

2017 REVENUE MANUAL

This Revenue Manual includes:

- 2013 – 2015 actual results
- 2016 actual results (unaudited)
- 2017 amended budget (through Council Approved Budget Amendment #1 and March Mayor Debit/Credit).

April 2017

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 (2013-2016) and forecasted (2017) performance of each revenue source.

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

Sincerely,

A handwritten signature in blue ink that reads "Shelley Coleman". The signature is written in a cursive, flowing style.

Shelley Coleman, Finance Director

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Introduction

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

The **General Fund** is the City's largest fund and is used to account for the majority of City resources. Approximately three-quarters of the City's General Fund revenues are derived from three sources: property taxes (approximately 31%); sales and use tax (approximately 31%); and utility taxes (approximately 18%). 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:

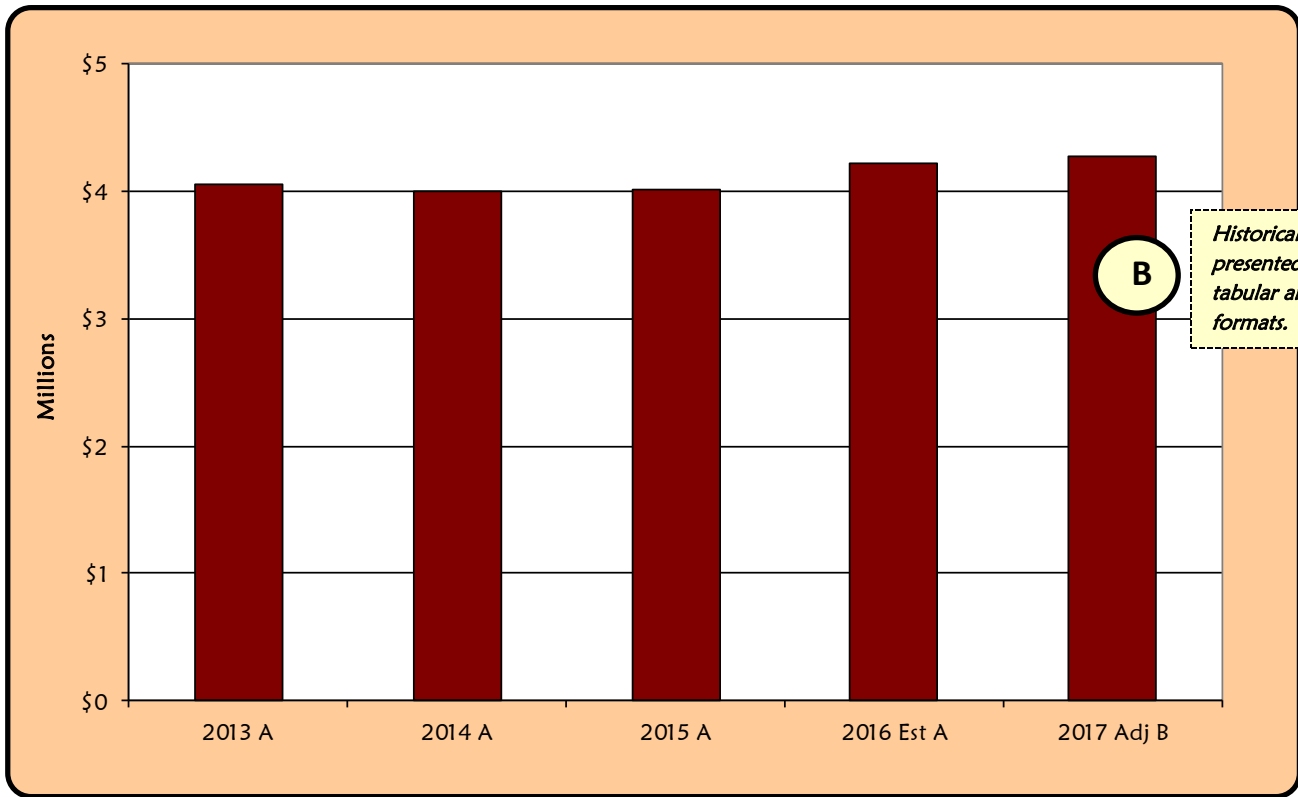
REVENUE: ELECTRIC UTILITY TAX

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

HISTORICAL DATA:

<i>General Fund and Fund 105</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Total	\$ 4,059,276	\$ 3,997,291	\$ 4,011,835	\$ 4,218,540	\$ 4,272,000

A Revenue source and description.



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 – 2017 Adjusted Budget

	Page Number	2017 Adjusted Budget	
TAXES			
Property	8	\$ 20,777,000	13.4%
Sales & Use	11	20,742,500	13.4%
Cable TV	15	2,232,000	1.4%
City Utility	16	4,303,600	2.8%
Electric Utility	17	4,272,000	2.7%
Natural Gas Utility	18	1,553,200	1.0%
Solid Waste - External Utility	19	139,400	0.1%
Telephone Utility	20	1,742,200	1.1%
Admissions	21	317,000	0.2%
Gambling	22	300,300	0.2%
Hotel/Motel Excise	24	110,000	0.1%
Leasehold Excise	25	40,000	0.0%
Real Estate Excise Tax (REET)	26	2,800,000	1.8%
Sub-Total		\$ 59,329,200	
LICENSES, PERMITS AND OTHER FEES/CHARGES			
Business Licenses	29	\$ 277,100	0.2%
Mitigation/Impact Fees	30	1,512,000	1.0%
Park Fees	31	2,330,780	1.5%
Permit Fees	32	1,989,000	1.3%
Animal Licenses	33	127,600	0.1%
Planning and Development Fees	34	1,007,600	0.6%
Sub-Total		\$ 7,244,080	
INTERGOVERNMENTAL REVENUES			
Law Enforcement Services	36	\$ 645,500	0.4%
Criminal Justice Sales Tax	37	308,000	0.2%
Federal/State/Local Grants	38	15,904,473	10.2%
Liquor Excise & Profits	39	1,011,000	0.7%
Marijuana Excise Tax	40	34,000	0.0%
Motor Vehicle Fuel Tax	41	1,811,600	1.2%
Muckleshoot Casino	42	650,000	0.4%
Streamlined Sales Tax	43	1,907,700	1.2%
Sub-Total		\$ 22,272,273	
FINES, PENALTIES AND OTHER REVENUES			
Fines and Penalties	45	\$ 897,800	0.6%
Fire Insurance Premiums	46	75,000	0.0%
Investment Income	47	228,332	0.1%
Rental Income	48	787,490	0.5%
Sub-Total		\$ 1,988,622	
ENTERPRISE FUND REVENUES			
Airport	50	\$ 810,800	0.5%
Cemetery	51	962,500	0.6%
Water Utility	52	14,780,511	9.5%
Sewer Utility	53	25,339,931	16.3%
Storm Drainage Utility	54	9,242,676	5.9%
Solid Waste Utility	55	13,383,900	8.6%
Sub-Total		\$ 64,520,318	
Grand Total		\$155,354,493	

Taxes

REVENUE:

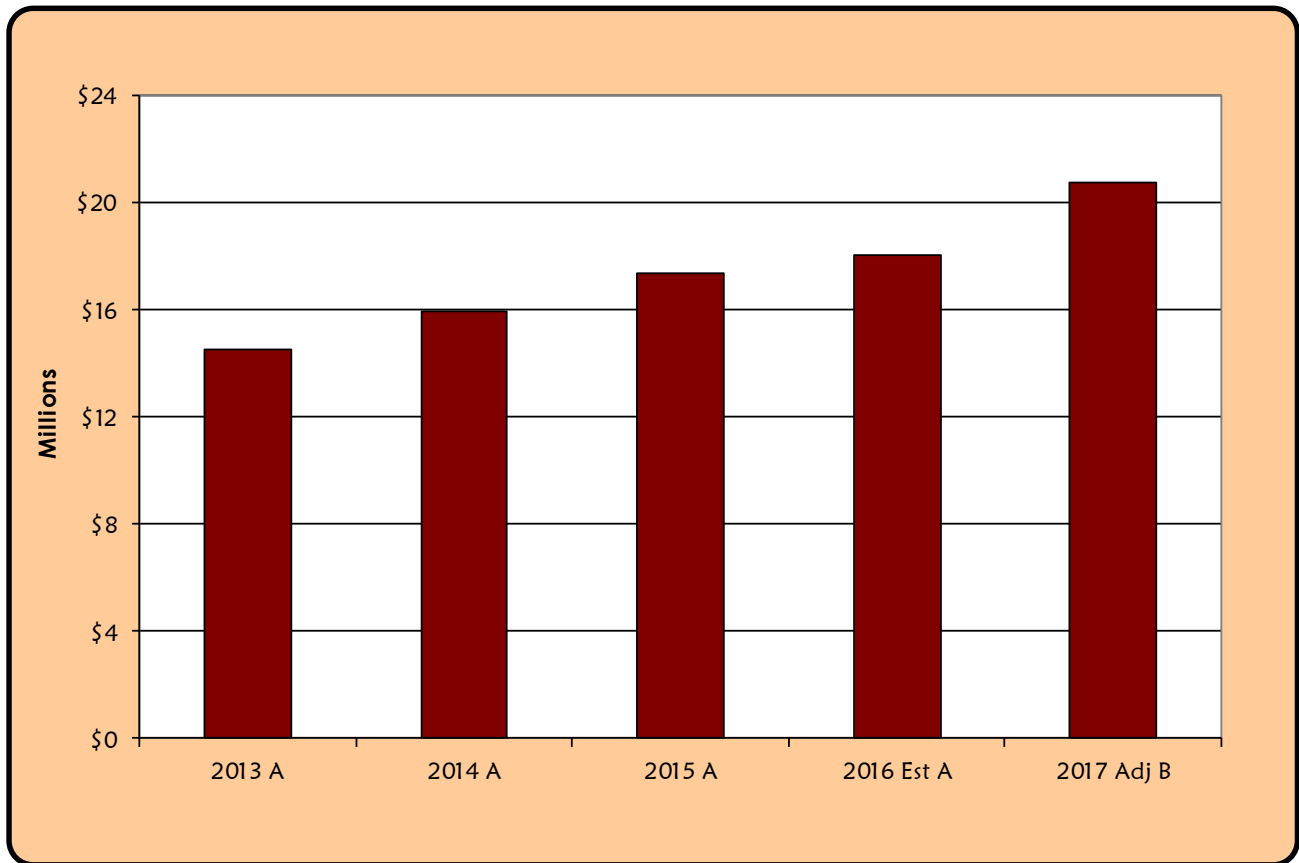
PROPERTY TAX

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>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Total Property Tax	\$ 14,535,673	\$ 15,933,338	\$ 17,337,108	\$ 18,067,324	\$ 20,777,000
Total Assessed Value (in 000's)	\$ 6,911,112	\$ 7,422,169	\$ 8,366,653	\$ 8,967,119	\$ 9,555,039
City Levy Rate per \$1,000 of AV	\$ 2.10	\$ 2.17	\$ 2.08	\$ 2.05	\$ 2.20



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.

	2015	2016	2017
Direct regular and special levies			
City of Auburn [a]	\$2.08085	\$2.04719	\$2.19668
Overlapping regular and special levies			
Auburn School District	6.14079	5.82831	6.74299
King County	1.34522	1.48027	1.38294
State of Washington	2.28514	2.16898	2.03205
Port of Seattle	0.18885	0.16954	0.15334
Emergency Medical Services	0.30217	0.28235	0.26305
Hospital District	0.50000	0.50000	0.50089
King County Library District	0.50276	0.47714	0.45118
Valley Regional Fire Authority	1.18043	1.13495	1.06821
King County Flood Zone	0.13860	0.12980	0.11740
King County Ferry District	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>
Subtotal – overlapping levies	\$12.58396	\$12.17134	\$12.71205
Total	\$14.66481	\$14.21853	\$14.90873

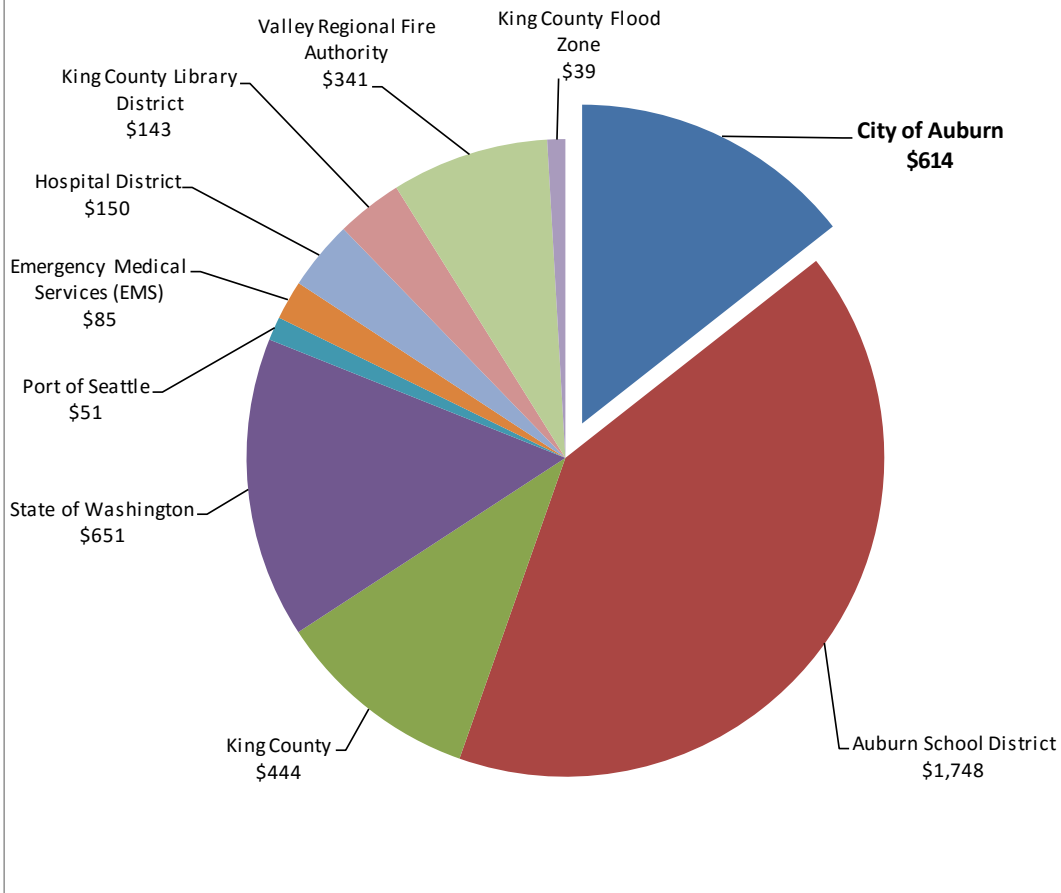
Source: King and Pierce County Department of Assessments

[a] The maximum City levy rate is \$2.50270. Rates are expressed in dollars per \$1,000 of assessed value (AV).



Property Tax Levied on a \$300,000 Home - 2017

Where it Goes



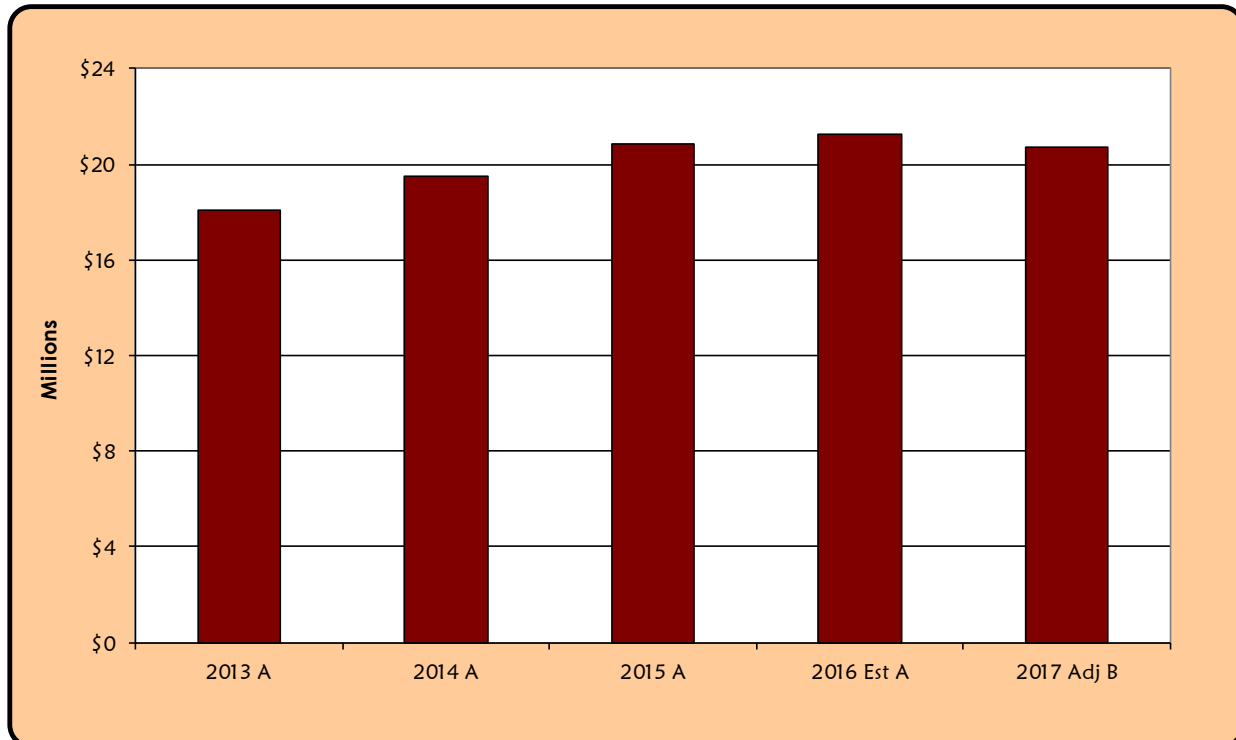
REVENUE: SALES AND USE TAX

DESCRIPTION: Revenue from sales taxes is used to support general City services and local street repair and maintenance. The sales tax rate for the City of Auburn is 10.0% in the King County section of the City, and 9.9% in the Pierce County section of the City. The following table provides a breakdown of the sales tax rate.

	<u>King County</u>	<u>Pierce County</u>
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:

<i>General Fund, Fund 103 and Fund 231</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Sales & Use Tax	\$ 14,572,991	\$ 15,732,971	\$ 16,817,008	\$ 17,036,135	\$ 16,571,000
Sales Tax Credit for Annexation	1,694,630	1,836,391	1,988,523	2,006,028	2,032,100
Criminal Justice Sales Tax	1,516,946	1,658,228	1,815,833	1,968,679	1,889,400
LRF Sales Tax Credit	277,292	241,767	255,695	240,593	250,000
Total	\$ 18,061,858	\$ 19,469,356	\$ 20,877,060	\$ 21,251,435	\$ 20,742,500

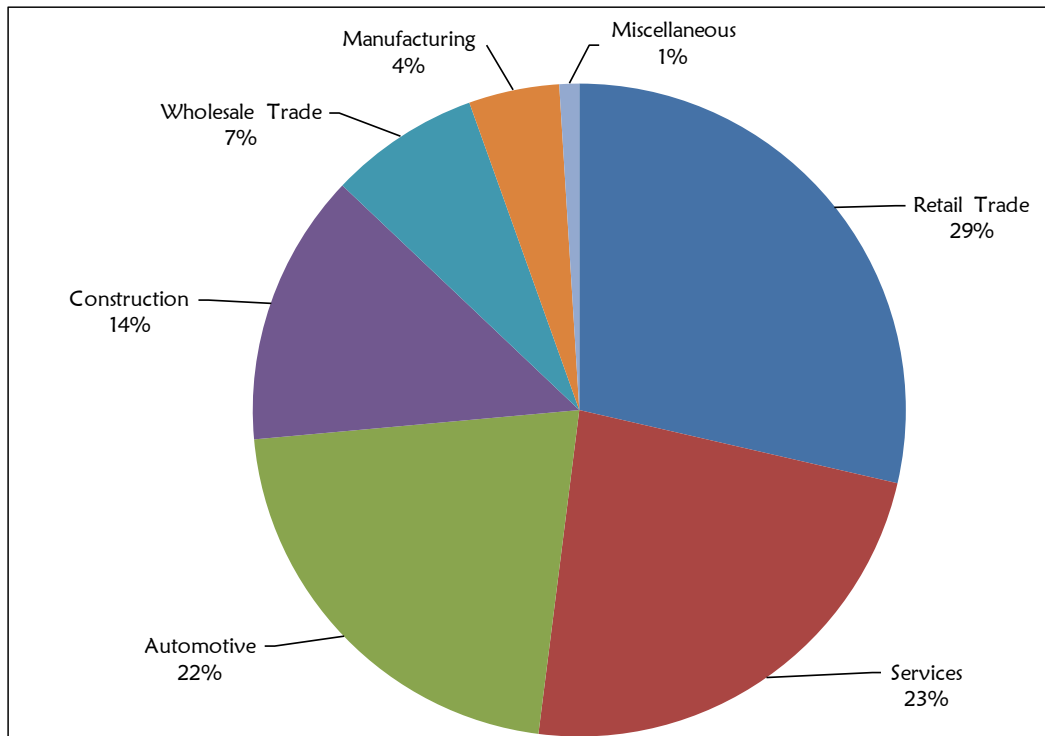


BASE: This tax is imposed on all personal and business purchases of tangible property.

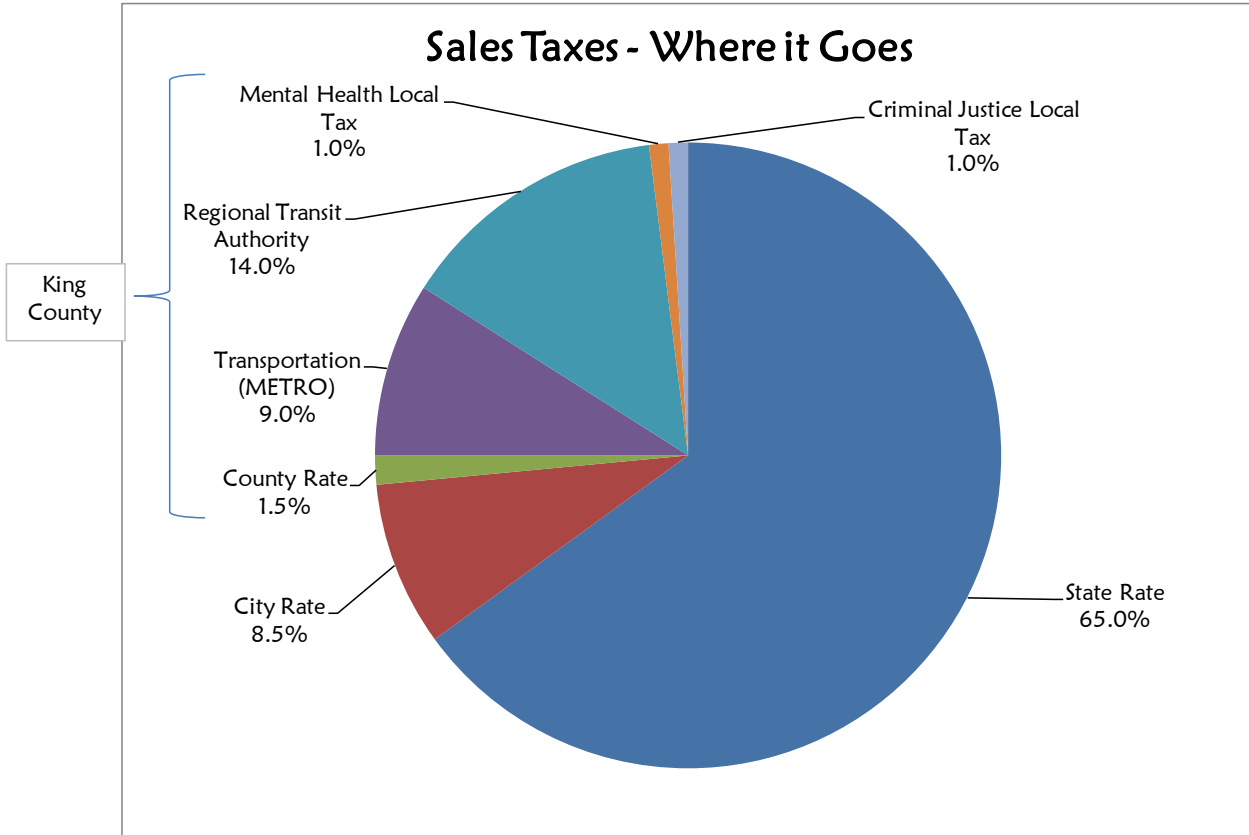
AUBURN CITY CODE: 3.60.010: Authorizes the tax.

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

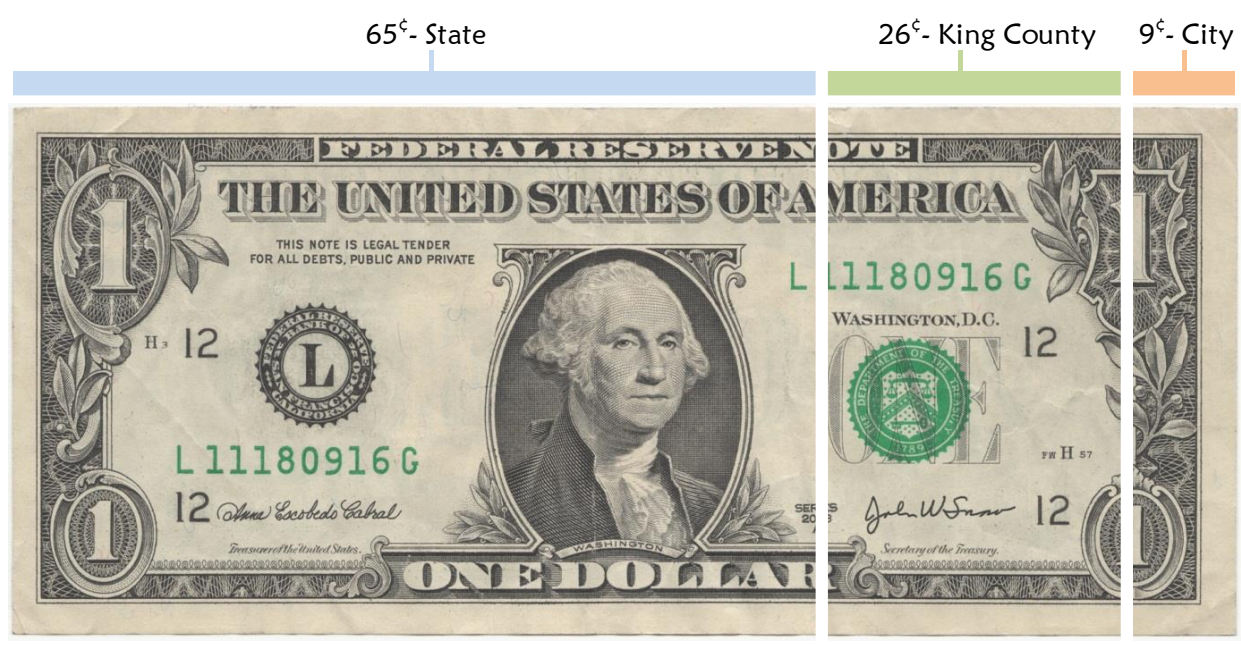
CITY ECONOMIC PROFILE: The City has a diverse economy with approximately half of the City’s sales taxes derived from retail activity and automotive dealers. The following pie chart illustrates the major sources for the City’s retail sales and use taxes for the latest 12 month period ending December 2016.



Sales Taxes - Where it Goes



Where Your 2017 Sales Tax Dollars Go



Summary of Utility and Other Tax Rates

Tax	Maximum Allowable under State Law	Current Authorized under City Code	Auburn City Code
Cable TV Utility Tax	6.0%	6.0%	3.42
Cable TV Franchise Fee	5.0%	5.0%	13.36.230
City Utility Taxes (Water, Sewer, Storm, Solid Waste)	No limit.	7.0%	3.40.020 3.41.020 (Solid Waste)
Electric Utility Tax	6.0%	6.0%	3.88.040
Natural Gas Utility Tax	6.0%	6.0%	3.88.040
Solid Waste Tax - External	No limit.	7.0%	3.41.010
Telephone Utility Tax	6.0%	6.0%	3.84.040
Admission Tax	5.0%	5.0%	3.52.010
Gambling Tax Card games Punchboards/Pull tabs For profit Not for profit Amusement Games Bingo and Raffles	20.0% of gross receipts 10.0% of net receipts 10.0% of net receipts 2.0% of net receipts 5.0% of net receipts	4.0% of gross revenue 10.0% of net receipts 10.0% of net receipts 2.0% of net receipts 5.0% of net receipts	3.80.010
Hotel/Motel Tax	2.0%	1.0%	3.58.010
Leasehold Excise Tax	4.0%	4.0%	3.44.010
Real Estate Excise Tax	0.50% (REET 1 and 2)	0.50% (REET 1 and 2)	3.56.010

REVENUE:

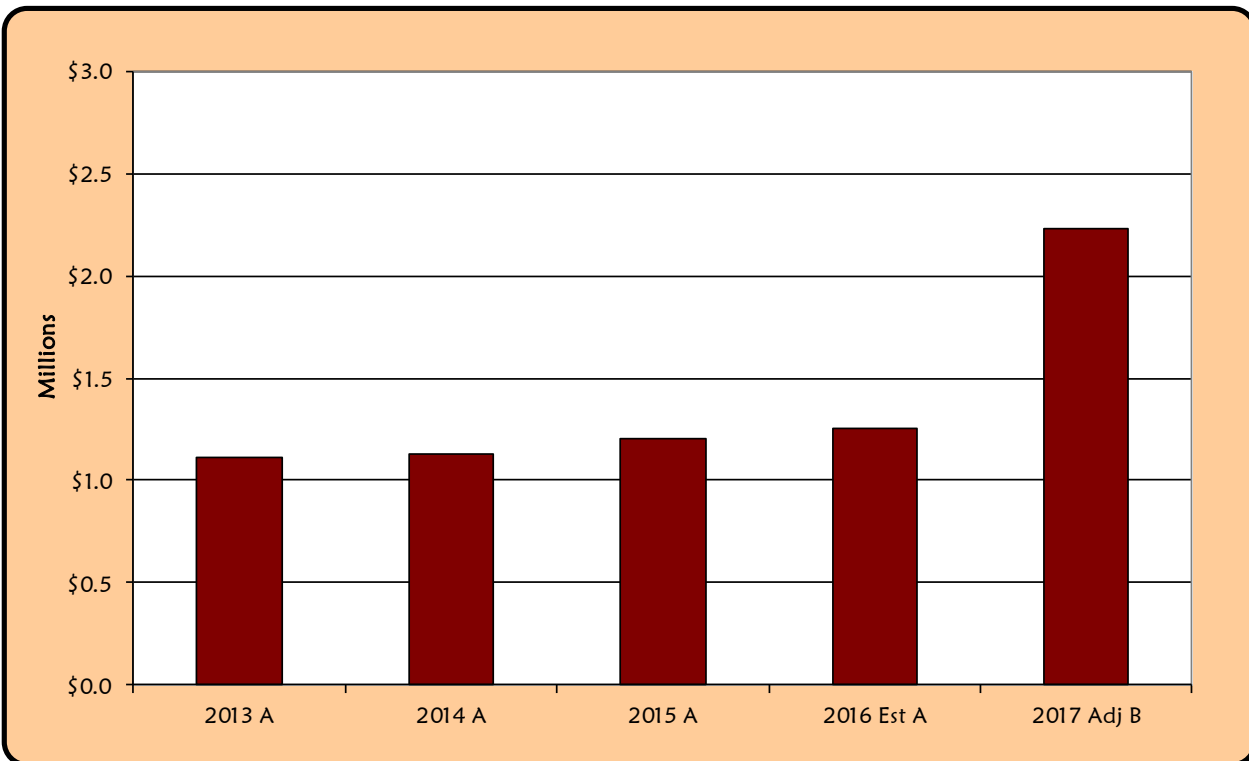
CABLE TV UTILITY TAX AND FRANCHISE FEE

DESCRIPTION:

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

HISTORICAL DATA:

<i>General Fund and Fund 105</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Cable TV Franchise Fee	\$ 1,037,055	\$ 1,065,909	\$ 1,135,415	\$ 1,184,800	\$ 1,165,800
Cable TV Franchise Fee - New 2017	-	-	-	-	1,000,000
Cable TV Franchise Fee - Capital	78,422	65,344	68,170	66,394	66,200
Total	\$ 1,115,477	\$ 1,131,253	\$ 1,203,585	\$ 1,251,194	\$ 2,232,000



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 TV 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.

REVISED CODE OF WA:

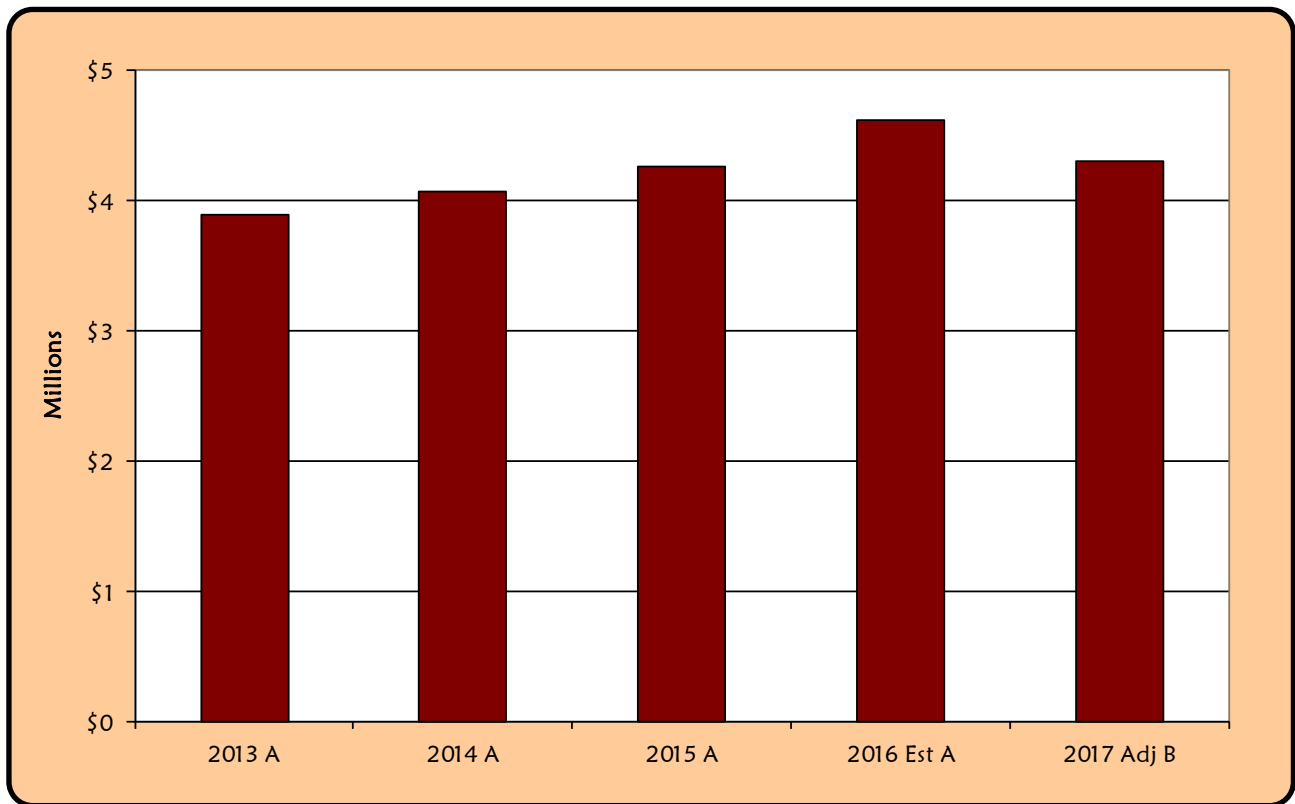
80.32.010: Cities and counties may grant franchises.

REVENUE: CITY UTILITY TAXES

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

HISTORICAL DATA:

<i>General Fund and Fund 105</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Interfund Sewer Taxes	\$ 1,691,577	\$ 1,637,814	\$ 1,733,365	\$ 1,914,260	\$ 1,782,800
Interfund Water Taxes	854,719	958,507	1,034,218	1,166,725	1,040,800
Interfund Solid Waste Taxes	727,546	775,555	794,017	815,199	828,000
Interfund Storm Taxes	618,408	696,791	699,232	728,768	652,000
Total	\$ 3,892,250	\$ 4,068,667	\$ 4,260,831	\$ 4,624,952	\$ 4,303,600



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.

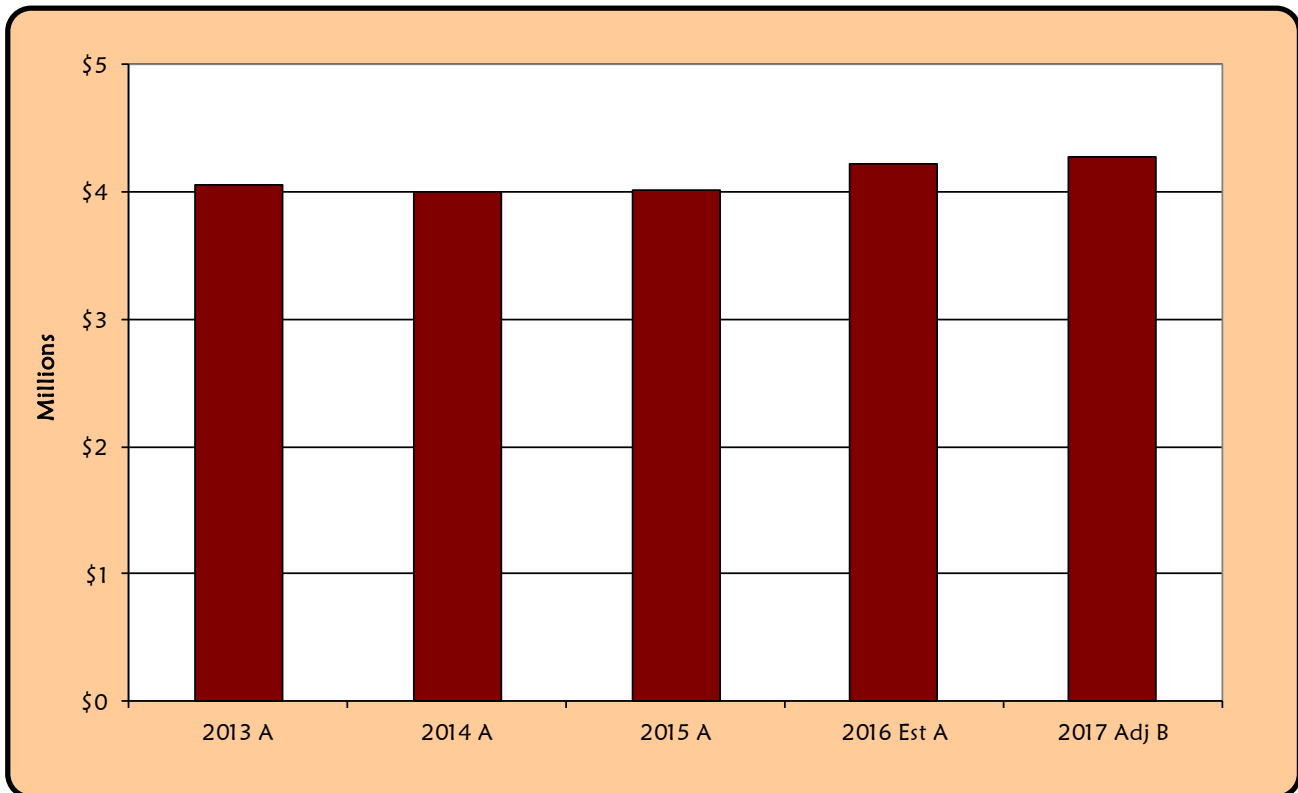
35.22.280: Authority to levy and collect taxes. There are no restrictions on the tax rate.

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>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Total	\$ 4,059,276	\$ 3,997,291	\$ 4,011,835	\$ 4,218,540	\$ 4,272,000



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.

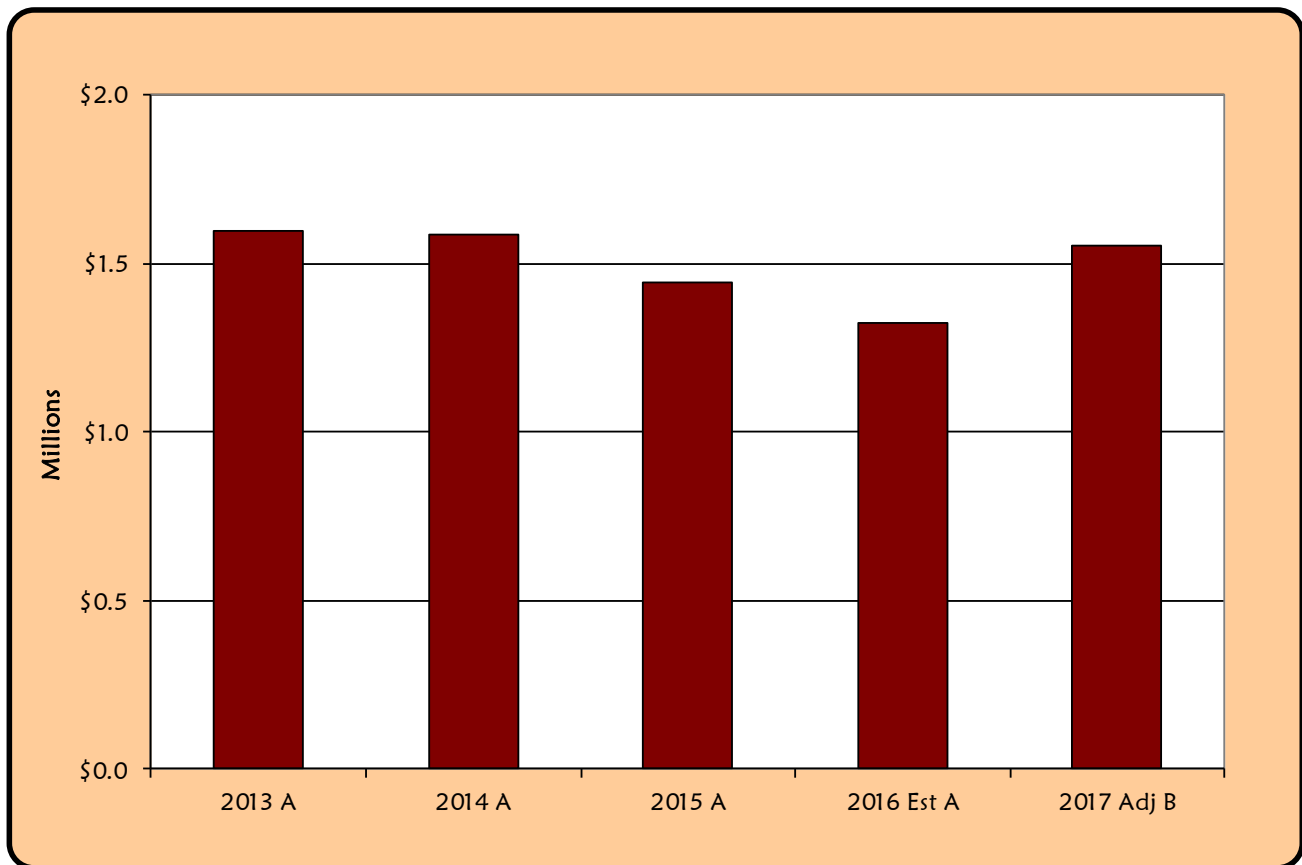
REVISED CODE OF WA: 35.21.870: Establishes the City’s authority to assess a utility tax on electricity, telephone, natural gas, or steam energy and limits the tax to a maximum of six percent (6.0%).

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>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Total	\$ 1,596,891	\$ 1,584,211	\$ 1,444,444	\$ 1,324,242	\$ 1,553,200



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%).

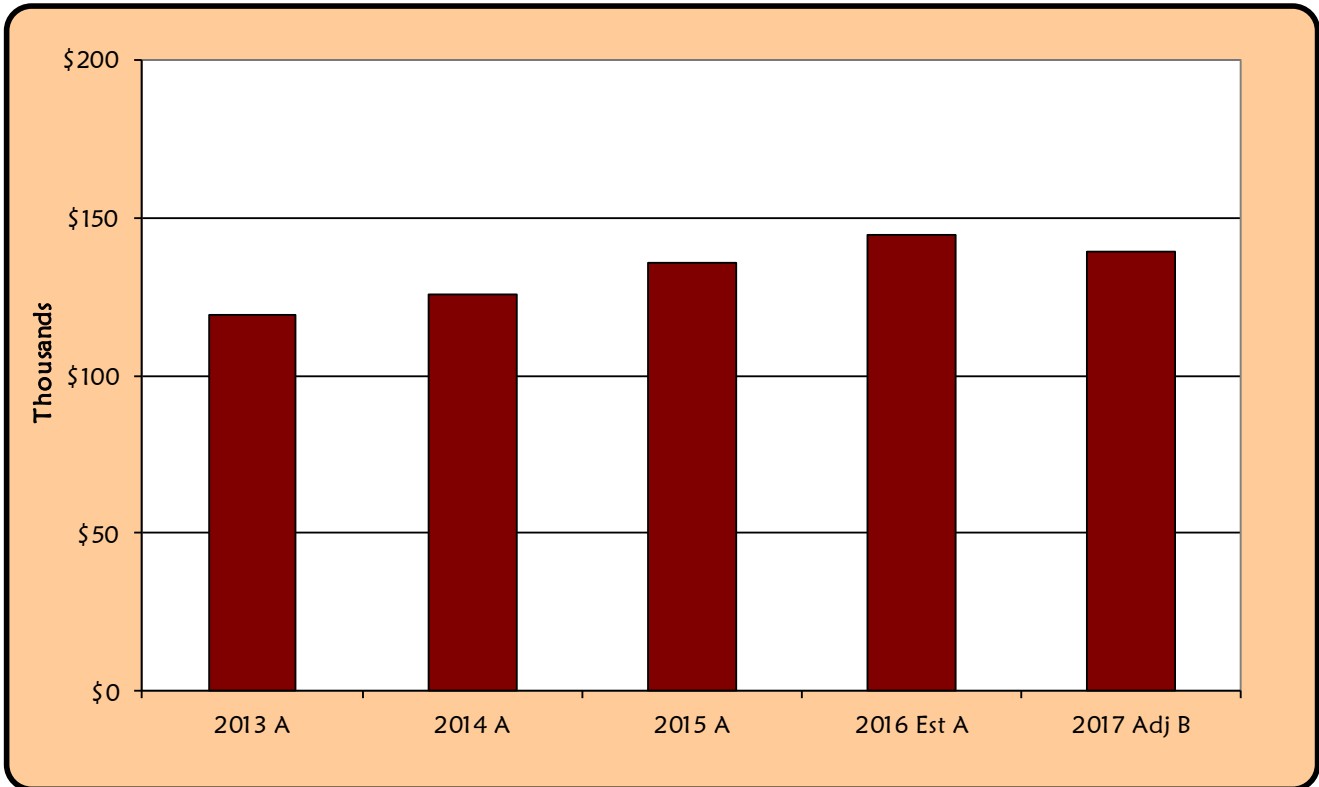
82.14.230: Authorizes a city to impose a natural gas or manufactured use tax. Effective July 1, 2015, natural gas sold or used as transportation fuel is exempt from this tax rate.

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>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Total	\$ 119,094	\$ 125,504	\$ 135,436	\$ 144,669	\$ 139,400



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.

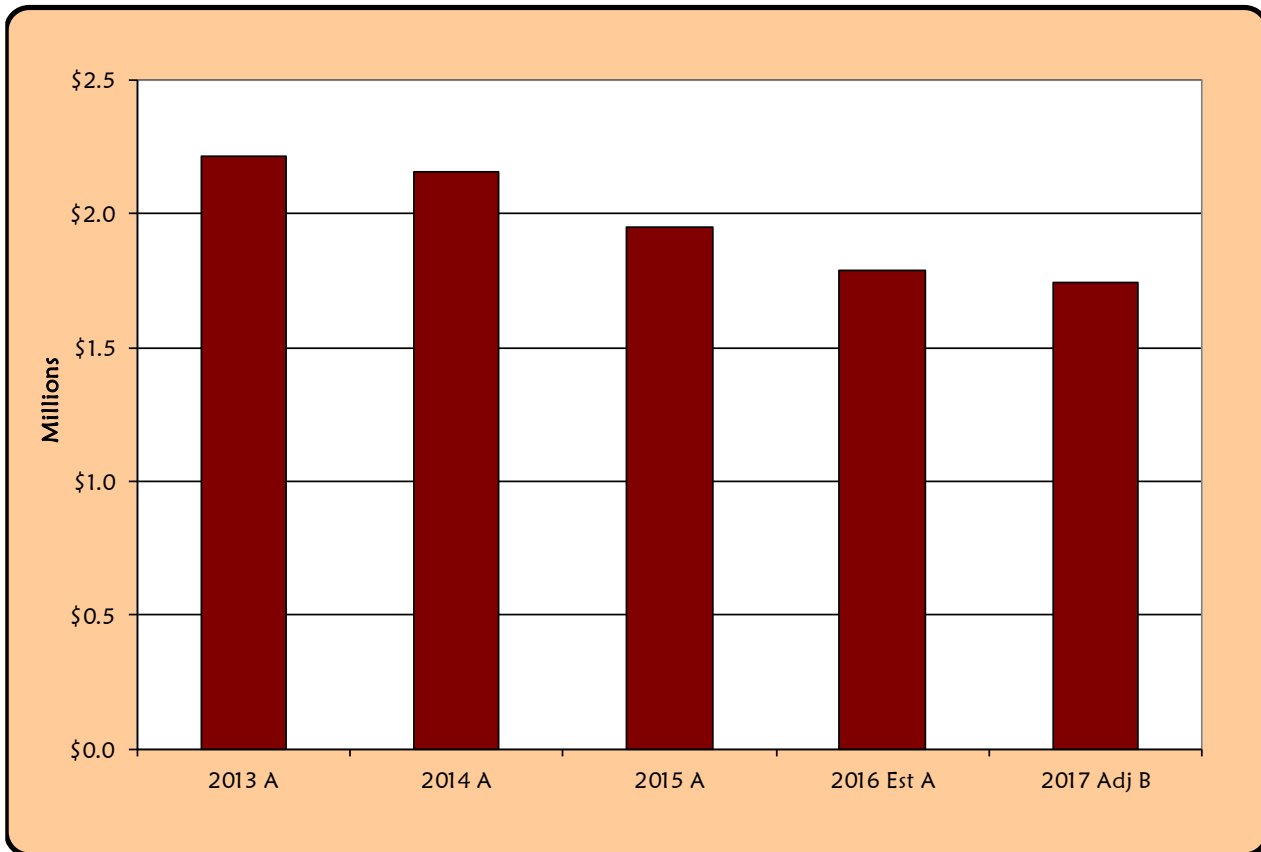
REVISED CODE OF WA: 82.18: Establishes the City’s authority to assess a solid waste utility tax.

REVENUE: TELEPHONE TAX

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

HISTORICAL DATA:

<i>General Fund and Fund 105</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Total	\$ 2,214,292	\$ 2,156,067	\$ 1,949,630	\$ 1,785,938	\$ 1,742,200



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

AUBURN CITY CODE: 3.84.010: Defines the telephone business.

3.84.040: Authorizes a tax of six percent (6.0%) on total gross operating receipts. The City levies the maximum rate.

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

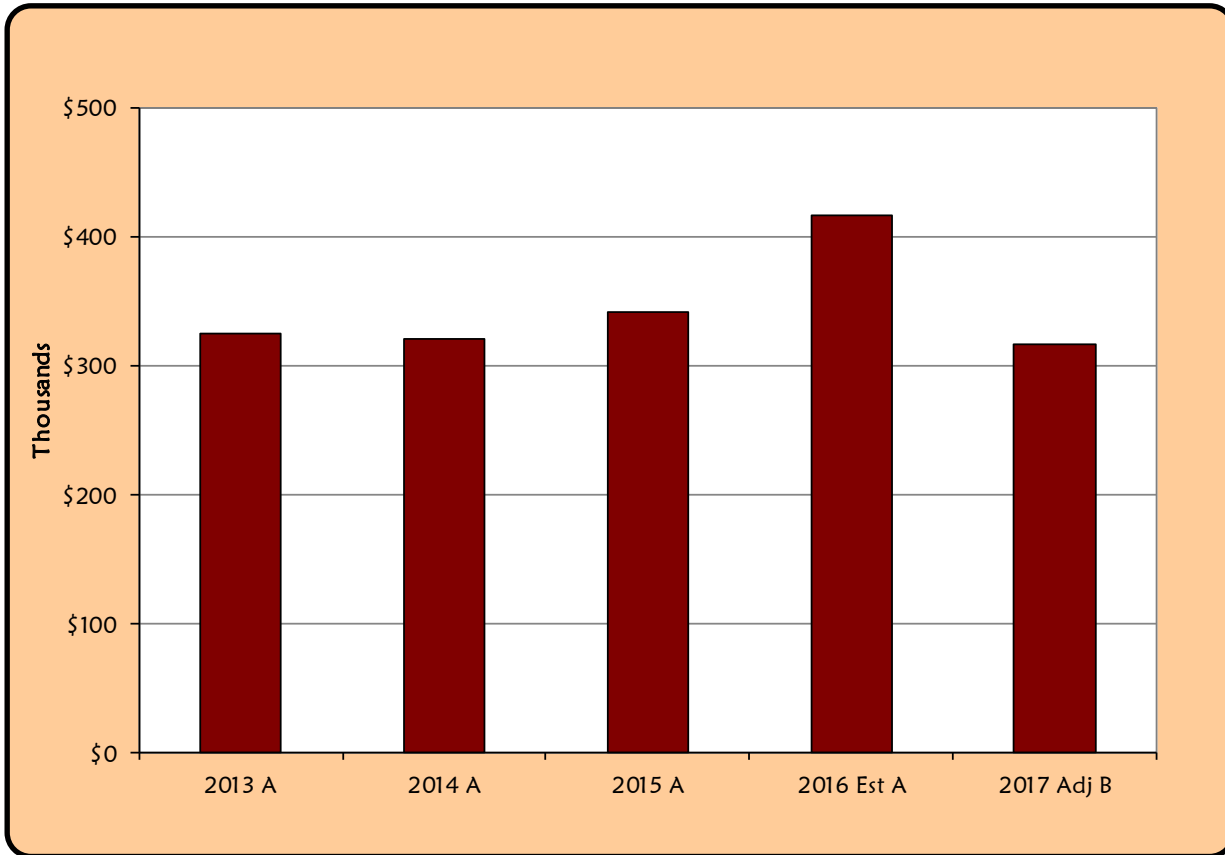
82.04.065: Defines telephone, telecommunications, and ancillary services.

REVENUE: ADMISSION TAX

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

HISTORICAL DATA:

<i>General Fund</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Total	\$ 324,906	\$ 321,016	\$ 341,919	\$ 416,719	\$ 317,000



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%).

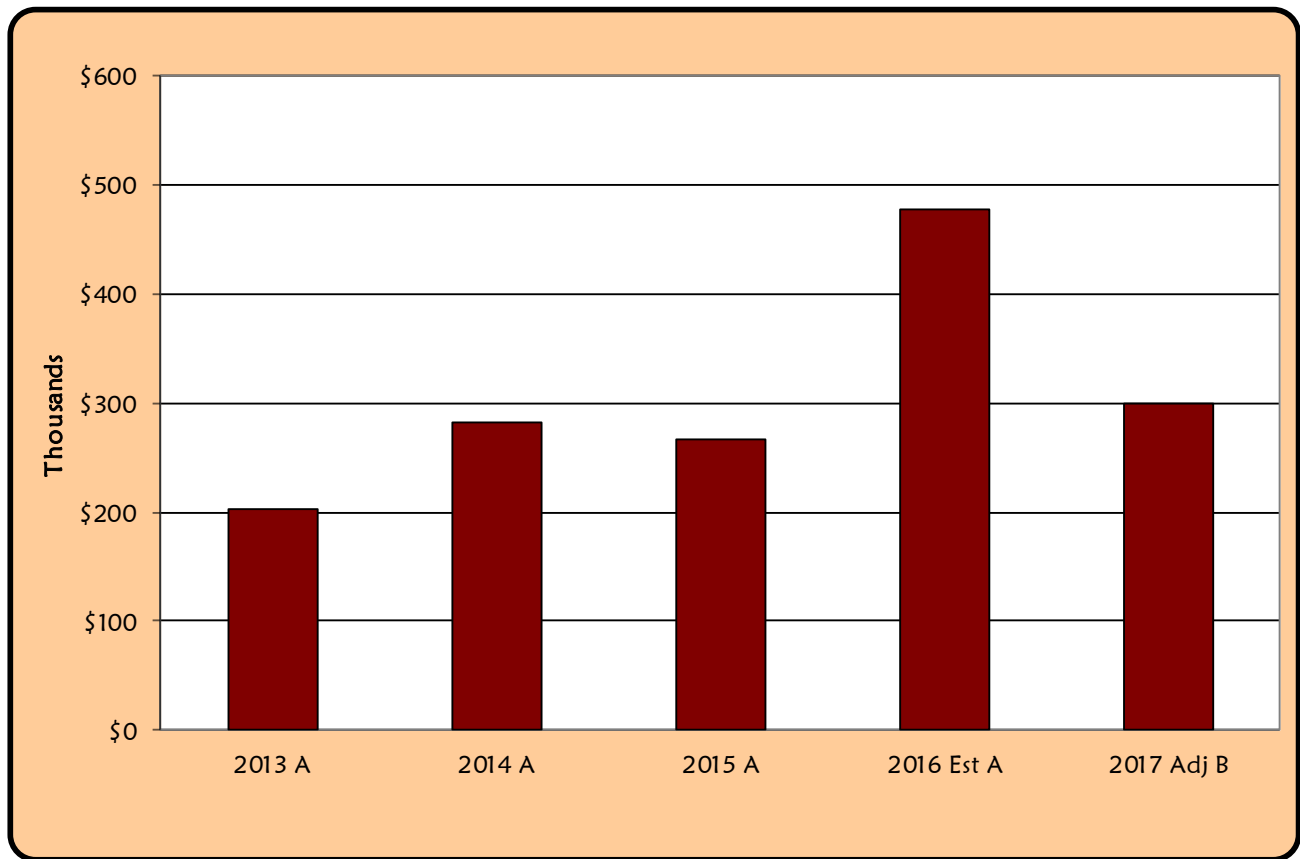
REVISED CODE OF WA: 35.21.280: Authorizes a city to establish a tax on admissions, up to a maximum of 5.0%.

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>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Card Games	\$ 169,325	\$ 238,032	\$ 213,865	\$ 434,348	\$ 256,000
Punch Board and Pull Tabs	28,750	40,295	49,821	38,548	40,800
Bingo and Raffles	2,678	2,094	1,544	2,637	2,000
Amusement Games	1,404	1,724	1,403	1,923	1,500
Total	\$ 202,157	\$ 282,144	\$ 266,632	\$ 477,457	\$ 300,300



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:

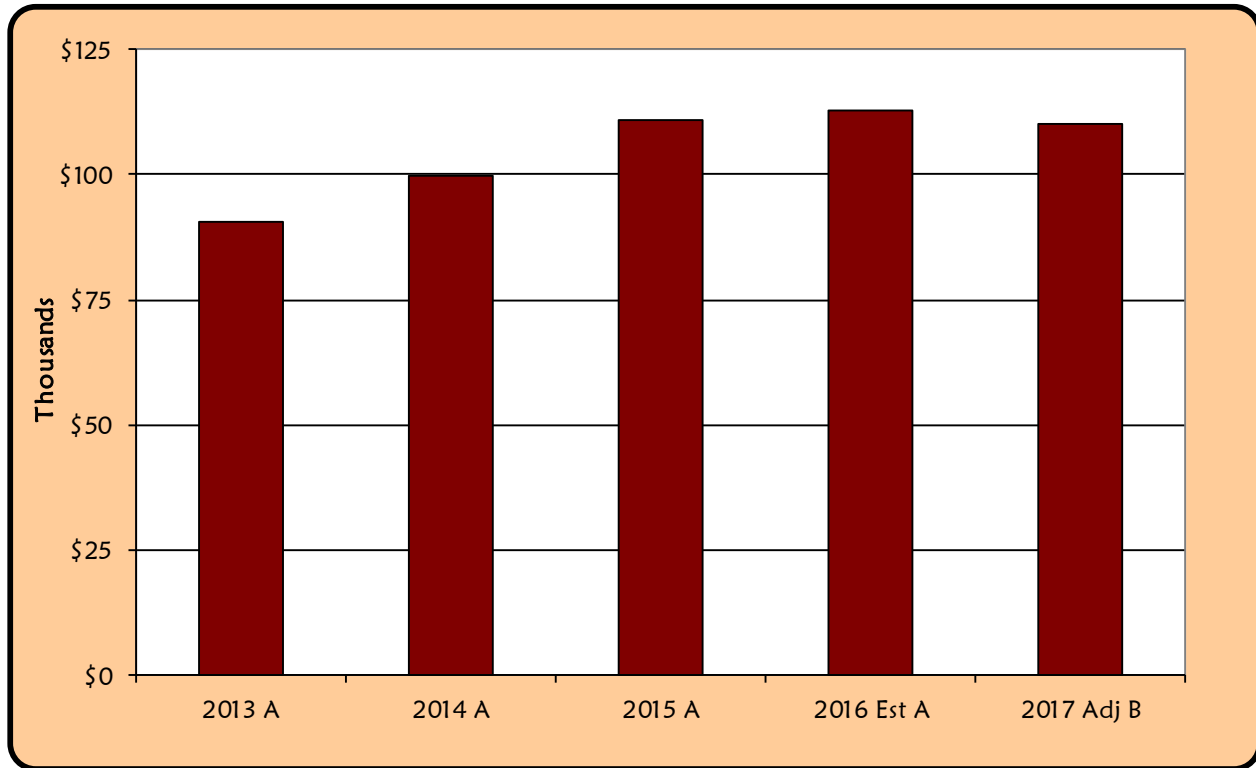
HOTEL / MOTEL EXCISE TAX

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>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Total \$	90,581 \$	99,782 \$	111,126 \$	112,876 \$	110,000 \$



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% as the other 1.0% is allocated to the debt payment for Safeco and Century Link fields. The City of Auburn levies a 1.0% Hotel/Motel Excise Tax.

AUBURN CITY CODE:

3.58.010: Authorizes a tax of 1.0%.
3.58.040: Designates all receipts for tourist promotion and tourism related activities.

REVISED CODE OF WA:

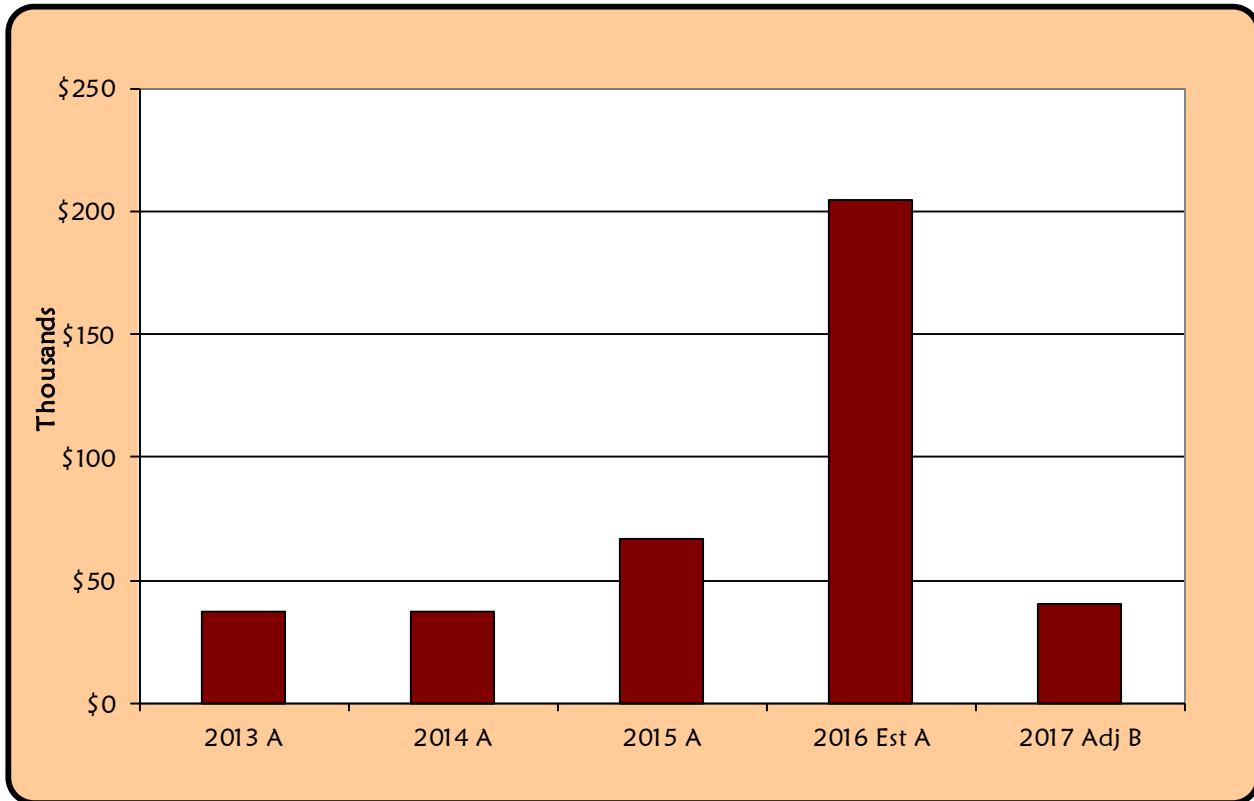
67.28.120: Authorizes cities to acquire and operate tourism-related facilities.
67.28.180: Authorizes the lodging tax - identifies the maximum rate of 2.0%.

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>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Total \$	\$ 37,215	\$ 37,233	\$ 66,544	\$ 204,446	\$ 40,000



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%.

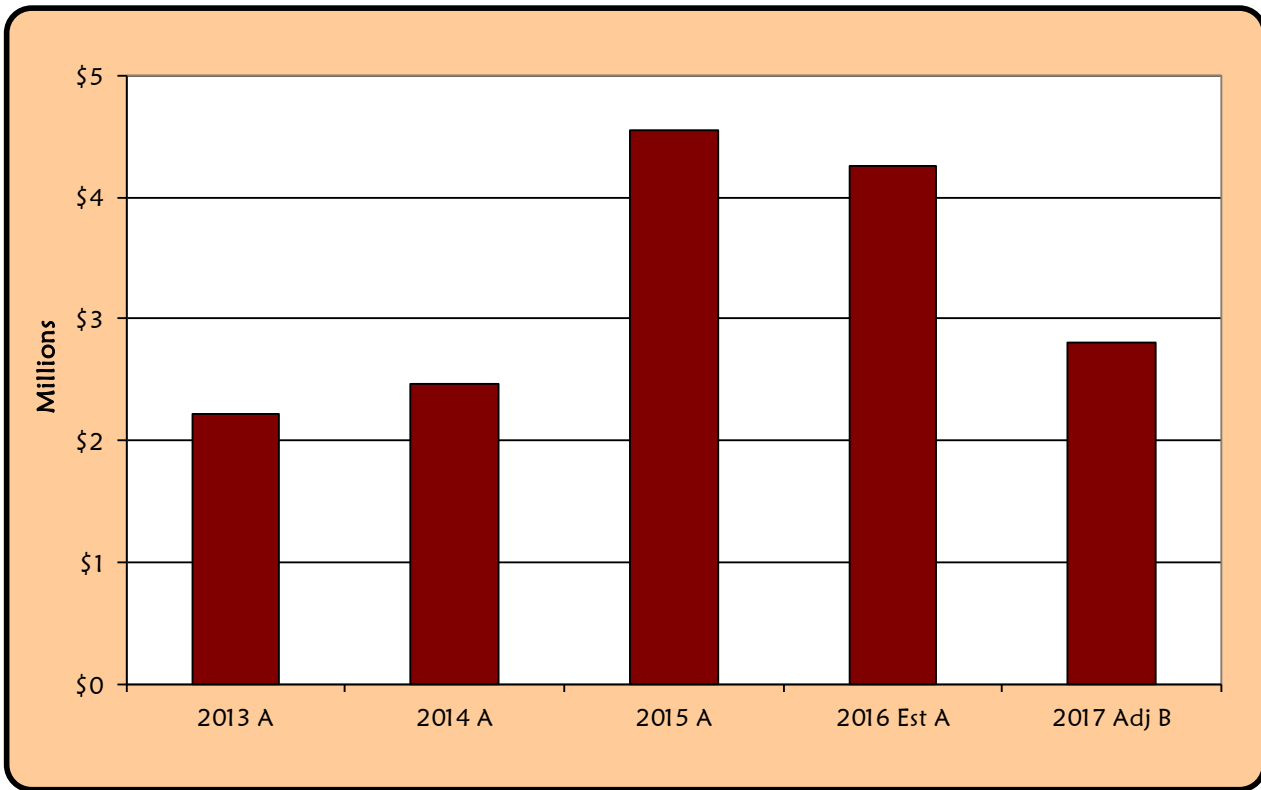
82.29A.090: Distributions by the State Treasurer.

REVENUE: REAL ESTATE EXCISE TAX

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

HISTORICAL DATA:

<i>Fund 328</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
REET 1	\$ 1,112,949	\$ 1,234,818	\$ 2,277,608	\$ 2,131,117	\$ 1,400,000
REET 2	1,112,949	1,234,818	2,277,607	2,131,117	1,400,000
Total	\$ 2,225,898	\$ 2,469,637	\$ 4,555,215	\$ 4,262,235	\$ 2,800,000



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

Source: RCW 82.46.010.

Source: RCW 82.46.035.

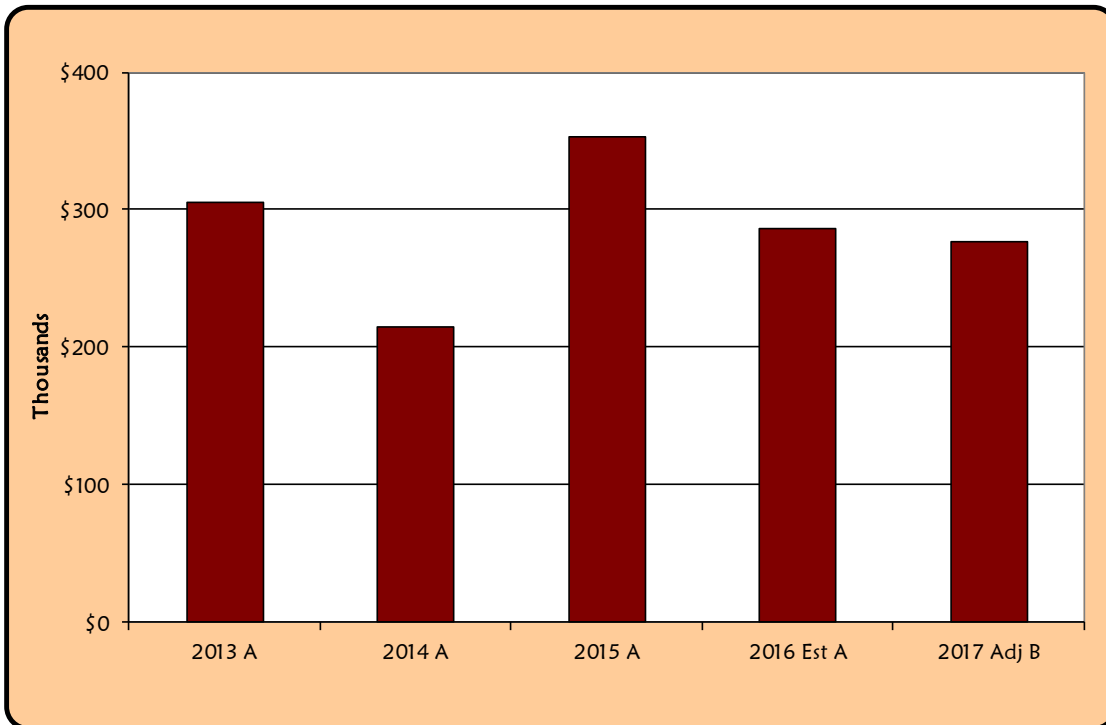
Licenses, Permits and Other Fees/Charges

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 \$50 and covers the period from January 1 through December 31.

HISTORICAL DATA:

<i>General Fund and Fund 121</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Business Licenses	\$ 236,162	\$ 171,422	\$ 281,654	\$ 224,876	\$ 222,100
Business Improvement Area	69,475	42,988	70,972	61,391	55,000
Total	\$ 305,637	\$ 214,410	\$ 352,626	\$ 286,267	\$ 277,100



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

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

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

REVISED CODE OF WA: 19.02: Establishes business regulations.

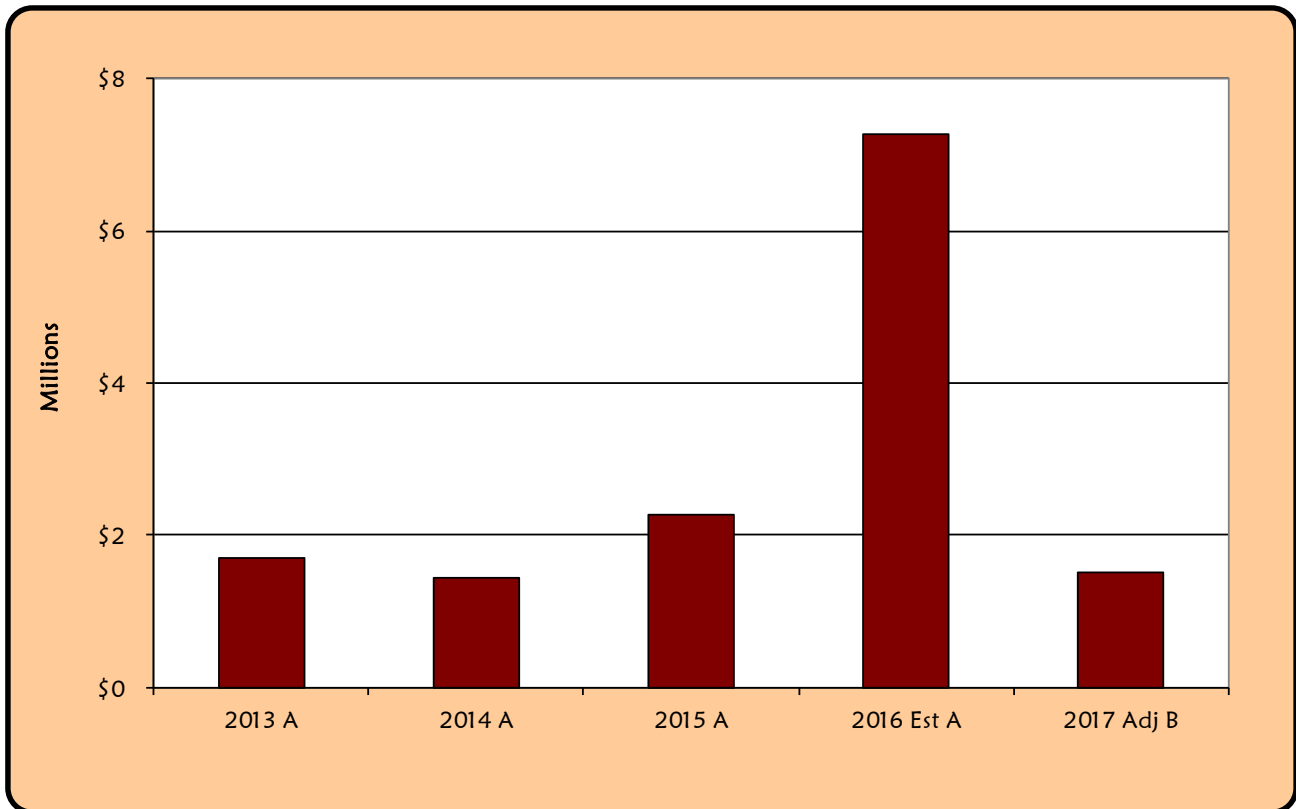
35.87A.010: Authorizes Parking and Business Improvement Areas.

REVENUE: MITIGATION / IMPACT FEES

DESCRIPTION: Includes transportation, fire, park, school, wetland and traffic mitigation fees. The fees are used to mitigate costs associated with City growth and are imposed for development permits. Effective September 1, 2016 the collection of these fees may be deferred to a later date (whereas prior to September 1, 2016 fees were imposed at the time of application).

HISTORICAL DATA:

<i>Fund 105 and 124</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Transportation Impact	\$ 1,411,260	\$ 976,467	\$ 1,148,654	\$ 3,084,106	\$ 800,000
Fire Impact/Mitigation	173,103	289,376	230,823	383,460	100,000
Park Impact/Mitigation	39,500	154,000	888,936	3,753,098	600,000
School Impact/Mitigation	25,142	16,796	11,492	26,546	12,000
Wetland Mitigation	38,594	-	-	-	-
Traffic Mitigation	4,862	-	-	9,959	-
Total	\$ 1,692,460	\$ 1,436,639	\$ 2,279,906	\$ 7,257,169	\$ 1,512,000



BASE: Development occurring within the City of Auburn.

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

REVISOR: Title 19: Establishes school, transportation, traffic, fire and park impact fees.

REVISOR: 82.02.050-110: Establishes regulations pertaining to impact fees.

REVISOR: CODE OF WA:

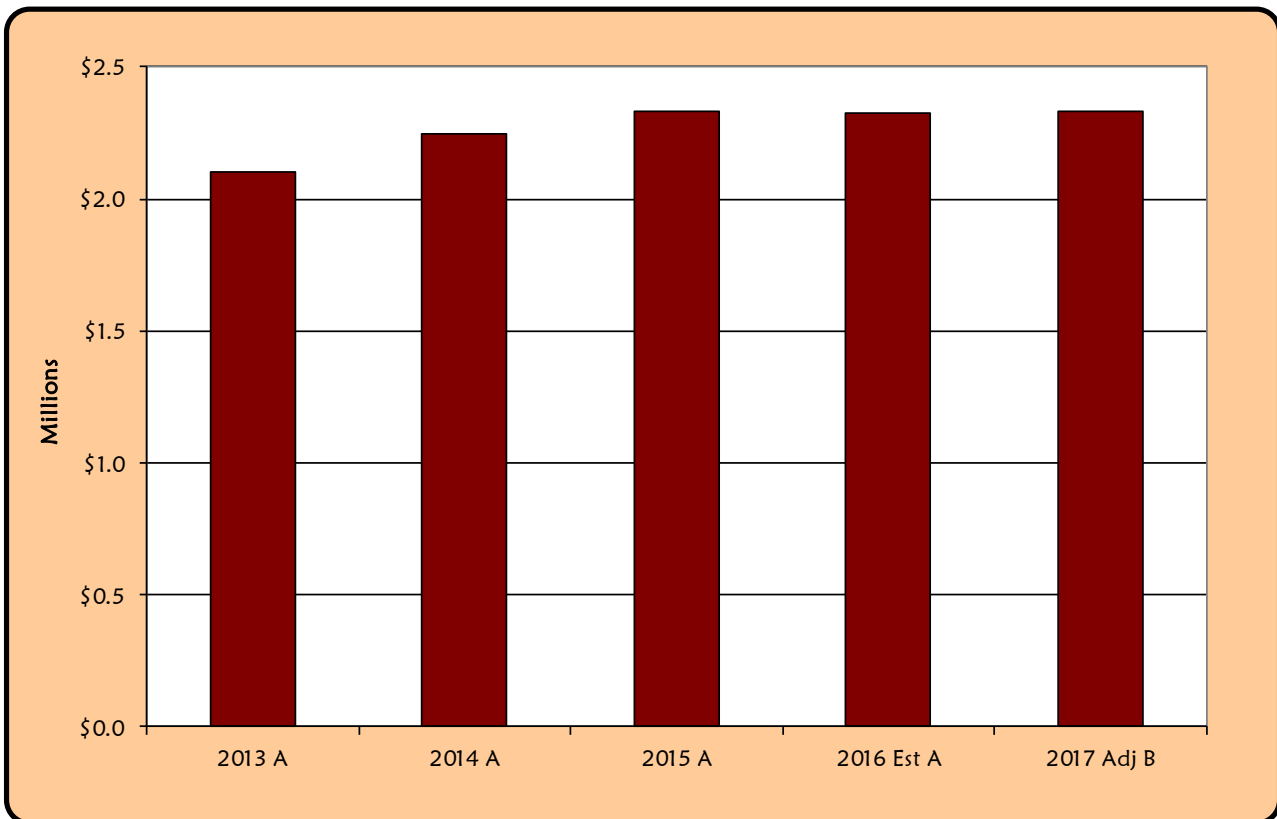
REVENUE: PARK FEES

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

HISTORICAL DATA:

<i>General Fund, Fund 321 and Fund 437*</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Golf Course Revenues*	\$ 1,217,633	\$ 1,229,211	\$ 1,331,924	\$ 1,296,225	\$ 1,301,500
Recreational Classes	380,866	465,087	426,606	351,009	568,000
Theatre/Arts	148,169	179,382	178,227	242,945	151,500
League Fees	156,216	156,231	163,691	177,630	101,100
Senior Center Programs	100,888	119,132	124,124	113,212	118,200
Special Events	99,926	97,479	103,736	145,207	90,000
Other	480	700	2,980	(870)	480
Total	\$ 2,104,178	\$ 2,247,222	\$ 2,331,287	\$ 2,325,357	\$ 2,330,780

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



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

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

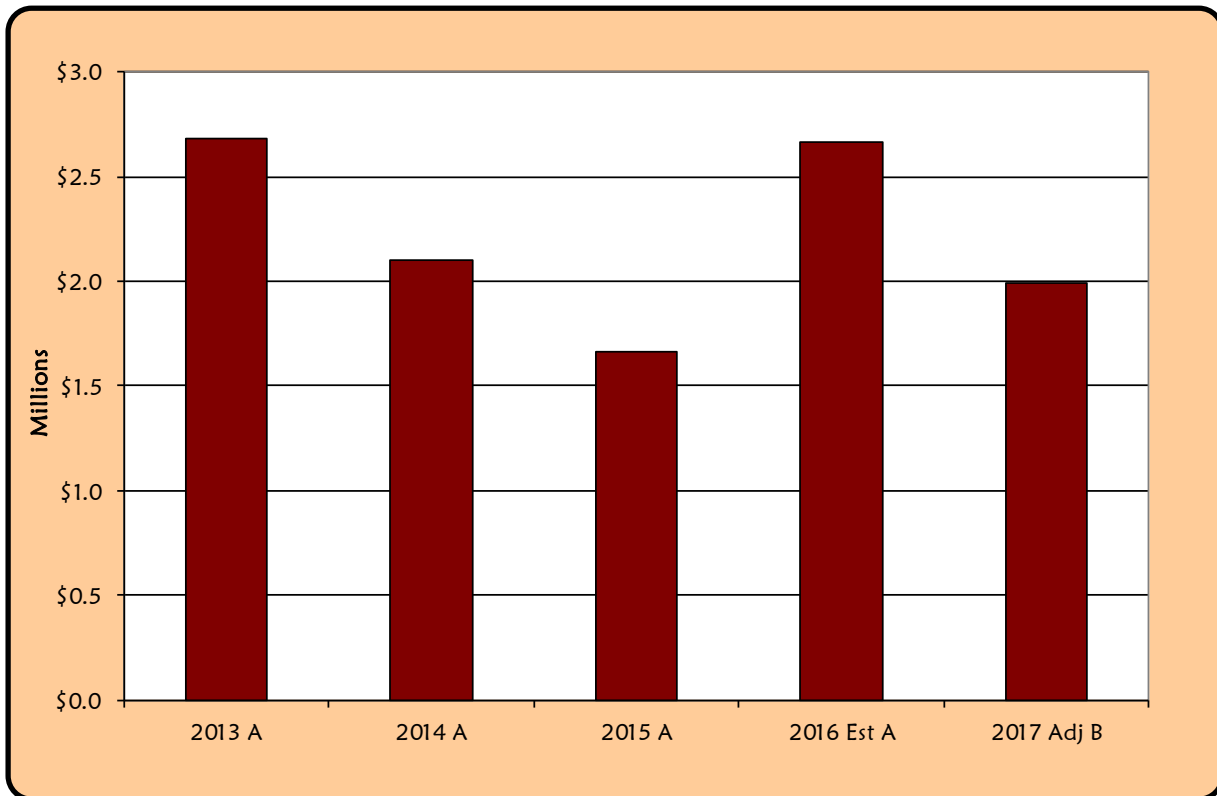
REVISED CODE OF WA: 67.20.010: Gives the City the authority to acquire and operate certain recreational facilities.

REVENUE: PERMIT FEES

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

HISTORICAL DATA:

<i>General Fund and Fund 102</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Building Permits	\$ 2,101,174	\$ 1,505,799	\$ 1,209,836	\$ 2,008,970	\$ 1,575,000
Plumbing Permits	208,691	179,436	154,371	308,480	168,000
Alarm Permits	104,818	98,987	75,470	75,511	80,000
Excavation Permits	105,945	87,129	71,969	92,094	70,000
Electrical Inspection Permits	86,143	73,628	77,900	75,914	63,000
Street/Curb Permits	55,888	141,159	62,892	63,973	20,000
Other Permits	15,824	13,173	12,750	41,787	13,000
Total	\$ 2,678,483	\$ 2,099,311	\$ 1,665,189	\$ 2,666,728	\$ 1,989,000



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.

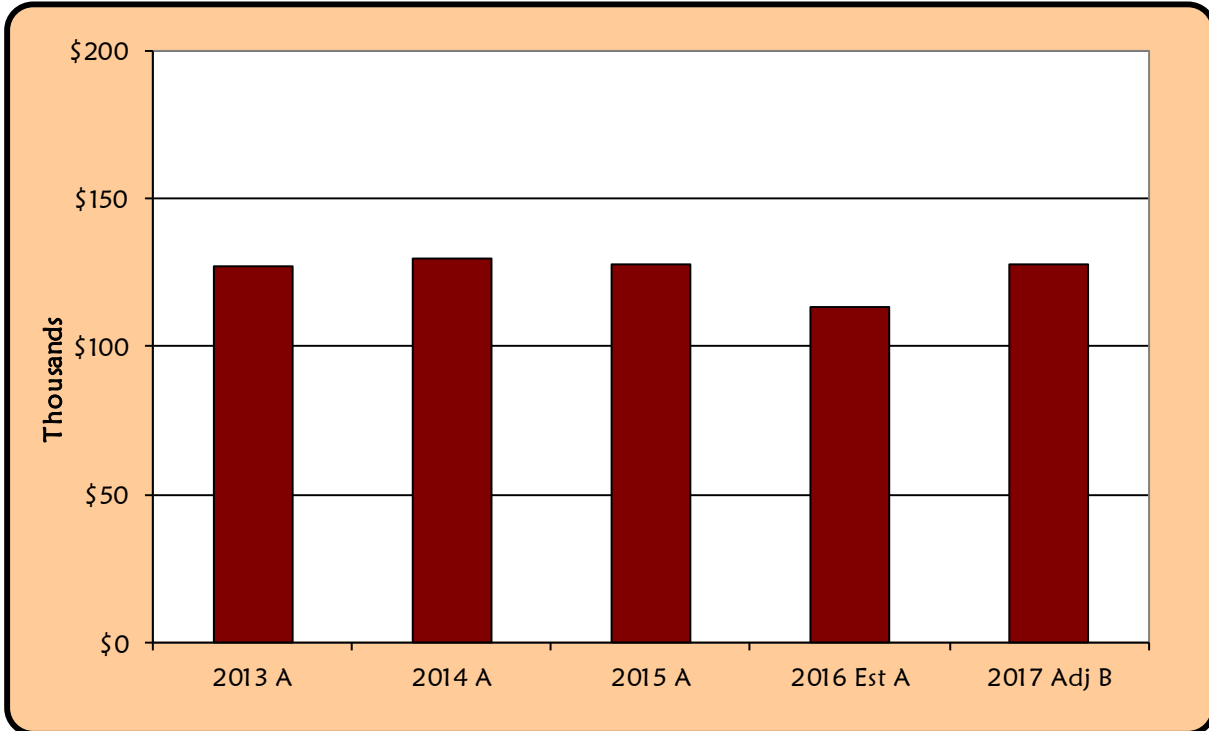
19.27.100: Authorizes a city, town, or county of the state to impose fees different from those set forth in the State Building Code.

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).

HISTORICAL DATA:

<i>General Fund</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Total	\$ 127,303	\$ 129,930	\$ 127,588	\$ 113,521	\$ 127,600



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

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

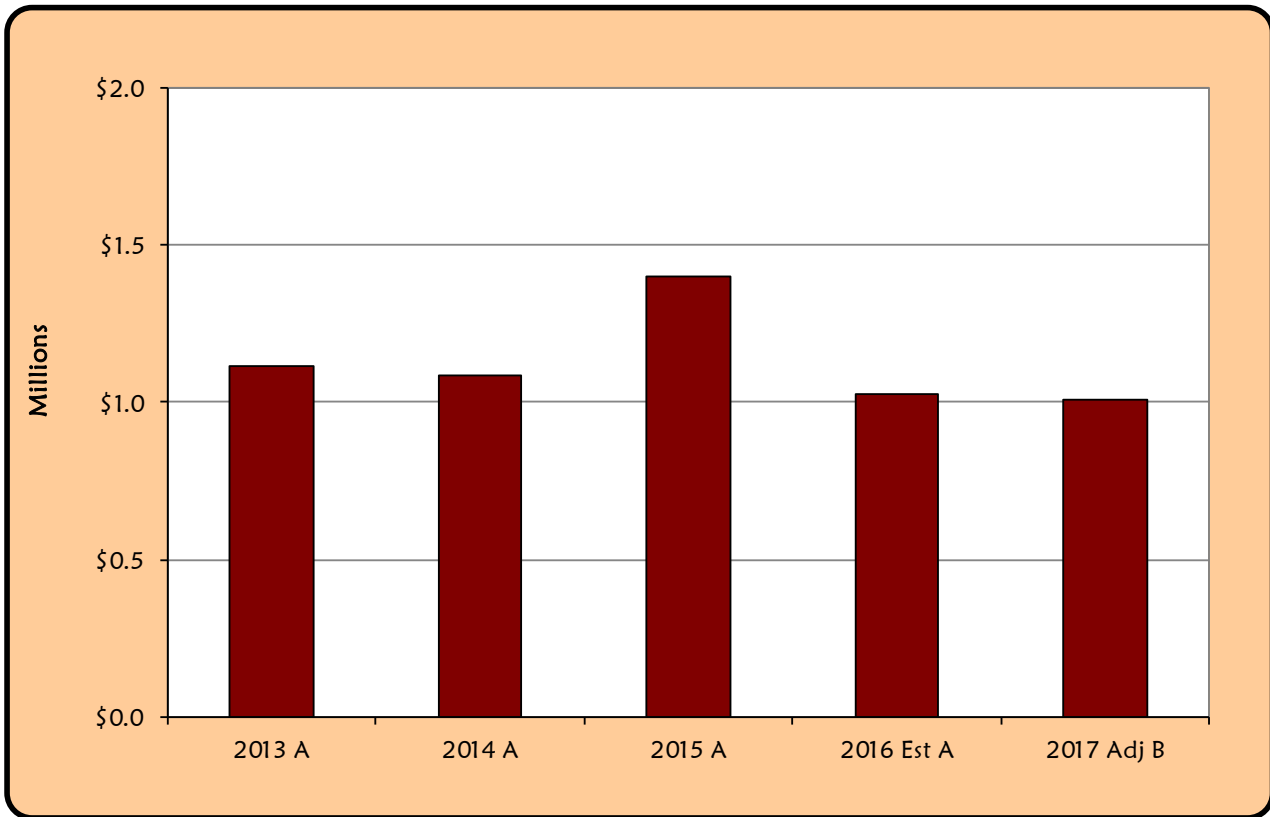
REVISED CODE OF WA: 16.52.015: Defines law enforcement agencies and animal care and control agencies.

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>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Plan Check Fees	\$ 828,033	\$ 833,046	\$ 1,124,516	\$ 759,202	\$ 800,000
FAC Linear Charges	178,789	113,033	171,244	162,538	132,600
Zoning/Subdivision Fees	109,790	139,751	101,713	106,125	75,000
Total	\$ 1,116,612	\$ 1,085,830	\$ 1,397,472	\$ 1,027,865	\$ 1,007,600



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.

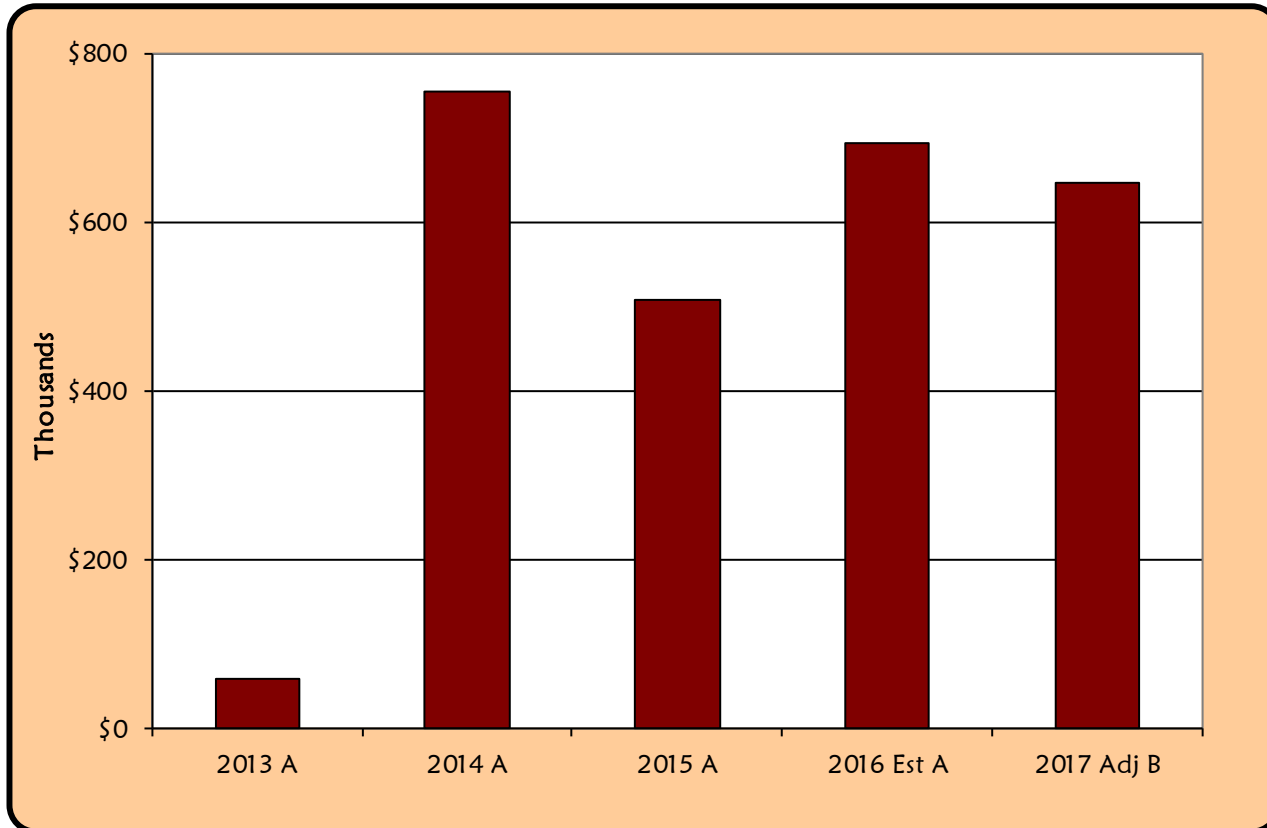
Intergovernmental

REVENUE: LAW ENFORCEMENT SERVICES

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

HISTORICAL DATA:

<i>General Fund and Fund 117</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Total	\$ 57,557	\$ 754,700	\$ 507,957	\$ 693,771	\$ 645,500



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

AUBURN CITY CODE: Not applicable.

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

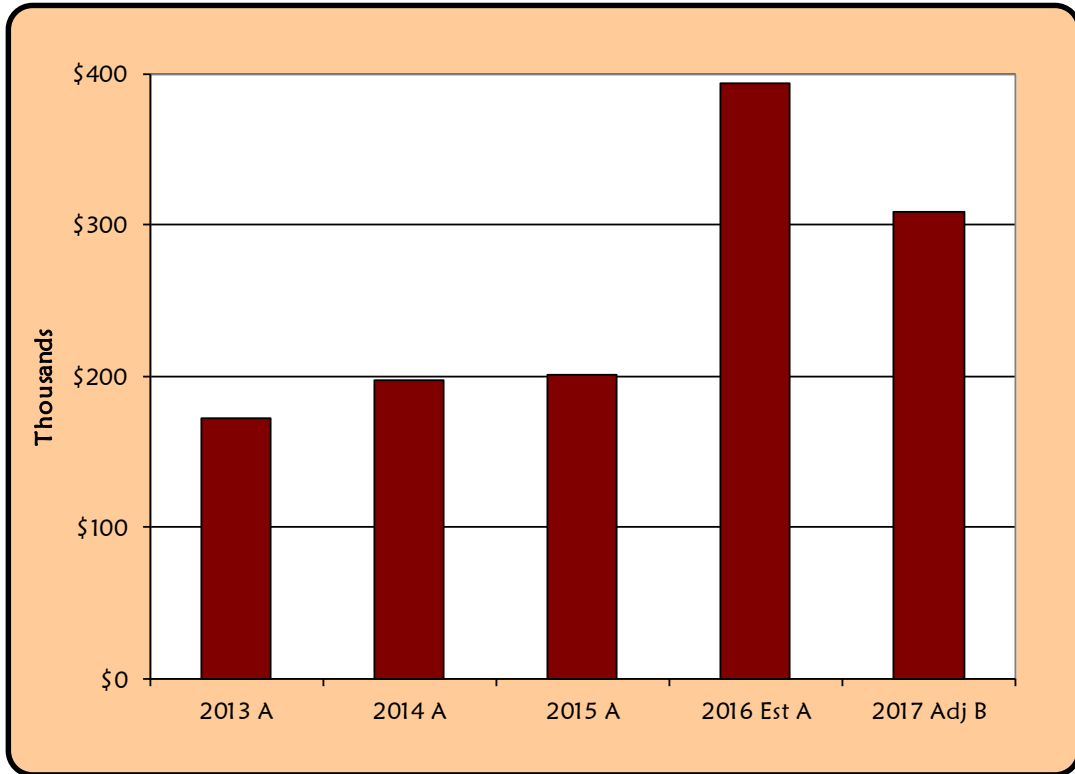
ADDITIONAL INFORMATION: Through 2013, this revenue was netted against the cost of providing services. Due to a change in accounting methodology effective in 2014, these revenues are no longer netted against the expenditures.

REVENUE: CRIMINAL JUSTICE

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

HISTORICAL DATA:

<i>General Fund</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Total \$	171,736	\$ 197,584	\$ 200,824	\$ 393,653	\$ 308,000



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. Effective during the state’s 2016-2017 Fiscal Budget, the City of Auburn qualifies for this distribution as is reflected in the 2017 adjusted budget above.

AUBURN CITY CODE: Not applicable.

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

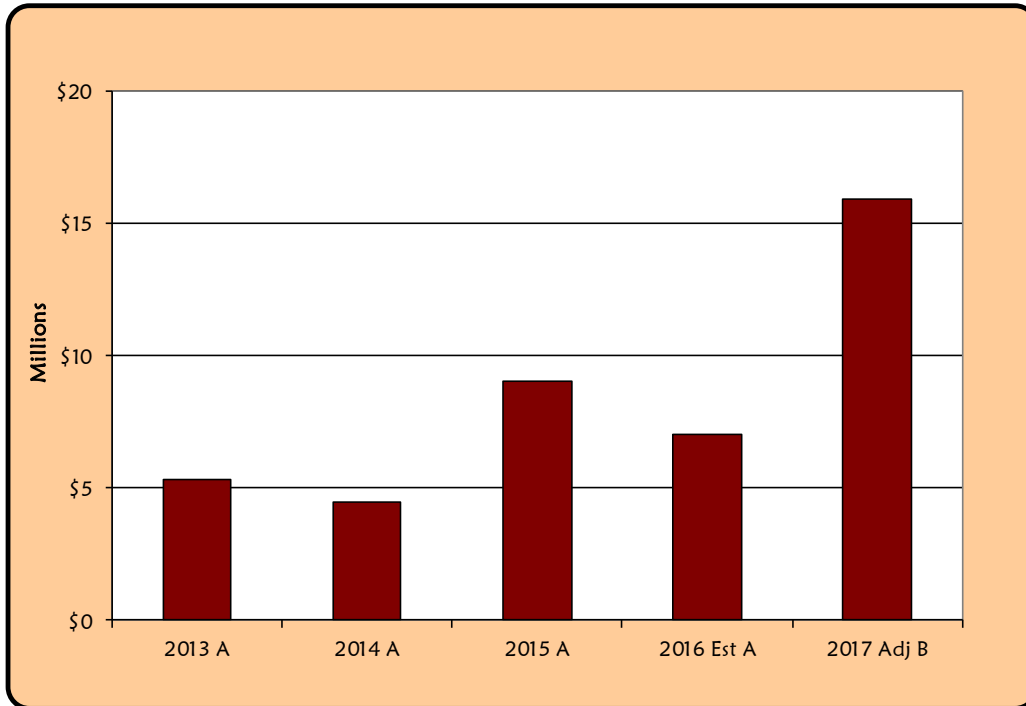
82.14.330: Municipal criminal justice assistance account, distribution based on crime rate and/or population.

REVENUE: FEDERAL / STATE / LOCAL GRANTS

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

HISTORICAL DATA:

<i>By Fund</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
General Fund	\$ 375,243	\$ 468,085	\$ 672,857	\$ 623,344	\$ 916,810
Other Funds	4,951,932	3,975,116	8,341,168	6,429,841	14,987,663
Total	\$ 5,327,174	\$ 4,443,201	\$ 9,014,025	\$ 7,053,185	\$ 15,904,473
<i>By Source</i>					
Federal	\$ 2,415,660	\$ 2,781,126	\$ 2,313,846	\$ 3,695,944	\$ 11,193,695
State	2,407,553	1,451,461	6,338,795	2,356,623	3,356,472
Local	503,962	210,614	361,383	1,000,617	1,354,306
Total	\$ 5,327,174	\$ 4,443,201	\$ 9,014,025	\$ 7,053,185	\$ 15,904,473



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.

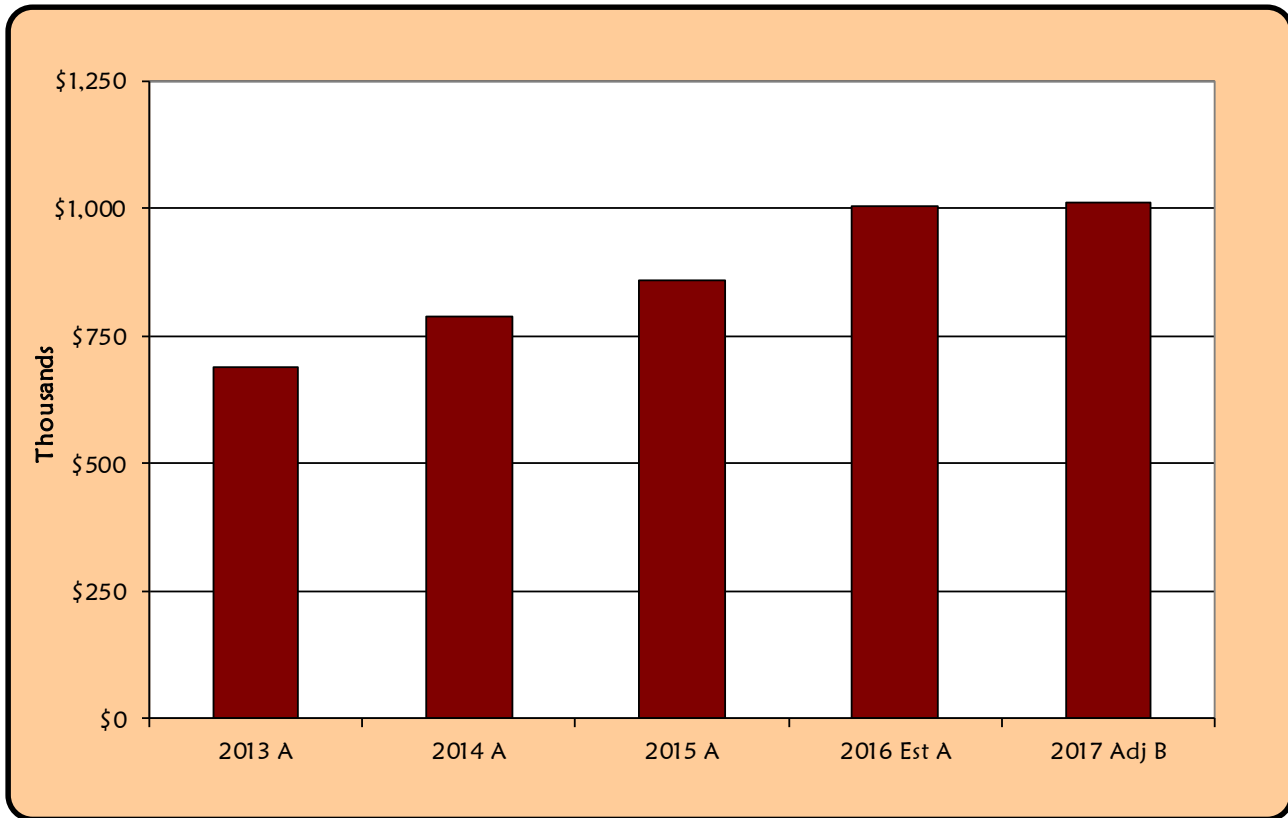
ADDITIONAL INFORMATION: Of the \$15.9 million in grant monies budgeted in 2017, \$12.4 million is anticipated for transportation projects.

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>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Liquor Profits	\$ 640,375	\$ 650,720	\$ 653,931	\$ 650,766	\$ 651,000
Liquor Excise Tax	47,724	137,613	203,184	352,467	360,000
Total	\$ 688,099	\$ 788,333	\$ 857,115	\$ 1,003,233	\$ 1,011,000



BASE: Sale of spirits in their original package. Spirits include any beverage containing alcohol obtained by distillation.

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

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

82.08.170: Apportion and distribution of funds based on city population and authorized the one year moratorium of excise taxes in 2012-2013.

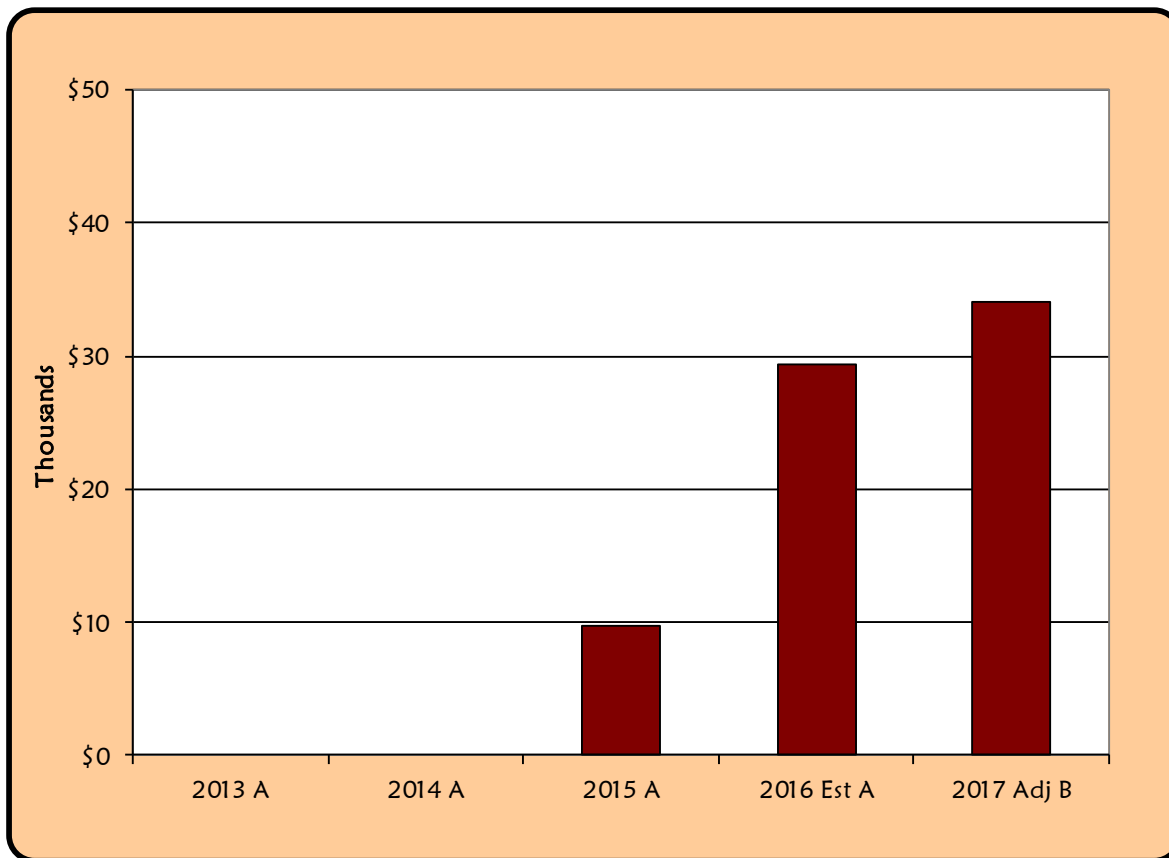
66.24.620: Authorized privatization of distribution and sales effective June 1, 2012.

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 and the remaining 30% is distributed to cities, towns and counties where licensed marijuana retailers are physically located.

HISTORICAL DATA:

<i>General Fund</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Total	\$ -	\$ -	\$ 9,759	\$ 29,420	\$ 34,000



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.

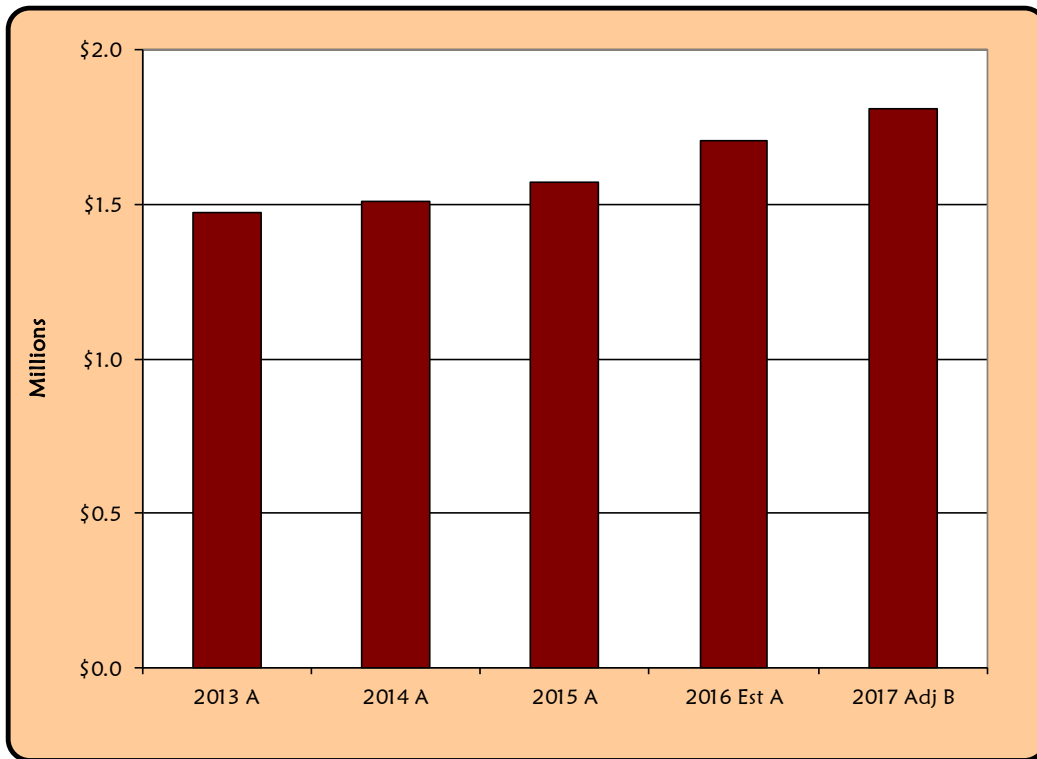
69.50.540: Creates the marijuana account and defines appropriations.

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 just under 3 cents per gallon, plus additional quarterly distributions based upon population (per legislation passed in 2015). In addition, effective in 2016, the City receives the Multimodal Transportation revenue, 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>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Motor Vehicle Fuel Tax	1,472,734	1,510,614	1,572,602	1,630,662	1,758,600
Multimodal Transportation	-	-	-	77,300	53,000
Total	\$ 1,472,734	\$ 1,510,614	\$ 1,572,602	\$ 1,707,962	\$ 1,811,600



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).

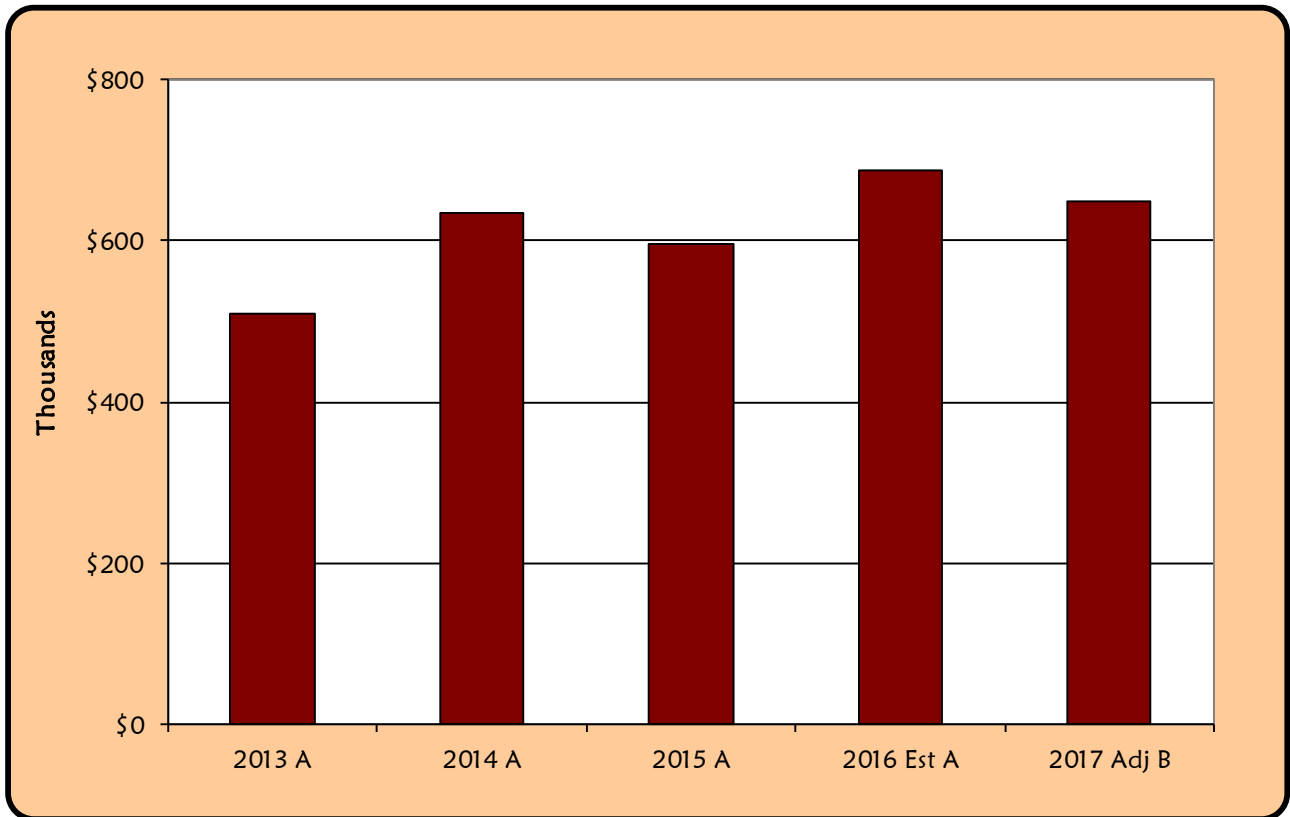
- REVISED CODE OF WA:**
- 46.68.090: Distribution of statewide fuel taxes.
 - 47.24.040: Expenditures of MVFT to the street fund.
 - 47.30.050: Expenditures of MVFT to paths and trails.
 - 82.38.030: Establishes rate of tax.
 - 47.66.070: Multimodal transportation account.

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>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Total	\$ 509,734	\$ 634,467	\$ 595,314	\$ 688,419	\$ 650,000



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

AUBURN CITY CODE: Not applicable.

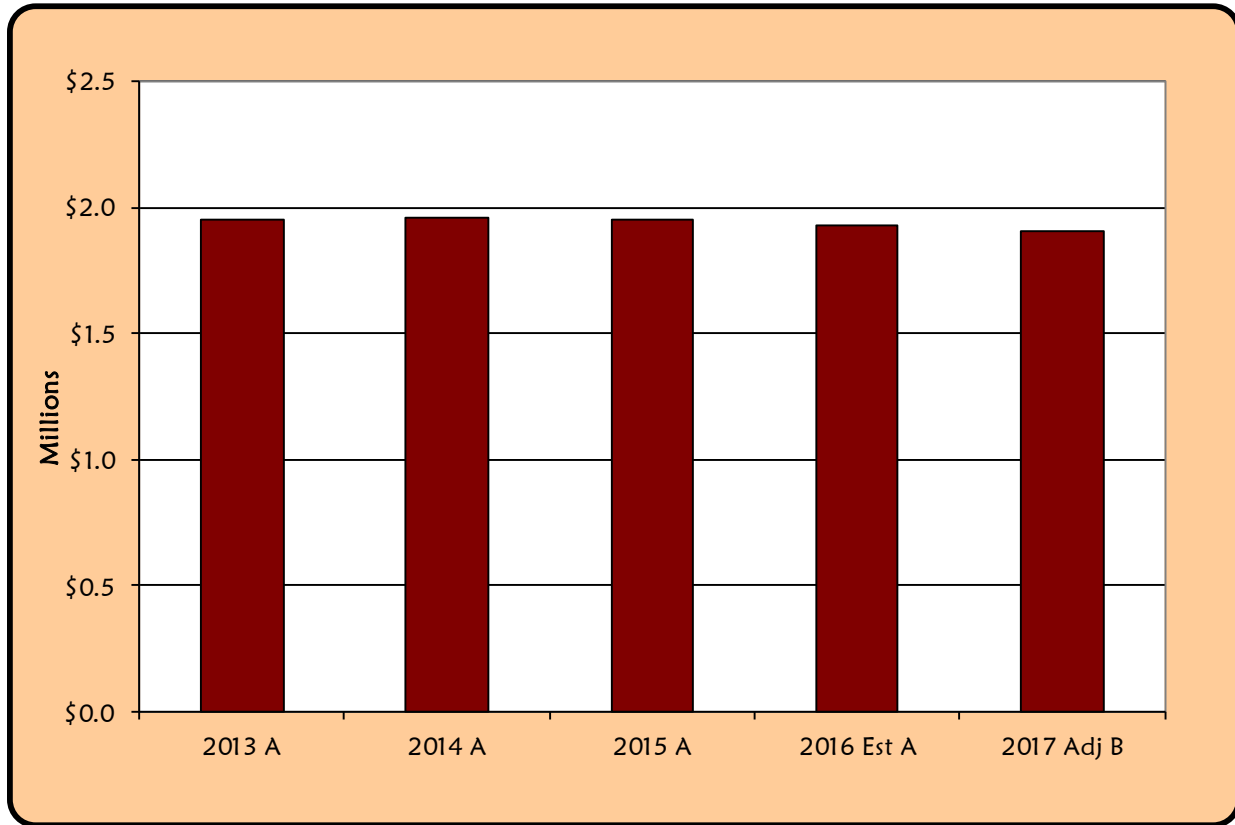
REVISED CODE OF WA: Not applicable.

REVENUE: STREAMLINED SALES TAX

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

HISTORICAL DATA:

<i>General Fund</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Total	\$ 1,952,778	\$ 1,962,161	\$ 1,951,097	\$ 1,924,487	\$ 1,907,700



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

AUBURN CITY CODE: 3.60.010: Authorizes the tax.

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

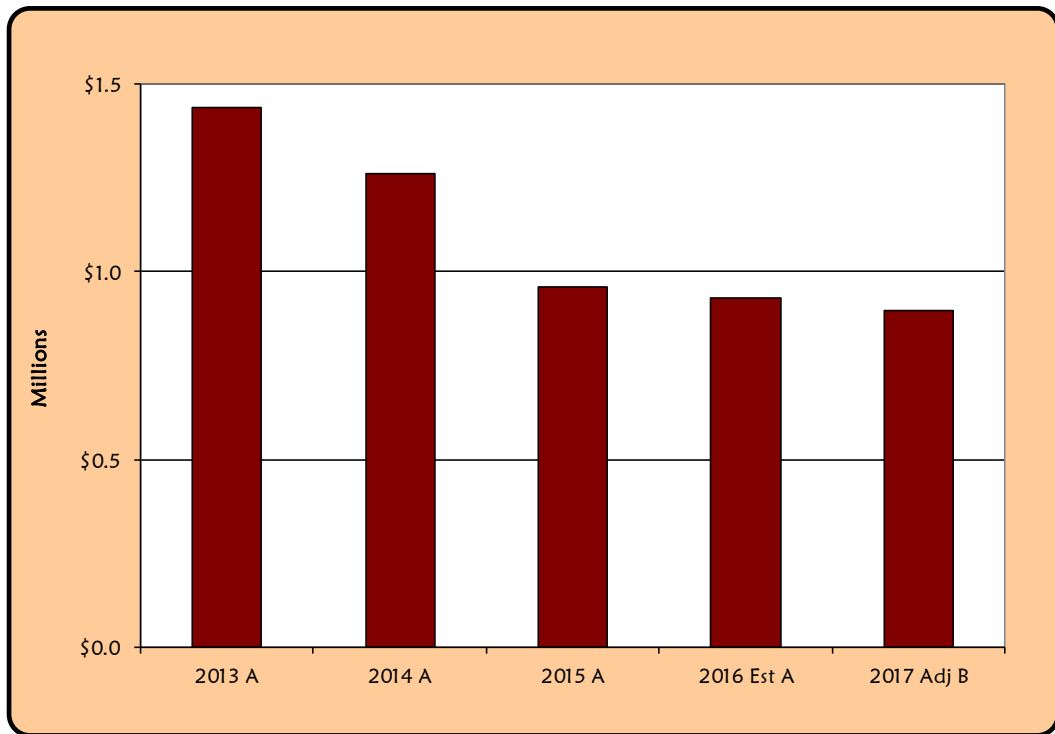
Fines, Penalties and Other Revenues

REVENUE: FINES AND PENALTIES

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

HISTORICAL DATA:

<i>General Fund</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Traffic Infractions	\$ 441,145	\$ 471,580	\$ 489,123	\$ 462,693	\$ 461,500
Parking Infractions	116,659	133,676	141,075	130,567	145,300
False Alarm Fines	91,214	85,320	110,179	97,462	114,400
Criminal Non-Traffic	56,899	40,632	47,736	44,258	42,000
Criminal Traffic	35,826	34,152	36,440	27,460	35,000
Driving While Intoxicated	19,477	16,751	23,430	31,426	16,000
Photo Enforcement	599,772	383,307	15,285	15,433	-
Other Revenues	75,692	94,602	97,678	121,948	83,600
Total	\$ 1,436,685	\$ 1,260,020	\$ 960,946	\$ 931,248	\$ 897,800



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

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

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

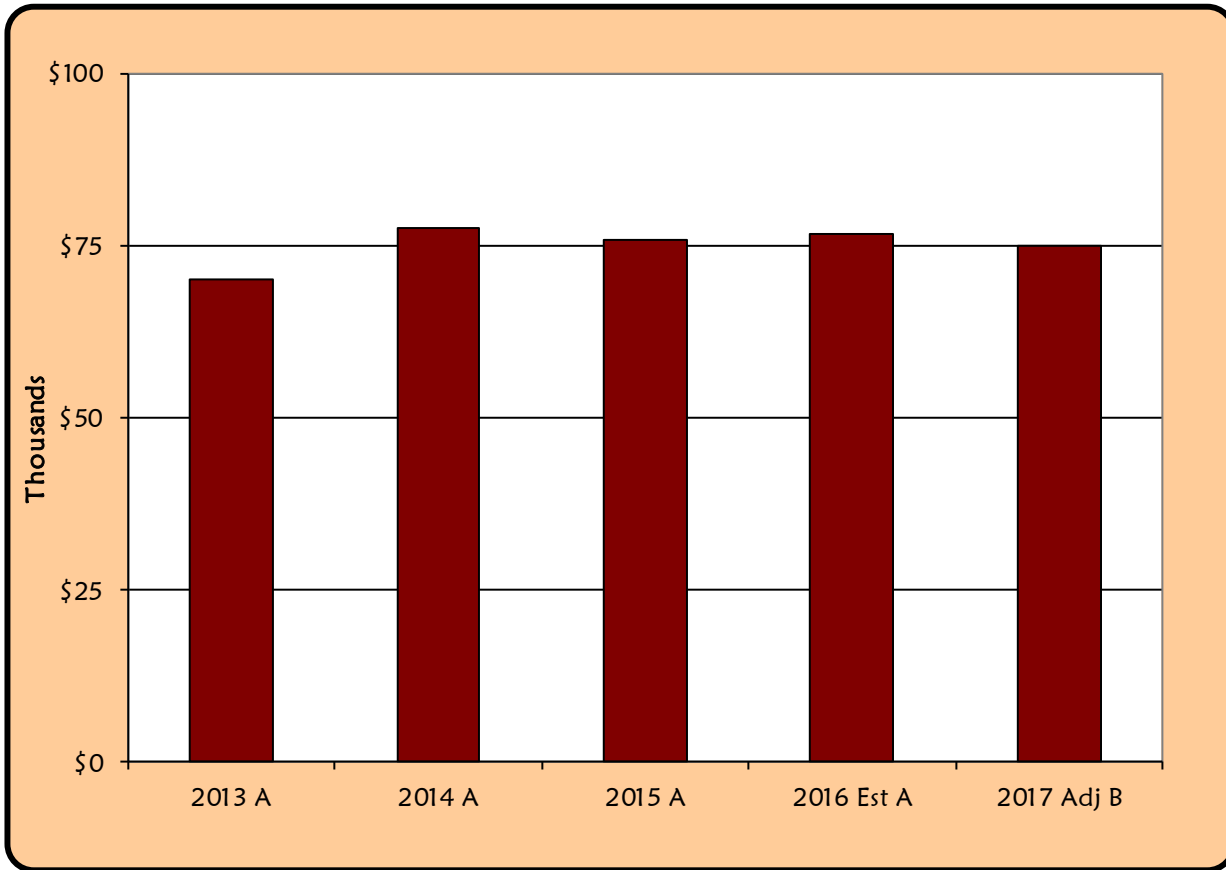
ADDITIONAL INFORMATION: The decline in revenues seen in the graphic above is primarily due to the termination of the City’s Photo Enforcement program effective June 1, 2014.

REVENUE: FIRE INSURANCE PREMIUM TAX

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

HISTORICAL DATA:

<i>Fund 611</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Total \$	70,036	\$ 77,558	\$ 75,702	\$ 76,569	\$ 75,000



BASE: Net premiums received by authorized insurers.

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

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

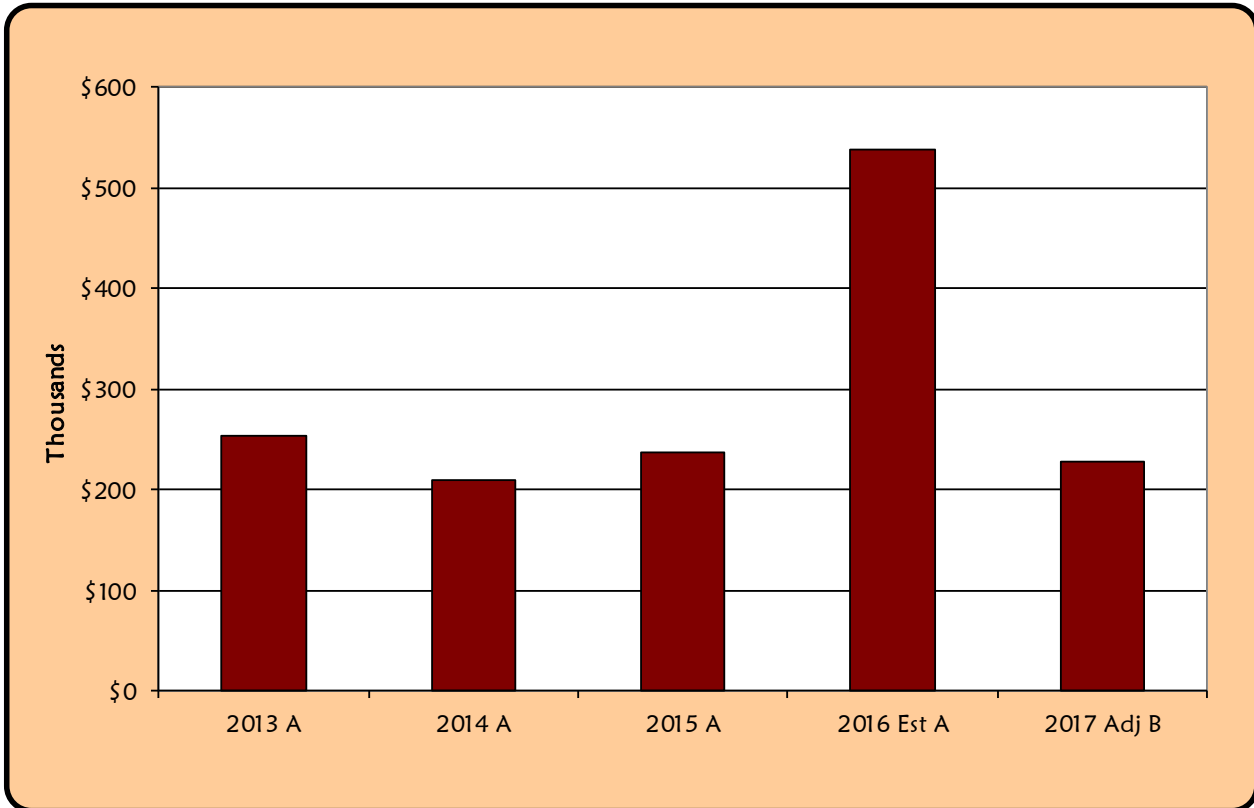
41.16.050: Authorizes the distribution of the tax to the City to fund its fire pension requirements. Distribution is based on the City's report to the State Treasurer on the number of paid firemen. The entire amount is deposited into the Firemen's Pension Fund (Fund 611).

REVENUE: INVESTMENT INCOME

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

HISTORICAL DATA:

<i>Fund Types</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
General Fund	\$ 45,977	\$ 41,767	\$ 57,464	\$ 110,800	\$ 69,000
All Other Funds	207,307	168,008	178,661	426,829	159,332
Total	\$ 253,284	\$ 209,775	\$ 236,124	\$ 537,629	\$ 228,332



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

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

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

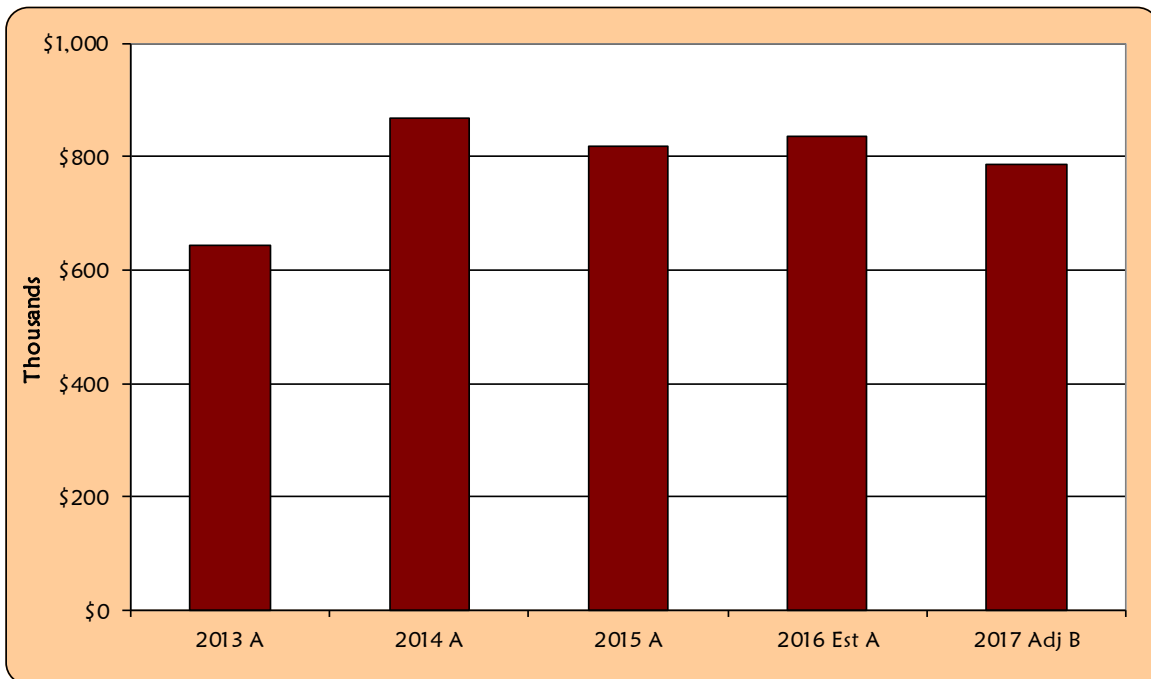
REVENUE: RENTAL INCOME

DESCRIPTION: Rental income includes payments received for the use of City owned facilities such as room rentals at the 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 Auburn Avenue Theatre rentals, cell phone tower leases at Game Farm Park, and other lease revenues.

HISTORICAL DATA:

<i>General Fund, Fund 321, 437* and 505</i>					
	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
General Fund	\$ 275,192	\$ 686,367	\$ 708,910	\$ 734,848	\$ 675,300
Municipal Parks Fund	41,690	111,004	42,944	43,595	45,190
Golf Course Fund*	218,686	-	-	-	-
Facilities Fund	107,574	70,325	66,274	56,036	67,000
Total	\$ 643,142	\$ 867,696	\$ 818,128	\$ 834,479	\$ 787,490

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



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

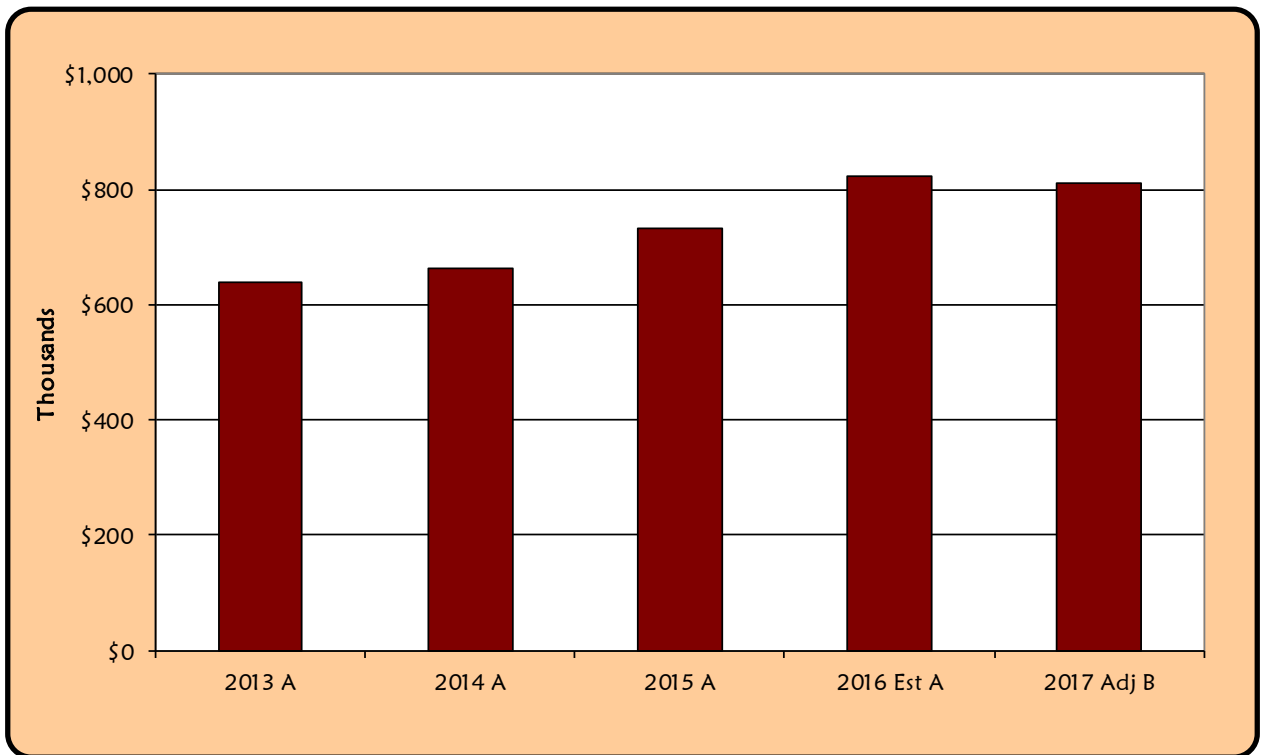
Enterprise Funds

REVENUE: AIRPORT REVENUES

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

HISTORICAL DATA:

<i>Airport Fund (Fund 435)</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Tie Down and Hangar Rent	\$ 407,827	\$ 437,089	\$ 495,660	\$ 547,122	\$ 528,800
Property Leases	186,201	196,259	205,281	227,151	238,000
Fuel Facility Rent	18,000	-	-	-	-
Flowage Fees	10,380	13,027	16,080	29,775	28,000
Airport Security Service	15,481	16,243	17,078	18,303	16,000
Total	\$ 637,889	\$ 662,617	\$ 734,099	\$ 822,350	\$ 810,800



BASE: Hangar rentals, tie downs, property leases, fuel flowage fees, and Airport security revenues. Due to the revised Airport contract in 2014, fuel flowage fees are based on a percentage of fuel pumped and fuel facility rent is no longer applicable. Auburn Municipal Airport is one of the busiest general aviation airports in Washington State. There are approximately 142,000 takeoffs and landings a year with 315 aircrafts based at the Airport. The Airport is owned by the City, but privately operated under contract.

AUBURN CITY CODE: 3.04: Creates the Airport Fund and establishes uses of funds.

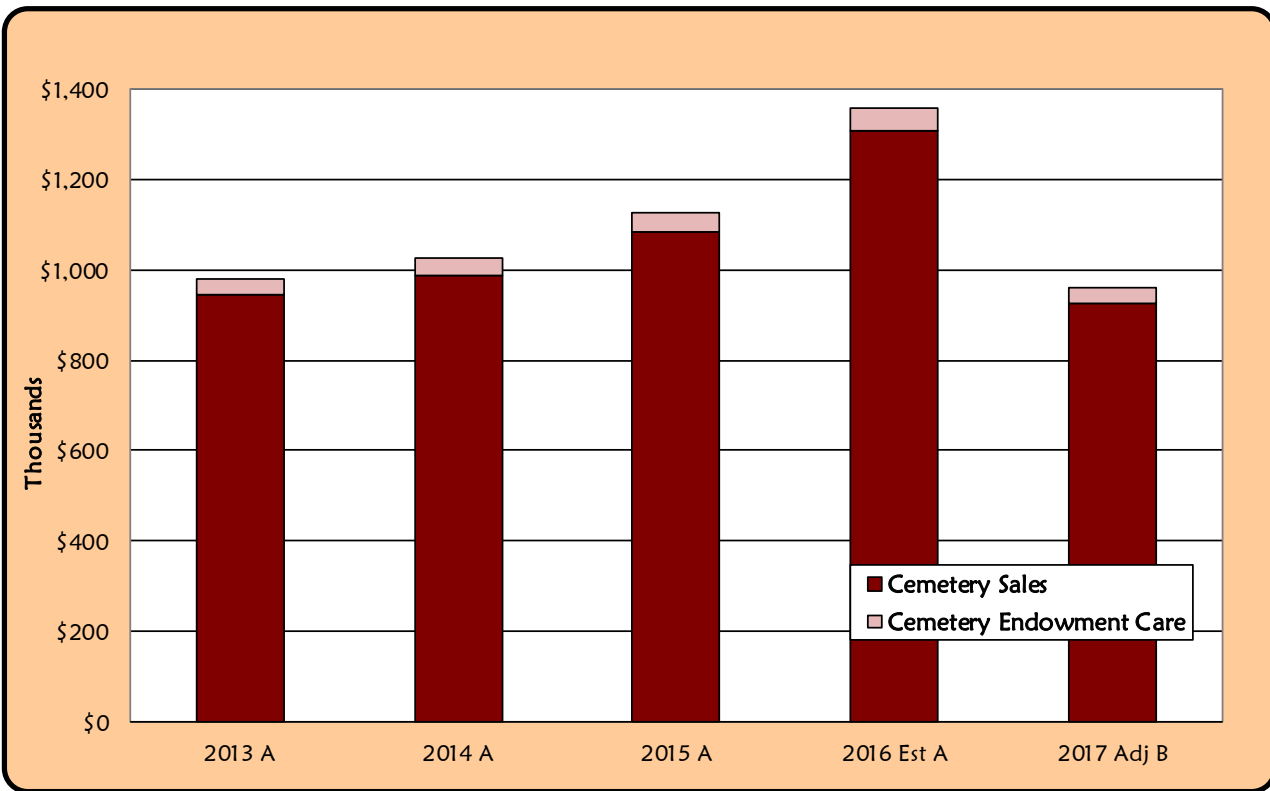
REVISED CODE OF WA: 14.08.120: Grants cities the power to operate a municipal airport.

REVENUE: CEMETERY REVENUES – OPERATIONS AND ENDOWMENT CARE

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

HISTORICAL DATA:

<i>Fund 436 and Fund 701</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Lot Sales	\$ 374,994	\$ 380,561	\$ 448,434	\$ 513,665	\$ 350,000
Openings/Closings	209,319	220,706	218,017	250,556	211,000
Liners/Settings	184,667	196,576	198,046	243,129	181,500
Markers	158,882	165,331	206,405	282,573	170,000
Cemetery Endowment Care	37,506	37,833	41,559	50,337	35,000
Other Revenues	16,417	23,804	13,717	17,729	15,000
Total	\$ 981,784	\$ 1,024,810	\$ 1,126,177	\$ 1,357,988	\$ 962,500



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

AUBURN CITY CODE: 3.04.080: Establishes the Cemetery Fund and guidelines for its use.

3.04.090: Establishes the Cemetery Endowment Care Fund.

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

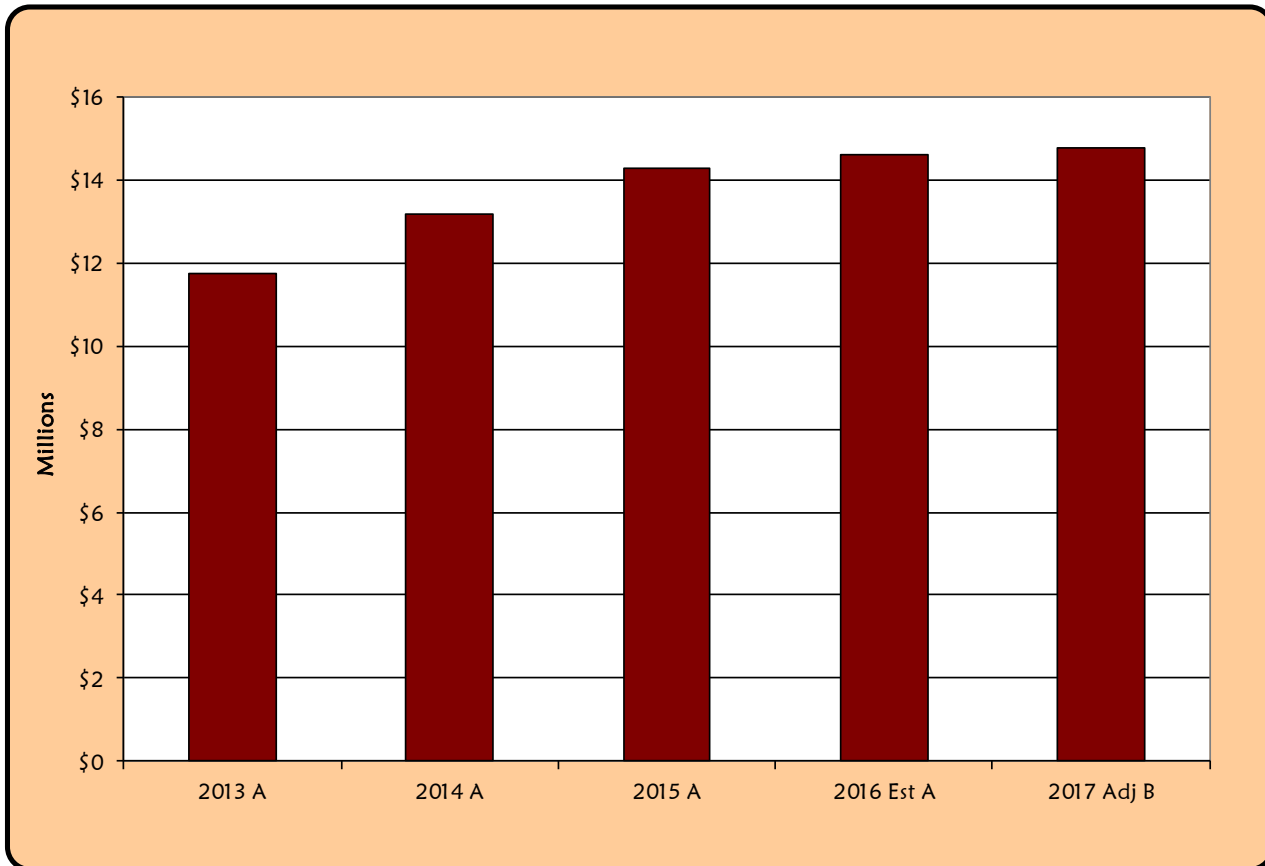
REVISED CODE OF WA: 68.52.040: Grants cities and towns the authority to own, operate, and improve cemeteries.

REVENUE: WATER UTILITY REVENUES

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

HISTORICAL DATA:

<i>Water Fund (Fund 430)</i>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
City Water Services	\$ 11,551,283	\$ 13,001,105	\$ 14,109,853	\$ 14,485,094	\$ 14,665,511
Application and Other Revenues	144,068	122,154	119,595	134,362	65,000
Rents, Leases and Concessions	51,840	57,723	44,694	5,824	50,000
Total	\$ 11,747,191	\$ 13,180,983	\$ 14,274,142	\$ 14,625,280	\$ 14,780,511
MGD* Water Sold	6.7	6.9	7.2	7.3	7.4
(*Million Gallons per Day)					



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

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

13.06.040: Authority to establish rates and charges.

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

35.92.010: Authorizes cities to operate waterworks.

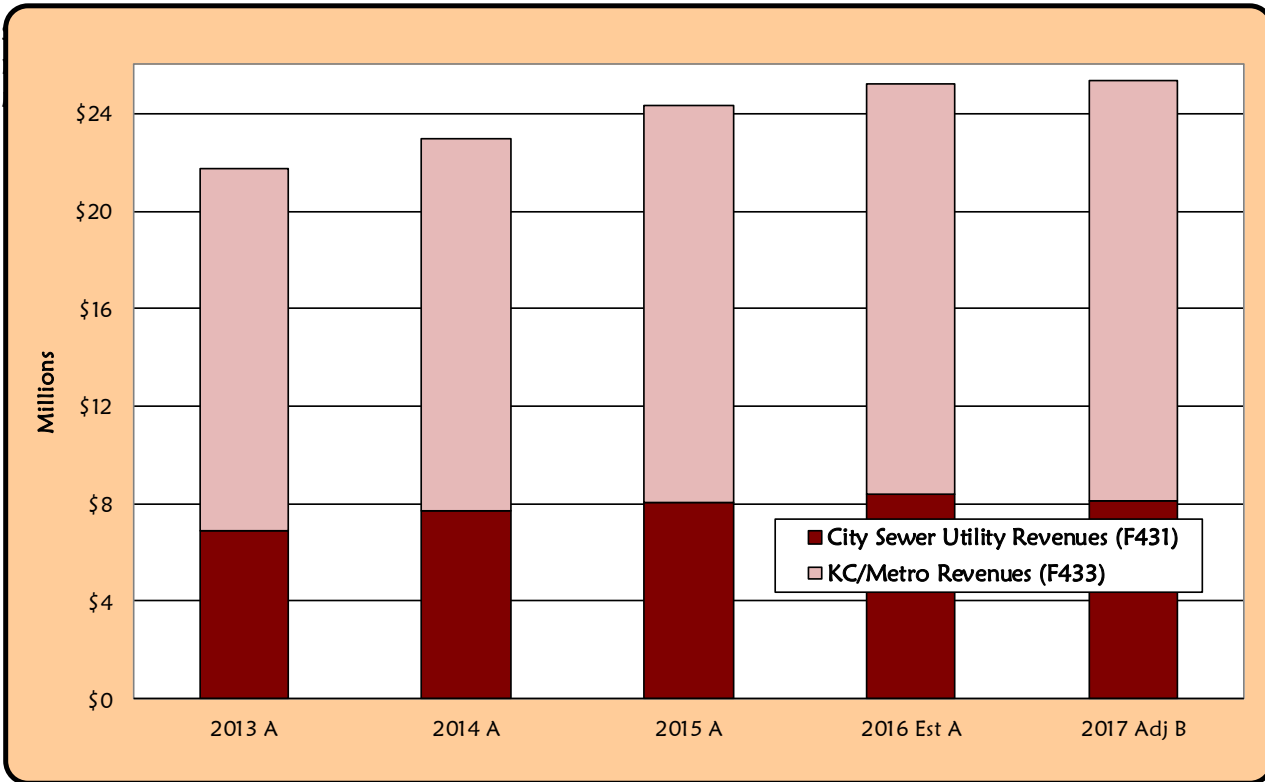
35.92.025: Authorizes cities to charge for connection to the city water system.

REVENUE: SEWER UTILITY REVENUES

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

HISTORICAL DATA:

<i>Sewer Fund (Fund 431 and 433)</i>		2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
Metro Service Charge	\$	14,271,239	\$ 14,590,389	\$ 15,704,127	\$ 16,120,141	\$ 16,537,490
City Sewer Services		6,806,771	7,639,124	8,006,079	8,373,999	8,082,441
Metro Industrial Charge		580,544	711,355	586,882	705,435	700,000
Application Revenues		53,394	38,287	27,941	27,149	20,000
Total	\$	21,711,948	\$ 22,979,155	\$ 24,325,029	\$ 25,226,724	\$ 25,339,931



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.

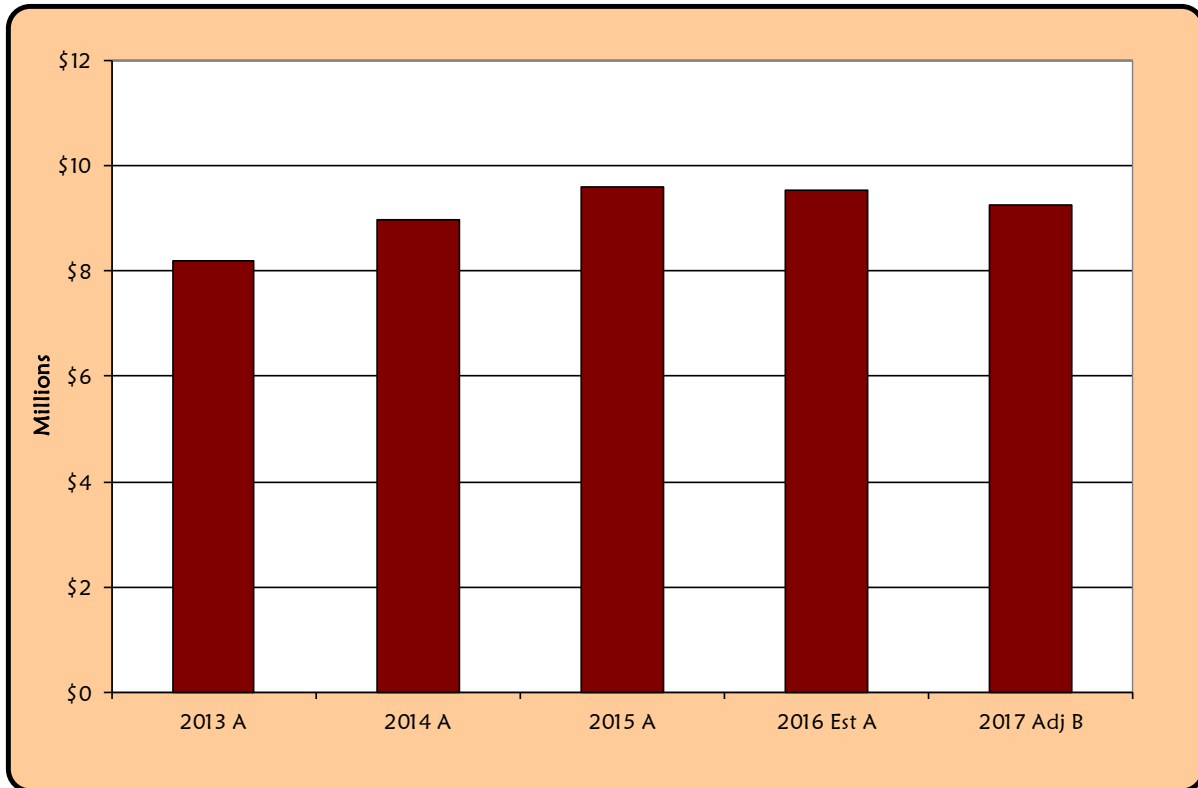
35.92.020: Authority to acquire and operate sewerage and solid waste handling systems, plants, sites, or facilities.

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>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
City Storm Drainage Services	\$ 8,034,652	\$ 8,809,885	\$ 9,434,385	\$ 9,397,102	\$ 9,142,676
Storm Application Revenues	149,651	157,800	148,354	142,462	100,000
Total	\$ 8,184,303	\$ 8,967,685	\$ 9,582,739	\$ 9,539,564	\$ 9,242,676



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.

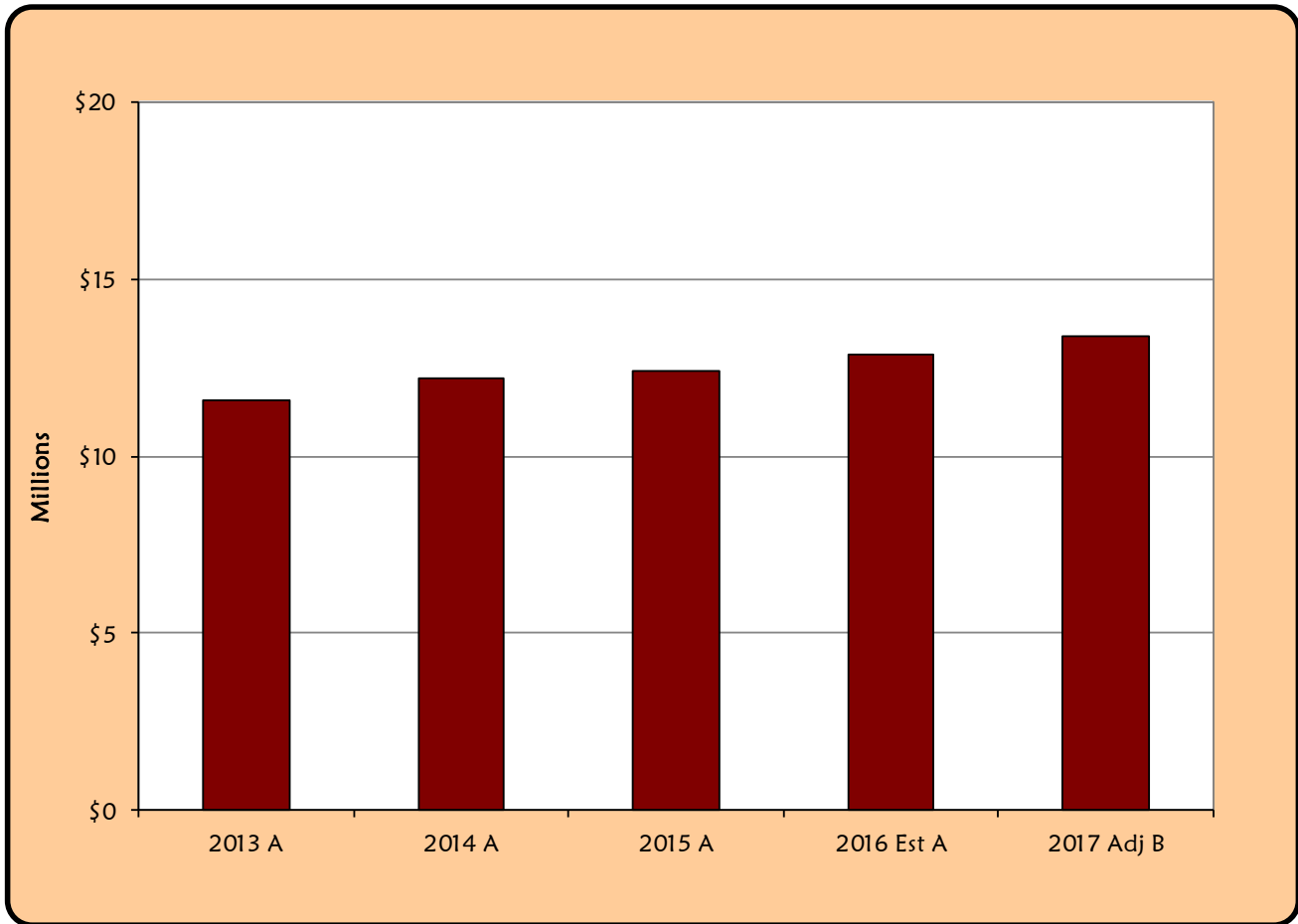
REVISED CODE OF WA: 35.21.210: Authorizes cities to provide storm drainage services and systems.

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>	2013 A	2014 A	2015 A	2016 Est A	2017 Adj B
City Solid Waste Services	\$ 10,650,203	\$ 11,213,099	\$ 11,341,733	\$ 11,758,190	\$ 12,315,900
Yard Waste	911,909	1,006,961	1,052,951	1,084,564	1,068,000
Total	\$ 11,562,112	\$ 12,220,060	\$ 12,394,684	\$ 12,842,754	\$ 13,383,900



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 \$57 million to the City. A description of several of these key actions is presented below.

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

Initiative 695 (1999). In November 1999, the voters of Washington State approved Initiative 695, which repeals the State's long standing motor vehicle excise tax (MVET) and requires future voter approval of tax and fee increases proposed by state, county and local governments. The ruling was upheld on appeal at the Washington State Supreme Court. The loss of the MVET eliminated an average of \$750 million annually as a funding source for local governments, transit systems and state transportation projects. The loss of MVET revenues was approximately 2.0% of total General Fund revenues. During 2000, State funding was provided to assist in the revenue losses. The City of Auburn received approximately \$200,000 in 2001 and 2002. Early in 2003, the State discontinued this funding assistance.

Initiative 747 (2001). Another loss to City revenue is due to I-747 which limits property tax increases to the lesser of 1.0% or inflation. I-747 was passed by Washington State voters in November of 2001. This measure was declared unconstitutional by the King County Superior Court on June 13, 2006. In November 2007, the State Supreme Court decision was to overturn I-747. Following this decision, the Washington Legislature approved House Bill 2416 reinstating the provisions of I-747 retroactively to 2002, restoring the one percent limit on property tax increases.

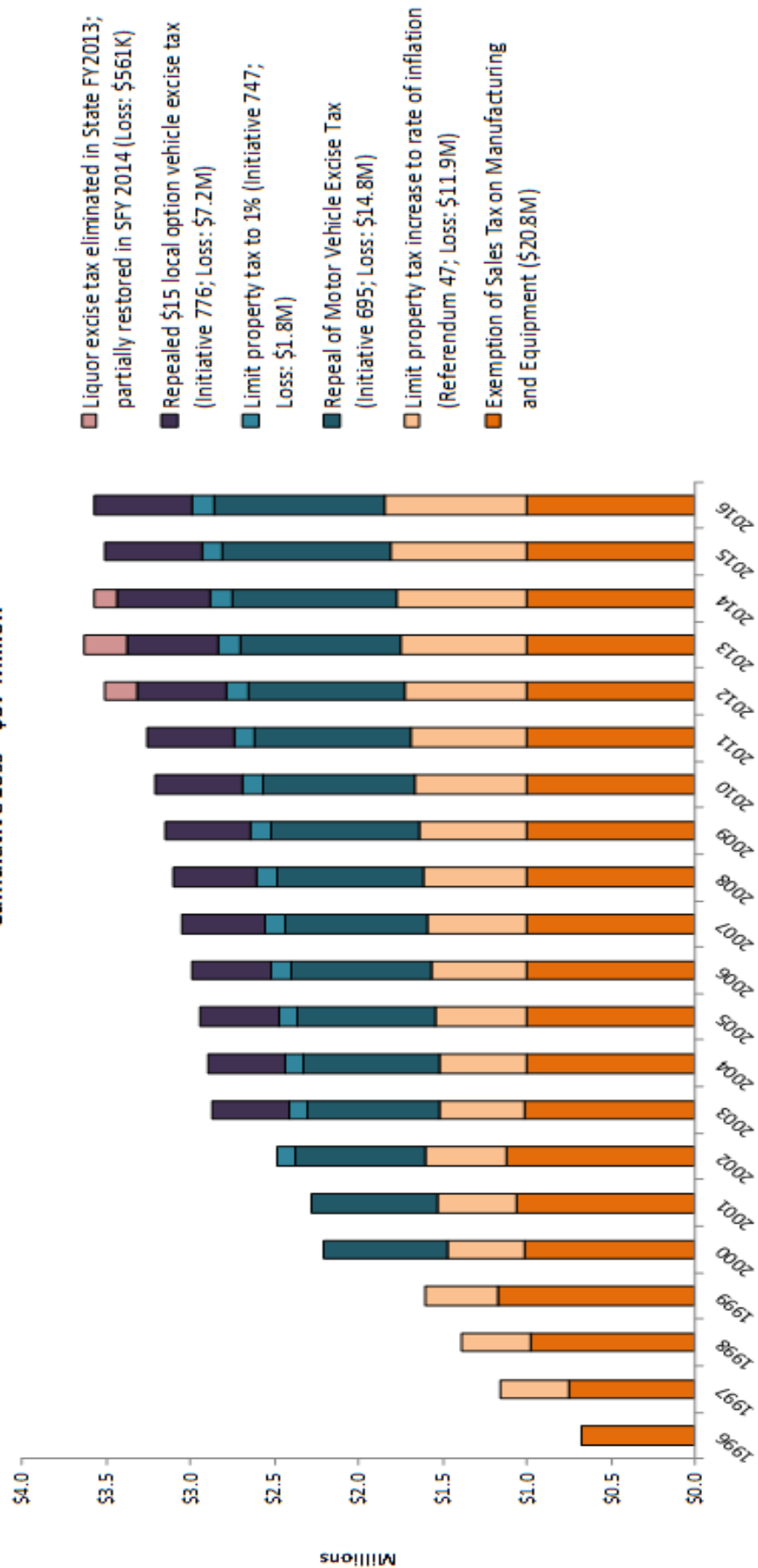
Initiative 776 (2002). The voters approved this initiative in the fall of 2002 to repeal the \$15 local option vehicle excise tax levied in King, Snohomish and Douglas counties. The voters of these counties initially approved this tax and there was argument whether a statewide vote could repeal a local voted tax. After several court cases and subsequent appeals the State Supreme Court upheld the initiative. The loss to the City street program is approximately \$600,000 per year in 2017 and 2018.

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

Estimated City of Auburn Tax Loss from Washington State Legislative Action

1996 to 2016

Cumulative Loss = \$57 Million



Summarized Revenues by Category

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

REVENUES BY CATEGORY*

For all fund types

	2013 Actual	2014 Actual	2015 Actual	2016 Estimated Actual	2017 Adjusted Budget
TAXES					
Property	\$ 14,535,673	\$ 15,933,338	\$ 17,337,108	\$ 18,067,324	\$ 20,777,000
Sales & Use	18,061,858	19,469,356	20,877,060	21,251,435	20,742,500
Cable TV	1,115,477	1,131,253	1,203,585	1,251,194	2,232,000
City Utility	3,892,250	4,068,667	4,260,831	4,624,952	4,303,600
Electric Utility	4,059,276	3,997,291	4,011,835	4,218,540	4,272,000
Natural Gas Utility	1,596,891	1,584,211	1,444,444	1,324,242	1,553,200
Solid Waste - External Utility	119,094	125,504	135,436	144,669	139,400
Telephone Utility	2,214,292	2,156,067	1,949,630	1,785,938	1,742,200
Admissions	324,906	321,016	341,919	416,719	317,000
Gambling	202,157	282,144	266,632	477,457	300,300
Hotel/Motel Excise	90,581	99,782	111,126	112,876	110,000
Leasehold Excise	37,215	37,233	66,544	204,446	40,000
Real Estate Excise Tax (REET)	2,225,898	2,469,637	4,555,215	4,262,235	2,800,000
Sub-Total	\$ 48,475,567	\$ 51,675,500	\$ 56,561,366	\$ 58,142,025	\$ 59,329,200

	2013 Actual	2014 Actual	2015 Actual	2016 Estimated Actual	2017 Adjusted Budget
LICENSES, PERMITS AND OTHER FEES/CHARGES					
Business Licenses	\$ 305,637	\$ 214,410	\$ 352,626	\$ 286,267	\$ 277,100
Mitigation/Impact Fees	1,692,460	1,436,639	2,279,906	7,257,169	1,512,000
Park Fees	2,104,178	2,247,222	2,331,287	2,325,357	2,330,780
Permit Fees	2,678,483	2,099,311	1,665,189	2,666,728	1,989,000
Animal Licenses	127,303	129,930	127,588	113,521	127,600
Planning and Development Fees	1,116,612	1,085,830	1,397,472	1,027,865	1,007,600
Sub-Total	\$ 8,024,674	\$ 7,213,341	\$ 8,154,070	\$ 13,676,908	\$ 7,244,080

	2013 Actual	2014 Actual	2015 Actual	2016 Estimated Actual	2017 Adjusted Budget
INTERGOVERNMENTAL REVENUES					
Law Enforcement Services	\$ 57,557	\$ 754,700	\$ 507,957	\$ 693,771	\$ 645,500
Criminal Justice Sales Tax	171,736	197,584	200,824	393,653	308,000
Federal/State/Local Grants	5,327,174	4,443,201	9,014,025	7,053,185	15,904,473
Liquor Excise & Profits	688,099	788,333	857,115	1,003,233	1,011,000
Marijuana Excise Tax	-	-	9,759	29,420	34,000
Motor Vehicle Fuel Tax	1,472,734	1,510,614	1,572,602	1,707,962	1,811,600
Muckleshoot Casino	509,734	634,467	595,314	688,419	680,000
Streamlined Sales Tax	1,952,778	1,962,161	1,951,097	1,924,487	1,907,700
Sub-Total	\$ 10,179,813	\$ 10,291,059	\$ 14,708,693	\$ 13,494,130	\$ 22,272,273

	2013 Actual	2014 Actual	2015 Actual	2016 Estimated Actual	2017 Adjusted Budget
FINES, PENALTIES AND OTHER REVENUES					
Fines and Penalties	\$ 1,436,685	\$ 1,260,020	\$ 960,946	\$ 931,248	\$ 897,800
Fire Insurance Premiums	70,036	77,558	75,702	76,569	75,000
Investment Income	253,284	209,775	236,124	537,629	228,332
Rental Income	643,142	867,696	818,128	834,479	787,490
Sub-Total	\$ 2,403,147	\$ 2,415,048	\$ 2,090,901	\$ 2,379,925	\$ 1,988,622

	2013 Actual	2014 Actual	2015 Actual	2016 Estimated Actual	2017 Adjusted Budget
ENTERPRISE FUND REVENUES					
Airport	\$ 637,889	\$ 662,617	\$ 734,099	\$ 822,350	\$ 810,800
Cemetery	981,784	1,024,810	1,126,177	1,357,988	962,500
Water Utility	11,747,191	13,180,983	14,274,142	14,625,280	14,780,511
Sewer Utility	21,711,948	22,979,155	24,325,029	25,226,724	25,339,931
Storm Drainage Utility	8,184,303	8,967,685	9,582,739	9,539,564	9,242,676
Solid Waste Utility	11,562,112	12,220,060	12,394,684	12,842,754	13,383,900
Sub-Total	\$ 54,825,227	\$ 59,035,310	\$ 62,436,870	\$ 64,414,660	\$ 64,520,318

Grand Total	\$ 123,908,427	\$ 130,630,257	\$ 143,951,900	\$ 152,107,649	\$ 155,354,493
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*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

	2013 Actual	2014 Actual	2015 Actual	2016 Estimated Actual	2017 Adjusted Budget
City Population					
King County portion	64,320	65,350	65,950	67,340	68,013
Pierce County portion	8,915	9,280	9,595	9,720	9,817
Total	73,235	74,630	75,545	77,060	77,831
TAXES					
Property	\$ 198	\$ 213	\$ 229	\$ 234	\$ 267
Sales & Use	247	261	276	276	267
Cable TV	15	15	16	16	29
City Utility	53	55	56	60	55
Electric Utility	55	54	53	55	55
Natural Gas Utility	22	21	19	17	20
Solid Waste - External Utility	2	2	2	2	2
Telephone Utility	30	29	26	23	22
Admissions	4	4	5	5	4
Gambling	3	4	4	6	4
Hotel/Motel Excise	1	1	1	1	1
Leasehold Excise	1	0	1	3	1
Real Estate Excise Tax (REET)	30	33	60	55	36
Sub-Total	\$ 662	\$ 692	\$ 749	\$ 755	\$ 762
LICENSES, PERMITS AND OTHER FEES/CHARGES					
Business Licenses	\$ 4	\$ 3	\$ 5	\$ 4	\$ 4
Mitigation/Impact Fees	23	19	30	94	19
Park Fees	29	30	31	30	30
Permit Fees	37	28	22	35	26
Animal Licenses	2	2	2	1	2
Planning and Development Fees	15	15	18	13	13
Sub-Total	\$ 110	\$ 97	\$ 108	\$ 177	\$ 93
INTERGOVERNMENTAL REVENUES					
Law Enforcement Services	\$ 1	\$ 10	\$ 7	\$ 9	\$ 8
Criminal Justice Sales Tax	2	3	3	5	4
Federal/State/Local Grants	73	60	119	92	204
Liquor Excise & Profits	9	11	11	13	13
Marijuana Excise Tax	-	-	0	0	0
Motor Vehicle Fuel Tax	20	20	21	22	23
Muckleshoot Casino	7	9	8	9	8
Streamlined Sales Tax	27	26	26	25	25
Sub-Total	\$ 139	\$ 138	\$ 195	\$ 175	\$ 286
FINES AND PENALTIES AND OTHER REVENUES					
Fines and Penalties	\$ 20	\$ 17	\$ 13	\$ 12	\$ 12
Fire Insurance Premiums	1	1	1	1	1
Investment Income	3	3	3	7	3
Rental Income	9	12	11	11	10
Sub-Total	\$ 33	\$ 32	\$ 28	\$ 31	\$ 26
ENTERPRISE FUND REVENUES					
Airport	\$ 9	\$ 9	\$ 10	\$ 11	\$ 10
Cemetery	13	14	15	18	12
Water Utility	160	177	189	190	190
Sewer Utility	296	308	322	327	326
Storm Drainage Utility	112	120	127	124	119
Solid Waste Utility	158	164	164	167	172
Sub-Total	\$ 749	\$ 791	\$ 826	\$ 836	\$ 829
Grand Total	\$ 1,692	\$ 1,750	\$ 1,906	\$ 1,974	\$ 1,996

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

City of Auburn Revenue Manual

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