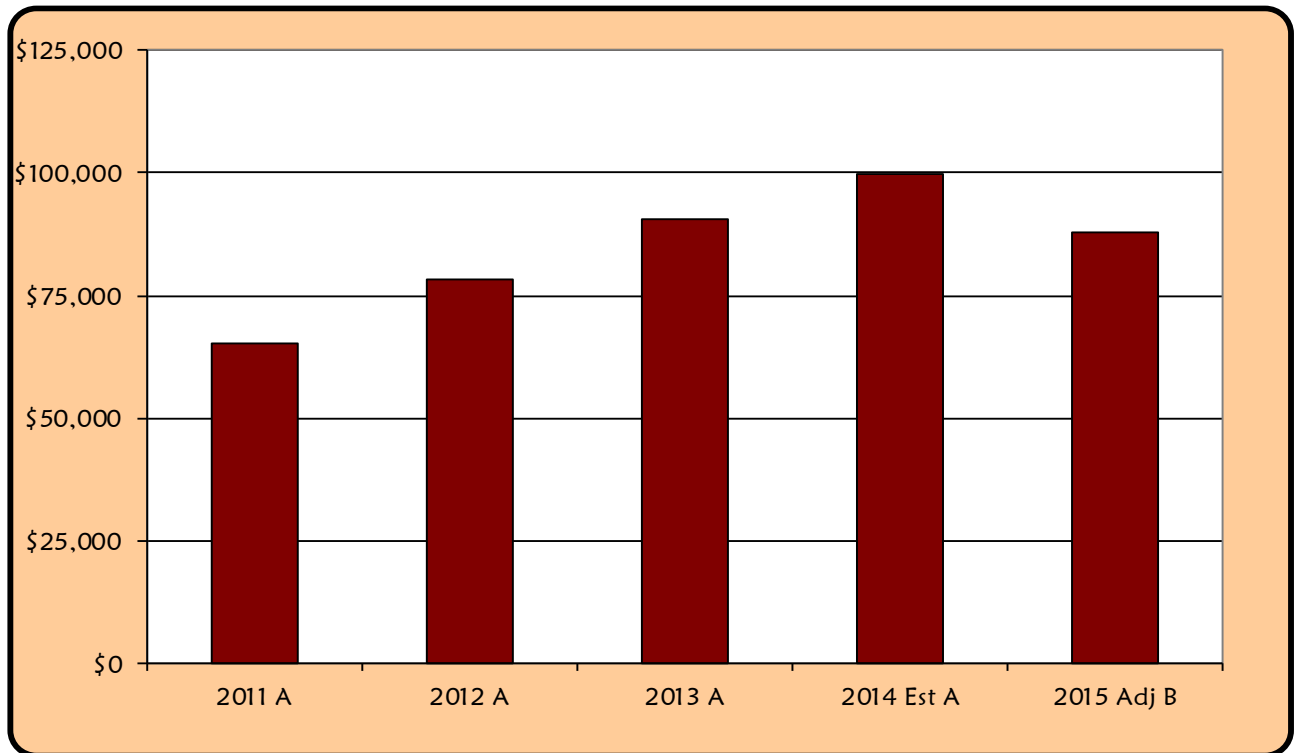
HOTEL / MOTEL EXCISE TAX

DESCRIPTION:

The Hotel/Motel Excise Tax, also known as the 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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Total \$	\$ 65,058	\$ 78,143	\$ 90,581	\$ 99,782	\$ 87,900



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 2.0%, however most cities in King County are limited to 1.0% as the other 1.0% is allocated to the debt payment for Safeco and Century Link fields. The City of Auburn levies a 1.0% Hotel/Motel Excise 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:

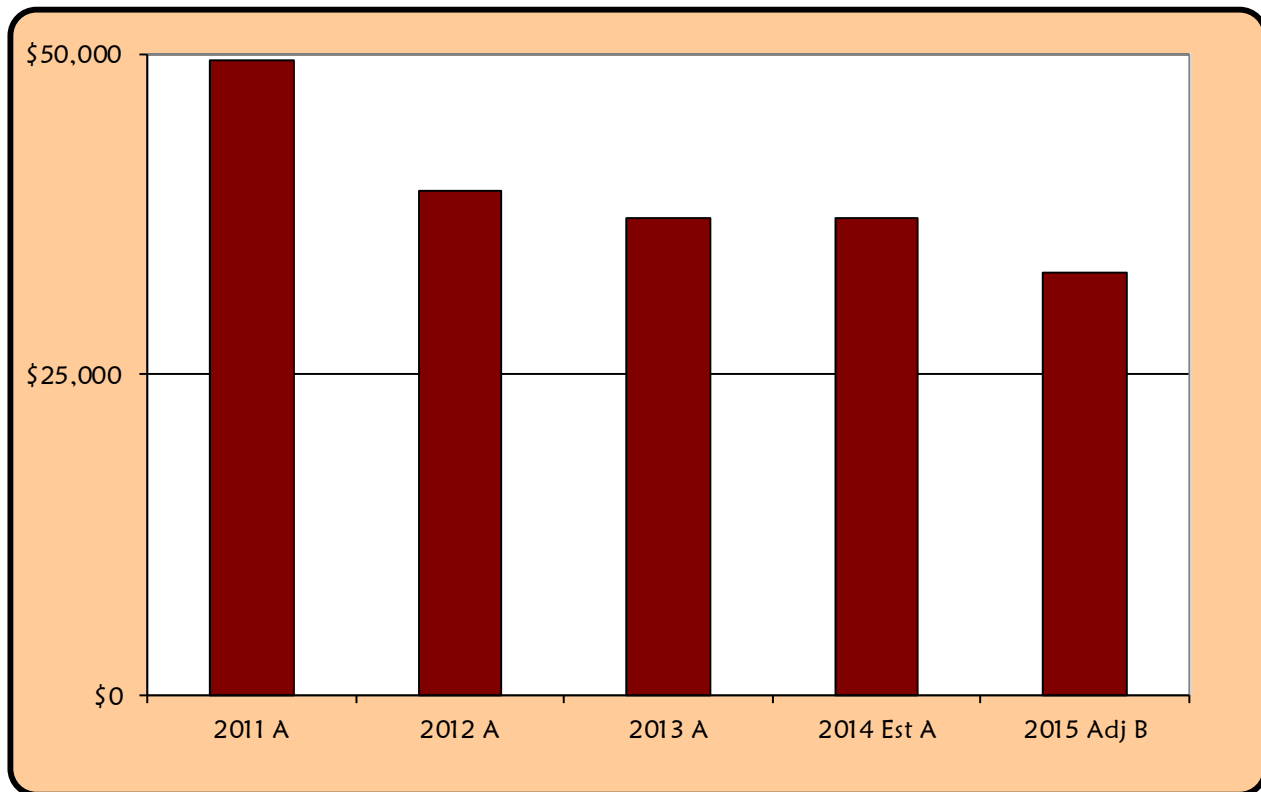
82.08: Defines the lodging tax.
67.28.120: Authorizes cities to acquire and operate tourism-related facilities.
67.28.180: Authorizes the lodging tax - identifies the maximum rate of 2.0%.

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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Total	\$ 49,467	\$ 39,262	\$ 37,215	\$ 37,233	\$ 33,000



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 4.0% is returned to the City.

AUBURN CITY CODE: 3.44.010: Authorizes imposition of the tax.
 3.44.020: Establishes the City tax rate of 4.0%.
 3.44.060: Authorizes the City to collect the tax on behalf of the state.

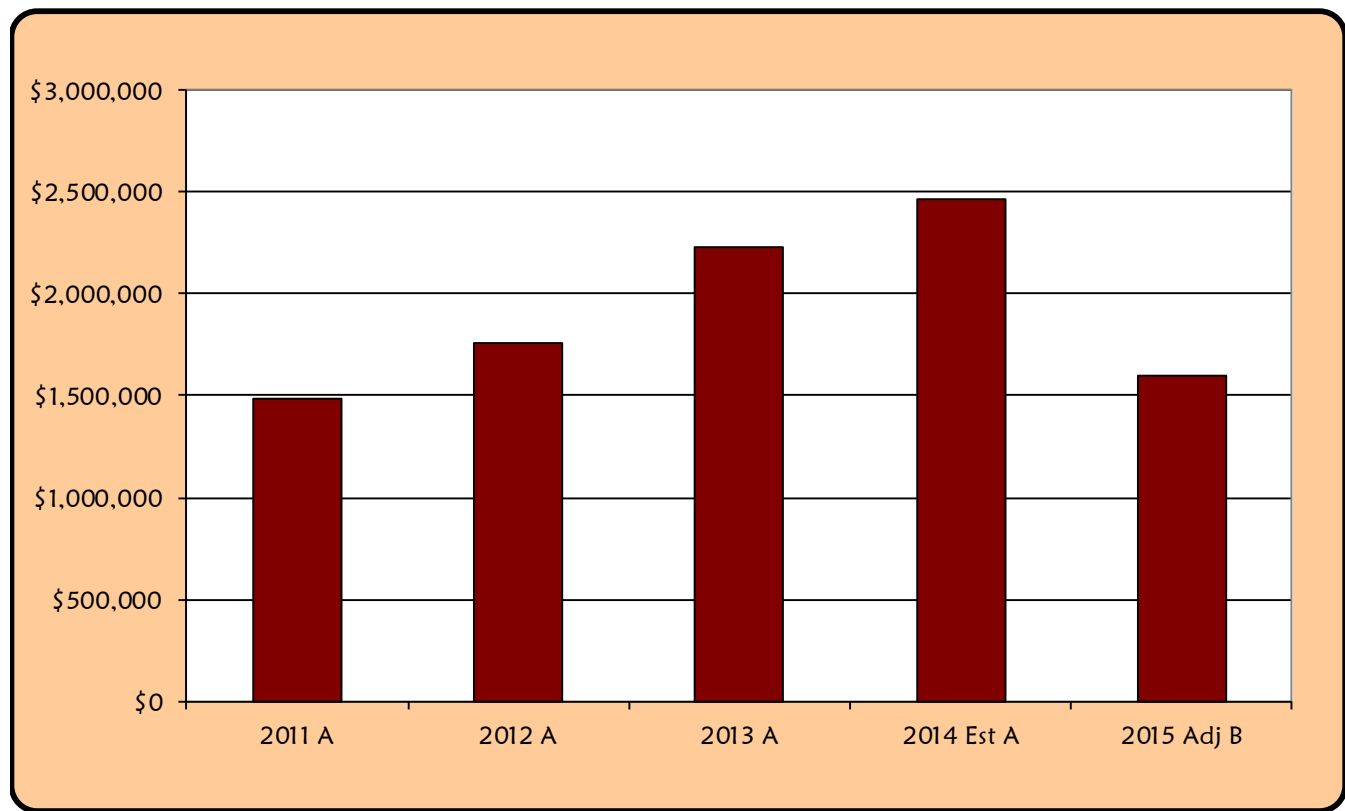
REVISED CODE OF WA: 82.29A.040: Grants authorization to cities to levy and collect a leasehold excise tax, up to a maximum of 4.0%.
 82.29A.090: Distributions by the State Treasurer.

REVENUE: REAL ESTATE EXCISE TAX

DESCRIPTION: Real Estate Excise Tax (REET) is imposed on the sale of property located within the corporate limits of the City of Auburn and is dedicated for local governmental capital projects. REET proceeds are placed in the Capital Improvement Fund.

HISTORICAL DATA:

<i>Fund 328</i>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
REET 1	\$ 743,582	\$ 879,362	\$ 1,112,949	\$ 1,234,818	\$ 800,000
REET 2	743,582	879,362	1,112,949	1,234,818	800,000
Total	\$ 1,487,163	\$ 1,758,725	\$ 2,225,898	\$ 2,469,637	\$ 1,600,000



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 the 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 operation 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 and trails.	Bridges, domestic water systems, highways/roads/streets, sewer systems, sidewalks, storm systems, street lighting, traffic signals, and park improvements.

Source: RCW 82.46.010.

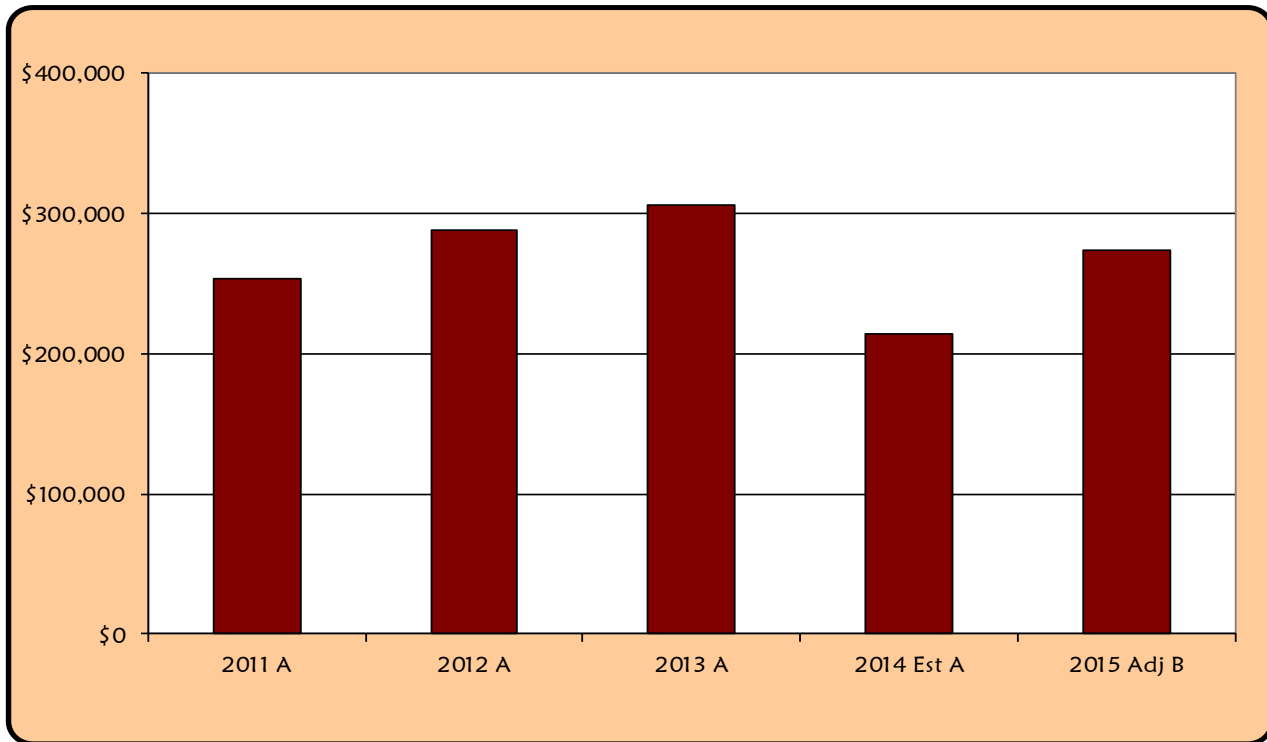
Licenses, Permits and Other Fees/Charges

REVENUE: BUSINESS LICENSE FEES

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

HISTORICAL DATA:

<i>General Fund and Fund 121</i>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Business Licenses	\$ 195,377	\$ 231,957	\$ 236,162	\$ 171,422	\$ 219,000
Business Improvement Area	58,678	56,734	69,475	42,988	55,000
Total	\$ 254,054	\$ 288,690	\$ 305,637	\$ 214,410	\$ 274,000



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 (ACC).

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 (Ordinance No. 4293). Revenues generated from the BIA assessment 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.

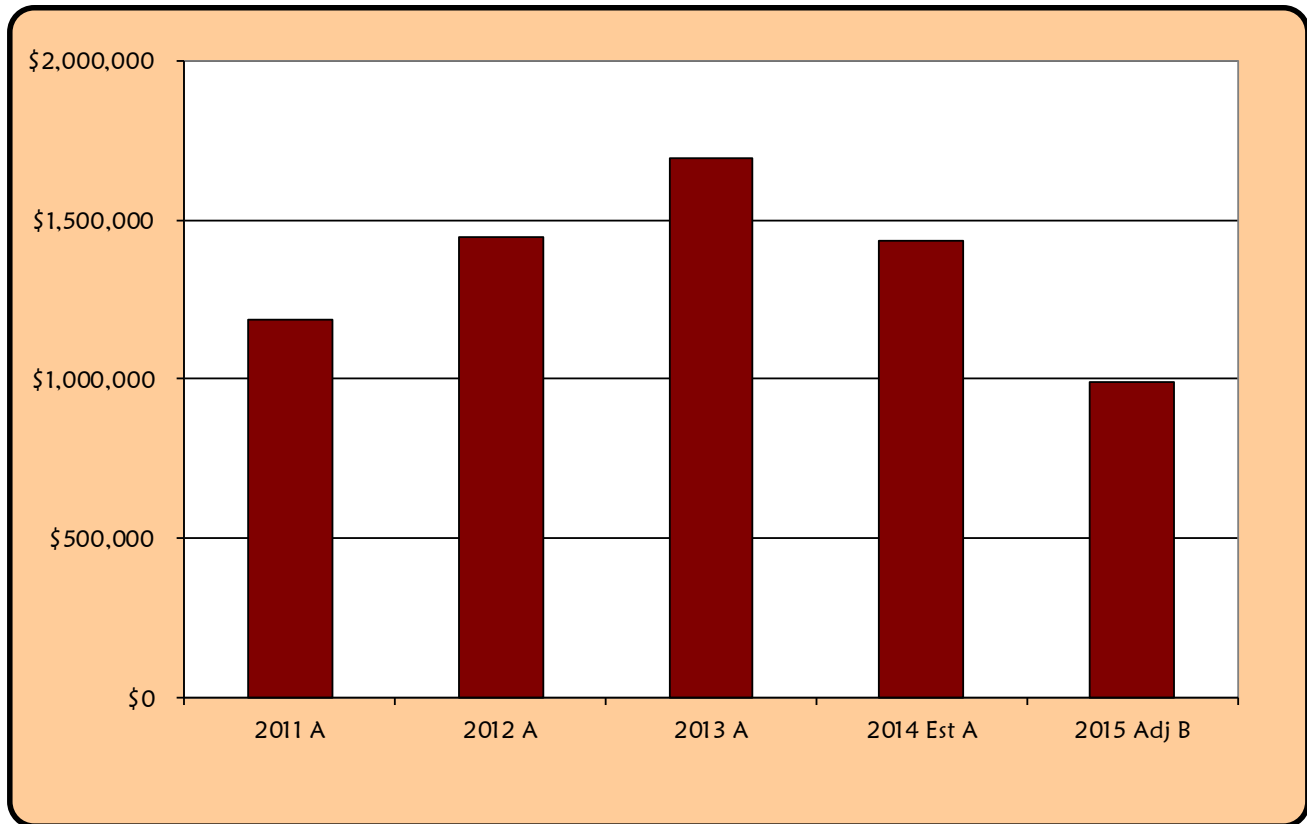
35.87A.010: Authorizes Parking and Business Improvement Areas.

REVENUE: MITIGATION / IMPACT FEES

DESCRIPTION: Includes transportation, fire, park, school and traffic 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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Transportation Impact	\$ 826,684	\$ 1,282,567	\$ 1,411,260	\$ 976,467	\$ 800,000
Fire Impact/Mitigation	144,185	132,951	173,103	289,376	100,000
Park Impact/Mitigation	30,432	10,500	39,500	154,000	75,000
School Impact/Mitigation	17,260	21,528	25,142	16,796	15,000
Wetland Mitigation	-	-	38,594	-	-
Traffic Mitigation	170,000	-	4,862	-	-
Total	\$ 1,188,560	\$ 1,447,547	\$ 1,692,460	\$ 1,436,639	\$ 990,000



BASE: Development occurring within the City of Auburn.

AUBURN CITY CODE: 3.04.560: Establishes the Mitigation Impact Fund.

REVISD CODE OF WA: Title 19: Establishes school, transportation, traffic, fire and park impact fees.

82.02.050-110: Establishes regulations pertaining to impact fees.

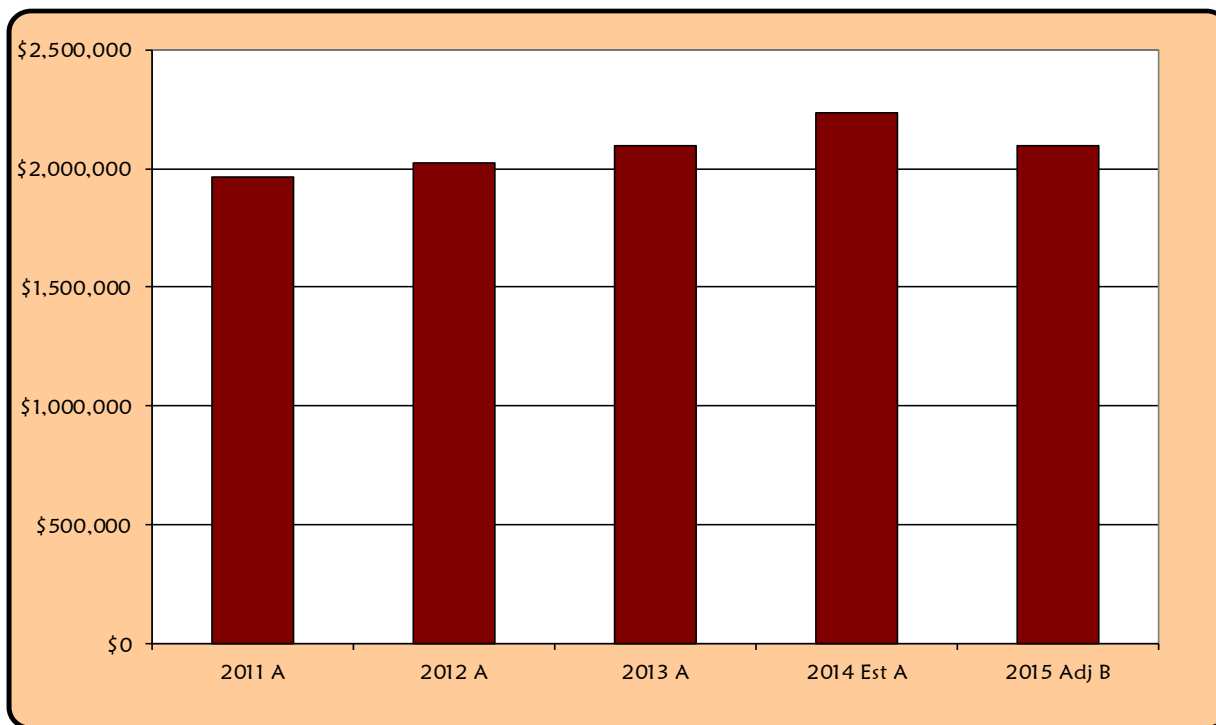
REVENUE: PARK FEES

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 and Fund 437*</i>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Golf Course Revenues*	\$ 1,159,227	\$ 1,157,242	\$ 1,217,633	\$ 1,229,211	\$ 1,235,200
Recreational Classes	574,363	456,248	380,866	465,087	400,000
League Fees	11,121	152,529	145,105	145,678	130,000
Theatre/Arts	110,350	144,292	148,169	179,382	135,500
Senior Center Programs	108,689	107,745	100,888	119,132	109,000
Special Events	-	8,231	99,926	97,479	85,000
Other	389	381	480	700	480
Total	\$ 1,964,139	\$ 2,026,667	\$ 2,093,067	\$ 2,236,669	\$ 2,095,180

** Golf Course revenues are reported in Fund 437 through 2013. Effective 2014 forward, they are reported in the General Fund.*



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.

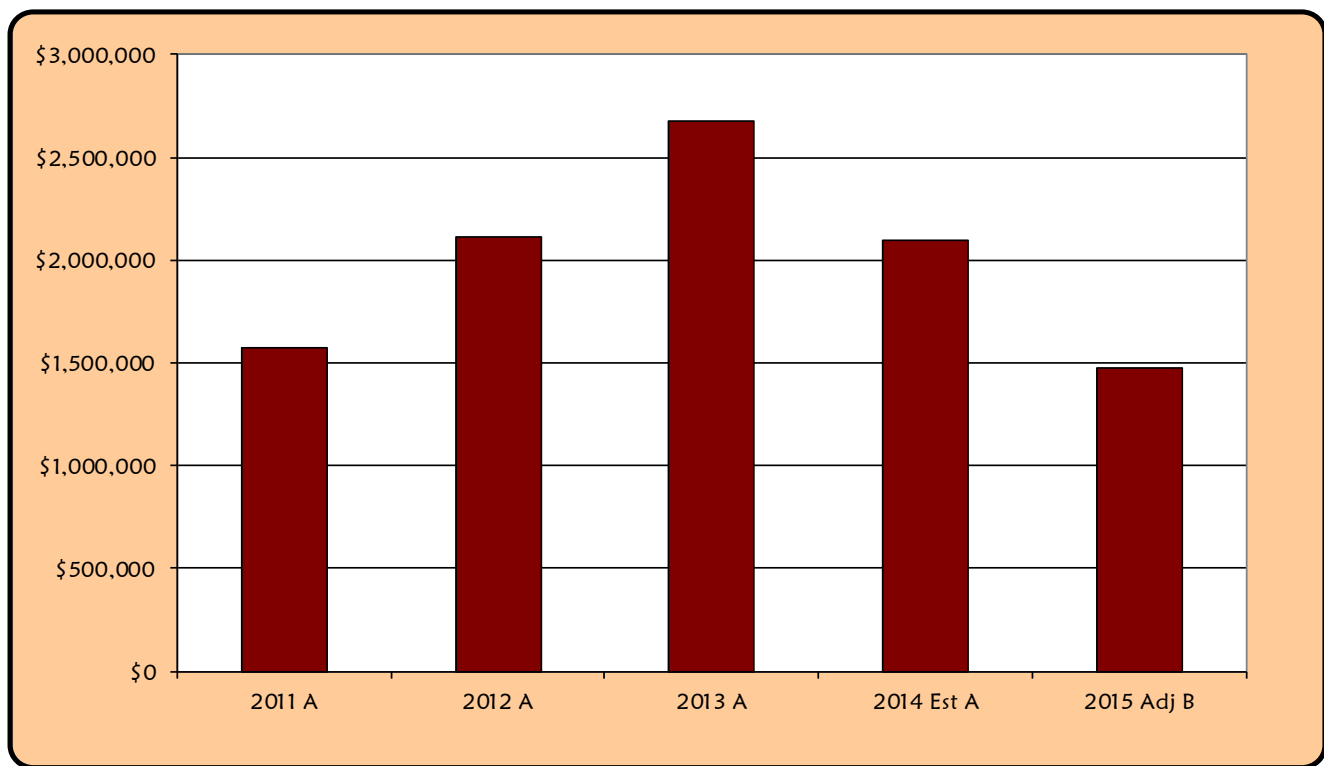
REVISED CODE OF WA: 67.20.010: Gives the City the authority to acquire and operate certain recreational facilities.

REVENUE: PERMIT FEES

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

HISTORICAL DATA:

<i>General Fund</i>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Building Permits	\$ 1,104,185	\$ 1,683,465	\$ 2,101,174	\$ 1,505,799	\$ 1,100,000
Plumbing Permits	213,299	196,022	208,691	179,436	121,000
Alarm Permits	93,204	59,828	104,818	98,987	88,000
Excavation Permits	76,442	76,567	105,945	87,129	70,000
Electrical Inspection Permits	60,617	65,174	86,143	73,628	44,000
Street/Curb Permits	15,989	17,827	55,888	141,159	35,000
Other Permits	10,404	13,803	15,824	13,173	14,300
Total	\$ 1,574,140	\$ 2,112,686	\$ 2,678,483	\$ 2,099,311	\$ 1,472,300



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 of the 2012 International Building Code.

REVISED CODE OF WA: 19.27.031: Adoption of the State Building Code by all cities and counties.

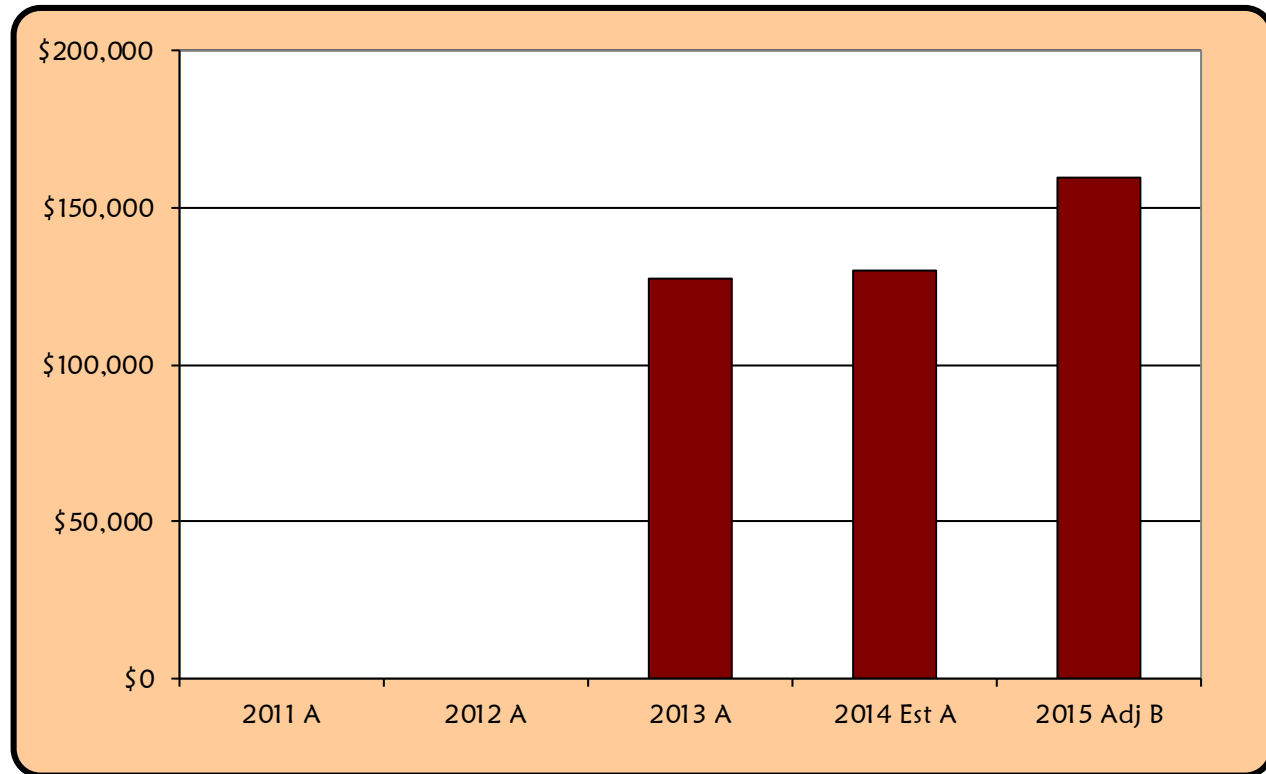
19.27.100: Authorizes a city, town, or county of the state to impose fees different from those set forth in the State Building Code.

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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Total	\$ -	\$ -	\$ 127,303	\$ 129,930	\$ 160,000



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 an animal license for any dog or cat over the age of eight weeks of age.

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

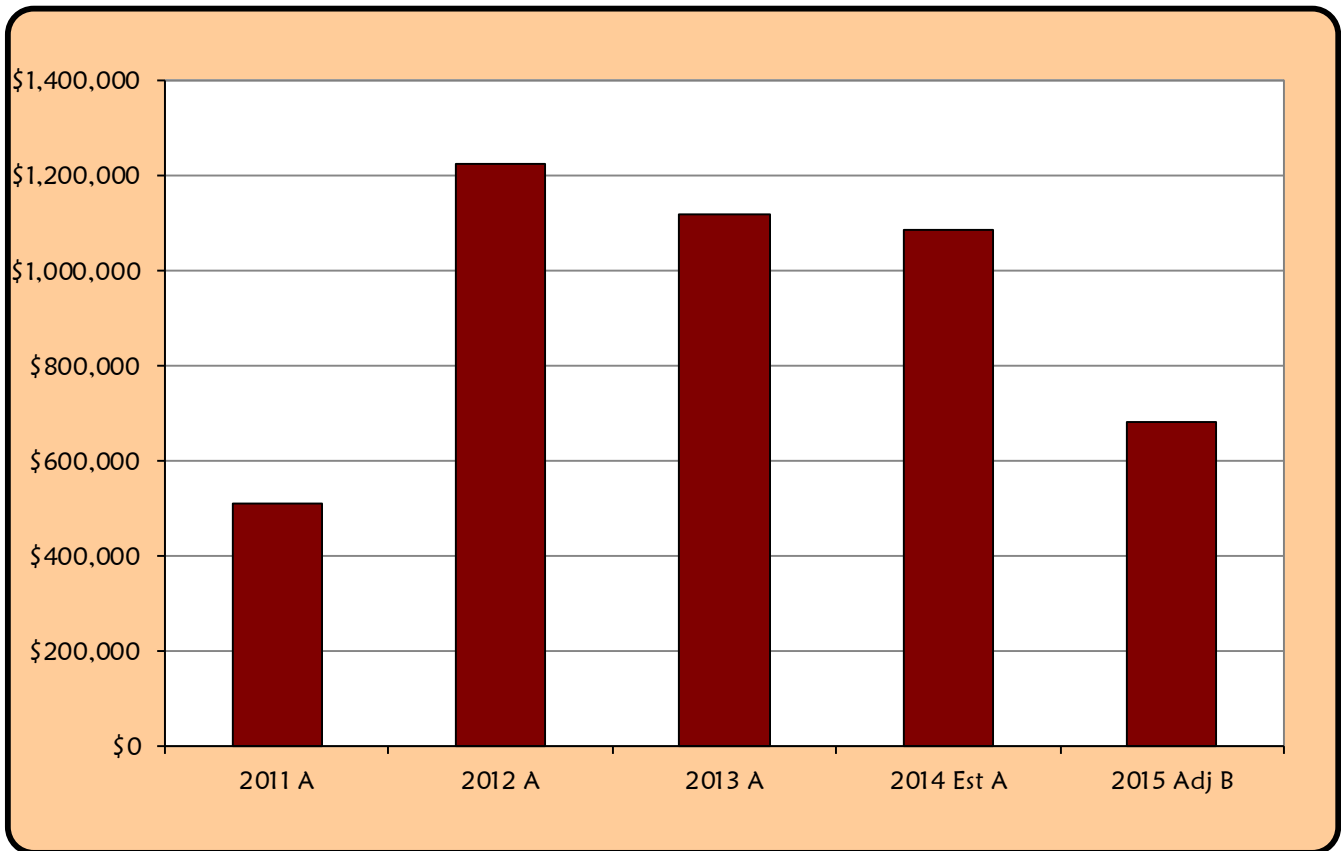
REVISED CODE OF WA: 16.52.015: Defines law enforcement agencies and animal care and control agencies.

REVENUE: PLANNING AND DEVELOPMENT FEES

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

HISTORICAL DATA:

<i>General Fund</i>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Plan Check Fees	\$ 435,262	\$ 1,091,442	\$ 828,033	\$ 833,046	\$ 550,000
FAC Linear Charges	33,154	67,988	178,789	113,033	70,000
Zoning/Subdivision Fees	40,998	63,454	109,790	139,751	60,000
Total	\$ 509,414	\$ 1,222,884	\$ 1,116,612	\$ 1,085,830	\$ 680,000



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

AUBURN CITY CODE: 15.08A.011: Adoption of the 2012 International Building Code.

REVISED CODE OF WA: 19.27.031: Adoption of the State Building Code by all cities and counties.

19.27.100: Gives cities the authority to impose fees different from the State Building Code.

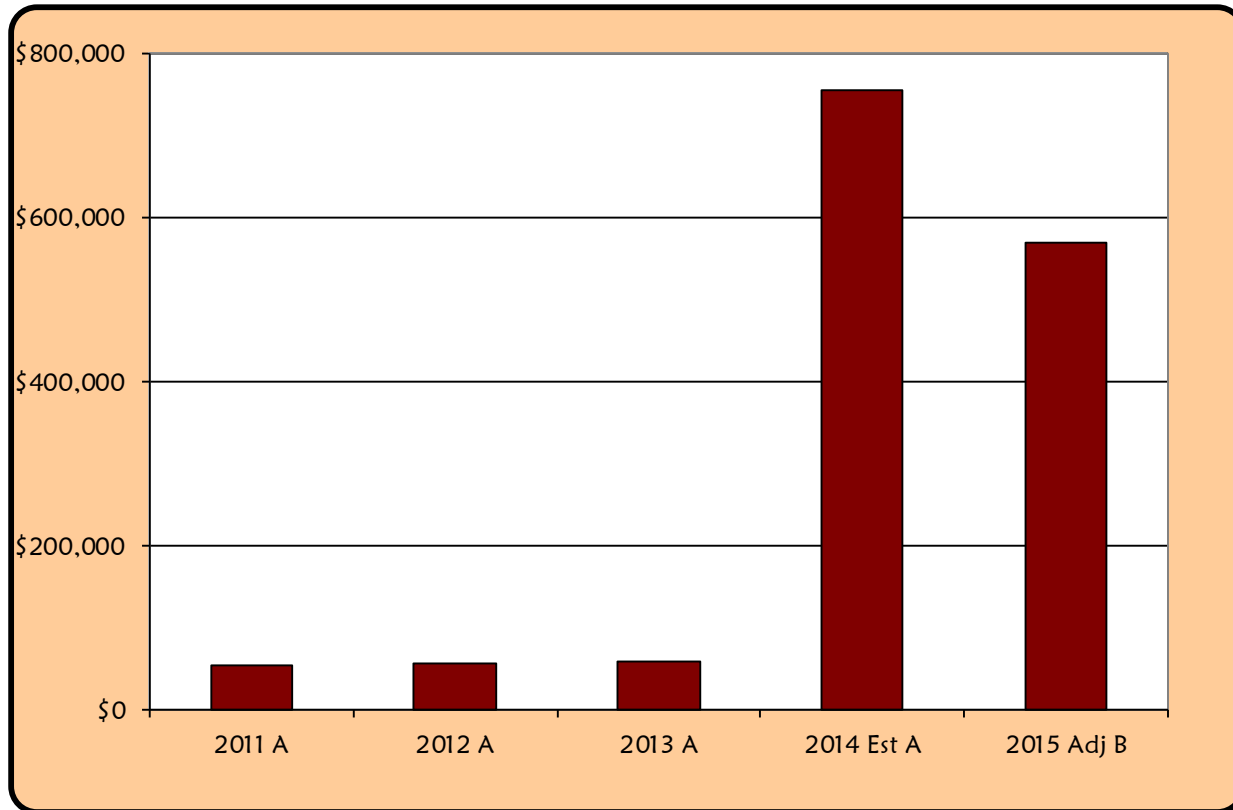
Intergovernmental

REVENUE: LAW ENFORCEMENT SERVICES

DESCRIPTION: Revenues collected by the City for Police Officer services rendered.

HISTORICAL DATA:

<i>General Fund</i>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Total \$	\$ 54,461	\$ 56,659	\$ 57,557	\$ 754,700	\$ 568,000



BASE: Law enforcement services revenues are based upon contracted services provided by the Auburn Police Department for services rendered.

AUBURN CITY CODE: Not applicable.

REVISED CODE OF WA: 43.43.112: Provides guidelines for private law enforcement off-duty employment.

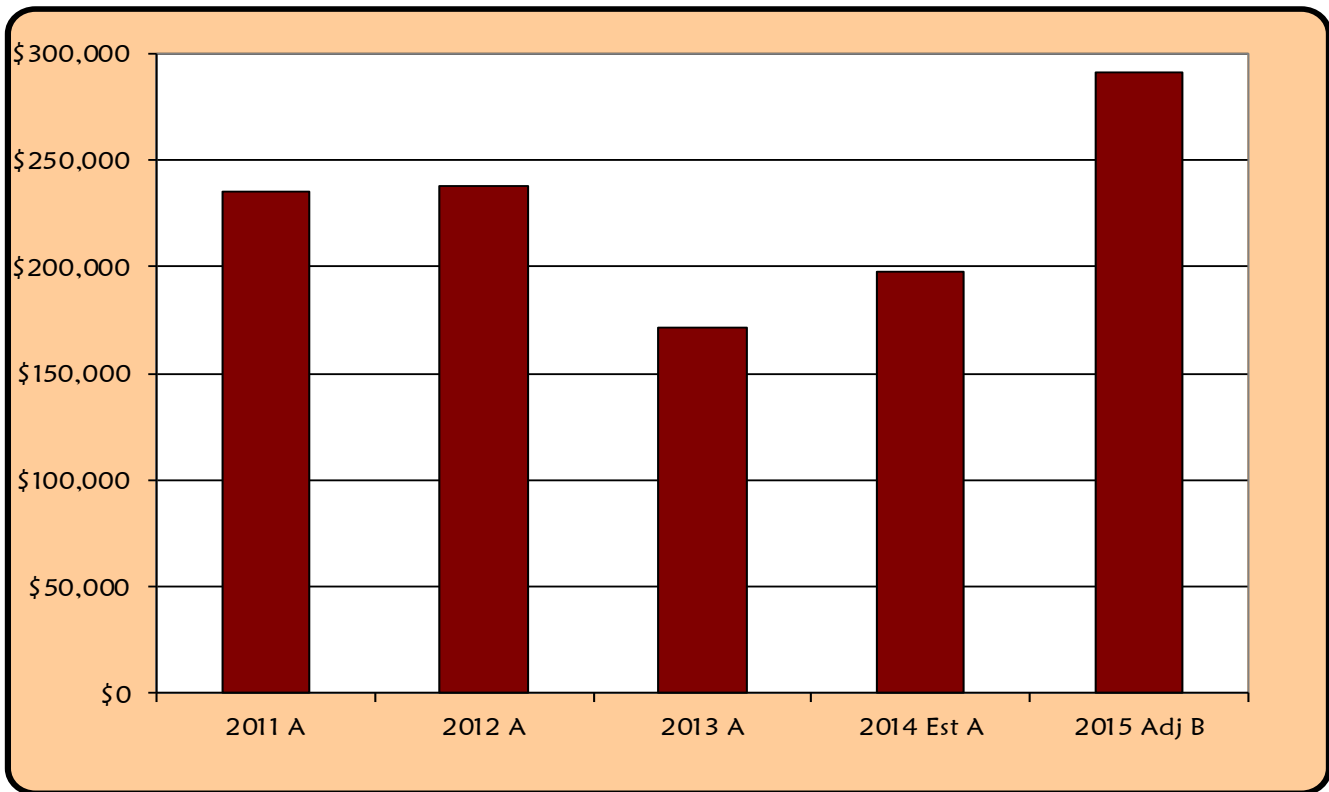
ADDITIONAL INFORMATION: Through 2013, this revenue was netted against the cost of providing services. Due to a change in accounting methodology effective in 2014, these revenues are no longer netted against the expenditures.

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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Total \$	\$ 235,036	\$ 238,147	\$ 171,736	\$ 197,584	\$ 291,300



BASE: State distributed money includes Criminal Justice (CJ) High Crime, CJ Violent Crime, CJ Special Programs, CJ Population, CJ Contracted Services and CJ DUI. The high crime distribution to the City of Auburn was discontinued during the state’s 2013-2014 Fiscal Budget, which reflects a decline in the City’s crime rate relative to the statewide average. Effective during the state’s 2014-2015 Fiscal Budget, the City of Auburn qualifies for this distribution as is reflected in the 2015 adjusted budget above.

AUBURN CITY CODE: Not applicable.

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

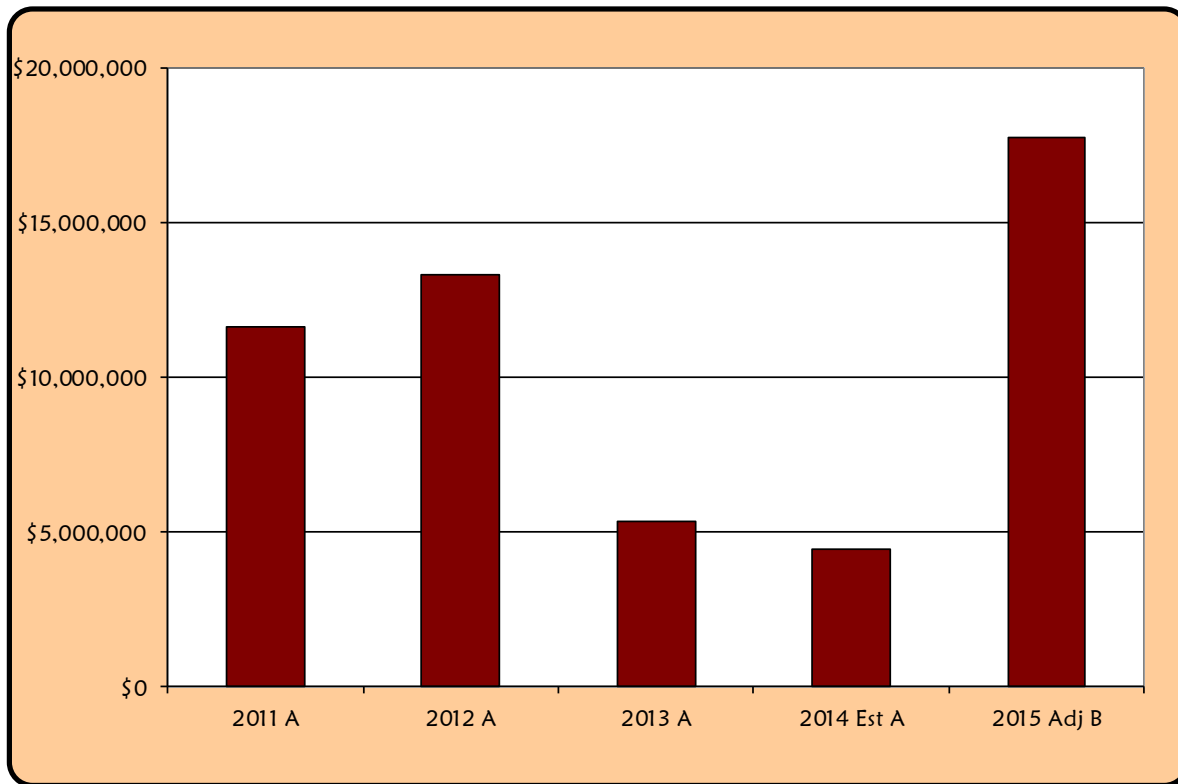
82.14.330: Municipal criminal justice assistance account, distribution based on crime rate and/or population.

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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
General Fund	\$ 790,643	\$ 992,874	\$ 375,243	\$ 468,085	\$ 781,181
Other Funds	10,834,918	12,317,670	4,951,932	3,975,116	16,940,325
Total	\$ 11,625,562	\$ 13,310,544	\$ 5,327,174	\$ 4,443,201	\$ 17,721,506
<i>By Source</i>					
Federal	\$ 8,707,161	\$ 3,849,578	\$ 2,415,660	\$ 2,781,126	\$ 8,028,415
State	2,226,994	7,539,790	2,407,553	1,451,461	9,355,820
Local	691,406	1,921,176	503,962	210,614	337,270
Total	\$ 11,625,562	\$ 13,310,544	\$ 5,327,174	\$ 4,443,201	\$ 17,721,506



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

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

REVISED CODE OF WA: Not applicable.

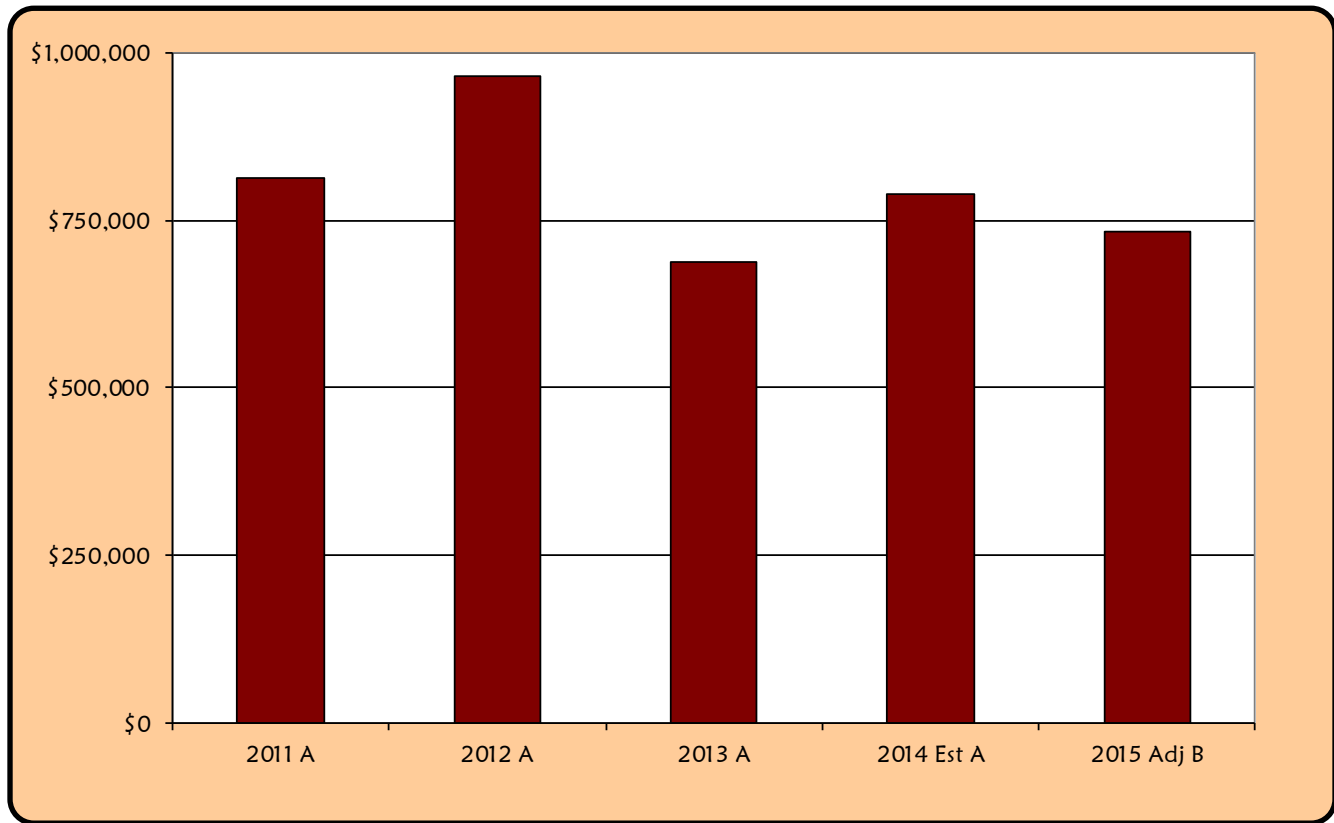
ADDITIONAL INFORMATION: The year over year increase seen in the 2015 adjusted budget compared to 2014 is primarily due to an increase in Federal and State grant monies for street related projects. In 2014, the City received \$1.6 million in street related grant monies and expects to receive approximately \$13.3 million in 2015.

REVENUE: LIQUOR EXCISE TAX AND LIQUOR PROFIT

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

HISTORICAL DATA:

<i>General Fund</i>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Liquor Profits	\$ 479,381	\$ 517,056	\$ 640,375	\$ 650,720	\$ 630,340
Liquor Excise Tax	335,127	260,420	47,724	137,613	101,630
Liquor Store Sales	-	188,230	-	-	-
Total	\$ 814,509	\$ 965,706	\$ 688,099	\$ 788,333	\$ 731,970



BASE: Sale of spirits in their original package. Spirits include any beverage containing alcohol obtained by distillation, including wines with more than 24.0% alcohol by volume.

AUBURN CITY CODE: Section 3.04.040: Established the "alcoholism fund" account which holds the 2.0% to be used for treatment programs.

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

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

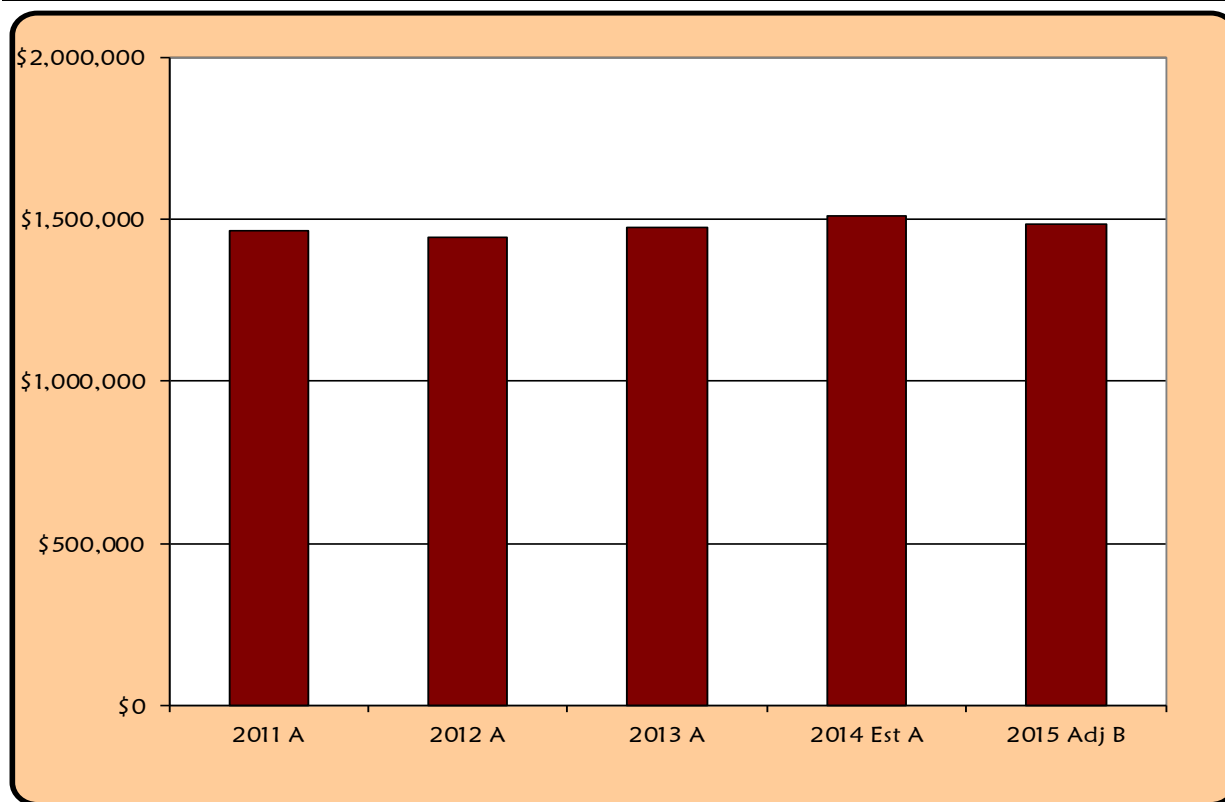
66.24.620: Authorized privatization of distribution and sales effective June 1, 2012.

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 and Fund 120</i>		2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Total	\$	1,465,720	\$ 1,444,724	\$ 1,472,734	\$ 1,510,614	\$ 1,487,100



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

AUBURN CITY CODE: Authority is established by the Revised Code of Washington (RCW).

REVISED CODE OF WA: 46.68.090: Distribution of statewide fuel taxes. Effective July 1, 2015 amendment to the existing RCW to impose this tax upon fuels used for the propulsion of motor vehicles only.

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.

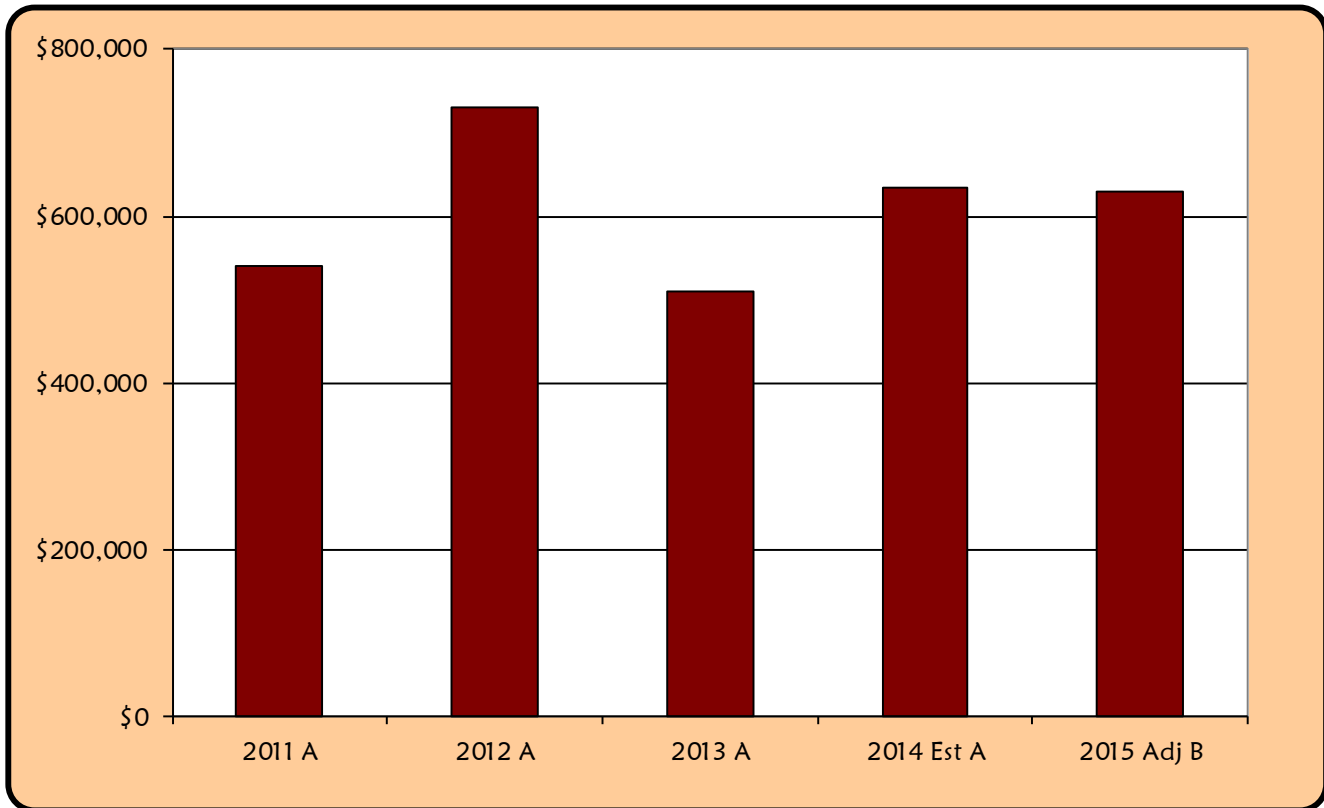
82.38.030: Defines tax rate of special fuel.

REVENUE: MUCKLESHOOT CASINO – REIMBURSEMENT FOR SERVICES RENDERED

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

HISTORICAL DATA:

<i>General Fund</i>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Total \$	\$ 540,050	\$ 730,376	\$ 509,734	\$ 634,467	\$ 630,000



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: Not applicable.

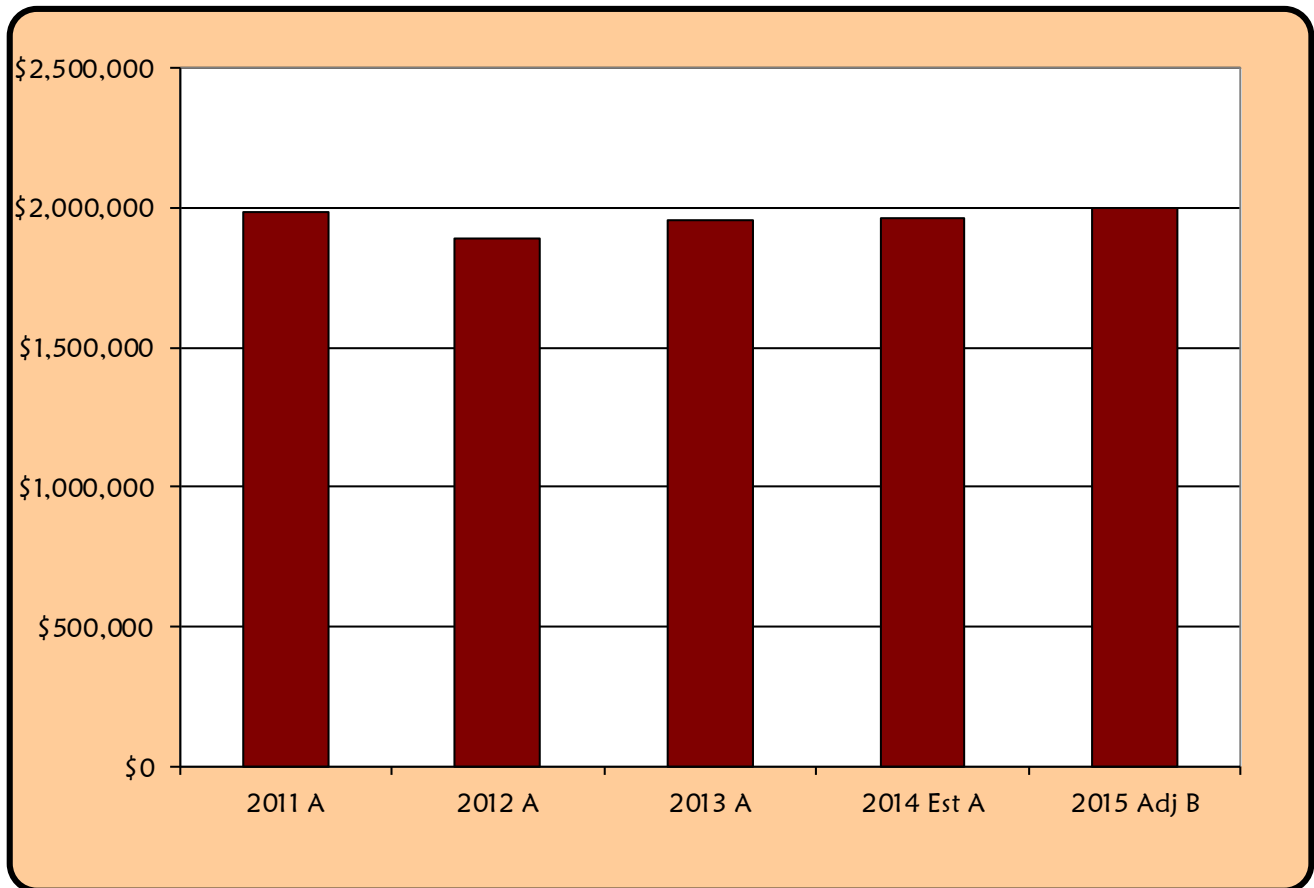
REVISED CODE OF WA: Not applicable.

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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Total	\$ 1,987,348	\$ 1,894,001	\$ 1,952,778	\$ 1,962,161	\$ 2,000,000



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.

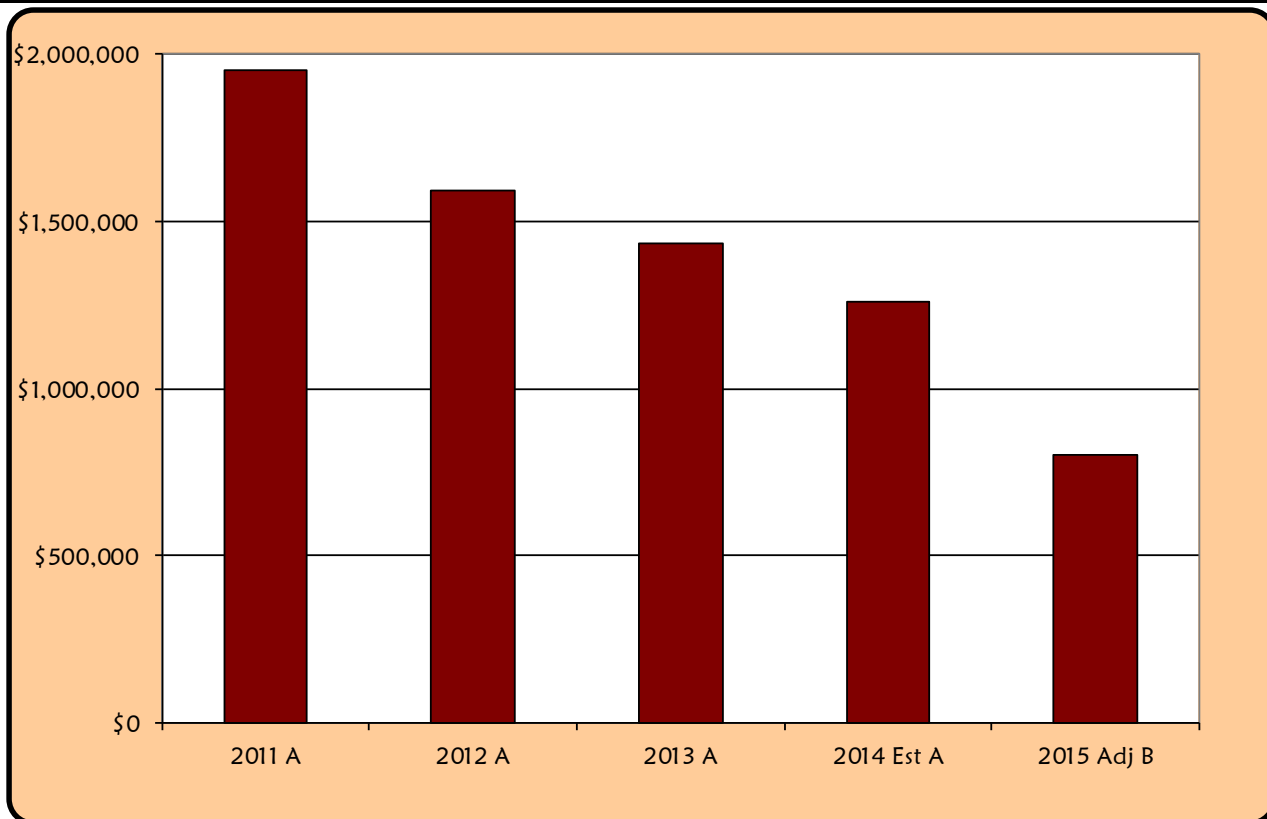
Fines, Forfeits and Other Revenues

REVENUE: FINES AND FORFEITS

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

HISTORICAL DATA:

<i>General Fund</i>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Traffic Infractions	\$ 652,860	\$ 593,132	\$ 441,145	\$ 471,580	\$ 440,900
Parking Infractions	172,137	109,691	116,659	133,676	108,700
False Alarm Fines	69,252	60,123	91,214	85,320	74,700
Criminal Non-Traffic	86,790	84,020	56,899	40,632	44,000
Criminal Traffic	63,996	61,019	35,826	34,152	35,400
Driving While Intoxicated	17,491	29,121	19,477	16,751	15,200
Photo Enforcement	825,337	595,247	599,772	383,307	-
Other Revenues	65,265	60,934	75,692	94,602	83,940
Total	\$ 1,953,129	\$ 1,593,286	\$ 1,436,685	\$ 1,260,020	\$ 802,840



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 govern civil penalties and vehicle and traffic safety.

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

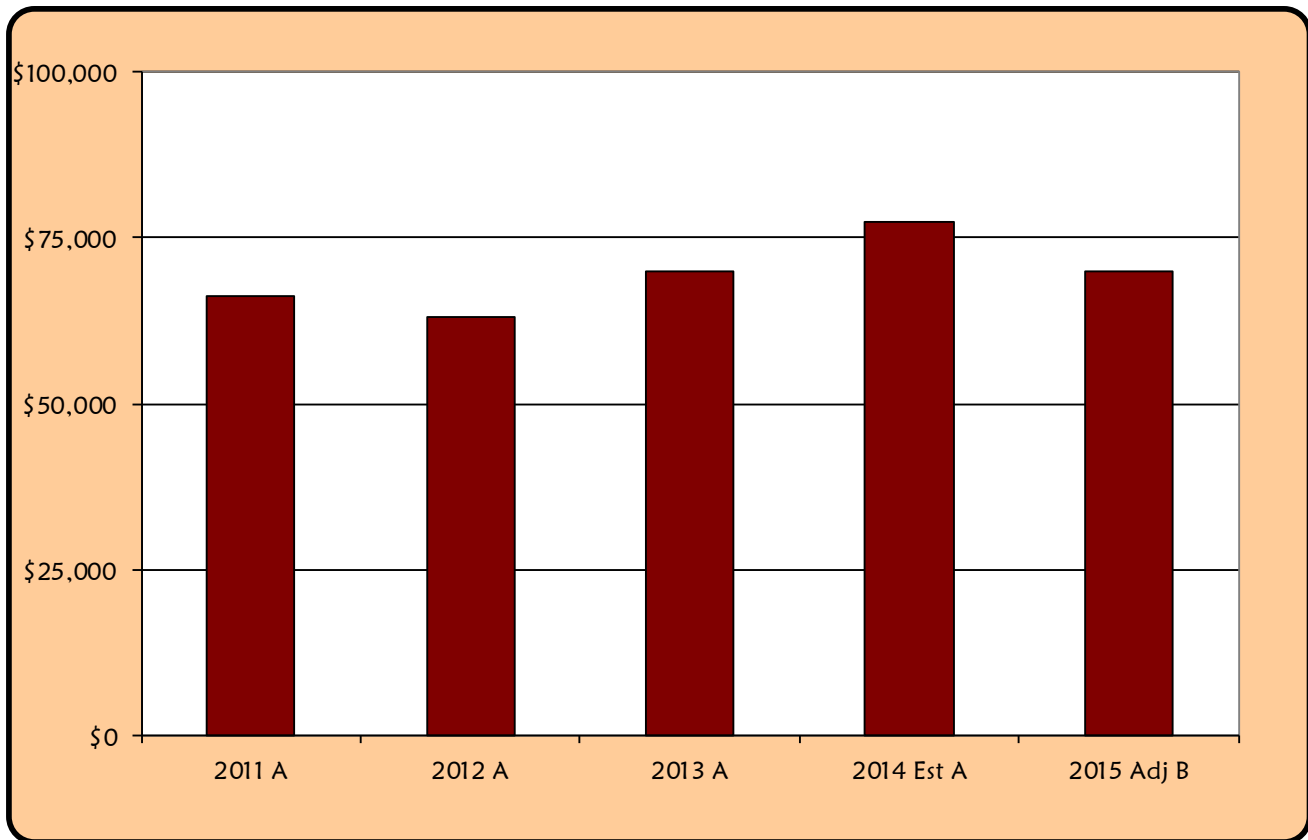
ADDITIONAL INFORMATION: The decline in revenues seen in the graphic above is primarily due to the termination of the City’s Photo Enforcement program effective June 1, 2014.

REVENUE: FIRE INSURANCE PREMIUM TAX

DESCRIPTION: The state collects a two percent tax on the premiums of all insurance policies written; 25.0% of the revenue collected is distributed to cities and fire districts that have a Firemen's Pension Fund.

HISTORICAL DATA:

<i>Fund 611</i>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Total \$	66,375	\$ 63,205	\$ 70,036	\$ 77,558	\$ 70,000



BASE: Net premiums received by authorized insurers.

AUBURN CITY CODE: Authority for this tax was established by the Revised Code of Washington (RCW).

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

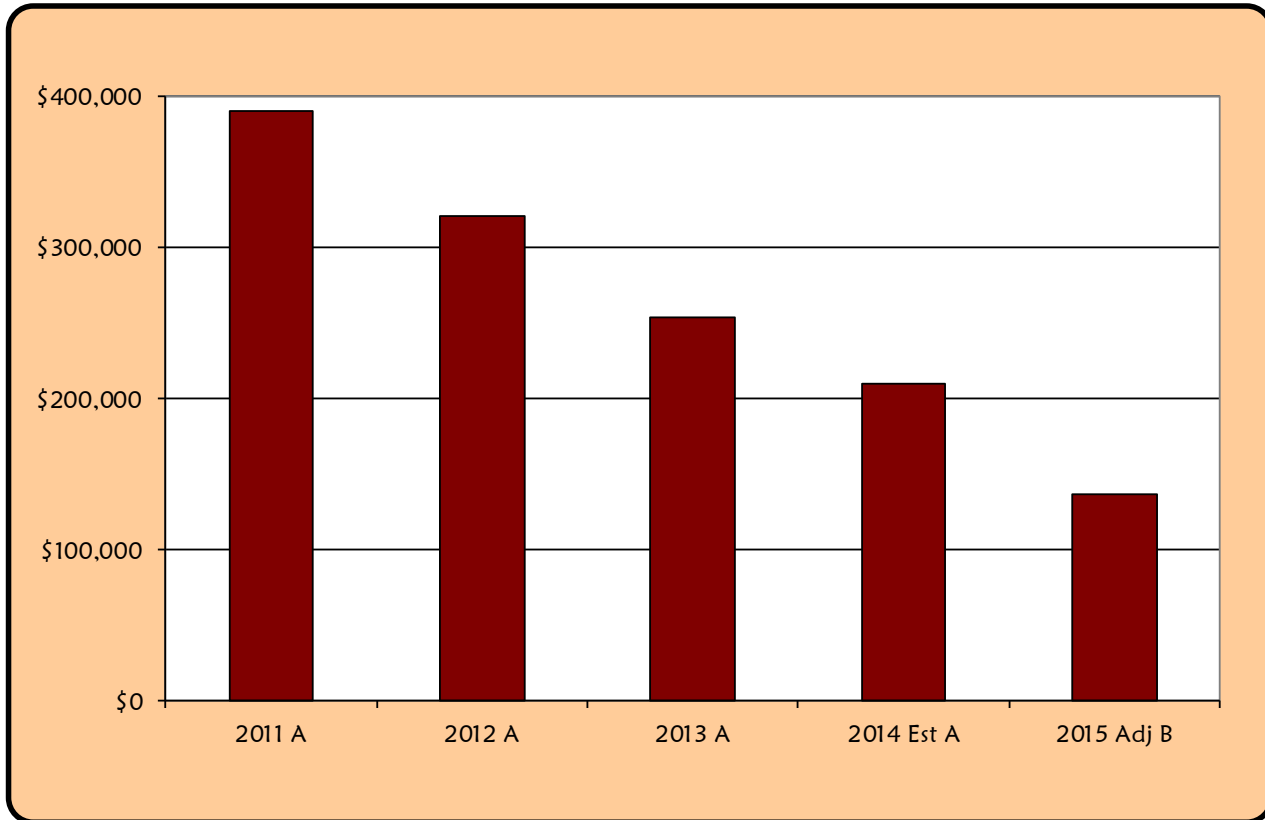
41.16.050: Authorizes the distribution of the tax to the City to fund its fire pension requirements. Distribution is based on the City's report to the State Treasurer on the number of paid firemen. The entire amount is deposited into the Firemen's Pension Fund (Fund 611).

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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
General Fund	\$ 86,932	\$ 89,805	\$ 45,977	\$ 41,767	\$ 36,850
All Other Funds	303,132	230,259	207,307	168,008	99,384
Total	\$ 390,064	\$ 320,064	\$ 253,284	\$ 209,775	\$ 136,234



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.

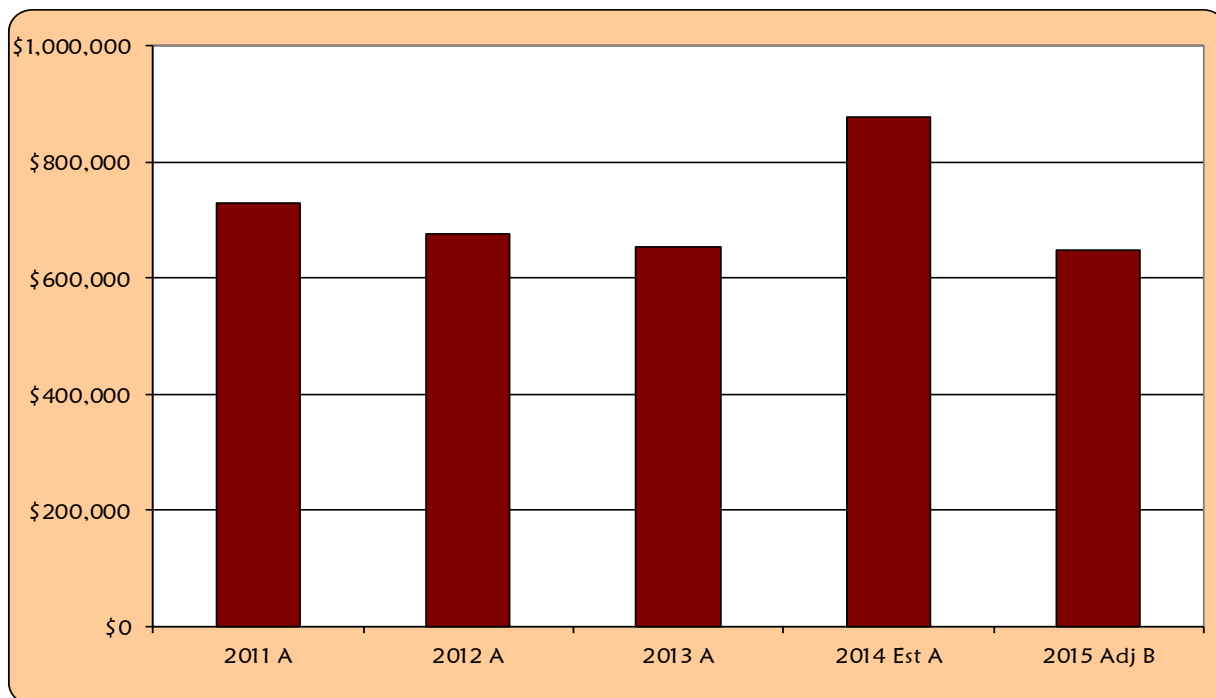
REVENUE: RENTAL INCOME

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 carts, 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, 437* and 505</i>						
	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B	
General Fund	\$ 364,939	\$ 317,747	\$ 275,192	\$ 686,367	\$ 528,100	
Hotel/Motel Fund	17,137	12,775	-	-	-	
Municipal Parks Fund	59,736	52,169	52,801	121,557	54,530	
Golf Course Fund*	207,873	196,087	218,686	-	-	
Facilities Fund	80,066	97,527	107,574	70,325	67,420	
Total	\$ 729,751	\$ 676,304	\$ 654,253	\$ 878,249	\$ 650,050	

** Golf cart rental revenues are reported in the Golf Course Fund (Fund 437) through 2013. Effective 2014 forward, these revenues are reported in the General Fund.*



BASE: All leased City owned properties and fees generated from 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: 3.68.010: City Parks and Recreation - standards for setting fees and charges.

REVISED CODE OF WA: Not Applicable.

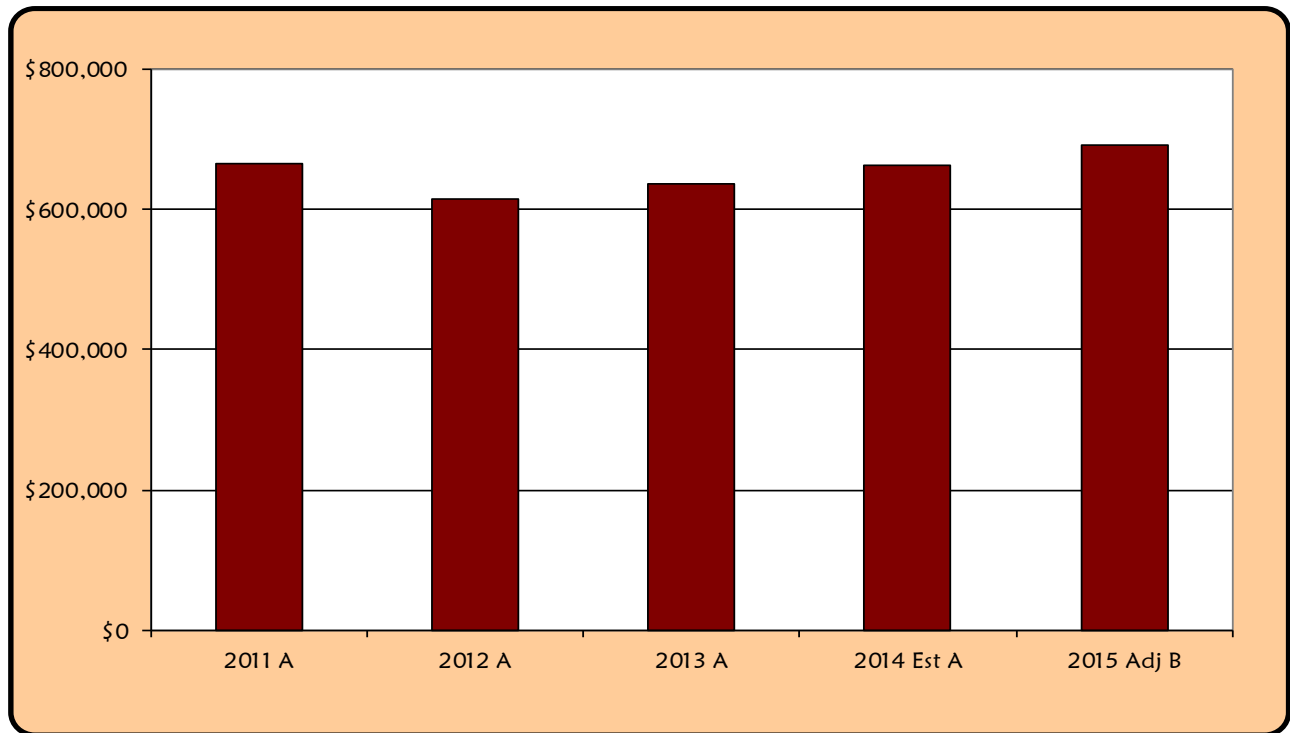
Enterprise Funds

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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Tie Down and Hangar Rent	\$ 410,487	\$ 390,745	\$ 407,827	\$ 437,089	\$ 450,500
Property Leases	210,035	180,408	186,201	196,259	213,600
Fuel Facility Rent	18,000	18,000	18,000	-	-
Airport Security Service	15,530	15,443	15,481	16,243	15,500
Flowage Fees	10,454	10,380	10,380	13,027	12,000
Total	\$ 664,505	\$ 614,976	\$ 637,889	\$ 662,617	\$ 691,600



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 142,000 takeoffs and landings a year with 284 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.

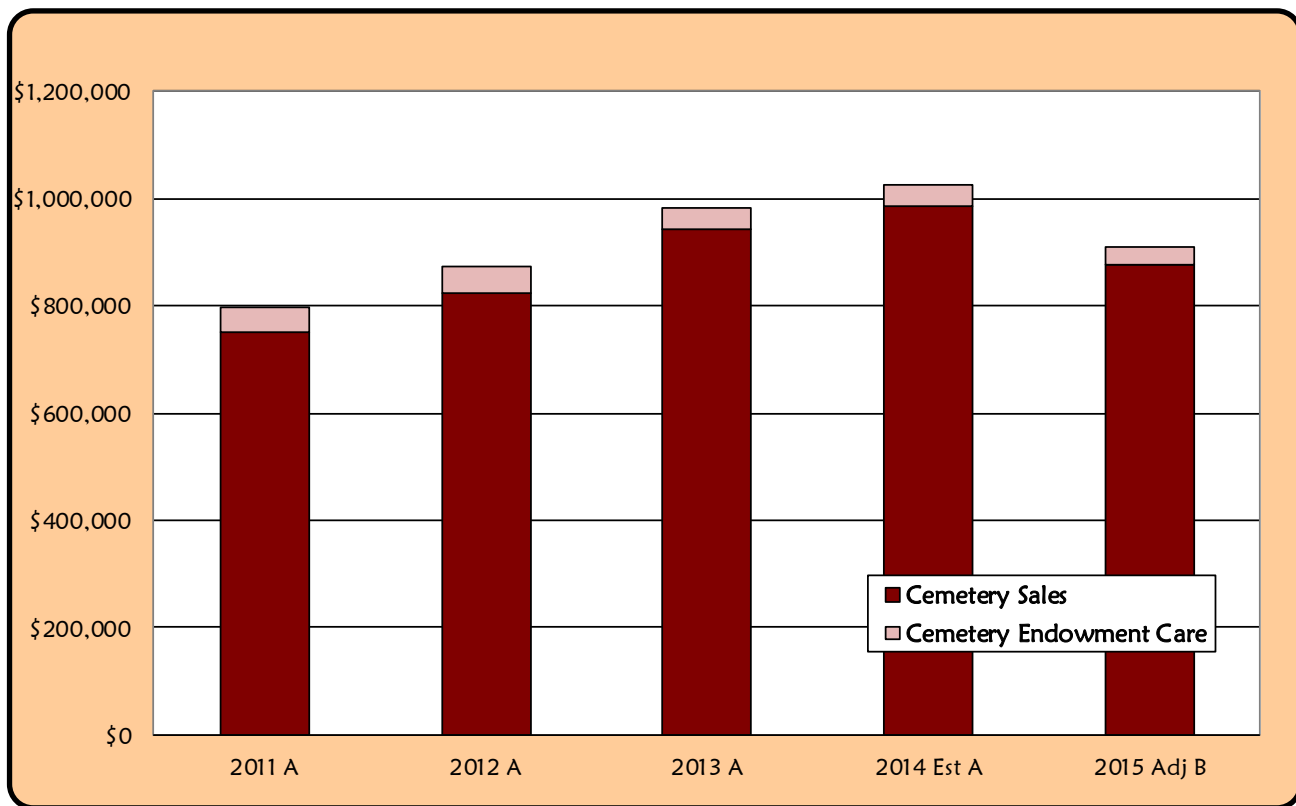
REVISED CODE OF WA: 14.08.120: Grants cities the power to operate a municipal airport.

REVENUE: CEMETERY REVENUES – OPERATIONS AND ENDOWMENT 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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Lot Sales	\$ 252,510	\$ 281,407	\$ 374,994	\$ 380,561	\$ 330,000
Openings/Closings	211,457	194,181	209,319	220,706	210,000
Liners/Settings	172,603	167,811	184,667	196,576	173,000
Markers	104,957	171,507	158,882	165,331	150,000
Cemetery Endowment Care	44,829	48,660	37,506	37,833	33,000
Other Revenues	10,387	10,298	16,417	23,804	15,000
Total	\$ 796,742	\$ 873,864	\$ 981,784	\$ 1,024,810	\$ 911,000



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.

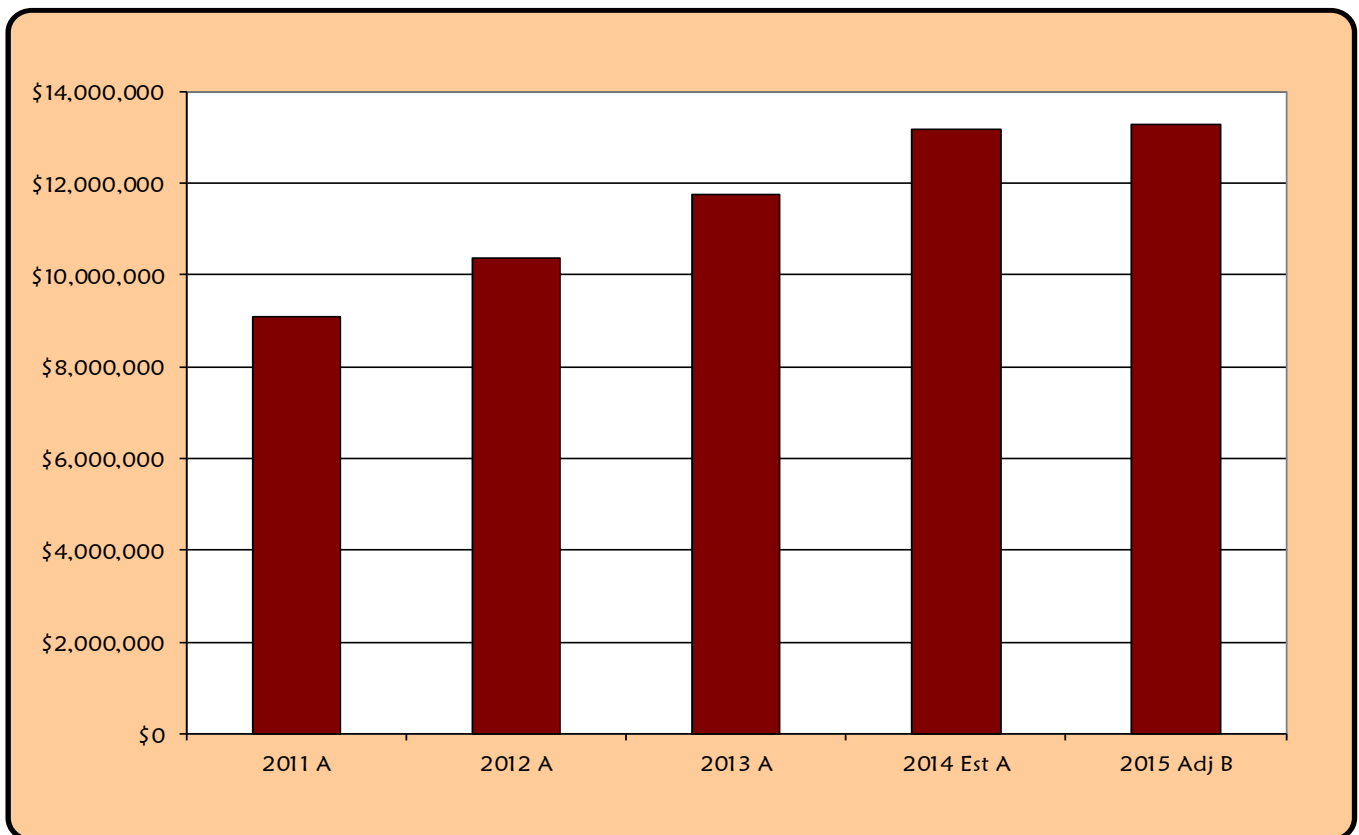
REVISED CODE OF WA: 68.52.040: Grants cities and towns the authority to own, operate, and improve cemeteries.

REVENUE: WATER UTILITY REVENUES

DESCRIPTION: The Water Utility bills customers a monthly base rate and consumption charges 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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
City Water Services	\$ 8,918,617	\$ 10,209,742	\$ 11,551,283	\$ 13,001,105	\$ 13,152,465
Application and Other Revenues	105,495	126,022	144,068	122,154	90,000
Rents, Leases and Concessions	52,385	50,122	51,840	57,723	50,000
Total	\$ 9,076,497	\$ 10,385,886	\$ 11,747,191	\$ 13,180,983	\$ 13,292,465
MGD* Water Sold	6.5	6.7	6.7	6.9	7.0
(*Million Gallons per Day)					



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

AUBURN CITY CODE: 13.06.25: Establishes the City's Water Utility Fund.

13.06.040: Authority to establish rates and charges.

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

35.92.010: Authorizes cities to operate waterworks.

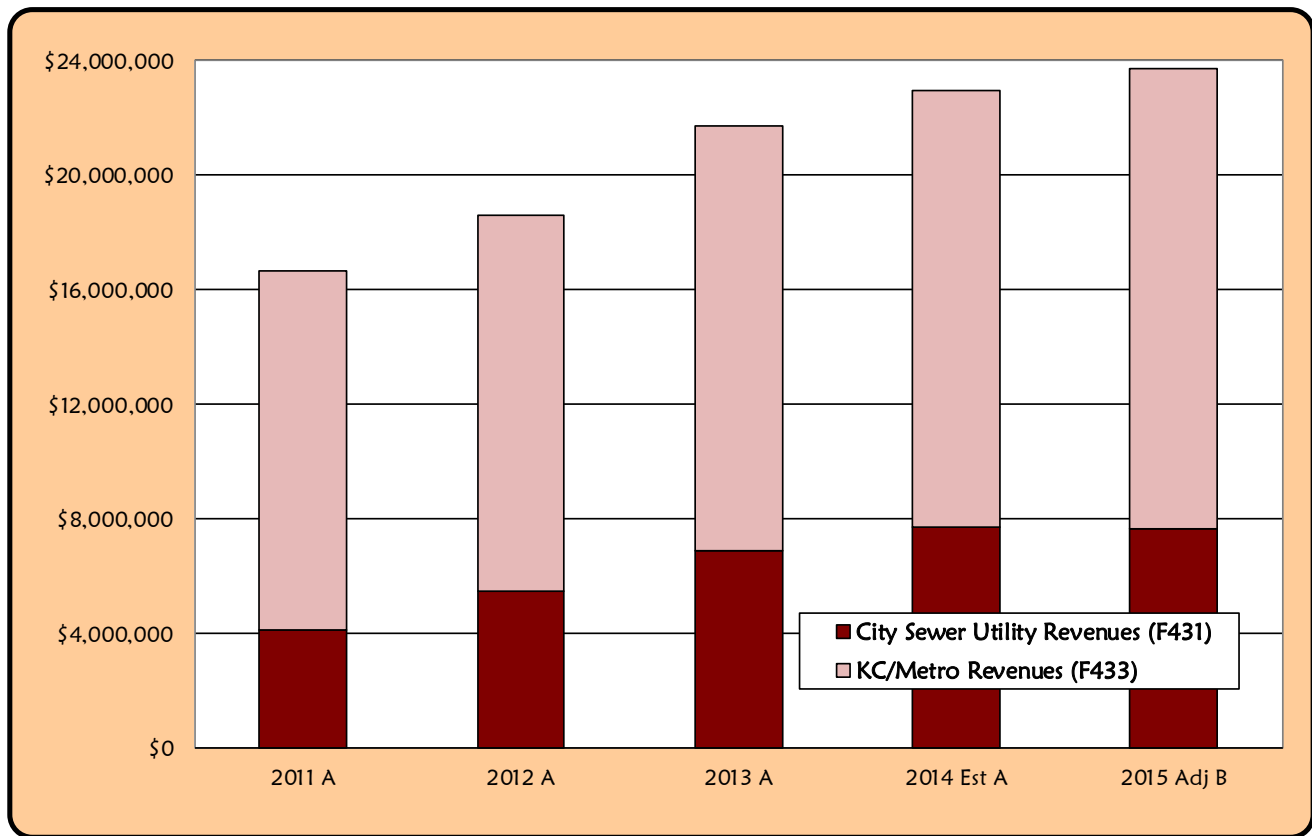
35.92.025: Authorizes cities to charge for connection to the city water system.

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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
Metro Service Charge	\$ 12,028,504	\$ 12,616,197	\$ 14,271,239	\$ 14,590,389	\$ 15,526,037
City Sewer Services	4,105,670	5,405,875	6,806,771	7,649,680	7,636,956
Metro Industrial Charge	505,385	516,133	580,544	711,355	575,000
Application Revenues	27,590	47,082	53,394	38,287	25,000
Total	\$ 16,667,149	\$ 18,585,288	\$ 21,711,948	\$ 22,989,711	\$ 23,762,993



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

AUBURN CITY CODE: 13.20.020: Establishes the City’s Sewer Utility Fund.

13.20.044: Authority to establish 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.

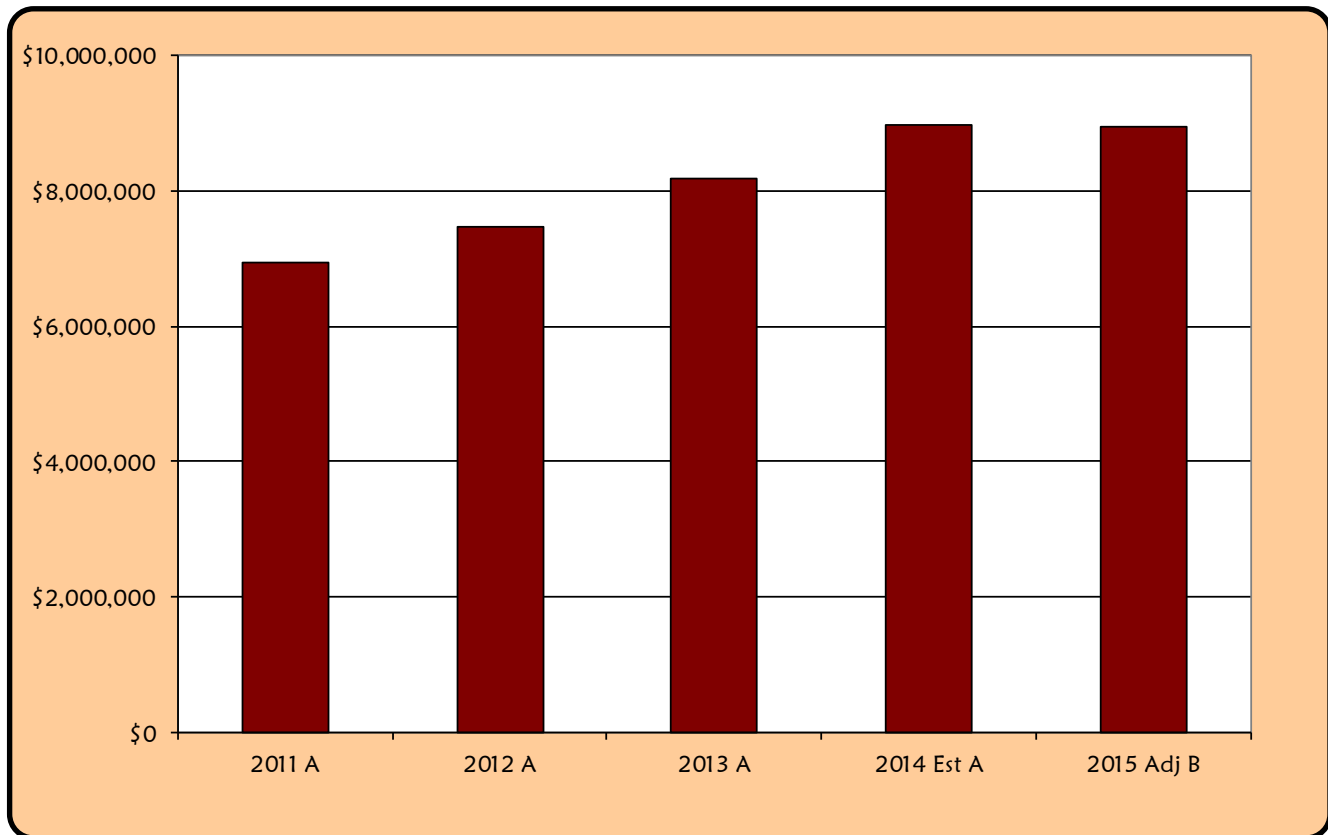
35.92.020: Authority to acquire and operate sewerage and solid waste handling systems, plants, sites, or facilities.

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>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
City Storm Drainage Services	\$ 6,870,985	\$ 7,330,241	\$ 8,034,652	\$ 8,809,885	\$ 8,900,928
Storm Application Revenues	67,390	149,339	149,651	157,800	60,000
Total	\$ 6,938,375	\$ 7,479,580	\$ 8,184,303	\$ 8,967,685	\$ 8,960,928



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: 13.48.020: Establishes the Storm Drainage Utility Fund.

134.48.060: Authority to establish rates and charges.

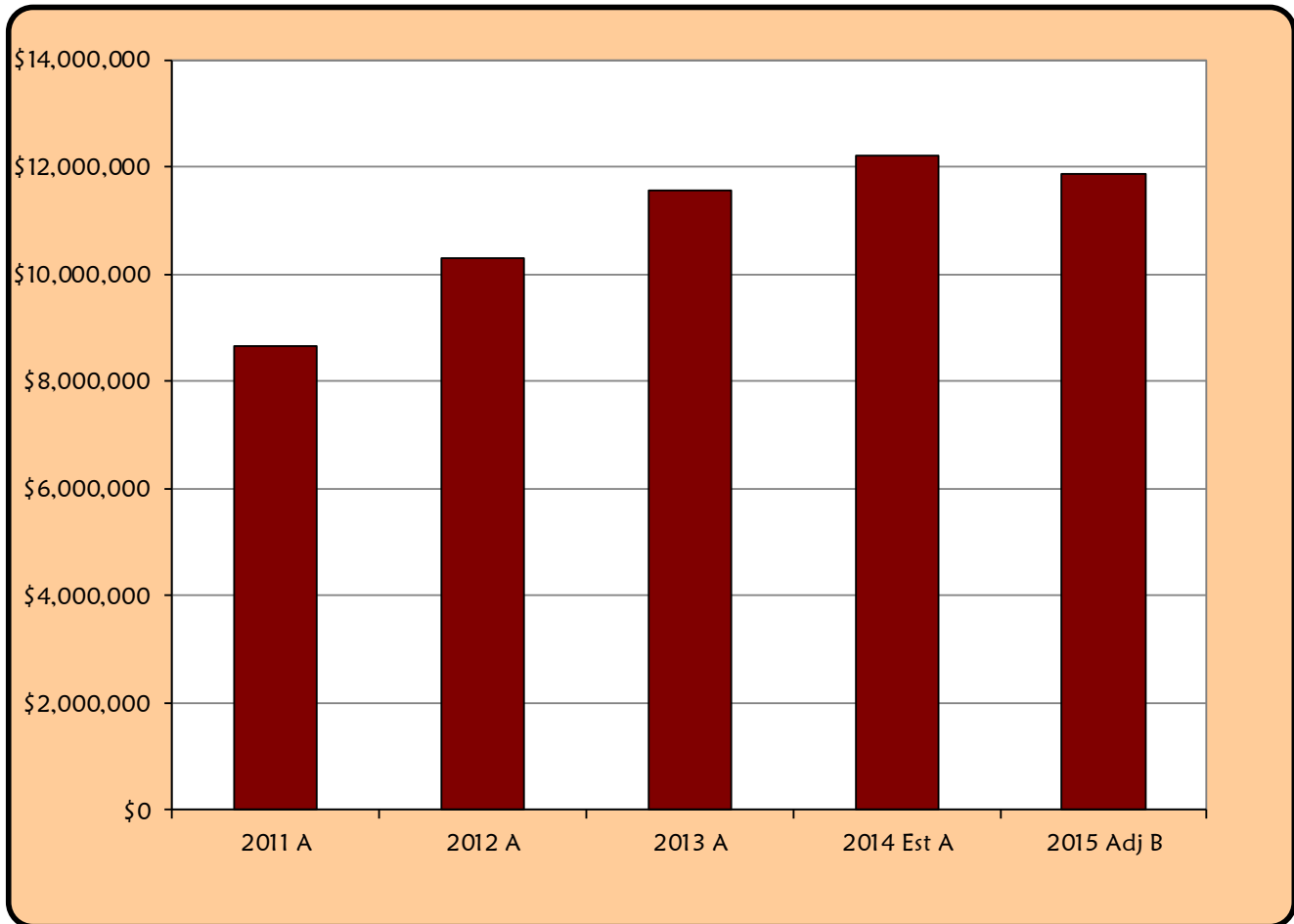
REVISED CODE OF WA: 35.21.210: Authorizes cities to provide storm drainage services and systems.

REVENUE: SOLID WASTE UTILITY REVENUES

DESCRIPTION: The Solid Waste Utility bills customers for garbage pickup. The Solid Waste Utility contracts with Waste Management of Washington, Inc. for services.

HISTORICAL DATA:

<i>Fund 434</i>	2011 A	2012 A	2013 A	2014 Est A	2015 Adj B
City Solid Waste Services	\$ 8,021,907	\$ 9,484,140	\$ 10,650,203	\$ 11,213,099	\$ 10,893,300
Yard Waste	642,517	801,747	911,909	1,006,961	970,500
Total	\$ 8,664,423	\$ 10,285,887	\$ 11,562,112	\$ 12,220,060	\$ 11,863,800



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: Authority to establish rates 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.

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 \$54 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 2.0% 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). Another loss to City revenue is due to I-747 which limits property tax increases to the lesser of 1.0% 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.

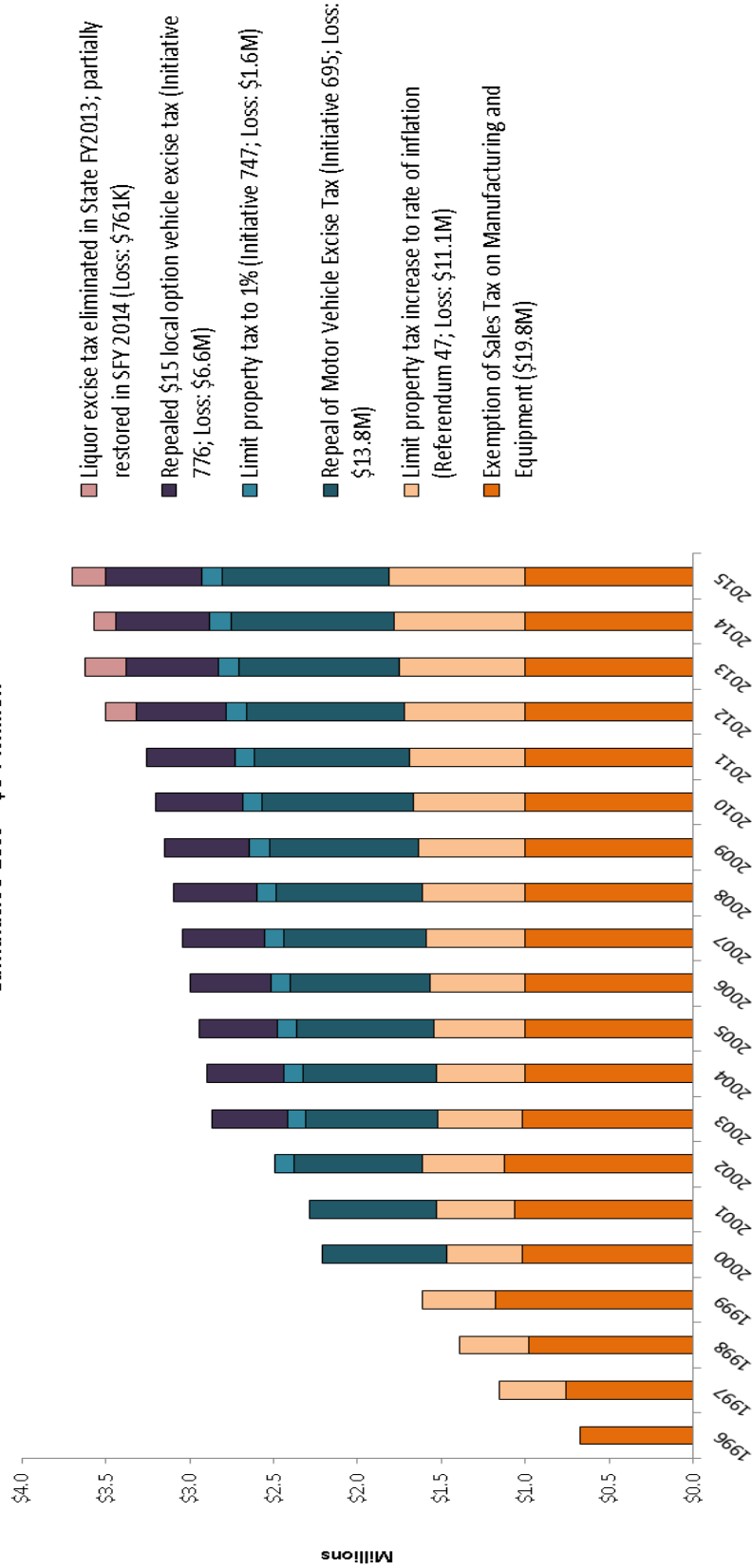
Initiative 776 (2002). The voters approved this initiative in the fall of 2002 to repeal the \$15 local option vehicle excise tax levied in King, Snohomish and Douglas counties. The voters of these counties initially approved this tax and there was argument whether a statewide vote could repeal a local 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 \$575,000 per year in 2015 and 2016.

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 Action
1996 to 2015**

Cumulative Loss = \$54 Million



Summarized Revenues by Category

On the following page you will find the City of Auburn's major sources of revenues summarized by revenue stream and revenue category. This is intended to give the reader a scope of the City's revenue sources as well as to be able to quickly view revenue trends and magnitude.

REVENUES BY CATEGORY*

For all fund types

	2011 Actual	2012 Actual	2013 Actual	2014 Estimated Actual	2015 Adjusted Budget
TAXES					
Property	\$ 14,683,328	\$ 14,987,637	\$ 14,535,673	\$ 15,933,338	\$ 17,307,600
Sales & Use	15,914,408	16,377,066	18,061,858	19,469,356	18,957,000
Cable TV	1,022,902	1,051,146	1,115,477	1,131,253	1,129,700
City Utility	2,948,297	3,281,816	3,892,250	4,068,667	4,030,300
Electric Utility	3,739,160	3,750,846	4,059,276	3,997,291	4,122,700
Natural Gas Utility	1,675,963	1,576,954	1,596,891	1,584,211	1,664,400
Solid Waste - External Utility	166,289	134,680	119,094	125,504	123,700
Telephone Utility	2,390,385	2,297,352	2,214,292	2,156,067	2,173,200
Admissions	353,825	347,732	324,906	321,016	330,300
Gambling	258,050	265,491	202,157	282,144	232,400
Hotel/Motel Excise	65,058	78,143	90,581	99,782	87,900
Leasehold Excise	49,467	39,262	37,215	37,233	33,000
Real Estate Excise Tax (REET)	1,487,163	1,758,725	2,225,898	2,469,637	1,600,000
Sub-Total	\$ 44,754,297	\$ 45,946,850	\$ 48,475,567	\$ 51,675,500	\$ 51,792,200
LICENSES, PERMITS AND OTHER FEES/CHARGES					
Business Licenses	\$ 254,054	\$ 288,690	\$ 305,637	\$ 214,410	\$ 274,000
Mitigation/Impact Fees	1,188,560	1,447,547	1,692,460	1,436,639	990,000
Park Fees	1,964,139	2,026,667	2,093,067	2,236,669	2,095,180
Permit Fees	1,574,140	2,112,686	2,678,483	2,099,311	1,472,300
Animal Licenses	-	-	127,303	129,930	160,000
Planning and Development Fees	509,414	1,222,884	1,116,612	1,085,830	680,000
Sub-Total	\$ 5,490,307	\$ 7,098,475	\$ 8,013,563	\$ 7,202,788	\$ 5,671,480
INTERGOVERNMENTAL REVENUES					
Law Enforcement Services	\$ 54,461	\$ 56,659	\$ 57,557	\$ 754,700	\$ 568,000
Criminal Justice Sales Tax	235,036	238,147	171,736	197,584	291,300
Federal/State/Local Grant	11,625,562	13,310,544	5,327,174	4,443,201	17,721,506
Liquor Excise & Profits	814,509	965,706	688,099	788,333	731,970
Motor Vehicle Fuel Tax	1,465,720	1,444,724	1,472,734	1,510,614	1,487,100
Muckleshoot Casino	540,050	730,376	509,734	634,467	630,000
Streamlined Sales Tax	1,987,348	1,894,001	1,952,778	1,962,161	2,000,000
Sub-Total	\$ 16,722,685	\$ 18,640,158	\$ 10,179,813	\$ 10,291,059	\$ 23,429,876
FINES, FORFEITS AND OTHER REVENUES					
Fines and Forfeits	\$ 1,953,129	\$ 1,593,286	\$ 1,436,685	\$ 1,260,020	\$ 802,840
Fire Insurance Premiums	66,375	63,205	70,036	77,558	70,000
Investment Income	390,064	320,064	253,284	209,775	136,234
Rental Income	729,751	676,304	654,253	878,249	650,050
Sub-Total	\$ 3,139,318	\$ 2,652,859	\$ 2,414,258	\$ 2,425,601	\$ 1,659,124
ENTERPRISE FUND REVENUES					
Airport	\$ 664,505	\$ 614,976	\$ 637,889	\$ 662,617	\$ 691,600
Cemetery	796,742	873,864	981,784	1,024,810	911,000
Water Utility	9,076,497	10,385,886	11,747,191	13,180,983	13,292,465
Sewer Utility	16,667,149	18,585,288	21,711,948	22,989,711	23,762,993
Storm Drainage Utility	6,938,375	7,479,580	8,184,303	8,967,685	8,960,928
Solid Waste Utility	8,664,423	10,285,887	11,562,112	12,220,060	11,863,800
Sub-Total	\$ 42,807,693	\$ 48,225,481	\$ 54,825,227	\$ 59,045,866	\$ 59,482,786
Grand Total	\$ 112,914,300	\$ 122,563,821	\$ 123,908,427	\$ 130,640,814	\$ 142,035,465

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

Revenues Per Capita

On the following page you will find the City of Auburn's major sources of revenues summarized on a per capita basis. This methodology is used to normalize the information based upon the City's population.

REVENUES PER CAPITA BY CATEGORY*

For all fund types

	2011 Actual	2012 Actual	2013 Actual	2014 Estimated Actual	2015 Adjusted Budget
City Population					
King County portion	63,050	63,390	64,320	65,350	66,004
Pierce County portion	7,655	7,850	8,915	9,280	9,373
Total	70,705	71,240	73,235	74,630	75,376
TAXES					
Property	\$ 208	\$ 210	\$ 198	\$ 213	\$ 230
Sales & Use	225	230	247	261	251
Cable TV	14	15	15	15	15
City Utility	42	46	53	55	53
Electric Utility	53	53	55	54	55
Natural Gas Utility	24	22	22	21	22
Solid Waste - External Utility	2	2	2	2	2
Telephone Utility	34	32	30	29	29
Admissions	5	5	4	4	4
Gambling	4	4	3	4	3
Hotel/Motel Excise	1	1	1	1	1
Leasehold Excise	1	1	1	0	0
Real Estate Excise Tax (REET)	21	25	30	33	21
Sub-Total	\$ 633	\$ 645	\$ 662	\$ 692	\$ 687
LICENSES, PERMITS AND OTHER FEES/CHARGES					
Business Licenses	\$ 4	\$ 4	\$ 4	\$ 3	\$ 4
Mitigation/Impact Fees	17	20	23	19	13
Park Fees	28	28	29	30	28
Permit Fees	22	30	37	28	20
Animal Licenses	-	-	2	2	2
Planning and Development Fees	7	17	15	15	9
Sub-Total	\$ 78	\$ 100	\$ 109	\$ 97	\$ 75
INTERGOVERNMENTAL REVENUES					
Law Enforcement Services	\$ 1	\$ 1	\$ 1	\$ 10	\$ 8
Criminal Justice Sales Tax	3	3	2	3	4
Federal/State/Local Grant	164	187	73	60	235
Liquor Excise & Profits	12	14	9	11	10
Motor Vehicle Fuel Tax	21	20	20	20	20
Muckleshoot Casino	8	10	7	9	8
Streamlined Sales Tax	28	27	27	26	27
Sub-Total	\$ 237	\$ 262	\$ 139	\$ 138	\$ 311
FINES AND FORFEITS AND OTHER REVENUES					
Fines and Forfeits	\$ 28	\$ 22	\$ 20	\$ 17	\$ 11
Fire Insurance Premiums	1	1	1	1	1
Investment Income	6	4	3	3	2
Rental Income	10	9	9	12	9
Sub-Total	\$ 44	\$ 37	\$ 33	\$ 33	\$ 22
ENTERPRISE FUND REVENUES					
Airport	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9
Cemetery	11	12	13	14	12
Water Utility	128	146	160	177	176
Sewer Utility	236	261	296	308	315
Storm Drainage Utility	98	105	112	120	119
Solid Waste Utility	123	144	158	164	157
Sub-Total	\$ 605	\$ 677	\$ 749	\$ 791	\$ 789
Grand Total	\$ 1,597	\$ 1,720	\$ 1,692	\$ 1,751	\$ 1,884

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

City of Auburn Revenue Manual

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