

AGENDA BILL APPROVAL FORM

Agenda Subject:

2nd Quarter 2023 Financial Update (Thomas) (20 Minutes)

Date:

August 1, 2023

Department:

Finance

Attachments:

[Financial Report through June 2023](#)
[2023 Q2 Financial Update Presentation](#)

Budget Impact:

Administrative Recommendation:

For discussion only.

Background for Motion:

Background Summary:

The financial report summarizes the general state of Citywide financial affairs and highlights significant items or trends that the City Council should be aware of. The attachment provides year-to-date financial activity through June 30, 2023.

Reviewed by Council Committees:

Councilmember: Baldwin

Staff: Thomas

Meeting Date: September 11, 2023

Item Number:

This report provides an overview of the City’s overall financial position for the fiscal period ending June 30, 2023, reflecting financial data available as of August 15, 2023. References to budget, actual and prior year amounts reflect year-to-date numbers, unless explicitly stated otherwise. Year-to-date budget expectations are generally based on the two prior years of data.

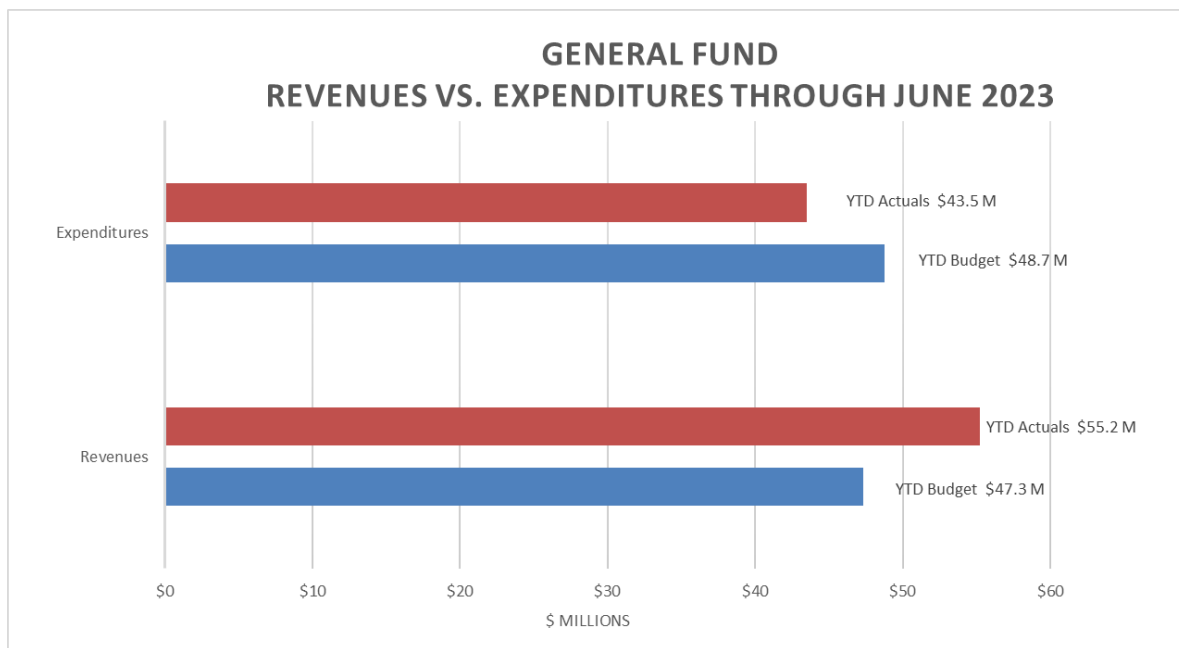
General Fund Overview

Coming off a robust 2022 fiscal year, the City embraces a new biennial budget cycle starting in 2023. As we have seen in prior years, General Fund revenues have generally exceeded budget expectations and largely recovered from the impact of the COVID-19 mitigation measures. The current annual budgeted revenue amount is \$94.8 million and an annual budgeted expenditure amount of \$104.3 million; a planned decrease in General Fund balance of \$9.5 million.

Last year the City implemented a citywide Business and Occupation (B&O) tax, wherein businesses are taxed based on the value of gross receipts or square footage of occupied warehousing space, subject to certain exceptions. This new revenue stream achieved a total of \$3.0 million in 2022 and has already provided \$5.2 million year-to-date in 2023. The City anticipated that the B&O revenue stream will remain consistent throughout the year, significantly surpassing budget expectations. Due to a change in the renewal schedule for business licenses designed to spread revenue collection more evenly over the year, the City has also seen increased business license revenue compared to last year by roughly \$206,000 or 193%.

Additionally, the City offers a wide range of recreational classes and access to the Auburn Golf Course. Green fees at the Auburn Golf Course have remained a staple revenue source for the City, comprising roughly 45% of the total culture and recreation revenues. Recreational classes have significantly increased by 31% from 2022 collections, a hopeful indication that the City is returning to pre-pandemic activity levels.

Overall, General Fund revenues collected through Q2-2023 totaled \$55.2 million as compared to a year-to-date budget of \$47.3 million, and were \$6.5 million, or **13.4% above** budget expectations. General Fund expenditures through Q2-2023 totaled \$43.5 million compared to a year-to-date budget of \$48.8 million; resulting in a \$5.3 million or **10.8% underspend**.



Revenue: The following factors had the most significant impacts on the budget vs. actual revenue collected:

- Retail Sales Tax: The sales tax report through Q2-2023 (which is provided as an attachment to this report) reflects amounts remitted to the City of Auburn based on sales from November 2022 through April 2023. Collections through June 2023 totaled \$11.2 million, a 1.0% increase from last year. Likewise, compared to the year-to-date budget, sales tax has a favorable variance of \$1.4 million or 13.9%. The increase resulted from multiple categories, particularly wholesale trade and automotive. **[pages 5-7]**
- Utility Tax: As mentioned in previous reports, in 2022 there was a notable change in how the interfund utility taxes were transferred between the General Fund and the City's pass-through King County Metro Sewer sub-fund. Utility tax revenues through Q2-2023 were \$232,000 unfavorable to budget. Factoring in an accounting adjustment in late 2022, collections are favorable by \$541,000 against prior year-to-date revenues. **[pages 7-8]**
- Building permits: Q2-2023 revenues collected totaled \$322,000 which was \$167,000 unfavorable to the year-to-date budget. While the number of permits received are higher than in 2022, the valuation of individual permits, especially in construction permits, have decreased considerably. **[page 12]**
- Intergovernmental revenue: Collections through Q2-2023 were \$504,000 unfavorable to budget. The City has not collected any 2023 compact revenue as the current request is still pending approval which is the main contributor to the unfavorable variance. Higher liquor and marijuana excise taxes as well as fire insurance taxes help mitigate a portion of the unfavorable variance. **[page 13]**
- Culture and recreation: Revenues collected through Q2-2023 totaled \$1.8 million and were \$475,000 higher than budget expectations. Recreational classes, which saw an increase of \$114,000 from 2022 totals, was the main contributor to this increase. Green fees at the Auburn Golf Course and Auburn Theater tickets sales provide additional support to the variance against the budget. **[page 15]**

Expenditures: Almost all departments operated within budget expectations through the first quarter of 2023, with some variances due to the timing of professional services payments, as well as expenses related to operating supplies. Of the favorable variance to budget mentioned above, \$1.3 million of that is comprised of underspend professional services and charges, as well as \$1.8 million underspend in personnel costs largely due to position vacancies across the City. As of the compilation of this report, there were 31 vacant regular full-time positions in the City.

Enterprise Funds Overview

The City's enterprise funds account for operations with revenues primarily provided from user fees, charges, or contracts for services. Significant for 2023, the City's cash and investment balance increased significantly compared to the same period last year. As a result, interest earnings across all funds increased materially, totaling \$1.0 million more in the enterprise operating funds than through Q2-2022. Another key factor contributing to higher interest earnings was increased interest rates and yields to maturity for the City's investment accounts compared to last year.

The **Water Fund** ended Q2-2023 with operating income of about \$1.98 million, which was approximately \$467,000 above the same period last year. Nearly one-fourth of the increase in operating revenue was due to increased interest earnings. **[page 21]**

The **Sewer Fund** ended Q2-2023 with operating income of about \$2.1 million versus \$706,000 in the same period last year. Service charge and interest revenues increased, while operating expenses decreased \$761,000, largely due to the cessation of charging interfund utility tax against the pass-through King County Metro Sewerage revenue. **[page 22]**

The **Stormwater Fund** ended Q2-2023 with operating income of about \$1.6 million compared to \$1.3 million in the same period last year. The increase in revenues (primarily from charges for storm service and interest earnings) were higher than the increase in expenditures, resulting in a 19% higher operating income this quarter than the same quarter last year. **[page 22]**

The **Solid Waste Fund** ended Q2-2023 with an operating loss of about \$569,000. An increase of \$2.4 million in operating revenues over the same period last year was offset by an increase of operating expenditures of \$3.4 million due to increased tax expenditures and payments to the City's solid waste vendor. Note that reported expenditures include a \$1.3 million payment to the City's solid waste vendor for service through June, which was paid in July. **[page 22]**

Internal Service Funds Overview

Internal service funds provide services to other City departments and include functions such as Insurance, Worker's Compensation, Facilities, Innovation & Technology, and Equipment Rental. No significant variances were reported in these funds during Q2-2023. **[page 22]**

General Fund Details

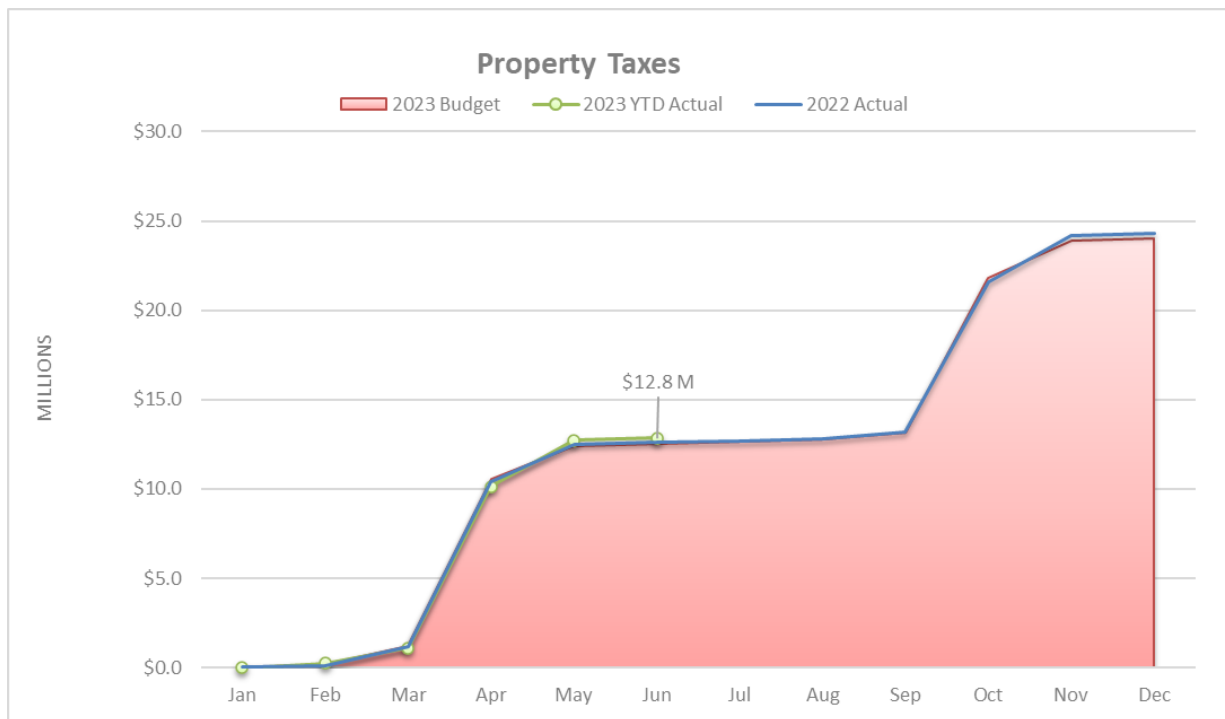
The following chart is a detailed breakdown of the General Fund’s different sources of revenue and expenditures, broken down by department:

General Fund Summary of Sources and Uses	2023			2022	2023 YTD Budget vs. Actual	
	Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable) Amount	Percentage
Operating Revenues						
Property Tax	\$ 24,016,247	\$ 12,551,800	\$ 12,841,702	\$ 12,627,152	\$ 289,902	2.3 %
Retail Sales Tax	20,344,500	9,810,400	11,176,169	11,066,712	1,365,769	13.9 %
Affordable Housing Sales Tax Credit	174,963	63,200	49,055	52,582	(14,145)	(22.4) %
Sales Tax - Pierce County Parks	125,000	59,900	64,361	65,285	4,461	7.4 %
Criminal Justice Sales Tax	2,441,300	1,140,700	1,507,826	1,428,451	367,126	32.2 %
Brokered Natural Gas Tax	150,000	81,500	222,268	110,090	140,768	172.7 %
City Utilities Tax	6,776,697	3,424,700	2,971,326	3,295,916	(453,374)	(13.2) %
Business & Occupation Tax	5,480,960	4,110,720	5,160,718	568,689	1,049,998	25.5 %
Admissions Tax	308,740	167,100	178,844	126,745	11,744	7.0 %
Electric Tax	4,357,031	2,309,000	2,310,929	2,144,208	1,929	0.1 %
Natural Gas Tax	1,638,857	906,200	962,197	809,712	55,997	6.2 %
Cable Franchise Fee	897,035	448,518	437,138	456,739	(11,379)	(2.5) %
Cable Utility Tax	949,064	474,532	465,238	483,230	(9,294)	(2.0) %
Cable Franchise Fee - Capital	52,484	26,242	27,710	26,723	1,468	5.6 %
Telephone Tax	500,974	262,240	171,047	284,515	(91,193)	(34.8) %
Solid Waste Tax (external)	60,462	18,422	141,515	28,897	123,093	668.2 %
Leasehold Excise Tax	246,514	216,100	236,969	209,022	20,869	9.7 %
Gambling Excise Tax	293,300	131,876	170,220	130,037	38,344	29.1 %
Taxes sub-total	\$ 68,814,128	\$ 36,203,150	\$ 39,095,235	\$ 33,914,706	\$ 2,892,085	8.0 %
Business License Fees	\$ 450,000	\$ 138,300	\$ 312,274	\$ 106,628	\$ 173,974	125.8 %
Building Permits	933,364	488,800	322,061	477,106	(166,739)	(34.1) %
Other Licenses & Permits	1,128,000	668,000	714,169	566,471	46,169	6.9 %
Intergovernmental (Grants, etc.)	6,551,831	3,131,695	2,628,012	2,600,936	(503,683)	(16.1) %
Charges for Services:						
General Government Services	4,563,272	2,265,835	2,225,731	1,728,339	(40,104)	(1.8) %
Public Safety	910,000	455,000	551,101	439,528	96,101	21.1 %
Development Services Fees	1,130,517	562,500	530,435	681,920	(32,065)	(5.7) %
Culture and Recreation	2,481,335	1,295,409	1,770,365	1,413,393	474,957	36.7 %
Fines and Penalties	422,975	216,465	274,060	183,627	57,594	26.6 %
Fees/Charges/Fines sub-total	\$ 18,571,294	\$ 9,222,005	\$ 9,328,208	\$ 8,197,950	\$ 106,203	1.2 %
Interest and Investment Earnings	\$ 366,700	\$ 183,350	\$ 541,990	\$ 156,679	\$ 358,640	195.6 %
Rents and Leases	1,109,234	462,300	617,461	537,347	155,161	33.6 %
Contributions and Donations	21,000	3,629	4,164	7,654	535	14.7 %
Other Miscellaneous	247,110	144,700	261,987	365,020	117,288	81.1 %
Transfers In	5,630,978	2,433,602	5,159,722	818,861	2,726,120	112.0 %
Insurance Recoveries - Capital & Operating	62,500	31,250	206,023	90,659	174,773	559.3 %
Other Revenues sub-total	\$ 7,437,522	\$ 3,258,830	\$ 6,791,347	\$ 1,976,220	\$ 3,532,516	108.4 %
Total Operating Revenues	\$ 94,822,944	\$ 48,683,985	\$ 55,214,789	\$ 44,088,876	\$ 6,530,804	13.4 %
Operating Expenditures						
Council & Mayor	\$ 1,415,188	\$ 698,000	\$ 758,950	\$ 745,006	\$ (60,950)	(8.7) %
Administration	1,265,262	666,200	606,555	531,229	59,645	9.0 %
Human Resources	2,324,011	1,161,500	1,126,516	1,028,574	34,984	3.0 %
Municipal Court & Probation	3,038,838	478,519	537,758	428,751	(59,239)	(12.4) %
Finance	5,088,323	2,560,000	2,253,537	1,773,579	306,463	12.0 %
City Attorney	7,314,952	3,177,900	2,846,334	2,099,947	331,566	10.4 %
Community Development	9,479,059	4,056,000	3,664,325	2,976,302	391,675	9.7 %
DEI	705,913	352,800	205,390	-	147,410	41.8 %
Jail - SCORE	5,600,000	2,800,200	2,519,519	2,023,815	280,681	10.0 %
Police	35,878,986	17,582,600	16,447,457	15,581,950	1,135,143	6.5 %
Public Works	4,735,592	2,303,000	2,146,293	1,734,678	156,707	6.8 %
Parks, Arts & Recreation	15,856,292	7,236,000	7,341,589	6,562,370	(105,589)	(1.5) %
Streets	4,769,219	2,332,900	1,948,396	1,815,652	384,504	16.5 %
Non-Departmental	6,834,788	3,341,876	1,101,063	1,147,090	2,240,812	67.1 %
Total Operating Expenditures	\$ 104,306,423	\$ 48,747,495	\$ 43,503,681	\$ 38,448,944	\$ 5,243,813	10.8 %

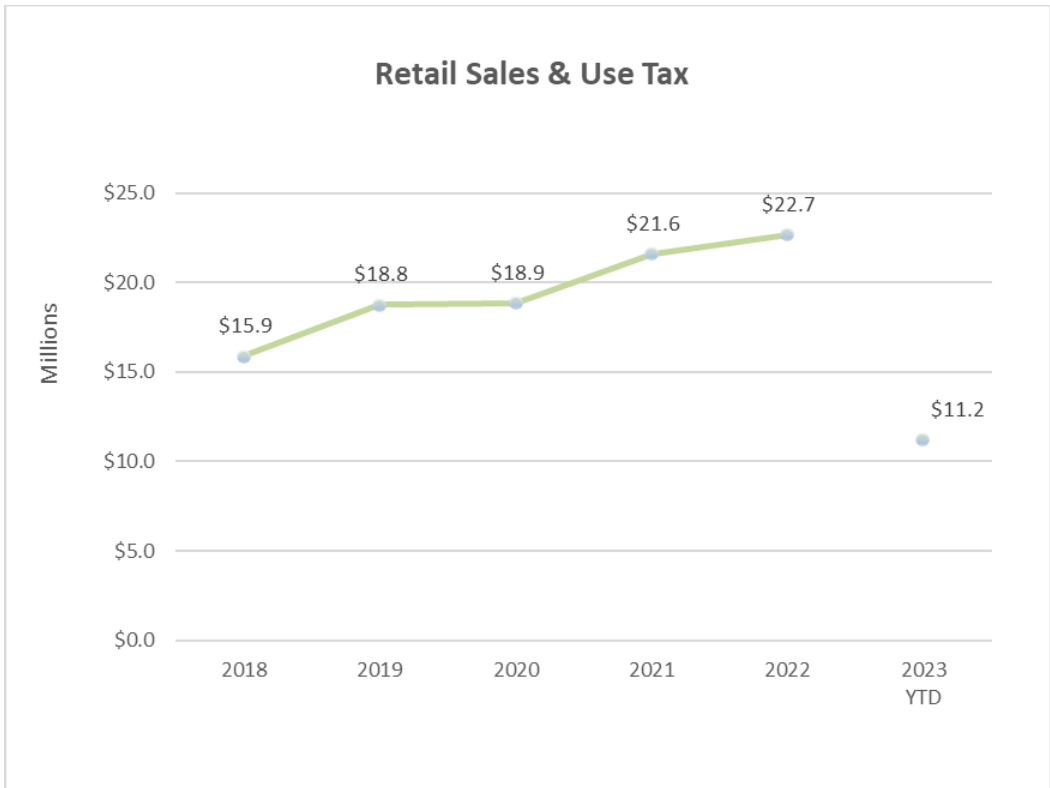
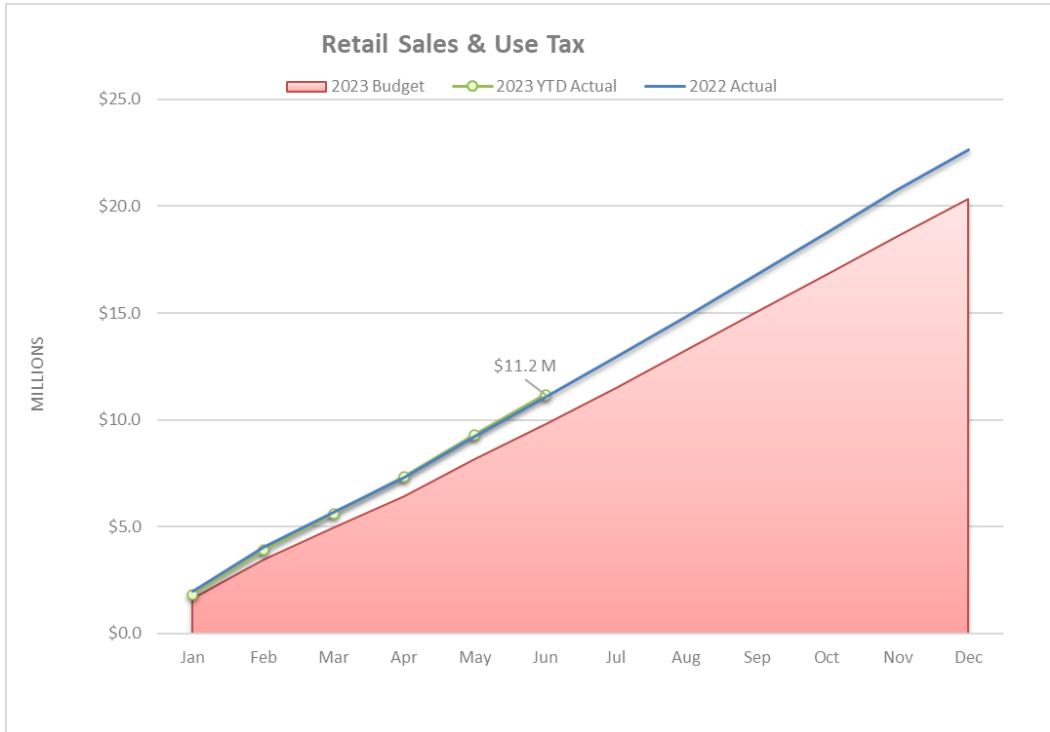
Revenue

The combined total of property, sales/use, utility, gambling, and admissions taxes provides over 70% of all resources supporting general governmental activities. Licenses, charges for services, intergovernmental revenue (grants, state shared revenue, etc.) and fines contribute a further 17% of total revenue to the General Fund. The remaining 12% is comprised of a combination of different sources that are considered to be one-time resources. The following section provides additional information on the most significant tax resource streams.

Property Tax collections through the second quarter of 2023 totaled roughly \$12.8 million as compared to a YTD 2023 budget of \$12.6 million. Coinciding with the due dates for the County property tax billings, the City collected 90.5% of the year-to-date 2023 revenues during the months of April and May. As depicted in the chart below, the next influx of property tax revenues is expected to occur during the fourth quarter. Since 2016, we have seen annual increases versus the prior year totals and project the same will be true to end 2023.



Retail Sales Tax collections through Q2-2023 totaled \$11.2 million, representing taxes remitted to the City of Auburn based on sales from November 2022 through April 2023. Overall, these revenues collected roughly \$110,000 higher during 2023 than through the same period in 2022, with strong performances in the automotive (+\$118,300), wholesale (+\$100,000) and services (+\$82,000) industries more than offsetting slight decreases in most of the remaining industries. Within the retail trade sector, sales tax revenues generated from sporting goods, hobby, and music retailers have seen a significant increase versus the same period last year, which exhibits a correlation with the increase in culture and recreation revenues. The notable exception to the trend of stable or increased collections is the manufacturing industry: due to a large one-time contribution in Q1-2022, manufacturing collections are down \$205,000 (42.4%). With a year-to-date 2023 budget expectation of \$9.8 million, sales tax revenues have a \$1.4 million favorable variance to the budget. The City assumes sales tax revenues will continue this upward trend as we have seen in years prior.



Note: The increase in sales tax revenue from 2018 to 2019 was primarily due to a policy change whereby sales tax on construction revenue is retained in the General Fund; previously, a portion was transferred to street funds. Of the year-over-year increase in sales tax revenue depicted in the graphic above from 2018 to 2019, \$2.2 million of the \$2.9 million increase was due to this policy change.

The following table breaks out the City’s retail sales taxes by major business sector.

Comparison of Retail Sales Tax Collections by Group				
Through June 2023				
Component Group	2022 YTD Actual	2023 YTD Actual	Change from 2022	
			Amount	Percentage
Construction	\$ 1,372,433	\$ 1,426,126	\$ 53,693	3.9 %
Manufacturing	484,023	278,890	(205,133)	(42.4) %
Transportation & Warehousing	136,358	117,422	(18,937)	(13.9) %
Wholesale Trade	725,599	825,585	99,986	13.8 %
Automotive	2,281,327	2,399,616	118,289	5.2 %
Retail Trade	3,277,070	3,265,511	(11,559)	(0.4) %
Services	2,615,432	2,697,575	82,143	3.1 %
Miscellaneous	174,471	165,446	(9,025)	(5.2) %
YTD Total	\$ 11,066,712	\$ 11,176,169	\$ 109,457	1.0 %

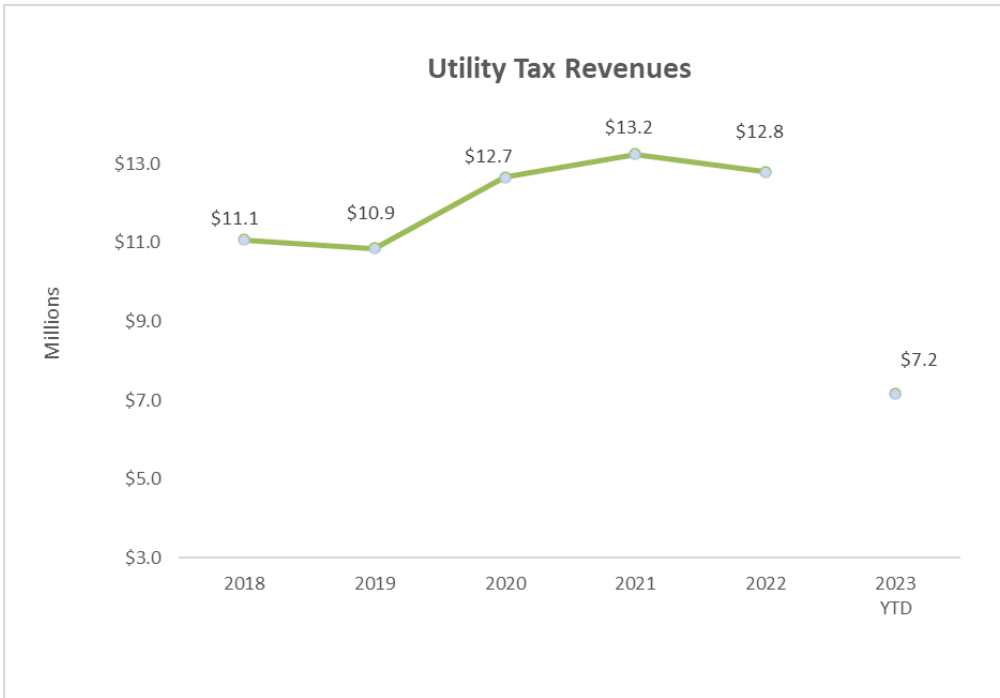
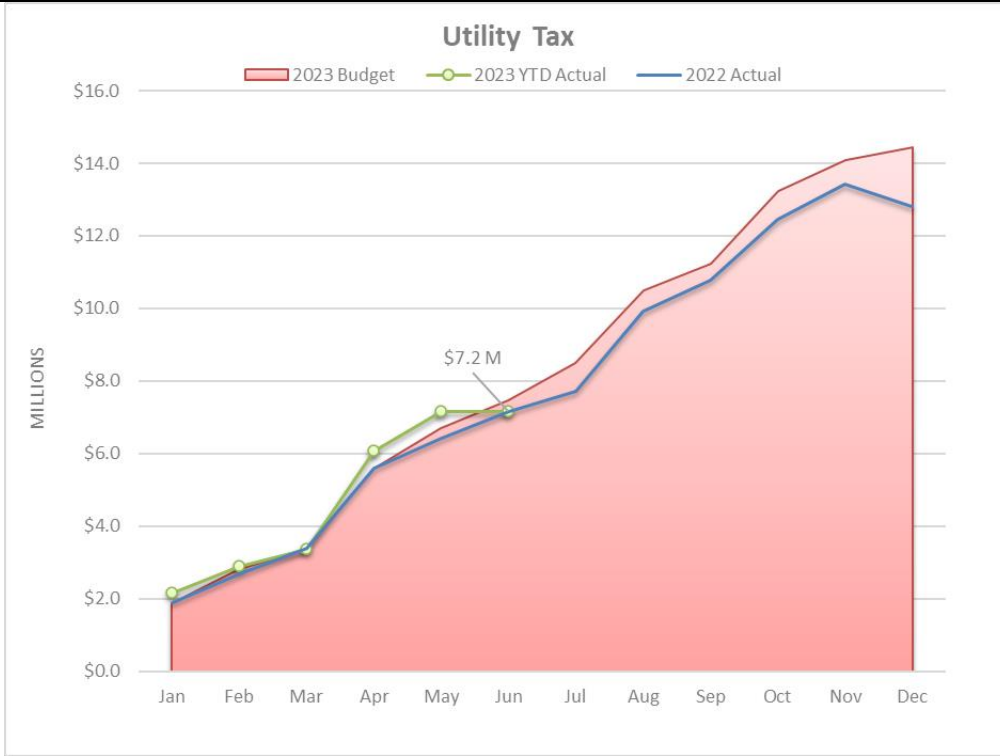
Utility Taxes consist of interfund taxes on City utilities (Water, Sewer, Storm and Solid Waste) and taxes on external utilities (Electric, Natural Gas, Telephone and Solid Waste). Effective January 1st, 2023, Council approved an increase of the City utility tax rate from 10.0% to 11.5%. However, the additional revenue generated from this increase was dedicated to funding City street projects, while the General Fund portion remained at its previous 9.0%.

Overall, utility taxes increased by \$88,000 or 1.2% through Q2-2022, however, utility taxes are currently unfavorable to budget by roughly \$232,000. This is due to the City no longer applying interfund utility tax to the pass-through revenue from King County Metro sewerage charges. The City will reassess the annual budget during the budget amendment process and make any adjustments as necessary.

Second, beginning in January 2023, external utility taxes are collected on either a quarterly or annual basis, rather than monthly. Although there have been collections throughout the year, the City anticipates a change to the timing of these revenues in 2023, which will affect year-over-year performance comparisons for the remainder of the year and into 2024.

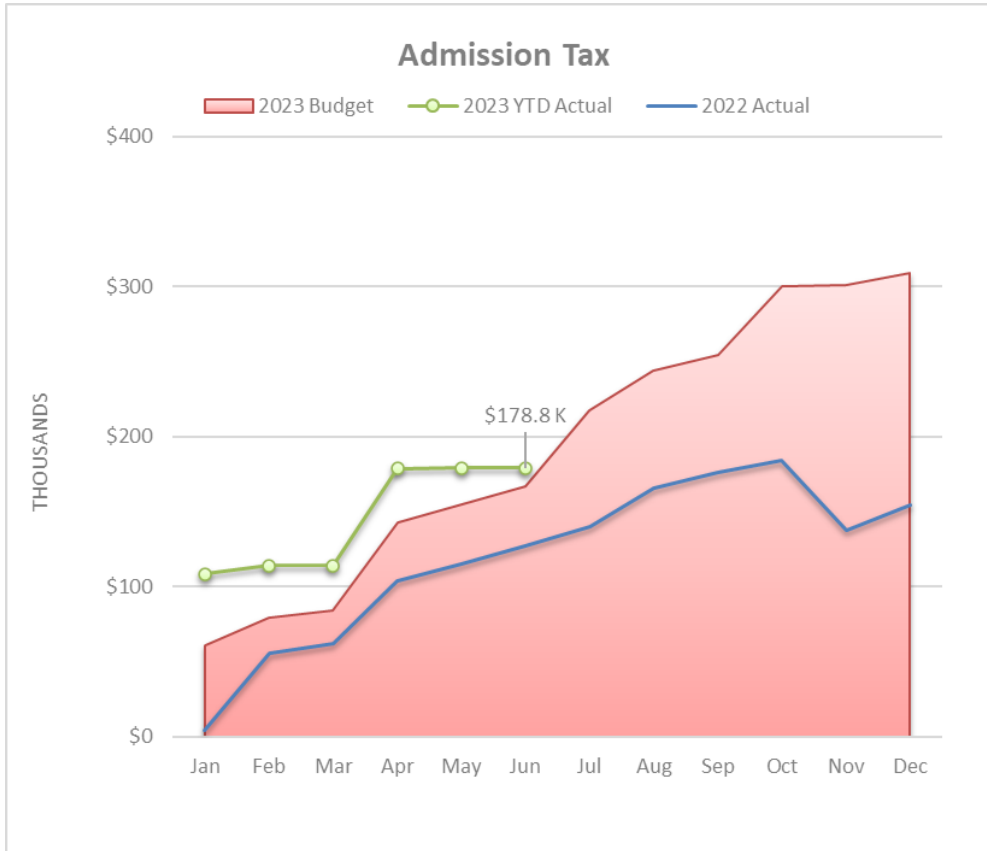
The table and below demonstrates the various utility tax revenues and shows actual revenues compared to budget.

Utility Tax by Type							
Through June 2023							
Utility Tax Type	2022 YTD Actual	2023 YTD Budget	2023 YTD Actual	2023 vs. 2022 Actual		2023 vs. Budget	
				Amount	Percentage	Amount	Percentage
City Interfund Utility Taxes	\$ 3,295,916	\$ 3,424,700	\$ 2,971,326	\$ (324,590)	(9.8) %	\$ (453,374)	(13.2) %
Electric	2,144,208	2,309,000	2,310,929	166,722	7.8 %	1,929	0.1 %
Natural Gas	809,712	906,200	962,197	152,485	18.8 %	55,997	6.2 %
Telephone	284,515	262,240	171,047	(113,469)	(39.9) %	(91,193)	(34.8) %
External Water, Sewer, SW	28,897	18,422	141,515	112,618	389.7 %	123,093	0.0 %
Brokered Natural Gas	110,090	81,500	222,268	112,178	101.9 %	140,768	172.7 %
Cable	483,230	474,532	465,238	(17,992)	(3.7) %	(9,294)	(2.0) %
YTD Total	\$ 7,156,568	\$ 7,476,594	\$ 7,244,521	\$ 87,953	1.2 %	\$ (232,073)	(3.1) %



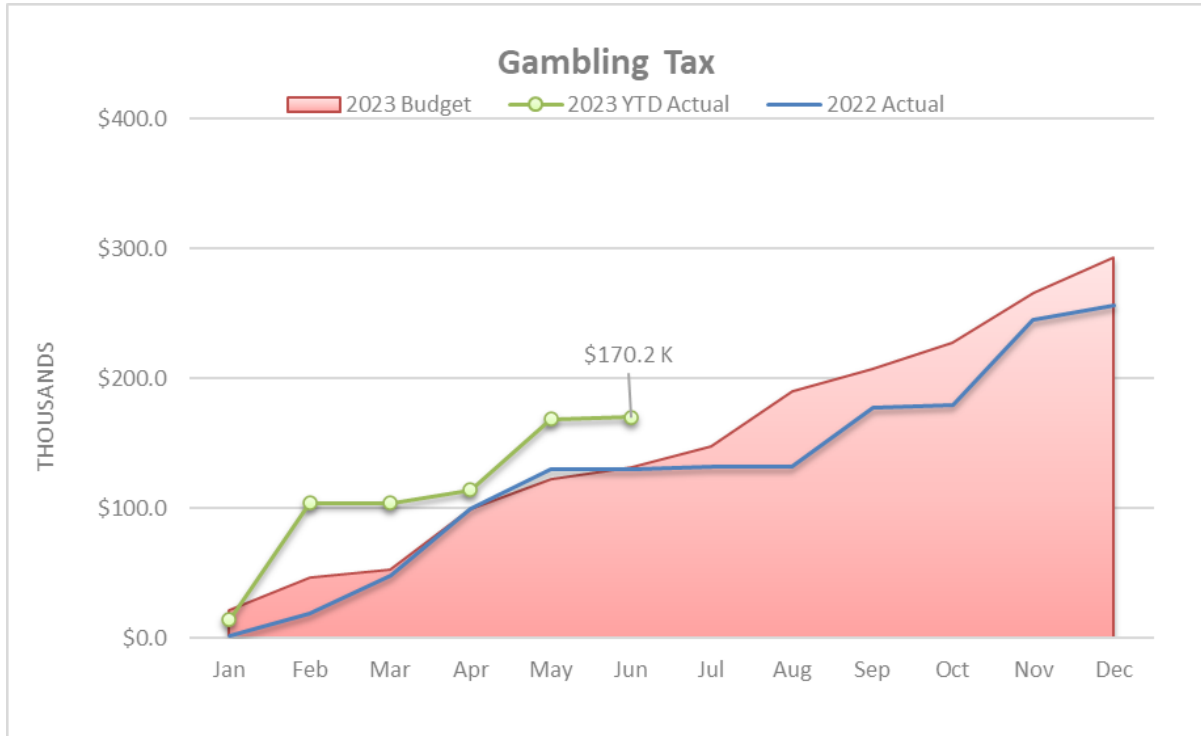
Note: Of the total utility tax levied, 2.5% of Water/Sewer/Storm/Solid Waste tax and 1.0% of other utility tax is allocated to City streets funds and is not reflected in the General Fund’s portion discussed here. The large increase from 2019 (\$10.9 million) to 2020 (\$12.7 million) is attributed to the City’s decision mid-2020 to reallocate 1.0% previously dedicated to the Arterial Street Preservation Fund to support General Fund operations, due to the uncertainty of the economic impacts of COVID-19. The Arterial Street Preservation Fund’s 1.0% was reinstated in 2021, but 2021 collections continued to increase due to an increase in the City’s internal utility tax rate from 7.0% to 10.0% effective in 2021.

An **Admission Tax** of 5.0% is placed on charges for general admission, season tickets, cover charges, etc. Revenues from admission taxes are generally collected on a quarterly basis as depicted on the chart below. Admission tax revenues of \$178,800 collected through June 2023 were significantly higher (41.1%) than through Q2-2022. This is partially due to lingering effects of the COVID-19 pandemic in the early part of the year, resulting in generally lower admissions in early 2022. The City projects admission taxes will return to pre-pandemic levels over the biennium. As of Q2-2023, admission tax revenues are favorable to budget by roughly \$11,700.



Note: The decrease in admission tax revenues in November 2022 was due to a change in accounting wherein admissions tax ceased to be charged to the City’s Golf Course operations.

Gambling Tax applies to all card games, punch board games, pull tabs, bingo games, raffles and amusement games played within City limits. The majority of the gambling tax revenues are collected from amusement games (33.4%) and card games (57.5%). As with admission tax, the City projects increased collections from 2022 totals. Through the second quarter, collections are \$40,000 higher than 2022 year-to-date totals and report a \$38,000 or 29.1% favorable variance to budget. This revenue source historically has significant variance from year to year: excluding 2021, second-quarter revenue has been as high as \$309,500 (2016) and as low as \$151,000 (2018).

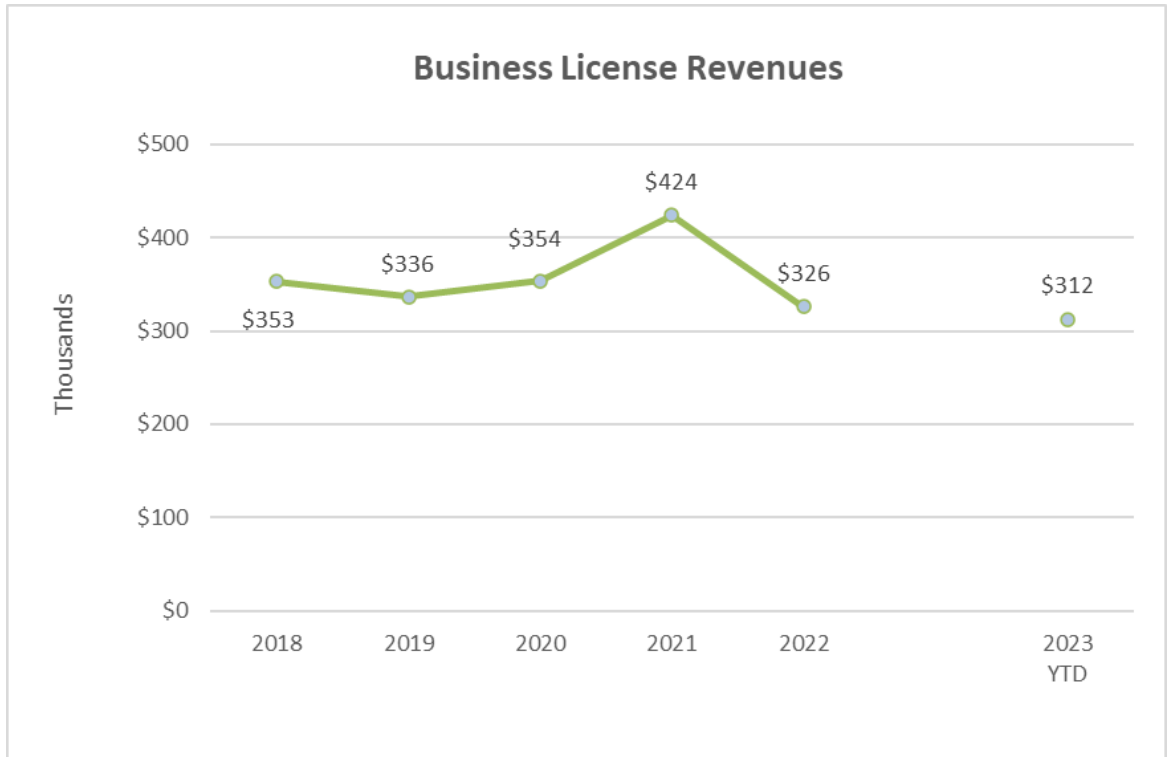
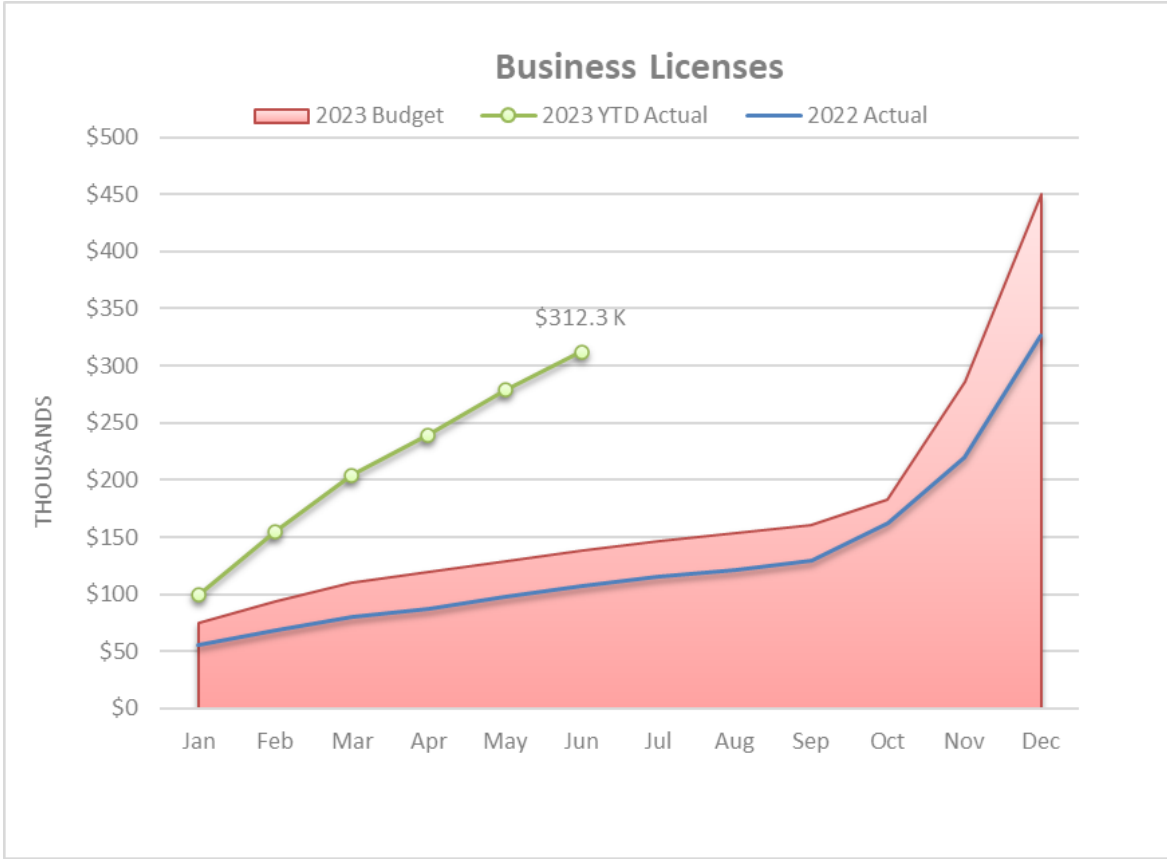


Licenses and Permits include business licenses, building permits, plumbing, electric and other licenses and permit fees. Building permit fees and business licenses make up approximately 70% of the annual budgeted revenue in this category.

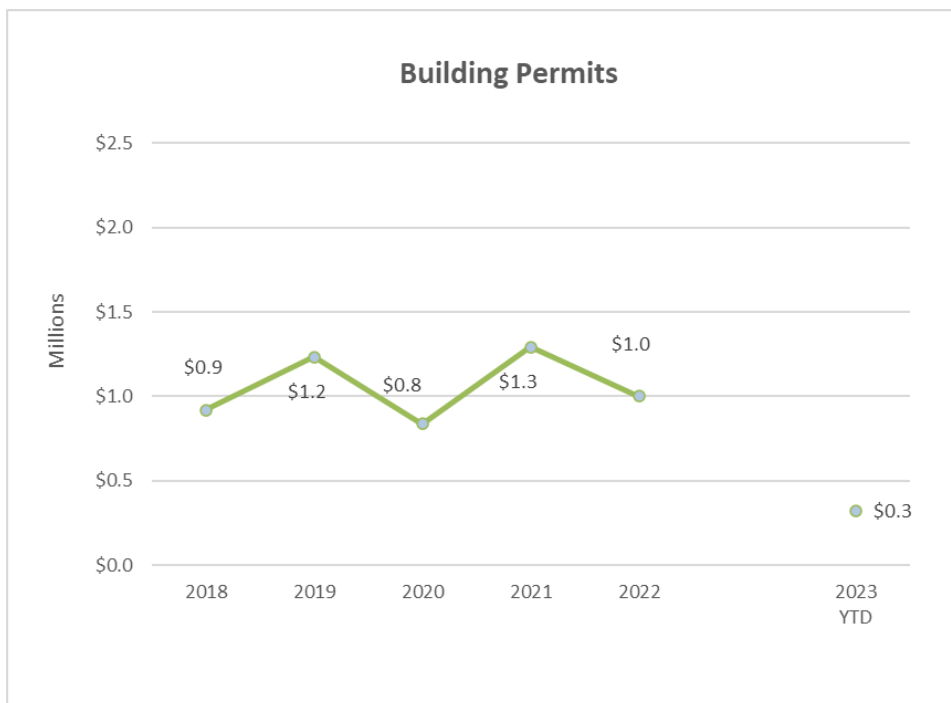
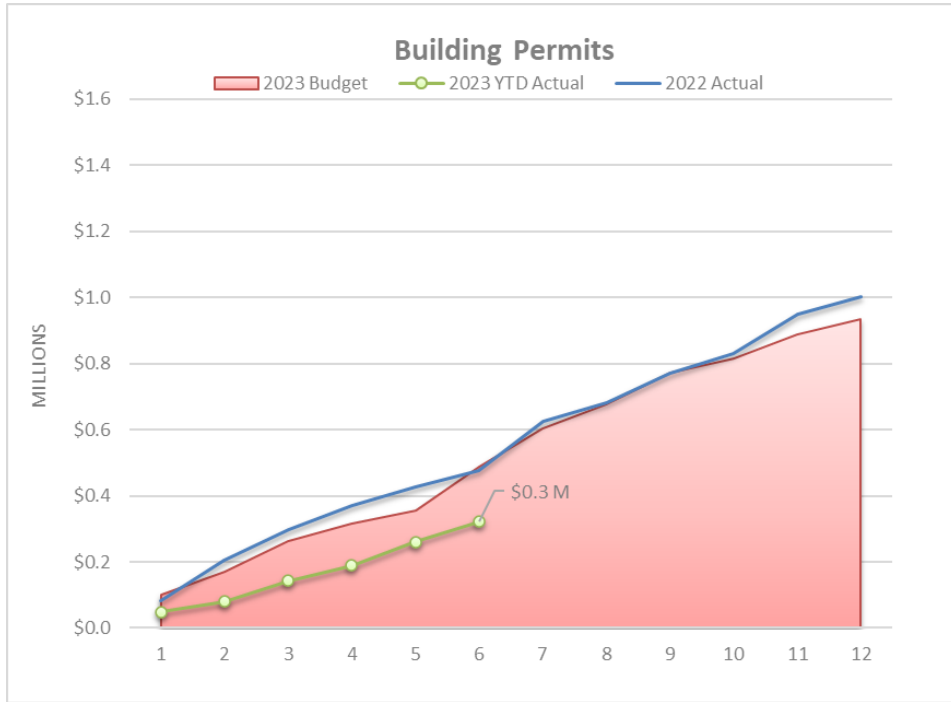
The annual **Business License** renewal fee for each business that is located within the City is \$103. Previously, all businesses were on calendar year renewal cycle, meaning that the majority of business license revenue was collected in November and December for existing businesses renewing their licenses, which is reflected in the large peak in the chart below in 2022.

As mentioned in last quarter’s report, starting in September of 2022, businesses are now on an annual renewal cycle that begins on the date the business had originally been granted a license. This new methodology is expected to smooth out revenue collection throughout the year, which can also be seen in the chart below as a more linear progression of year-to-date collections totaling \$312,000, compared to \$205,500 in Q2-2022.

Also mentioned previously, changes in the timing of collections will affect year-over-year performance comparisons for the remainder of 2023 and into 2024. Moreover, collections in 2023 are projected to be higher in total than 2022, due to increased discovery through B&O tax collections and use of the State’s Business Licensing System (BLS).

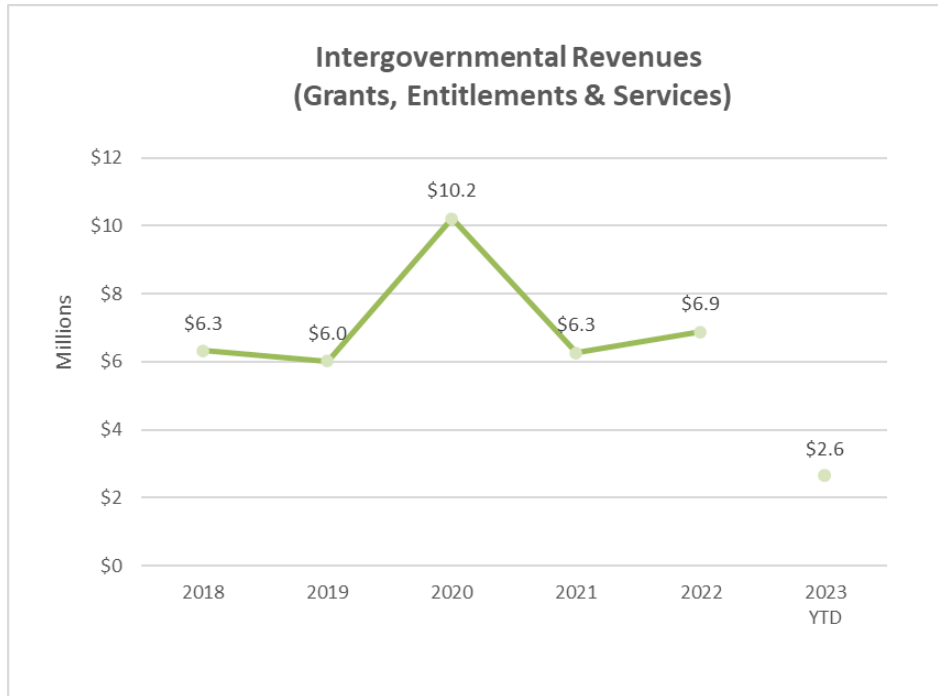


Building Permit revenues collected through June 2023 totaled \$322,000. Building permits are approximately \$155,000 lower than 2022 collections year-to-date and hold an unfavorable variance against the budget of \$167,000. A large contributing factor for this unfavorable variance is the decreased valuation of construction permits on mixed use (consisting of a single high-value project) and subdivision builds throughout 2023, despite a higher volume of permits being issued this year than in the same period last year. However, there are aged 2022 revenues that the City is anticipating on collecting during the third quarter of 2023. It is assumed that with the collection of the aged accounts, the year-to-date unfavorable variance will be mitigated in the third quarter.



Intergovernmental revenues include grants and stimulus monies (direct and indirect federal, state, and local), revenue from the Muckleshoot Indian Tribe (MIT) compact as well as state shared revenues. Collections through Q2-2023 totaled \$2.6 million and were \$504,000 unfavorable to budget expectations. This variance was mitigated by the final payment of the 2022 compact request, made in January 2023. However, the 2023 compact request is still pending approval, and no 2023 revenues have been collected to date. Likewise, state grants are also below projections, although these revenues are received on a reimbursement basis, subject to the timing of reimbursable activities. Streamlined sales tax has an unfavorable variance due to the state Department of Revenue’s recalculation of the payment rate; effective July 2022, payments are calculated as 80% of the payment made in the same quarter of the previous year.

Intergovernmental Revenues (Grants, Entitlements & Services)								
Through June 2023								
Revenue	2022		2023		2023 vs. 2022 Actual		2023 vs. Budget	
	YTD Actual	YTD Budget	YTD Actual	Amount	% Change	Amount	% Change	
Federal Grants	\$ 2,120	\$ 24,250	\$ -	\$ (2,120)	(100.0) %	\$ (24,250)	1144.1 %	
State Grants	-	164,500	9,402	9,402		(155,098)	(1649.7) %	
Interlocal Grants	73,895	58,100	49,322	(24,573)	(33.3) %	(8,778)	35.7 %	
Muckleshoot Casino Services	385,997	859,229	539,508	153,511	39.8 %	(319,721)	(208.3) %	
One-Time Allocation (SB 5092)	-	-	-	-		-		
State Shared Revenues:								
Streamlined Sales Tax	500,079	488,578	400,063	(100,016)	(20.0) %	(88,515)	88.5 %	
Motor Vehicle Fuel Tax	557,085	558,400	538,743	(18,342)	(3.3) %	(19,657)	107.2 %	
Criminal Justice - High Crime	136,636	142,412	141,748	5,112	3.7 %	(664)	(13.0) %	
Criminal Justice - Population	14,665	9,800	15,524	859	5.9 %	5,724	666.3 %	
Criminal Justice - Special Prog.	52,121	44,200	54,917	2,796	5.4 %	10,717	383.2 %	
Marijuana Excise Tax	111,497	86,464	114,012	2,516	2.3 %	27,548	1095.0 %	
State DUI	7,364	6,104	217	(7,147)	(97.1) %	(5,887)	82.4 %	
Fire Insurance Tax	104,661	89,700	114,235	9,574	9.1 %	24,535	256.3 %	
Liquor Excise	313,219	249,017	311,060	(2,159)	(0.7) %	62,044	(2873.9) %	
Liquor Profit	341,600	350,943	339,263	(2,338)	(0.7) %	(11,680)	499.6 %	
Total State Shared:	2,138,925	2,025,616	2,029,781	(109,144)	(5.1) %	4,165	(3.8) %	
YTD Total	\$ 2,600,936	\$ 3,131,695	\$ 2,628,012	\$ 27,076	1.0 %	\$ (503,683)	(16.1) %	



Note: 2020 revenue was higher than normal due to the receipt of \$3.8 million in federal CARES grant money from the Department of Treasury.

Charges for Services consist of general governmental service charges, public safety charges, development service fees, and culture and recreation fees. Total charges for services collected through June 2023 totaled \$5.1 million and were roughly \$500,000, or 10.9%, more than expected to date, mainly due to exceptional performance at the Auburn Golf Course.

Charges for Services by Type Through June 2023							
	2022	2023	2023	2023 vs. 2022 Actual		2023 vs. Budget	
Revenue	YTD Actual	YTD Budget	YTD Actual	Amount	Percentage	Amount	Percentage
General Government	\$ 1,728,339	\$ 2,265,835	\$ 2,225,731	\$ 497,392	28.8 %	\$ (40,104)	(1.8) %
Public Safety	439,528	455,000	551,101	111,573	25.4 %	96,101	21.1 %
Development Services	681,920	562,500	530,435	(151,486)	(22.2) %	(32,065)	(5.7) %
Culture & Recreation	1,413,393	1,295,409	1,770,365	356,973	25.3 %	474,957	36.7 %
YTD Total	\$ 4,263,180	\$ 4,578,744	\$ 5,077,632	\$ 814,452	19.1 %	\$ 498,888	10.9 %

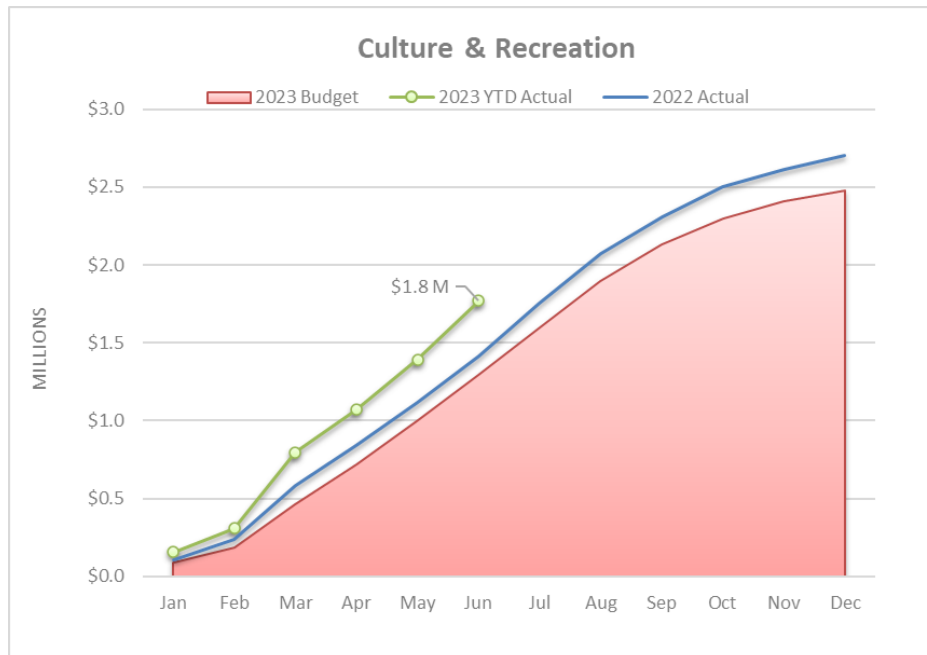
The *General government* revenue category primarily includes the interfund assessment for support departments (Finance, Human Resources and Legal). Operating costs for these departments are charged to the respective General Fund home department and the portion of those costs that provide citywide benefit are recouped from other funds via interfund charges. General Government revenues also include fees for passport services, reimbursement from cities participating in the South King Housing and Homelessness Partners (SKHHP), as well as revenues regarding transportation projects for a salt/sand storage shed. The unfavorable variance of \$40,000 to budget is due to the timing of SKHHP revenues, which are received on a reimbursement basis. Furthermore, the City expects to collect revenues for the salt/sand storage (carried forward from 2022) per an interlocal agreement during the second half of the year, which will mitigate the unfavorable variance through the second quarter.

Public safety revenues mainly consist of revenues for law enforcement services, which are extra duty security services whereby police officers are contracted for, and reimbursement is made by the hiring agency. This category also includes reimbursements from the Muckleshoot Indian Tribe (MIT) for a full-time dedicated police officer and associated expenditures as well as monies collected from the Auburn School District for services rendered. Public safety revenues collected in the second quarter of 2023 totaled \$551,000 and saw a \$112,000 incline from 2022 second quarter totals. Revenues generated from DUI emergency response fees represent \$89,000 or 92.5% of the \$96,000 favorable variance versus the YTD 2023 budget. This is due to a change in the accounting basis on which these revenues are recognized.

Development services fee collections consist primarily of plan check fees, facility extension charges, and zoning and subdivision fees. Through Q2-2023, development service fees collected totaled \$530,500 and were \$32,000 unfavorable to budget expectations. Major contributors to this variance were FAC linear charges (fees assessed on projects that require extension of public facilities). Although FAC linear charges are down year-over-year by \$110,500, this is an effect of the revenue regressing to the mean after an exceptional three-year period of high collections from 2020 through 2022. By comparison, 2023’s collections, while lower than 2022, are still well above the previous average collection for the first quarter. However, plan check fee collections increased during the second quarter overcoming an unfavorable Q1-2023 budget variance and now reports a \$32,000 favorable variance to help offset some of the FAC linear charges.



Most of the *culture and recreation* revenues are derived from green fees and pro shop sales at the Auburn Golf Course, recreational classes, ticket sales at the Auburn Avenue Theater, senior programs, and special events. Overall, culture and recreation revenues exceeded budget by \$475,000, or 36.7%, with nearly 72% of revenues coming from greens fees and recreation classes. Greens fee revenues have increased \$76,500 or 10.8% from the same period last year, and are favorable to budget by \$190,000 due to a 3-4% increase in greens fees and good weather during the spring and summer months. These revenues are projected to continue rising through the summer and taper down in fall as the golfing season slows. Recreation class revenues have increased by \$114,000 or 30.8% from the prior year, and ticket sales for performances held at local school venues (previously held at the Auburn Avenue Theater) have increased by \$50,500 or 234.2%. A portion of the increase is attributable to lower revenues due to COVID-19 restrictions in place during 2022, which have since been removed.

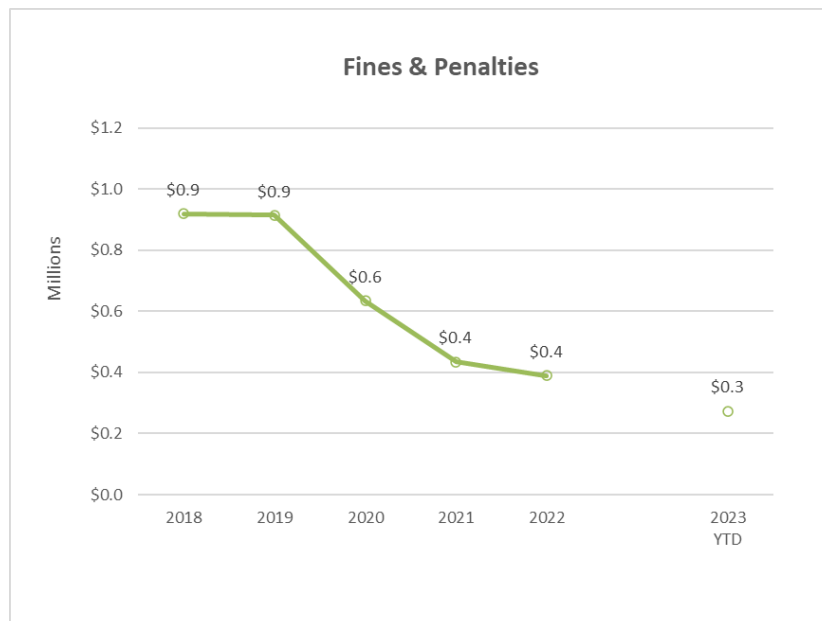


Fines & Penalties include civil penalties (such as code compliance fines), parking and traffic infraction penalties, criminal fines (including criminal traffic, criminal non-traffic, and other criminal offenses) as well as non-court fines such as false alarm fines. The table below shows a detailed breakdown of the different types of fines and penalties collected by the City.

Fines & Penalties by Type Through June 2023							
Month	2022	2023	2023	2023 vs. 2022 Actual		2023 vs. Budget	
	YTD Actual	YTD Budget	YTD Actual	Amount	Percentage	Amount	Percentage
Civil Penalties	\$ 3,937	\$ 9,165	\$ 393	\$ (3,544)	(90.0) %	\$ (8,772)	(95.7) %
Civil Infraction Penalties	63,633	69,500	74,035	10,402	16.3 %	4,535	6.5 %
Photo Enforcement	531	1,700	1,067	536	100.8 %	(633)	N/A %
Parking Infractions	44,383	40,500	98,844	54,461	122.7 %	58,344	144.1 %
Criminal Traffic Misdemeanor	18,708	20,100	13,812	(4,896)	(26.2) %	(6,288)	(31.3) %
Criminal Non-Traffic Fines	18,179	19,800	28,080	9,901	54.5 %	8,280	41.8 %
Criminal Costs	14,601	17,000	7,580	(7,021)	(48.1) %	(9,420)	(55.4) %
Non-Court Fines & Penalties	19,655	38,700	50,249	30,593	155.6 %	11,549	29.8 %
YTD Total	\$ 183,627	\$ 216,465	\$ 274,060	\$ 90,432	49.2 %	\$ 57,594	26.6 %

Total revenues collected through June 2023 totaled \$274,000 as compared to a budget of \$216,500 and were 26.6% above budget expectations. This was primarily due to higher-than-expected collections of fines related to a new photo enforcement program, which are classified as parking infractions. With the implementation of this new program, the City expects significant increases to revenue in this category.

Municipal Court fines and penalties account for 81% of the budgeted revenue in this category, and equally account for 81% of the over collection. As shown in the graph below, annual collections of fines and penalties are experiencing a decreasing trend. The City contracts with the King County Court to operate its municipal court services; the number of hearings, judgements, and collections activity began decreasing in 2019 and has continued to dramatically decrease since that time. Initially, the decreasing fines collected via the Court was partially offset by an increase in false alarm fees.



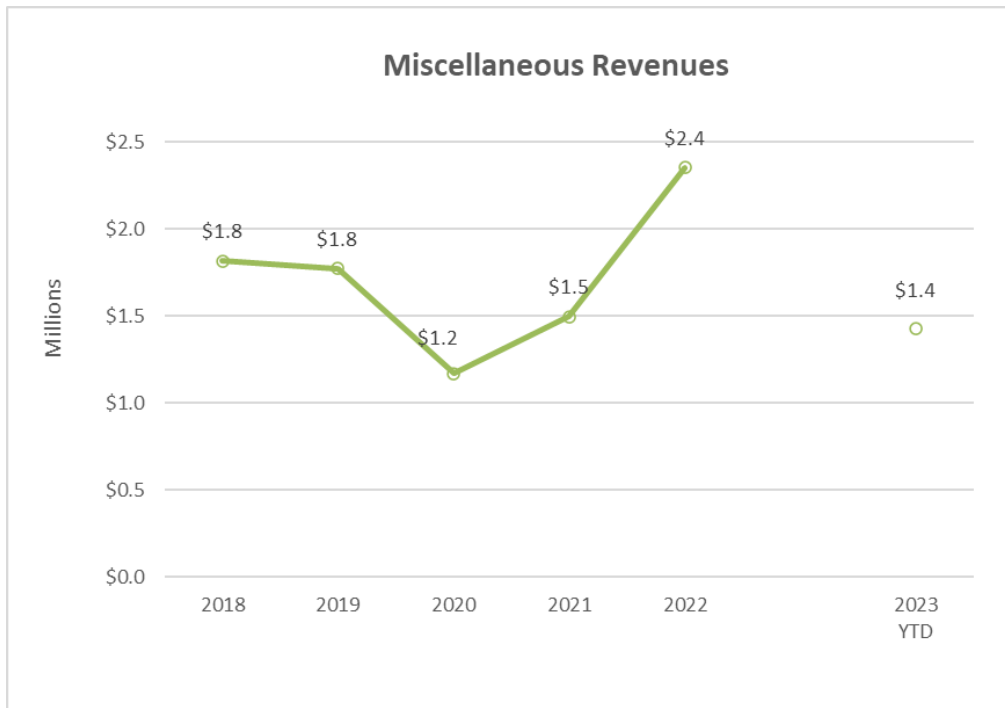
Miscellaneous Revenues consist of investment earnings, income from facility rentals, revenue collected for golf cart rentals at the Auburn Golf Course, contributions and donations, and other income including the quarterly purchasing card (P-card) rebate monies. A breakdown of the most significant miscellaneous revenue categories are listed in the table below.

Miscellaneous Revenues by Type Through June 2023							
Month	2022 YTD Actual	2023 YTD Budget	2023 YTD Actual	2023 vs. 2022 Actual		2023 vs. Budget	
				Amount	Percentage	Amount	Percentage
Interest & Investments	\$ 156,679	\$ 183,350	\$ 541,990	\$ 385,311	245.9 %	\$ 358,640	195.6 %
Rents & Leases	537,347	462,300	617,461	80,114	14.9 %	155,161	33.6 %
Contributions & Donations	7,654	3,629	4,164	(3,490)	(45.6) %	535	14.7 %
Other Miscellaneous Revenue	365,020	144,700	261,987	(103,033)	(28.2) %	117,288	81.1 %
YTD Total	\$ 1,066,699	\$ 793,978	\$ 1,425,602	\$ 358,902	33.6 %	\$ 631,624	79.6 %

Revenues collected YTD 2023 in this category totaled \$1.4 million and were \$632,000 favorable to budget. The majority of the favorable variance to budget was in the interest and investments category, with the City already surpassing the annual budgeted total through the second quarter.

The “other” miscellaneous revenue category, while \$103,000 less than the same timeframe last year, was nonetheless favorable to the 2023 year-to-date budget by \$117,250. This category includes \$52,100 in revenue related to a national opioid settlement distribution program in the first quarter. Furthermore, through the second quarter, the quarterly P-card rebates have totaled \$62,000 or 24% of the total “other” miscellaneous revenue.

The rents and leases category includes prepayments for facility rentals. During the second quarter, we saw an influx of facility rentals, which coincides with prior years as the weather generally becomes more favorable for gatherings. The increase in revenue brings the YTD 2023 total to \$617,500 resulting in a \$155,000 or 33.6% favorable variance to budget expectations.



OTHER FUNDS

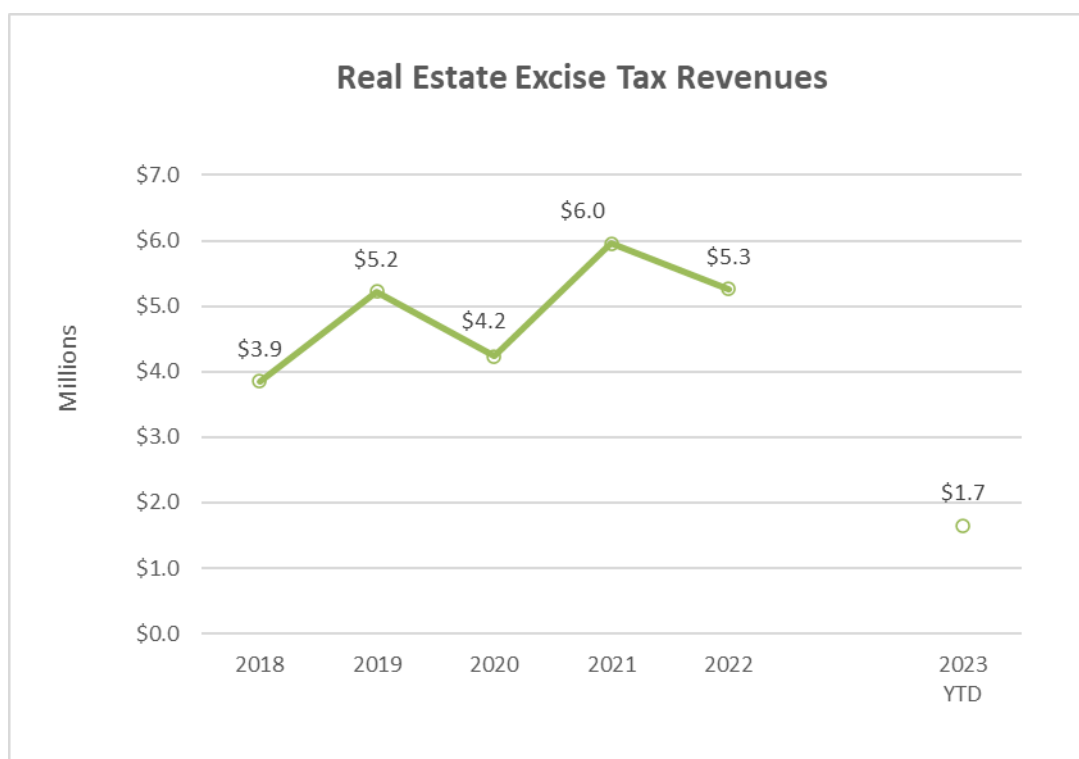
Real Estate Excise Tax (REET) revenues are taxes on the sale of both commercial properties and single-family residences. These collections are received into the Capital Improvement Projects Fund and used for governmental capital projects.

REET revenues collected year-to-date in 2023 total \$1.7 million which is \$603,000 or 36.4% favorable to budget expectations. However, as reflected in the table below, REET revenues collected were significantly lower (47.1%) than in 2022. Continued borrowing rate increases and slower housing markets contribute to the decreased revenues during this period. However, the City anticipates continued growth in REET revenues as property values on new and existing homes increase.



Shown in the table below, REET collections have been lower in each month of 2023 than their counterparts in 2022. In context, 2022 saw the highest collection of REET revenue through the second quarter since 2015, largely due to high-value purchases made by Pepsi Beverages Company, Holiday Inn Express, and a large land purchase made by an investment group. Lower REET collections in 2023 represent a cooling market as interest rates increased dramatically after a period of low interest rates and historic inflation.

Real Estate Excise Tax Revenues Through June 2023							
Month	2022 Actual	2023 Budget	2023 Actual	2023 vs. 2022 Actual		2023 vs. Budget	
				Amount	Percentage	Amount	Percentage
1	\$ 235,988	\$ 112,068	\$ 231,316	\$ (4,672)	(2.0) %	\$ 119,248	51.6 %
2	320,851	112,249	229,810	(91,041)	(28.4) %	117,561	51.2 %
3	855,713	254,131	335,109	(520,604)	(60.8) %	80,978	24.2 %
4	530,857	182,134	470,605	(60,253)	(11.4) %	288,471	61.3 %
5	710,134	208,433	100,896	(609,238)	(85.8) %	(107,537)	(106.6) %
6	479,225	184,014	288,285	(190,941)	(39.8) %	104,271	36.2 %
7	331,971	177,876					
8	497,294	215,051					
9	587,492	304,681					
10	316,404	141,042					
11	202,461	134,581					
12	191,104	202,039					
YTD Total	\$ 3,132,769	\$ 1,053,030	\$ 1,656,021	\$ (1,476,748)	-47.1%	\$ 602,991	36.4%



American Rescue Plan Act (ARPA) Fund

In March 2021, the American Rescue Plan Act (ARPA) was signed into law, with the intent of mitigating the economic impacts related to COVID-19. Through ARPA’s State and Local Government Fiscal Recovery Fund program, the City was allocated \$14.75 million in funding. Council approved the City’s acceptance of ARPA funds in Resolution #5608, and the general spending categories of those funds (as determined by a Council ad hoc committee) in Ordinance #6832.

The City’s plan for using ARPA funding is to mitigate the cost of providing public safety services throughout the City. Since receiving the funding, the City has been able to offset \$9.6 million in public safety expenditures, as shown in the table below and reported to the Department of the Treasury.

ARPA FUNDING STATUS	
Total ARPA Funding Received	14,751,232
ARPA Funding Used to Mitigate Public Safety Costs	9,602,484
ARPA Funding Remaining	5,148,748

As a result of the cost mitigation provided by the ARPA funding, the City has been able to allocate General Fund funding toward projects approved by the Council ad hoc committee. As of June 30, 2023, the City has been able to spend \$825,000 year-to-date and \$3.5 million since 2021 on the following projects:

Title	Budget	2023 Lifetime Spend		
		Q2 Spend	(includes this quarter)	Remaining
Completed Projects	1,450,000	-	1,668,601	-
Body Cameras	586,400	-	550,325	36,075
Vaccination Incentive Program	47,500	-	34,980	12,520
Neighborhood Street Light Program	500,000	38,598	41,497	458,503
Human Services Grants includes admin	1,000,000	131,312	186,773	813,227
Dykstra Foot Bridge	400,000	-	10,357	389,643
Minor Improvements to Qualifying Neighborhood Parks	100,000	-	28,626	71,374
Limited Term Employee (LTE): Grants Coordinator	420,000	-	118,729	301,271
Paving Gravel Roads	636,866	2,391	21,646	615,220
Translation Services	75,000	469	1,685	73,315
Auburn Way South Median Landscape Replanting/Irrigation	50,000	-	40,187	9,814
Auburn Way South Roundabout	150,000	478	507	149,493
Emergency Housing Voucher Program	2,000,000	63,842	97,330	1,902,670
Encampment Cleanup	500,000	265,499	341,907	158,093
Downtown sidewalk replacement on Main Street and B Street Plaza surface replacement	1,643,266	5,530	17,655	1,625,611
Broadband grants to hardest hit communities	180,000	1,686	139,504	40,496
Community violence intervention programs (drone, SPIDR Tech)	313,600	2,184	210,015	103,585
Arts Culture Center Renovations	100,000	-	-	100,000
Signing bonuses for lateral hires	200,000	11,051	87,759	112,241
Other Projects (not started)	4,180,000	-	-	4,180,000
Total:	14,751,232	523,041	3,598,083	11,153,149

The *Neighborhood Parks Improvement* project will be able to make minor improvements in qualifying neighborhood parks. Numerous parks in our low-income census tracts are in need of modernization that will assist in getting these community members outdoors and experiencing a better quality of life. To date this project has spent \$28,626 which provided new fencing around Forest Villa Tot Lot. The City plans to start building a new playground in the near future.

The *Encampment Cleanup* project provides two service contracts that began in 2023; one contract provides continued cleanup of garbage and debris related to encampments and other illegal dumping on City-owned properties and rights of way (ROW), while the secondary contract focuses specifically on encampment trash cleanup. To date, the project has spent \$299,140 with \$200,860 remaining.

Beginning in 2023, the *Clean and Sober Housing Program* is budgeted at \$2 million over the life of the program. This program is to assist residents of Auburn who are experiencing homelessness and drug addiction and who are willing to enroll in and complete inpatient treatment. The program will cover the costs of clean and sober housing of participants for up to three years, provided the participant follows the clean and sober housing agreement. Total project spend through Q2-2023 is \$78,042.

The *Broadband Network to Hardest Hit Communities* project allows the City to expand the City's broadband network capabilities for all residents, visitors, and city employees to utilize. The IT department has acquired all necessary hardware and software related to the broadband/Wi-Fi replacement and expansion. Total spent in Q2-2023 was \$1,686 bringing the accumulated project total to \$139,504. All replacement of existing hardware has been completed. The expansion is estimated to begin during Q4-2023.

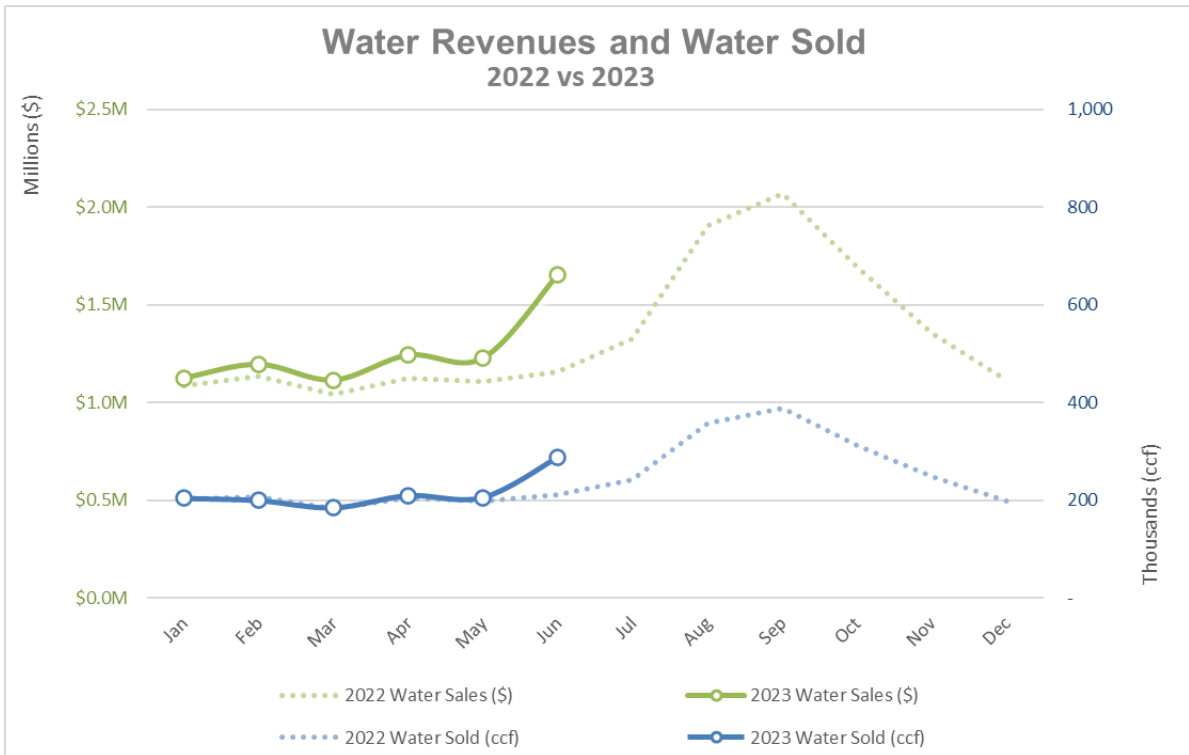
Utility Enterprise Funds

Utility activities are divided between operating funds and capital sub-funds. Operating funds house all the operating costs along with debt service and financing obligations. Capital funds show costs associated with capital acquisition and construction. Both the operating and capital funds have a working capital balance, which is equivalent to current assets minus current liabilities. This approach isolates those funds available for capital and cash flow needs for daily operations, and project managers will know exactly how much working capital is available for current and planned projects.

Through June 2023, the **Water Utility** had operating income of \$1.98 million (operating revenues less operating expenditures), approximately \$467,000 above the same period last year. Water Fund operating revenues were \$1.2 million or 17.8% higher than Q2-2022; the majority of this variance was due to higher revenues from water sales (\$935,000) and interest earnings (\$297,000). As previously mentioned, this increase in interest earnings is due to an increase in the City's cash and investments balances.

Operating expenditures also increased by \$753,000, due in roughly equal measure to increases in personnel costs, interfund allocations and utility taxes.

Billable water consumption through June 2023 totaled 1.29 million hundred cubic feet (ccf), approximately 83,600 ccf higher than consumption volume through Q2-2022. Consumption increased across every customer class compared to Q2-2022, with the largest increases by both volume and revenue amount occurring in irrigation and single-family accounts.



Through the second quarter of 2023, the **Sewer Utility** finished with operating income of \$2.1 million as compared to \$706,000 through the same period last year. Operating revenues were up \$597,000 or 12.6% from the same period last year due to stronger performance in charges for City sewer service and higher interest earnings. Interest earnings increased from \$17,000 through Q2-2022 to \$280,000 through Q2-2023 due to higher cash and investment balance and higher interest rates.

Operating expenses were down \$761,000 due to decreased in expense related to interfund utility taxes. As discussed on pages 7-8, the City is no longer applying this tax to the pass-through King County Metro revenue. This, combined with lower interfund charges, more than offset increases in personnel costs and supplies, resulting in overall lower expenses compared to last year.

Through June 2023, the **Stormwater Utility** had operating income of \$1.6 million compared with \$1.3 million in the same period last year. Operating revenues were up \$737,000 compared to last year due to charges for City storm service and interest earnings. Interest earnings increased from \$23,600 through Q2-2022 to \$328,800,000 through Q2-2023. As most Stormwater service charges are based on a flat rate, there are not typically significant fluctuations in this revenue.

Operating expenditures in the Stormwater Utility were up \$482,000 in the first half of the year compared to the same period last year. This increase is mainly due to higher personnel and interfund allocation costs.

The **Solid Waste Utility** finished the second quarter with an operating loss of \$569,000. While operating revenues were up by \$2.4 million compared to Q2-2023 due to stronger performance in charges for solid waste service, operating expenses were up by \$3.4 million. This increase was due to increased interfund utility tax payments, payments to the City’s solid waste vendor Waste Management, and a payment of \$530,000 of B&O tax to the Department of Revenue.

Internal Service Funds

Operating expenditures within the **Insurance** Fund represent the premium cost pool that will be allocated monthly to other City funds over the course of the year. As a result, the expenditure balance gradually diminishes each month throughout the year.

No significant variances are reported in the **Workers' Compensation, Facilities, Innovation & Technology**, or **Equipment Rental** Funds.

Contact Information

This report is prepared by the Finance Department. Additional financial information can also be viewed at our website: <http://www.auburnwa.gov/>. For any questions about this report please contact Jamie Thomas at jdthomas@auburnwa.gov.

City of Auburn 2nd Quarter 2023 Financial Report

CITY COUNCIL STUDY SESSION

SEPTEMBER 11, 2023

General Fund Revenue Overview

Summary

- Collected 13% more revenue YTD compared to budget and 25% more than YTD last year
- Underspent the YTD budgeted expenditures by 11% and have spent 13% more compared to YTD last year

Revenue	2022 YTD Actual	2023 YTD Budget	2023 YTD Actual	Variance to Budget Favorable (Unfavorable)	%	Variance to 2022 Favorable (Unfavorable)	%
Property Tax	\$ 12,627,152	\$ 12,551,800	\$ 12,841,702	\$ 289,902		\$ 214,550	
Sales Tax	11,184,579	9,933,500	11,289,585	1,356,085		105,006	
Utility Tax	7,156,568	7,476,594	7,244,520	(232,074)		87,952	
B&O Tax	568,689	4,110,720	5,160,718	1,049,998		4,592,029	
Other Tax	2,377,718	2,130,536	2,558,710	428,174		180,992	
Licenses and Permits	1,150,205	1,295,100	1,348,504	53,404		198,299	
Intergovernmental	2,600,936	3,131,695	2,628,012	(503,683)		27,076	
Charges for Services	4,263,180	4,578,744	5,077,632	498,888		814,452	
Other	1,340,986	1,041,693	1,905,685	863,992		564,699	
Transfers In	818,861	2,433,602	5,159,722	2,726,120		4,340,861	
Total Revenue	\$ 44,088,874	\$ 48,683,984	\$ 55,214,790	\$ 6,530,806	13%	\$ 11,125,916	25%
Total Expenditures	\$ 38,448,944	\$ 48,747,495	\$ 43,503,681	\$ 5,243,814	11%	\$ (5,054,737)	-13%

Tax Revenue

2023 budgeted taxes account for \$68.8 million, or 75% of the General Fund budget

Property Tax (35% of taxes)

- \$24 million 2023 budget
- Expected to collect 100% of the budget by year-end

Retail Sales and Use Tax (30% of taxes)

- \$20.3 million 2023 budget
- **\$105,000 (1%) over** prior YTD actual
- **\$1.4 million (14%) over** YTD budget

Tax Revenue

Comparison of Retail Sales Tax Collections by Group Through June 2023				
Component Group	2022 YTD Actual	2023 YTD Actual	Change from 2022	
			Amount	Percentage
Construction	\$ 1,372,433	\$ 1,426,126	\$ 53,693	3.9 %
Manufacturing	484,023	278,890	(205,133)	(42.4) %
Transportation & Warehousing	136,358	117,422	(18,937)	(13.9) %
Wholesale Trade	725,599	825,585	99,986	13.8 %
Automotive	2,281,327	2,399,616	118,289	5.2 %
Retail Trade	3,277,070	3,265,511	(11,559)	(0.4) %
Services	2,615,432	2,697,575	82,143	3.1 %
Miscellaneous	174,471	165,446	(9,025)	(5.2) %
YTD Total	\$ 11,066,712	\$ 11,176,169	\$ 109,457	1.0 %

Construction: Completion of several large projects in 2022 led to lower Jan. and Feb. figures, offset by an average monthly increase of 9.2% in March - June (January – April activity).

Manufacturing: a DOR correction January 2022 accounted for an inflated Q1 2022 and 100% of the \$205k decrease.

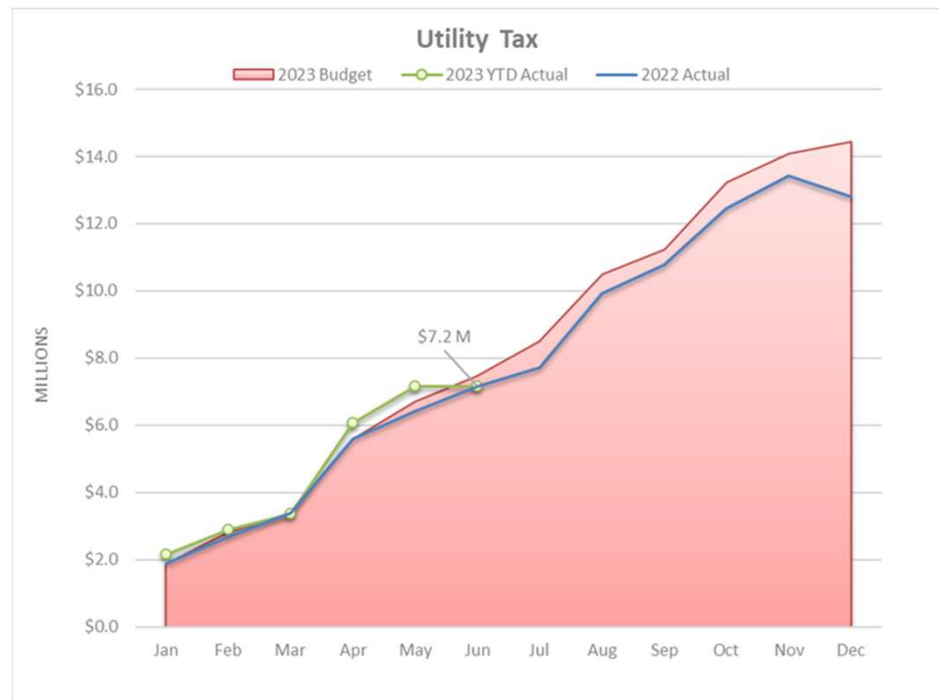
Transportation & Warehousing: The \$19k decrease is entirely attributed to couriers and messengers.

Services: telecommunications, car/equipment rentals and leasing, restaurants, and fitness centers

Tax Revenue

Utility Tax (21% of taxes)

- \$14.4 million 2023 budget
 - Water, Sewer, Storm, Solid Waste Utility Tax rate 9% (\$6.8 million of total budget)
 - Electric, Natural Gas, Cable, and Telephone Utility Tax rate 5% (\$7.6 million of total budget)
- **\$232,000 (3%) under** budget
 - Higher than expected natural gas and cable tax collected
- **\$88,000 (1%) over** prior year
 - Lower than expected City Utility tax, offset by higher natural gas collections



Tax Revenue

Business and Occupation Tax (B&O) (8% of total taxes)

- \$5.5 million 2023 budget
- \$5.2 million collected YTD
 - \$3.8m in gross receipts tax
 - \$1.4 million in square foot tax
 - Includes Q4 2022, Q1 2023, and 2022 Annual Filings
- **\$1 million (26%)** over YTD budget

Other Taxes (8% of total taxes)

- \$4.4 million budgeted
- Criminal justice sales tax, admissions tax, gambling tax, leasehold excise tax, franchise fees
- **\$428,000 (20%) over** 2023 YTD budget
- **\$181,000 (8%) over** 2022 YTD collections
- Both variances are due to higher sales tax collections offset by the timing of the collection of cable franchise fees

Licenses and Permits

Accounts for 3% of the total General Fund Resources

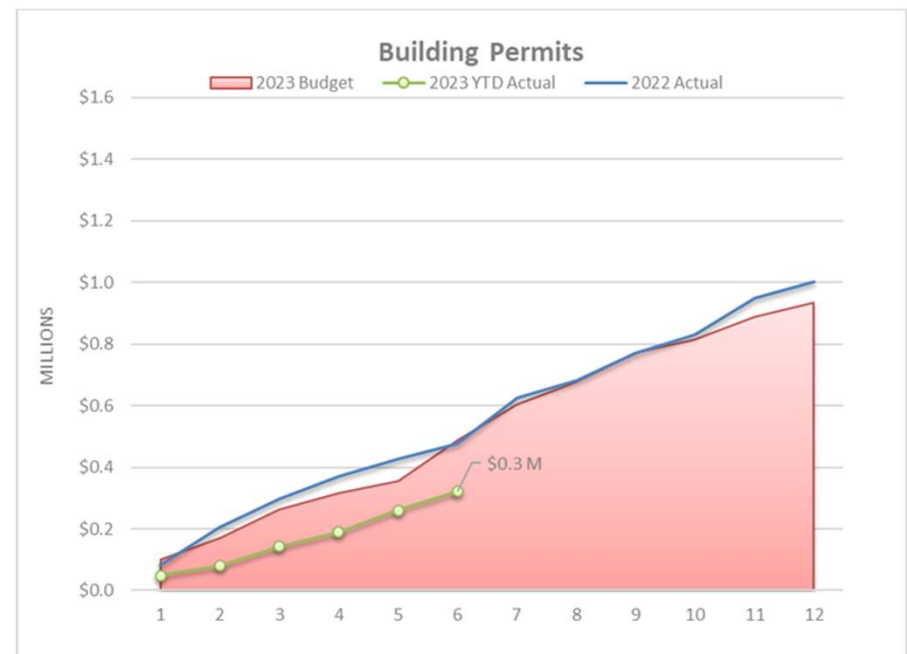
\$2.5 million budgeted in 2023

- Most all of this (\$2.0 million is related to building permits)

\$53,000 (4%) over budget

\$198,000 (17%) over prior year

- Entirely attributed to a \$205,000 YTD increase in business license revenue and a \$155,000 decrease in YTD building permit
- Total building permits issued YTD 2023 exceeded 2022 by 23% but total value of permit has decreased by 26%



Intergovernmental

Revenues include: Federal/State/Interlocal Grants, Muckleshoot Indian Tribe (MIT) Compact, State Shared Revenue

- State Shared Revenue:
 - Streamlined Sales Tax, Motor Vehicle Excise Tax (MVET), Marijuana/Liquor excise taxes, Criminal Justice Sales Tax

\$504,000 (16%) under 2023 YTD budget

- Timing of contribution payment from the MIT compact, collection of grants, and Streamlined Sales Tax Mitigation reductions

\$27,000 (1%) over 2022 YTD collections

- Streamlined Sales Tax Mitigation reductions offset by a increases in other State Shared revenue

Charges for Services

General Government - **\$40,000 below** budget (2%)

- Timing of SKHHP Payments – Reimbursement basis

Public Safety - **\$96,000 above** budget (21%)

- Reimbursement for law enforcement services provided for private business
- Reimbursement for officers at the Auburn School District and Muckleshoot Contract
- Collected more DUI emergency response fees than budgeted

Development Services - **\$32,000 below** budget (6%)

- Plan check fees, facility extension charges, zoning and subdivision fees
- Primary drivers for this is tied to the permitting activity

Culture and Recreation - **\$475,000 above** budget (37%)

- Green fees and pro shop sales account for 40% of the total increase due to green fee increases
- Recreation Classes and Special Events account for the remaining 60% of the favorable performance over budget

General Fund Expenditures by Department

Department	2022 YTD	2023 YTD	2023 YTD	Budget vs Actual	
	Actual	Budget	Actual	\$	%
Council, Mayor, Admin	1,276,235	1,364,200	1,365,505	(1,305)	0%
Diversity, Equity and Inclusion	-	352,800	205,390	147,410	42%
Municipal Court	428,751	478,519	537,758	(59,239)	-12%
Community Development	2,976,302	4,056,000	3,664,325	391,675	10%
Housing and Homelessness Outreach*	544,575	1,502,534	908,355	594,179	40%
Public Works	1,734,678	2,303,000	2,146,293	156,707	7%
Streets (M&O)	1,815,652	2,332,900	1,948,396	384,504	16%
Parks, Art, and Recreation	6,562,370	7,236,000	7,341,589	(105,589)	-1%
Police	15,581,950	17,582,600	16,447,457	1,135,143	6%
SCORE	2,023,815	2,800,200	2,519,519	280,681	10%
Internal Services (HR, Finance, Legal, Nondepartment)	5,504,615	8,738,743	6,419,095	2,319,648	27%
Total	\$ 38,448,943	\$ 48,747,495	\$ 43,503,682	\$ 5,243,813	11%

ARPA Update

Title	Budget	2023		
		Q2 Spend	Lifetime Spend (includes this quarter)	Remaining
Completed Projects	1,450,000	-	1,668,601	-
Body Cameras	586,400	-	550,325	36,075
Vaccination Incentive Program	47,500	-	34,980	12,520
Neighborhood Street Light Program	500,000	38,598	41,497	458,503
Human Services Grants includes admin	1,000,000	131,312	186,773	813,227
Dykstra Foot Bridge	400,000	-	10,357	389,643
Minor Improvements to Qualifying Neighborhood Parks	100,000	-	28,626	71,374
Limited Term Employee (LTE): Grants Coordinator	420,000	-	118,729	301,271
Paving Gravel Roads	636,866	2,391	21,646	615,220
Translation Services	75,000	469	1,685	73,315
Auburn Way South Median Landscape Replanting/Irrigation	50,000	-	40,187	9,814
Auburn Way South Roundabout	150,000	478	507	149,493
Emergency Housing Voucher Program	2,000,000	63,842	97,330	1,902,670
Encampment Cleanup	500,000	265,499	341,907	158,093
Downtown sidewalk replacement on Main Street and B Street Plaza surface replacement	1,643,266	5,530	17,655	1,625,611
Broadband grants to hardest hit communities	180,000	1,686	139,504	40,496
Community violence intervention programs (drone, SPIDR Tech)	313,600	2,184	210,015	103,585
Arts Culture Center Renovations	100,000	-	-	100,000
Signing bonuses for lateral hires	200,000	11,051	87,759	112,241
Other Projects (not started)	4,180,000	-	-	4,180,000
Total:	14,751,232	523,041	3,598,083	11,153,149

Non-General Fund Highlights – Capital

Real Estate Excise Tax (REET)
YTD Collections: \$1.7 million
\$1.5 million less prior year
\$603,000 over YTD budget



Questions
