

2019 REVENUE MANUAL

This Revenue Manual includes:

- 2015 - 2017 actual results
- 2018 actual results through year end (unaudited)
- 2019 amended budget (through Council Approved Budget Amendment #1, 2019 Project Carryforwards, and March 2019 Mayor Debit/Credit)

April 2019

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 (2015-2018) and forecasted (2019) 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 35 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 17%). 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 penalties, 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:

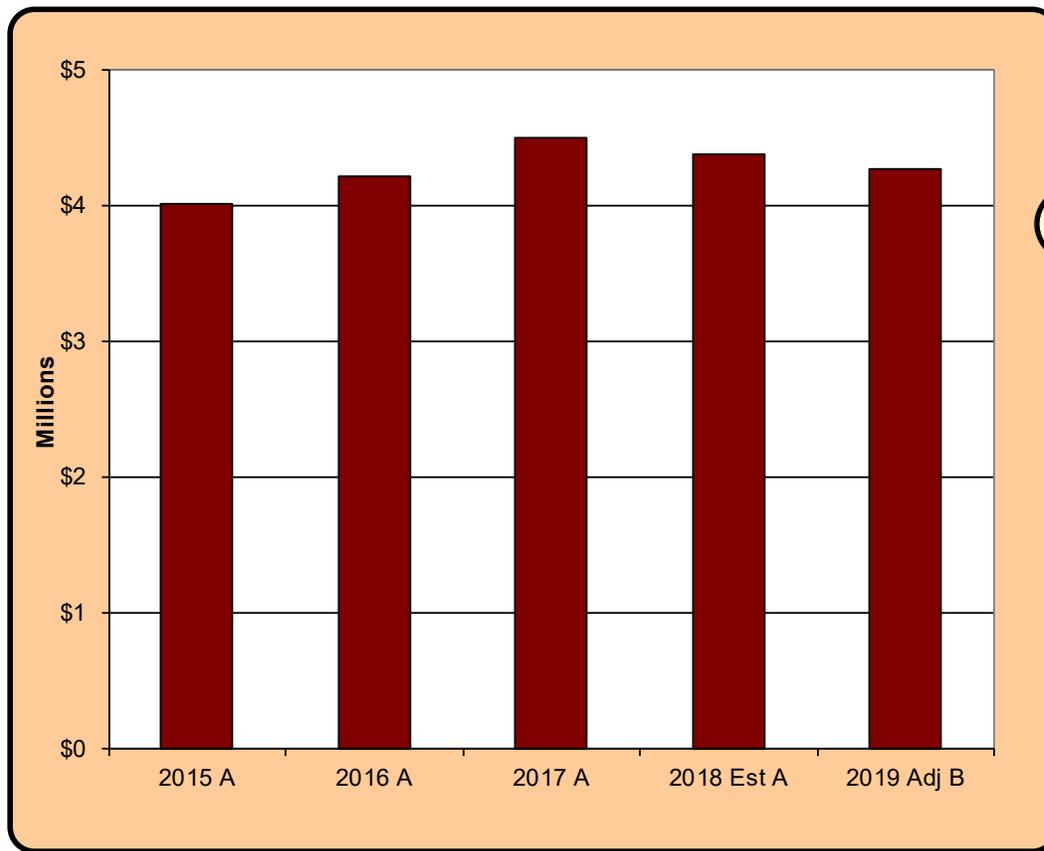
REVENUE: ELECTRIC UTILITY TAX

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

HISTORICAL DATA:

A Revenue source and description.

General Fund and Fund 105	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Total	\$ 4,011,835	\$ 4,218,540	\$ 4,503,694	\$ 4,381,865	\$ 4,269,700



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

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%).

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

Revenue Sources by Category – 2019 Adjusted Budget

	Page Number	2019 Adjusted Budget	
TAXES			
Property	8	\$ 21,680,000	13.8%
Sales & Use	11	20,952,600	13.4%
Cable Utility	15	2,225,600	1.4%
City Utility	16	4,710,200	3.0%
Electric Utility	17	4,269,700	2.7%
Natural Gas Utility	18	1,347,500	0.9%
Solid Waste Utility - External	19	156,800	0.1%
Telephone Utility	20	1,413,500	0.9%
Admissions	21	398,000	0.3%
Gambling	22	415,500	0.3%
Hotel/Motel Excise	24	150,000	0.1%
Leasehold Excise	25	50,000	0.0%
Real Estate Excise Tax (REET)	26	2,400,000	1.5%
Sub-Total		\$ 60,169,400	
LICENSES, PERMITS AND OTHER FEES/CHARGES			
Business Licenses	29	\$ 265,000	0.2%
Mitigation/Impact Fees	30	1,001,200	0.6%
Park Fees	31	2,417,480	1.5%
Permit Fees	32	1,452,000	0.9%
Animal Licenses	33	175,900	0.1%
Planning and Development Fees	34	805,000	0.5%
Sub-Total		\$ 6,116,580	
INTERGOVERNMENTAL REVENUES			
Law Enforcement Services	36	\$ 1,016,900	0.6%
Criminal Justice Sales Tax	37	316,000	0.2%
Federal/State/Local Grants	38	10,204,375	6.5%
Liquor Excise & Profits	39	1,064,900	0.7%
Marijuana Excise Tax	40	108,000	0.1%
Motor Vehicle Fuel Tax	41	1,770,000	1.1%
Muckleshoot Casino	42	850,000	0.5%
Streamlined Sales Tax	43	1,685,000	1.1%
Sub-Total		\$ 17,015,175	
FINES, PENALTIES AND OTHER REVENUES			
Fines and Penalties	45	\$ 919,000	0.6%
Fire Insurance Premiums	46	78,900	0.1%
Investment Income	47	1,418,980	0.9%
Rental Income	48	949,650	0.6%
Sub-Total		\$ 3,366,530	
ENTERPRISE FUND REVENUES			
Airport	50	\$ 1,211,700	0.8%
Cemetery	51	1,126,000	0.7%
Water Utility	52	15,502,500	9.9%
Sewer Utility	53	27,384,200	17.5%
Storm Drainage Utility	54	10,085,900	6.4%
Solid Waste Utility	55	14,565,700	9.3%
Sub-Total		\$ 69,876,000	
Grand Total		\$ 156,543,685	

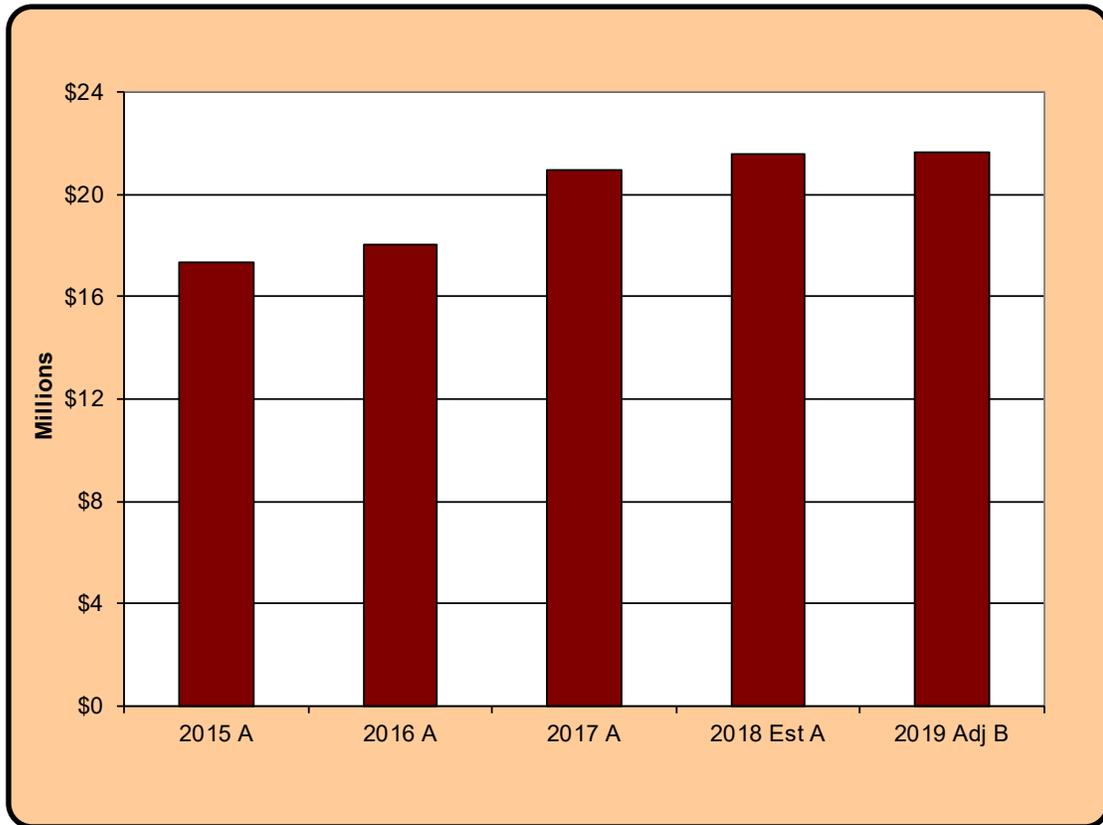
Taxes

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 and Fund 321</i>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Total Property Tax	\$17,337,108	\$18,067,324	\$20,976,384	\$21,561,924	\$21,680,000
Total Assessed Value (Billions) \$	8.367	\$ 8.967	\$ 9.722	\$ 10.700	\$ 11.394
City Levy Rate per \$1,000 of AV \$	2.08	\$ 2.05	\$ 2.20	\$ 2.03	\$ 1.92



- 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.

	2017	2018	2019
Direct regular and special levies			
City of Auburn [a]	\$2.19668	\$2.03239	\$1.92435
Overlapping regular and special levies			
Auburn School District	6.74299	6.29971	3.81351
King County	1.38294	1.32735	1.21906
State of Washington	2.03205	2.91820	2.62922
Port of Seattle	0.15334	0.13518	0.12266
Emergency Medical Services	0.26305	0.23940	0.21762
Hospital District	0.50089	0.45688	0.41673
King County Library District	0.45118	0.41190	0.37441
Sound Transit (ST)	0.25000	0.22745	0.20700
Valley Regional Fire Authority	1.06821	0.98189	0.92352
King County Flood Zone	0.11740	0.10708	0.09660
King County Ferry District	0.00000	0.00000	0.00000
Subtotal – overlapping levies	\$12.96205	\$13.10504	\$10.02033
Total	\$15.15873	\$15.13743	\$11.94468

Source: King and Pierce County Department of Assessments

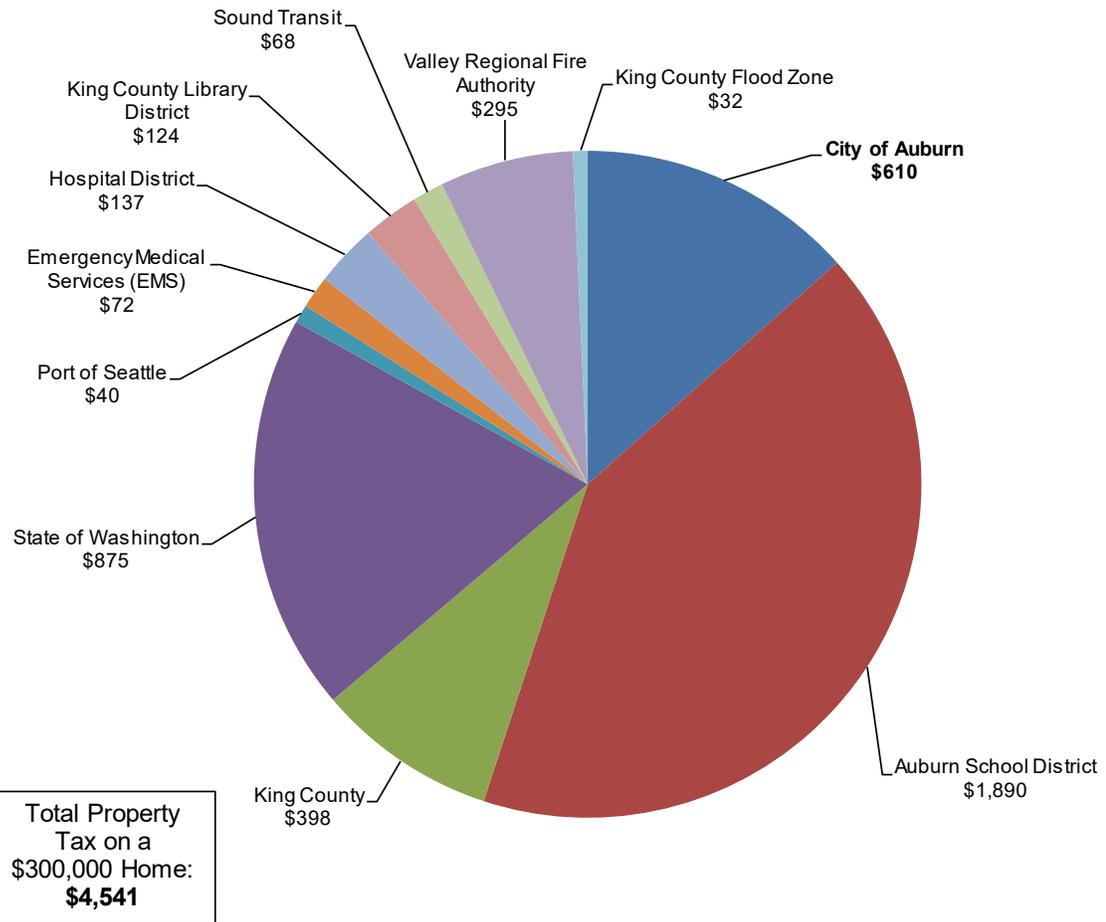
[a] The maximum City levy rate is \$2.68340. Rates are expressed in dollars per \$1,000 of assessed value (AV).

Where Your 2019 Property Tax Dollars Go

32¢	22¢	16¢	10¢	2¢	18¢
Auburn School District	State	City of Auburn	King County	ST	All Other



Property Tax Levied on a \$300,000 Home - 2019 Where it Goes



REVENUE: SALES AND USE TAX

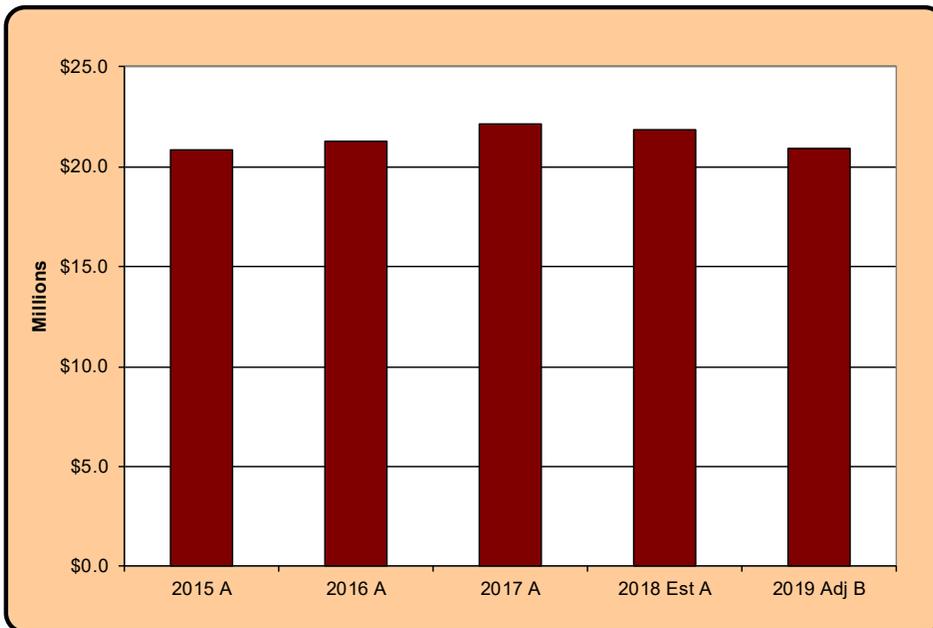
DESCRIPTION: Revenue from sales taxes are used to support general City services. From 2013 through 2018 a portion of sales taxes were used to support local street repair and maintenance. The sales tax rate for the City of Auburn is 10.0% in the King County section of the City, and 9.9% in the Pierce County section of the City. In 2017, the Marketplace Fairness Act (Engrossed House Bill 2163) was passed in order to capture the retail sales tax lost from internet and remote sales. The Sales and Use Tax budget in 2019 includes \$200,000 additional revenue due to the Marketplace Fairness Act (MFA). While this is incremental revenue to the City – the bill phases out and eliminates the streamlined sales tax mitigation payments to local governments (see page 58).

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	1.40%	1.40%
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%
	10.00%	9.90%

HISTORICAL DATA:

General Fund, Fund 103 and Fund 231	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Sales & Use Tax	\$16,817,008	\$ 17,036,135	\$17,773,283	\$18,271,023	\$18,540,600
Sales Tax Credit for Annexation (a)	1,988,523	2,006,028	2,085,949	1,056,364	-
Criminal Justice Sales Tax	1,815,833	1,968,679	2,038,296	2,265,557	2,162,000
LRF Sales Tax Credit	255,695	240,593	259,859	250,610	250,000
Total	\$20,877,060	\$ 21,251,435	\$22,157,387	\$21,843,555	\$20,952,600



(a) This revenue source expired in 2018.

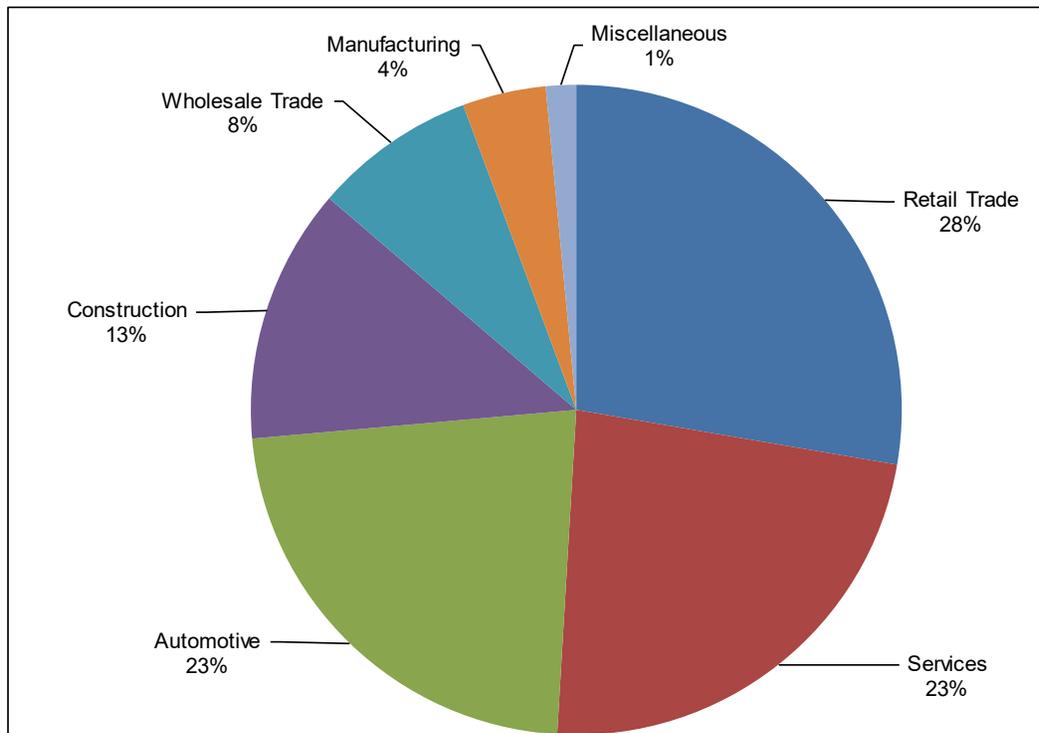
BASE: This tax is imposed on all personal and business purchases of tangible property.

AUBURN CITY CODE: 3.60.010: Authorizes the tax.

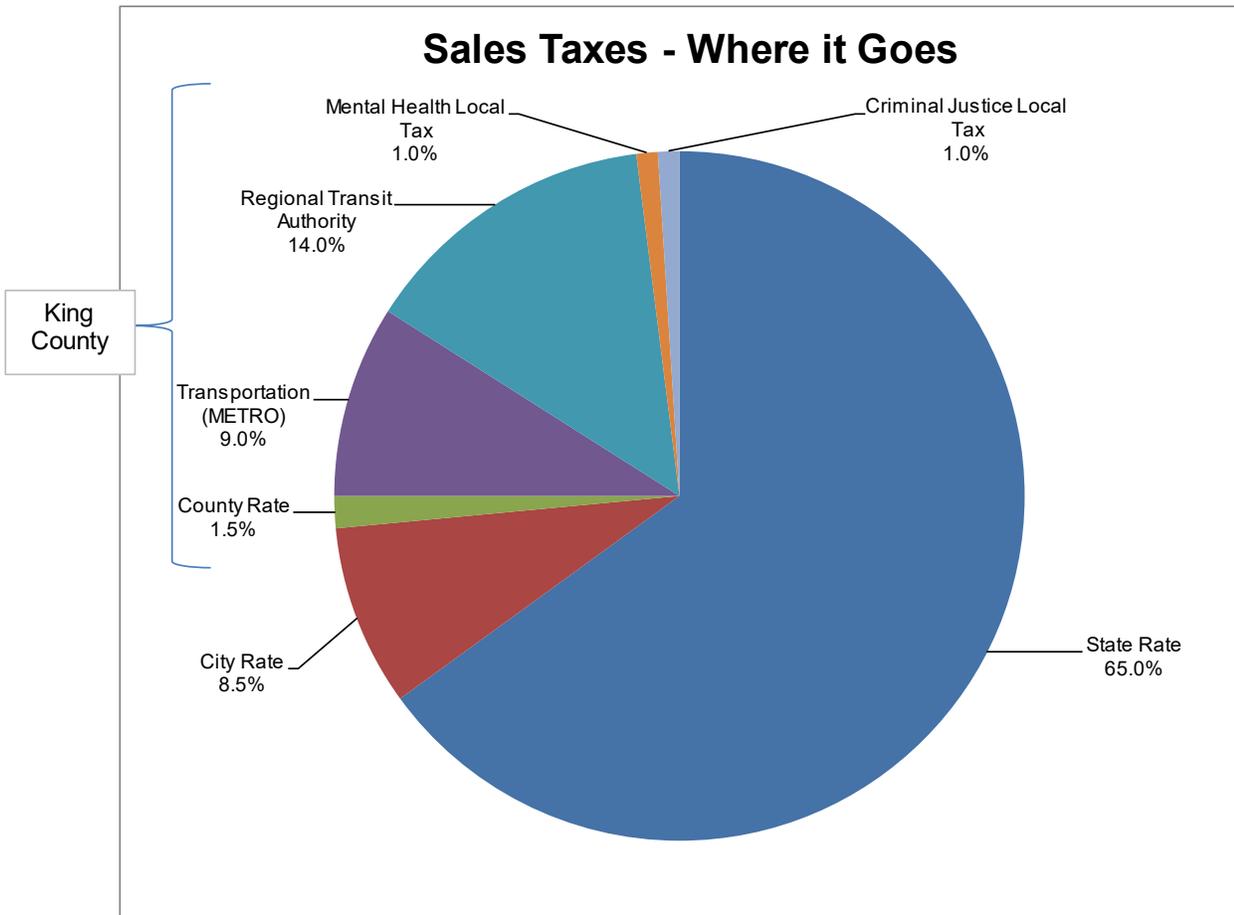
REVISED CODE OF WA: 82.14: Provides authorization to the City to tax all taxable retail sales and use events.

82.13: Provides authorization of the Marketplace Fairness Act.

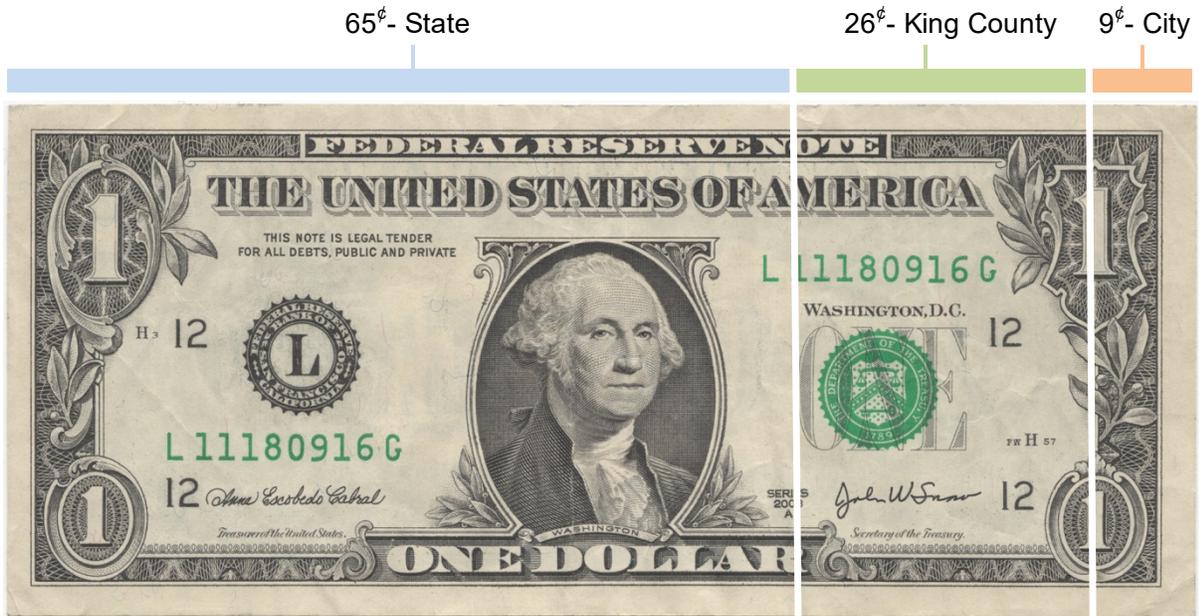
CITY ECONOMIC PROFILE: The City has a diverse economy with half of the City's sales taxes derived from retail activity and automotive dealers. The following pie chart illustrates the major sources for the City's retail sales and use taxes for the latest 12-month period ending December 2018.



Sales Taxes - Where it Goes



Where Your 2019 Sales Tax Dollars Go



Summary of Utility and Other Tax Rates

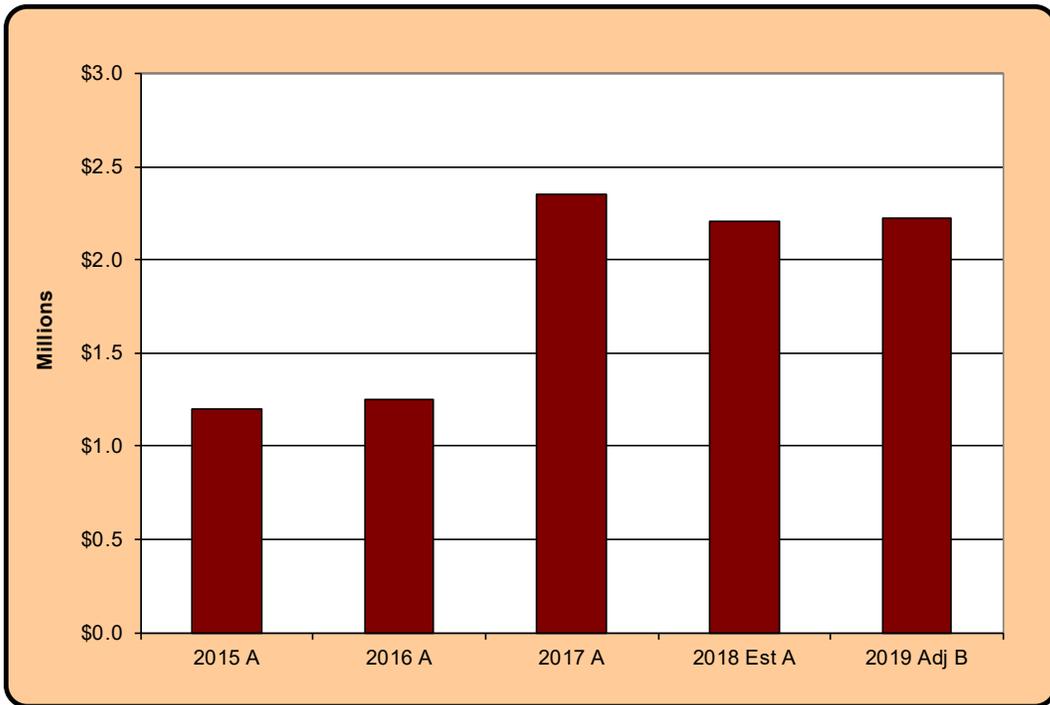
Tax	Maximum Allowable under State Law	Current Authorized under City Code	Auburn City Code
Cable Utility Tax	6.0%	6.0%	3.42
Cable Franchise Fee	5.0%	5.0%	13.36.230
City Utility Taxes (Water, Sewer, Storm, Solid Waste)	No limit.	7.0%	3.40.020 3.41.020 (Solid Waste)
Electric Utility Tax	6.0%	6.0%	3.88.040
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 UTILITY TAX AND FRANCHISE FEE

DESCRIPTION: Cable 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>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Cable Franchise Fee (GF)	\$ 944,664	\$ 985,653	\$ 1,009,823	\$ 938,455	\$ 950,500
Cable Utility Tax (1% - F105)	190,750	199,147	213,549	200,084	190,100
Cable Utility Tax (5% - GF; New 2017)	-	-	1,067,745	1,000,420	1,020,000
Cable Franchise Fee - Capital (GF)	68,170	66,394	63,763	65,201	65,000
Total	\$ 1,203,585	\$ 1,251,194	\$ 2,354,880	\$ 2,204,160	\$ 2,225,600



BASE: Gross revenues of the cable and satellite franchises.

AUBURN CITY CODE: 3.42: Establishes the City's authority to levy a 6.0% cable utility tax. Of this 6.0% utility tax, 5.0% is relegated for use by the City in support of its police, public safety and criminal justice system and the remaining 1.0% is for use 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: Franchise fee of 5.0% of gross revenue.

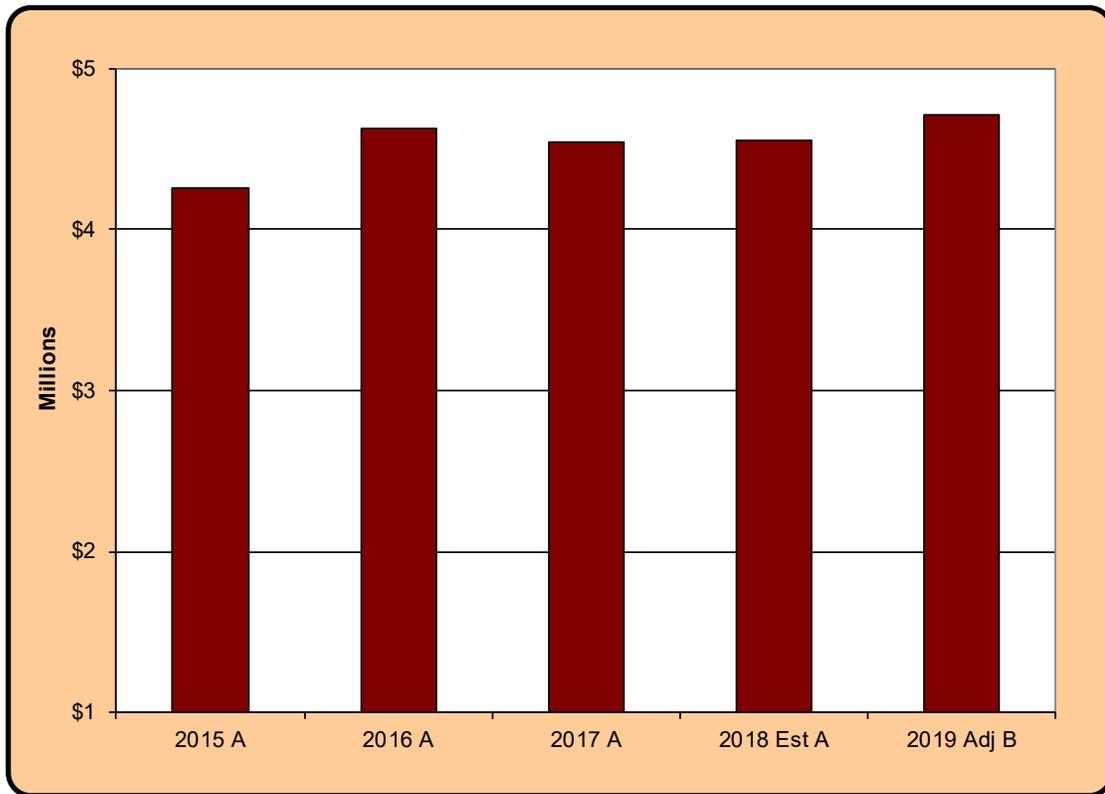
REVISED CODE OF WA: 35.21.860: Cities and counties may grant franchises.

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>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Interfund Sewer Taxes	\$ 1,733,365	\$ 1,914,260	\$ 1,877,965	\$ 1,877,123	\$ 1,966,900
Interfund Water Taxes	1,034,218	1,166,725	1,075,841	1,090,593	1,117,400
Interfund Solid Waste Taxes	794,017	815,199	844,740	872,143	885,600
Interfund Storm Taxes	699,232	728,768	741,716	712,647	740,300
Total	\$ 4,260,831	\$ 4,624,952	\$ 4,540,263	\$ 4,552,505	\$ 4,710,200



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.

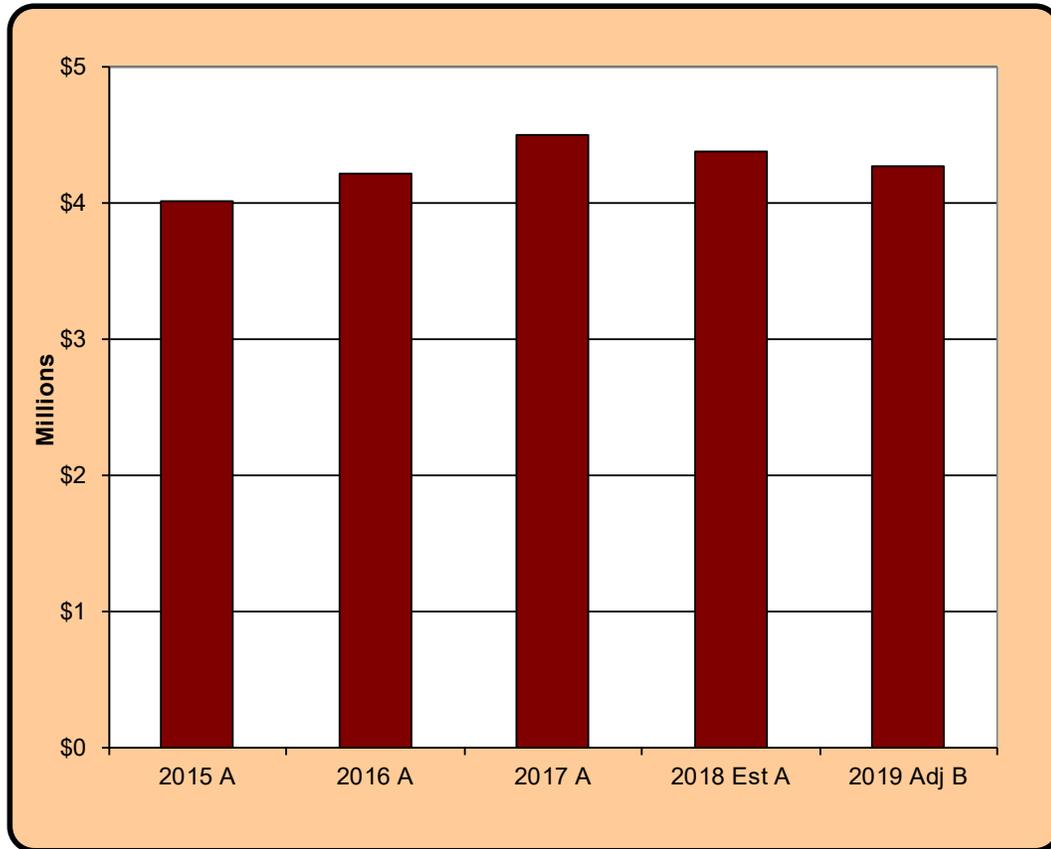
35.22.280: Authority to levy and collect taxes. There are no restrictions on the tax rate.

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>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Total	\$ 4,011,835	\$ 4,218,540	\$ 4,503,694	\$ 4,381,865	\$ 4,269,700



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.

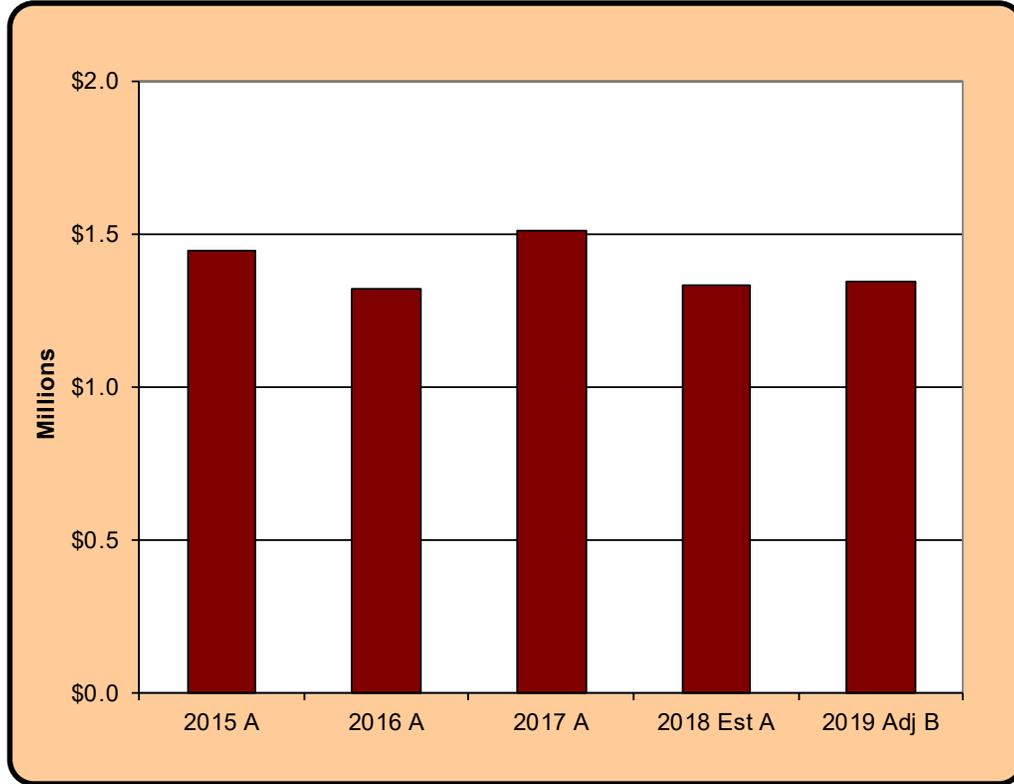
REVISED CODE OF WA: 35.21.870: Establishes the City’s authority to assess a utility tax on electricity, telephone, natural gas, or steam energy and limits the tax to a maximum of six percent (6.0%).

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>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Total	\$ 1,444,444	\$ 1,324,242	\$ 1,514,503	\$ 1,336,287	\$ 1,347,500



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.

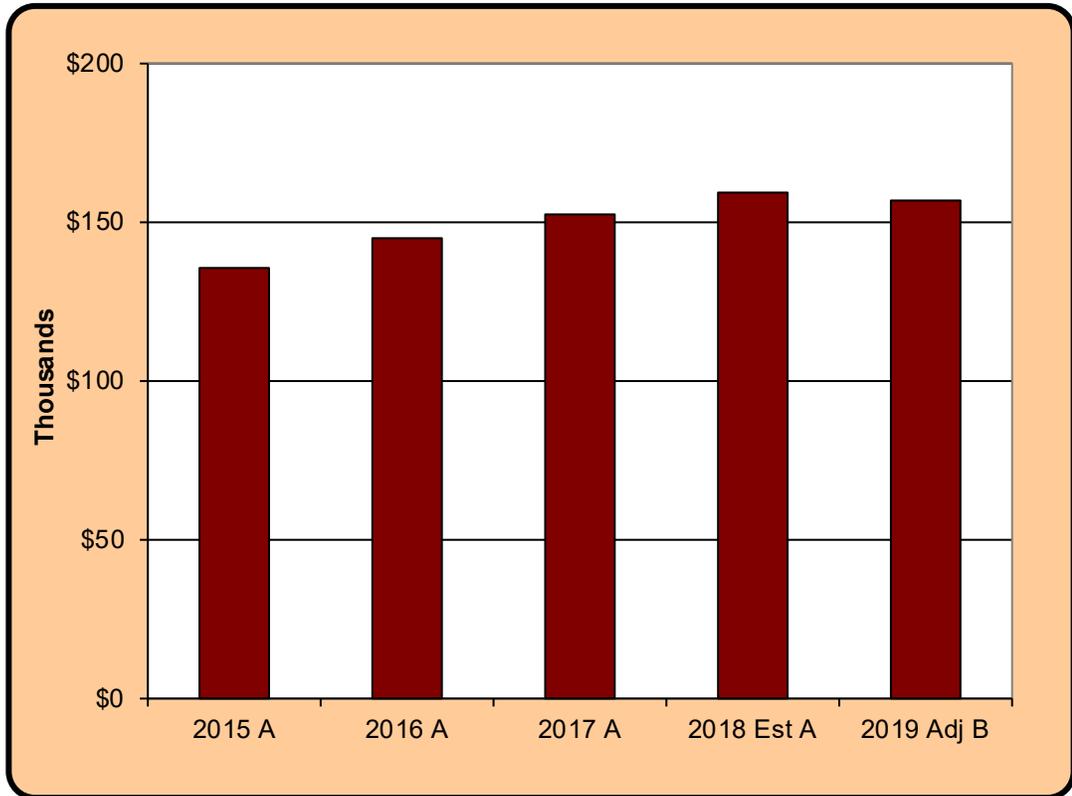
REVISED CODE OF WA: 35.21.870: Establishes the City’s authority to assess a utility tax on electricity, telephone, natural gas, or steam energy and limits the tax to a maximum of six percent (6.0%).
82.14.230: Authorizes a city to impose a natural gas or manufactured use tax. Effective July 1, 2015, 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>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Total	\$ 135,436	\$ 144,669	\$ 152,227	\$ 159,393	\$ 156,800



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 on page 55).

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

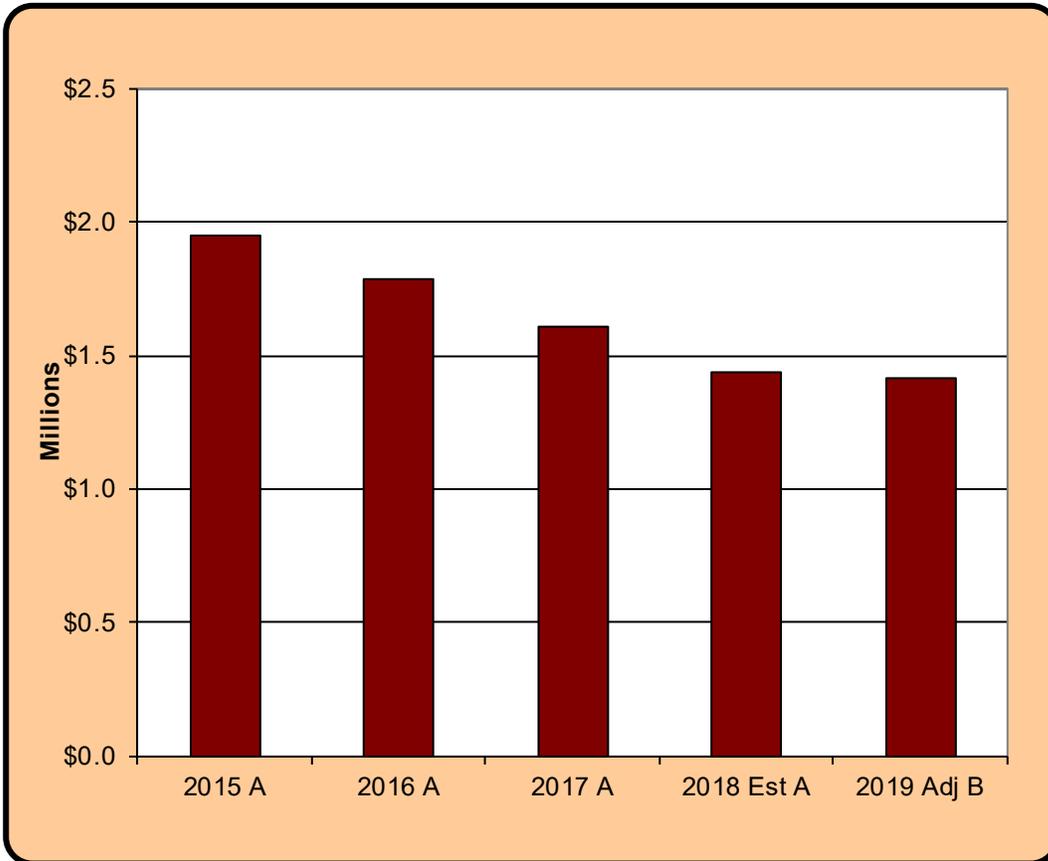
REVISED CODE OF WA: 82.18: Establishes the City's authority to assess a solid waste utility tax.

REVENUE: TELEPHONE TAX

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

HISTORICAL DATA:

<i>General Fund and</i>					
<i>Fund 105</i>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Total	\$ 1,949,630	\$ 1,785,938	\$ 1,611,620	\$ 1,437,591	\$ 1,413,500



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%).

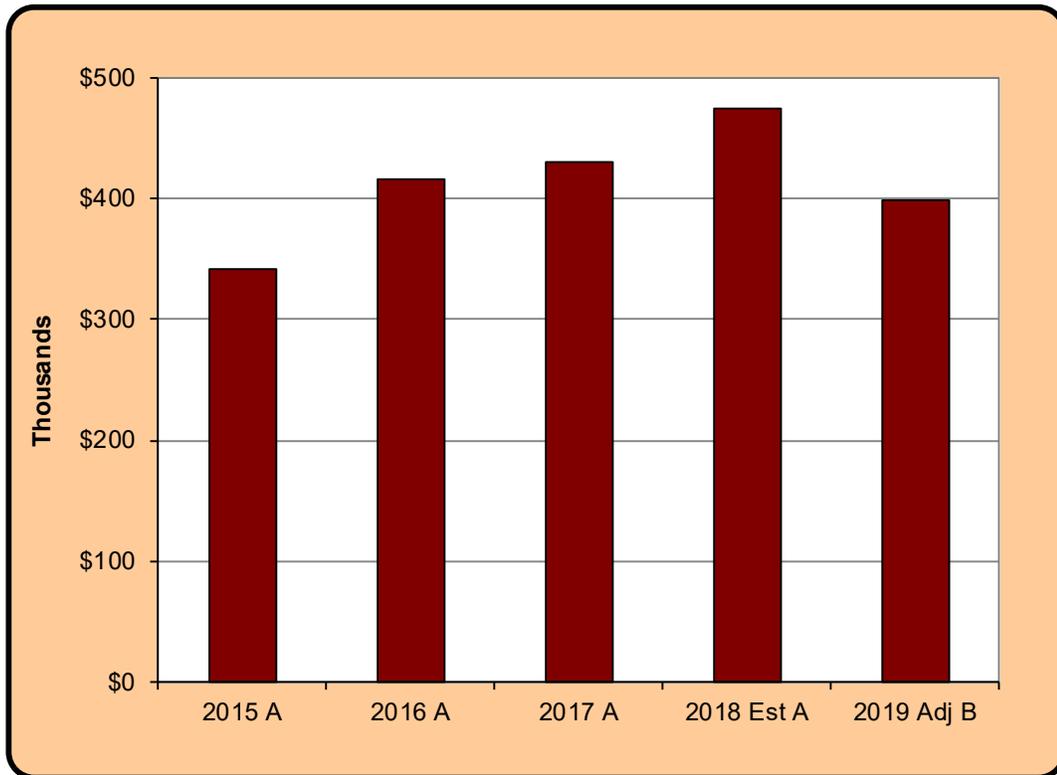
82.04.065: Defines telephone, telecommunications, and ancillary services.

REVENUE: ADMISSION TAX

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

HISTORICAL DATA:

<i>General Fund</i>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Total	\$ 341,919	\$ 416,719	\$ 430,605	\$ 474,886	\$ 398,000



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%).

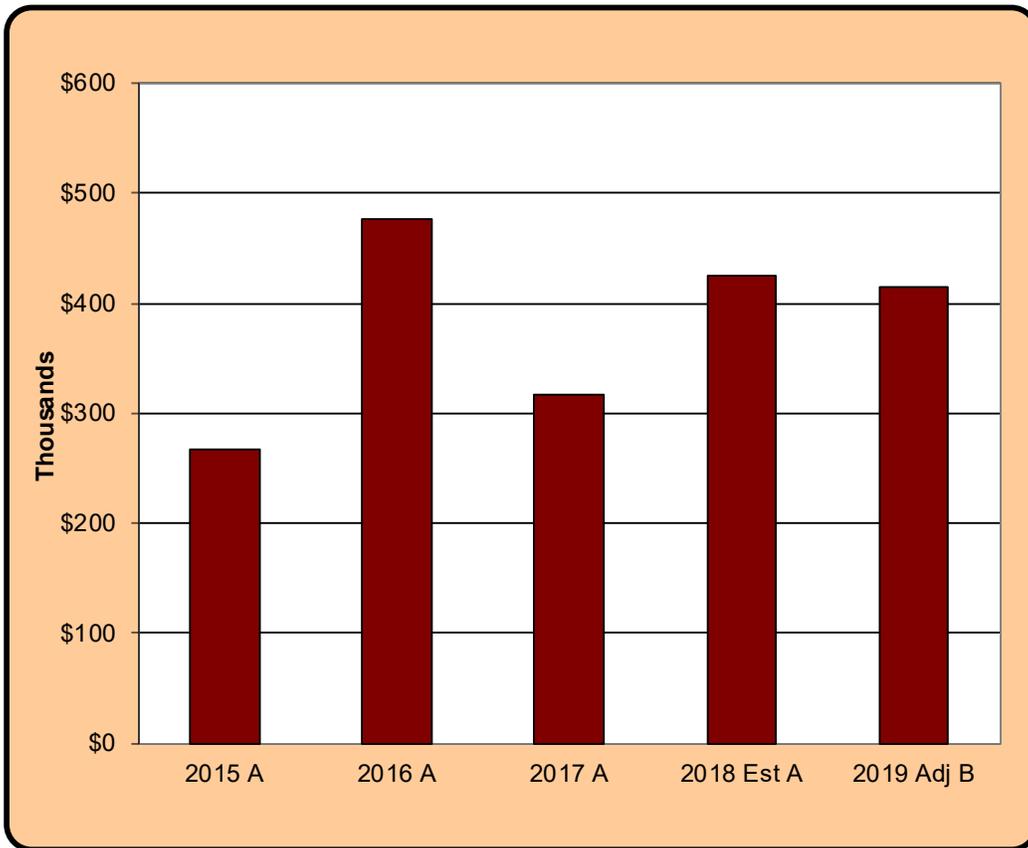
REVISED CODE OF WA: 35.21.280: Authorizes a city to establish a tax on admissions, up to a maximum of 5.0%.

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>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Card Games	\$ 213,865	\$ 434,348	\$ 280,876	\$ 257,601	\$ 397,000
Punch Board and Pull Tabs	49,821	38,548	31,391	21,387	15,000
Bingo and Raffles	1,544	2,637	2,181	1,861	2,000
Amusement Games	1,403	1,923	2,148	144,233	1,500
Total	\$ 266,632	\$ 477,457	\$ 316,596	\$ 425,082	\$ 415,500



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
CODE OF
WA:**

9.46.110: Authorizes this tax on gross receipts of gambling activities.

9.46.113: States that the tax collected on gambling activities must be used primarily for the purpose of public safety.

The following table summarizes the gambling taxes in effect.

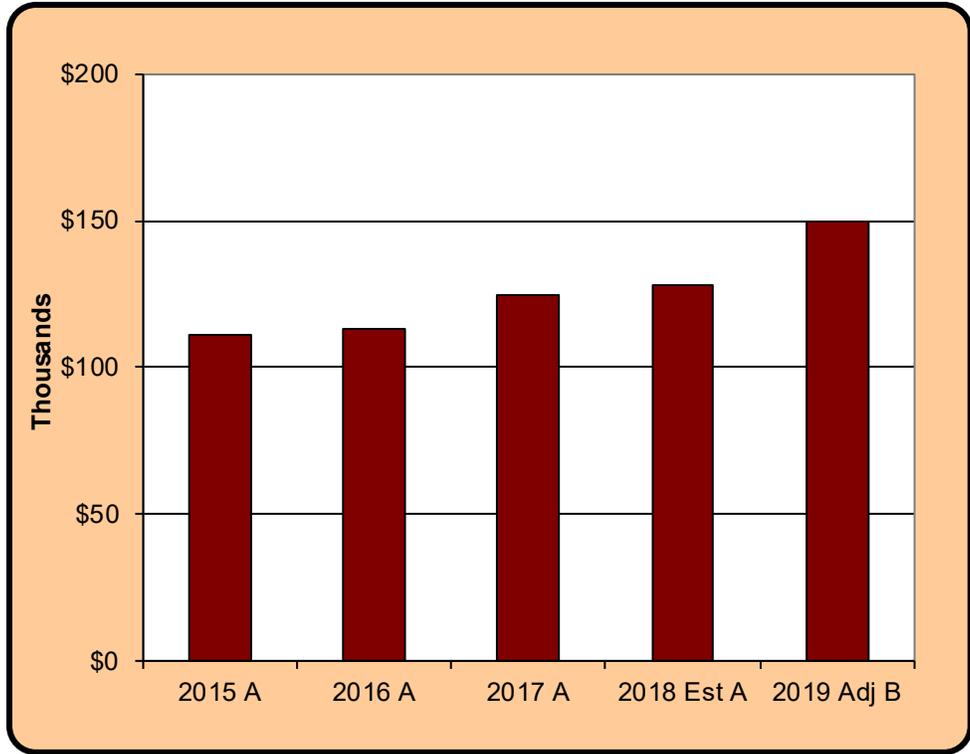
Activity Type	Auburn Tax	Allowed by RCW
Card Games	4.0% of gross receipts	20.0% of gross receipts
Punchboards and Pull-Tabs		
For-Profit	10.0% of net receipts	5.0% of gross receipts or 10.0% of net receipts
Non-Profit	10.0% of net receipts	10.0% of net receipts
Amusement Games	2.0% of net receipts	2.0% 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 costs of tourist promotion activities.

HISTORICAL DATA:

<i>Fund 104</i>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Total	\$ 111,126	\$ 112,876	\$ 124,486	\$ 128,045	\$ 150,000



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 2.0%, however most cities in King County are limited to 1.0%. 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.

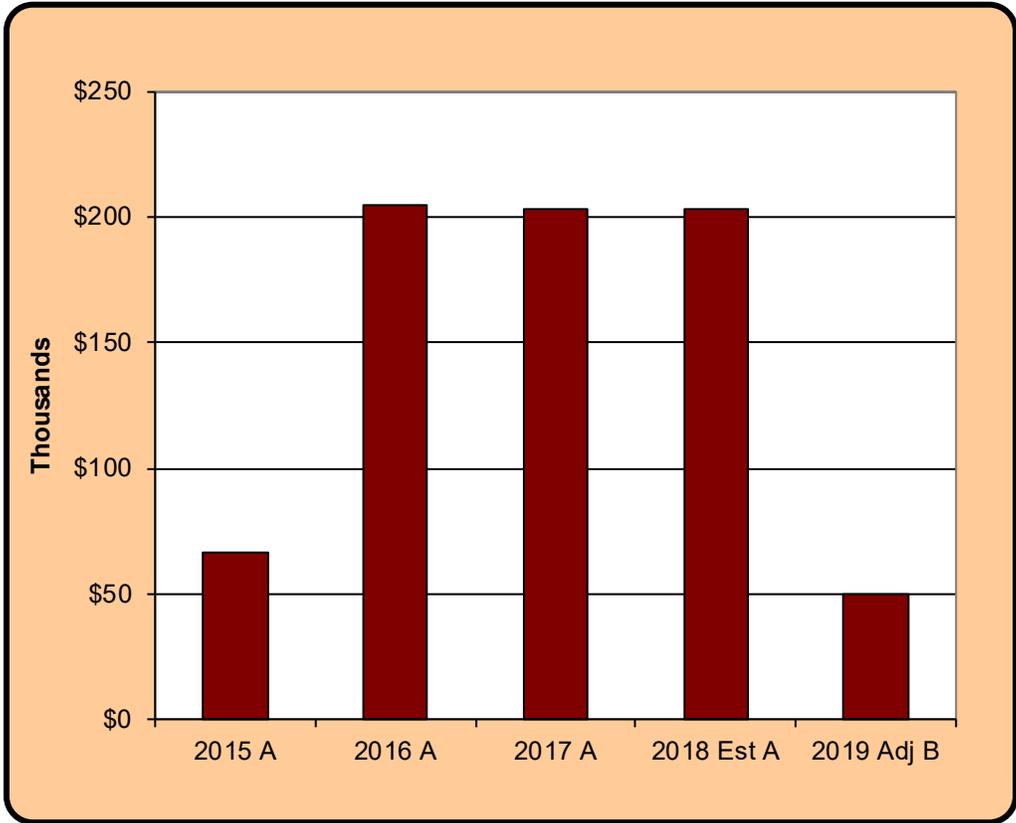
REVISED CODE OF WA: 67.28.120: Authorizes cities to acquire and operate tourism-related facilities.
 67.28.180: Authorizes the lodging tax - identifies the maximum rate of 2.0%.

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>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Total	\$ 66,544	\$ 204,446	\$ 203,034	\$ 203,350	\$ 50,000



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%.

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%.

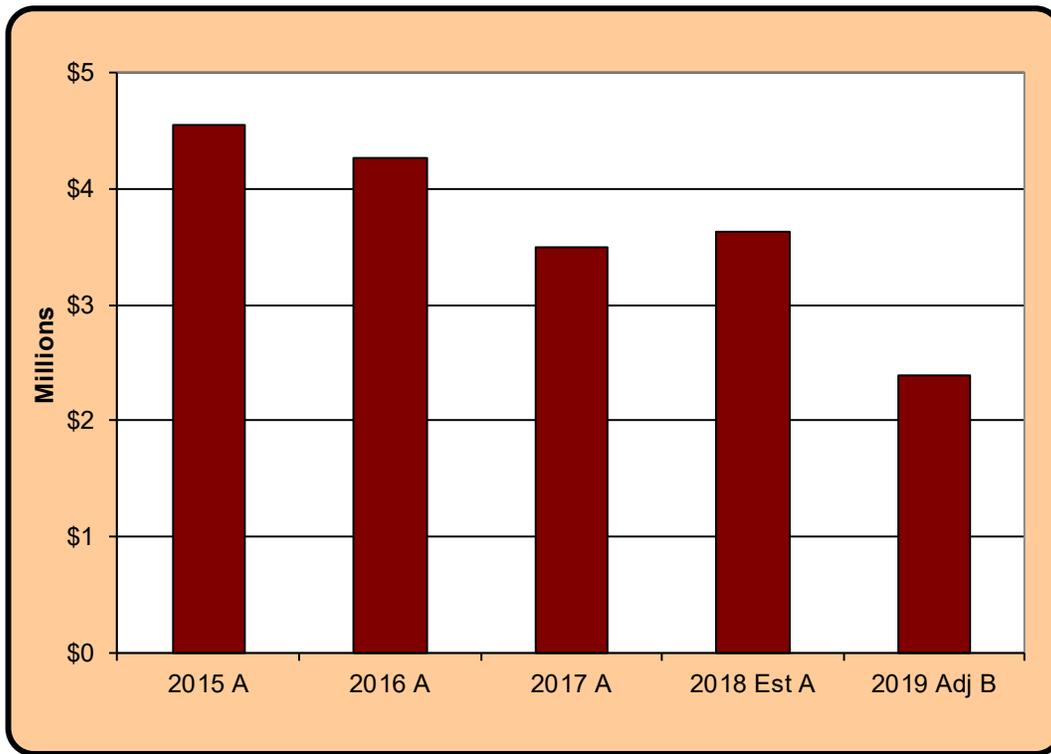
82.29A.090: Distributions by the Department of Revenue.

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>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
REET 1	\$ 2,277,608	\$ 2,131,117	\$ 1,748,515	\$ 1,818,447	\$ 1,200,000
REET 2	2,277,607	2,131,117	1,748,515	1,818,447	1,200,000
Total	\$ 4,555,215	\$ 4,262,235	\$ 3,497,030	\$ 3,636,894	\$ 2,400,000



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. These monies must be used solely for financing capital projects specified in a capital facilities plan.

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).

**LIMITATIONS
ON USES OF
REET**

REET 1	REET 2
Used for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, parks, recreational facilities, law enforcement facilities, fire protection facilities, trails, libraries, administrative facilities, judicial facilities, river flood control projects, and waterway flood control projects.	Used for planning, acquisition, construction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.

Source: RCW 82.46.010.

Source: RCW 82.46.035.

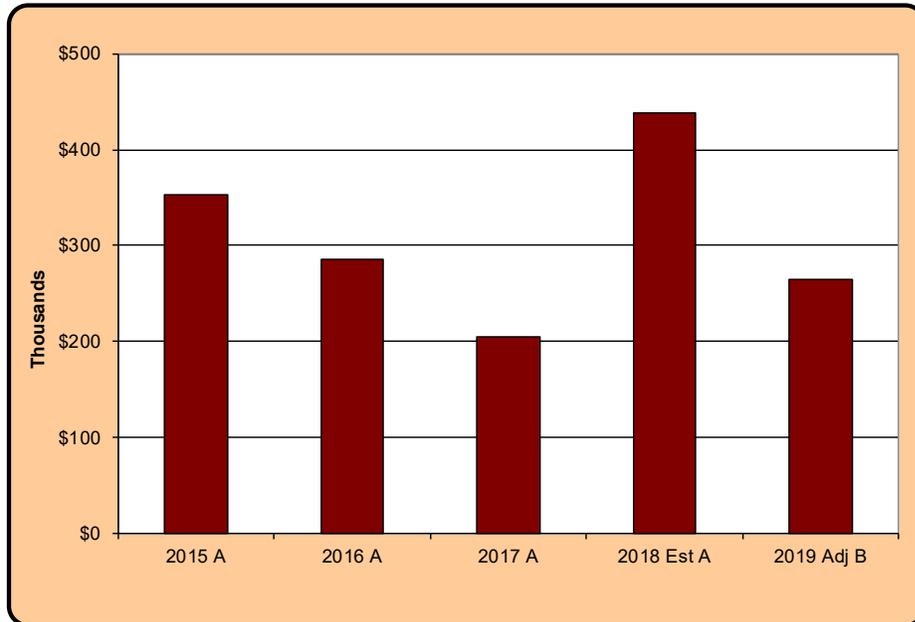
Licenses, Permits and Other Fees/Charges

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 \$100 (effective for 2020 renewals) and covers the period from January 1 through December 31.

HISTORICAL DATA:

General Fund and Fund 121	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Business Licenses	\$ 281,654	\$ 224,876	\$ 163,347	\$ 352,880	\$ 210,000
Business Improvement Area	70,972	61,391	42,535	85,048	55,000
Total	\$ 352,626	\$ 286,267	\$ 205,882	\$ 437,928	\$ 265,000



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. 6658). Revenues generated from the BIA assessment are deposited directly into the BIA Fund (Fund 121) and may be used to support downtown improvements, transportation services, marketing, or safety measures.

AUBURN CITY CODE: 5.10: Establishes Business License fees.

2.98: Establishes the Auburn Business Improvement Area.

REVISED CODE OF WA: 19.02: Establishes business regulations.

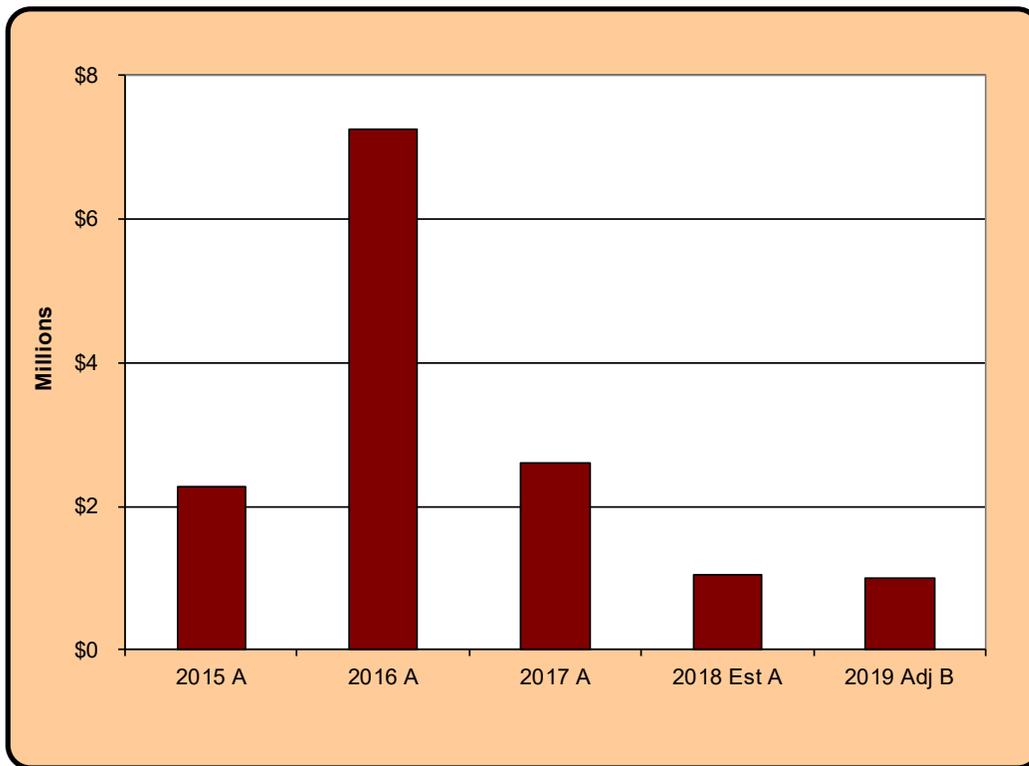
35.87A.010: Authorizes Parking and Business Improvement Areas.

REVENUE: MITIGATION / IMPACT FEES

DESCRIPTION: Includes transportation, fire, park, school and traffic mitigation fees. The fees are used to mitigate costs associated with City growth and are imposed for development permits.

HISTORICAL DATA:

<i>Fund 105 and 124</i>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Transportation Impact	\$ 1,148,654	\$ 3,084,106	\$ 1,757,765	\$ 457,831	\$ 800,000
Fire Impact/Mitigation	230,823	383,460	181,528	192,135	100,000
Park Impact/Mitigation	888,936	3,753,098	598,576	390,250	100,000
School Impact/Mitigation	11,492	26,546	8,396	9,369	1,200
Traffic Mitigation	-	9,959	67,877	-	-
Total	\$ 2,279,906	\$ 7,257,169	\$ 2,614,142	\$ 1,049,585	\$ 1,001,200



BASE: Development occurring within the City of Auburn.

AUBURN CITY CODE: 3.04.560: Establishes the Mitigation Impact Fund.
19.02-19.08: Establishes school, transportation, traffic, fire and park impact fees.

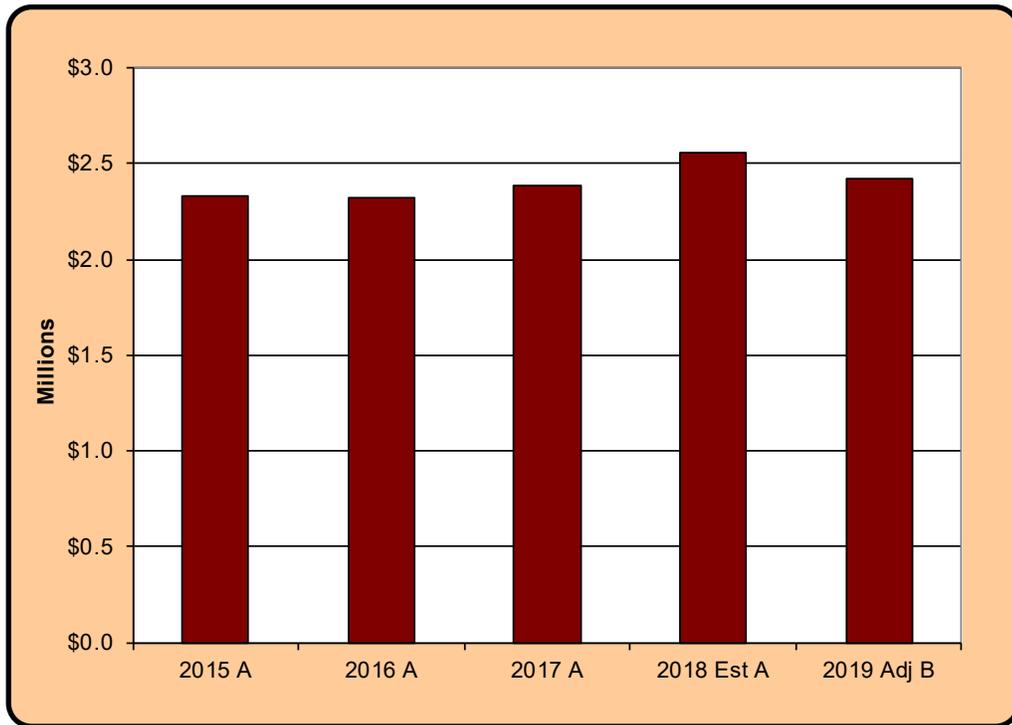
REVISED CODE OF WA: 82.02.050-110: Establishes regulations pertaining to impact fees.

REVENUE: PARK FEES

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

HISTORICAL DATA:

<i>General Fund and Fund 321</i>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Golf Course Revenues	\$ 1,331,924	\$ 1,296,225	\$ 1,245,748	\$ 1,323,274	\$ 1,336,500
Recreational Classes	426,606	351,009	531,382	615,677	581,000
Theatre/Arts	178,227	242,945	245,573	247,211	185,000
Senior Center Programs	124,124	113,212	111,258	111,307	117,000
Special Events	103,736	145,207	164,827	181,792	105,000
League Fees	163,691	177,630	85,324	63,975	82,500
Other	2,980	(870)	1,090	12,703	10,480
Total	\$ 2,331,287	\$ 2,325,357	\$ 2,385,202	\$ 2,555,939	\$ 2,417,480



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.

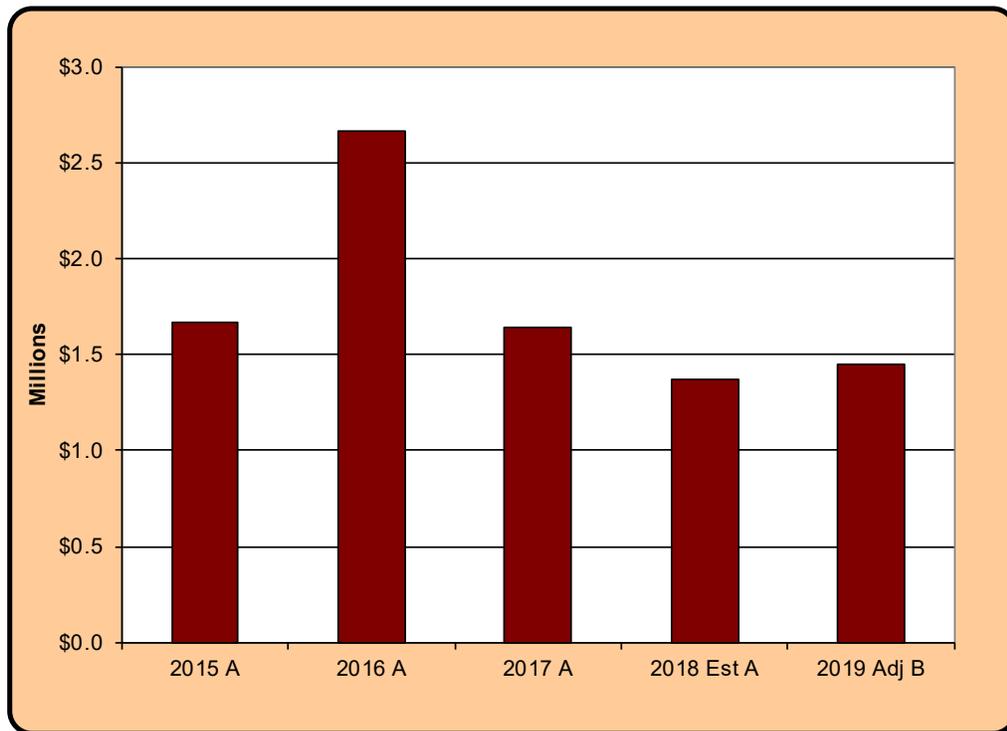
REVISED CODE OF WA: 67.20.010: Gives the City the authority to acquire and operate certain recreational facilities.

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.

HISTORICAL DATA:

<i>General Fund and Fund 102</i>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Building Permits	\$ 1,209,836	\$ 2,008,970	\$ 1,191,974	\$ 920,305	\$ 1,070,000
Plumbing Permits	154,371	308,480	130,122	89,215	118,000
Alarm Permits	75,470	75,511	90,639	80,862	85,000
Excavation Permits	71,969	92,094	88,148	112,101	75,000
Electrical Inspection Permits	77,900	75,914	86,390	58,478	54,000
Street/Curb Permits	62,892	63,973	38,762	90,570	35,000
Other Permits	12,750	41,787	18,007	19,415	15,000
Total	\$ 1,665,189	\$ 2,666,728	\$ 1,644,043	\$ 1,370,945	\$ 1,452,000



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 2015 International Building Code.

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

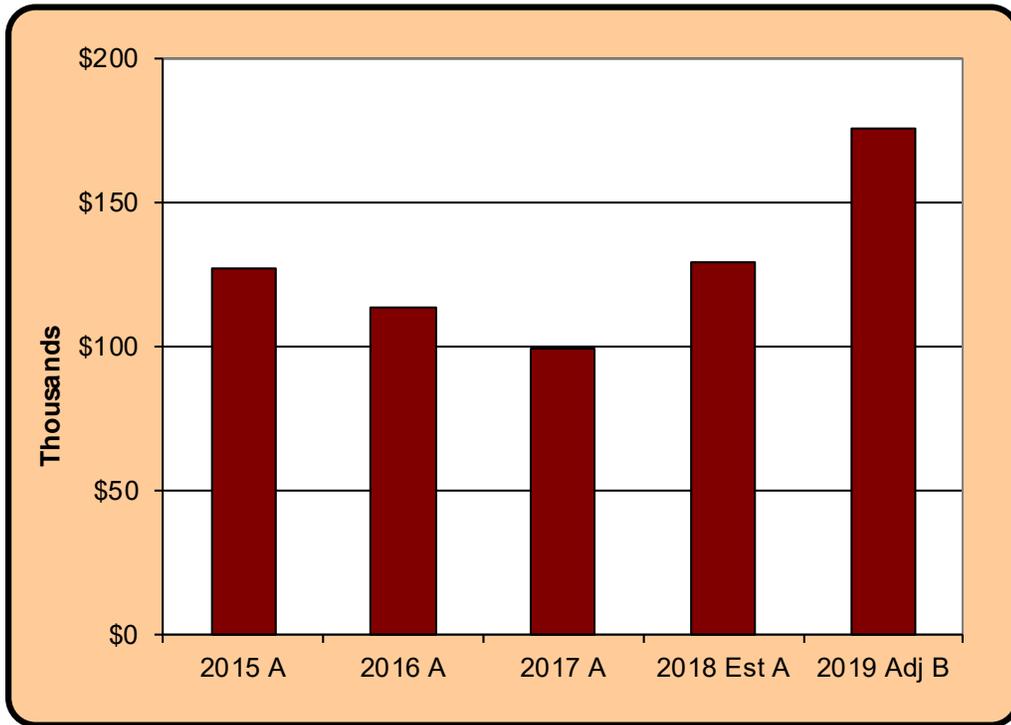
19.27.100: Authorizes a city, town, or county of the State to impose fees different from those set forth in the State Building Code.

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). As of January 1, 2018, animal licensing is provided through Auburn Valley Humane Society (AVHS) under contract with the City.

HISTORICAL DATA:

<i>General Fund</i>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Total	\$ 127,588	\$ 113,521	\$ 99,406	\$ 129,729	\$ 175,900



BASE: A license fee is assessed on every dog and/or cat owned. The City of Auburn’s Police Department provides animal control services; licensing and sheltering services are provided by AVHS per Resolution No. 4747 (sheltering) and Resolution No. 5326 (licensing). Licensing revenue is retained by the City, with contracted costs remitted to AVHS quarterly.

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

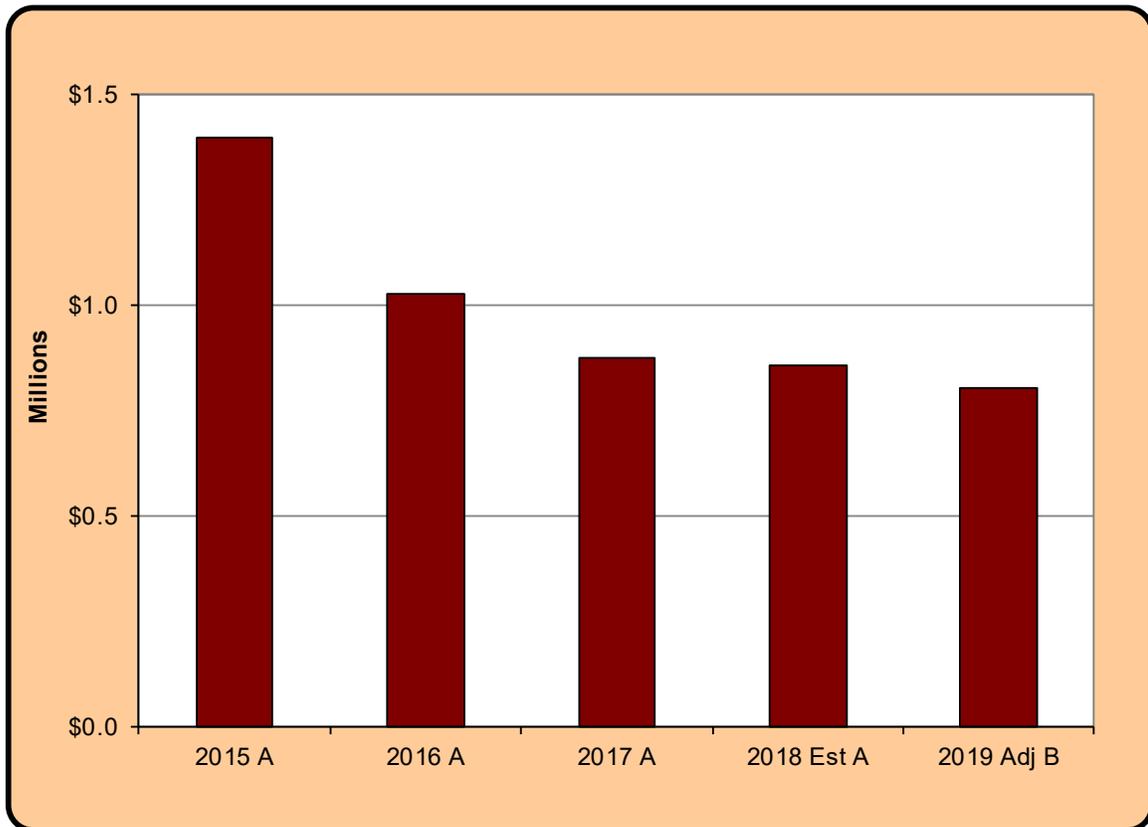
REVISED CODE OF WA: 16.52.015: Defines law enforcement agencies and animal care and control agencies.

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>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Plan Check Fees	\$ 1,124,516	\$ 759,202	\$ 664,353	\$ 487,754	\$ 600,000
FAC Linear Charges	171,244	162,538	118,642	227,107	125,000
Zoning/Subdivision Fees	101,713	106,125	94,692	140,978	80,000
Total	\$ 1,397,472	\$ 1,027,865	\$ 877,688	\$ 855,839	\$ 805,000



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 2015 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.

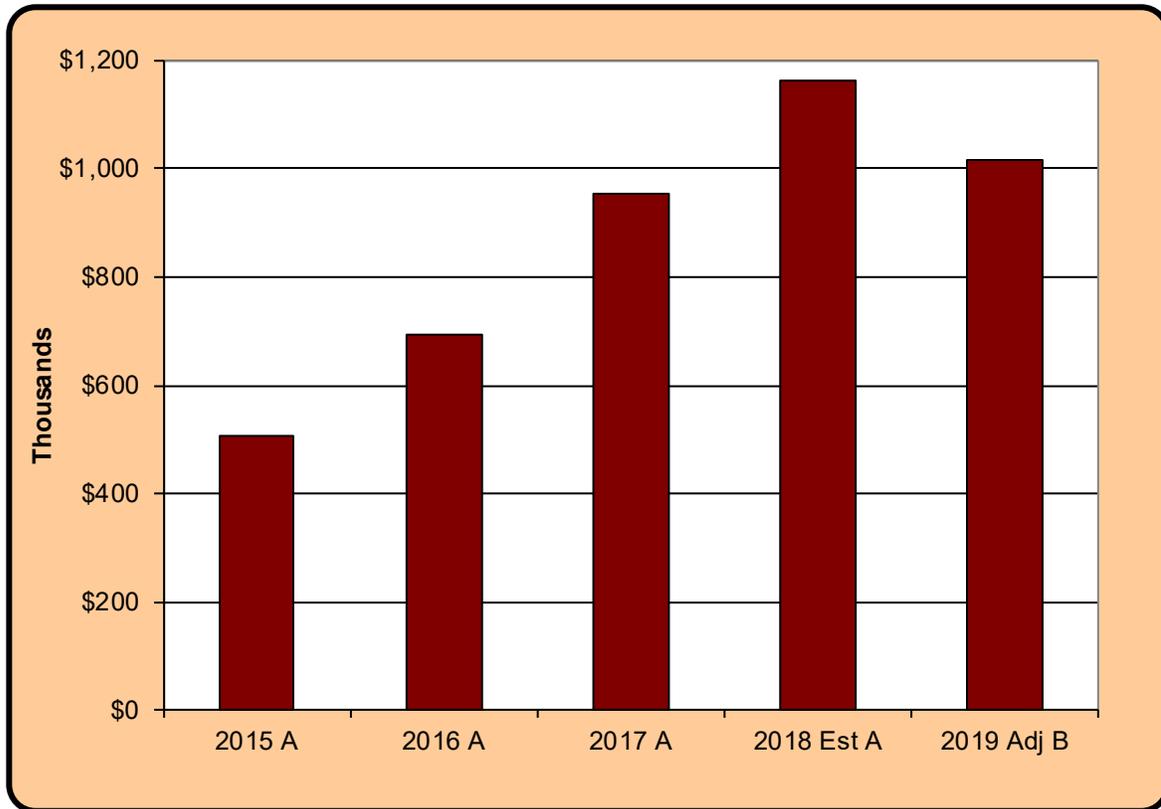
Intergovernmental

REVENUE: LAW ENFORCEMENT SERVICES

DESCRIPTION: Revenues collected by the City for police officer services rendered.

HISTORICAL DATA:

<i>General Fund and Fund 117</i>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Total \$	507,957	\$ 693,771	\$ 953,602	\$ 1,161,666	\$ 1,016,900



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

AUBURN CITY CODE: Not applicable.

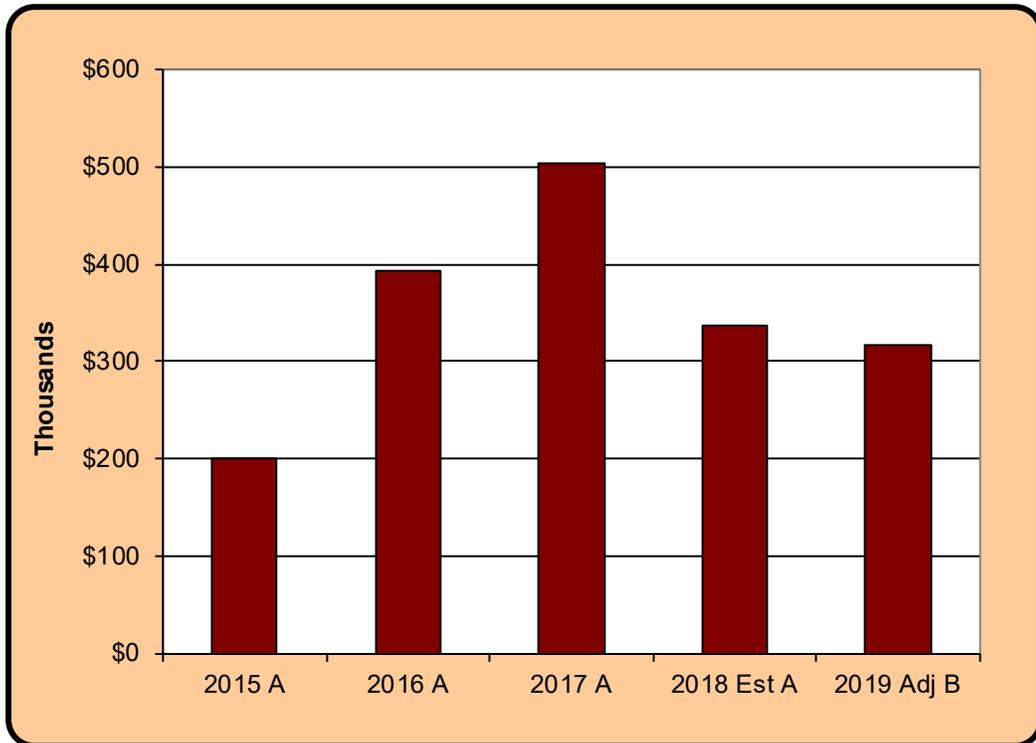
REVISED CODE OF WA: 43.43.112: Provides guidelines for private law enforcement off-duty employment.

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>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Total \$	200,824 \$	393,653 \$	503,570 \$	336,157 \$	316,000 \$



BASE: State distributed money includes Criminal Justice (CJ) High Crime, CJ Violent Crime, CJ Population, and CJ DUI. The high crime distribution to the City of Auburn was discontinued during the State’s 2015-2016 Fiscal Budget, which reflects a decline in the City’s crime rate relative to the statewide average. The City of Auburn qualified for the High Crime revenues in 2016, 2017 and 2018 and the 2019 Adjusted Budget assumes the City will qualify for this revenue source as well.

AUBURN CITY CODE: Not applicable.

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

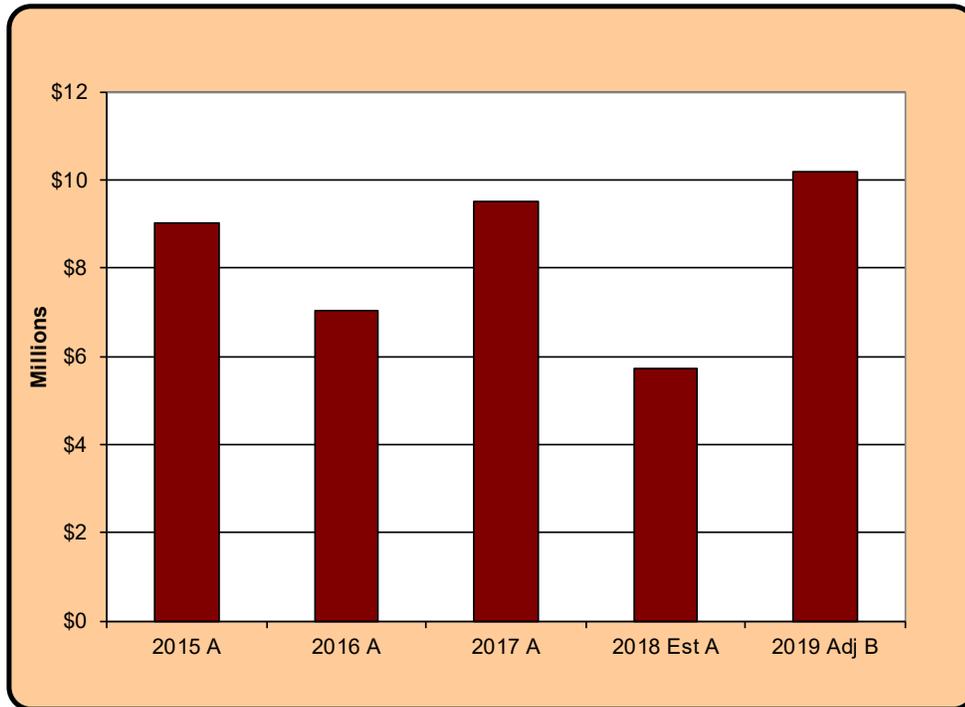
82.14.330: Municipal criminal justice assistance account, distribution based on crime rate and/or population.

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, human services, airport maintenance, park programs, and police services.

HISTORICAL DATA:

<i>By Fund</i>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
General Fund	\$ 672,857	\$ 623,344	\$ 632,603	\$ 871,252	\$ 600,600
Other Funds	8,341,168	6,429,841	8,900,710	4,841,612	9,603,775
Total	\$ 9,014,025	\$ 7,053,185	\$ 9,533,314	\$ 5,712,864	\$ 10,204,375
<i>By Source</i>					
Federal	\$ 2,313,846	\$ 3,695,944	\$ 6,202,259	\$ 4,598,952	\$ 5,785,629
State	6,338,795	2,356,623	3,050,269	678,555	2,805,206
Local	361,383	1,000,617	280,785	435,358	1,613,540
Total	\$ 9,014,025	\$ 7,053,185	\$ 9,533,314	\$ 5,712,864	\$ 10,204,375



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.

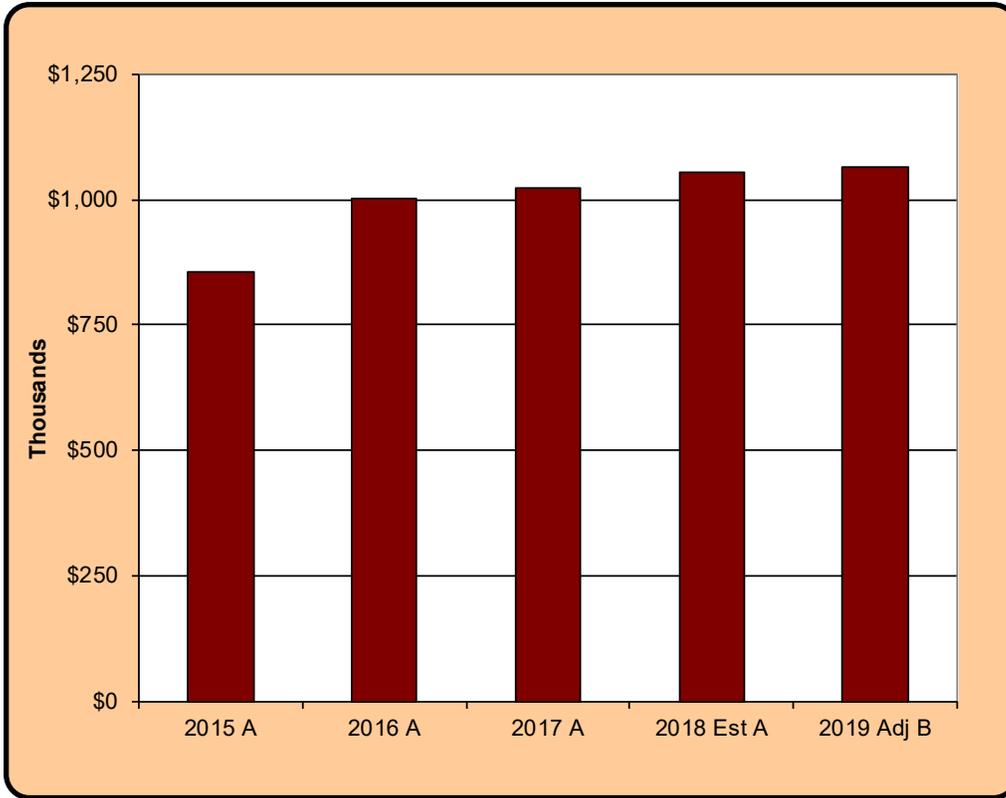
ADDITIONAL INFORMATION: Of the \$10.2 million in grant monies budgeted in 2019, \$2.5 million is anticipated in both the Capital Improvements Fund and the Airport Fund, \$1.9 million is anticipated for transportation projects, and \$1.1 million is anticipated for Municipal Parks Construction projects.

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>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Liquor Profits	\$ 653,931	\$ 650,766	\$ 650,607	\$ 654,256	\$ 658,900
Liquor Excise Tax	203,184	352,467	371,440	399,164	406,000
Total	\$ 857,115	\$ 1,003,233	\$ 1,022,047	\$ 1,053,420	\$ 1,064,900



BASE: Liquor Excise: Distribution based on actual liquor sales.

Liquor Profits: Distribution from liquor licensing fees.

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

REVISED CODE OF WA: 66.24.065: Defines liquor profits based upon licensing fees.

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

82.08.150: Established the tax rate on certain sales of intoxicating liquors.

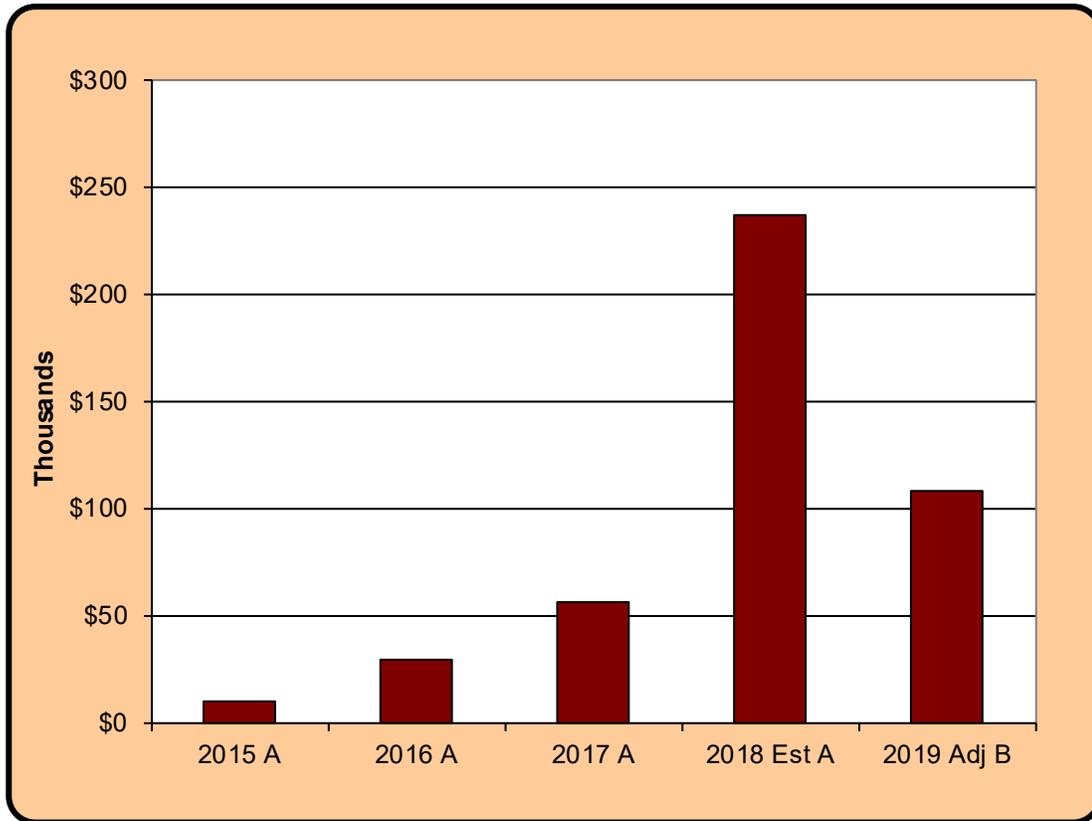
82.08.160: Defines the liquor excise tax fund.

REVENUE: MARIJUANA EXCISE TAX

DESCRIPTION: In November 2012, Initiative-502 was passed allowing for the legalization of the possession of marijuana to adults 21 and older. Effective September 2015, the City of Auburn receives a quarterly distribution from the State Treasurer. This State distribution is apportioned to cities, towns and counties based the following criteria: 70% is distributed based upon population to cities, towns and counties that allow the siting of marijuana producers, processors, and retailers. The remaining 30% is distributed to cities, towns and counties where licensed marijuana retailers are physically located.

HISTORICAL DATA:

<i>General Fund</i>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Total \$	\$ 9,759	\$ 29,420	\$ 56,069	\$ 236,951	\$ 108,000



BASE: Sale of marijuana in the State of Washington.

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

REVISED CODE OF WA: 69.50.101: Defines marijuana.

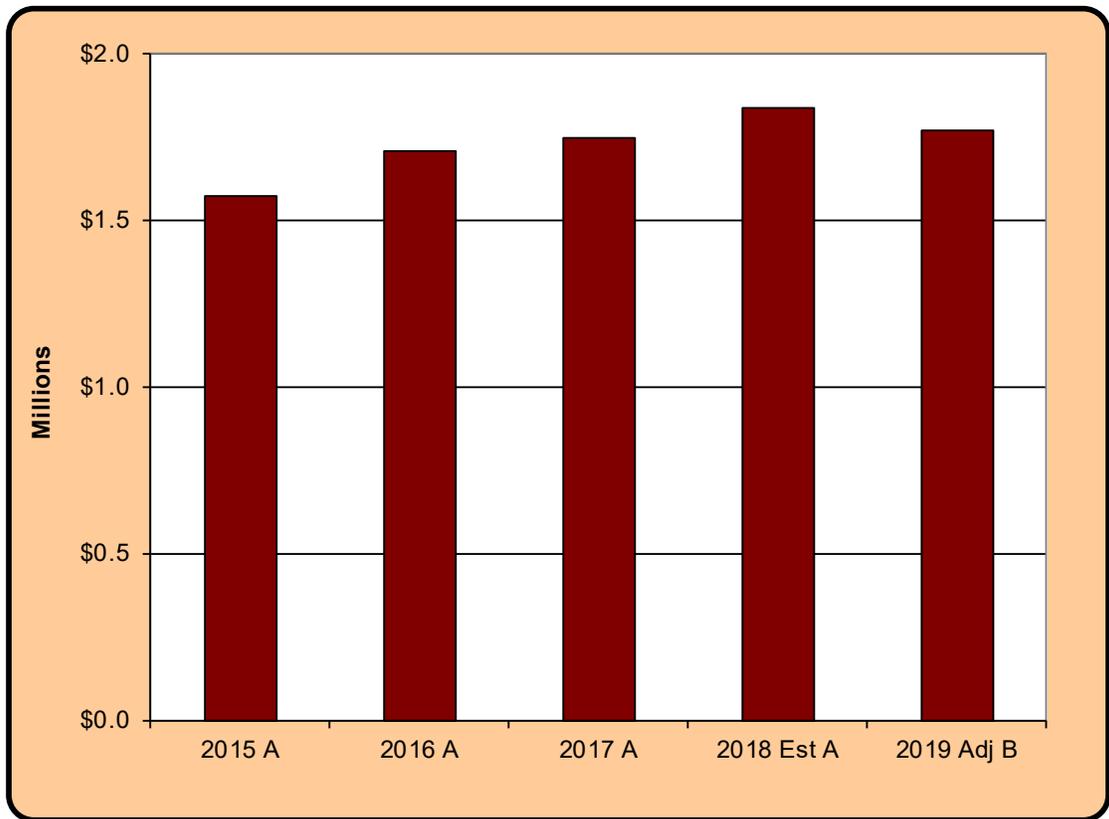
69.50.540: Creates the marijuana account and defines appropriations.

REVENUE: MOTOR VEHICLE FUEL TAX AND MULTIMODAL TRANSPORTATION

DESCRIPTION: These are State shared revenues distributed to cities primarily for road repair. The State motor vehicle fuel tax is 49.4 cents per gallon and the City’s share is based upon the City of Auburn’s population. Effective in 2016, the City receives increased motor vehicle fuel tax and multi-modal funds which is a result of the 15-year Transportation Package that was passed in 2015.

HISTORICAL DATA:

<i>General Fund, Fund 102 and Fund 120</i>					
	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Motor Vehicle Fuel Tax	\$ 1,572,602	\$ 1,630,662	\$ 1,668,898	\$ 1,728,633	\$ 1,680,000
Multimodal Transportation	-	77,300	81,016	111,109	90,000
Total	\$ 1,572,602	\$ 1,707,962	\$ 1,749,914	\$ 1,839,742	\$ 1,770,000



BASE: The State Motor Vehicle Fuel Tax (MVFT) rate is 49.4 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.

46.68.126: Multimodal transportation account.

47.24.040: Expenditures of MVFT to the street fund.

47.30.050: Expenditures of MVFT to paths and trails.

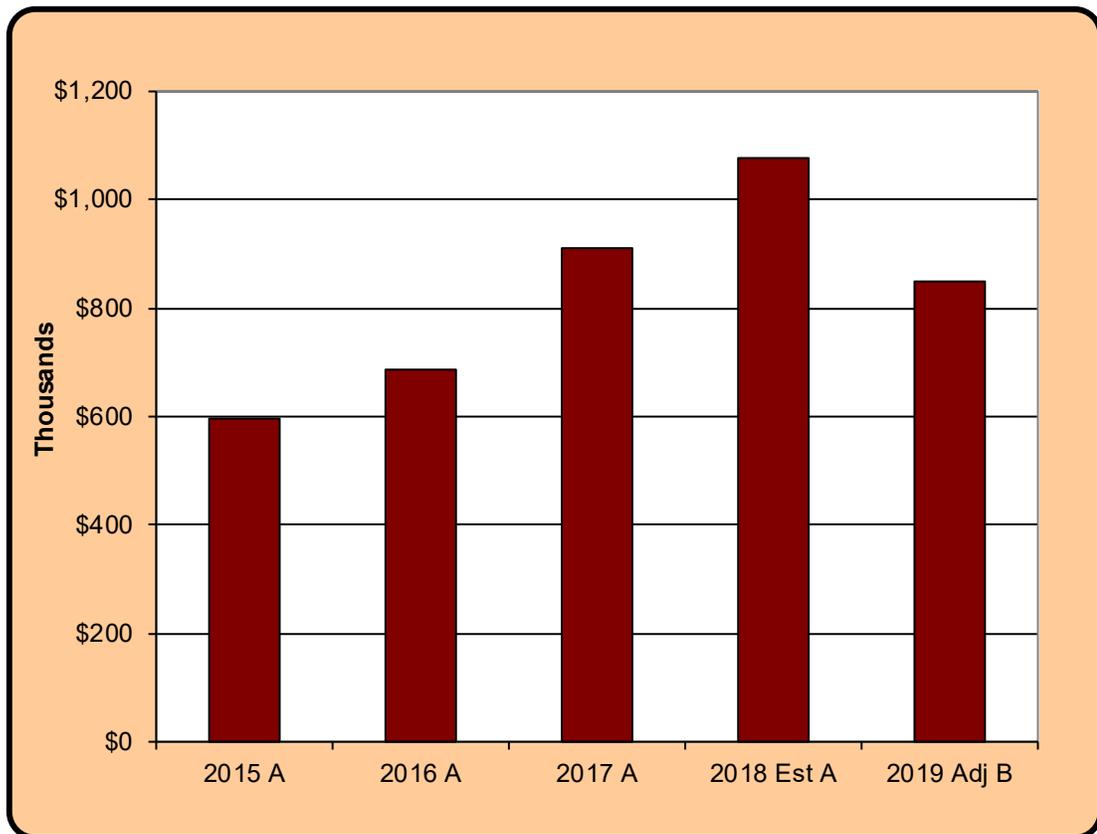
82.38.030: Establishes rate of tax.

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>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Total \$	\$ 595,314	\$ 688,419	\$ 910,930	\$ 1,076,968	\$ 850,000



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.

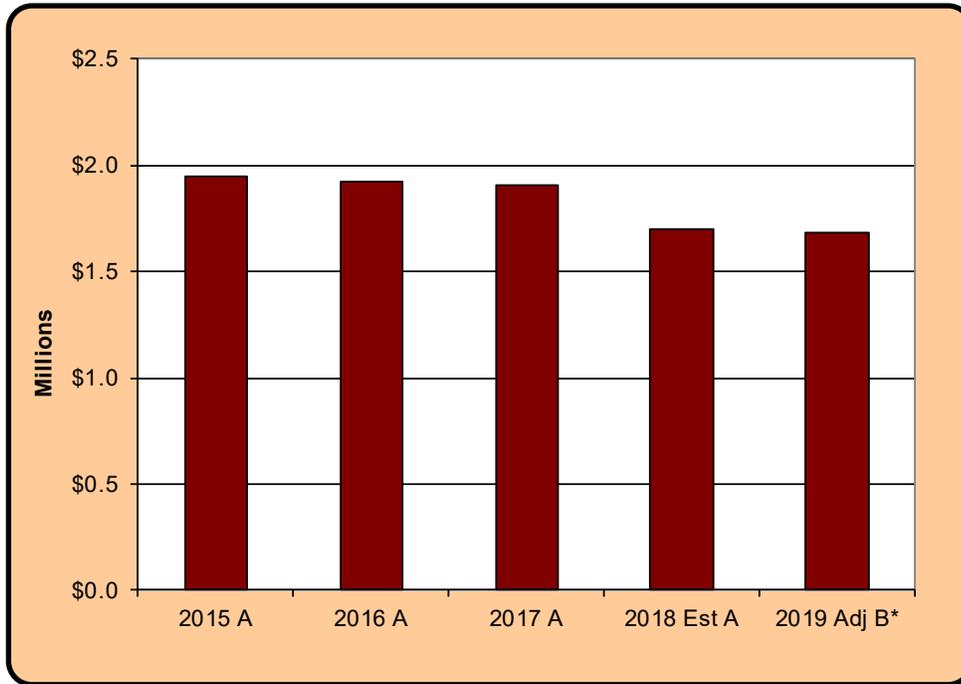
REVISED CODE OF WA: Not applicable.

REVENUE: STREAMLINED SALES TAX

DESCRIPTION: The Streamlined Sales Tax (SST) 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, also known as ‘destination sourcing’. For more information, see the discussion on SST on page 58 of this manual. In 2017, the Marketplace Fairness Act (Engrossed House Bill 2163) was passed in order to capture the retail sales tax lost from internet and remote sales. The Marketplace Fairness Act is phasing out the SST mitigation payments, therefore it is expected that 2019 will be the last year that the City of Auburn will receive the SST revenue.

HISTORICAL DATA:

General Fund	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B*
Total	\$ 1,951,097	\$ 1,924,487	\$ 1,908,971	\$ 1,699,909	\$ 1,685,000



* This revenue source is expected to expire in 2019.

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: 82.14.495: Creates the streamlined sale and use tax mitigation account.

82.14.500: Streamlined sales and use tax mitigation account – determination of losses.

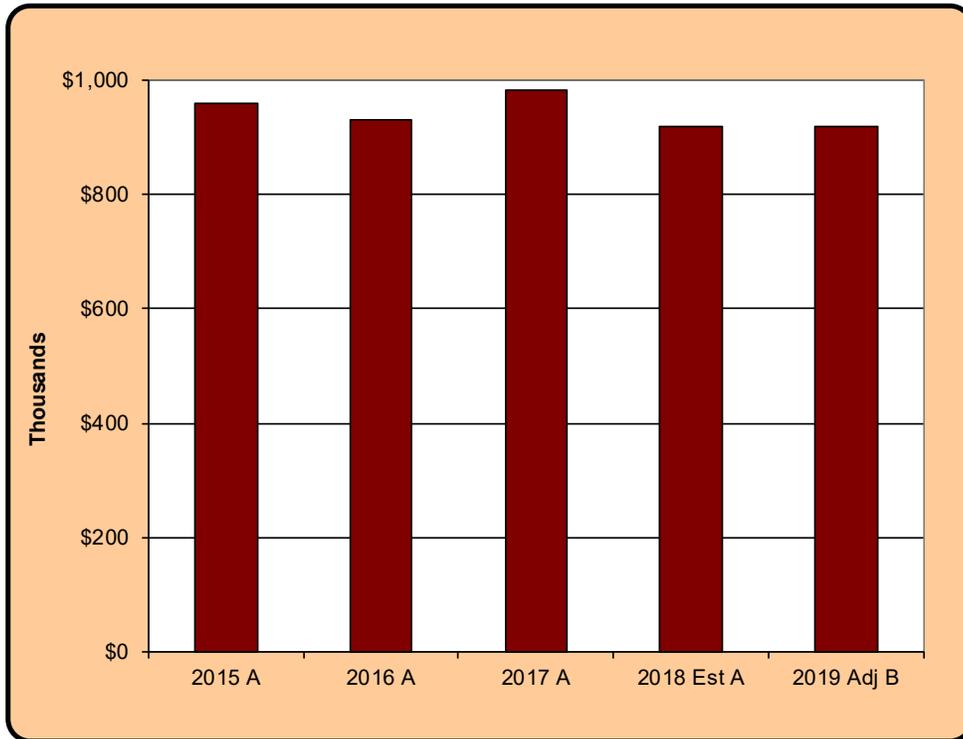
Fines, Penalties and Other Revenues

REVENUE: FINES AND PENALTIES

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

HISTORICAL DATA:

<i>General Fund</i>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Traffic Infractions	\$ 489,123	\$ 462,693	\$ 454,162	\$ 459,986	\$ 460,000
Parking Infractions	141,075	130,567	148,260	129,752	150,000
False Alarm Fines	110,179	97,462	84,609	77,125	85,000
Criminal Non-Traffic	47,736	44,258	29,291	48,635	42,000
Criminal Traffic	36,440	27,460	34,984	32,113	35,000
Driving While Intoxicated	23,430	31,426	38,594	19,978	22,000
Photo Enforcement	15,285	15,433	10,773	7,335	-
Other Revenues	97,678	121,948	183,274	143,054	125,000
Total	\$ 960,946	\$ 931,248	\$ 983,946	\$ 917,977	\$ 919,000



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.

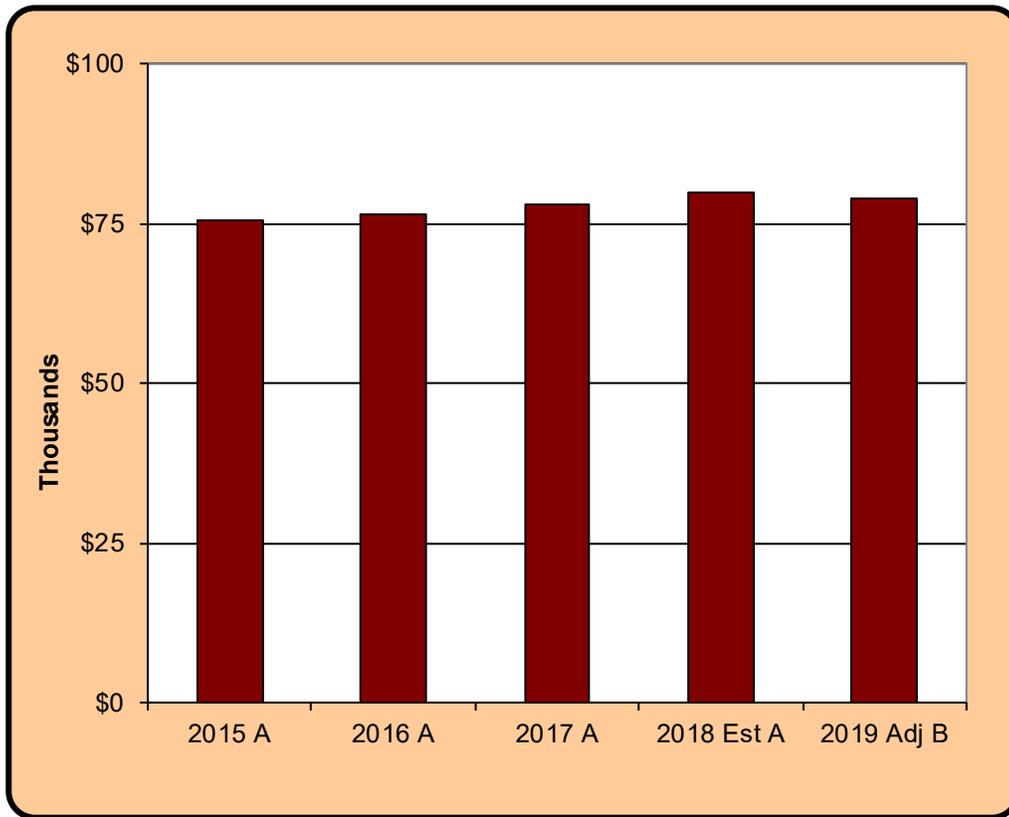
ADDITIONAL INFORMATION: The City terminated the Photo Enforcement program effective June 1, 2014. Residual revenues are receipted in by the City of Auburn from the collection agency - who collects outstanding fines due from the discontinued program.

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>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Total	\$ 75,702	\$ 76,569	\$ 78,078	\$ 79,798	\$ 78,900



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.

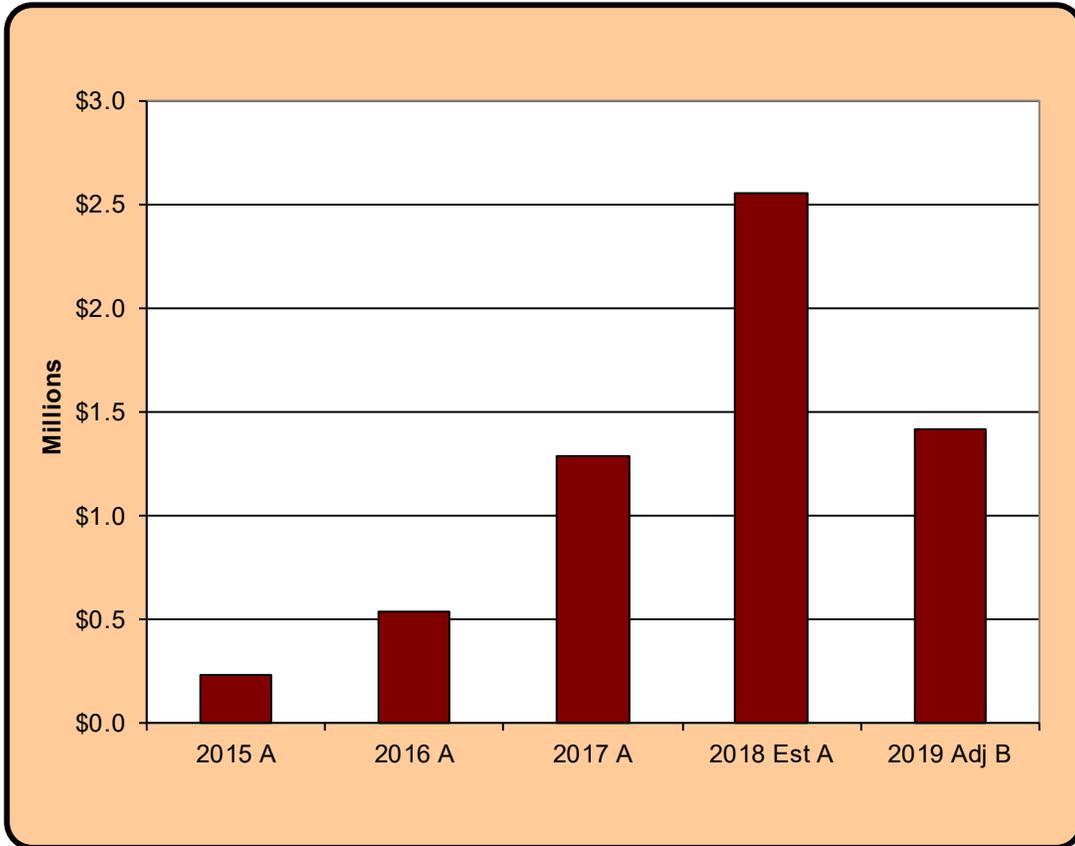
41.16.050: Authorizes the distribution of the tax to the City to fund its fire pension requirements. Distribution is based on the City's report to the State Treasurer on the number of paid firemen. The entire amount is deposited into the Firemen's Pension Fund (Fund 611).

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>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
General Fund	\$ 57,464	\$ 110,800	\$ 237,532	\$ 415,348	\$ 348,700
All Other Funds	178,661	426,829	1,055,845	2,140,268	1,070,280
Total	\$ 236,124	\$ 537,629	\$ 1,293,377	\$ 2,555,616	\$ 1,418,980



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 and Resolution No. 5311.

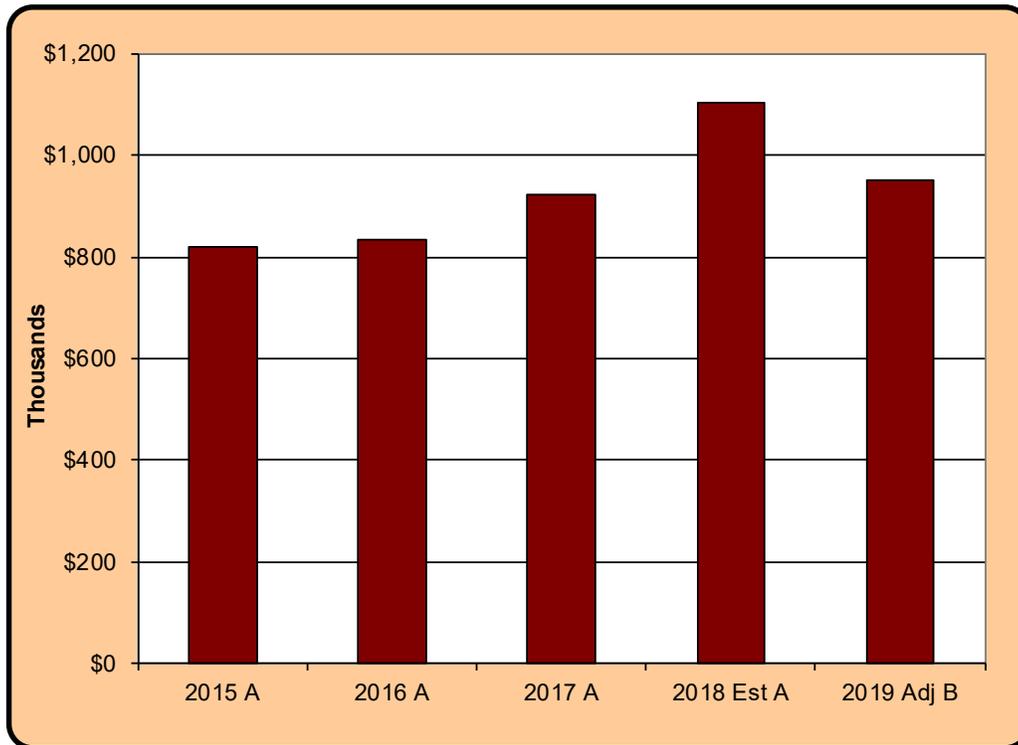
REVISED CODE OF WA: 35.39.030: Excess or inactive funds – Investments.

REVENUE: RENTAL INCOME

DESCRIPTION: Rental income includes payments received for the use of City owned facilities such as room rentals at the Community Center and other park facilities, fees for use of golf carts, and fees for use of all athletic fields, picnic shelters, and campsites. This category also includes revenues generated from the restaurant lease at the Auburn Golf Course, Auburn Avenue Theatre rentals, vendor space at the Auburn International Farmers Market, cell phone tower leases, and other lease revenues.

HISTORICAL DATA:

<i>General Fund, Fund 321 and Fund 505</i>					
	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
General Fund	\$ 708,910	\$ 734,848	\$ 808,140	\$ 929,649	\$ 803,700
Municipal Parks Fund	42,944	43,595	45,030	46,576	61,850
Facilities Fund	66,274	56,036	70,384	125,646	84,100
Total	\$ 818,128	\$ 834,479	\$ 923,553	\$ 1,101,871	\$ 949,650



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 on page 50.

AUBURN CITY CODE: 3.68.010: City Parks and Recreation - standards for setting fees and charges.

REVISED CODE OF WA: Not Applicable.

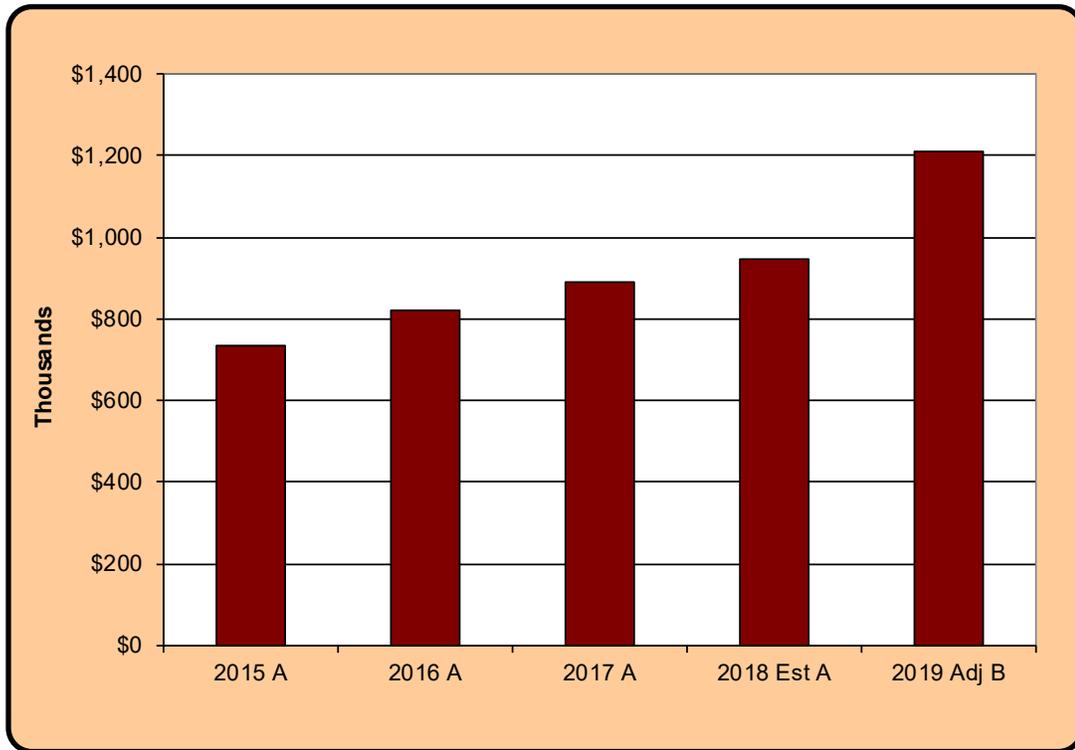
Enterprise Funds

REVENUE: AIRPORT REVENUES

DESCRIPTION: The Auburn Municipal Airport revenues are derived from hangar rents, tie downs, property leases, fuel sales, and Airport security revenues.

HISTORICAL DATA:

<i>Airport Fund (Fund 435)</i>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Tie Down and Hangar Rent	\$ 495,660	\$ 547,122	\$ 570,871	\$ 616,554	\$ 608,400
Property Leases	205,281	227,151	246,910	253,911	258,300
AV Fuel Sales	-	-	-	-	280,000
Airport Security Service	17,078	18,303	35,460	35,569	35,000
Flowage Fees	16,080	29,775	35,290	42,297	30,000
Total	\$ 734,099	\$ 822,350	\$ 888,531	\$ 948,331	\$ 1,211,700



BASE: Hangar rentals, tie downs, property leases, fuel sales, and Airport security revenues. Auburn Municipal Airport is one of the busiest general aviation airports in Washington State. There are approximately 149,500 takeoffs and landings a year with 325 aircrafts based at the Airport. The Airport is owned and operated by the City.

AUBURN CITY CODE: 3.04.010-.030: Creates the Airport Fund and establishes uses of funds.

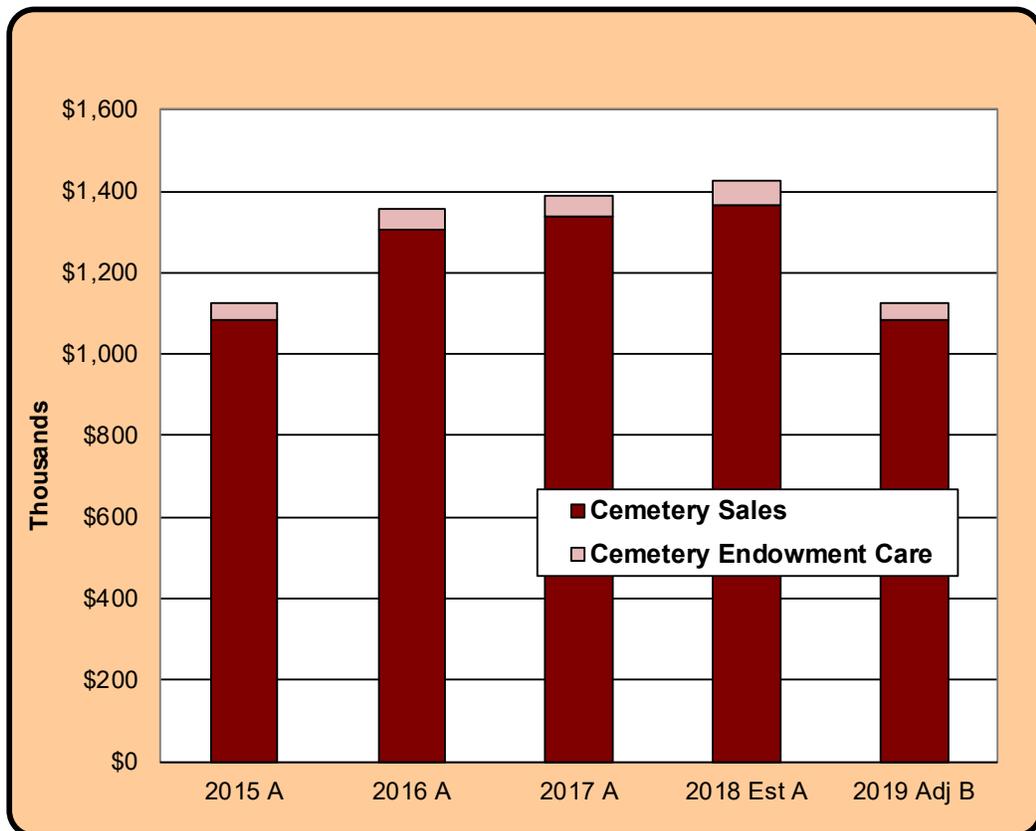
REVISED CODE OF WA: 14.08.120: Grants cities the power to operate a municipal airport.

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>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Lot Sales	\$ 448,434	\$ 513,665	\$ 521,689	\$ 585,625	\$ 425,000
Openings/Closings	218,017	250,556	284,078	256,583	240,000
Liners/Settings	198,046	243,129	244,781	219,040	206,000
Markers	206,405	282,573	263,182	288,637	200,000
Cemetery Endowment Care	41,559	50,337	51,091	58,319	40,000
Other Revenues	13,717	17,729	22,840	17,990	15,000
Total	\$1,126,177	\$1,357,988	\$1,387,661	\$1,426,194	\$1,126,000



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.

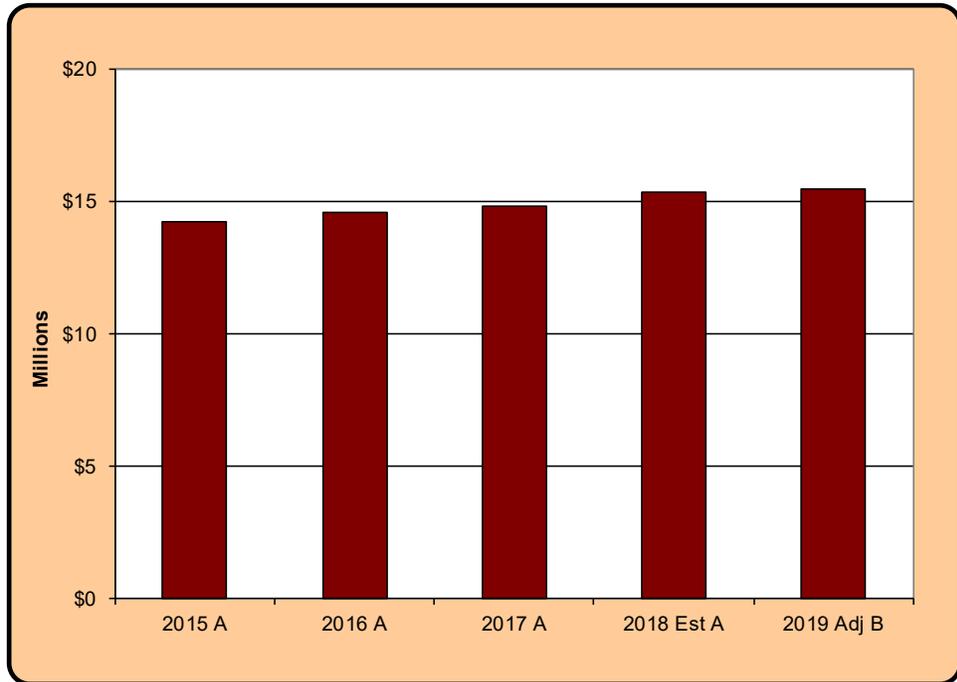
REVISED CODE OF WA: 68.52.040: Grants cities and towns the authority to own, operate, and improve cemeteries.

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 provides water supply to the City of Algona under a wholesale agreement. In addition, the City has an interruptible wholesale water agreement with the Lake Meridian Utility District (formerly Water District #111) to supply water if requested and available. Lake Meridian Water District is not currently receiving water supply from the City of Auburn since they have alternative sources of supply.

HISTORICAL DATA:

<i>Water Fund (Fund 430)</i>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
City Water Services	\$14,109,853	\$14,485,094	\$14,690,360	\$15,238,115	\$15,391,500
Application and Other Revenues	119,595	134,362	94,788	71,909	81,000
Rents, Leases and Concessions	44,694	5,824	33,561	34,696	30,000
Total	\$14,274,142	\$14,625,280	\$14,818,708	\$15,344,721	\$15,502,500
MGD* Water Sold	7.2	7.3	6.5	6.8	6.8
(*Million Gallons per Day)					



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

AUBURN CITY CODE: 13.06.025: 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.

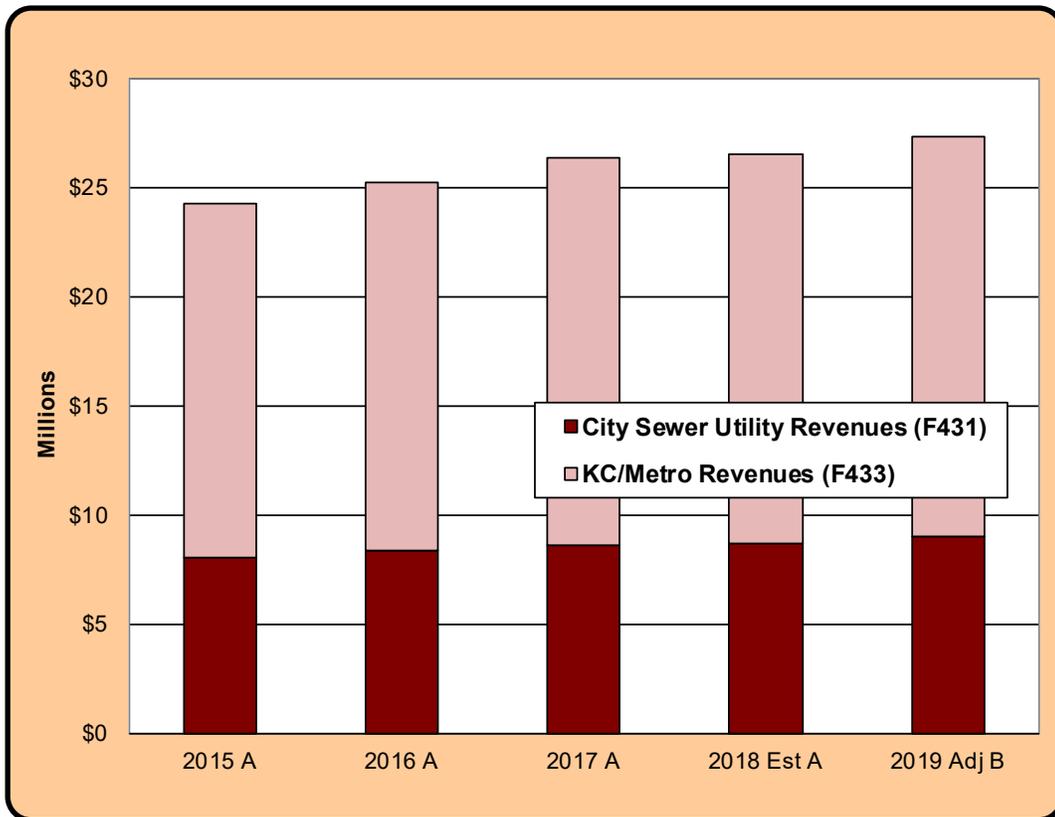
35.92.025: Authorizes cities to charge for connection to the city water system.

REVENUE: SEWER UTILITY REVENUES

DESCRIPTION: The Sewer Utility imposes a charge to maintain, expand and operate the utility’s sewer conveyance facilities, and King County imposes a separate fee for the service King County provides for treating sewage.

HISTORICAL DATA:

<i>Sewer Fund (Fund 431 and 433)</i>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
Metro Service Charge	\$ 15,704,127	\$ 16,120,141	\$ 17,001,085	\$ 17,082,111	\$ 17,620,000
City Sewer Services	8,006,079	8,373,999	8,639,454	8,664,732	9,014,200
Metro Industrial Charge	586,882	705,435	704,776	816,118	750,000
Application Revenues	27,941	27,149	24,181	19,272	-
Total	\$ 24,325,029	\$ 25,226,724	\$ 26,369,496	\$ 26,582,233	\$ 27,384,200



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.

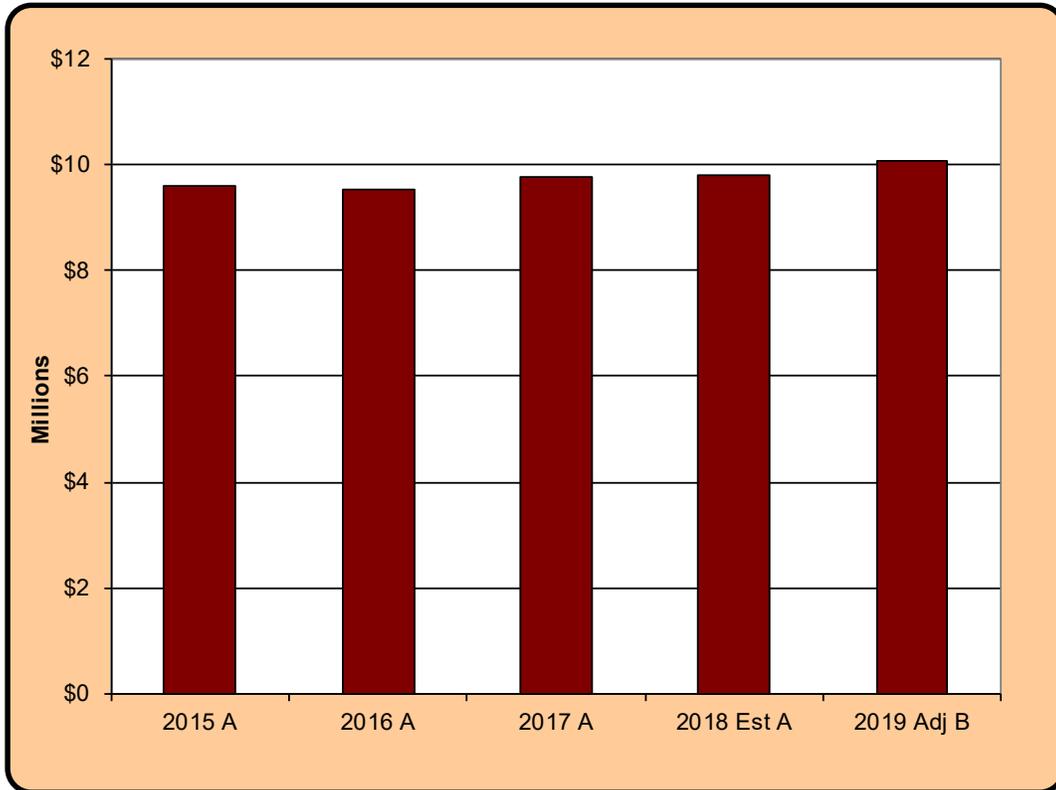
35.92.020: Authority to acquire and operate sewerage and solid waste handling systems, plants, sites, or facilities.

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>Storm Fund (Fund 432)</i>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
City Storm Drainage Services	\$ 9,434,385	\$ 9,397,102	\$ 9,667,882	\$ 9,744,230	\$ 10,005,900
Storm Application Revenues	148,354	142,462	110,220	65,610	80,000
Total	\$ 9,582,739	\$ 9,539,564	\$ 9,778,102	\$ 9,809,840	\$ 10,085,900



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.

13.48.060: Authority to establish rates and charges.

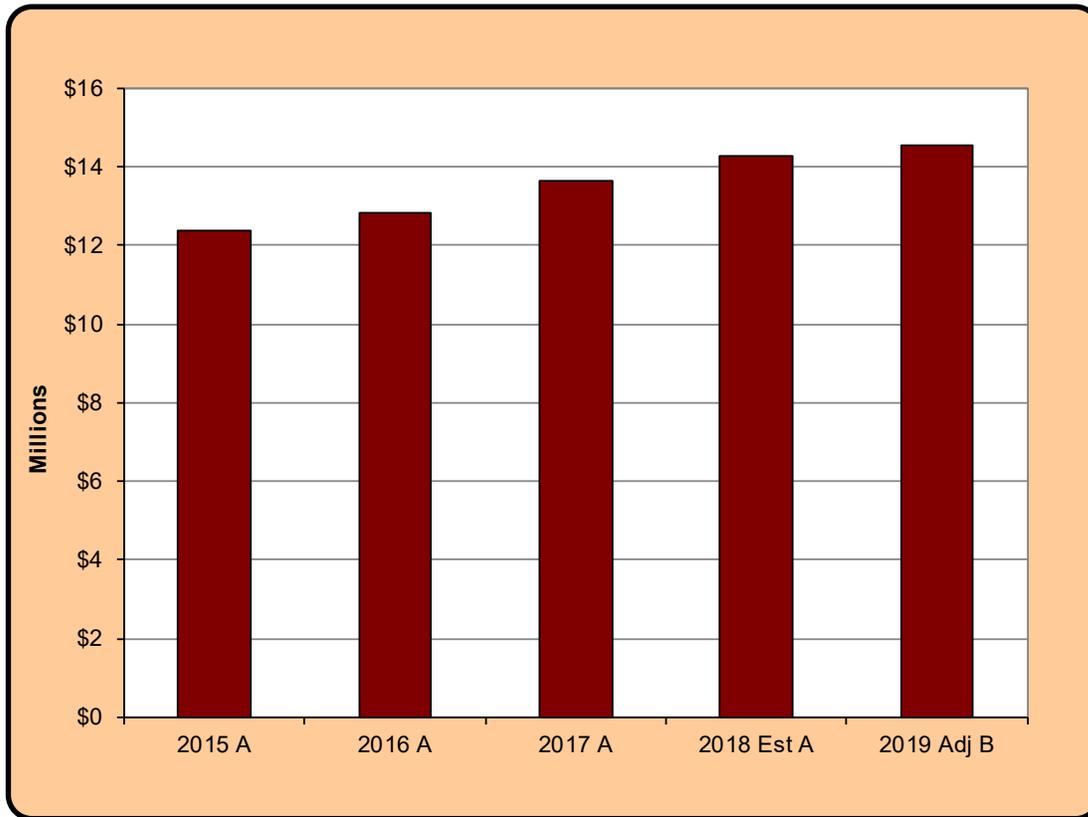
REVISED CODE OF WA: 35.21.210: Authorizes cities to provide storm drainage services and systems.

REVENUE: SOLID WASTE UTILITY REVENUES

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

HISTORICAL DATA:

<i>Solid Waste (Fund 434)</i>	2015 A	2016 A	2017 A	2018 Est A	2019 Adj B
City Solid Waste Services	\$ 11,341,733	\$ 11,758,190	\$ 12,500,334	\$ 13,091,821	\$ 13,336,900
Yard Waste	1,052,951	1,084,564	1,149,127	1,203,984	1,228,800
Total	\$ 12,394,684	\$ 12,842,754	\$ 13,649,461	\$ 14,295,805	\$ 14,565,700



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 about \$69 million to the City (currently, about \$3.9 million per year). 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. Estimated impact: reduction of \$1.0 million per year in 2019-2020.

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 offsetting the revenue losses. The City of Auburn received approximately \$200,000 in 2001 and 2002. Early in 2003, the State discontinued this funding assistance. Estimated impact: reduction of \$1.0 million per year in 2019-2020.

Initiative 747 (2001)

I-747 limits property tax increases to the lesser of 1% or inflation unless the jurisdiction has "banked capacity", which provides that the levy limit is based on the highest amount that could have been levied since 1985-1986. 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 (again, unless the jurisdiction has banked capacity). Estimated impact: reduction of about \$1.0 million per year in 2019-2020.

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. Estimated impact: reduction of about \$600,000 per year in 2019-2020.

Streamlined Sales and Use Tax (SST) (2003)

In 2003, the Legislature enacted Senate Bill 5783 to adopt several provisions of the Streamlined Sales and Use Tax Agreement. The agreement attempted 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, although this funding was temporarily reduced in 2012 in an effort to balance the State budget. Starting in January 2018 and continuing through September 2019, streamlined sales tax mitigation payments are being phased out; all distributions will cease as of October 1, 2019. Estimated impact: projected reductions for the biennium include \$200,000 in 2019 and \$1.7 million in 2020. State legislators expect that new Marketplace Fairness Act (internet sales) tax revenues will replace, and eventually surpass, these payments.

Liquor State Share 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 of July 1, 2012 to June 30, 2013 and were reinstated at a lower percentage of its original levels. Estimated impact: reduction of about \$130,000 per year in 2019-2020.

Marketplace Fairness Act (MFA) (2017)

In 2017, the State enacted EHB 2163, which has been labeled the Marketplace Fairness Act. This legislation is intended to capture the retail sales tax lost from internet sales. The new law took effect on January 1, 2018. The bill also phases out and eliminates the streamlined sales tax mitigation payments to local governments, as mentioned above, beginning in January 2018. Estimated impact: projected new revenues of \$200,000 in 2019 and \$300,000 in 2020.

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

	2015 Actual	2016 Actual	2017 Actual	2018 Estimated Actuals	2019 Adjusted Budget
TAXES					
Property	\$ 17,337,108	\$ 18,067,324	\$ 20,976,384	\$ 21,561,924	\$ 21,680,000
Sales & Use	20,877,060	21,251,435	22,157,387	21,843,555	20,952,600
Cable Utility	1,203,585	1,251,194	2,354,880	2,204,160	2,225,600
City Utility	4,260,831	4,624,952	4,540,263	4,552,505	4,710,200
Electric Utility	4,011,835	4,218,540	4,503,694	4,381,865	4,269,700
Natural Gas Utility	1,444,444	1,324,242	1,514,503	1,336,287	1,347,500
Solid Waste Utility - External	135,436	144,669	152,227	159,393	156,800
Telephone Utility	1,949,630	1,785,938	1,611,620	1,437,591	1,413,500
Admissions	341,919	416,719	430,605	474,886	398,000
Gambling	266,632	477,457	316,596	425,082	415,500
Hotel/Motel Excise	111,126	112,876	124,486	128,045	150,000
Leasehold Excise	66,544	204,446	203,034	203,350	50,000
Real Estate Excise Tax (REET)	4,555,215	4,262,235	3,497,030	3,636,894	2,400,000
Sub-Total	\$ 56,561,366	\$ 58,142,025	\$ 62,382,709	\$ 62,345,536	\$ 60,169,400
LICENSES, PERMITS AND OTHER FEES/CHARGES					
Business Licenses	\$ 352,626	\$ 286,267	\$ 205,882	\$ 437,928	\$ 265,000
Mitigation/Impact Fees	2,279,906	7,257,169	2,614,142	1,049,585	1,001,200
Park Fees	2,331,287	2,325,357	2,385,202	2,555,939	2,417,480
Permit Fees	1,665,189	2,666,728	1,644,043	1,370,945	1,452,000
Animal Licenses	127,588	113,521	99,406	129,729	175,900
Planning and Development Fees	1,397,472	1,027,865	877,688	855,839	805,000
Sub-Total	\$ 8,154,070	\$ 13,676,908	\$ 7,826,362	\$ 6,399,965	\$ 6,116,580
INTERGOVERNMENTAL REVENUES					
Law Enforcement Services	\$ 507,957	\$ 693,771	\$ 953,602	\$ 1,161,666	\$ 1,016,900
Criminal Justice Sales Tax	200,824	393,653	503,570	336,157	316,000
Federal/State/Local Grants	9,014,025	7,053,185	9,533,314	5,712,864	10,204,375
Liquor Excise & Profits	857,115	1,003,233	1,022,047	1,053,420	1,064,900
Marijuana Excise Tax	9,759	29,420	56,069	236,951	108,000
Motor Vehicle Fuel Tax	1,572,602	1,707,962	1,749,914	1,839,742	1,770,000
Muckleshoot Casino	595,314	688,419	910,930	1,076,968	850,000
Streamlined Sales Tax	1,951,097	1,924,487	1,908,971	1,699,909	1,685,000
Sub-Total	\$ 14,708,693	\$ 13,494,130	\$ 16,638,417	\$ 13,117,677	\$ 17,015,175
FINES, PENALTIES AND OTHER REVENUES					
Fines and Penalties	\$ 960,946	\$ 931,248	\$ 983,946	\$ 917,977	\$ 919,000
Fire Insurance Premiums	75,702	76,569	78,078	79,798	78,900
Investment Income	236,124	537,629	1,293,377	2,555,616	1,418,980
Rental Income	818,128	834,479	923,553	1,101,871	949,650
Sub-Total	\$ 2,090,901	\$ 2,379,925	\$ 3,278,955	\$ 4,655,262	\$ 3,366,530
ENTERPRISE FUND REVENUES					
Airport	\$ 734,099	\$ 822,350	\$ 888,531	\$ 948,331	\$ 1,211,700
Cemetery	1,126,177	1,357,988	1,387,661	1,426,194	1,126,000
Water Utility	14,274,142	14,625,280	14,818,708	15,344,721	15,502,500
Sewer Utility	24,325,029	25,226,724	26,369,496	26,582,233	27,384,200
Storm Drainage Utility	9,582,739	9,539,564	9,778,102	9,809,840	10,085,900
Solid Waste Utility	12,394,684	12,842,754	13,649,461	14,295,805	14,565,700
Sub-Total	\$ 62,436,870	\$ 64,414,660	\$ 66,891,959	\$ 68,407,124	\$ 69,876,000
Grand Total	\$ 143,951,900	\$ 152,107,649	\$ 157,018,401	\$ 154,925,565	\$ 156,543,685

*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

	2015 Actual	2016 Actual	2017 Actual	2018 Estimated Actuals	2019 Adjusted Budget
City Population					
King County portion	65,950	67,340	69,060	70,650	71,357
Pierce County portion	9,595	9,720	9,900	9,965	10,065
Total	75,545	77,060	78,960	80,615	81,421
TAXES					
Property	\$ 229	\$ 234	\$ 266	\$ 267	\$ 266
Sales & Use	276	276	281	271	257
Cable Utility	16	16	30	27	27
City Utility	56	60	58	56	58
Electric Utility	53	55	57	54	52
Natural Gas Utility	19	17	19	17	17
Solid Waste Utility - External	2	2	2	2	2
Telephone Utility	26	23	20	18	17
Admissions	5	5	5	6	5
Gambling	4	6	4	5	5
Hotel/Motel Excise	1	1	2	2	2
Leasehold Excise	1	3	3	3	1
Real Estate Excise Tax (REET)	60	55	44	45	29
Sub-Total	\$ 749	\$ 755	\$ 790	\$ 773	\$ 739
LICENSES, PERMITS AND OTHER FEES/CHARGES					
Business Licenses	\$ 5	\$ 4	\$ 3	\$ 5	\$ 3
Mitigation/Impact Fees	30	94	33	13	12
Park Fees	31	30	30	32	30
Permit Fees	22	35	21	17	18
Animal Licenses	2	1	1	2	2
Planning and Development Fees	18	13	11	11	10
Sub-Total	\$ 108	\$ 177	\$ 99	\$ 79	\$ 75
INTERGOVERNMENTAL REVENUES					
Law Enforcement Services	\$ 7	\$ 9	\$ 12	\$ 14	\$ 12
Criminal Justice Sales Tax	3	5	6	4	4
Federal/State/Local Grants	119	92	121	71	125
Liquor Excise & Profits	11	13	13	13	13
Marijuana Excise Tax	0	0	1	3	1
Motor Vehicle Fuel Tax	21	22	22	23	22
Muckleshoot Casino	8	9	12	13	10
Streamlined Sales Tax	26	25	24	21	21
Sub-Total	\$ 195	\$ 175	\$ 211	\$ 163	\$ 209
FINES AND PENALTIES AND OTHER REVENUES					
Fines and Penalties	\$ 13	\$ 12	\$ 12	\$ 11	\$ 11
Fire Insurance Premiums	1	1	1	1	1
Investment Income	3	7	16	32	17
Rental Income	11	11	12	14	12
Sub-Total	\$ 28	\$ 31	\$ 42	\$ 58	\$ 41
ENTERPRISE FUND REVENUES					
Airport	\$ 10	\$ 11	\$ 11	\$ 12	\$ 15
Cemetery	15	18	18	18	14
Water Utility	189	190	188	190	190
Sewer Utility	322	327	334	330	336
Storm Drainage Utility	127	124	124	122	124
Solid Waste Utility	164	167	173	177	179
Sub-Total	\$ 826	\$ 836	\$ 847	\$ 849	\$ 858
Grand Total	\$ 1,906	\$ 1,974	\$ 1,989	\$ 1,922	\$ 1,923

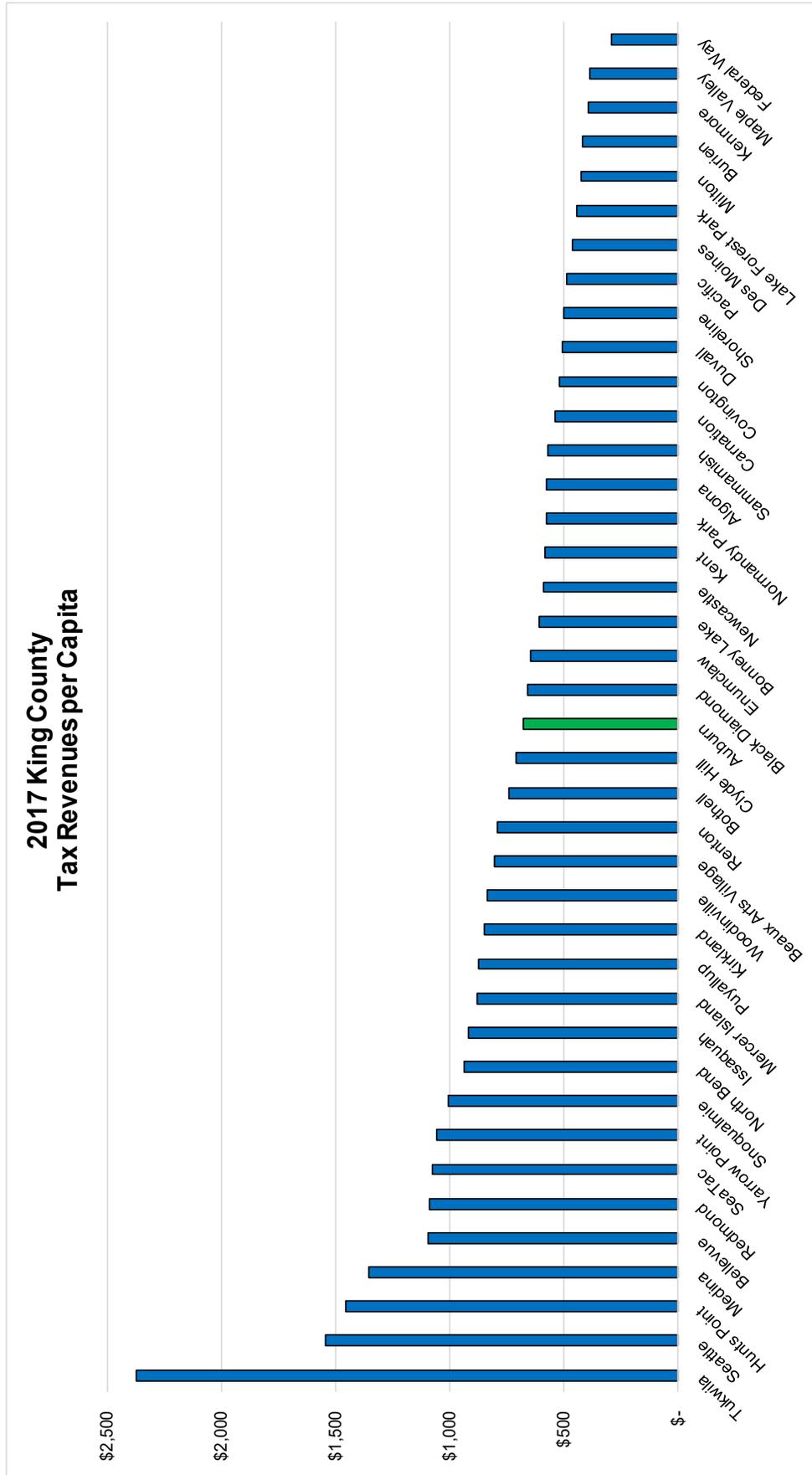
*The above table represents major sources of revenue. Example of sources excluded from this revenue manual includes beginning fund balances, working capital balances, and interfund transfers.

City of Auburn compared to other King County Cities

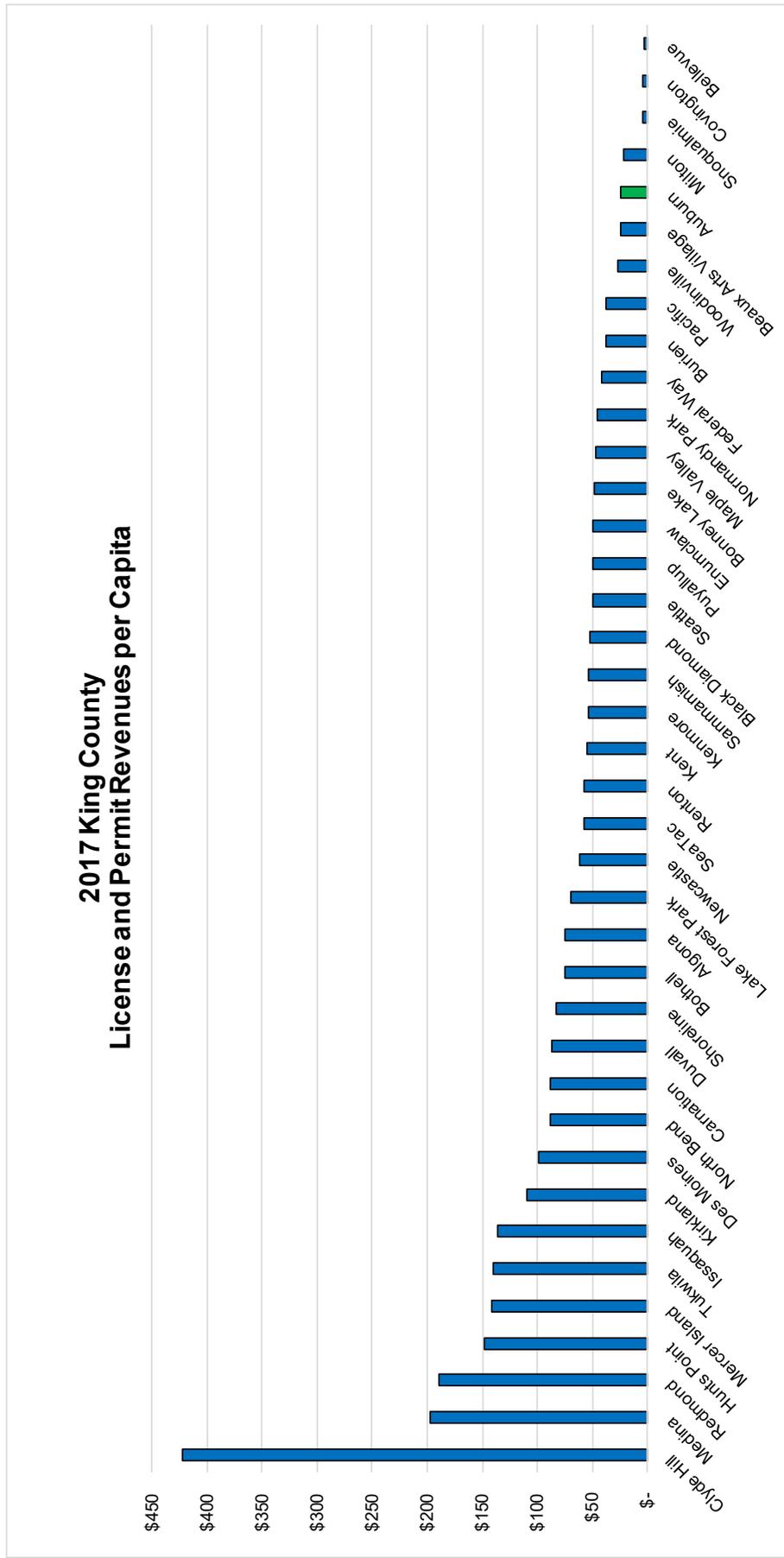
When evaluating revenues between municipalities, one common methodology is to normalize the information on a per capita basis. Based upon information collected and maintained by the Washington State Auditor's Office (SAO) for calendar year 2017 (the latest year in which data is available on the SAO website), 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, Solid Waste utility services, Real Estate Excise Taxes or the City's 1% utility taxes that are earmarked for arterial street improvements.

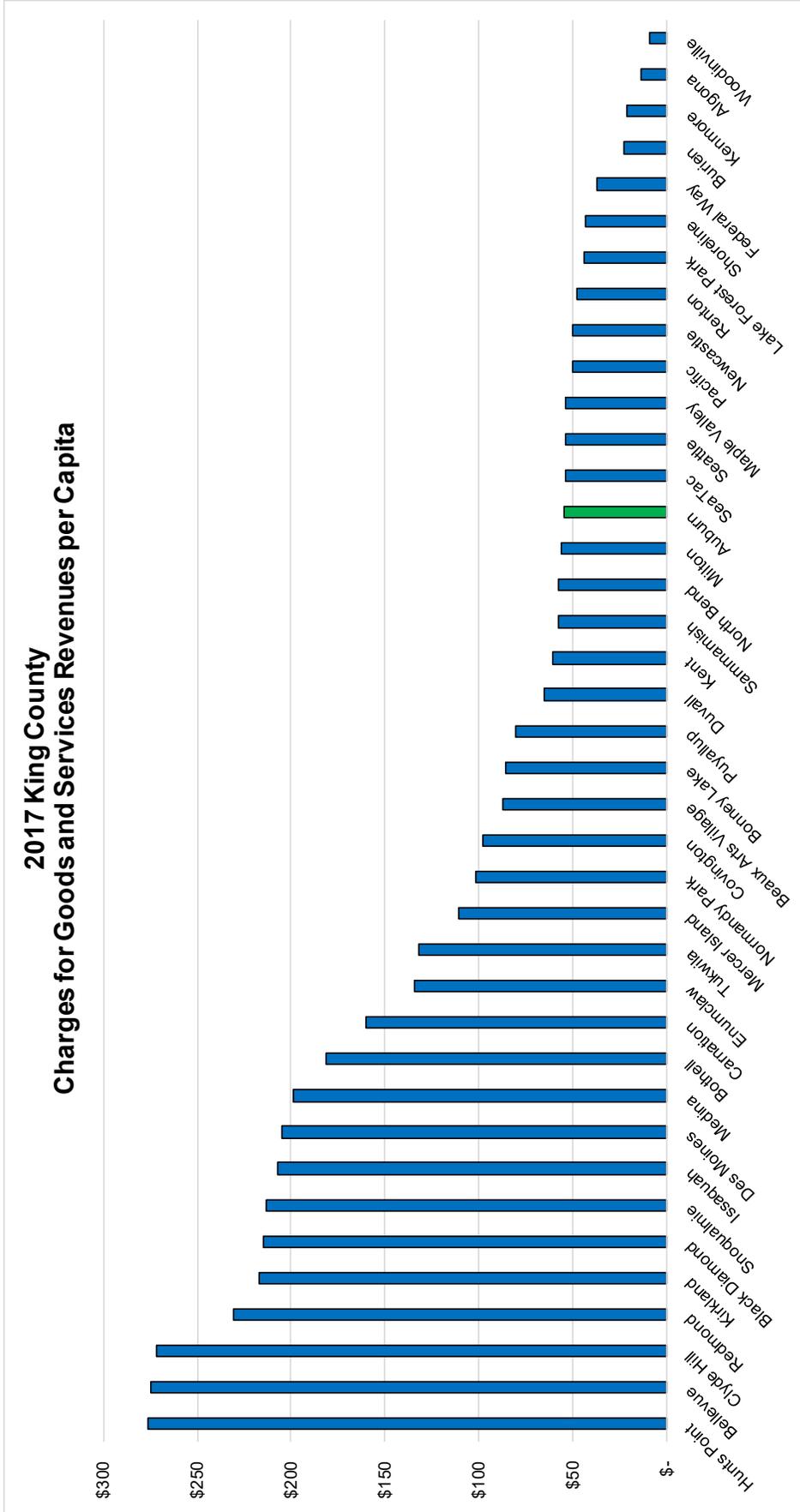
Taxes per Capita: This graphic compares tax revenues/capita for all cities in King County. This revenue category includes all forms of taxes including property, sales, and utility taxes. In 2017, Auburn collected \$677 in taxes on a per capita basis as compared to \$789 for the City of Renton, \$581 for the City of Kent, and \$291 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.



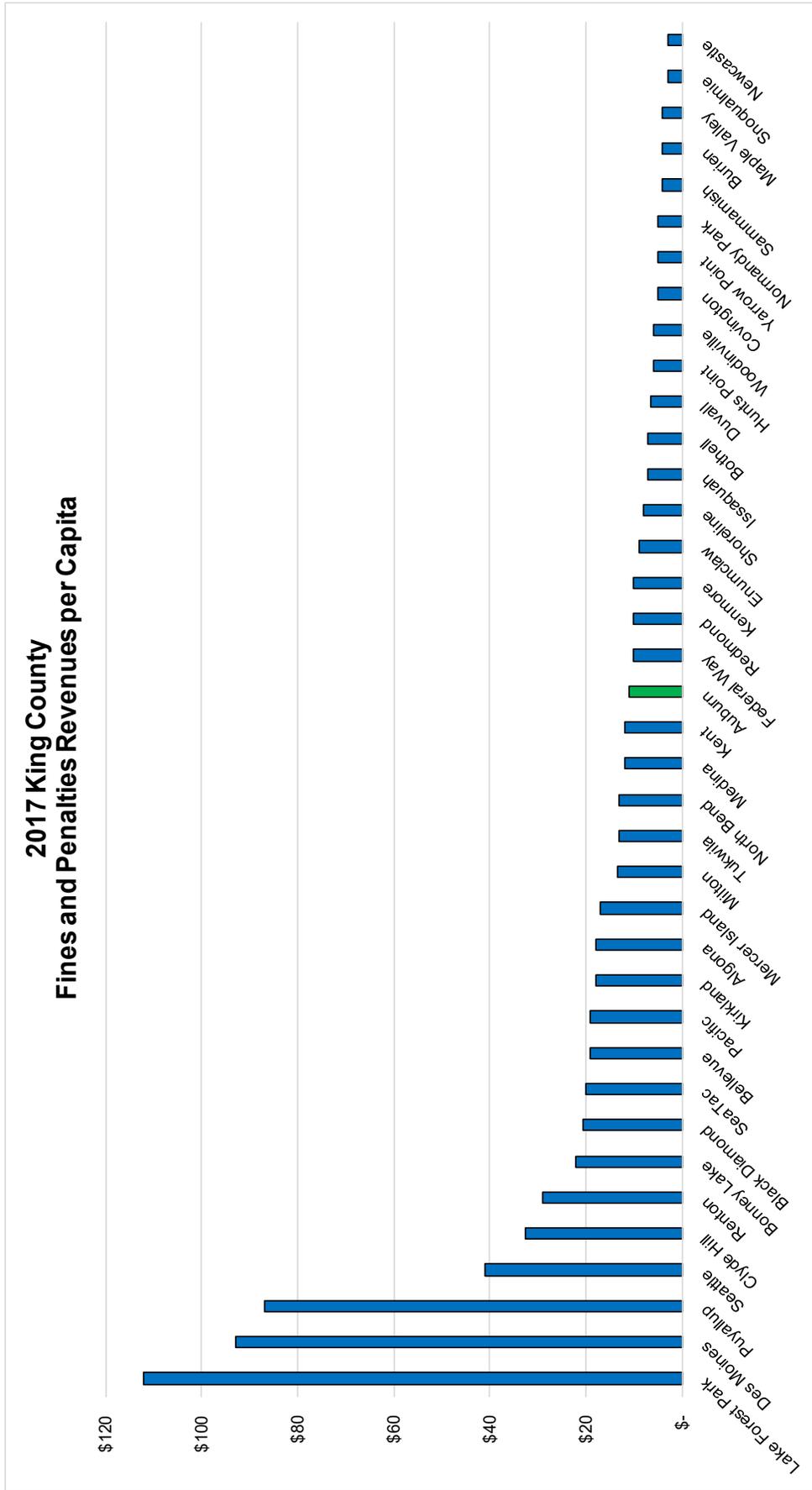
Licenses and Permits per Capita: This category compares revenues from licenses and permits on a per capita basis. In 2017, Auburn collected \$24 on a per capita basis as compared to \$58 for the City of Renton, \$55 for the City of Kent, and \$41 for the City of Federal Way. Variances in this statistic can reflect the local level of development activity, the type of projects and the rate structure of the fees that it charges, and the amount of development activity that results in building permits and plan check fees.



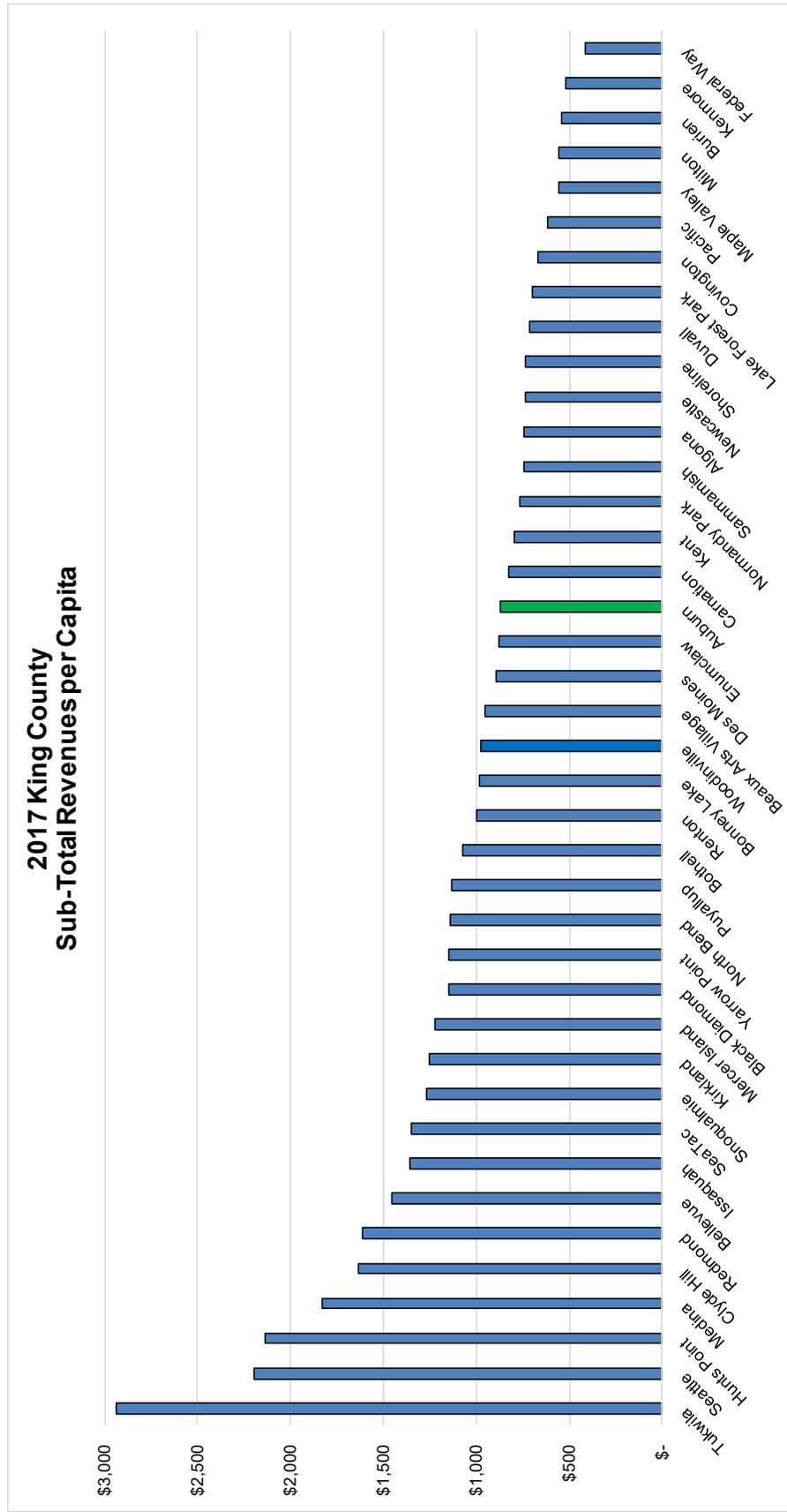
Charges for Goods and Services per Capita: This category compares revenues from goods and services per capita. In 2017, Auburn collected \$55 on a per capita basis as compared to \$61 for the City of Kent, \$48 for the City of Renton, and \$38 for the City of Federal Way. Variances in this revenue source can reflect the type and number of contracted agreements that a city has in place and the value of these agreements.



Fines and Penalties per Capita: This category compares revenues from fines and penalties per capita. In 2017, Auburn collected \$11 on a per capita basis, as compared to \$29 for the City of Renton, \$12 for the City of Kent and \$10 for the City of Federal Way. Variances in this revenue source can reflect the type of activities that may generate fines and forfeits that a city has in place.



Sub-Total Revenues per Capita: The graphic below includes the total revenues per capita of the combined prior four charts including Taxes, Licenses and Permits, Goods and Services and Fines and Penalties. In 2017, Auburn collected \$868 on a per capita basis, as compared to \$1,000 for the City of Renton, \$796 for the City of Kent, and \$412 for the City of Federal Way.



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.

City of Auburn Revenue Manual

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