City Council Study Session Finance, Technology and Economic Development Special Focus Area
December 13, 2021 - 5:30 PM
City Hall Council Chambers and Virtual
AGENDA
Watch the meeting LIVE!

Watch the meeting video
Meeting videos are not available until 72 hours after the meeting has concluded.

I. CALL TO ORDER

II. PUBLIC PARTICIPATION

A. Public Participation

The Auburn City Council Meeting scheduled for Monday, December 13, 2021 at 5:30 p.m. will be held in person and virtually.

Virtual Participation Link:

To attend the meeting virtually please click one of the below links, enter the meeting ID into the Zoom app, or call into the meeting at the phone number listed below. The link to the Virtual Meeting is:

Zoom: https://us06web.zoom.us/j/87835769996

The public can also view the meeting on YouTube:
https://www.youtube.com/user/watchauburn/live/?nomobile=1

To join the meeting by phone, please use the below call-in information:

253 215 8782
877 853 5257 (Toll Free)

Webinar ID: 878 3576 9996

B. Roll Call

III. ANNOUNCEMENTS, REPORTS, AND PRESENTATIONS

IV. AGENDA ITEMS FOR COUNCIL DISCUSSION

A. Ordinance No. 6839 (Gaub)(5 Minutes)

An Ordinance vacating right-of-way of a portion of West Main Street, East of Lund Road SW

B. Neighborhood Traffic Calming Program Overview (Gaub)(20 Minutes)

C. Resolution No. 5637 (Comeau)(30 Minutes)

A Resolution authorizing the Mayor to execute an easement agreement in favor of MSRE Apartment, LLC for access, parking and fire service over, across, through and under City owned property – parcel number 733140-0135

V. FINANCE, TECHNOLOGY AND ECONOMIC DEVELOPMENT DISCUSSION ITEMS

A. Ordinance No. 6845 (Thomas)(20 Minutes)

An Ordinance amending Sections 3.53.100 and 3.53.110 regarding City Business and Occupation (B&O) tax exemptions and deductions allowed to nonprofit health care organizations in the City

B. 3rd Quarter 2021 Financial Report Update (Thomas)(15 Minutes)

VI. OTHER DISCUSSION ITEMS

VII. NEW BUSINESS

VIII. ADJOURNMENT

Agendas and minutes are available to the public at the City Clerk's Office, on the City website (http://www.auburnwa.gov), and via e-mail. Complete agenda packets are available for review at the City Clerk's Office.

AGENDA BILL APPROVAL FORM

Agenda Subject:
Ordinance No. 6839 (Gaub)(5 Minutes)

Date:
November 17, 2021

Department:
Public Works

Attachments:
Draft Ordinance No. 6839
Exhibit A
Staff Report
Vicinity Map

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

For discussion only.

Background for Motion:

Background Summary:

Ralph T. Pozzi has applied to the City for vacation of the right-of-way of a portion of West Main Street, east of Lund Road SW. The applicant owns the adjacent parcel #1321049008 to the south and is proposing to incorporate the right-of-way into development of the adjacent property to add additional parking for the associated business on the property.

A portion of the proposed vacation area became ROW in 1888. The majority of the proposed vacation area was acquired by the State as ROW for construction of SR-167 through Warranty Deed on December 11, 1969. The entire proposed vacation area was subsequently conveyed to the City of Auburn from the State through Governors Deed on February 6, 1974.

The application has been reviewed by City staff and utility purveyors who have an interest in this right-of-way. Through this review City staff has determined that the right-of-way is no longer necessary to meet the needs of the City and could be vacated with conditions outlined in draft Ordinance No. 6839.

A public hearing for Vacation No. VAC21-0002 is set for December 20, 2021.

Reviewed by Council Committees:

Councilmember: Stearns

Staff: Gaub

Meeting Date: December 13, 2021

Item Number:

ORDINANCE NO. 6839

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN WASHINGTON, VACATING RIGHT-OF-WAY OF A PORTION OF WEST MAIN STREET, EAST OF LUND ROAD SW, WITHIN THE CITY OF AUBURN, WASHINGTON.

WHEREAS, the City of Auburn, Washington ("City"), has received a petition signed by at least two-thirds (2/3) of the owners of property abutting right-of-way located within a portion of West Main Street, east of Lund Road SW, within the City of Auburn, requesting vacation of the right-of-way; and,

WHEREAS, as required by Chapter 12.48 of the Auburn City Code, a public hearing was held in connection with the possible vacation, with notice having been provided pursuant to statute; and,

WHEREAS, the City Council has considered all matters presented at the public hearing on the proposed vacation, held on the 20th day of December, 2021, at the Auburn City Council Chambers in Auburn, Washington.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON DO ORDAIN as a non-codified ordinance as follows:

Section 1. **Vacation.** That the right of way located at a portion of West Main Street, east of Lund Road SW, located within the City of Auburn, Washington, legally described as follows:

> COMMENCING AT THE NORTHEAST CORNER OF LOT 1 OF CITY OF AUBURN SHORT PLAT NUMBER SP-11-85, RECORDED JANUARY 08, 1986 UNDER RECORDING NUMBER 8601080790, IN KING COUNTY, WASHINGTON;

THENCE NORTH 86°14’47” WEST ALONG THE NORTH LINE OF SAID LOT 1 A DISTANCE OF 65.87 FEET;
THENCE SOUTH 03°45’13” WEST 3.00 FEET TO THE BEGINNING;
THENCE CONTINUING SOUTH 03°45’13” WEST 27.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT THE RADUIS POINT OF WHICH BEARS NORTH 03°45’13” EAST DISTANT 2260.00 FEET;
THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 8°35’30” AN ARC LENGTH OF 338.89 FEET;
THENCE NORTH 77°39’17” WEST 31.05 FEET;
THENCE NORTH 86°14’47” WEST 30.07 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT THE RADIUS POINT OF WHICH BEARS SOUTH 80°54’28” EAST DISTANT 30.00 FEET;
THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 94°02’01” AN ARC LENGTH OF 49.24 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HABING A RADUIS OF 2233.00 FEET;
THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9°22’20” AN ARC LENGTH OF 365.27 FEET TO THE POINT OF BEGINNING.

CONTAINING AN AREA OF 10,620 SQUARE FEET, MORE OR LESS.

and as shown on the survey, a copy of which is attached, marked Exhibit "A" is vacated and the property lying in the right-of-way described, shall inure and belong to those persons entitled to receive the property in accordance with RCW 35.79.040, conditioned upon the following:

A. Reservation in favor of the City of a perpetual Nonexclusive Easement under, over, through and across the vacated right-of-way as described above for the purpose of laying, maintaining, and installing future and existing water, sanitary sewer and storm water facilities and including a reservation in favor of the City of the right to grant easements for utilities over, under and on all portions of the vacated right-of-way as described above.

The City shall have the absolute right, at times as may be necessary for immediate entry upon said Easement Area for the purpose of maintenance, inspection, construction, repair or reconstruction of the above improvements without incurring any legal obligation or liability.

The City shall have the absolute right to place any type of driving surface within said Easement Area deemed necessary by the City.

The owners of the adjacent properties agree and shall not in any way block, restrict or impede access and egress to or from said Easement Area, and /or in any way block, restrict or impede full use of the real property within the Easement Area by the City for the above described purposes. No building, wall, rockery, fence, trees, or structure of any kind shall be erected or planted, nor shall any fill material be placed within the boundaries of said Easement Area, without the express written consent of the City. Except as required or approved by the City, no excavation shall be made within three feet of said facilities. The surface level of the ground within the Easement Area shall be maintained at the elevation as currently existing except areas that were previously graded and must be re-graded to satisfy conditions of this right-of-way vacation as set forth in paragraphs F and G.

This easement shall be a covenant running with the adjacent property parcels and burden said real estate, and shall be binding on the successors, heirs and assigns of all parties.

B. Under the terms of the reservation set out in Paragraph A above and in accordance with RCW 35.79.030, the City grants a private utility easement to Puget Sound Energy over, under, and upon the vacated right-of-way as described above for the construction, operation, maintenance, repair, replacement, improvement and removal of electric and gas distribution facilities. The owners of the adjacent property shall not erect any structures on the easement and shall not place trees or other obstructions on the easement that would interfere with the exercise of Grantee's rights.

This easement shall be a covenant running with the adjacent property parcels and burden said real estate, and shall be binding on the successors, heirs and assigns of all parties.

C. In accordance with RCW 35.79.030, the City grants a private utility easement to CenturyLink over, under and upon the vacated right-of-way as described above for the construction, operation, maintenance, repair, replacement, improvement and removal of wireline telecommunications facilities. The owners of the adjacent properties shall not erect any structures on the easement and shall not place trees or other obstructions on the easement that would interfere with the exercise of Grantee's rights.

This easement shall be a covenant running with the adjacent property parcels and burden said real estate, and shall be binding on the successors, heirs and assigns of all parties.

D. In accordance with RCW 35.79.030, the City grants a private utility easement to Comcast over, under and upon the vacated right-of-way as described above for the construction, operation, maintenance, repair, replacement, improvement and removal of cable facilities. The owners of the adjacent properties shall not erect any structures on the easement and shall not place trees or other obstructions on the easement that would interfere with the exercise of Grantee's rights.

This easement shall be a covenant running with the adjacent property parcels and burden said real estate, and shall be binding on the successors, heirs and assigns of all parties.

E. It is provided, however that such reserved or granted utility and access easements as set out in Paragraphs A, B, C and D above may be modified to accommodate a removal, relocation and sitting of the affected utility lines if the Utility and the property owners on whose property the utility lines are located agree to the removal relocations and sitting being paid by said property owners and with the removal relocation and sitting being done in conformity with applicable standards.

F. The applicant shall move the existing fence to the current property line (as it exists prior to vacation) and obtain a Grading Permit to remove gravel and construct proper site improvements for storm drainage to storm inlet structures, parking, lighting and landscaping per City requirements and Engineering Design and Construction Standards.

G. The applicant shall obtain required permits and replace the domed storm inlet structures with a standard grate and shall install concrete aprons around all storm inlet structures per the City's Standard Details.

H. In accordance with RCW 35.79.0360 and ACC 12.48.085, compensation to the City of Auburn, shall be made by the owner or owners of property adjacent thereto in the total amount of Forty-five Thousand ($45,000.00) Dollars for the full appraised value of the right-of-way, which has been right-of-way for more than twenty-five (25) years and for which public funds were expended.

I. This vacation shall be effective upon completion of the provisions in paragraph F, G, and H, above. The above described provisions must be completed by December 20, 2022 or the vacation and this Ordinance will be null and void.

Section 2. Constitutionality or Invalidity. If any portion of this Ordinance or its application to any person or circumstances is held invalid, the remainder of the Ordinance or the application of the provisions to other persons or circumstances shall not be affected.

Section 3. Implementation. The Mayor is authorized to implement such administrative procedures as may be necessary to carry out the directives of this location.

Section 4. Effective Date. This Ordinance shall take effect and be in force five (5) days from and after passage, approval, and publication as provided by law.

Section 5. Recordation. The City Clerk is directed to record this Ordinance with the office of the King County Auditor only upon completion of those provisions set forth in Section 1, Paragraphs F, G, and H, above, at which time the vacation pursuant to this Ordinance shall be effective under Auburn City Code 12.48.080.

INTRODUCED: __________________

PASSED: __________________________

APPROVED: _______________________

____
NANCY BACKUS, MAYOR

ATTEST:

____
Shawn Campbell, MMC, City Clerk

APPROVED AS TO FORM:

____
Kendra Comeau, City Attorney

PUBLISHED: ________________

EXHIBIT A

PAGE 1

RIGHT OF WAY VACATION LEGAL DESCRIPTION

COMMENCING AT THE NORTHEAST CORNER OF LOT 1 OF CITY OF AUBURN SHORT PLAT NUMBER SP-11-85, RECORDED JANUARY 08, 1986 UNDER RECORDING NUMBER 8601080790, IN KING COUNTY, WASHINGTON;

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THENCE CONTINUING SOUTH 03°45'13" WEST 27.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT THE RADIUS POINT OF WHICH BEARS NORTH 03°45'13" EAST DISTANT 2260.00 FEET;

THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 8°35'30" AN ARC LENGTH OF 338.89 FEET;

THENCE NORTH 77°39'17" WEST 31.05 FEET;

THENCE NORTH 86°14'47" WEST 30.07 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT THE RADIUS POINT OF WHICH BEARS SOUTH 80°54'28" EAST DISTANT 30.00 FEET;

THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 94°02'01" AN ARC LENGTH OF 49.24 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 2233.00 FEET;

THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9°22'20" AN ARC LENGTH OF 365.27 FEET TO THE POINT OF BEGINNING.

CONTAINING AN AREA OF 10,620 SQUARE FEET, MORE OR LESS.

A PORTION OF THE NE 1/4 OF THE SW 1/4 OF SECTION 13, T21N, R4E, W.M.

informed land survey

PO Box 5137
Tacoma, WA 98415-0137

Phone: 253-627-2070
admin@i-landsurvey.com
www.i-landsurvey.com

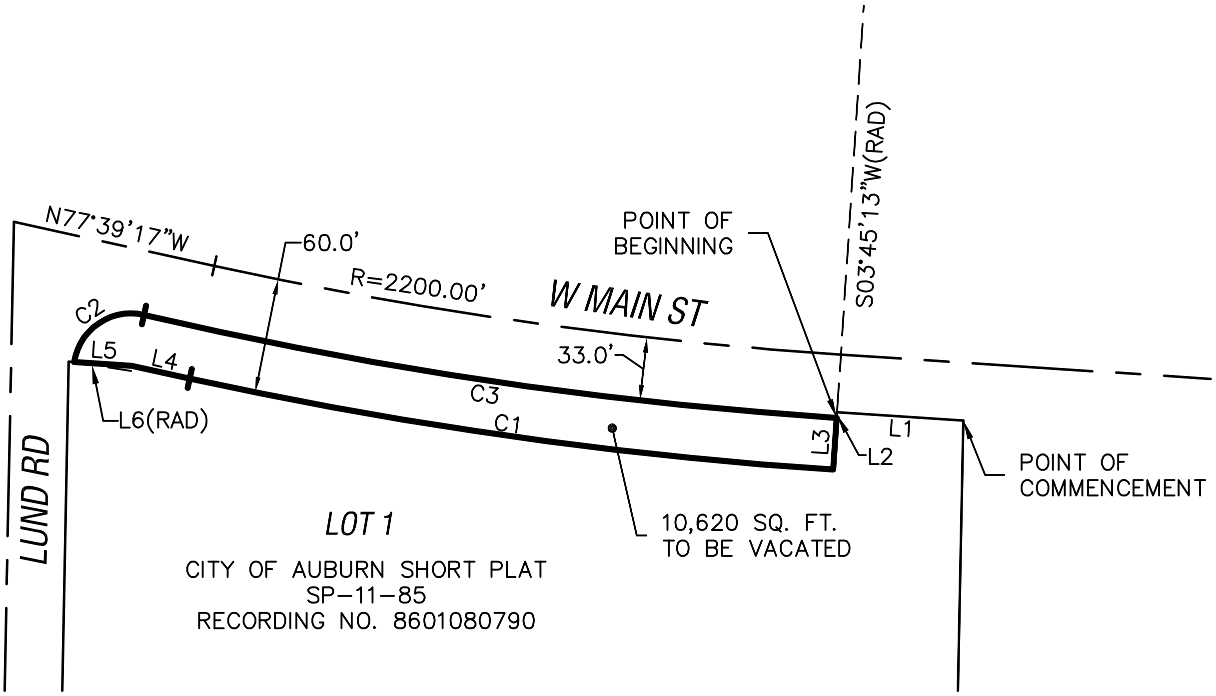
LAND SURVEYING • MAPPING • CONSTRUCTION LAYOUT

EVAN M. WAHLSTROM
44651
10/5/21

EXHIBIT A

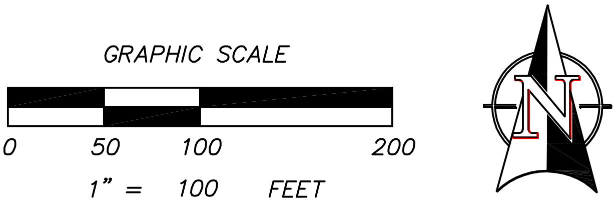
PAGE 2

RIGHT OF WAY VACATION DEPICTION



CURVE	ARC LENGTH	RADIUS	DELTA ANGLE
C1	338.89'	2260.00'	8°35'30"
C2	49.24'	30.00'	94°02'01"
C3	365.27'	2233.00'	9°22'20"

LINE	BEARING	DISTANCE
L1	N86°14'47"W	65.87'
L2	S03°45'13"W	3.00'
L3	S03°45'13"W	27.00'
L4	N77°39'17"W	31.05'
L5	N86°14'47"W	30.07'
L6	S80°54'28"E	30.00'



EVAN M. WAHLSTROM
STATE OF WASHINGTON
44651
REGISTERED PROFESSIONAL LAND SURVEYOR
10/5/21

A PORTION OF THE NE 1/4 OF THE SW 1/4 OF
SECTION 13, T21N, R4E, W.M.

RIGHT-OF-WAY VACATION
STAFF REPORT

Right-of-Way (ROW) Vacation Number VAC21-0002

Applicant: **Ralph T. Pozzi**

Property Location: **Right-of-Way located on the south side of West Main Street, east of Lund Road SW.**

Description of right-of-way:

This ROW proposed for vacation consists of a portion of the south side of West Main Street, east of Lund Road SW. The proposed ROW is adjacent to Parcel No. 1321049008 on the south and east sides and bordered by City right-of-way to the north and west. The total proposed area of ROW for vacation is approximately 10,620± square feet.

A portion of the proposed ROW vacation area originally became ROW in 1888 and was known as Beede Rd No. 222. The majority of the ROW was acquired by the State for the construction of SR-167 through Warranty Deed under Recording Number 6626194, dated December 11, 1969, Records of the State of Washington. The proposed ROW Vacation Area was subsequently conveyed to the City of Auburn from the State through Governor's Deed under Recording No. 7402270280, dated February 6, 1974, Records of the State of Washington.

See Exhibit "A" for legal description and survey.

Proposal:

The Applicant is proposing that the Right-of-Way be vacated so that they can incorporate the area into development of the property to the south on Parcel No. 1321049008. The Applicant would like to add additional parking area for the trucking company located on the parcel. The proposed vacated right-of-way area would be used for city storm drainage systems and street landscaping requirements for the additional parking area.

Applicable Policies & Regulations:

- RCW's applicable to this situation - meets requirements of RCW 35.79.
- MUTCD standards - not affected by this proposal.
- City Code or Ordinances - meets requirements of ACC 12.48.

- Comprehensive Plan Policy - not affected.
- City Zoning Code - not affected.

Public Benefit:

- Vacated Right-of-Way areas typically have a financial benefit to the general public because the vacated areas are subject to property taxes
- The street vacation decreases the Right-of-Way maintenance obligation of the City.

Discussion:

The vacation application was circulated to Puget Sound Energy (PSE), Comcast, CenturyLink, and City staff.

1. Puget Sound Energy (PSE) – PSE has underground gas and electrical facilities and will require an easement be retained across the proposed vacation area.
2. Comcast – Comments from Comcast were received requesting an easement be reserved for facilities currently located in the right-of-way.
3. CenturyLink – Comments from CenturyLink were received requesting an easement be reserved for facilities currently located in the right-of-way.
4. Engineering – All City facilities located in the proposed vacation area will require easements to ensure that they are accessible to the City, including moving the existing fence currently located in the ROW to the current property line.
5. Transportation – Ten (10) feet of ROW from back of curb is required to meet City Engineering Design Standards and ensure that street signs, stop signs, lighting conduits, power cabinets and other facilities are not within the vacated area.
6. Planning – Applicant will need to apply for a Grading Permit and will need to remove gravel and do proper site improvements, such as parking, lighting, and landscaping per City requirements and Engineering Design and Construction Standards.
7. Water – An easement will need to be retained across the proposed vacation area for existing water facilities.
8. Sewer – An easement will need to be retained across the proposed vacation area for existing sewer facilities.
9. Storm – An easement will need to be retained across the proposed vacation area for existing storm facilities. Applicant will be required to obtain appropriate Grading Permit for work performed in the proposed vacation area so that the area drains properly to the storm inlet structures during the conversion of gravel to grass. A concrete apron is required to be installed around catch basin structure 807-P281, 807-P7F and 807-P7G per City of Auburn Standard Detail T-05.2 and the dome storm inlet structure on catch basin structure 807-P7G is required to be replaced with a standard grate. As a condition of required permits, Applicant shall clean the storm system within the site when grading and restoration work is completed.

10. Fire – No comments.
11. Solid Waste – No comments.
12. Police – No comments.
13. Streets – No comments.
14. Construction –No comments.
15. Innovation and Technology – No comments

Assessed Value:
ACC 12.48 states: “The city council may require as a condition of the ordinance that the city be compensated for the vacated right-of-way in an amount which does not exceed one-half the value of the right-of-way so vacated, except in the event the subject property or portions thereof were acquired at public expense or have been part of a dedicated public right-of-way for 25 years or more, compensation may be required in an amount equal to the full value of the right-of-way being vacated. The city engineer shall estimate the value of the right-of-way to be vacated based on the assessed values of comparable properties in the vicinity. If the value of the right-of-way is determined by the city engineer to be greater than $2,000, the applicant will be required to provide the city with an appraisal by an MAI appraiser approved by the city engineer, at the expense of the applicant. The city reserves the right to have a second appraisal performed at the city’s expense.”

RCW 35.79.030 states the vacation “shall not become effective until the owners of property abutting upon the street or alley, or part thereof so vacated, shall compensate such city or town in an amount which does not exceed one-half the appraised value of the area so vacated. If the street or alley has been part of a dedicated public right-of-way for twenty-five years or more, or if the subject property or portions thereof were acquired at public expense, the city or town may require the owners of the property abutting the street or alley to compensate the city or town in an amount that does not exceed the full appraised value of the area vacated.”

An appraisal by an MAI appraiser of the subject right-of-way was required to be submitted by the applicant. The appraisal was reviewed and found to be acceptable. The appraisal values the right-of-way using an “Across-the-Fence” methodology at $4.25 per square foot or $45,000. The right-of-way has been right-of-way for more than 25 years and was provided to the City by Governor’s Deed under Recording No. 7402270280, dated February 6, 1974, Records of the State of Washington.

Recommendation:
Staff recommends that the street vacation be granted subject to the following conditions:

1. An easement shall be reserved for Puget Sound Energy electric facilities.
2. An easement shall be reserved for CenturyLink telecommunications facilities.

3. An easement shall be reserved for Comcast cable facilities
4. An easement shall be reserved for City Water, Sewer and Stormwater facilities
5. Applicant shall move the existing fence that is currently located at the back of the sidewalk on West Main Street to the current property line as it exists prior to the proposed right-of-way vacation.
6. Applicant shall obtain appropriate permits and replace the domed storm inlet structures with a standard grate and shall install concrete aprons around all storm inlet structures per the City's Standard Details.
7. Applicant shall obtain a Grading Permit to remove gravel and construct proper site improvements, such as proper storm drainage to storm inlet structures, parking, lighting, and landscaping per City requirements and Engineering Design and Construction Standards.
8. Staff recommends that compensation for the full appraised value of the right-of-way in the amount of $45,000 be required as it has been ROW for more than 25 years, a portion of it was initially acquired by the State for construction of SR-167, and the City has incurred cost for construction and maintenance of the facilities in the vacation area.
9. Completion of Condition Nos. 5 through 8 above shall be accomplished by December 20, 2022 or the vacation shall be null and void.

Vicinity Map - VAC21-0002

Printed Date: 10/7/2021
Map Created by City of Auburn eGIS
Imagery Date: May 2015

166.7 0 83.33 166.7 Feet

NAD_1983_StatePlane_Washington_North_FIPS_4601_Feet

1 in = 83.33 ft 1: 1,000

CITY OF AUBURN WASHINGTON

AGENDA BILL APPROVAL FORM

Agenda Subject: Neighborhood Traffic Calming Program Overview (Gaub)(20 Minutes)		**Date:** December 7, 2021
Department: Public Works	**Attachments:** Neighborhood Traffic Calming Program Description Presentation	**Budget Impact:** Current Budget: $0 Proposed Revision: $0 Revised Budget: $0

Administrative Recommendation:

For discussion only.

Background for Motion:

Background Summary:

In 2005, City Council adopted a Neighborhood Traffic Calming Program via Resolution 3946, which was updated in 2006 via Resolution 4094.

The program is designed to evaluate and address speeding complaints in residential neighborhoods. Examples of improvements constructed as a result of this program include, but are not limited to, speed cushions, traffic circles, and radar feedback signs.

Staff has developed a proposed update to the Neighborhood Traffic Calming Program with a focus on equity, changing from a location specific to an areawide approach, and including more community outreach.

Reviewed by Council Committees:

Councilmember:	Stearns	**Staff:**	Gaub
Meeting Date:	December 13, 2021	Item Number:	

DRAFT

December 2021

Neighborhood Traffic Calming Program

Overview & Purpose:

The City of Auburn is dedicated to improving the quality and livability of Auburn's residential neighborhoods.

City Council adopted a Neighborhood Traffic Calming Program to assist residents and the City in developing solutions to speeding and other traffic safety concerns on residential streets. This program was implemented from 2007 through March 2020, when it was put on hold because of budget reductions due to the COVID-19 pandemic. This updated program will be implemented starting in January 2022.

This program is intended for residential neighborhoods, with implementation on streets classified as "local residential" and "residential collector". It is not intended for commercial/industrial areas or streets classified as "arterials", "non-residential collectors", "rural collectors", or "highways". It is also not intended for alleys.

"Traffic Calming reduces automobile speeds or volumes as a means of improving the quality of life in residential areas, increasing walking safety and making bicycling more comfortable."

(ITE definition, Traffic Engineering Handbook, 2016)

The objectives of the neighborhood traffic calming program are to:

- Reduce speeds in neighborhoods so that most cars regularly drive below or at the posted speed limit.
- Reduce speeds at locations such as intersections and roadway curves, to promote safety for vehicles, pedestrians, and cyclists.
- Discourage cut-through vehicle traffic between arterials, to encourage drivers to use arterials, which are designed for higher traffic volumes, instead of using local streets, which are intended for local access.
- Improve safety for all road users, especially pedestrians and cyclists.
- Educate residents through traffic safety awareness and outreach, which may include events to demonstrate perceived vs. actual speeds.
- Meet Auburn's equity goals with a proactive approach to ensure all neighborhoods are evaluated, regardless of whether complaints were received or not.
- Encourage residents to participate in the process through community outreach.

Tools to meet the program's objectives:

- **Education:**
  - Informational letters, including options for alternative language(s)
  - Neighborhood outreach and meeting(s) to discuss concerns and potential traffic calming approaches, when applicable
  - Temporary awareness signs as a localized safety campaign
  - Placement of the Police Speed Trailer, which indicates the vehicles speed and the posted speed limit
  - Temporary installation of Radar Speed Feedback Signs, which indicate the vehicles speed and posted speed limit (for classified streets only)
  - Social media outreach
  - Magazine articles
- **Enforcement:**
  - Police Emphasis Patrols - Speed study results are shared with the Police Traffic Unit to assist in guiding their enforcement activities
- **Engineering:**
  - Evaluation of best traffic calming treatment options for the neighborhood, to be implemented with available funding
  - Project design and cost estimate, including neighborhood feedback
  - Implementation as an annual capital project
- **Evaluation:**
  - Evaluation of results (community survey and/or data collection) post implementation.

Proactive and Areawide Approach

This program is intended to proactively identify and address traffic calming issues throughout complete neighborhood areas rather than waiting for issues to be reported at a spot location within a neighborhood. The intent is not to address each specific location where a complaint is received, but instead evaluate defined geographic neighborhood areas, one neighborhood area at a time, to ensure that traffic calming treatment measure(s) will not negatively affect neighboring streets. The intent is to ensure that roadways are used as intended, with arterials carrying most of the traffic, and local residential streets used primarily for local residential access, and residential collector streets used to connect local residential streets to arterials.

Individual complaints received will continue to be documented and will help inform the City of potential speeding issues. However, to implement a proactive approach, complaints will not be the only factor considered when determining which neighborhood area to further study and possibly implement traffic calming measures. This may mean longer delays in some complaints being evaluated and addressed. Prioritization of neighborhoods to address will be based on many factors and how much can be accomplished annually, based on staff availability and budget allocations, but the long-term result is expected to be a more successful program.

While a reactive (complaints driven) spot treatment approach may have limited success, a proactive, areawide approach tends to have more success in meeting the goals of a traffic calming program long term, based on nationwide studies and findings.

Localized Neighborhood Speeding Issues

Complaints are sometimes received regarding speeding in neighborhoods where nearly all of the traffic on the streets is residents or guests of the neighborhood itself. Examples of this scenario would be traffic on short cul-de-sac or dead-end roadways and in smaller neighborhoods with only a single connection from the local roadways to a collector or arterial roadway. Sometimes complaints are also received that specific residents within a neighborhood are speeding. These situations do not fall within the program goals to be both proactive and area wide. Program funds for engineering and construction of physical improvements will not be prioritized for these locations. The extents to which the program evaluates and takes action to address specific complaints for localized speeding issues will be based on the availability of program resources that are not already allocated towards non-localized traffic calming efforts. When resources are available, the program will address these situations on a case-by-case basis with the following:

1. Neighborhood education and outreach about traffic safety, including demonstration of perceived speed versus actual speed
2. Placement of temporary educational items such as temporary signs or speed trailer
3. Police outreach – officers can meet with a specific driver and talk about the importance of respecting travel speeds

If the localized neighborhood concerns persist after these efforts, the neighborhood could pursue physical traffic calming measures at its own cost, subject to City approval. In this case, the neighborhood would be responsible for all costs associated with the improvements and would need to hire a licensed engineer to design the improvements and prepare the project plans and a contractor licensed, insured, and bonded per City standards to construct them. The neighborhood or its contractor would be required to secure a construction permit from the City and provide affidavits from at least 51% of the neighborhood property owners that the improvements were desired and acknowledging that the City may remove and not re-construct the improvements at any time without compensation or reimbursement to the neighborhood. This scenario may be applicable if a neighborhood installs traffic calming measures and the City subsequently removes them with a street reconstruction project. The traffic calming measures would be subject to City standards and to City review and approval or denial through the construction permit process.

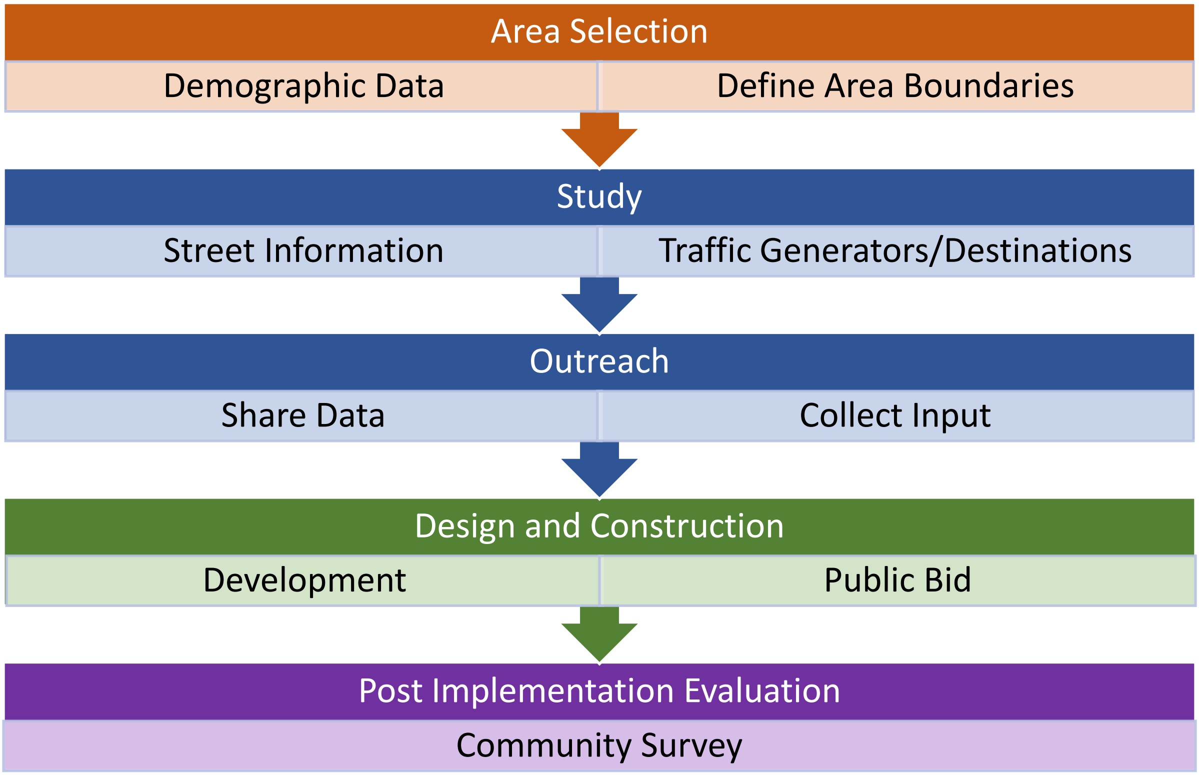
Funding

2022-24 Annual Budget (REET) for this program: $50,000

2022-24 ARPA funds: $200,000 per year

ARPA funds can only be used for projects or improvements within Qualified Census Tracts (QCT) as defined by HUD.

Non-Localized Traffic Calming Process



Area selection:

From 2022 to 2024, two (2) types of areas will be considered:

1. Qualified Census Tracts (QCT) using ARPA funds ($200k/year)
2. Non- QCT ($50k/year)

Staff will define study area boundaries based on street networks, school boundaries, and other characteristics that define a neighborhood area from a street network perspective. Equity Lens: Staff will review data such as Census demographic data, American Community Survey (ACS) demographic data, and school enrollment data to create a profile for the area with income, demographics, primary languages, and other information that can be helpful with community outreach and prioritization. Staff will also review existing data such as speed study results, complaints, and crashes to identify which areas to study first, as this data will indicate where we have documented issues and help us prioritize these locations.

Study:

Once an area has been defined the following data will be compiled and evaluated:

- Street Information within the Neighborhood:
    - Speed data (based on the 85th percentile)
    - Count data (Average Daily Trip (ADT)
    - Continuous sidewalks (one side, both sides, none?)
    - Lane width
    - On-street parking
    - Other elements such as vegetation, streetlights, street grade, etc.
- Traffic Generators/Destinations Within and Adjacent to the Neighborhood:
    - Public Schools
    - City Parks
    - Community Centers
    - Local retail destination (convenience store)
    - Health services

Outreach:

Once all the data is compiled and staff has a completed an “existing conditions” report, staff will engage with the residents to gather input, feedback, concerns, and issues that residents identify in their area.

The first round of engagement will be focused on sharing the results of the data collection effort and collect input from the community to understand their specific concerns.

After this first round of engagement, staff will work internally on compiling a list of projects that could provide improvement, if any deficiencies or needs were identified. The project list will include a range of possible options to address the needs of the area, based on options from the traffic calming toolbox, but not limited to it. This list will be presented to the community via a second round of engagement, where community members can indicate which project(s) they think would be best in their area. Based on community feedback, budget, and feasibility, the City will choose a final project list.

Design and Construction

Once the list of locations and improvements are selected, a project will be established and administered through the City’s Engineering Capital Project team. The design and construction documents will be developed and then go through a public bid process to select a contractor who will build the improvements.

Schedule for 2022 - 2024:

	2022				2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Project 1	Area Selection	Study & Outreach	Design & Outreach		Construction							
Project 2				Area Selection	Study & Outreach	Design & Outreach		Construction				
Project 3							Area Selection	Study & Outreach	Design & Outreach		Construction*	

* ARPA funded improvements must be under contract by 12/31/2024

Post-Implementation Evaluation

Within 1 year after traffic calming improvements are constructed, staff will survey neighborhood residents to evaluate if the residents felt that the project addressed the speeding concerns and if they did not, what concerns may persist. Based on this feedback, the City will determine if additional data should be collected and if modifications or additional traffic calming efforts should be prioritized and pursued.

Equity

To ensure affected populations are invited to learn about and help decide on the final projects, and to meet Title VI requirements, staff will research population data to ensure that outreach and education material is provided in the languages most spoken in the selected area, and research how to best engage with the residents. Material will also be made available in other languages as requested by residents.

Traffic Calming Toolbox

There are several types of traffic calming treatments available, each with a specific intent and impact to be considered before being selected. Some of these tools can be combined with others, based on community needs. The illustrations are concepts for reference only. There are many configurations possible for each tool. Other approaches may be considered. This list is not comprehensive.

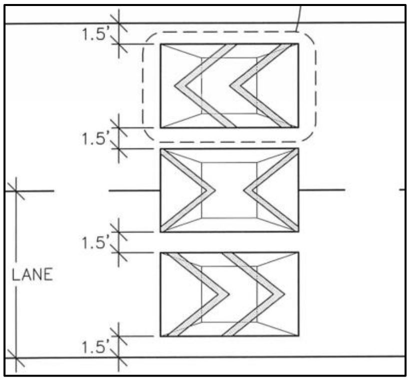
Vertical Measures

Speed Cushions are raised installations that do not cross the whole roadway width but are approximately 1 to 2 ft apart and about 6 feet wide and 10 feet long, with a flat top (about 4 feet by 4 feet). They are designed to be most comfortable at a 25 to 30 MPH travel speed, and allow emergency vehicles to straddle them, to not slow them down in an emergency.

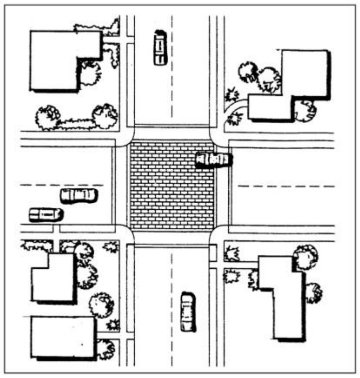
Raised Intersections are raised installations built within a whole intersection area, slowing traffic as it approaches the intersection, allowing more time to stop for pedestrians.

Other approaches can include **raised crosswalks**, which are raised crossing areas for pedestrians, and **textured pavement**, which is an installation of bricks, concrete pavers, stamped asphalt, or other material that provide a change in the roadway with a texture that potentially slow vehicles down.

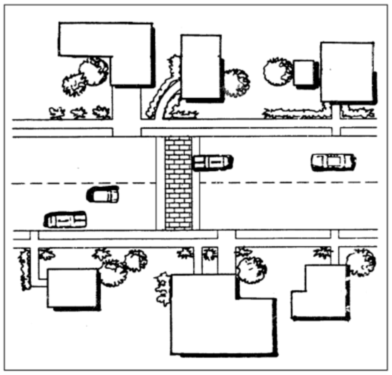
Speed Cushions



Raised Intersection



Raised Crosswalk



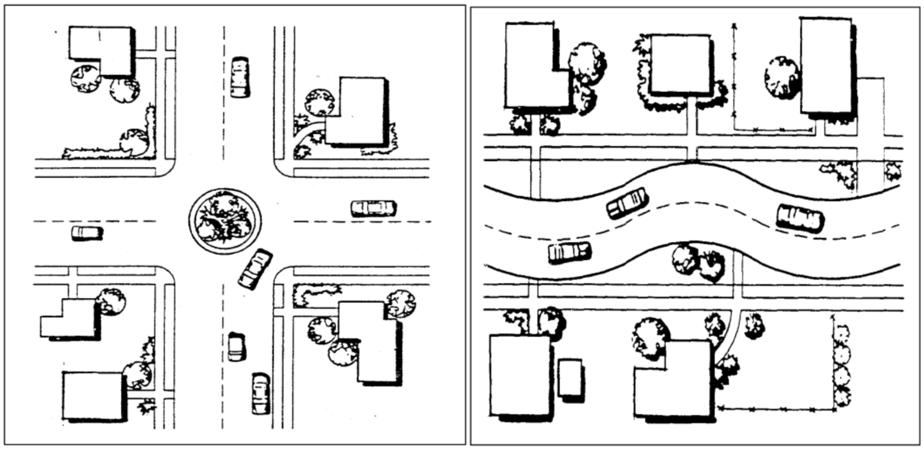
Detail from City of Auburn Construction Standards 2021

Illustrations from Traffic Calming: State of the Practice ITE-FHWA, August 1999

Horizontal Measures

Traffic Circles or traffic calming circles are raised islands located in the center of an intersection, forcing drivers to slow down to drive around it. Depending on the area and design needs, some are built with mountable curb to allow large vehicles such as emergency vehicles, garbage collection trucks, school buses, and large delivery trucks to drive over a portion of it. The center of the traffic circle can be landscaped or not. These are not to be confused with roundabouts which are typically larger in size and installed at larger and higher volume intersections in place of a traffic signal.

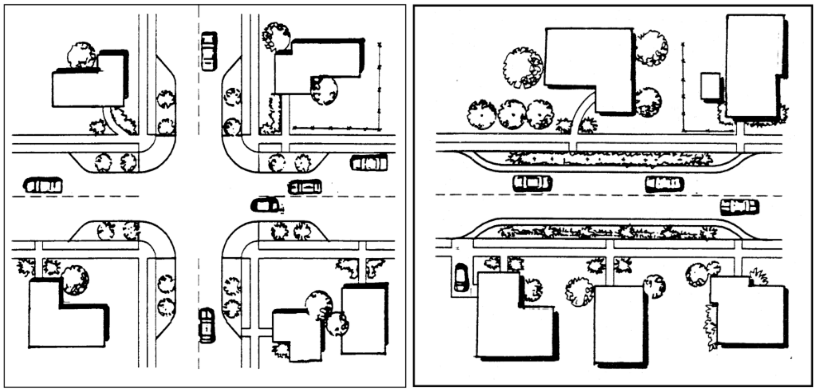
Chicanes are curb extensions placed on each side of the street at an interval to form a S-shaped curve. This directs traffic to swerve and slow down to maneuver through the curves. Chicane design can include a protective bikeway, so that cyclists can continue along a straight path, away from motorists, while motorists must follow the curves.



Traffic Circle **Chicanes**

Illustrations from Traffic Calming: State of the Practice ITE-FHWA, August 1999

Narrowing means shortening the width of the street, to constrict the space. It can be constructed with crosswalks at intersections (with bulb-outs) or mid-block.

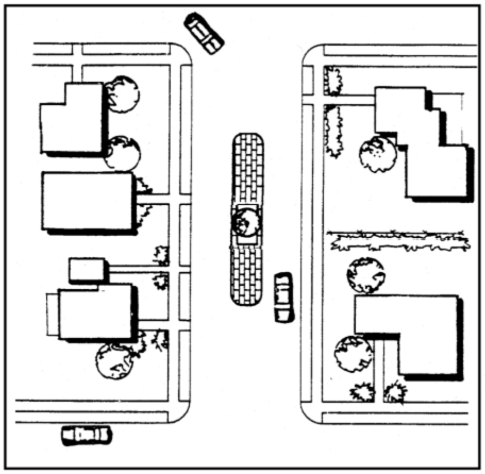


Bulb-outs **Mid-block narrowing**

Illustrations from Traffic Calming: State of the Practice ITE-FHWA, August 1999

Medians are raised islands located in the center of the street, which narrows the width of the street at that location. Some medians include a crosswalk and provide a pedestrian refuge area between the two travel lanes.

Median



Data Sources and References:

FHWA Traffic Calming ePrimer:
https://safety.fhwa.dot.gov/speedmgt/traffic_calm.cfm

ITE / FHWA Traffic Calming: State of the Practice, August 1999:
https://safety.fhwa.dot.gov/saferjourney1/library/pdf/toolsintro.pdf

EPA Environmental Justice Mapping Tool:
https://ejscreen.epa.gov/mapper/

Washington Office of Superintendent of Public Instruction (OSPI) for demographic data from student enrollment, and special programs.
https://washingtonstatereportcard.ospi.k12.wa.us/

United States Census Bureau:
https://www.census.gov/

American Community Survey:
https://www.census.gov/programs-surveys/acs

Temporary awareness signs as a localized safety campaign example:
Seattle Yard Signs:
https://www.seattle.gov/visionzero/resources/yard-signs

Intercity Transit (Olympia) Yard Signs:
https://www.intercitytransit.com/yard-signs

ENGINEERING SERVICES

NEIGHBORHOOD TRAFFIC CALMING PROGRAM UPDATE

CECILE MALIK, AICP
CITY COUNCIL STUDY SESSION
DECEMBER 13, 2021

Public Works Department

Engineering Services • Airport Services • Maintenance & Operations Services

AUBURN VALUES

SERVICE

ENVIRONMENT

ECONOMY

CHARACTER

SUSTAINABILITY

WELLNESS

CELEBRATION

TRAFFIC CALMING

"Traffic Calming reduces automobile speeds or volumes as a means of improving the quality of life in residential areas, increasing walking safety and making bicycling more comfortable."

(ITE definition, Traffic Engineering Handbook, 2016)

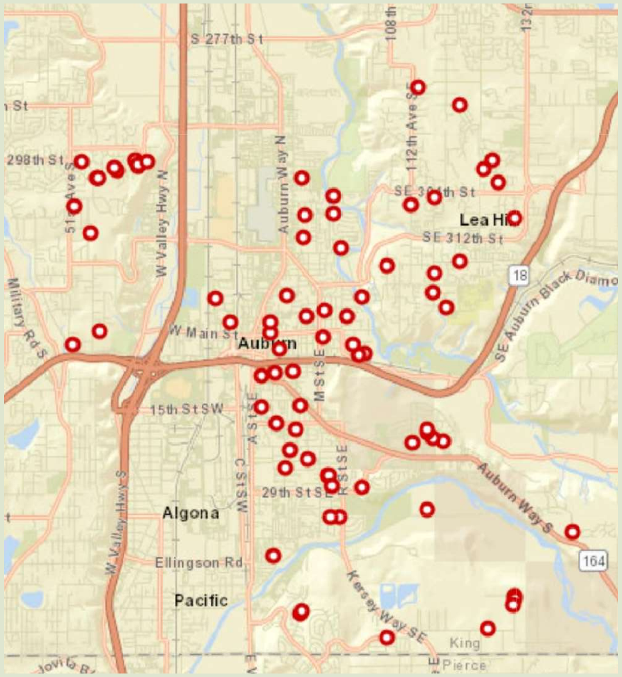
- Approaches to Traffic Calming
  - Education
  - Enforcement
  - Engineering
  - Evaluation


Radar Feedback Sign

TRAFFIC CALMING IN AUBURN

- Program adopted in 2005, updated in 2006
- Average of 50-60 speeding complaints annually to Traffic Engineering
- Average of 200-250 speeding complaints annually to Auburn Police
- COVID impact – program on hold since March 2020
- Coordination with Auburn Police for enforcement
- Worked on program update
- Next: implement in 2022

Location of current speeding complaints (Traffic Engineering)



PROGRAM OBJECTIVES

- Reduce vehicle speeds in residential areas
- Discourage cut-thru traffic
- Improve safety for all users, especially pedestrians and cyclists
- Educate residents through traffic safety awareness and outreach
- Meet Auburn’s equity goals with an areawide approach
- Encourage resident participation through community outreach

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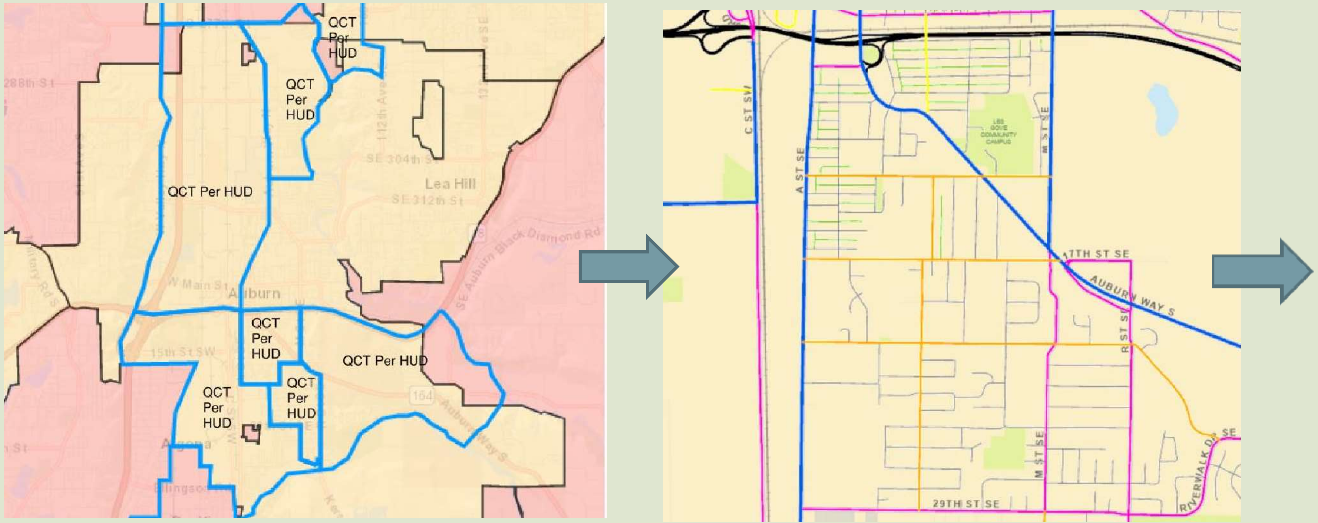
AREAWIDE VS LOCATION SPECIFIC

- Location specific spot treatment
  - More reactive
  - Only looks at area complaint was received about
  - Only addresses complaints received (equity concern)
  - Less successful approach than areawide treatment (based on ITE/FHWA studies)
- Areawide treatment
  - More proactive
  - Looks at how treatment in one area will affect adjacent areas
  - Not based solely on where complaints are received, includes areas where residents may not complain (addresses equity)
  - Most successful approach (based on ITE/FHWA studies)

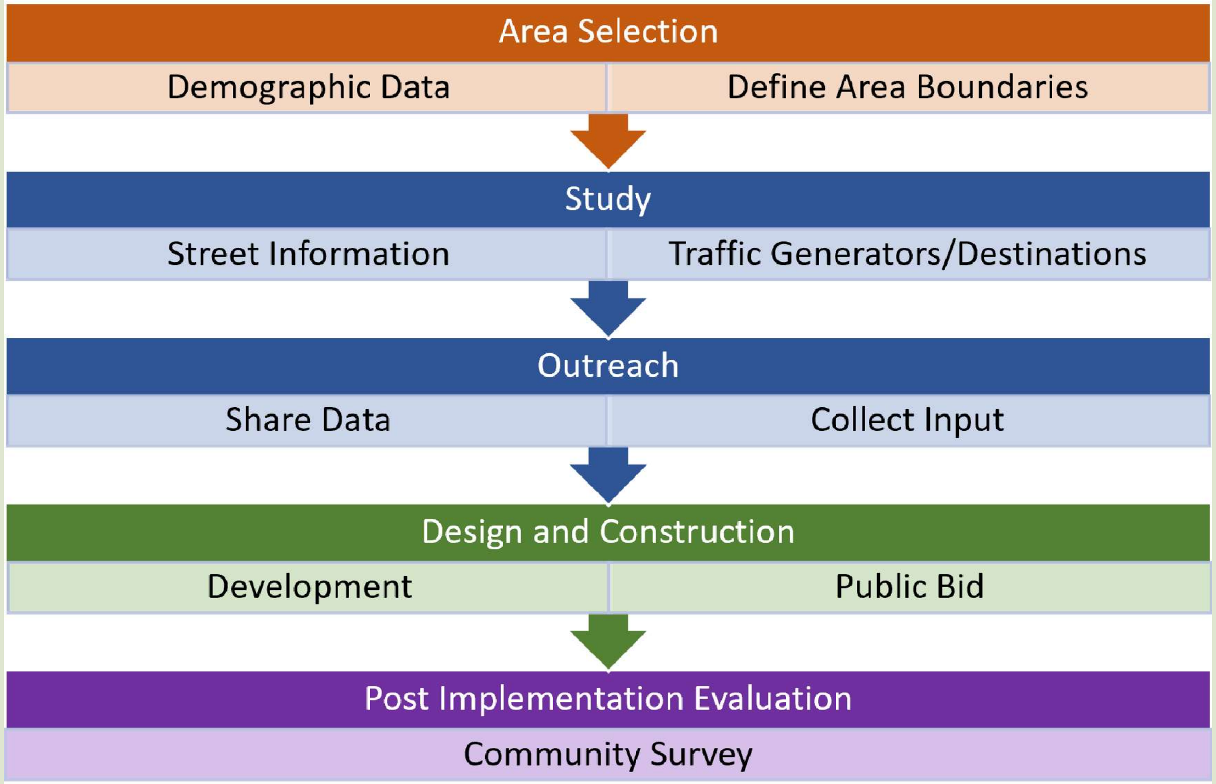
AREA SELECTION

- Review the HUD map for Qualified Census Tracts
- Neighborhoods with street layouts that potentially encourage cut-through traffic
- Areas where frequent speeding may be occurring (includes review of speeding complaints)
- Select areas that will be manageable within the scope of the program



Staff time & budget consideration

AREAWIDE APPROACH PROCESS



Area Selection

- Demographic Data
- Define Area Boundaries

Study

- Street Information
- Traffic Generators/Destinations

Outreach

- Share Data
- Collect Input

Design and Construction

- Development
- Public Bid

Post Implementation Evaluation

- Community Survey

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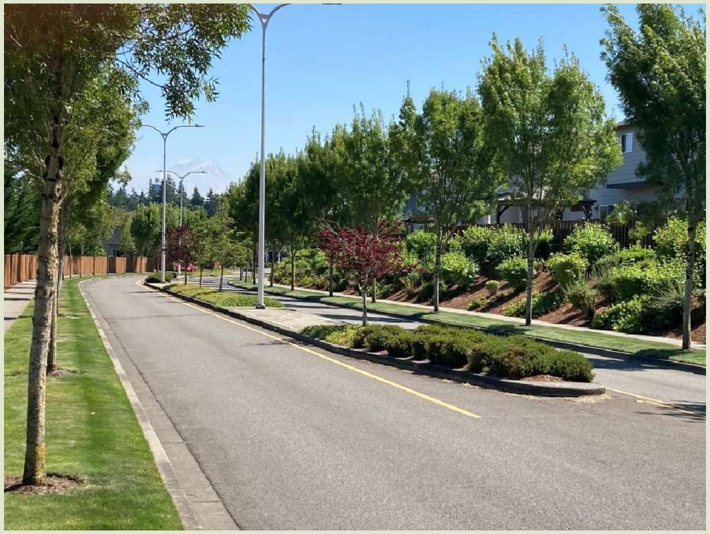
TRAFFIC CALMING TREATMENTS IN AUBURN



Median Island

Raised intersection

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TRAFFIC CALMING TREATMENT IN AUBURN

Traffic Circle

Speed Cushions

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LOCALIZED NEIGHBORHOOD SPEEDING ISSUES

Neighborhoods where nearly all of the traffic on the streets is from residents or guests of the neighborhood itself, such as cul-de-sac, dead-end streets, or small neighborhoods with one entry.

As resources are available, the program will address the issues with the following:

- 1. Neighborhood education and outreach about traffic safety, including demonstration of perceived speed versus actual speed
- 2. Placement of temporary educational items such as temporary signs or speed trailer
- 3. Police outreach – officers can meet with a specific driver and talk about the importance of respecting travel speeds

BUDGET

Funding

- Pre-2020
  - Annual Budget (REET): $50,000
- 2020
  - Annual Budget (REET): $10,000
- 2021
  - Annual Budget (REET): $10,000
- 2022
  - Annual Budget (REET): $50,000
  - Annual Budget (ARPA funds): $200,000
- 2023 (Proposed)
  - Annual Budget (REET): $50,000
  - Annual Budget (ARPA funds): $200,000
- 2024 (Proposed)
  - Annual Budget (REET): $50,000
  - Annual Budget (ARPA funds): $200,000
- 2025 and beyond: TBD

ARPA funds can only be used for projects or improvements within Qualified Census Tracts (QCT) as defined by HUD.

NEXT STEPS

- December 20, 2021: Council action on Resolution 5635 to adopt the updated Neighborhood Traffic Calming Program

- January 2022: Program Implementation

- April 2023: Council action on proposed 2023-24 budget for Program

Questions?

AGENDA BILL APPROVAL FORM

Agenda Subject:
Resolution No. 5637 (Comeau)(30 Minutes)

Date:
December 8, 2021

Department:
Legal

Attachments:
Resolution No. 5637 PowerPoint Presentation
Resolution No. 5637
COA and MSRE Easement Agreement

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

For discussion only.

Background for Motion:

The City and MSRE have negotiated for a fair and just compensation of TWO HUNDRED FIVE THOUSAND DOLLARS AND 00/100 ($205,000) paid by MSRE Apartment, LLC, to the City of Auburn for the rights granted in the subject easements. The compensation agreed to by the parties is supported by an appraisal.

Background Summary:

The City owns real property that makes up a portion of the Safeway Parking Lot in downtown Auburn. MSRE Apartment, LLC has applied for permits to develop a mixed use project under the name of "Divine Court" at the site of the former Heritage Building. The development site is located adjacent to the City owned property. The Divine Court project will have onsite parking to service its tenants and residents, which can only be accessed by traveling across the City property. Further, the Divine Court project proposes to construct a designated parking area on the City property for the purposes of loading and unloading of parcels, furniture, fixtures, equipment and other items for the benefit of their property, its residents and tenants. Finally, to fulfill a requirement of the Civil permit, Divine Court will install a fire service utility line that will connect to a City water main located on the City owned property. This fire service utility will supply water directly to the Divine Court property once completed. The fire service utility will be owned and maintained by MSRE. Each of the three aforementioned rights require an easement for their rights and use of the City property. An appraisal was conducted to determine the fair market value of the easement rights. City staff and MSRE have determined $205,000 to be a fair and just compensation for the rights granted, an amount which is supported by the appraisal conducted.

Reviewed by Council Committees:

Councilmember:

Staff: Comeau

Meeting Date: December 13, 2021

Item Number:

CITY OF AUBURN WASHINGTON

MSRE APARTMENT, LLC / CITY OF AUBURN

EASEMENT OVER, ACROSS, THROUGH AND UNDER
CITY OF AUBURN PARCEL 733140-0135
RESOLUTION 5637

Josh Arndt - Legal Department

AUBURN VALUES

SERVICE

ENVIRONMENT

ECONOMY

CHARACTER

SUSTAINABILITY

WELLNESS

CELEBRATION

LOCATION OF THE PROPERTIES

- MSRE Property - Red
- City Property - Blue

PURPOSE OF THE EASEMENT

1. Access onto and across the City owned property between a public street to MSRE property
2. Parking for the purposes of loading and unloading of furniture, fixtures, equipment, etc. at the MSRE property
3. Installing and maintaining a Fire Service Utility for the benefit of the MRSE property

EASEMENT VALUE

- MSRE to pay City of Auburn $205,000 for the rights granted in the easement
- Value is reflective of a Fair Market Appraisal

JOSH ARNDT
REAL ESTATE MANAGER
JARNDT@AUBURNWA.GOV
253.288.4325

Legal Department

AUBURN VALUES

- SERVICE
- ENVIRONMENT
- ECONOMY
- CHARACTER
- SUSTAINABILITY
- WELLNESS
- CELEBRATION

RESOLUTION NO. 5637

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE AN EASEMENT AGREEMENT IN FAVOR OF MSRE APARTMENT, LLC FOR ACCESS, PARKING AND FIRE SERVICE OVER, ACROSS, THROUGH AND UNDER CITY OWNED PROPERTY – PARCEL NUMBER 733140-0135

WHEREAS, the City of Auburn owns the real property legally described as:

PARCEL A, CITY OF AUBURN BOUNDARY LINE ADJUSTMENT NUMBER BLA13-0007 RECORDED UNDER RECORDING NUMBER 20131108900002 RECORDS OF KING COUNTY, WASHINGTON LOCATED IN THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP21 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON;

TOGETHER WITH VACATED ADJOINING ALLEY PER CITY OF AUBURN ORDINANCE NUMBER 3200 UNDER RECORDING NUMBER 7711100780;

TOGETHER WITH VACATED ADJOINING ROAD AND ALLEY PER CITY OF AUBURN ORDINANCE NUMBER 6614 UNDER RECORDING NUMBER 20161010000262;

SITUATE IN CITY OF AUBURN, KING COUNTY, WASHINGTON.

also designated as King County parcel number 733140-0135, most commonly referred to as the City owned portion of the Safeway Parking Lot; and

WHEREAS, MSRE APARTMENT, LLC, owns adjacent real property legally described as:

THAT PORTION OF LOTS 3, 4 AND 5, RIVER VIEW ADDITION TO AUBURN, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 9 OF PLATS, PAGE 90, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS : BEGINNING AT A STONE MONUMENT ON THE CENTERLINE OF EAST MAIN STREET "FORMERLY FIRST STREET" WHICH IS A MORE WESTERLY OF TWO STONE MONUMENTS AT THE INTERSECTION OF EAST MAIN STREET "FORMERLY FIRST STREET" AND SOUTH "A" STREET "FORMERLY MAIN STREET" IN THE CITY OF AUBURN, BOTH OF WHICH ARE RECOGNIZED BY THE CITY OF AUBURN AS QUARTER CORNERS, THENCE NORTH 86°56'30" EAST 139.5 FEET ALONG THE CENTERLINE OF SAID EAST MAIN STREET, THENCE SOUTH 30.05 FEET TO THE TRUE POINT OF BEGINNING, WHICH POINT IS

SITUATED 6 INCHES WEST OF THE EAST SIDE OF THE EAST WALL OF THE ADIE BUILDING, THENCE SOUTH PARALLEL TO SAID EAST WALL 100 FEET; THENCE NORTH 86°56'30" EAST PARALLEL TO THE CENTERLINE OF SAID EAST MAIN STREET, 120 FEET; THENCE NORTH PARALLEL TO THE EAST WALL OF SAID ADIE BUILDING 100 FEET; THENCE SOUTH 86°56'30" WEST ALONG THE PROPERTY LINE 30 FEET SOUTH OF THE CENTERLINE OF EAST MAIN STREET, 120 FEET TO THE TRUE POINT OF BEGINNING.

SITUATE IN THE COTY OF AUBURN, COUNTY OF KING, STATE OF WASHINGTON.

also designated as King County parcel number 733140-0055;

WHEREAS, MSRE APARTMENT, LLC, requests the rights of 1) access, 2) parking for the purpose of loading and unloading of parcels, and 3) a fire service easement over, across, through and under the City owned property to service the MSRE owned property;

WHEREAS, MSRE Apartment, LLC has agreed to pay to the City of Auburn compensation in the amount of TWO HUNDRED FIVE THOUSAND DOLLARS AND NO CENTS ($205,000), for the rights granted in this easement, an amount reflective of the fair market value of easement rights and acceptable to the City;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, RESOLVES as follows:

Section 1. The Mayor is authorized to execute an Easement Agreement in favor of MSRE Apartment LLC, which easement will be in substantial conformity with the easement agreement attached.

Section 2. The Mayor is authorized to implement those administrative procedures necessary to carry out the directives of this Resolution.

Section 3. This Resolution will take effect and be in full force on passage and signatures.

Dated and Signed: ___________________________

CITY OF AUBURN

____
NANCY BACKUS, MAYOR

ATTEST:

____
Shawn Campbell, MMC, City Clerk

APPROVED AS TO FORM:

____
Kendra Comeau, City Attorney

RECORDING REQUESTED BY AND WHEN
RECORDED MAIL TO:

City of Auburn
25 W Main
Auburn, WA 98001
ATTN: Josh Arndt

The information contained in this boxed section is for recording purposes only pursuant to RCW 36.18 and RCW 65.04, and is not to be relied upon for any other purpose, and shall not affect the intent of or any warranty contained in the document itself.

Document Title: Easement Agreement
Grantor: City of Auburn, a Washington municipal corporation
Grantee: MSRE Apartment, LLC, a Washington limited liability company
Tax Parcel ID Numbers: 733140-0135
Q-S-T-R of burdened property: SW-18-21-5
Full Legal Descriptions Located: Exhibits A, B, C and D

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT ("Agreement") is entered into this ______ day of ______________________, 2021 (the "Effective Date"), by and between City of Auburn, a Washington municipal corporation ("Grantor"), and MSRE Apartment, LLC, a Washington limited liability company ("Grantee").

RECITALS

A. Grantor is the owner of real property more particularly described and depicted in **Exhibit A**, attached hereto and incorporated herein by reference ("Grantor Property").

B. Grantee is the owner of real property more particularly described and depicted in **Exhibit B**, attached hereto and incorporated herein by reference ("Grantee Property")

C. In connection with the proposed development of the Grantee Property, Grantor has agreed to sell and grant the following easements to Grantee over the Grantor Property in exchange for TWO HUNDRED AND FIVE THOUSAND DOLLARS ($205,000): one for vehicular ingress and egress from Grantee's Property through the drive aisles of the parking lot comprising the Grantor Property to an adjoining public street, a second for exclusive parking for the loading and unloading of parcels, furnishings, and equipment, the location of which at the time of executing this Agreement being depicted in **Exhibit C;** and a Fire Service Easement, to install and maintain a fire line water facility located in that area of the Grantor's property described and depicted in **Exhibit D**, attached hereto, by upon the terms and conditions set forth in this Agreement. The size, shape, and location of each such easement is herein called the "Easement Areas".

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

1. Grant of Access Easement. Grantor, on behalf of Grantor and Grantor's successors and assigns, hereby grants and conveys to Grantee a perpetual non-exclusive easement over, across, and through the drive aisles of the parking lot on Grantor's Property (Exhibit A) solely for purposes of vehicular access to Grantee's Property to and from an adjoining public street (the "Access Easement Area"). Grantor reserves the right in its sole and absolute discretion to relocate, remove, or add to the number of ingress/egress points of access to and from a public street, and control, amend, alter, direct, or redirect the flow and direction of vehicular traffic and drive aisles on Grantor's Property provided that, with the exception of what may currently exist at the execution of this Agreement, the revised Access Easement Area shall meet all applicable governing code requirements for legal drive aisles, the Access Easement Area shall maintain a minimum clear height of 12 feet and the revised Access Easement Area shall provide Grantee with functional access to Grantee's Property. Grantor is responsible, at its sole cost and discretion, for the maintenance, reconfiguration, repair, replacement and care (together "Work") to the surface and subsurface of the Grantor's property located within the Access Easement Area. The Grantor has full discretion and authority as to the type of surface, manner of repair, and manner of replacement of the surface and subsurface used or placed upon Grantor's property, and all other aspects of any Work performed in the Access Easement Area. Grantee acknowledges that the Work may result in blocked access to the Access Easement Area for those periods of time reasonably required to accomplish the Work. Grantor will make all reasonable accommodations to protect, maintain and minimize interruption of access to the Grantee's property while conducting its Work, including providing for an alternative route to the extent possible. Grantee shall reimburse Grantor for the reasonable cost to repair any damage to the Access Easement Area specifically caused by Grantee, its employees, contractors or agents. If Grantee fails to do so within ninety (90) days of notice by Grantor, which shall include reasonable supporting documentation, the unpaid amount for such repair shall be secured by a continuing consensual lien on the dominant estate for the benefit of Grantor.

In exercising Grantee's right of ingress and egress over, across and through the Access Easement Area, Grantee will make all reasonable accommodations to minimize interruption of and protect and maintain access by the public, if the Area is open to the public. Grantee shall diligently remove or cause to have removed any obstructions to vehicular travel in the Access Easement Area caused by Grantee or Grantee's employees, contractors, agents, licensees, lessees, or guests ("Grantee's guests" is defined as any individual, or individuals living, visiting, or working in, at, or on Grantee's Property).

2. Grant of Exclusive Parking Easement. Grantor, on behalf of Grantor and Grantor's successors and assigns, hereby grants and conveys to Grantee a perpetual exclusive easement for parking over and upon that portion of Grantor's Property depicted in **Exhibit "C"** (the "Parking Easement Area") for purposes of loading and unloading parcels, furniture, fixtures, equipment and materials (the "Parking Easement"). Grantor in its sole cost and discretion is responsible for the maintenance, repair, replacement and care (together "Work") to the surface and subsurface of the Grantor's property located within the Parking Easement Area. The Grantor has full discretion and authority as to the type of surface, manner of repair and manner of replacement of the surface and subsurface used or placed upon Grantor's property, but covenants that all Work will be performed in a commercially reasonable manner and all Work and materials will meet the existing codes. Grantor will make all reasonable accommodations to minimize interruptions of, and protect and maintain access to the Grantee's property while fulfilling its work obligations, however Grantee acknowledges that the Work may result in blocked access to the Parking Easement Area for periods of time. Unless Grantor is performing Emergency Work (being defined as repair, replacement or restoration of the Grantor's Property or a facility or utility located on, above or below Grantor's Property not otherwise planned and being made necessary to protect persons or property from imminent exposure to danger, or work to restore utility services), Grantor further agrees to temporarily relocate the Parking Easement Area if Grantor does Work that will result in inaccessibility to the Parking Easement Area for more than 48 hours.

2.1 Size and Location of the Parking Easement. The initial location of the Parking Easement Area is set forth in **Exhibit C**. Grantor reserves the right to relocate Parking Easement Area from time-to-time after no less than 7 days written notice to Grantee. Grantor agrees to work in good faith with Grantee to identify the relocation area of Parking Easement Area and to relocate it to a reasonable location. The Grantor may modify the size and shape of the Parking Easement Area in connection with such relocation provided that the modification maintains approximately the same length and width as the area depicted in **Exhibit C** and a 12ft minimum clear height, so as to not diminish the utility of the Parking Easement for Grantee's intended purpose identified above (such as the new Parking Easement is reasonably close to Grantee's Property). Temporary relocation of the Parking Easement Area resulting from Work being performed by Grantor shall not be subject to size requirements, only that the temporary relocation area meet City code requirements of a legal parking stall. The Temporary relocation means the duration of such relocation is less than 30 days.

2.2 Signage. Grantee shall have the right at Grantee's expense to designate and mark Grantee's Parking. Grantee covenants to obtain all necessary permits for signing the Parking Easement Area.

2.3 Leasehold Excise Tax. Grantee shall pay to City upon execution of this agreement the leasehold excise tax required by Chapter 82.29A RCW, or 12.84% of the portion of Grantee's payment to City that is compensation for the city's grant of the Parking Easement. City and Grantee agree that the excise tax amount is $2,447.95.

3. Fire Service Easement. Grantor, on behalf of Grantor and Grantor's successors and assigns, hereby grants and conveys to Grantee a, perpetual nonexclusive easement under, over,

through and across Grantor's property for the purpose of laying, maintaining, and installing a fire line water facility (the "Fire Service Facility) upon that portion of Grantor's Property located five feet on either side of the centerline of the Fire Service Facility, more specifically described and depicted in **Exhibit D** (the "Fire Service Easement Area").

Grantor additionally grants to the Grantee, the use of such additional area immediately adjacent to the Fire Line Easement Area as shall be required for the construction, maintenance and operation of said fire line facilities, provided Grantee shall use reasonable efforts to not block, restrict or impeded access or full use of the Grantor's property. The use of such additional area shall be held to a reasonable minimum and in the case of any damage or disruption of Grantor's Property, the Grantee shall return the property to a condition reasonably comparable to its condition as it existed immediately before entry and/or work was performed by the Grantee or its agents.

Grantee shall coordinate all construction, maintenance and similar activities in the Fire Line Easement Area with Grantor so as to minimize disruption to the public's access over the Easement Area

4. Conditions of Easements. The Easements are granted subject to and conditioned upon the following terms, conditions, and covenants which the parties, their agents, tenants, successors and assigns, agree to fully observe and perform:

4.1 Rights of Easement. Grantee, its agents, contractors, subcontractors and their respective successors and assigns, shall have the use of the Easement Areas for the purposes identified in Section 1, 2 and 3 above, and shall have the right to use abutting land adjoining the Easement Areas when necessary for the fulfilment of Grantee's purposes described in Section 3. Grantee shall, at all times, leave intact all security facilities around the Grantor Property (if any) and shall, upon entering and leaving the Grantor Property, secure all gates, fences, and other security facilities against intrusion by third parties (if and when applicable). No such security facilities shall impede Grantee's use of the Easement Areas.

4.2 Permissible Use. Grantee agrees it will use the Easement Areas only for purposes set forth in this Agreement.

4.3 Improvements and Activities. Except with respect to the Fire Line Facility, any Improvements constructed in the Easement Areas shall be owned by Grantor, and the expense of installation and construction of any improvements to the Grantor's property (the "Parking Lot Improvements") from time to time shall be paid by Grantor. Grantee shall neither construct, erect, or install any improvements or structures within the Parking and Access Easement Areas, nor have any obligations or expense with respect to any Parking Lot Improvements.

4.4 Retained Rights. In addition to those specific rights reserved in Sections 1, 2 and 3 above, Grantor shall have all rights to the Easement Area(s) not granted hereby. Without limiting the foregoing, Grantor shall have all rights, except for the rights that have been explicitly given to Grantee in this Agreement, to enter, cross and occupy the Easement Areas, to permit the public to do so, and to construct driveways and walk-ways and other Parking Lot Improvements there on which are consistent with the rights granted Grantee hereunder.

4.5 Assignment and Successors. The rights and obligations of the parties set forth in this Agreement shall inure to the benefit of, and shall be binding upon, their respective successors and assigns.

5. Indemnification. Grantee, its successors and assigns, releases, covenants and agrees to defend, indemnify and hold harmless Grantor and Grantor's officers, employees, representatives, agents, successors and assigns (hereinafter collectively the "Indemnitees") from all claims, losses, expenses, liens (including, without limitation, liens or claims for services rendered for labor or materials furnished), encumbrances, liabilities, penalties, judgments, settlements, fines, damages, environmental response and cleanup costs, actions (civil, criminal or administrative), and costs, including without limitation, attorney's fees, court costs, consultant fees, expert fees and other litigation-related expenses, brought against, imposed upon, suffered by or paid by Grantor and arising out of or in connection with or resulting from, indirectly or directly, the use by Grantee, its agents, employees, tenants, contractors, invitees, and successors and assigns of the easement areas defined throughout this Agreement.

6. Automatic Easement Termination. The rights granted within this easement are specific to the development and construction of the improvements as permitted by the City of Auburn under building permit **BLD19-0154**. Upon the building being demolished, this Agreement and all rights and privileges granted within this Agreement will automatically terminate. Notwithstanding the foregoing, the rights granted herein shall not terminate if the improvements are damaged or destroyed by earthquake, fire or other casualty and Grantee or its successor diligently commence and pursue reconstruction or replacement of the improvements within a commercially reasonable period of time and in compliance with then applicable codes and ordinances.

7. General Provisions. The following general provisions shall apply with respect to this Agreement:

7.1 Successors and Assigns. The rights and obligations created pursuant to this Agreement shall bind all subsequent owners of the Grantor and Grantee's Property, as described in **Exhibits A & B**.

7.2 Running Covenants. The terms, and conditions, covenants and easements in this Agreement shall be deemed to be covenants running with the land and shall inure to and be binding upon the successors, assigns, heirs, and personal representatives of all the parties.

7.3 Legal Construction. This easement agreement will not be construed more or less favorably between the Parties by reason of authorship as both Parties had an opportunity to have the document reviewed by their counsel. This agreement may be executed in duplicate original counterparts and all copies of this agreement so executed shall be deemed to be one agreement.

7.4 Entire Agreement; Modifications. This Agreement represents the entire understanding between the parties with respect to the transactions contemplated herein and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provision in this Agreement may be waived, modified, amended, discharged, or terminated, except by an instrument in writing signed by both parties and then, only to the extent set forth in such instrument.

7.5 Notices. Any notice required or permitted to be delivered under this Agreement shall be in writing and shall be validly given and made to another party if delivered either personally or by Federal Express or other overnight delivery service of recognized standing. If such notice is personally delivered, it shall be deemed given and received at the time of such delivery. If such notice is delivered by UPS, Federal Express, or other overnight delivery service of recognized standing, it shall be deemed given one (1) business day after the deposit with such delivery service. Each such notice shall be deemed given only if properly addressed to the party to whom such notice is given, as follows:

If to Grantor:
City of Auburn
City Attorney's Office
Auburn, Washington 98001
Attn: City Attorney
Email: N/A
Phone: (253) 804 3108

If to Grantee:
MSRE Apartments, LLC
334 Wells Avenue S., Suite G
Renton, Washington 98057
Attn: Melina Lin
Email: melina@ms-apartment.com
Phone: (206) 686-9886

By giving to the other party at least fifteen (15) days written notice, the parties to this Agreement and their respective successors and assigns shall have the right from time to time and at any time to change their respective address and each shall have the right to specify as its address any other address.

7.6 Severability. If one or more of the provisions of this Agreement, or its application, is determined to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions or any other application shall in no way be affected or impaired.

7.7 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

7.8 Recording. Grantee shall, at its expense, record this easement agreement with the King County Recorder. After this agreement is recorded, Grantee shall provide Grantor with a copy of the recorded easement agreement.

7.9 Attorneys' Fees. If either party shall bring suit to enforce or interpret this Agreement and a judgment is entered, the substantially prevailing party shall be paid its attorneys' fees by the other party, and all costs and expenses in connection with such suit shall also be paid to the substantially prevailing party, which sum shall be included in any such judgment or decree. Such attorneys' fees and expenses shall include those incurred before, during and after trial, including those related to any appeal.

GRANTOR:	**GRANTEE**:
CITY OF AUBURN, a Washington municipal corporation	MSRE Apartments, LLC, a Washington limited liability company
By: ______________________________	By: __________________________
Name: Nancy Backus, Mayor	Melina Lin, Manager

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ____ day of June, I certify that I know or have satisfactory evidence that Melina Lin is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Manager of MSRE Apartments, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

____
Printed Name: ______________________________
Notary Public in and for the State of Washington
residing at __________________________________
My commission expires: ______________________

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ____ day of February, I certify that I know or have satisfactory evidence that ______________________ is the person who appeared before me, and said person acknowledged that (s)he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the ____________________ of the City of Auburn, a Washington municipal corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

____
Printed Name: ______________________________
Notary Public in and for the State of Washington
residing at __________________________________
My commission expires: ______________________

EXHIBIT A
GRANTOR PROPERTY

PARCEL A, CITY OF AUBURN BOUNDARY LINE ADJUSTMENT NUMBER BLA13-0007 RECORDED UNDER RECORDING NUMBER 20131108900002 RECORDS OF KING COUNTY, WASHINGTON LOCATED IN THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 21 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON;

TOGETHER WITH VACATED ADJOINING ALLEY PER CITY OF AUBURN ORDINANCE NUMBER 3200 UNDER RECORDING NUMBER 7711100780;

TOGETHER WITH VACATED ADJOINING ROAD AND ALLEY PER CITY OF AUBURN ORDINANCE NUMBER 6614 UNDER RECORDING NUMBER 20161010000262;

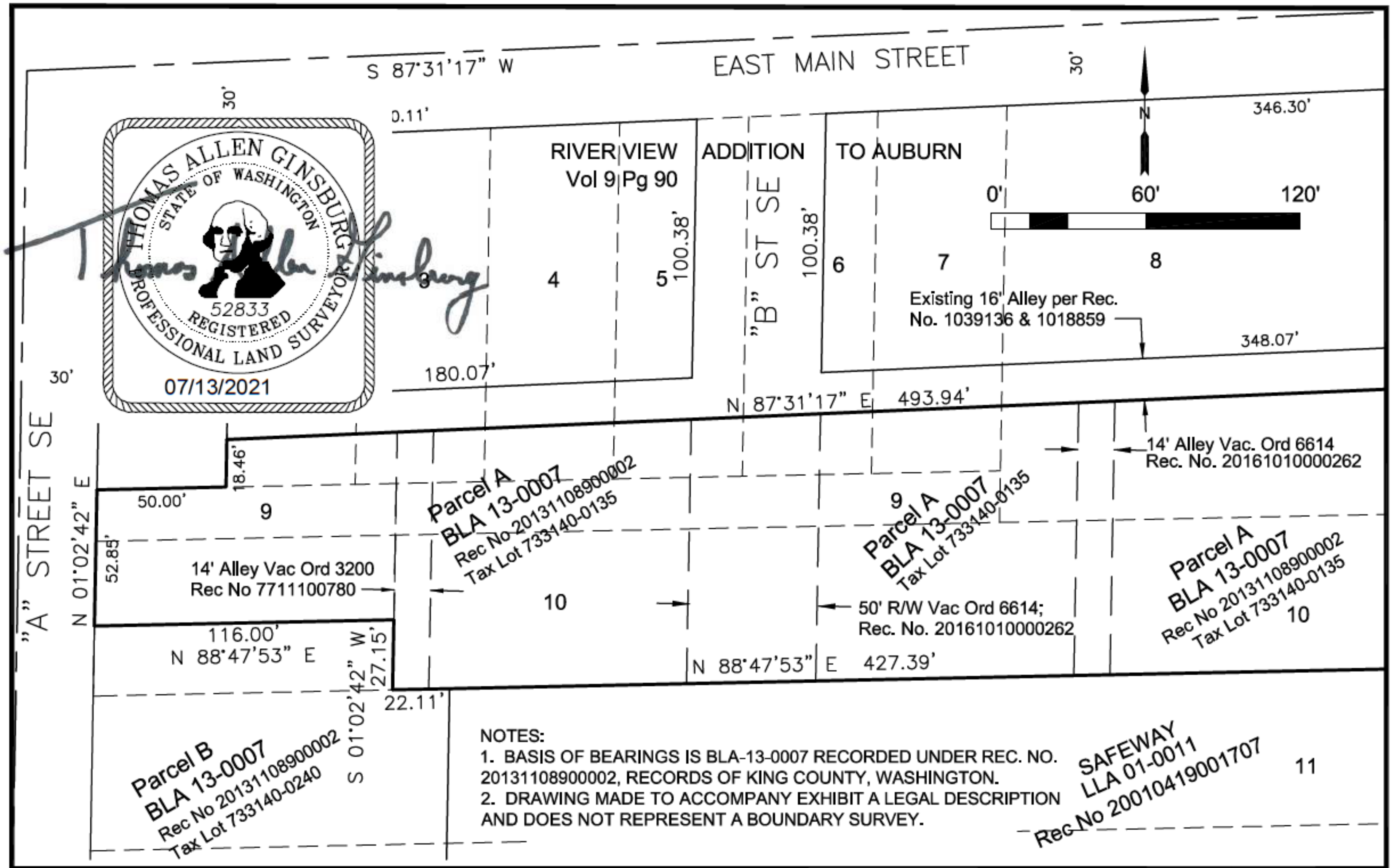
SITUATE IN CITY OF AUBURN, KING COUNTY, WASHINGTON.

THOMAS ALLEN GINSBURG

52833

Thomas Allen Ginsburg

07/13/2021



THOMAS ALLEN GINSBURG
52833
07/13/2021

Thomas Allen Ginsburg

NOTES:
1. BASIS OF BEARINGS IS BLA-13-0007 RECORDED UNDER REC. NO. 20131108900002, RECORDS OF KING COUNTY, WASHINGTON.
2. DRAWING MADE TO ACCOMPANY EXHIBIT A LEGAL DESCRIPTION AND DOES NOT REPRESENT A BOUNDARY SURVEY.

CITY OF AUBURN
PUBLIC WORKS DEPARTMENT

EXHIBIT A DEPICTION

PARCEL A, COA BLA13-0007 REC. NO. 20131108900002
A PORTION OF THE NW 1/4 of SW 1/4 SEC 18-21-05

PROJ: FAC19-0014
7/13/2021
SCALE: 1"=60'
DRAWN BY: TAG

EXHIBIT B
GRANTEE PROPERTY

LEGAL DESCRIPTION

THAT PORTION OF LOTS 3, 4 AND 5, RIVER VIEW ADDITION TO AUBURN, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 9 OF PLATS, PAGE 90, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS :

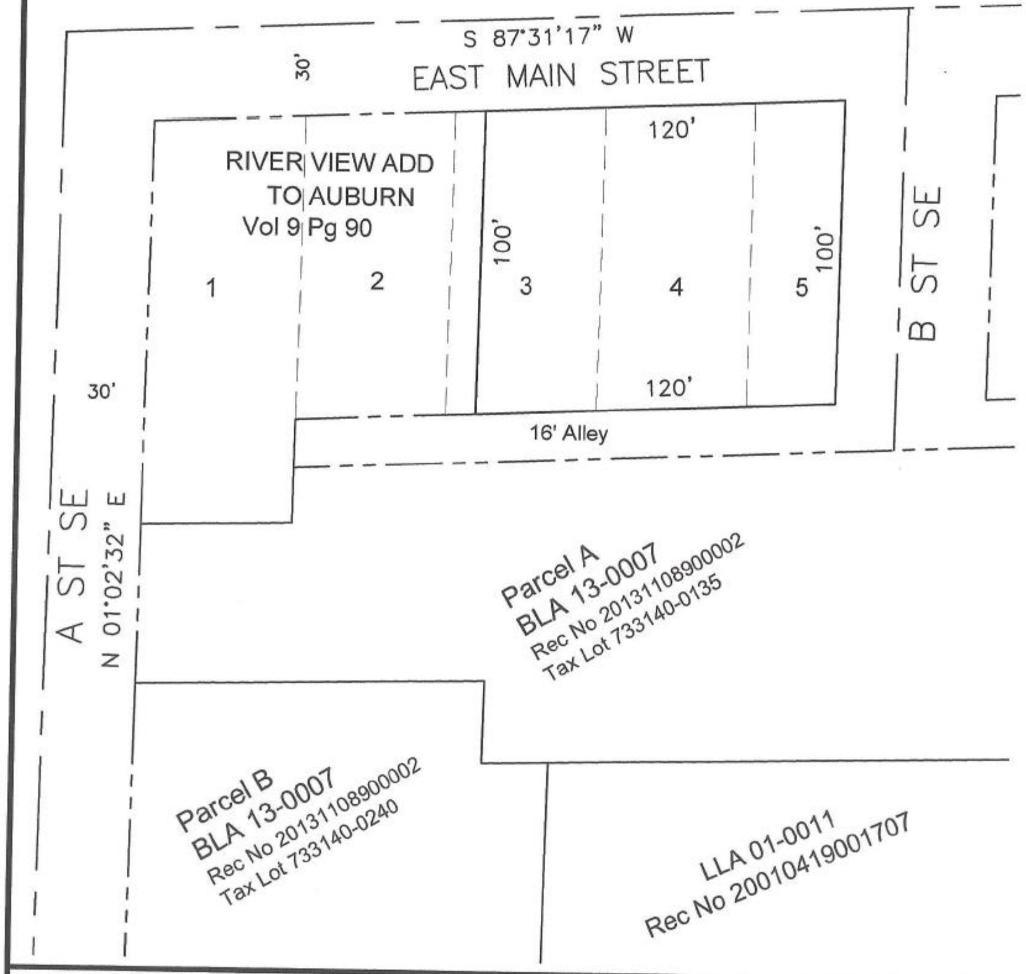
BEGINNING AT A STONE MONUMENT ON THE CENTERLINE OF EAST MAIN STREET "FORMERLY FIRST STREET" WHICH IS A MORE WESTERLY OF TWO STONE MONUMENTS AT THE INTERSECTION OF EAST MAIN STREET "FORMERLY FIRST STREET" AND SOUTH "A" STREET "FORMERLY MAIN STREET" IN THE CITY OF AUBURN, BOTH OF WHICH ARE RECOGNIZED BY THE CITY OF AUBURN AS QUARTER CORNERS, THENCE NORTH 86°56'30" EAST 139.5 FEET ALONG THE CENTERLINE OF SAID EAST MAIN STREET, THENCE SOUTH 30.05 FEET TO THE TRUE POINT OF BEGINNING, WHICH POINT IS SITUATED 6 INCHES WEST OF THE EAST SIDE OF THE EAST WALL OF THE ADIE BUILDING, THENCE SOUTH PARALLEL TO SAID EAST WALL 100 FEET; THENCE NORTH 86°56'30" EAST PARALLEL TO THE CENTERLINE OF SAID EAST MAIN STREET, 120 FEET; THENCE NORTH PARALLEL TO THE EAST WALL OF SAID ADIE BUILDING 100 FEET; THENCE SOUTH 86°56'30" WEST ALONG THE PROPERTY LINE 30 FEET SOUTH OF THE CENTERLINE OF EAST MAIN STREET, 120 FEET TO THE TRUE POINT OF BEGINNING.

SITUATE IN THE CITY OF AUBURN, COUNTY OF KING, STATE OF WASHINGTON

(LEGAL DESCRIPTION FROM FIRST AMERICAN TITLE INSURANCE COMPANY ALTA COMMITMENT FILE NO. NCS-943856-WA1 DATED JANUARY 16, 2019)

DANIEL R. PRICE SR.
17553

12/6/2



DWN. BY DRP	SCALE 1"=60'	6 DEC 2021

DAN PRICE LAND SURVEYING

17923 52ND AVE E. #B
TACOMA, WA 98446
CELL (253) 377-7647

DANIEL R. PRICE SR.
37533
12/6/21

NOTES:

1. BASIS OF BEARINGS IS SOUTH 01°02'32" WEST, BEING THE MONUMENTED CENTERLINE OF A STREET SE.
2. DRAWING MADE TO ACCOMPANY EXHIBIT B LEGAL DESCRIPTION AND DOES NOT REPRESENT A BOUNDARY SURVEY.

EXHIBIT B DEPICTION
GRANTEE PROPERTY

A PORTION OF THE NW 1/4 of SW 1/4 SEC 18-21-05

EXHIBIT C
PARKING EASEMENT AREA

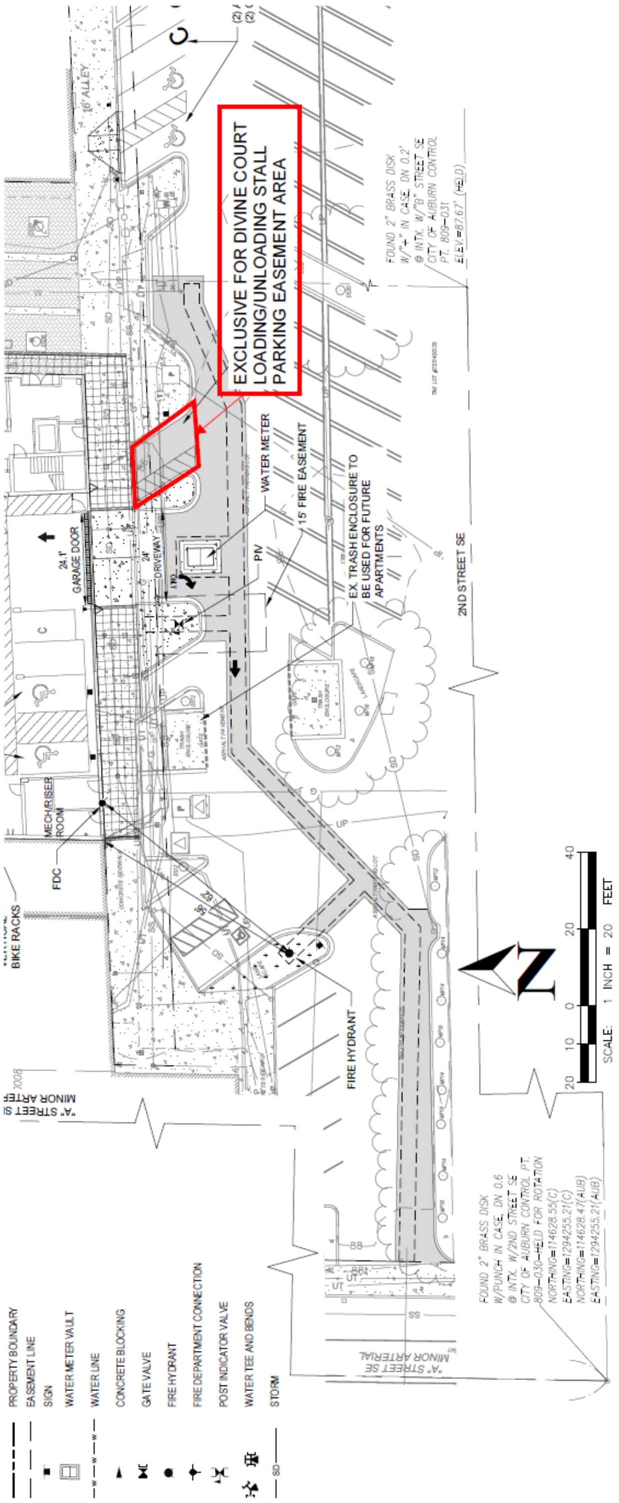


EXHIBIT D
FIRE SERVICE EASEMENT AREA

LEGAL DESCRIPTION

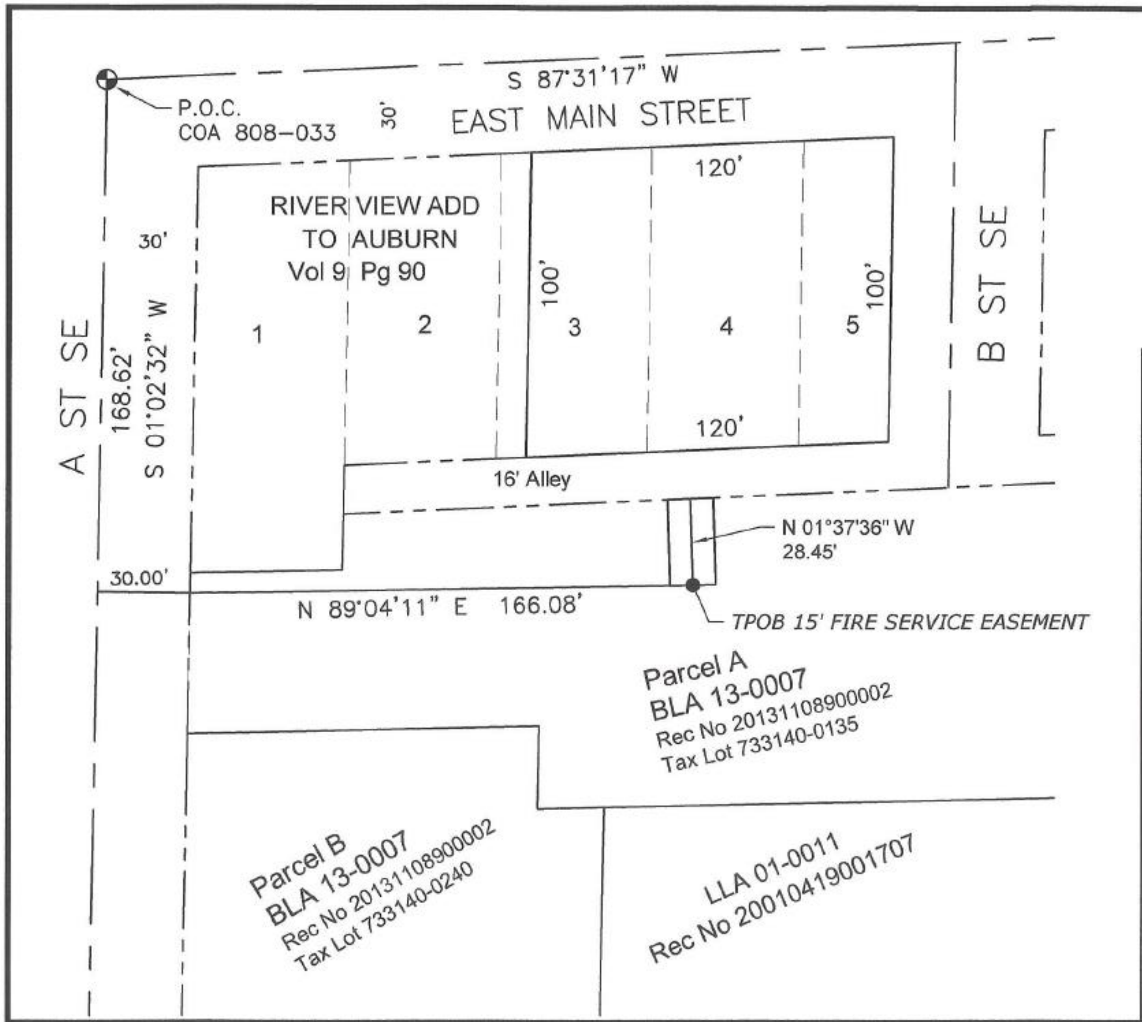
THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 21 NORTH, RANGE 5 EAST, W.M., CITY OF AUBURN, KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS :

COMMENCING AT THE MONUMENTED INTERSECTION OF EAST MAIN STREET AND A STREET SOUTHEAST, A MONUMENT BEING KNOWN AS AUBURN GPS 127 AND CITY OF AUBURN CONTROL POINT 808-033; THENCE ALONG THE MONUMENTED CENTERLINE OF A STREET SOUTHEAST, SOUTH 01°02'32" WEST A DISTANCE OF 168.62 FEET; THENCE SOUTH 88°57'28" EAST A DISTANCE OF 30.00 FEET TO THE EAST RIGHT OF WAY MARGIN OF SAID STREET; THENCE NORTH 89°04'11" EAST, A DISTANCE OF 166.08 FEET TO THE TRUE POINT OF BEGINNING OF A FIRE SERVICE EASEMENT 15 FEET IN WIDTH BEING 7.50 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE: THENCE NORTH 01°37'36" WEST A DISTANCE OF 28.45 FEET TO THE NORTH LINE OF PARCEL A, CITY OF AUBURN BOUNDARY LINE ADJUSTMENT NUMBER BLA13-0007 RECORDED UNDER RECORDING NUMBER 20131108900002 AND THE TERMINUS OF SAID CENTERLINE.

SIDELINES OF SAID EASEMENT TO BE LENGHTHENED OR SHORTENED TO INTERSECT BOUNDARY LINES.

THIS EASEMENT DESCRIPTION CONTAINS AN AREA OF 427 SQ. FT., MORE OR LESS.

DANIEL R. PRICE SR.
37533



DWN. BY DRP	SCALE 1"=60'	6 DEC 2021

DAN PRICE LAND SURVEYING
17923 52ND AVE E. #B
TACOMA, WA 98446
CELL (253) 377-7647

DANIEL R. PRICE SR.
37533

NOTES:
1. BASIS OF BEARINGS IS SOUTH 01°02'32" WEST, BEING THE MONUMENTED CENTERLINE OF A STREET SE.
2. DRAWING MADE TO ACCOMPANY EXHIBIT D LEGAL DESCRIPTION AND DOES NOT REPRESENT A BOUNDARY SURVEY.

EXHIBIT D DEPICTION
FIRE SERVICE EASEMENT
A PORTION OF THE NW 1/4 of SW 1/4 SEC 18-21-05

AGENDA BILL APPROVAL FORM

Agenda Subject:
Ordinance No. 6845 (Thomas)(20 Minutes)

Date:
December 8, 2021

Department:
Finance

Attachments:
Ordinance No. 6845

Budget Impact:

Administrative Recommendation:

For discussion only.

Background for Motion:

Background Summary:

The City of Auburn's Business and Occupation Tax code currently sets a significantly low taxability threshold for non-profit health care organizations (HCO's). Further, the existing language is unclear on how to accurately calculate the given threshold. Due to the nature of non-profit health care organization finances, as well as the valuable services that HCO's provide the City of Auburn and its residents, it is in the City's best interest to consider an amendment. This amendment would establish a higher exemption threshold for HCO's, as well as add clarity for the exemption threshold calculation.

Reviewed by Council Committees:

Councilmember: Baggett

Staff: Thomas

Meeting Date: December 13, 2021

Item Number:

ORDINANCE NO. 6845

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AMENDING SECTIONS 3.53.100 AND 3.53.110 REGARDING CITY BUSINESS AND OCCUPATION (B&O) TAX EXEMPTIONS AND DEDUCTIONS ALLOWED TO NONPROFIT HEALTH CARE ORGANIZATIONS IN THE CITY

WHEREAS, ACC Chapter 3.53 sets forth the City's business and occupations (B&O) tax. ACC sections 3.53.100 and 3.53.110 establish B&O tax exemptions and deductions for several classes and types of businesses operating in the City, including nonprofit health care organizations (HCOs);

WHEREAS, ACC 3.53.100 currently provides a B&O tax exemption to nonprofit HCOs operating in the City with gross income at or below a required threshold. But using gross income to measure a nonprofit HCOs B&O tax exemption eligibility does not reflect an operating nonprofit HCO's financial reality;

WHEREAS, a significant portion of a nonprofit HCO's services are devoted to providing the City's most vulnerable indigent and uninsured residents with needed health care and related services. Nonprofit HCOs are able to charge these residents fees for services that would reflect the HCO's gross income. However, these HCOs are unable in many cases to actually collect charged amounts, and despite being considered gross income these uncollected charges generate no actual revenue for a nonprofit HCO;

WHEREAS, to incentivize the continued financially stable operation of nonprofit HCOs in the City, which is increasingly important during the ongoing COVID-19 pandemic, ACC 3.53.100 should be amended to use a nonprofit HCO's net operating income as the basis to determine B&O tax exemption eligibility. This amendment would more accurately reflect revenue a nonprofit HCO actually receives from its operations for the purpose of a nonprofit HCO's exemption from City B&O tax;

WHEREAS, ACC 3.53.110 should also be amended to clarify that a nonprofit HCO's gross income remains the basis for measuring B&O tax deductions allowed to a nonprofit HCO.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, DO ORDAIN as follows:

Section 1. Amendment to City Code. Subsection CC of Auburn City Code section 3.53.100 is amended to read as follows:

CC. *Nonprofit Health Care Organization Fees.*

1. This chapter shall not apply to amounts that a nonprofit health care organization derives~~d~~ from charges or fees for medical, nursing, ambulance, hospital, or ~~and other appropriate~~ outpatient care ~~as charges and~~ services ~~fees by nonprofit health care organizations~~ for the benefit of subscribers, where none of the derived amounts ~~such fees and charges~~ inure to the benefit of the organization or any of its employees~~; provided further, that i~~.

2. The exemption in paragraph 1 of this subsection CC shall not apply if ~~a~~the nonprofit health care organization's annual net operating ~~gross~~ income~~, minus any allowed deductions or exemptions as provided in this chapter,~~ exceeds $~~3~~10,000,000.00 for the reporting period in which the exemption is claimed~~for any calendar year~~. For purposes of this subsection, "net operating income" shall mean income in an amount equal to:

a. the organization's aggregate gross revenue generated from operating activities and services, less—

b. uncollectable debts and uncompensated services, and less—

c. total expenses related to operating activities.

Capital expenditures, debt service and non-cash charges, such as depreciation of assets or amortization of financing costs, shall not be included in the calculation of net operating income.~~, the exemption in this subsection shall not apply to the amounts derived from health care organization service fees and charges.~~

3. Nonprofit health care organizations exceeding ~~the~~ $~~30~~10,000,000.00 in gross income in a reporting period ~~threshold~~ may take the deductions allowed in ACC 3.53.110(S).

Section 2. **Amendment to City Code.** Subsection S of Auburn City Code section 3.53.110 is amended to read as follows:

> S. *Nonprofit Health Care Organization Fees.* In computing the tax, nonprofit health care organizations may deduct up to $30,000,000 in gross revenue derived from medical, nursing, ambulance, hospital, and other appropriate outpatient care as charges and service fees by the nonprofit health care organization.

Section 3. **Implementation.** The Mayor is authorized to implement those administrative procedures necessary to carry out the directives of this legislation.

Section 4. **Severability.** The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance, or the invalidity of the application of it to any person or circumstance, will not affect the validity of the remainder of this ordinance, or the validity of its application to other persons or circumstances.

Section 5. **Effective date.** This Ordinance will take effect and be in force five days from and after its passage, approval, and publication as provided by law.

INTRODUCED: _______________

PASSED: ____________________

APPROVED: _________________

____
NANCY BACKUS, MAYOR

ATTEST:

____
Shawn Campbell, MMC, City Clerk

APPROVED AS TO FORM:

____
Kendra Comeau, City Attorney

Published: ____________________

AGENDA BILL APPROVAL FORM

Agenda Subject:
3rd Quarter 2021 Financial Report Update (Thomas)(15 Minutes)

Date:
December 8, 2021

Department:
Finance

Attachments:
Q3 2021 Financial Report

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 the year-to-date through September 2021 status report based on financial data available as of November 22, 2021. Sales tax information represents business activity that occurred through July 2021.

Reviewed by Council Committees:

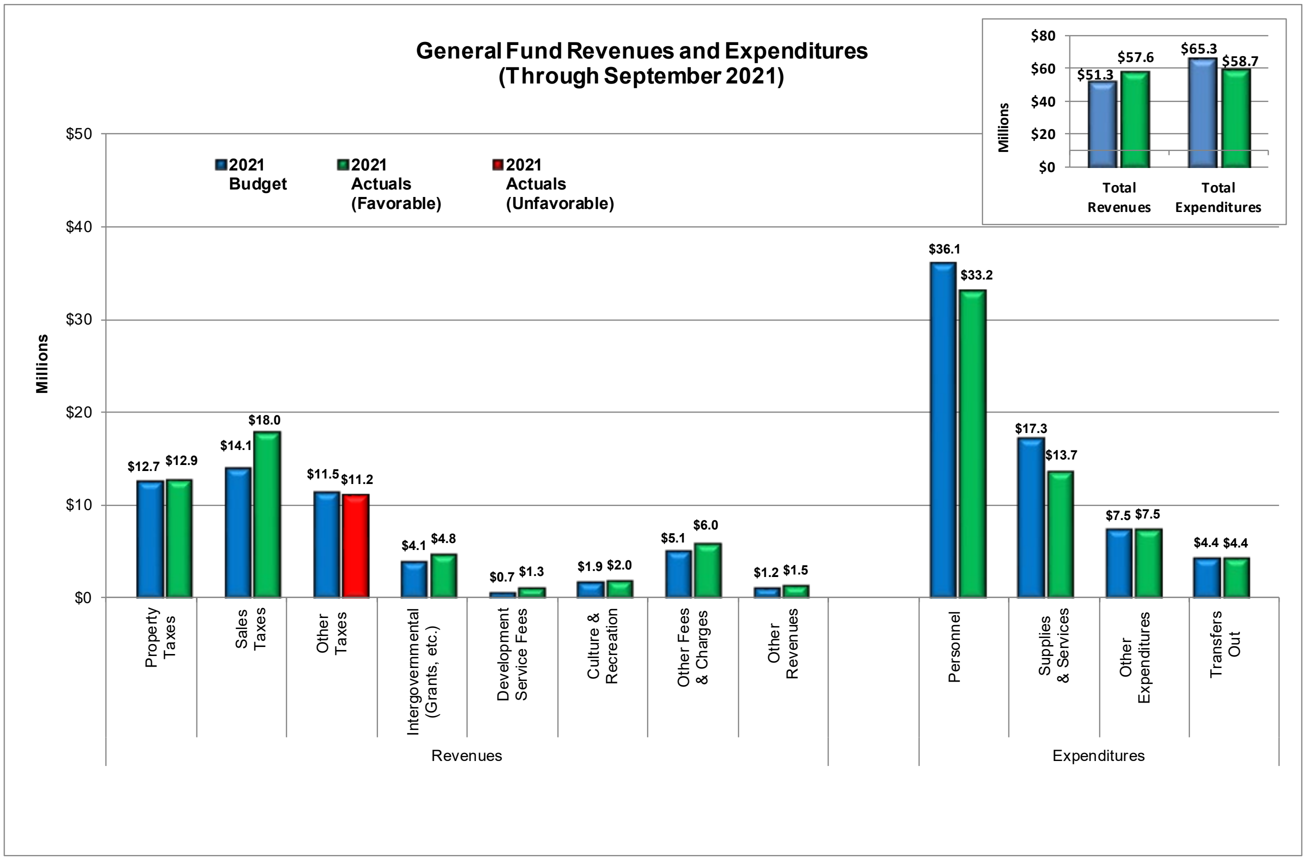
Councilmember: Baggett

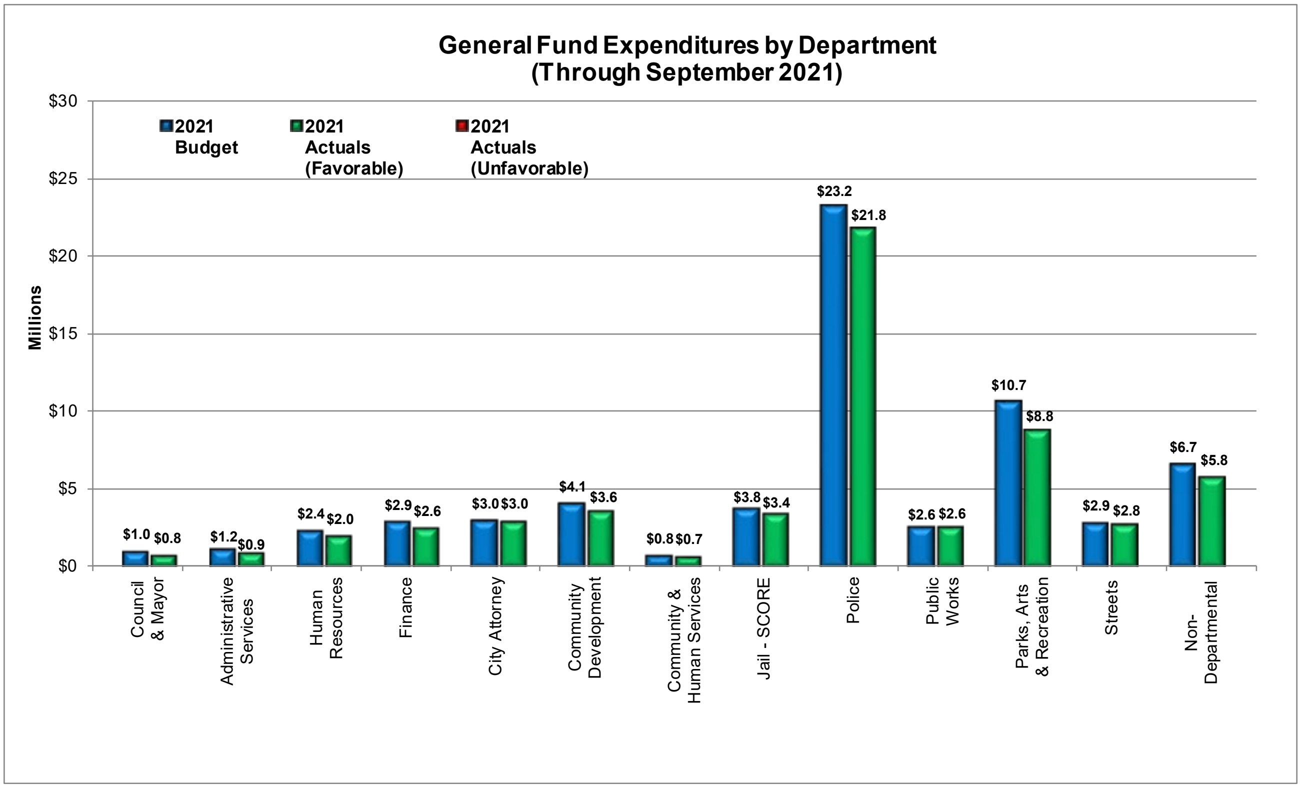
Staff: Thomas

Meeting Date: December 13, 2021

Item Number:

General Fund Summary





General Fund Summary of Sources and Uses	Page Ref	2021			2020	2021 YTD Budget vs. Actual Favorable (Unfavorable)	
		Annual Budget	YTD Budget	YTD Actual	YTD Actual	Amount	Percentage
Operating Revenues							
Property Tax	**6**	$ 22,842,300	$ 12,671,500	$ 12,855,125	$ 12,376,181	$ 183,625	1.4 %
Retail Sales Tax	**3, 6-8**	16,947,000	12,389,300	15,885,829	13,678,442	3,496,529	28.2 %
Affordable Housing Sales Tax Credit		123,700	92,775	107,535	104,759	14,760	15.9 %
Sales Tax - Pierce County Parks		99,700	73,400	96,683	80,900	23,283	31.7 %
Criminal Justice Sales Tax		2,034,000	1,499,700	1,892,852	1,667,278	393,152	26.2 %
Brokered Natural Gas Tax		130,000	101,900	119,248	123,168	17,348	17.0 %
City Utilities Tax	**3, 8-10**	6,471,400	4,822,200	4,715,241	3,413,691	(106,959)	(2.2) %
Admissions Tax	**10**	320,000	240,003	98,311	197,965	(141,692)	(59.0) %
Electric Tax	**8-10**	3,723,200	2,899,700	2,858,500	3,242,922	(41,200)	(1.4) %
Natural Gas Tax	**8-10**	1,116,900	956,200	959,281	1,114,296	3,081	0.3 %
Cable Franchise Fee		876,900	657,675	681,138	677,983	23,463	3.6 %
Cable Utility Tax		960,000	720,000	718,597	864,091	(1,403)	(0.2) %
Cable Franchise Fee - Capital		60,000	45,000	43,372	46,529	(1,628)	(3.6) %
Telephone Tax	**8-10**	765,400	582,700	529,685	831,771	(53,015)	(9.1) %
Solid Waste Tax (external)	**8-10**	112,500	84,420	170,348	166,230	85,928	101.8 %
Leasehold Excise Tax		210,000	197,500	209,931	211,704	12,431	6.3 %
Gambling Excise Tax	**11**	307,000	230,250	60,422	74,995	(169,828)	(73.8) %
Taxes sub-total		**$ 57,100,000**	**$ 38,264,223**	**$ 42,002,098**	**$ 38,872,904**	**$ 3,737,875**	**9.8 %**
Business License Fees	**11-12**	$ 385,400	$ 153,400	$ 138,813	$ 147,995	$ (14,587)	(9.5) %
Building Permits	**12-13**	858,400	545,300	1,130,736	686,295	585,436	107.4 %
Other Licenses & Permits	**3**	785,600	606,000	1,021,828	729,676	415,828	68.6 %
Intergovernmental (Grants, etc.)	**14-15**	5,483,020	4,108,230	4,833,268	4,529,943	725,038	17.6 %
Charges for Services:	**15-17**						
General Government Services	**15**	3,474,060	2,605,545	2,486,324	2,234,136	(119,221)	(4.6) %
Public Safety	**15-16**	929,900	697,425	891,517	704,263	194,092	27.8 %
Development Services Fees	**15-16**	896,100	699,800	1,273,177	754,150	573,377	81.9 %
Culture and Recreation	**15-17**	2,212,630	1,857,200	2,026,882	1,332,318	169,682	9.1 %
Fines and Penalties	**17-18**	722,200	539,900	335,759	475,518	(204,141)	(37.8) %
Fees/Charges/Fines sub-total		**$ 15,747,310**	**$ 11,812,800**	**$ 14,138,305**	**$ 11,594,294**	**$ 2,325,505**	**19.7 %**
Interest and Investment Earnings	**19**	$ 138,800	$ 104,100	$ 68,436	$ 377,313	$ (35,664)	(34.3) %
Rents and Leases	**19**	754,600	649,100	738,100	386,007	89,000	13.7 %
Contributions and Donations	**19**	28,000	21,000	12,648	28,876	(8,352)	(39.8) %
Other Miscellaneous	**19**	217,800	186,277	196,203	171,276	9,927	5.3 %
Transfers In		162,000	162,000	162,000	2,081,527	0	0.0 %
Insurance Recoveries - Capital & Operating		100,000	93,750	273,784	71,391	180,034	192.0 %
Other Revenues sub-total		**$ 1,401,200**	**$ 1,216,227**	**$ 1,451,171**	**$ 3,116,390**	**$ 234,944**	**19.3 %**
Total Operating Revenues		**$ 74,248,510**	**$ 51,293,250**	**$ 57,591,574**	**$ 53,583,588**	**$ 6,298,324**	**12.3 %**
Operating Expenditures							
Council & Mayor		$ 1,375,222	$ 1,045,700	$ 793,609	$ 708,024	$ 252,091	24.1 %
Administration		1,473,404	1,183,167	937,924	2,494,166	245,243	20.7 %
Human Resources		2,160,531	1,569,200	1,320,958	1,165,246	248,242	15.8 %
Municipal Court & Probation		3,160,261	808,846	689,357	666,941	119,489	14.8 %
Finance		3,833,612	2,922,500	2,555,750	2,360,243	366,750	12.5 %
City Attorney		4,109,213	3,023,900	2,983,983	1,748,226	39,917	1.3 %
Community Development		5,560,908	4,125,200	3,643,522	3,178,358	481,678	11.7 %
Community & Human Services (Comm Devel)		1,214,797	776,300	672,272	632,686	104,028	13.4 %
Jail - SCORE		5,021,600	3,766,200	3,423,825	3,423,825	342,375	9.1 %
Police		30,935,021	23,191,617	21,790,269	21,335,656	1,401,348	6.0 %
Public Works		3,449,062	2,589,700	2,579,124	2,684,001	10,576	0.4 %
Parks, Arts & Recreation		14,131,508	10,684,900	8,801,490	8,094,481	1,883,410	17.6 %
Streets		4,092,068	2,909,600	2,769,792	2,547,290	139,808	4.8 %
Non-Departmental		7,823,870	6,684,703	5,781,942	1,279,897	902,760	13.5 %
Total Operating Expenditures		**$ 88,341,077**	**$ 65,281,532**	**$ 58,743,818**	**$ 52,319,041**	**$ 6,537,714**	**10.0 %**

Executive Summary

This report provides an overview of the City's overall financial position for the fiscal period ending September 30, 2021, reflecting financial data available as of November 22, 2021.

General Fund:

Due to the COVID-19 pandemic, some General Fund revenues are lower than the pre-pandemic levels due to the economic impact the pandemic has had at the local and regional level. In late March, both King and Pierce counties advanced to Phase III of the state's Healthy Washington Roadmap to Recovery plan. Phase III allowed businesses to have indoor dining occupancy up to 50%; retail, fitness and competitive sports at 50% occupancy; and indoor entertainment venues like theaters, concerts, museums, bowling alleys, cardrooms, zoos, etc. were allowed to reopen with restrictions. At the end of June, Washington state reopened under the Washington Ready plan. All industry sectors previously covered by the Roadmap to Recovery or the Safe Start plan (with limited exceptions) were allowed to return to usual capacity and operations. Therefore, at the end of the second quarter of 2021 there were additional changes in business occupancy allowances and most restrictions had been lifted. Throughout the third quarter of 2021, business were able to resume normal operations but some businesses have continued to have modified hours and/or capacity restrictions.

Note: In 2020 to help close the revenue gap due to the COVID-19 pandemic, the City implemented several short-term policy changes in 2020. Effective January 1, 2021, all of those policy changes were discontinued.

Overall, General Fund revenues collected through Q3-2021 totaled $57.6 million as compared to a year-to-date (YTD) budget of $51.3 million, or 12.3% above expectations.

Notable variances to YTD budget include:

- Retail Sales Tax: The sales tax report through September 2021 (which is provided as an attachment to this report) reflects amounts remitted to the City of Auburn based on sales from November 2020 through July 2021. Total retail sales tax revenue collected through September 2021 totaled $15.9 million and was $3.5 million, or 28.2%, above budget. Collections were also $2.2 million, or 16.1%, more than what was collected through Q3-2020. The most notable increases in revenues compared to last year were seen in the retail trade and automotive categories, most likely due to pent up demand. **[*pages 6-8*]**

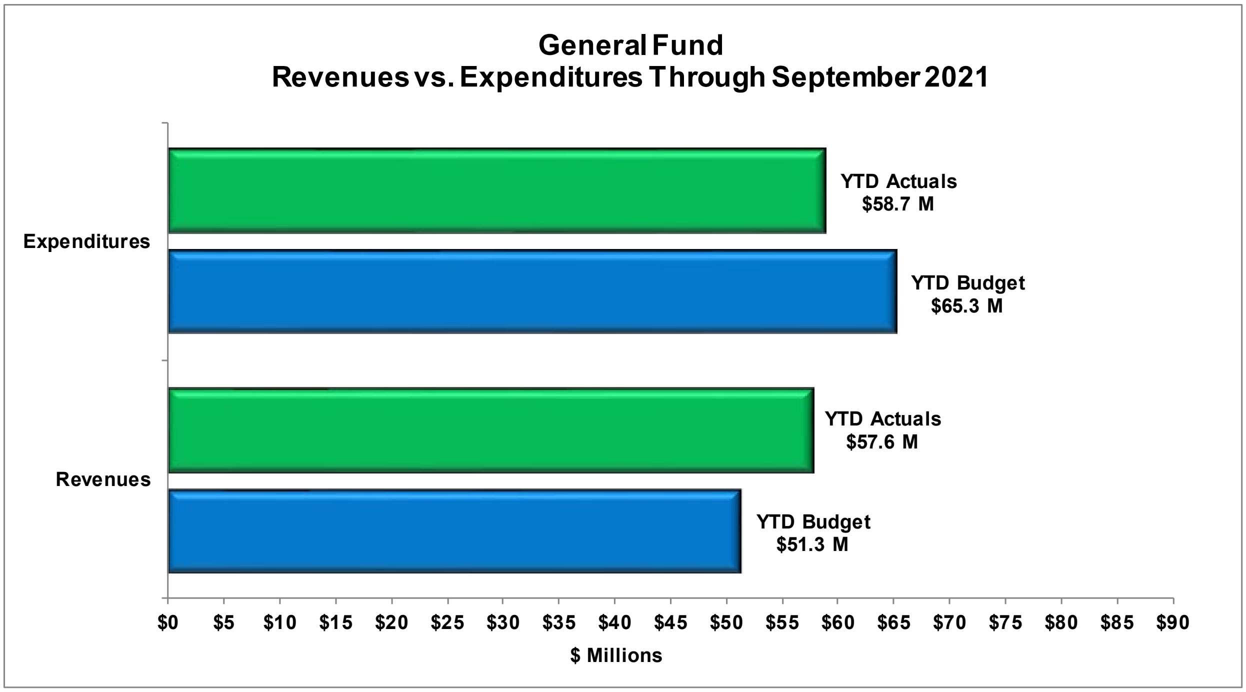
- In November 2020, City Council approved Ordinance No. 6801 which increased the City utility tax rate from 7.0% to 10.0% effective January 1, 2021. While 1.0% of utility tax revenue continues to support the Arterial Street Preservation Fund, this change increases General Fund tax revenues for Water, Sewer, Storm and Solid Waste services from the previous 6.0% to 9.0%. City utility tax revenues through Q3-2021 were $108,000 unfavorable to budget although they were $1.3 million higher than the same period last year. **[*pages 8-10*]**

- Other Licenses and Permits: Revenues in this category primarily consist of excavation/construction permits, street and curb permits as well as plumbing permits. Through the third quarter of 2021, these revenues totaled $1.0 million and were $416,000 favorable to budget. The majority of this favorability to budget was seen in excavation/construction permit revenues.

- Building permit revenues collected through September 2021 totaled $1.1 million and were $585,000, or 107.4%, above budget. There were four significant commercial projects in the City that contributed to higher-than-anticipated revenues this year, including the replacement of two elementary schools. The total number of building permits issued through Q3-2021 totaled 397, which is 16 (7.0%) more than the number issued through Q3-2020. [***pages 12-13***]

- Intergovernmental revenues collected through the third quarter of 2021 totaled $4.8 million and were $725,000 favorable to budget. The majority of this variance was due primarily to the unbudgeted receipt of $331,000 of one-time Federal monies in July that are intended to be used for police reform and the unbudgeted receipt of $250,000 in September of Streamlined Sales Tax Mitigation monies. [***pages 14-15***]

General Fund expenditures through Q3-2021 totaled $58.7 million compared to a budget of $65.3 million, representing a 10.0% favorable variance to budget. All departments operated within their allocated quarterly budget through the third quarter of 2021. Of the favorable variance to budget, $2.9 million is due to staff vacancies as well as the fact that medical and dental benefit costs in 2021 were lower than budgeted.



Street Funds:

The City's three street funds are special revenue funds wherein the revenue sources and expenditures are legally restricted. These funds are used for street capital construction projects, as well as local and arterial street repair and preservation projects. Historically, the majority of expenditures in all three street funds occur during the second half of the year when weather conditions are optimal for pavement construction. Variances in budget and actuals between years are generally due to the schedule and level of activity on projects in the fund, and the timing of grant reimbursements and other funding.

Through the third quarter of 2021, **Arterial Street Fund** revenues totaled $2.2 million as compared to revenues of $1.4 million through September 2020, while expenditures totaled $2.7 million as compared to expenditures of $1.3 million through the third quarter of 2020. **[pages 22–23]**

Local Street Fund revenues of $654,000 compare to revenues of $1.5 million through September 2020. Expenditures through the third quarter were $522,000 as compared with $1.0 million through the third quarter of 2020. **[pages 24–25]**

Lastly, **Arterial Street Preservation Fund** revenues totaled $2.7 million through September 2021, while expenditures totaled $3.5 million versus $1.2M through last September. **[pages 26–27]**

Enterprise Funds:

The City's enterprise funds account for operations with revenues primarily provided from user fees, charges or contracts for services.

The **Water Fund** ended the third quarter of 2021 with operating income of $4.3 million, approximately $206,000 below the same period last year. **[page 29]**

The **Sewer Fund** had operating income of $894,000 through September 2021 versus $1.5 million in the same period of 2020. Increased consumption revenues were offset by interfund utility taxes and increased personnel costs, leading to a decrease in operating income from 2020. **[page 30]**

Through September 2021 the **Stormwater Fund** had operating income of $1.8 million compared to $2.6 million through September of 2020; this variance is largely due to increased interfund utility taxes, personnel costs, fleet and support costs. **[page 30]**

The **Solid Waste Fund** had an operating loss of $221,000 through the third quarter compared to operating income of $199,000 in the same period last year; higher service revenues were offset by increased payments to the City's primary solid waste vendor and interfund utility taxes. **[pages 30-32]**

The **Airport Fund** experienced operating income of $254,000 through September 2021, compared to $405,000 in the same period last year. This variance is largely attributable to fuel inventory purchases, as well as personnel, fleet, and repair and maintenance costs. **[page 32]**

The **Cemetery Fund** had operating income of $484,000 through September 2021, compared with operating income of $154,000 in the same period last year. This increase in largely attributable to increased sales revenues. **[pages 32-33]**

Internal Service Funds:

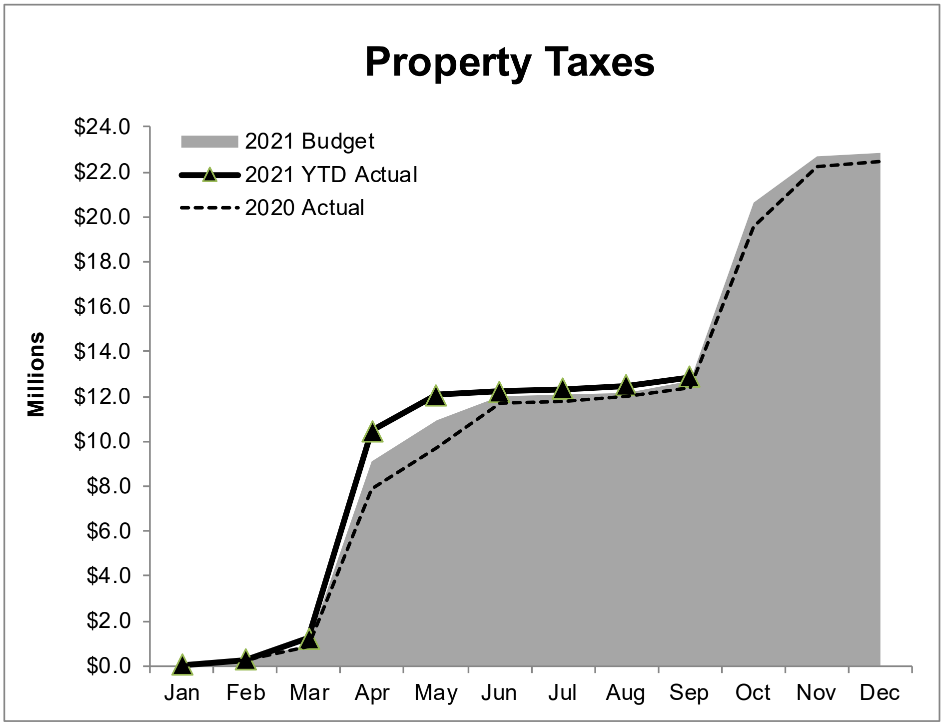
Internal service funds provide services to other City departments and include functions such as Insurance, Worker's Compensation, Facilities, Innovation & Technology, and Equipment Rental. No significant variances were reported in these funds in 2021. **[page 33]**

General Fund

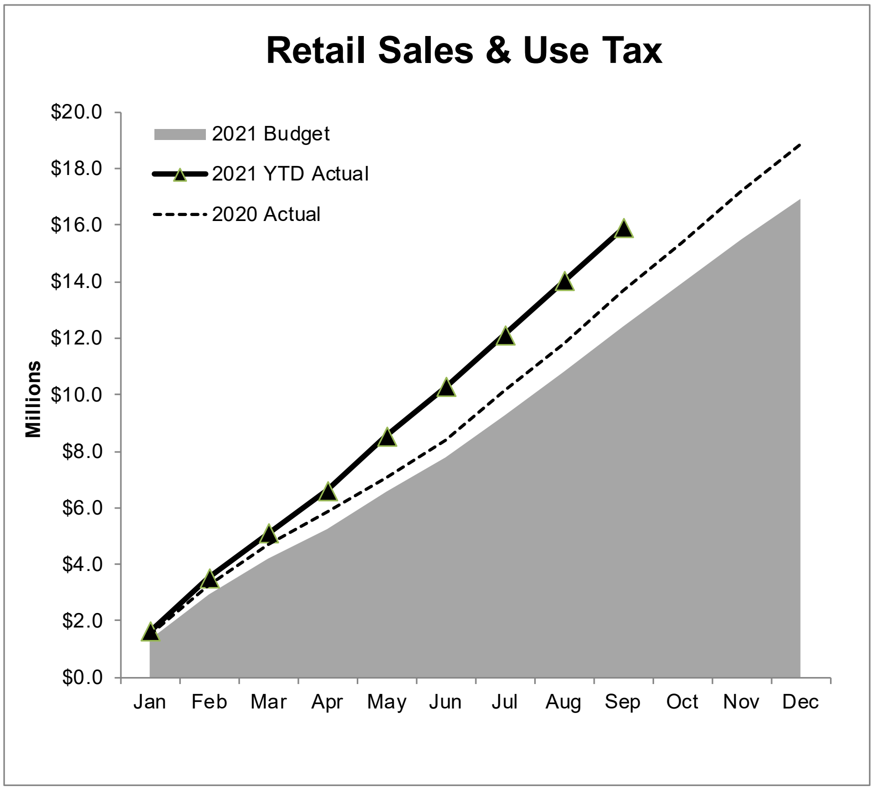
Revenues

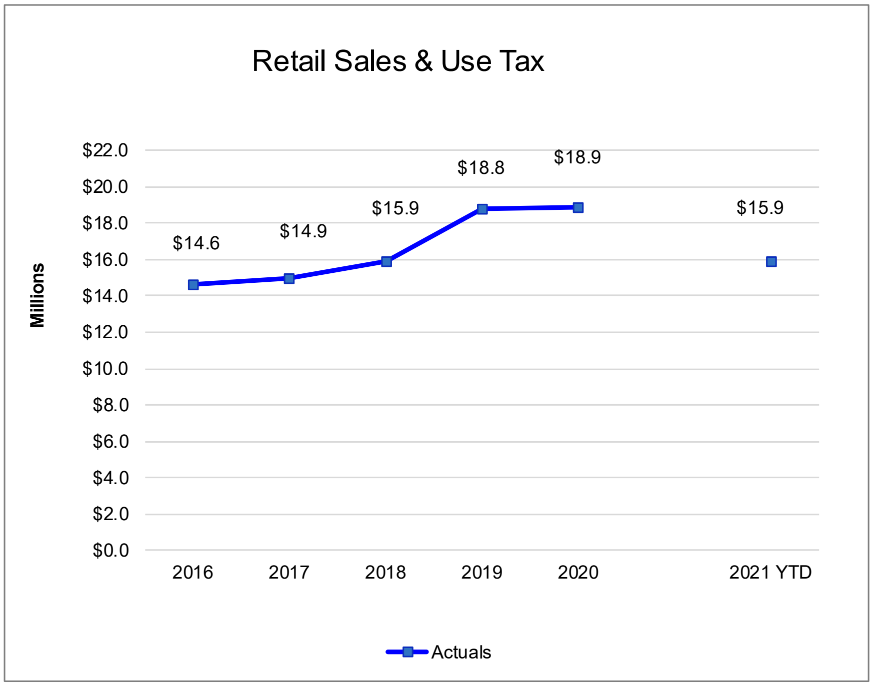
The combined total of property, sales/use, utility, gambling, and admissions taxes provides over 70% of all resources supporting general governmental activities. The following section provides additional information on these sources.

Property Tax collections through Q3-2021 totaled $12.9 million as compared to a YTD budget of $12.7 million. As depicted in the graphic below, the majority of property taxes are collected during the months of April and October, coinciding with the due dates for the County property tax billings. The COVID-19 pandemic had minimal, if any, impact to property tax revenues.



Retail Sales Tax collections through Q3-2021 totaled $15.9 million, representing taxes remitted to the City of Auburn based on sales from November 2020 through July 2021. Due to the global pandemic, the 2021 retail sales tax revenue projection was reduced to account for expected business closures and/or occupancy restrictions combined with a slower economy due to higher than usual unemployment rates. However, due to stronger than anticipated sales in several categories including retail trade, automotive and services, sales tax revenues collected through Q3-2021 were $3.5 million, or 28.8%, higher than budget.





Note: *The increase in sales tax revenue from 2018 to 2019 was primarily due to a policy change whereby sales tax on construction revenue stays in the General Fund starting in 2019. 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.*

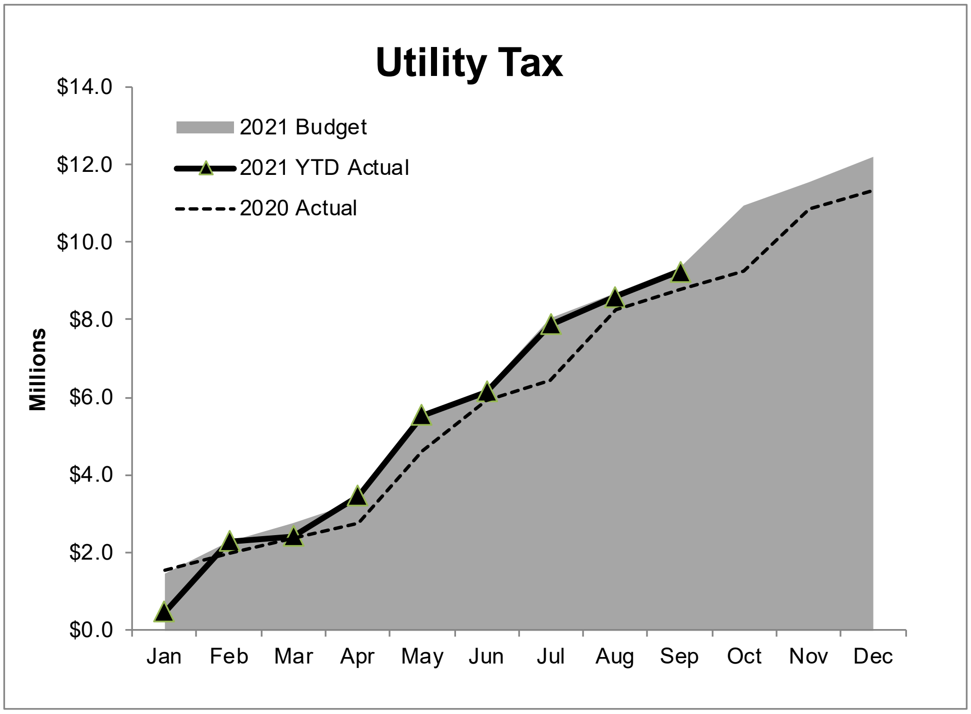
The following table breaks out the City's retail sales taxes by major business sector.

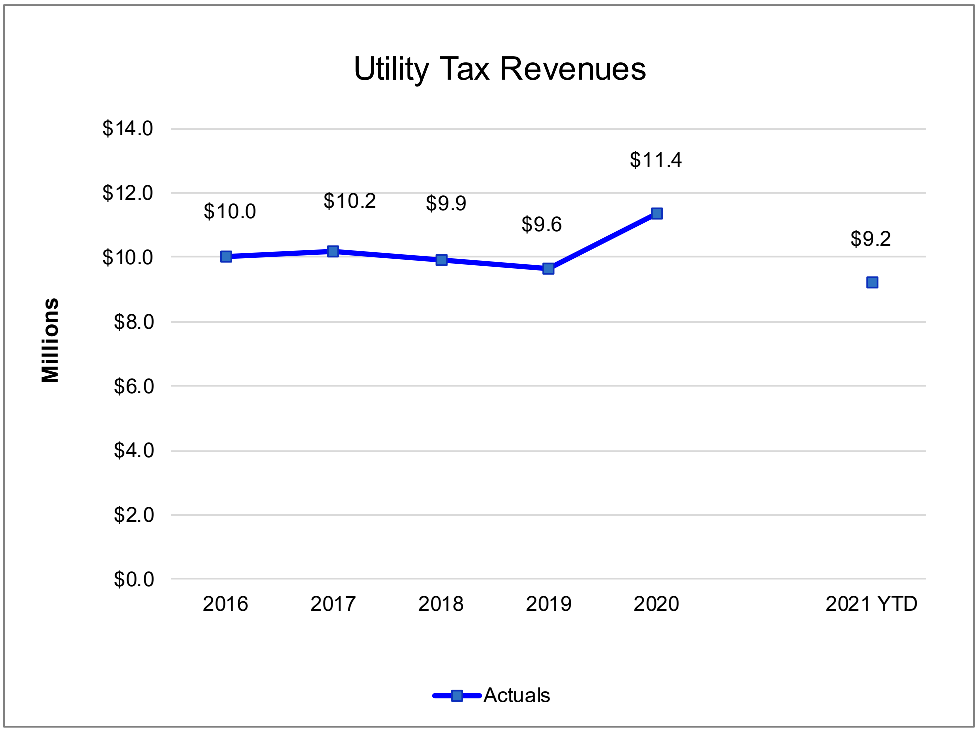
Comparison of Retail Sales Tax Collections by Group
Through September

Component Group	2020 Actual	2021 Actual	Change from 2020 Amount	Change from 2020 Percentage
Construction	$ 2,138,487	$ 2,205,248	$ 66,761	3.1 %
Manufacturing	286,376	266,821	(19,555)	(6.8) %
Transportation & Warehousing	121,106	275,220	154,114	127.3 %
Wholesale Trade	986,543	1,068,765	82,222	8.3 %
Automotive	2,746,612	3,419,344	672,732	24.5 %
Retail Trade	4,039,685	4,837,848	798,163	19.8 %
Services	3,136,003	3,611,899	475,897	15.2 %
Miscellaneous	223,631	281,436	57,805	25.8 %
YTD Total	$ 13,678,441	$ 15,966,580	$ 2,288,139	16.7 %

Citywide retail sales tax revenues collected through Q3-2021 were $2.3 million, or 16.7%, more than collections through Q3-2020. The business sectors that realized the greatest revenue increases year-over-year were in retail trade and automotive.

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). As noted on page 3 of this report, Council increased the City utility tax rate from 7.0% to 10.0% effective this year. While 1.0% of this tax revenue continues to support the Arterial Street Preservation Fund, this change increases General Fund tax revenues for Water, Sewer, Storm and Solid Waste services from the previous 6.0% to 9.0%. This change is expected to provide an additional $2.2 million in General Fund revenues in 2021.


Utility Tax
2021 Budget
2021 YTD Actual
2020 Actual
Millions
$14.0
$12.0
$10.0
$8.0
$6.0
$4.0
$2.0
$0.0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec

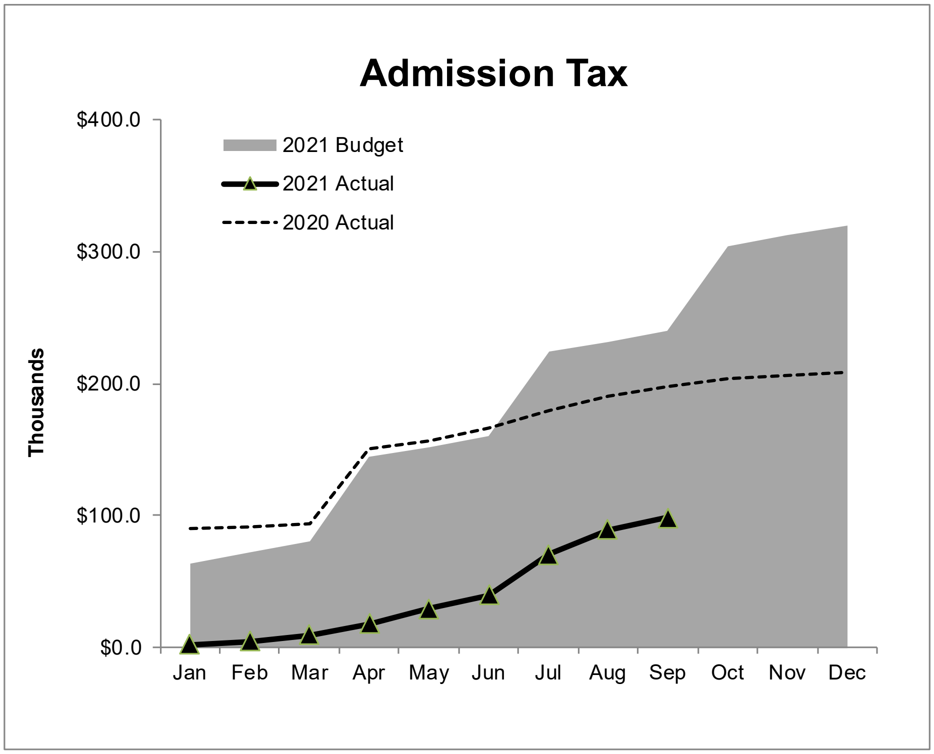

Utility Tax Revenues
Millions
$14.0
$12.0
$10.0
$8.0
$6.0
$4.0
$2.0
$0.0
$10.0
$10.2
$9.9
$9.6
$11.4
$9.2
2016
2017
2018
2019
2020
2021 YTD
Actuals

The table below demonstrates the various utility tax revenues and show actuals compared to budget.

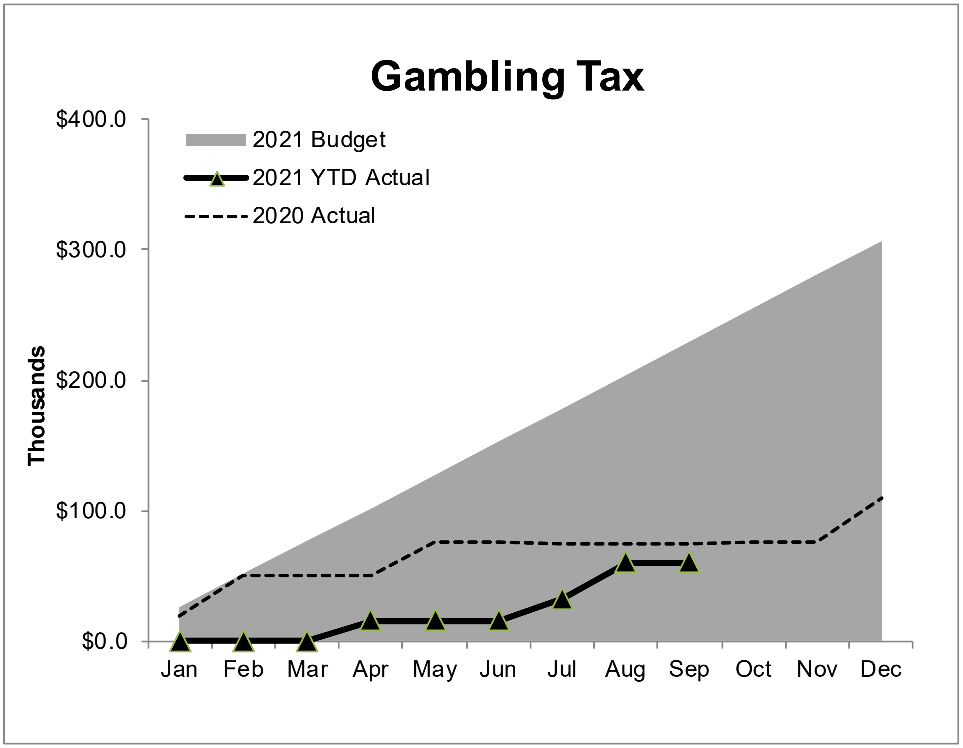
Utility Tax by Type
Through September 2021

	2020	2021	2021	2021 vs. 2020 Actual		2021 vs. Budget	
Utility Tax Type	**YTD Actual**	**YTD Budget**	**YTD Actual**	**Amount**	**Percentage**	**Amount**	**Percentage**
City Interfund Utility Taxes	$ 3,413,691	$ 4,822,200	$ 4,715,241	$ 1,301,550	38.1 %	$ (106,959)	(2.2) %
Electric	3,242,922	2,899,700	2,858,500	(384,422)	(11.9) %	(41,200)	(1.4) %
Natural Gas	1,114,296	956,200	959,281	(155,015)	(13.9) %	3,081	0.3 %
Telephone	831,771	582,700	529,685	(302,085)	(36.3) %	(53,015)	(9.1) %
Solid Waste (external)	166,230	84,420	170,348	4,117	2.5 %	85,928	101.8 %
YTD Total	$ 8,768,910	$ 9,345,220	$ 9,233,055	$ 464,145	5.3 %	$ (112,165)	(1.2) %

An **Admission Tax** of 5.0% is placed on charges for general admission, season tickets, cover charges, etc. Admission tax revenues collected through September 2021 totaled $98,000 and were $142,000 unfavorable to budget. Due to COVID-19, some entertainment style businesses had not reopened until the second quarter of 2021. The primary remitter of admission tax to the City of Auburn is the Auburn Regal Cinema at the Outlet Collection mall. The theater was closed during the first quarter of this year, and remitted Q2 taxes in the third quarter although the remittance was approximately 20% of normal revenues. Overall, nearly 70% of the admissions tax revenue collected year-to-date were admission taxes collected from the Auburn Golf Course.

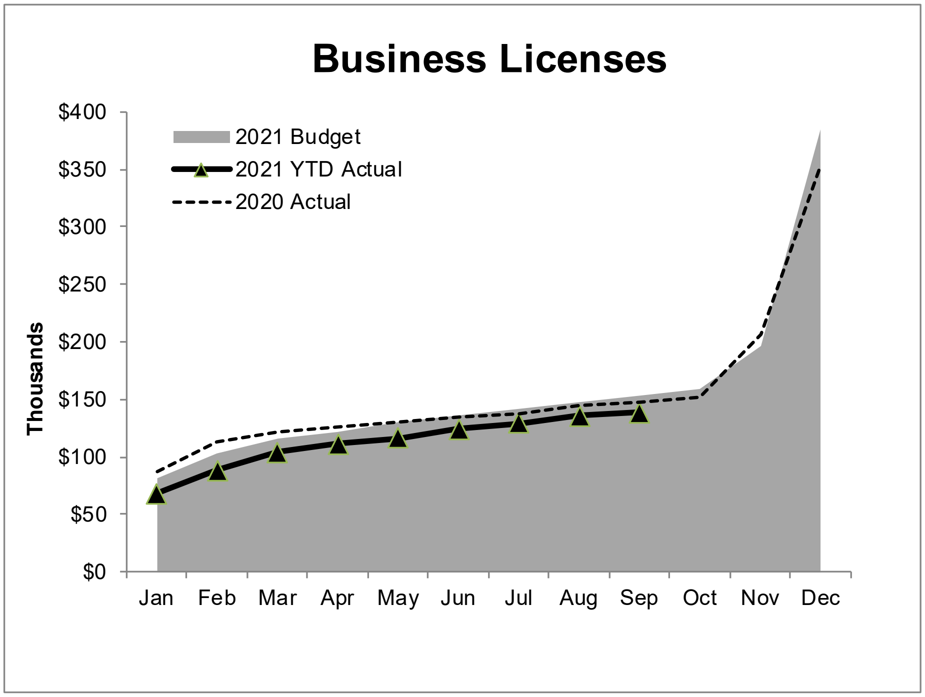


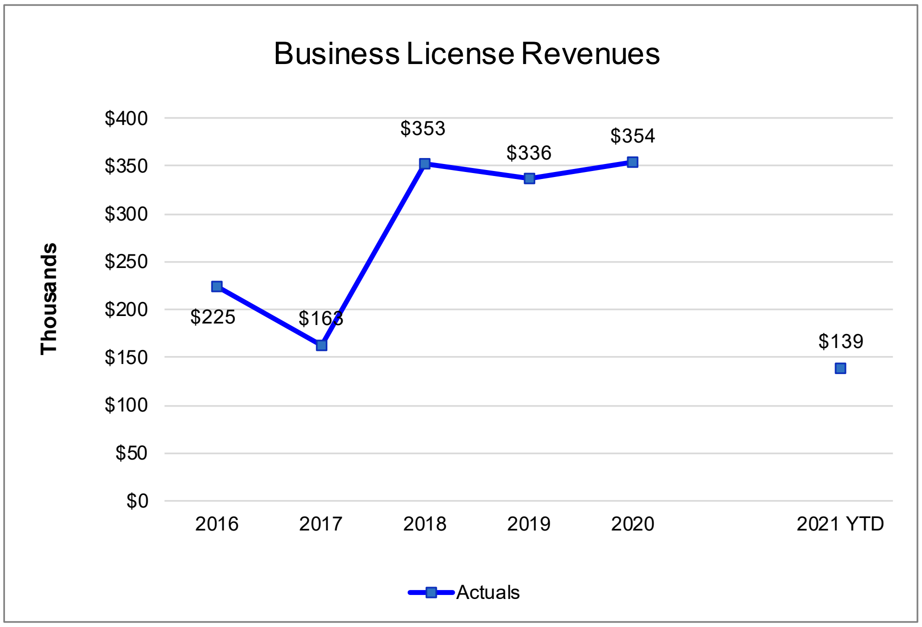
Gambling Tax applies to all card games, punch board games, pull tabs, bingo games, raffles and amusement games played within City limits. Due to COVID-19 occupancy limitations, some of these establishments had not opened up for business until the later part of Q1-2021 and many opened at a reduced capacity. While capacity limitations were lifted effective June 30, 2021, the effects on these entertainment style activities continue to be evident due to reduced receipts compared to normal levels.



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.

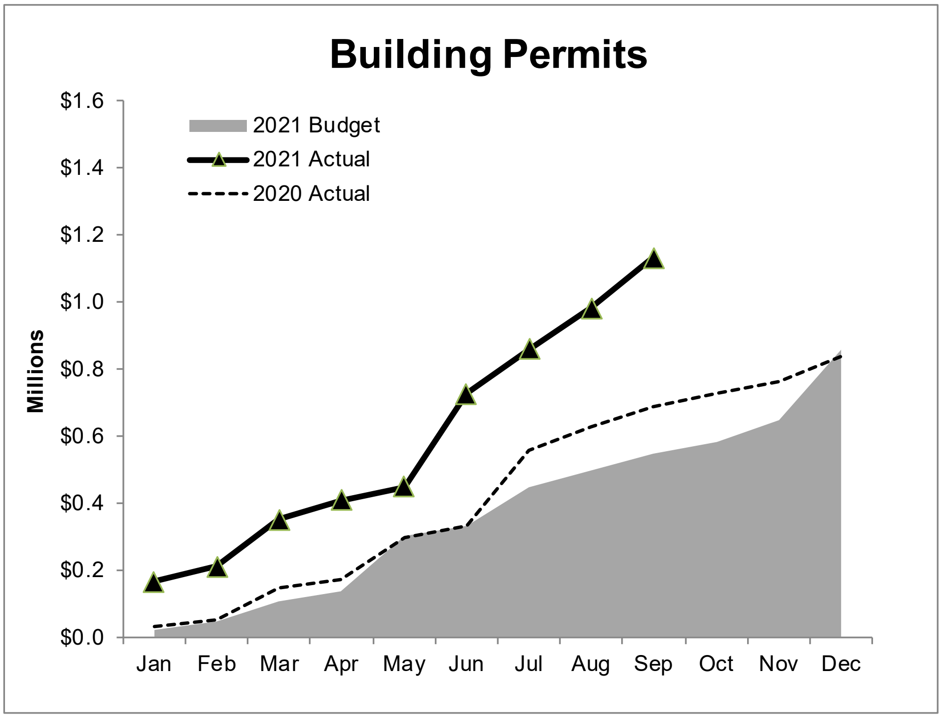
The City charges an annual fee of $100 for a **Business License** for each business that is located within the City. The City typically sends out the renewals for the following year around December of each year. Therefore, the majority of these revenues are collected in December for the following year or in January in the current year. Business license revenues collected through Q3-2021 totaled $139,000 and were $15,000, or 9.5%, unfavorable to budget.

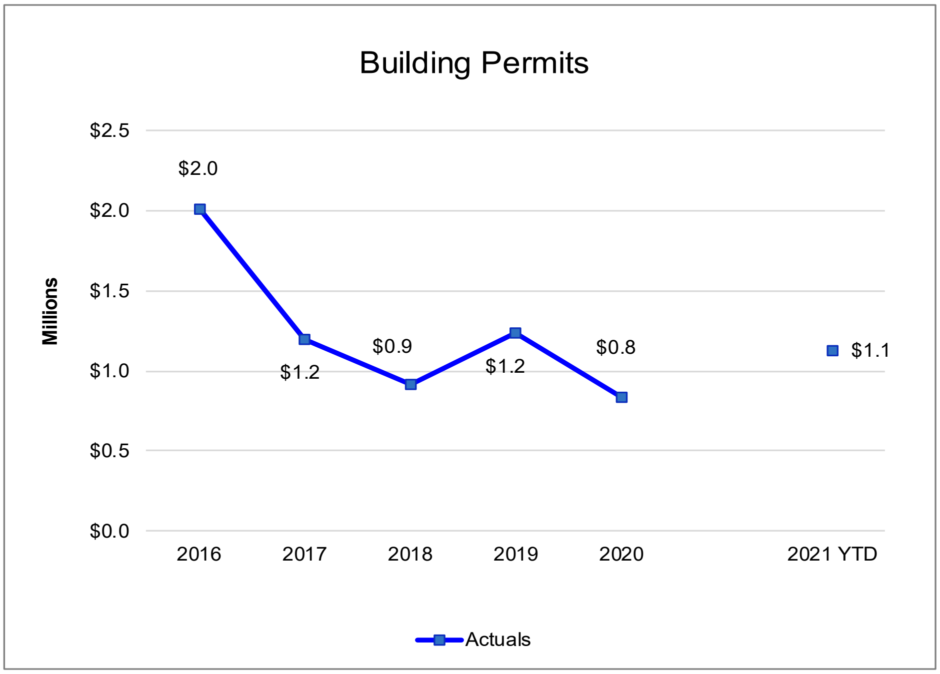




Building Permit revenues collected through September 2021 totaled $1.1 million and were $585,000 favorable to budget. A total of 397 building permits were issued through Q3-2021 compared to 371 through Q3-2020, representing a 7.0% increase. Of the building permit revenues collected through September, 62% were attributable to commercial projects and the remaining 38% were predominately single family housing permits.

Major projects providing building permit revenues in the third quarter of 2021 include permits for Prologis and Pepsi and several single family houses in the North Ridgeview Estates, Aston Park and Forest Glen developments.


Building Permits
$1.6
$1.4
$1.2
$1.0
$0.8
$0.6
$0.4
$0.2
$0.0
Millions
2021 Budget
2021 Actual
2020 Actual
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec


Building Permits
$2.5
$2.0
$1.5
$1.0
$0.5
$0.0
Millions
$2.0
$1.2
$0.9
$1.2
$0.8
$1.1
2016
2017
2018
2019
2020
2021 YTD
Actuals

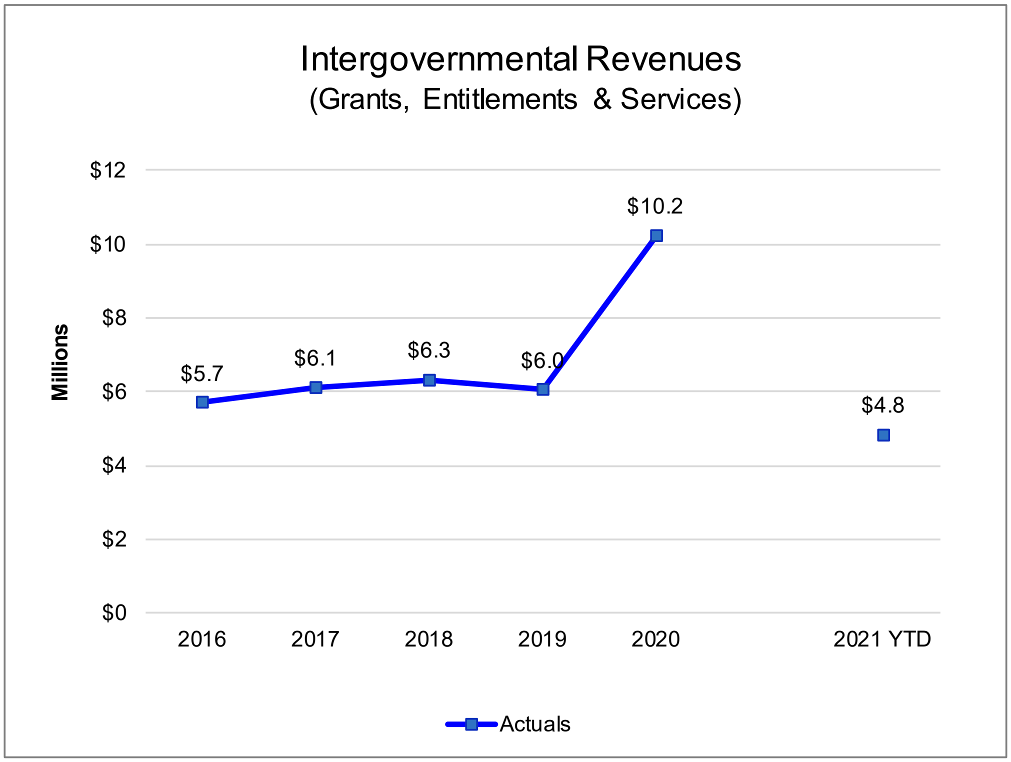
Intergovernmental revenues include grants and stimulus monies (direct and indirect federal, state and local), revenue from the Muckleshoot Indian Tribe (MIT) compact as well as state shared revenues. Collections through Q3-2021 totaled $4.8 million and were $725,000 favorable to budget expectations. Most of the favorable variance to budget was due primarily to the unbudgeted receipt of $331,000 of one-time Federal monies which were receipted in July and are to be used for police reform as well as the unbudgeted receipt of $250,000 in September of Streamlined Sales Tax Mitigation monies.

Note: When comparing Q2-2021 intergovernmental revenues to Q3-2021 intergovernmental revenues, the $7.4 million receipted in May 2021 for the American Rescue Plan Act (ARPA) stimulus funds and reported in the Q2 financial report has been removed from this report. Those monies were moved from the General Fund into its own fund in order to better monitor the ARPA spending plan, which was presented to Council in September via Ordinance No. 6832.

Intergovernmental Revenues (Grants, Entitlements & Services)

Through September 2021

	2020	2021	2021	2021 vs. 2020 Actual		2021 vs. Budget	
Revenue	**YTD Actual**	**YTD Budget**	**YTD Actual**	**Amount**	**% Change**	**Amount**	**% Change**
Federal Grants	$ 272,782	$ 58,540	$ 50,003	$ (222,779)	(81.7) %	$ (8,537)	(14.6) %
State Grants	140,207	57,400	78,512	(61,695)	(44.0) %	21,112	36.8 %
Interlocal Grants	205,373	235,680	136,134	(69,239)	0.0 %	(99,546)	(42.2) %
Muckleshoot Casino Services	1,020,419	693,750	771,994	(248,425)	(24.3) %	78,244	11.3 %
One-Time Allocation (SB 5092)	0	0	331,542	331,542	N/A %	331,542	N/A %
State Shared Revenues:							
Streamlined Sales Tax	494,830	1,000,000	1,250,198	755,368	152.7 %	250,198	N/A %
Motor Vehicle Fuel Tax	1,051,874	754,800	793,742	(258,132)	(24.5) %	38,942	5.2 %
Criminal Justice - High Crime	168,992	159,150	182,020	13,028	7.7 %	22,870	14.4 %
Criminal Justice - Population	18,997	19,800	19,993	996	5.2 %	193	1.0 %
Criminal Justice - Special Prog.	68,053	72,400	71,238	3,185	4.7 %	(1,162)	(1.6) %
Marijuana Excise Tax	130,716	137,700	135,905	5,189	4.0 %	(1,795)	(1.3) %
State DUI	8,619	8,850	9,922	1,303	15.1 %	1,072	12.1 %
Fire Insurance Tax	85,819	87,500	98,371	12,552	14.6 %	10,871	12.4 %
Liquor Excise	371,283	335,160	418,082	46,799	12.6 %	82,922	24.7 %
Liquor Profit	491,980	487,500	485,614	(6,366)	(1.3) %	(1,886)	(0.4) %
Total State Shared:	2,891,163	3,062,860	3,465,084	573,921	19.9 %	402,224	13.1 %
YTD Total	$ 4,529,943	$ 4,108,230	$ 4,833,268	$ 303,325	6.7 %	$ 725,038	17.6 %



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 September 2021 totaled $6.7 million and were $818,000, or 14.0%, more than budgeted.

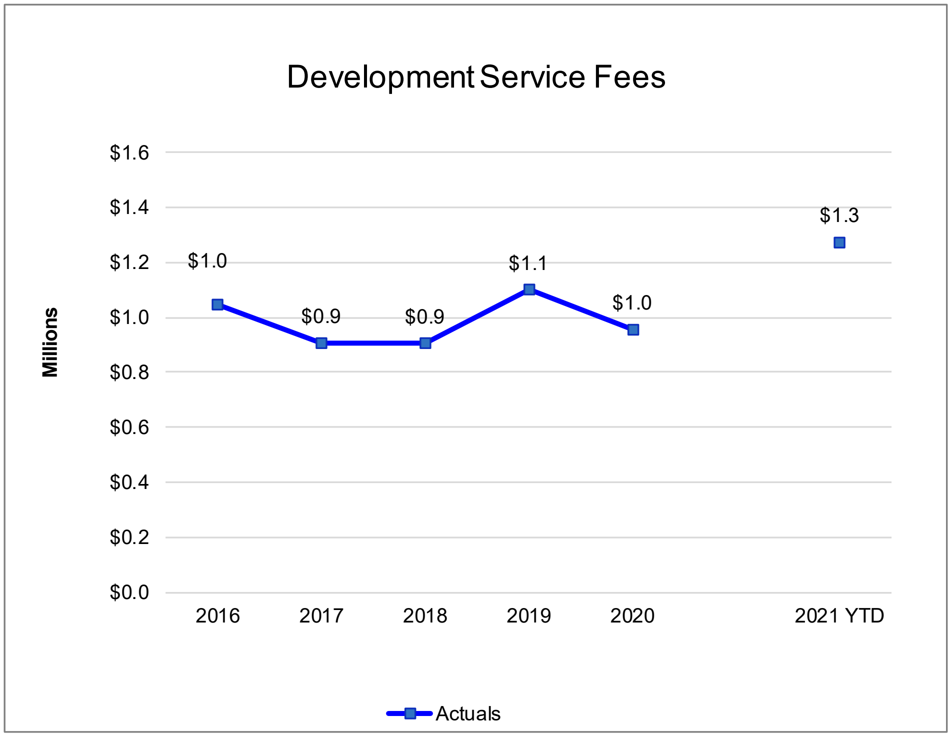
Charges for Services by Type
Through September 2021

	2020	2021	2021	2021 vs. 2020 Actual		2021 vs. Budget	
Revenue	**YTD Actual**	**YTD Budget**	**YTD Actual**	**Amount**	**Percentage**	**Amount**	**Percentage**
General Government	$ 2,234,136	$ 2,605,545	$ 2,486,324	$ 252,189	11.3 %	$ (119,221)	(4.6) %
Public Safety	704,263	697,425	891,517	187,254	26.6 %	194,092	27.8 %
Development Services	754,150	699,800	1,273,177	519,027	68.8 %	573,377	81.9 %
Culture & Recreation	1,332,318	1,857,200	2,026,882	694,564	52.1 %	169,682	9.1 %
YTD Total	$ 5,024,867	$ 5,859,970	$ 6,677,900	$ 1,653,034	32.9 %	$ 817,930	14.0 %

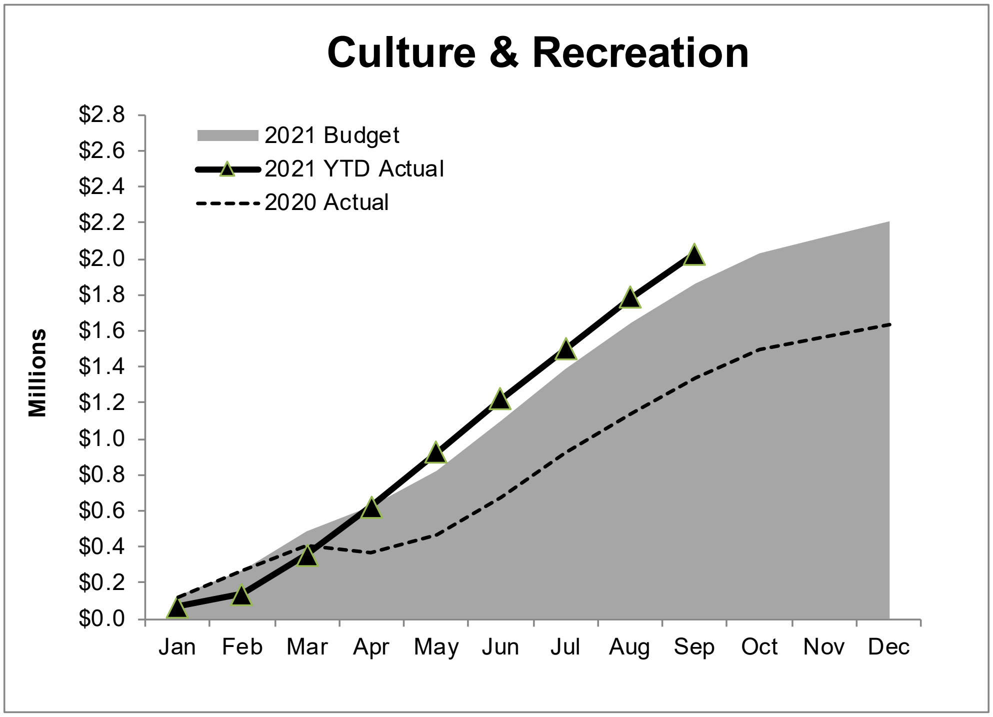
The General Government revenue category primarily includes the interfund assessment for the salary and benefit costs for support departments (Finance, Human Resources and the Legal Department). Salary and benefit costs for these support departments are charged to the respective General Fund home department and a portion of those costs are recouped from other funds via interfund charges. General Government revenues also include revenues for passport services, reimbursement from cities participating in the South King Housing and Homelessness Partners (SKHHP), as well as transportation projects. The majority of the unfavorable variance to budget in the general government category through Q3-2021 was primarily due to a transportation project that was discontinued and won’t result in revenues this year.

Public safety revenues mostly 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 and the Criminal Justice Training Commission (CJTC) for services rendered. Public safety revenues collected through Q3-2021 totaled $892,000 and were $194,000 favorable to budget primarily due to stronger than anticipated requests for extra duty security services.

Development services fee collections consist primarily of plan check fees, facility extension charges, and zoning and subdivision fees. Through Q3-2021, development service fees collected totaled $1.3 million and were $573,000 favorable to budget expectations. This variance was seen primarily in plan check revenues which generated $699,000 in revenues through September 2021 and compare to $320,000 collected through September 2020. Plan check revenues in Q3-2021 included plan review revenues for Prologis, Boeing, and numerous other commercial and residential projects including North Ridgeview Estates and the Aston Park housing development.



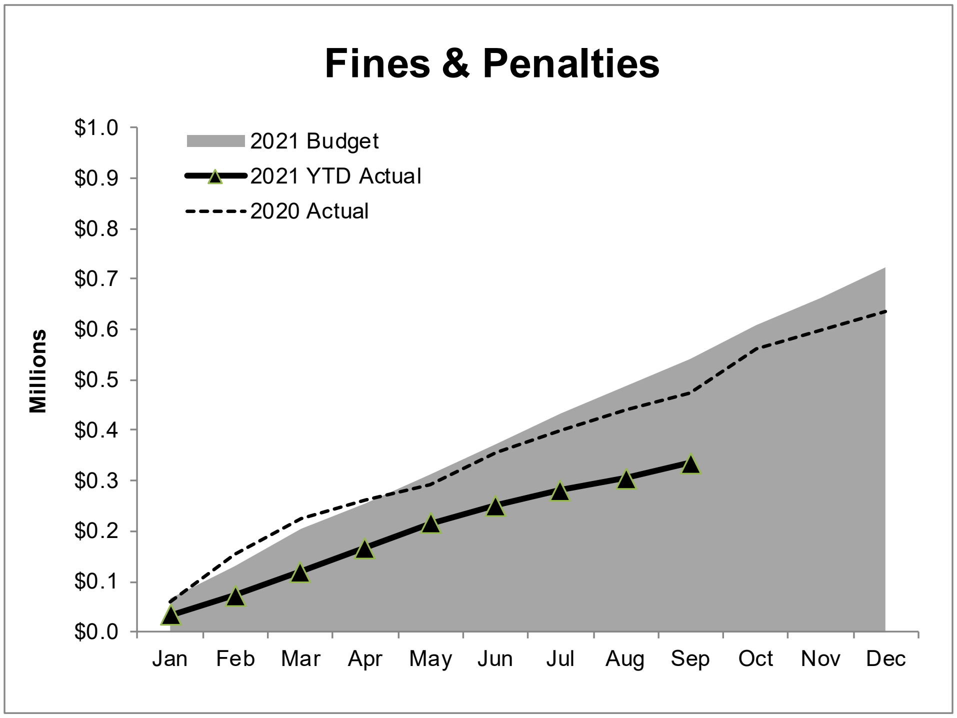
The majority of culture and recreation revenues are derived from greens fees and pro shop sales at the Auburn Golf Course, recreational classes, ticket sales at the Auburn Avenue Theater, senior programs, and special events. Due to COVID-19, some of these activities continued to be modified through Q3-2021. In addition, due to the fire in July of the mixed use building on Main Street which affected the Auburn Avenue Theatre, the summer performances were impacted so ticket prices were greatly reduced. Through Q3-2021, 75% of the $2.0 million in culture and recreation revenues collected were from greens fees and pro shop sales at the Auburn Golf Course.

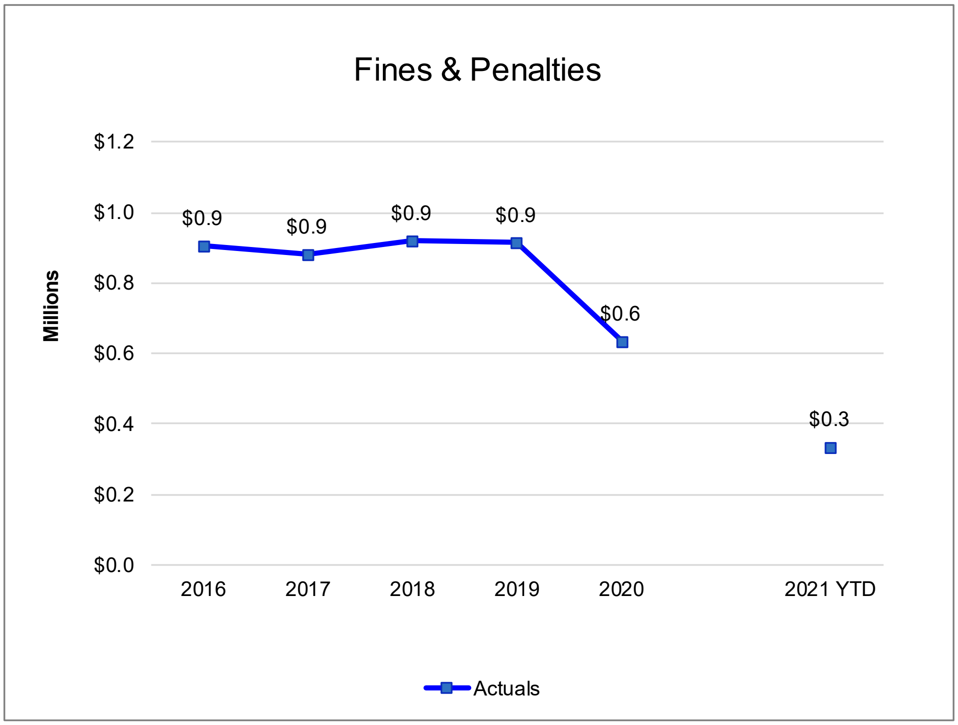


Fines & Penalties include civil penalties (such as code compliance fines), parking and traffic infraction penalties, criminal fines (including criminal traffic, criminal non-traffic and other criminal offenses) as well as non-court fines such as false alarm fines. Total revenues collected through Q3-2021 totaled $336,000 compared to a budget of $540,000, and were 37.8% below budget expectations primarily due to lower-than-budgeted collections in civil infraction penalties and parking infractions.

Fines & Penalties by Type
Through September 2021

Month	2020 YTD Actual	2021 YTD Budget	2021 YTD Actual	2021 vs. 2020 Actual Amount	2021 vs. 2020 Actual Percentage	2021 vs. Budget Amount	2021 vs. Budget Percentage
Civil Penalties	$ 21,857	$ 18,900	$ 19,747	$ (2,110)	(9.7) %	$ 847	4.5 %
Civil Infraction Penalties	205,250	315,500	160,925	(44,325)	(21.6) %	(154,575)	(49.0) %
Redflex Photo Enforcement	1,182	0	2,410	1,229	104.0 %	2,410	N/A %
Parking Infractions	54,982	93,200	47,864	(7,118)	(12.9) %	(45,336)	(48.6) %
Criminal Traffic Misdemeanor	15,530	31,200	29,462	13,933	89.7 %	(1,738)	(5.6) %
Criminal Non-Traffic Fines	17,773	24,300	15,599	(2,174)	(12.2) %	(8,701)	(35.8) %
Criminal Costs	14,725	9,400	19,378	4,652	31.6 %	9,978	106.1 %
Non-Court Fines & Penalties	144,220	47,400	40,374	(103,846)	(72.0) %	(7,026)	(14.8) %
YTD Total	$ 475,518	$ 539,900	$ 335,759	$ (139,760)	(29.4) %	$ (204,141)	(37.8) %


Fines & Penalties
Millions
$1.0
$0.9
$0.8
$0.7
$0.6
$0.5
$0.4
$0.3
$0.2
$0.1
$0.0
2021 Budget
2021 YTD Actual
2020 Actual
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec

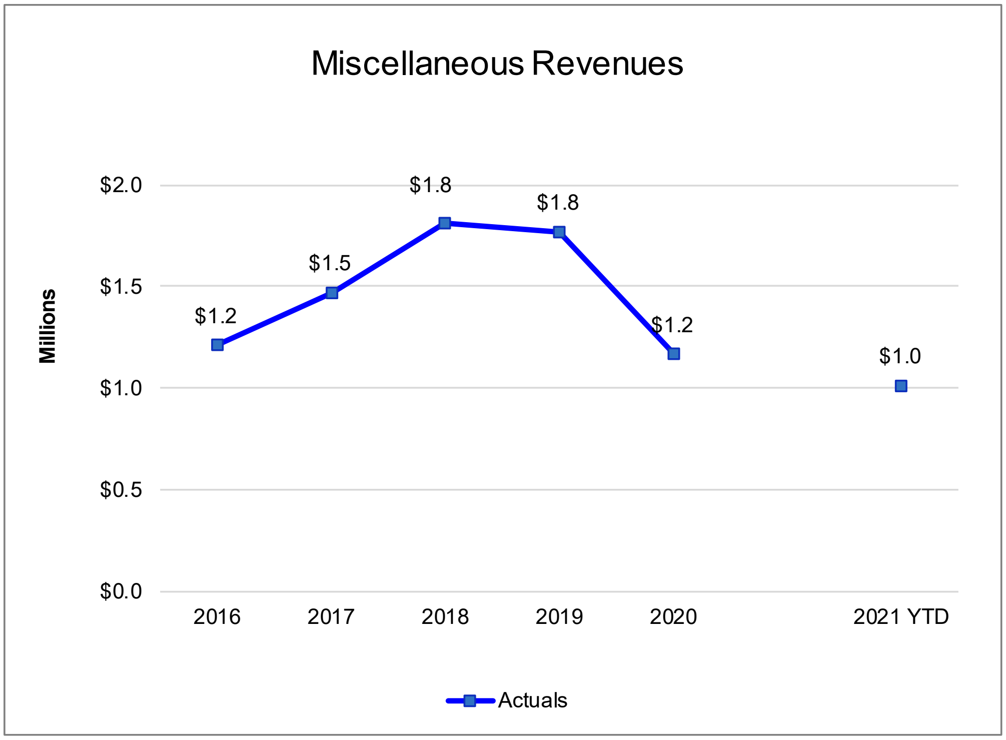

Fines & Penalties
Millions
$1.2
$1.0
$0.8
$0.6
$0.4
$0.2
$0.0
$0.9
$0.9
$0.9
$0.9
$0.6
$0.3
2016
2017
2018
2019
2020
2021 YTD
Actuals

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.

Miscellaneous Revenues by Type
Through September 2021

	2020	2021	2021	2021 vs. 2020		2021 vs. Budget	
Month	YTD Actual	YTD Budget	YTD Actual	Amount	Percentage	Amount	Percentage
Interest & Investments	$ 377,313	$ 104,100	$ 68,436	$ (308,877)	(81.9) %	$ (35,664)	(34.3) %
Rents & Leases	386,007	649,100	738,100	352,093	91.2 %	89,000	13.7 %
Contributions & Donations	28,876	21,000	12,648	(16,228)	(56.2) %	(8,352)	(39.8) %
Other Miscellaneous Revenue	171,276	186,277	196,203	24,928	14.6 %	9,927	5.3 %
YTD Total	$ 963,472	$ 960,477	$ 1,015,387	$ 51,915	5.4 %	$ 54,911	5.7 %

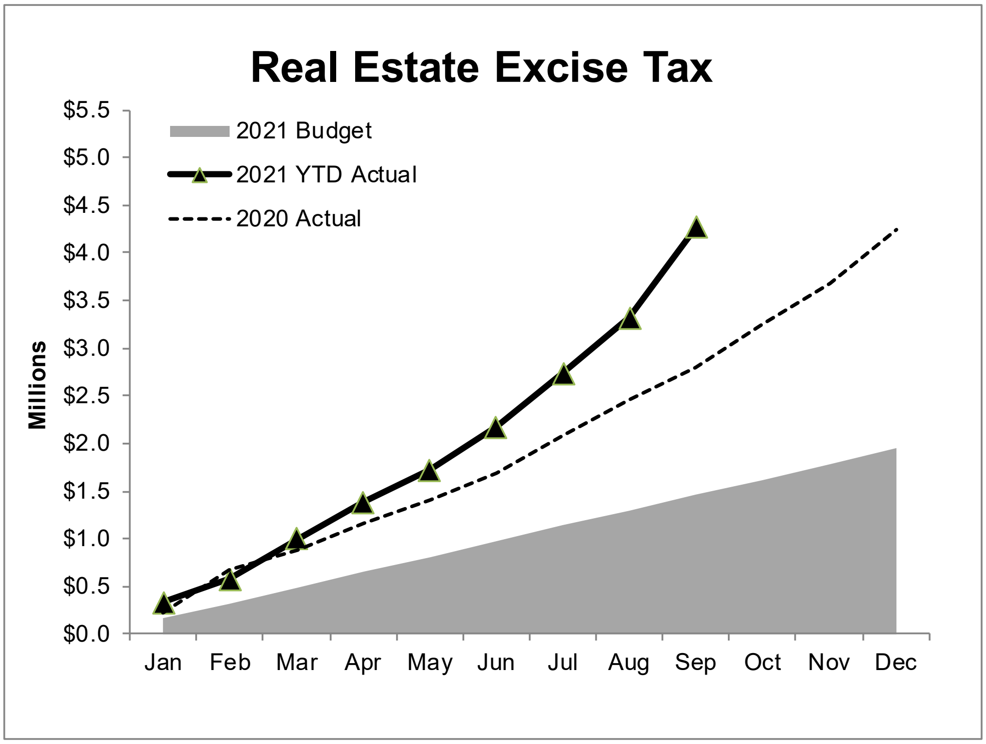
Revenues collected through Q3-2021 in this category totaled $1.0 million and were $55,000 favorable to budget. The majority of the favorable variance to budget was in the rents and leases category. The most predominant cause of the favorable variance to budget in the rents and leases category is due to increased revenues collected for golf cart rentals. Average revenues collected through the third quarter for golf cart rentals before COVID have been approximately $230,000; actuals collected through September 2021 were $295,000.

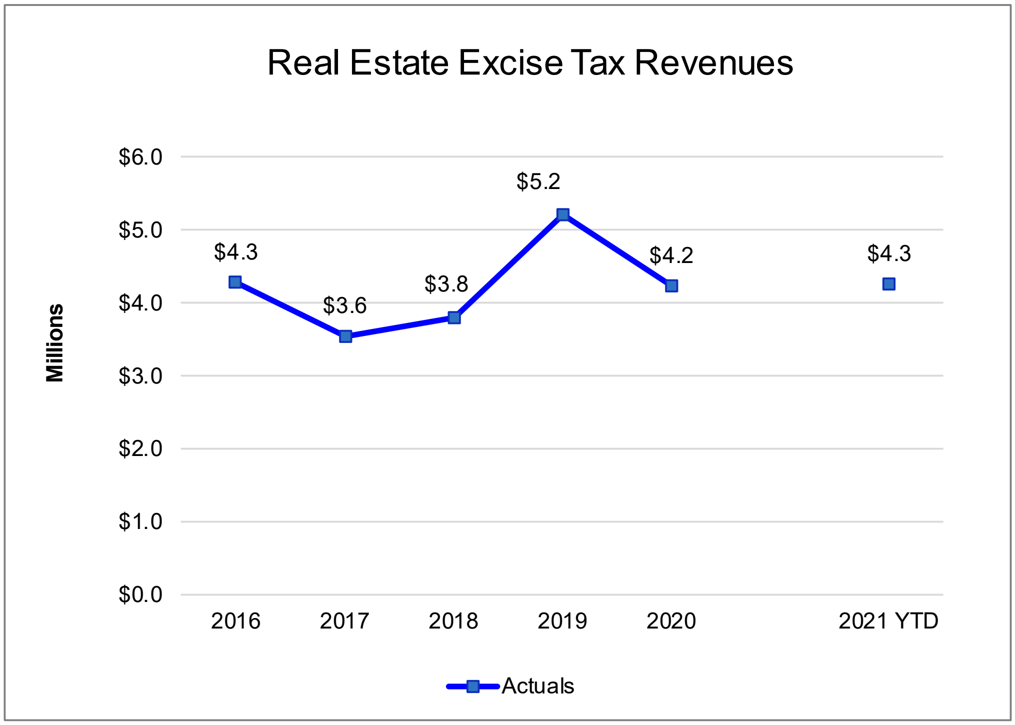


Real Estate Excise Tax (REET) revenues are taxes on the sale of both commercial properties and single-family residences, and are receipted into the Capital Improvement Projects Fund and used for governmental capital projects. REET revenues collected through Q3-2021 totaled $4.3 million, exceeding budget expectations by $2.8 million. Sales activity in the third quarter of 2021 included the sale of numerous commercial businesses such as a large warehouse on West Valley highway, a hotel, two strip malls, a large office complex, and numerous single family homes.

Real Estate Excise Tax Revenues
September 2021

Month	2020 Actual	2021 Budget	2021 Actual	2021 vs. 2020 Amount	2021 vs. 2020 Percentage	2021 vs. Budget Amount	2021 vs. Budget Percentage
Jan	$ 214,936	$ 162,000	$ 328,140	$ 113,204	52.7 %	$ 166,140	102.6 %
Feb	455,986	162,000	244,189	(211,797)	(46.4) %	82,189	50.7 %
Mar	214,029	162,000	423,532	209,502	97.9 %	261,532	161.4 %
Apr	273,949	162,000	385,966	112,017	40.9 %	223,966	138.3 %
May	245,815	162,000	339,074	93,259	37.9 %	177,074	109.3 %
Jun	288,495	162,000	447,063	158,568	55.0 %	285,063	176.0 %
Jul	392,753	162,000	563,422	170,669	43.5 %	401,422	247.8 %
Aug	368,252	162,000	585,227	216,975	58.9 %	423,227	261.3 %
Sep	346,819	162,000	946,209	599,390	172.8 %	784,209	484.1 %
Oct	444,623	162,000					
Nov	439,428	162,000					
Dec	554,308	162,500					
YTD Total	$ 2,801,035	$1,458,000	$4,262,823	$1,461,788	52.2 %	$2,804,823	192.4 %




Real Estate Excise Tax Revenues
Millions
$6.0
$5.0
$4.0
$3.0
$2.0
$1.0
$0.0
2016
2017
2018
2019
2020
2021 YTD
$4.3
$3.6
$3.8
$5.2
$4.2
$4.3
Actuals

Street Funds

This section provides a financial overview of the City’s three street funds for the period ending September 30, 2021. The City’s street funds are the Arterial Street Fund (Fund 102), the Local Street Fund (Fund 103), and the Arterial Street Preservation Fund (Fund 105).

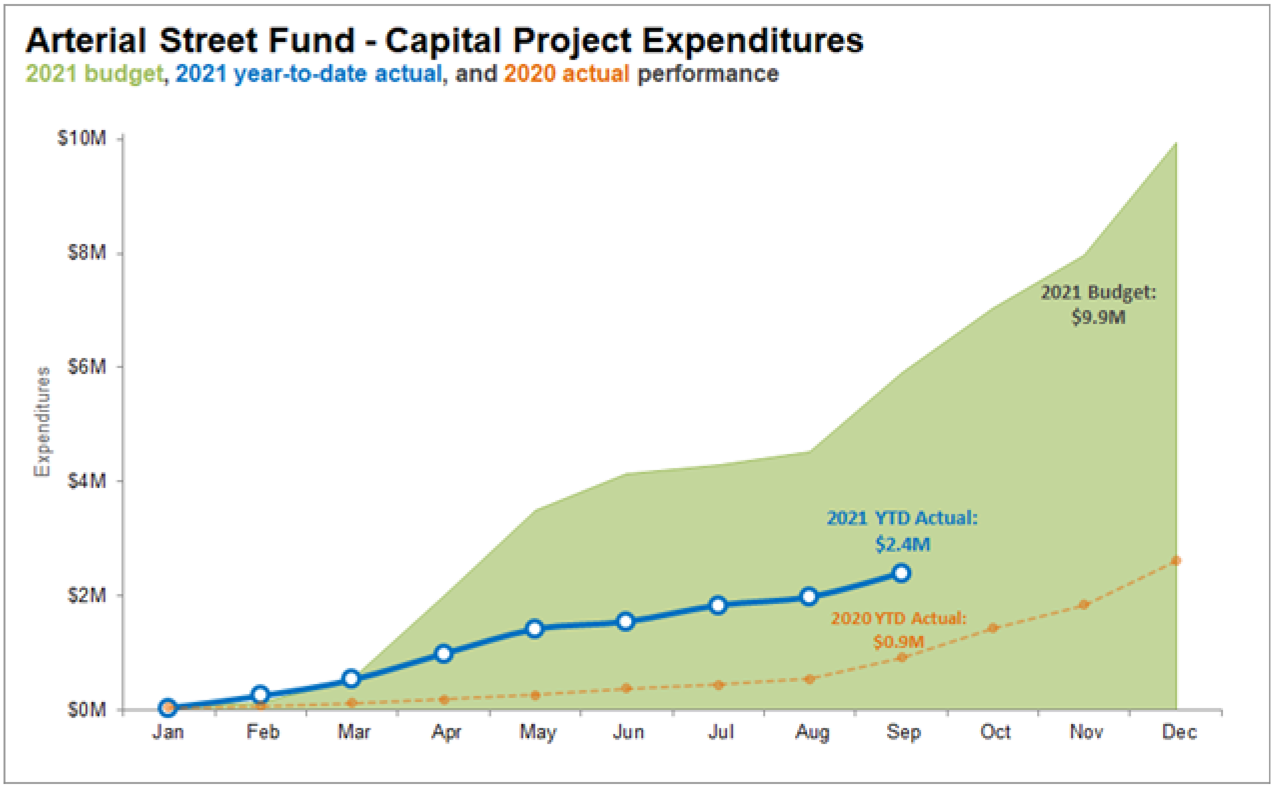
Fund 102 – Arterial Street Fund

The Arterial Street Fund is a special revenue fund that is funded by transportation grants, traffic impact fees, a portion of the City’s gas tax receipts, Public Works Trust Fund loans, developer contributions, and other sources. As of September 30, 2021 there were 19 separate street projects budgeted in this fund.

As of September 2021, revenues collected totaled $2.2 million as compared to collections of $1.4 million through September 2020. Total expenditures through September were $2.7 million compared to $1.3 million in the same period last year. Variances in revenues and expenditures are largely due to the timing of capital expenditures and any subsequent reimbursement via grants and/or operating transfers. Expenditure timing is generally determined by the current phase of each individual capital project; expenditures tend to increase as projects move from design phase into construction.

Fund 102 - Arterial Street	2021			2020	2021 YTD Budget vs. Actual	
Summary of Sources and Uses	2021	2021 YTD	2021 YTD	2020 YTD	Favorable (Unfavorable)	
Report Period: September 2021	Budget	Budget	Actual	Actual	Amount	Percentage
Revenues						
Federal Grants	$ 3,713,508	$ 2,112,841	$ 846,281	$ 130,624	$ (1,266,560)	(59.9) %
State And Local Grants	419,980	36,719	30,571	-	(6,148)	(16.7) %
Motor Vehicle Fuel and Multimodal Taxes	620,000	465,000	421,949	83,551	(43,051)	(9.3) %
Miscellaneous Revenue	700,000	455,000	211,300	14,469	(243,700)	(53.6) %
Operating Transfer In	3,196,915	2,199,267	649,341	1,147,876	(1,549,926)	(70.5) %
Investment Income	6,200	5,562	849	7,660	(4,713)	(84.7) %
Total Revenues	**$ 8,656,603**	**$ 5,274,389**	**$ 2,160,290**	**$ 1,384,180**	**$ (3,114,099)**	**(59.0) %**
Expenditures						
Salary and Benefits	$ 350,000	$ 248,770	$ 415,341	$ 384,691	$ (166,571)	(67.0) %
Capital Outlay	9,577,598	5,406,610	1,976,769	535,036	3,429,841	63.4 %
Subtotal - Capital Project Expenditures	9,927,598	5,655,379	2,392,110	919,728	3,263,270	57.7 %
Services and Charges	180,000	100,165	85,943	139,247	14,223	14.2 %
Interfund Payments for Services	69,050	51,788	51,788	60,075	(0)	(0.0) %
Debt Service Principal and Interest	206,900	206,900	206,733	207,428	167	0.1 %
Operating Transfer Out	-	-	-	-	-	
Total Expenditures	**$ 10,383,548**	**$ 6,014,232**	**$ 2,736,573**	**$ 1,326,478**	**$ 3,277,659**	**54.5 %**
Net Change in Fund Balance	**$ (1,726,945)**	**$ (739,843)**	**$ (576,283)**	**$ 57,702**	**$ 163,561**	**22.1 %**

Beg. Fund Balance, January 2021	$ 2,284,075
Net Change in Fund Balance, September 2021	(576,283)
Ending Fund Balance, September 2021	$ 1,707,792
2021 Budgeted Ending Fund Balance	$ 557,130



The table below presents the status of the projects with the most significant budget impact on the fund. Many capital projects are budgeted over multiple years; what is displayed below is the 2021 portion of each project's budget and year-to-date expenditures.

Fund 102 - Arterial Street

Capital Projects Status *

Name	2021 Budget	YTD Actual	Remaining
AWS Improvements - Hemlock St SE to Poplar St SE	$2.1M	$0.1M	$2.0M
F Street SE Non-Motorized Improvements	$1.4M	$1.1M	$0.4M
Signal Replacement at Auburn Way N. and 1st St. NE	$1.1M	$0.1M	$1.0M
All Other Projects (17 Others Budgeted)	$5.4M	$1.1M	$4.2M
Total	**$9.9M**	**$2.4M**	**$7.5M**

**Components may not sum to total due to rounding.*

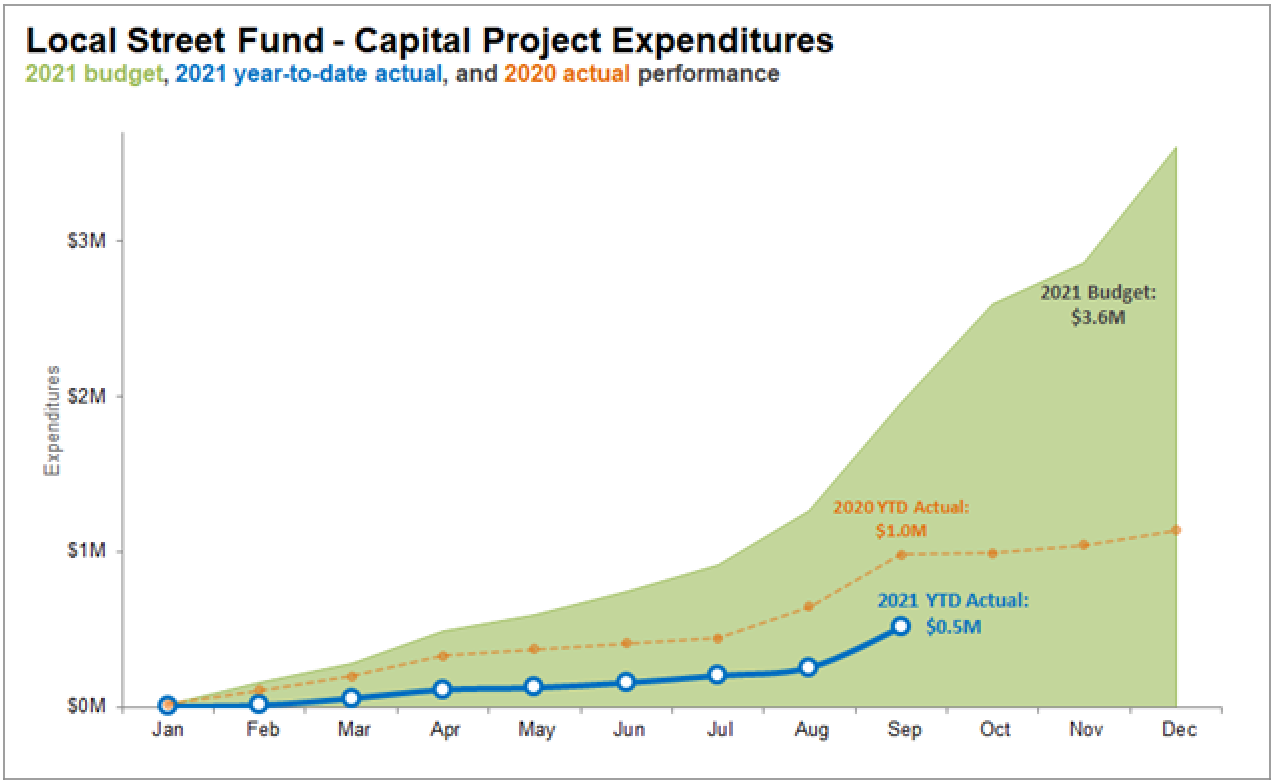
Fund 103 – Local Street Fund

The Local Street Fund is a special revenue fund used for local street repair. The fund is currently funded by interfund transfers on a project-reimbursement basis; in 2019 and 2020, it was funded at a specific annual amount by real estate excise tax (REET 2). Expenditures through September 2021 were $522,000 as compared to expenditures of $1.0 million through the third quarter of 2020. Highlighted in the table below and shown in the following graph are the fund's total expenditures related to capital projects.

Local Street F103

Fund 103 - Local Street Fund	2021			2020	2021 YTD Budget vs. Actual	
Summary of Sources and Uses Report Period: September 2021	2021 Budget	2021 YTD Budget	2021 YTD Actual	2020 YTD Actual	Favorable (Unfavorable) Amount	Percentage
Revenues						
Operating Transfer In	2,350,000	1,414,180	$ 651,819	1,462,500	(762,361)	(53.9) %
Interest Earnings	10,600	9,620	$ 2,591	10,301	(7,029)	(73.1) %
Total Revenues	**$ 2,360,600**	**$ 1,423,800**	**$ 654,410**	**$ 1,472,801**	**$ (769,390)**	**(54.0) %**
Expenditures						
Capital Salary and Benefits	235,000	168,436	78,718	98,155	89,718	53.3 %
Capital Outlay	3,372,269	1,846,381	433,498	884,929	1,412,883	76.5 %
Subtotal - Capital Project Expenditures	3,607,269	2,014,817	512,216	983,084	1,502,602	74.6 %
Admin Salary and Benefits	-	-	-	14,722	$ -	
Admin Services and Charges	700	646	-	361	646	100.0 %
Interfund Payments for Services	13,250	9,938	9,938	11,700	(0)	(0.0) %
Total Expenditures	**$ 3,621,219**	**$ 2,025,401**	**$ 522,153**	**$ 1,009,866**	**$ 1,503,247**	**74.2 %**
Net Change in Fund Balance	**$ (1,260,619)**	**$ (601,600)**	**$ 132,257**	**$ 462,935**	**$ 733,857**	**122.0 %**

Beg. Fund Balance, January 2021	$	3,288,572
Net Change in Fund Balance, September 2021		132,257
Ending Fund Balance, September 2021	$	3,420,829
2021 Budgeted Ending Fund Balance	$	2,027,953



The table below presents the status of the projects with the most significant budget impact on the fund. Many capital projects are budgeted over multiple years; what is displayed below is the 2021 portion of each project's budget and year-to-date expenditures.

Fund 103 - Local Street

Capital Projects Status*

Name	2021 Budget	YTD Actual	Remaining
2021 Local Street Preservation	$2.5M	$0.5M	$2.0M
Lead Service Line Replacement	$0.8M	$0.0M	$0.8M
2022 Local Street Preservation	$0.2M	$0.0M	$0.1M
All Other Projects (2 Others Budgeted)	$0.1M	$0.0M	$0.1M
Total	**$3.6M**	**$0.5M**	**$3.1M**

**Components may not sum to total due to rounding.*

Fund 105 – Arterial Street Preservation Fund

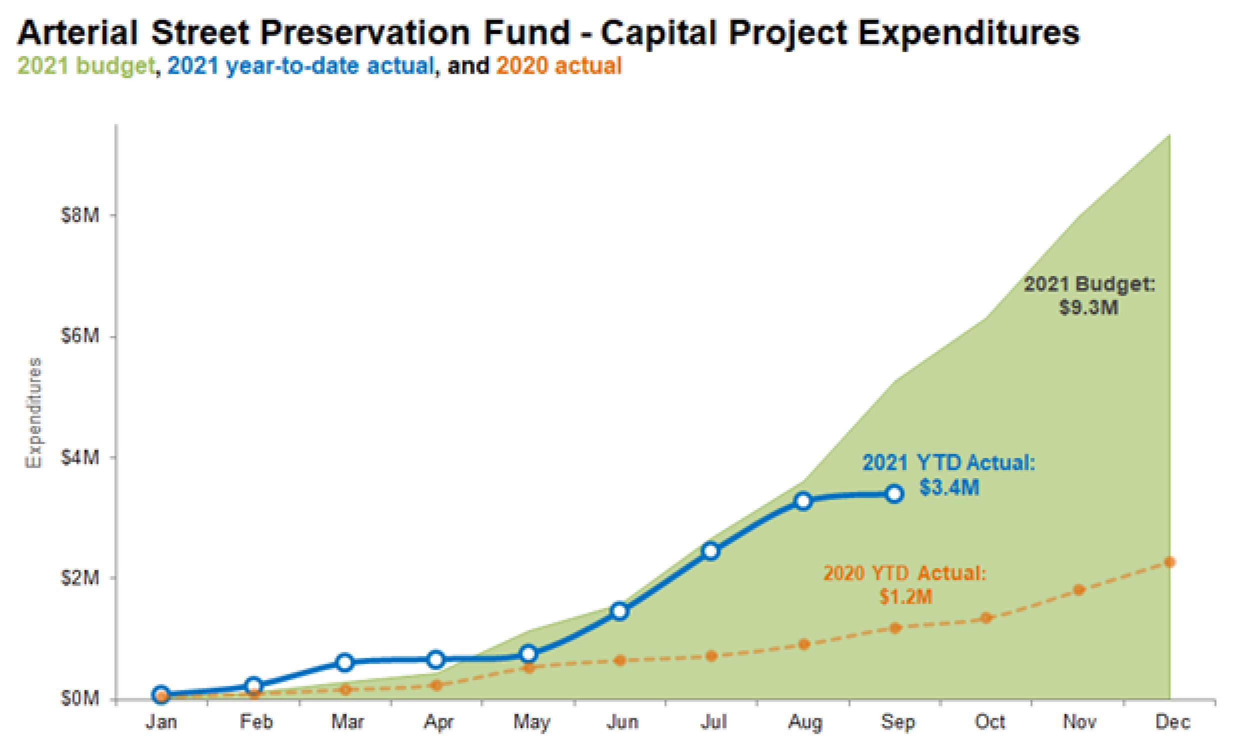
The Arterial Street Preservation Fund is a special revenue fund that is primarily funded by a 1.0% utility tax that was adopted by Council in 2008; these utility tax revenues are restricted for arterial street repair and preservation projects. In 2020, due to COVID-19 impacts, the funding source was transfers-in of REET 2 revenues while the 1.0% utility tax was retained in the General Fund.

Major projects budgeted within the Arterial Street Preservation Fund in 2021 include 4th Street SE Preservation, Lakeland Hills Way Preservation, and AWN Preservation Phase 2 (8th Street SE to 22nd). Through September 2021, revenues totaled $2.7 million, which is significantly higher than the same period in 2020. This is primarily due to the change in funding source, which resulted in artificially low revenues in the fund through the third quarter of 2020. Revenues and expenditures also fluctuate due to the timing associated with construction projects and their subsequent cost reimbursements from grants and transfers-in.

Expenditures through September 2021 totaled $3.5 million as compared to $1.2 million through September 2020. Historically, the majority of this fund's expenditures occur in the second half of each year due to the weather sensitivity of pavement construction (this work needs to be done primarily in the summer and early fall). Highlighted in the table below and shown in the following graph are the fund's total expenditures related to capital projects.

Fund 105 - Arterial Street Preservation	2021			2020	2021 YTD Budget vs. Actual	
Summary of Sources and Uses	2021	2021 YTD	2021 YTD	2020 YTD	Favorable (Unfavorable)	
Report Period: September 2021	Budget	Budget	Actual	Actual	Amount	Percentage
Revenues						
City Utility Tax	$ 725,100	$ 543,039	$ 523,916	$ 0	$ (19,123)	(3.5) %
Electric Utility Tax	744,600	580,149	571,700	0	(8,449)	(1.5) %
Natural Gas Utility Tax	223,400	198,302	191,856	-	(6,446)	(3.3) %
Cable TV Tax	175,400	131,606	143,719	(0)	12,113	9.2 %
Telephone Utility Tax	153,100	117,120	105,937	0	(11,183)	(9.5) %
Garbage Utility Tax (External Haulers)	18,800	13,884	28,391	-	14,507	104.5 %
Grants	5,016,622	2,256,111	649,091	348,331	(1,607,020)	(71.2) %
Operating Transfer In	437,946	250,255	437,946	1,891,551	187,691	75.0 %
Interest Earnings	12,400	9,300	2,146	7,297	(7,154)	(76.9) %
Total Revenues	**$ 7,507,368**	**$ 4,099,766**	**$ 2,654,703**	**$ 2,247,179**	**$ (1,445,063)**	**(35.2) %**
Expenditures						
Salary and Benefits	$ 188,000	$ 143,246	$ 389,366	$ 412,922	$ (246,120)	(171.8) %
Capital Outlay	9,143,141	4,792,618	3,006,641	772,074	1,785,977	37.3 %
Subtotal - Capital Project Expenditures	9,331,141	4,935,864	3,396,007	1,184,996	1,539,857	31.2 %
Supplies	-	-	-	-	-	
Services and Charges	51,000	30,373	22,365	985	8,007	26.4
Operating Transfer Out	68,500	44,900	68,500	-	(23,600)	(52.6)
Total Expenditures	**$ 9,450,641**	**$ 5,011,137**	**$ 3,486,872**	**$ 1,185,980**	**$ 1,524,265**	**30.4 %**
Net Change in Fund Balance	**$ (1,943,273)**	**$ (911,371)**	**$ (832,169)**	**$ 1,061,199**	**$ 79,202**	**8.7 %**

Beg. Fund Balance, January 2021	$ 3,385,926
Net Change in Fund Balance, September 2021	(832,169)
Ending Fund Balance, September 2021	$ 2,553,757
2021 Budgeted Ending Fund Balance	$ 1,442,653



The table below presents the status of the projects with the most significant budget impact on the fund. Many capital projects are budgeted over multiple years; what is displayed below is the 2021 portion of each project's budget and year-to-date expenditures.

Fund 105 - Arterial Street Preservation

Capital Projects Status*

Name	2021 Budget	YTD Actual	Remaining
4th Street SE Preservation	$1.9M	$0.1M	$1.8M
Lakeland Hills Way Preservation	$1.5M	$1.1M	$0.4M
AWN Preservation Phase 2 - 8th St SE to 22nd	$1.4M	$0.6M	$0.8M
All Other Projects (11 Others Budgeted)	$4.5M	$1.6M	$2.9M
Total	**$9.3M**	**$3.4M**	**$5.9M**

**Components may not sum to total due to rounding.*

Fund 124 – Mitigation Fees

The Mitigation Fees Fund is a special revenue fund funded from revenues from fees for new development that are assessed at the time applications are received for development activity. These revenues are used to address costs associated with City growth.

The fund houses two types of revenues: mitigation fees and impact fees. Mitigation fees are variable charges collected as a result of State Environmental Policy Act (SEPA) reviews and the City's determination that a project must pay additional fees to compensate for a unique effect that it has on the community. Impact fees are set charges collected automatically for a variety of projects. These fees are adopted annually by the City Council based on projects anticipated in the Capital Facilities Plan over the next six years.

Through September 2021, the City received $2.8 million in mitigation and impact revenues, largely driven by commercial transportation impact fees paid for by two large warehouses, with over $600k being received for one warehouse in September alone. Revenues through September exceeded annual budgeted revenues, while expenditures through September were minimal due to the timing of multiple capital projects funded by mitigation and/or impact fee revenues.

Fund 124 - Mitigation Fees Summary of Sources and Uses	BUDGET			YTD ACTUALS		
Report Period Through: September 2021	**Revenues**	**Expenditures**	**Ending Fund Balance**	**Revenues**	**Expenditures**	**Ending Fund Balance**
Transportation Impact Fees	$ 818,000	$ 3,037,315	$ 4,992,899	$ 2,389,056	$ 589,741	$ 9,583,872
Traffic Migitation Fees	-	100,000	23,687	-	-	137,806
Fire Impact Fees	148,300	550,000	147,189	120,452	550,000	150,682
Fire Mitigation Fees	-	-	81	-	-	81
Parks Impact Fees	158,500	3,243,822	2,019,003	301,000	274,475	5,565,305
Parks Mitigation Fees	-	-	349,371	-	-	186,352
School Impact Admin Fees	5,600	-	94,251	5,480	-	94,696
Wetland Mitigation Fees	-	36,600	30,981	-	-	72,872
Interest and Investment Income	87,160	-	87,160	11,545	-	11,545
Fees in Lieu of Improvements	-	-	27,020	-	-	27,128
Permit Processing Fees	-	44,200	(44,200)	-	-	-
Total	**$ 1,217,560**	**$ 7,011,937**	**$ 7,727,442**	**$ 2,827,533**	**$ 1,414,216**	**$ 15,830,339**

Beginning Fund Balance, January 2021	$ 14,417,022
Net Change in Fund Balance, September 2021	1,413,317
Estimated Ending Fund Balance, September 2021	$ 15,830,339
2021 Budgeted Ending Fund Balance	$ 7,727,442

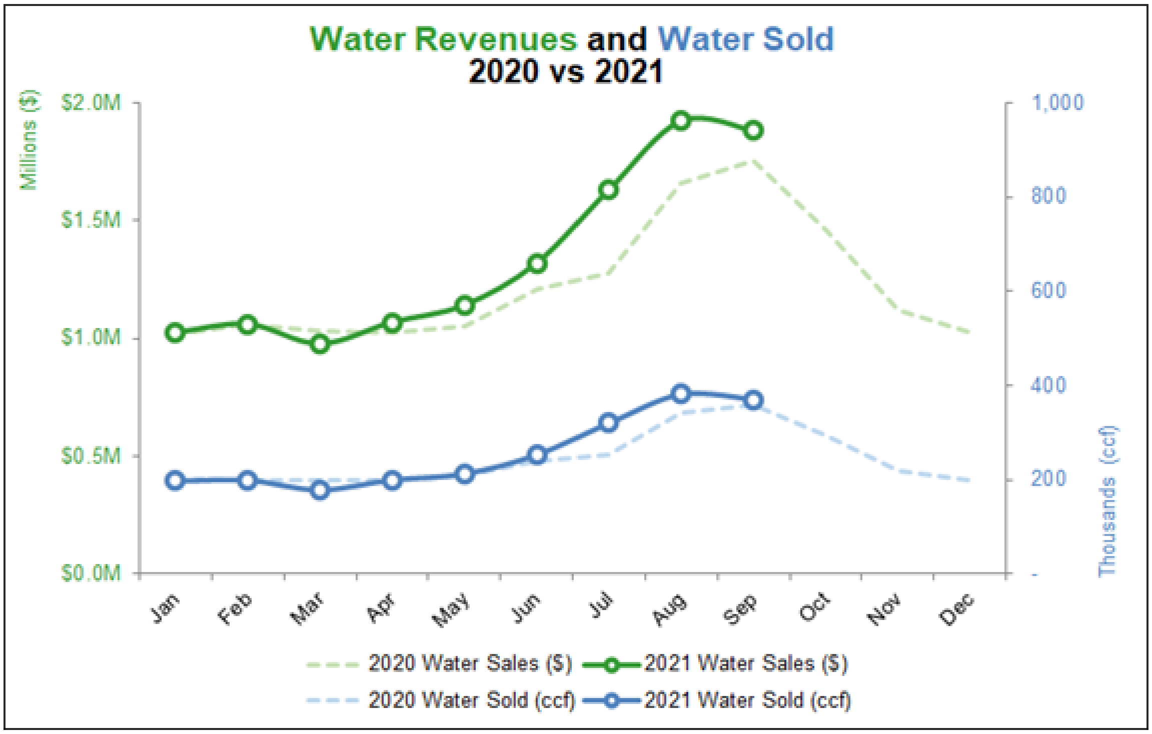
Enterprise Funds

Detailed income and expense statements for Enterprise and Internal Service funds can be found in an attachment at the end of this report. The attachment provides operating and – as applicable – capital fund reports for these funds showing budget, actuals, and variances. 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. 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 September 2021 the **Water Utility** had operating income of $4.3 million (operating revenues less operating expenditures), approximately $206,000 below the same period last year. Water Fund operating revenues were $810,000 or 7.1% higher than 2020; the majority of this variance was due to stronger performance in water sales revenue, which was offset by lower interest and other earnings. Operating expenditures increased by $1.0 million mainly due to an increase of the City utility interfund tax rate from 7% to 10%, increased debt service payments, higher personnel costs, and increased interfund service charges.

Billable water consumption through September 2021 totaled 2.3 million hundred cubic feet (ccf), an increase of 119,000 ccf (5.4%) over the same period last year. With the exception of manufacturing and wholesale, all customer classes saw an increase in consumption compared to last year.

There is also a trend of decreased year-over-year consumption on a *per account* basis due largely to conservation efforts and appliance efficiency improvements, which are anticipated in the Utilities Comprehensive Plan.



Through September 2021, the **Sewer Utility** finished with operating income of $894,000 as compared to $1.5 million through September 2020. Operating revenues were up $245,000 or 3.8% from last year due to stronger performance in charges for City sewer service. Operating expenses were up $808,000 due to an increase in the City interfund utility tax rate, as well as increased personnel and interfund service costs.

Year-to-date billable consumption by volume was up 66,000 ccf, or 5.9% from Q3-2020 due to increases in commercial consumption, which was previously impacted by severe COVID-19 mitigation efforts that have been relaxed (but not eliminated) in 2021.

Through the third quarter of 2021, the **Stormwater Utility** had operating income of $1.8 million compared with $2.6 million in the same period last year. Operating revenues were up $93,000 compared to 2020 mainly due to charges for City storm service. As most Stormwater Utility charges are based on a flat rate, COVID-19 did not have a significant effect on service revenue.

Operating expenditures in the Stormwater Utility were up $901,000 compared to the third quarter of 2020. This increase was mainly due to the interfund the utility tax rate increase, as well as increased personnel costs, fleet and support charges.

Through September 2021, the **Solid Waste Utility** Fund experienced an operating loss of $221,000. In 2020, both revenues and expenditures were low compared to prior years, with 2021 returning to expected levels of service. Operating revenues have increased by $887,000 compared to the same period last year, while operating expenditures have increased by $1.3 million.

The majority of both the revenue and expenditure increase is attributable to a higher volume of services provided compared to the previous year, resulting in increased service revenues and corresponding expenditures. In particular, the main contributors to the expenditure increase were payments to the City's primary solid waste vendor and increased interfund utility taxes.

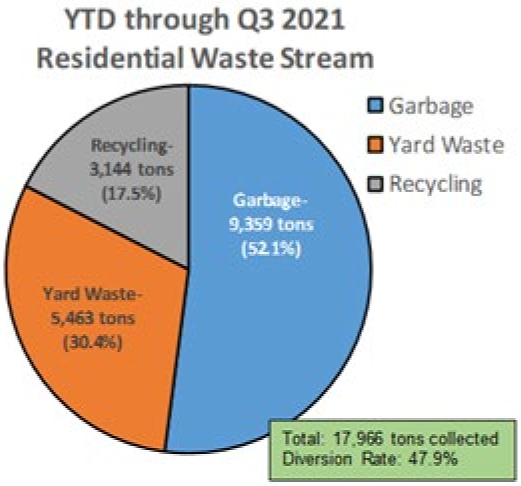
Through September 2021, the City of Auburn's solid waste services had been outsourced to Waste Management and to Republic Services, who managed the contract for the annexed areas. Beginning in October 2021, all of the City's solid waste services will be handled by Waste Management based on a newly-signed contract. Through the third quarter of 2021, Waste Management serviced 15,535 customers (79% of customers) and Republic Services serviced 4,197 customers (21% of customers).

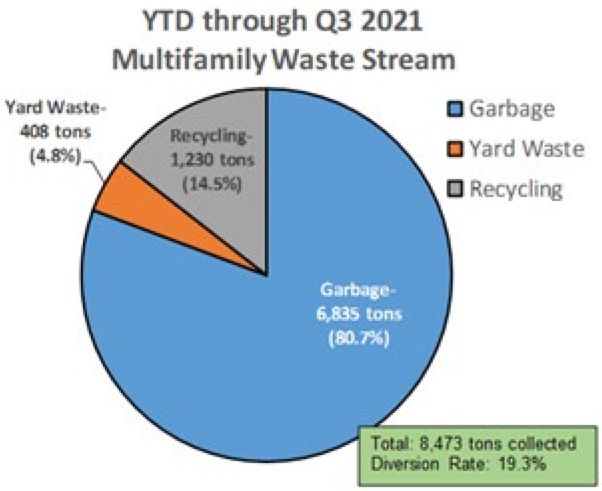
The current mix of solid waste customer account types (rounded) is:

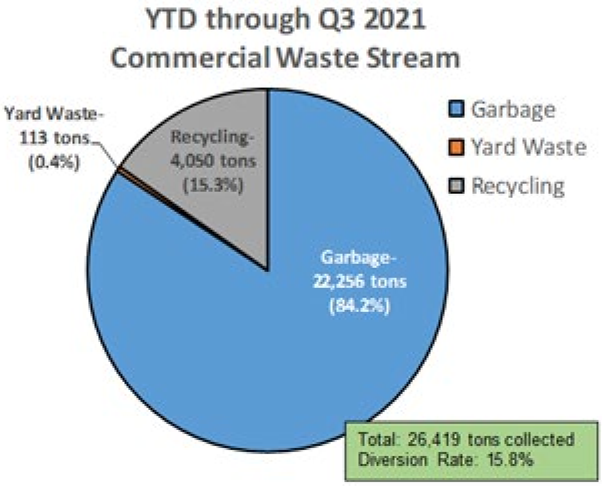
- 89.6% Residential
- 8.0% Commercial
- 2.4% Multifamily

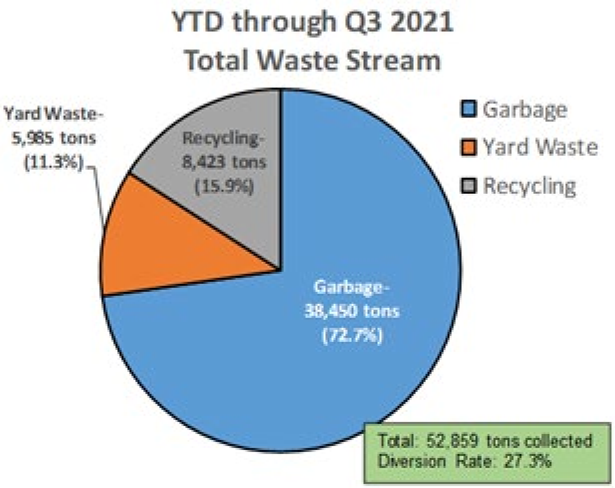
The "diversion rate" is a measure of how much generated waste is not sent to the landfill; i.e., waste that is either recycled or collected yard waste. Through September 2021, the total diversion rate was 27.3%, which represents a total of 14,400 tons of waste that was diverted from landfills.

2021 Tons Collected and Diversion Rates

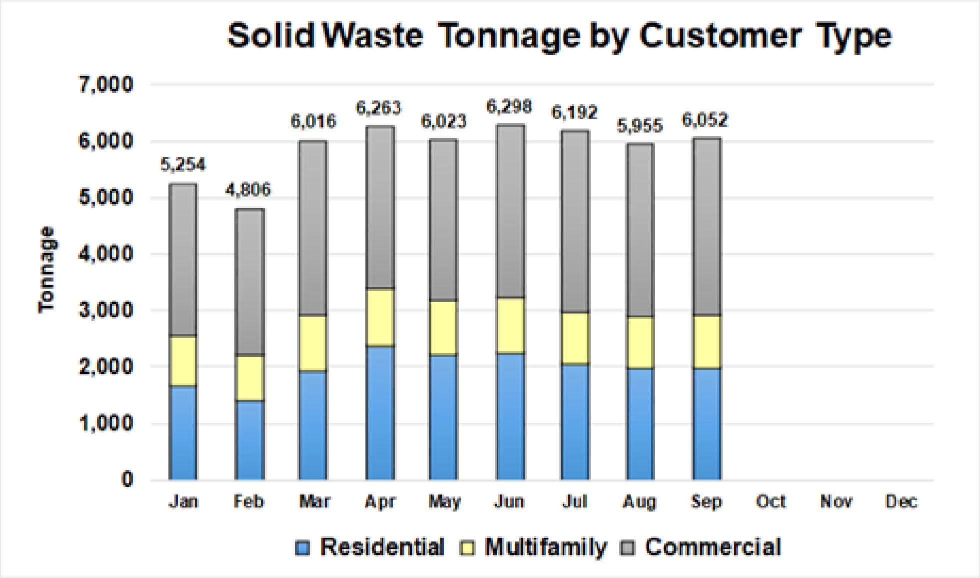








Of the total tonnage collected through September 2021, 34% was from residential customers, 16% from multifamily customers, and 50% from commercial customers, as shown below:



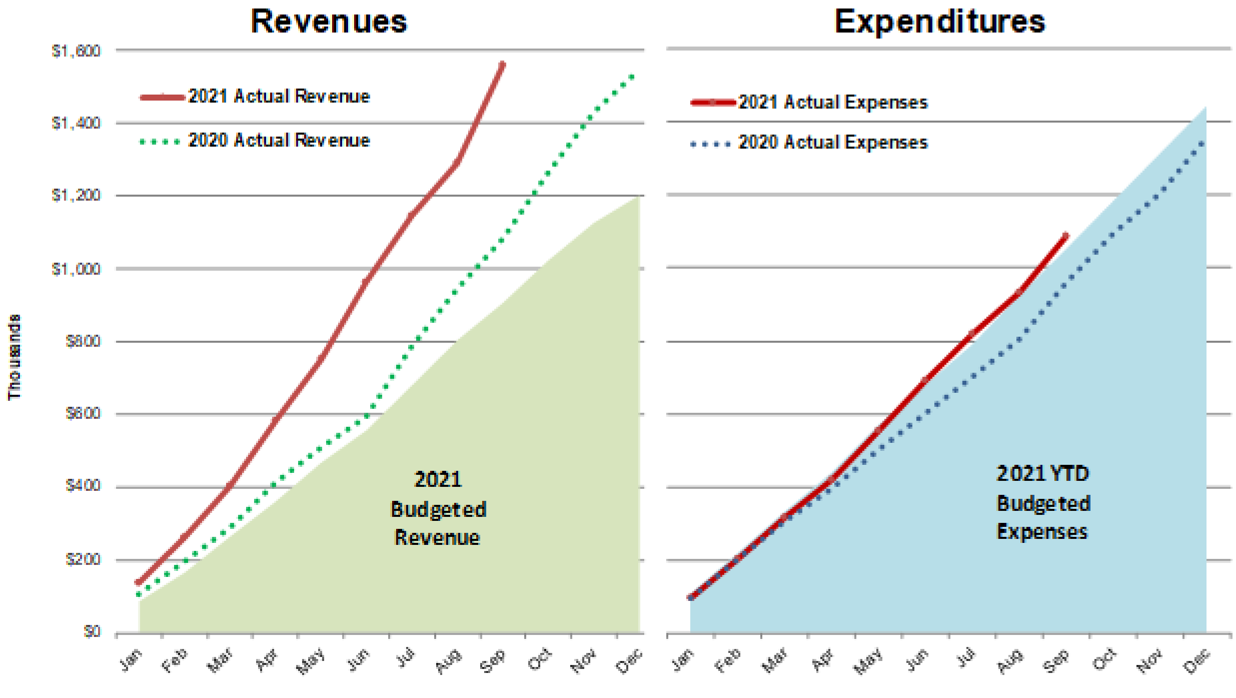
Through September 2021, the **Airport Fund** had operating income of $254,000 as compared with operating income of $405,000 through the third quarter of 2020. Operating revenues in the Airport Fund were $143,000 more than the same period last year, largely due to increased revenues from aviation fuel sales and property leases.

Operating expenditures in the Airport Fund were $294,000 more than the same period of last year. Much of this variance consisted of fuel inventory expenses, but also included increased personnel costs, repairs and maintenance, and fleet costs.

Through the third quarter of 2021, the **Cemetery Fund** realized net operating income of $484,000 as compared with operating income of $154,000 through September 2020. Total sales revenues were up $480,000, or 44.5%, from the third quarter of 2020 due to significant increases in lot sales, markers, and openings and closings. Operating expenditures were up $148,000 or 15.9% from last year due mostly to inventory and grounds maintenance purchases.

CEMETERY

Cumulative Revenues and Expenditures
2021 Budget vs. Actual



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
Investment Portfolio Summary
September 30, 2021

Investment Type	Purchase Date	Book Value	Maturity Date	Yield to Maturity
State Investment Pool	Various	$ 140,804,412	Various	0.09%
KeyBank Money Market	Various	7,439,229	Various	0.01%
Pacific Premier Bank Interest Acct	Various	10,548,883	Various	0.09%
US Treasury	08/12/2021	5,131,850	08/31/2024	3.80%
US Treasury	9/23/2021	5,228,516	5/31/2024	2.90%
FHLB	1/17/2020	5,168,350	12/9/2022	1.56%
FHLB	9/28/2021	5,013,870	3/28/2025	4.70%
FHLB	6/22/2021	5,215,230	3/8/2024	2.80%
FHLMC	11/20/2020	5,004,250	11/6/2023	2.38%
Total Cash & Investments		$ 189,554,590		0.560%

Investment Mix	% of Total
State Investment Pool	74.3%
Key Bank Money Market	3.9%
Pacific Premier Bank Interest Acct	5.6%
US Treasury	5.5%
FHLB	8.1%
FHLMC	2.6%
	100.0%

Summary	
Current 6-month treasury rate	0.05%
Current State Pool rate	0.09%
KeyBank Money Market	0.01%
Pacific Premier Interest Acct	0.09%

SALES TAX SUMMARY
SEPTEMBER 2021 SALES TAX DISTRIBUTIONS (FOR JULY 2021 RETAIL ACTIVITY)

NAICS	CONSTRUCTION	2020 Annual Total (Nov '19-Oct '20)	2020 YTD (Nov '19-Jul '20)	2021 YTD (Nov '20-Jul '21)	YTD % Diff
236	Construction of Buildings	2,000,382	1,383,282	1,353,952	-2.1%
237	Heavy and Civil Construction	184,377	135,787	144,856	6.7%
238	Specialty Trade Contractors	883,406	619,417	706,440	14.0%
	TOTAL CONSTRUCTION	**$ 3,068,164**	**$ 2,138,487**	**$ 2,205,248**	***3.1%***
	Overall Change from Previous Year			***$ 66,761***	

NAICS	MANUFACTURING	2020 Annual Total (Nov '19-Oct '20)	2020 YTD (Nov '19-Jul '20)	2021 YTD (Nov '20-Jul '21)	YTD % Diff
311	Food Manufacturing	10,332	7,013	7,171	2.3%
312	Beverage and Tobacco Products	11,872	8,764	10,149	15.8%
313	Textile Mills	1,178	957	582	-39.2%
314	Textile Product Mills	2,390	1,849	2,466	33.4%
315	Apparel Manufacturing	1,301	876	1,430	63.2%
316	Leather and Allied Products	488	381	463	21.6%
321	Wood Product Manufacturing	14,670	11,001	13,912	26.5%
322	Paper Manufacturing	4,028	2,271	3,866	70.3%
323	Printing and Related Support	37,260	28,614	34,849	21.8%
324	Petroleum and Coal Products	1,404	1,386	7	-99.5%
325	Chemical Manufacturing	10,595	8,441	8,565	1.5%
326	Plastics and Rubber Products	7,322	5,161	5,421	5.0%
327	Nonmetallic Mineral Products	16,154	10,196	13,847	35.8%
331	Primary Metal Manufacturing	62,321	46,752	8,633	-81.5%
332	Fabricated Metal Product Manuf	34,205	19,210	21,429	11.6%
333	Machinery Manufacturing	22,168	11,494	13,550	17.9%
334	Computer and Electronic Product	8,232	6,548	11,952	82.5%
335	Electric Equipment, Appliances	8,276	8,044	804	-90.0%
336	Transportation Equipment Man	92,399	76,082	74,368	-2.3%
337	Furniture and Related Products	10,109	7,470	10,061	34.7%
339	Miscellaneous Manufacturing	32,935	23,866	23,298	-2.4%
	TOTAL MANUFACTURING	**$ 389,637**	**$ 286,376**	**$ 266,821**	***-6.8%***
	Overall Change from Previous Year			***$ (19,555)***	

NAICS	TRANSPORTATION AND WAREHOUSING	2020 Annual Total (Nov '19-Oct '20)	2020 YTD (Nov '19-Jul '20)	2021 YTD (Nov '20-Jul '21)	YTD % Diff
481	Air Transportation	0	0	0	N/A
482	Rail Transportation	14,421	13,030	14,931	14.6%
483	Water Transportation	0	0	0	N/A
484	Truck Transportation	22,499	17,779	20,569	15.7%
485	Transit and Ground Passengers	9	14	0	-96.7%
488	Transportation Support	79,945	65,380	34,668	-47.0%
491	Postal Service	676	526	576	9.6%
492	Couriers and Messengers	69,993	16,539	197,079	1091.6%
493	Warehousing and Storage	9,647	7,839	7,396	-5.6%
	TOTAL TRANSPORTATION	**$ 197,189**	**$ 121,106**	**$ 275,220**	***127.3%***
	Overall Change from Previous Year			***$ 154,114***	

NAICS	WHOLESALE TRADE	2020 Annual Total (Nov '19-Oct '20)	2020 YTD (Nov '19-Jul '20)	2021 YTD (Nov '20-Jul '21)	YTD % Diff
423	Wholesale Trade, Durable Goods	1,027,727	758,279	801,742	5.7%
424	Wholesale Trade, Nondurable	303,860	217,708	251,904	15.7%
425	Wholesale Electronic Markets	14,684	10,556	15,120	43.2%
	TOTAL WHOLESALE	**$ 1,346,271**	**$ 986,543**	**$ 1,068,765**	***8.3%***
				$ 82,222	

NAICS	AUTOMOTIVE	2020 Annual Total (Nov '19-Oct '20)	2020 YTD (Nov '19-Jul '20)	2021 YTD (Nov '20-Jul '21)	YTD % Diff
441	Motor Vehicle and Parts Dealer	3,594,307	2,579,995	3,216,009	24.7%
447	Gasoline Stations	232,674	166,617	203,335	22.0%
	TOTAL AUTOMOTIVE	**$ 3,826,981**	**$ 2,746,612**	**$ 3,419,344**	***24.5%***
	Overall Change from Previous Year			***$ 672,732***	

NAICS	RETAIL TRADE	2020 Annual Total (Nov '19-Oct '20)	2020 YTD (Nov '19-Jul '20)	2021 YTD (Nov '20-Jul '21)	YTD % Diff
442	Furniture and Home Furnishings	209,308	142,528	207,364	45.5%
443	Electronics and Appliances	300,343	218,692	246,979	12.9%
444	Building Material and Garden	751,040	547,710	607,196	10.9%
445	Food and Beverage Stores	450,577	336,554	362,464	7.7%
446	Health and Personal Care Store	348,418	262,298	294,294	12.2%
448	Clothing and Accessories	872,671	636,756	828,431	30.1%
451	Sporting Goods, Hobby, Books	239,744	171,903	248,647	44.6%
452	General Merchandise Stores	878,021	673,093	707,556	5.1%
453	Miscellaneous Store Retailers	1,178,104	849,062	1,117,058	31.6%
454	Nonstore Retailers	271,309	201,088	217,858	8.3%
	TOTAL RETAIL TRADE	**$ 5,499,535**	**$ 4,039,685**	**$ 4,837,848**	***19.8%***
	Overall Change from Previous Year			***$ 798,163***	

NAICS	SERVICES	2020 Annual Total (Nov '19-Oct '20)	2020 YTD (Nov '19-Jul '20)	2021 YTD (Nov '20-Jul '21)	YTD % Diff
51*	Information	684,732	514,800	566,247	10.0%
52*	Finance and Insurance	177,847	143,314	119,438	-16.7%
53*	Real Estate, Rental, Leasing	368,873	279,484	330,260	18.2%
541	Professional, Scientific, Tech	394,150	282,543 [a]	356,560 [b]	26.2%
551	Company Management	66	34	34	-0.5%
56*	Admin. Supp., Remed Svcs	651,469	475,923	610,208	28.2%
611	Educational Services	40,410	22,832	27,782	21.7%
62*	Health Care Social Assistance	110,693	88,140	76,768	-12.9%
71*	Arts and Entertainment	50,412	40,674	42,873	5.4%
72*	Accommodation and Food Svcs	1,204,980	894,605	1,020,121	14.0%
81*	Other Services	534,972	392,200	458,811	17.0%
92*	Public Administration	1,620	1,454	2,798	92.4%
	TOTAL SERVICES	**$ 4,220,223**	**$ 3,136,003**	**$ 3,611,899**	***15.2%***
	Overall Change from Previous Year			***$ 475,897***	

NAICS	MISCELLANEOUS	2020 Annual Total (Nov '19-Oct '20)	2020 YTD (Nov '19-Jul '20)	2021 YTD (Nov '20-Jul '21)	YTD % Diff
000	Unknown	0	0	0	N/A
111-115	Agriculture, Forestry, Fishing	5,367	4,217	5,908	40.1%
211-221	Mining & Utilities	28,831	18,704	27,218	45.5%
999	Unclassifiable Establishments	273,689	200,710	248,310	23.7%
	TOTAL SERVICES	**$ 307,887**	**$ 223,631**	**$ 281,436**	***25.8%***
	Overall Change from Previous Year			***$ 57,805***	

GRAND TOTAL	$ 18,855,888	$ 13,678,441	$ 15,966,580	
Overall Change from Previous Year			*$ 2,288,139*	*16.7%*

Total September 2021 Sales Tax Distributions	**$ 1,860,960**
Percent Change from September 2020	**0.1%**
Comparisons:	
September 2020	**$ 1,858,640**
September 2019	**$ 1,604,250**

Includes Adjustments in excess of +/- $10,000.

a. WA State Department of Revenue adjustment to sales tax returns for July 2020 Reporting (adjustment: $18,706).

b. WA State Department of Revenue adjustment to sales tax returns for July 2021 Reporting (adjustment: $42,412).

OPERATING & CAPITAL FUNDS	ENTERPRISE FUNDS											
Through September 2021	WATER			SEWER			SEWER METRO			STORM		
	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance
OPERATING FUND:												
OPERATING REVENUES												
Charges For Service	16,311,200	12,143,413	(4,167,787)	9,601,630	6,701,824	(2,899,806)	20,319,350	13,592,686	(6,726,664)	10,607,050	7,907,727	(2,699,323)
Grants			-			-			-	-	-	-
Interest Earnings	113,100	17,240	(95,860)	69,100	6,511	(62,589)	16,600	408	(16,192)	79,100	7,994	(71,106)
Rents, Leases, Concessions, & Other	30,000	(1,236)	(31,236)	-	679	679	-	-	-	-	1,204	1,204
TOTAL OPERATING REVENUES	16,454,300	12,159,416	(4,294,884)	9,670,730	6,709,013	(2,961,717)	20,335,950	13,593,094	(6,742,856)	10,686,150	7,916,925	(2,769,225)
OPERATING EXPENSES												
Salaries & Wages	2,870,106	1,883,734	986,372	1,713,633	1,163,582	550,051	-	-	-	2,673,168	1,927,114	746,054
Benefits	1,505,901	938,601	567,300	895,705	570,789	324,916	-	-	-	1,403,108	948,909	454,199
Supplies	359,850	226,351	133,499	163,050	78,936	84,114	-	-	-	82,050	63,467	18,583
Other Service Charges	4,803,100	2,814,609	1,988,491	3,224,700	2,730,675	494,025	20,331,250	12,996,396	7,334,854	2,135,830	1,518,358	617,472
Intergovernmental Services (Less Transfers Out)				-	-	-				-	-	-
Waste Management Payments See note												
Sewer Metro Services							-	-	-			
Debt Service Interest	809,200	530,567	278,633	105,900	80,207	25,693	-	-	-	187,000	124,203	62,797
Interfund Operating Rentals & Supplies	1,937,400	1,460,149	477,251	1,578,600	1,190,720	387,880	-	-	-	2,096,200	1,577,105	519,095
TOTAL OPERATING EXPENSES	12,285,557	7,854,011	4,431,546	7,681,588	5,814,909	1,866,679	20,331,250	12,996,396	7,334,854	8,577,356	6,159,158	2,418,198
OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION	4,168,743	4,305,406	136,663	1,989,142	894,104	(1,095,038)	4,700	596,698	591,998	2,108,794	1,757,767	(351,027)
NON-OPERATING REVENUES												
Operating Transfers-in	-	-	-									
Intergovernmental Loan	2,695,000	-	2,695,000									
Other Non-Operating Revenues					22,500							
Revenue Bond Proceeds	-	-	-									
NON-OPERATING EXPENSES												
Transfer to Capital Subfund	12,243,610	3,262,626	8,980,984	-	-	-				-	-	-
Other Operating Transfers-out	3,420,686	102,331	3,318,355	405,667	84,105	321,563				467,167	148,991	318,176
Debt Service Principal	1,816,200	478,000	1,338,200	449,300	288,262	161,038				350,900	-	350,900
Net Change in Restricted Net Assets	-	(2,485)	(2,485)	-	28	28				-	118	118
Interfund Loan Repayment												
Other Non-Operating Expenses												
BEGINNING WORKING CAPITAL - January 1, 2021	23,629,056	23,629,056	-	8,716,107	8,716,107	-	2,837,722	2,837,722	-	10,106,359	10,106,359	-
ENDING WORKING CAPITAL - September 30, 2021	13,012,303	24,093,990	11,081,687	9,850,282	9,260,316	(589,965)	2,842,422	3,434,420	591,998	11,397,086	11,715,017	317,931
NET CHANGE IN WORKING CAPITAL (see Note)	(10,616,753)	464,934	11,081,687	1,134,175	544,210	(589,965)	4,700	596,698	591,998	1,290,727	1,608,658	317,931
CAPITAL FUND:												
CAPITAL REVENUES												
Interest Revenue	10,900	398	(10,502)	75,600	28,912	(46,688)				68,800	8,927	(59,873)
Grants	-	-	-							255,970	-	(255,970)
Contributions	-	-	-	-	-	-				-	-	-
Other Non-Operating Revenue	-	226,110	226,110	-	-	-				-	-	-
Increase In Contributions - System Development	960,200	642,581	(317,619)	686,800	305,789	(381,011)				514,100	880,318	366,218
Interfund Revenues	-	-	-	-	-	-				-	-	-
Increase In Contributions - FAA	-	-	-	-	-	-				-	-	-
Proceeds of Debt Activity	-	-	-	-	-	-				-	-	-
Transfers In from Operating Sub-Fund	12,243,610	3,262,626	(8,980,984)	-	-	-				-	-	-
Transfer In from Other Funds	2,990,020	-	(2,990,020)	-	-	-				-	-	
TOTAL CAPITAL REVENUES	16,204,730	4,131,714	(12,073,016)	762,400	334,701	(427,699)				838,870	889,245	50,375
CAPITAL EXPENSES												
Other Non-Operating Expense	-	-	-	-	420,142	(420,142)				-	-	-
Increase In Fixed Assets - Salaries	535,700	193,594	342,106	85,700	101,296	(15,596)				321,400	110,076	211,324
Increase In Fixed Assets - Benefits	214,300	90,645	123,655	34,300	46,279	(11,979)				128,600	49,801	78,799
Increase In Fixed Assets - Services	21,800	15	21,785	16,600	563	16,037				12,600	555	12,045
Increase In Fixed Assets - Site Improvements	-	33,454	(33,454)	-	-	-				-	-	-
Increase In Fixed Assets - Equipment	-	-	-	-	-	-				150,000	-	150,000
Increase In Fixed Assets - Construction	15,761,929	3,280,553	12,481,376	5,878,154	760,254	5,117,900				4,912,411	404,678	4,507,733
Operating Transfers Out	-	-	-	-	-	-				-	-	-
TOTAL CAPITAL EXPENSES	16,533,729	3,598,262	12,935,467	6,014,754	1,328,534	4,686,220				5,525,011	565,111	4,959,900
BEGINNING WORKING CAPITAL - January 1, 2021	404,282	404,282	-	12,981,761	12,981,761	-				11,906,561	11,906,561	-
ENDING WORKING CAPITAL - September 30, 2021	75,283	937,734	862,451	7,729,407	11,987,929	4,258,521				7,220,420	12,230,695	5,010,275
NET CHANGE IN WORKING CAPITAL (see Note)	(328,999)	533,452	862,451	(5,252,354)	(993,833)	4,258,521				(4,686,141)	324,134	5,010,275
Total Change in Working Capital	(10,945,752)	998,386	11,944,138	(4,118,179)	(449,623)	3,668,556	4,700	596,698	591,998	(3,395,414)	1,932,792	5,328,206
(*) Depreciation	4,083,600	2,906,471		2,415,000	1,791,625		-	-		2,229,800	1,622,113	

Working Capital = Current Assets minus Current Liabilities

OPERATING & CAPITAL FUNDS	**ENTERPRISE FUNDS**									**INTERNAL SERVICE FUNDS**		
Through September 2021	**SOLID WASTE**			**AIRPORT**			**CEMETERY**			**INSURANCE**		
	Budget	**YTD Actual**	**Variance**	**Budget**	**YTD Actual**	**Variance**	**Budget**	**YTD Actual**	**Variance**	**Budget**	**YTD Actual**	**Variance**
OPERATING FUND:												
OPERATING REVENUES												
Charges For Service	16,669,900	12,261,203	(4,408,697)	1,458,000	1,238,347	(219,653)	1,199,000	1,559,774	360,774	-	-	-
Grants	60,000	511	(59,489)	-	2,500	2,500			-			-
Interest Earnings	45,600	3,845	(41,755)	12,800	976	(11,824)	4,600	995	(3,605)	12,800	576	(12,224)
Rents, Leases, Concessions, & Other	-	-	-	4,000	3,563	(437)	-	-	-			
TOTAL OPERATING REVENUES	16,775,500	12,265,559	(4,509,941)	1,474,800	1,245,386	(229,414)	1,203,600	1,560,769	357,169	12,800	576	(12,224)
OPERATING EXPENSES												
Salaries & Wages	68,100	53,387	14,713	249,471	192,495	56,976	495,692	370,366	125,326	-	-	-
Benefits	12,900	8,423	4,477	119,725	89,903	29,822	271,278	192,750	78,528	175,000	79,760	95,240
Supplies	48,200	4,709	43,491	362,000	355,493	6,507	261,700	281,811	(20,111)	-	-	-
Other Service Charges	2,785,230	1,810,536	974,694	367,800	270,109	97,691	157,200	112,170	45,030	37,900	304,298	(266,398)
Intergovernmental Services (Less Transfers Out)	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management Payments See note	13,485,300	10,132,437	3,352,863									
Sewer Metro Services		See note below										
Debt Service Interest	-	-	-	251,400	-	251,400	-	-	-	-	-	-
Interfund Operating Rentals & Supplies	632,100	477,290	154,810	110,600	82,950	27,650	158,950	119,899	39,051	-	-	-
TOTAL OPERATING EXPENSES	17,031,830	12,486,783	4,545,047	1,460,996	990,950	470,046	1,344,820	1,076,996	267,824	212,900	384,058	(171,158)
OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION	(256,330)	(221,224)	35,106	13,804	254,436	240,632	(141,220)	483,774	624,994	(200,100)	(383,482)	(183,382)
NON-OPERATING REVENUES												
Operating Transfers-in							-	-	-	-	-	-
Intergovernmental Loan												
Other Non-Operating Revenues							-	-	-			
Revenue Bond Proceeds				3,810,900	-	3,810,900						
NON-OPERATING EXPENSES												
Transfer to Capital Subfund				2,944,210	52,060		100,070	9,000				
Other Operating Transfers-out	-	-	-	-	-	-	-	-	-			
Debt Service Principal				126,700	-	126,700	-	-	-			
Net Change in Restricted Net Assets				-	(1,517)	(1,517)	-	-	-			
Interfund Loan Repayment				-	-	-						
Other Non-Operating Expenses												
BEGINNING WORKING CAPITAL - January 1, 2021	5,927,917	5,927,917	-	1,003,962	1,003,962	-	1,072,389	1,072,389	-	1,789,615	1,789,615	-
ENDING WORKING CAPITAL - September 30, 2021	5,671,587	5,706,693	35,106	1,757,756	1,207,855	(549,901)	831,099	1,547,162	716,064	1,589,515	1,406,133	(183,382)
NET CHANGE IN WORKING CAPITAL (see Note)	(256,330)	(221,224)	35,106	753,794	203,893	(549,901)	(241,290)	474,774	716,064	(200,100)	(383,482)	(183,382)
CAPITAL FUND:												
CAPITAL REVENUES												
Interest Revenue				200	217	17	800	7	(793)			
Grants												
Contributions				-	-	-	-	-	-			
Other Non-Operating Revenue				-	1,899	1,899	-	-	-			
Increase In Contributions - System Development				-	-	-	-	-	-			
Interfund Revenues				-	-	-	-	-	-			
Increase In Contributions - FAA				13,500	54,544	41,044	-	-	-			
Proceeds of Debt Activity				-	-	-	-	-	-			
Transfers In from Operating Sub-Fund				2,944,210	52,060	(2,892,150)	100,070	9,000	(91,070)			
Transfer In from Other Funds				-	-	-	-	-	-			
TOTAL CAPITAL REVENUES				2,957,910	108,720	(2,849,190)	100,870	9,007	(91,863)			
CAPITAL EXPENSES												
Other Non-Operating Expense				-	-	-	-	-	-			
Increase In Fixed Assets - Salaries				-	-	-	-	-	-			
Increase In Fixed Assets - Benefits				-	-	-	-	-	-			
Increase In Fixed Assets - Services				100	5	95	100	0	100			
Increase In Fixed Assets - Site Improvements						-	-	-	-			
Increase In Fixed Assets - Equipment						-	-	-	-			
Increase In Fixed Assets - Construction				2,849,210	32,257	2,816,953	55,673	9,906	45,767			
Operating Transfers Out				-	-	-	-	-	-			
TOTAL CAPITAL EXPENSES				2,849,310	32,262	2,817,048	55,773	9,906	45,867			
BEGINNING WORKING CAPITAL - January 1, 2021				161,340	161,340	-	8,185	8,185	-			
ENDING WORKING CAPITAL - September 30, 2021				269,940	237,798	(32,142)	53,282	7,285	(45,997)			
NET CHANGE IN WORKING CAPITAL (see Note)				108,600	76,458	(32,142)	45,097	(900)	(45,997)			
Total Change in Working Capital	(256,330)	(221,224)		862,394	280,351	(582,043)	(196,193)	473,874	670,067	(200,100)	(383,482)	(183,382)
(*) Depreciation	20,000	-		434,700	487,326		32,200	28,535		-	-	

Note: Includes September's Waste Management payment ($1,360,337), which will be made in October.

Working Capital = Current Assets minus Current Liabilities

OPERATING & CAPITAL FUNDS	INTERNAL SERVICE FUNDS											
Through September 2021	**WORKER'S COMPENSATION**			**FACILITIES**			**INNOVATION & TECHNOLOGY**			**EQUIPMENT RENTAL**		
	Budget	**YTD Actual**	**Variance**	**Budget**	**YTD Actual**	**Variance**	**Budget**	**YTD Actual**	**Variance**	**Budget**	**YTD Actual**	**Variance**
OPERATING FUND:												
OPERATING REVENUES												
Charges For Service	1,104,400	828,562	(275,838)	3,705,100	2,750,603	(954,497)	6,653,150	4,982,764	(1,670,386)	2,290,400	1,717,800	(572,600)
Grants			-	-	-	-			-			-
Interest Earnings	20,000	2,662	(17,338)	8,000	1,257	(6,743)	21,600	2,441	(19,159)	16,400	1,884	(14,516)
Rents, Leases, Concessions, & Other	15,000	6,129	(8,871)	-	-	-	-	-	-	-	359,575	359,575
TOTAL OPERATING REVENUES	1,139,400	837,353	(302,047)	3,713,100	2,751,860	(961,240)	6,674,750	4,985,204	(1,689,546)	2,306,800	2,079,260	(227,540)
OPERATING EXPENSES												
Salaries & Wages	-	-	-	819,855	555,332	264,523	2,209,075	1,572,765	636,310	693,061	500,229	192,832
Benefits	250,000	134,329	115,671	452,466	294,122	158,344	1,099,145	696,974	402,171	366,776	260,144	106,632
Supplies	-	-	-	140,200	69,894	70,306	420,650	182,562	238,088	1,153,840	577,011	576,829
Other Service Charges	461,100	256,456	204,644	1,643,300	1,052,485	590,815	3,007,800	2,345,917	661,883	570,050	279,882	290,168
Intergovernmental Services (Less Transfers Out)	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management Payments See note												
Sewer Metro Services												
Debt Service Interest	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Operating Rentals & Supplies	159,700	119,775	39,925	227,900	170,925	56,975	276,850	207,637	69,213	343,750	258,729	85,021
TOTAL OPERATING EXPENSES	870,800	510,560	360,240	3,283,721	2,142,758	1,140,963	7,013,520	5,005,855	2,007,665	3,127,477	1,875,995	1,251,482
OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION	268,600	326,793	58,193	429,379	609,102	179,723	(338,770)	(20,651)	318,119	(820,677)	203,264	1,023,941
NON-OPERATING REVENUES												
Operating Transfers-in				235,600	35,982	(199,618)	50,000	36,454	(13,546)	-	-	-
Intergovernmental Loan												
Other Non-Operating Revenues												
Revenue Bond Proceeds												
NON-OPERATING EXPENSES												
Transfer to Capital Subfund							500,000	-	500,000			
Other Operating Transfers-out				1,028,070	255,828	772,242	-	-	-	22,000	22,000	-
Debt Service Principal										-	-	-
Net Change in Restricted Net Assets				-	-	-	-	-	-	-	-	-
Interfund Loan Repayment												
Other Non-Operating Expenses							-	49,840	(49,840)			
BEGINNING WORKING CAPITAL - January 1, 2021	2,440,125	2,440,125	-	1,134,025	1,134,025	-	2,864,659	2,864,659	-	2,622,570	2,622,570	-
ENDING WORKING CAPITAL - September 30, 2021	2,708,725	2,766,918	58,193	770,934	1,523,280	752,347	2,075,889	2,880,462	804,573	1,779,893	2,803,834	1,023,941
NET CHANGE IN WORKING CAPITAL (see Note)	268,600	326,793	58,193	(363,091)	389,256	752,347	(788,770)	15,803	804,573	(842,677)	181,264	1,023,941
CAPITAL FUND:												
CAPITAL REVENUES												
Interest Revenue							4,700	573	(4,127)	45,600	3,567	(42,033)
Grants										-	-	-
Contributions							-	-	-	-	-	-
Other Non-Operating Revenue							-	-	-	-	-	-
Increase In Contributions - System Development							-	-	-	-	-	-
Interfund Revenues							-	-	-	1,975,900	1,481,925	(493,975)
Increase In Contributions - FAA							-	-	-	-	-	-
Proceeds of Debt Activity							-	-	-	-	-	-
Transfers In from Operating Sub-Fund							500,000	-	(500,000)	-	-	-
Transfer In from Other Funds							75,000	72,338	(2,662)	1,354,820	117,366	(1,237,454)
TOTAL CAPITAL REVENUES							579,700	72,912	(506,788)	3,376,320	1,602,858	(1,773,462)
CAPITAL EXPENSES												
Other Non-Operating Expense							-	-	-	-	-	-
Increase In Fixed Assets - Salaries							-	-	-	63,900	6,326	57,574
Increase In Fixed Assets - Benefits							-	-	-	26,100	2,941	23,159
Increase In Fixed Assets - Services							200	35	165	700	210	490
Increase In Fixed Assets - Site Improvements									-			-
Increase In Fixed Assets - Equipment							792,985	89,830	703,155	3,916,690	1,230,828	2,685,862
Increase In Fixed Assets - Construction							25,000	31,850	(6,850)	1,140,000	-	1,140,000
Operating Transfers Out							-	-	-	-	-	-
TOTAL CAPITAL EXPENSES							818,185	121,715	696,470	5,147,390	1,240,304	3,907,086
BEGINNING WORKING CAPITAL - January 1, 2021							738,838	738,838	-	4,480,611	4,480,611	-
ENDING WORKING CAPITAL - September 30, 2021							500,353	690,034	189,682	2,709,541	4,843,165	2,133,624
NET CHANGE IN WORKING CAPITAL (see Note)							(238,485)	(48,803)	189,682	(1,771,070)	362,554	2,133,624
Total Change in Working Capital	268,600	326,793	58,193	(363,091)	389,256	752,347	(1,027,255)	(33,001)	994,254	(2,613,747)	543,818	3,157,565
(*) Depreciation	-	-		-	-		236,900	345,613		1,453,200	928,302	

Working Capital = Current Assets
minus Current Liabilities