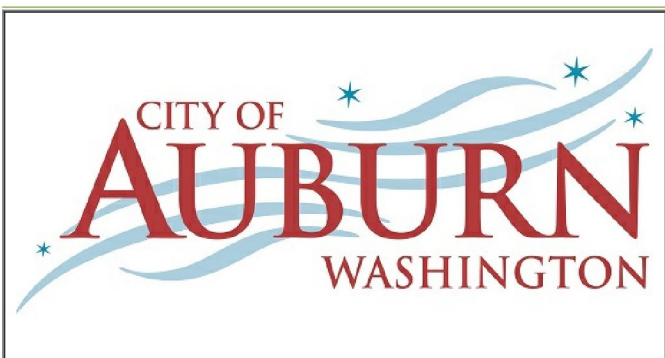


	City Council Meeting November 20, 2023 - 7:00 PM City Hall Council Chambers AGENDA Watch the meeting LIVE! Watch the meeting video Meeting videos are not available until 72 hours after the meeting has concluded.
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I. CALL TO ORDER

II. LAND ACKNOWLEDGMENT

We would like to acknowledge the Federally Recognized Muckleshoot Indian Tribe, the ancestral keepers of the land we are gathered on today. We thank them for their immense contributions to our state and local history, culture, economy, and identity as Washingtonians.

III. PUBLIC PARTICIPATION

1. Public Participation

The Auburn City Council Meeting scheduled for Monday November 20, 2023 at 7:00 p.m. will be held in person and virtually.

Virtual Participation Link:

To view the meeting virtually please click the below link, or call into the meeting at the phone number listed below. The link to the Virtual Meeting is:

<https://www.youtube.com/user/watchauburn/live/?nomobile=1>

To listen to the meeting by phone or Zoom, please call the below number or click the link:

Telephone: 253 205 0468

Toll Free: 888 475 4499

Zoom: <https://us06web.zoom.us/j/89259757006>

A. Pledge of Allegiance

IV. Roll Call

V. ANNOUNCEMENTS, MAYOR'S PROCLAMATIONS, AND PRESENTATIONS

A. 2023 Tree Stewards

Mayor Backus to proclaim the Auburn Parks Department as "2023 Tree Stewards" in the City of Auburn for preserving and caring for the Red Oak Tree located at 201 R St NE and demonstrating the importance of maintaining healthy urban and rural forests within our community

VI. AGENDA MODIFICATIONS

VII. CITIZEN INPUT, PUBLIC HEARINGS AND CORRESPONDENCE

A. Public Hearings

1. Public Hearing for Ordinance No. 6918 (Thomas)
City Council to conduct a Public Hearing to consider Ordinance No. 6918 amending the City's 2023-2024 Biennial Operating and Capital Budgets for the City of Auburn, Washington
2. Public Hearing for Ordinance No. 6919 (Thomas)
A Public Hearing to consider Ordinance No. 6919 establishing the Levy for Regular Property Taxes by the City of Auburn for collection in 2024 for General City Operational Purposes in the amount of \$24,646,712

B. Audience Participation

This is the place on the agenda where the public is invited to speak to the City Council on any issue.

1. The public can participate in-person or submit written comments in advance.
Participants can submit written comments via mail, fax, or email. All written comments must be received prior to 5:00 p.m. on the day of the scheduled meeting and must be 350 words or less.

Please mail written comments to:
City of Auburn
Attn: Shawn Campbell, City Clerk
25 W Main St
Auburn, WA 98001

Please fax written comments to:
Attn: Shawn Campbell, City Clerk
Fax number: 253-804-3116

Email written comments to:
publiccomment@auburnwa.gov

If an individual requires an accommodation to allow for remote oral comment because of a difficulty attending a meeting of the governing body, the City requests notice of the need for accommodation by 5:00 p.m. on the day of the scheduled meeting. Participants can request an accommodation to be able to provide remote oral comment by contacting the City Clerk's Office in person, by phone (253) 931-3039, or email to publiccomment@auburnwa.gov

C. Correspondence - (There is no correspondence for Council review.)

VIII. COUNCIL AD HOC COMMITTEE REPORTS

Council Ad Hoc Committee Chairs may report on the status of their ad hoc Council Committees' progress on assigned tasks and may give their recommendation to the City Council, if any.

1. Finance Ad Hoc Committee (Chair Baldwin)

IX. CONSENT AGENDA

All matters listed on the Consent Agenda are considered by the City Council to be routine and will be enacted by one motion in the form listed.

- A. Minutes of the November 6, 2023, City Council Meeting
- B. Minutes of the November 13, 2023, Study Session Meeting
- C. Claims Vouchers (Thomas)
Claims voucher list dated November 15, 2023 which includes voucher number 474048 through 474197, in the amount of \$4,726,371.13, two electronic fund transfers in the amount of \$2,065.01, and one wire transfer in the amount of \$680,656.06
- D. Payroll Voucher (Thomas)
Payroll check numbers 539535 through 539540 in the amount of \$84,273.03, electronic deposit transmissions in the amount of \$2,679,941.28, for a grand total of \$2,764,214.31 for the period covering November 2, 2023 to November 15, 2023

(RECOMMENDED ACTION: Move to approve the Consent Agenda.)

X. UNFINISHED BUSINESS

XI. NEW BUSINESS

XII. ORDINANCES

- A. Ordinance No. 6898 (Thomas)
An Ordinance amending Auburn City Code Chapters 3.53 and 3.54 related to City Business and Occupation (B&O) Tax, clarifying definitions and procedures, and updating provisions for consistency with State Law Changes

(RECOMMENDED ACTION: Move to approve Ordinance No. 6898.)
- B. Ordinance No. 6918 (Thomas)
An Ordinance amending the City's 2023-2024 Biennial Operating and Capital Budgets

(RECOMMENDED ACTION: Move to approve Ordinance No. 6918.)
- C. Ordinance No. 6919 (Thomas)
An Ordinance establishing the Levy for Regular Property Taxes by the City of Auburn for collection in 2024 for General City Operational Purposes in the amount of \$24,646,712

(RECOMMENDED ACTION: Move to approve Ordinance No. 6919.)

D. Ordinance No. 6921 (Thomas)

An Ordinance related to the Administration and Collection of City Imposed Taxes: (1) Moving and Consolidating Tax Administration Provisions from ACC Chapters 3.40, 3.41, 3.42, 3.52, 3.80, 3.84, and 3.88 into a new ACC Chapter 3.62; and (2) and adding new sections and repealing certain sections related to Tax Administration

(RECOMMENDED ACTION: Move to approve Ordinance No. 6921.)

E. Ordinance No. 6926 (Hinman)

An Ordinance amending Chapter 2.07 of the Auburn City Code relating to Auburn Junior City Council

(RECOMMENDED ACTION: Move to approve Ordinance No. 6926.)

XIII. RESOLUTIONS

A. Resolution No. 5747 (Gaub)

A Resolution authorizing the Mayor to execute an Interlocal Agreement between the City of Auburn and the Auburn School District for Public Street Features to support School Spirit

(RECOMENDED ACTION: Move to adopt Resolution No. 5747.)

XIV. MAYOR AND COUNCILMEMBER REPORTS

At this time the Mayor and City Council may report on significant items associated with their appointed positions on federal, state, regional and local organizations.

A. **From the Council**

B. **From the Mayor**

XV. 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:

Public Hearing for Ordinance No.
6918 (Thomas)

Date:

November 13, 2023

Department:

Finance

Attachments:

No

**Attachments
Available**

Budget Impact:

Table 1: 2023 Budget as Amended

2023 Amended Budget	\$ 491,843,555
Budget Amendment #3 (Ord #6918)	<u>12,875,429</u>
Budget as Amended	\$ 504,718,984

Table 2: 2024 Budget as Amended

2024 Adopted Budget	\$ 398,055,335
Budget Amendment #3 (Ord #6918)	<u>5,700,563</u>
Budget as Amended	\$ 403,755,898

Administrative Recommendation:

City Council to conduct a public hearing on November 20, 2023, to receive public comments, proposals, and suggestions with regard to the 2023-2024 Mid-Biennial Budget Amendment #3.

Background for Motion:**Background Summary:**

Ordinance No. 6918 (Budget Amendment #3) represents the third amendment for the 2023-2024 biennium. The third budget amendment of the biennium consists of adjustments to budgeted beginning fund balances, updates to 2024 General Fund revenue projections, the continuation of ongoing 2023 budget requests in 2024, adjustment of capital project budgets, adjustments to existing programs and limited new requests for budget authority.

For details, see the attached transmittal memorandum and supporting materials.

Reviewed by Council Committees:

Councilmember: Baldwin

Staff:

Thomas

Meeting Date: November 20, 2023

Item Number:

PH.1



AGENDA BILL APPROVAL FORM

Agenda Subject:

Public Hearing for Ordinance No. 6919 (Thomas)

Date:

November 13, 2023

Department:

Finance

Attachments:

No Attachments Available

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

City Council to hold a public hearing in consideration of Ordinance No. 6919 - 2024 Property Tax Levy.

Background for Motion:**Background Summary:**

Proposed Ordinance No. 6919 establishes the 2024 Property Tax levy based on the assessed valuations provided by King County. It represents a 1% increase over 2023, plus banked capacity, plus one-time increases due to new construction and refunds. The following table summarizes the 2024 Property Tax Levy calculation.

Table 1 - 2024 Property Tax Levy Calculation	
2023 Levy	\$ 24,357,904
1% Increase	243,579
Banked Capacity	45,229
2024 Levy	\$ 24,646,712
Plus: Estimated New Construction	127,674
Plus: Estimated Refund Levy	170,862
Total 2024 Property Tax	\$ 24,945,248

As of this date, the County has preliminarily established the 2024 assessed valuation (including estimated new construction) for the City of Auburn at \$17.7 billion, which is a 1% increase over the 2023 assessed value of \$17.5 billion. The 2024 Property Tax Levy will be distributed to the General Fund to support general governmental operations.

Reviewed by Council Committees:

Councilmember: Baldwin

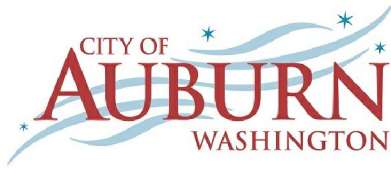
Staff:

Thomas

Meeting Date: November 20, 2023

Item Number:

PH.2



AGENDA BILL APPROVAL FORM

Agenda Subject:

Minutes of the November 6, 2023, City Council Meeting

Department:

City Council

Attachments:

[November 6, 2023 Minutes](#)

Date:

November 15, 2023

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

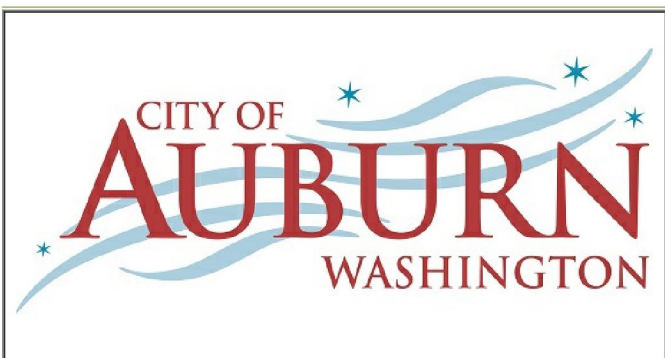
Revised Budget: \$0

Administrative Recommendation:**Background for Motion:****Background Summary:****Reviewed by Council Committees:****Councilmember:**

Meeting Date: November 20, 2023

Staff:

Item Number: CA.A

	City Council Meeting November 6, 2023 - 7:00 PM City Hall Council Chambers MINUTES Watch the meeting LIVE! Watch the meeting video Meeting videos are not available until 72 hours after the meeting has concluded.
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I. CALL TO ORDER

II. LAND ACKNOWLEDGMENT

III. PUBLIC PARTICIPATION

1. Public Participation

The City Council Meeting was held in person and virtually.

A. Pledge of Allegiance

Mayor Nancy Backus called the meeting to order at 7:00 p.m. in the Council Chambers of Auburn City Hall, 25 West Main Street and led those in attendance in the Pledge of Allegiance.

IV. Roll Call

Councilmembers present: Deputy Mayor James Jeyaraj, Bob Baggett, Kate Baldwin, Larry Brown, Robyn Mulenga, Cheryl Rakes, and Yolonda Trout-Manuel.

Mayor Nancy Backus, Directors, and the following staff members present included: Acting City Attorney Harry Boesche, Chief of Police Mark Caillier, Director of Finance Jamie Thomas, Director of Administration Dana Hinman, Director of Parks, Arts, and Recreation Daryl Faber, Director of Diversity, Equity, and Inclusion Brenda Goodson-Moore, Utility Billing Services Manager Joan Nelson, Business Systems Analyst Chrissy Malave, and City Clerk Shawn Campbell.

V. APPOINTMENTS

A. Arts Commission

City Council to approve the appointment of Mateo Acuna to the Auburn Arts Commission 2024-26 Poet Laureate honorary position for a three year term beginning January 1, 2024 and expiring December 31, 2026

Councilmember Trout-Manuel moved and Councilmember Baldwin seconded to appoint Mateo Acuna to the Auburn Arts Commission 2024-

2026 Poet Laureate honorary position for a three year term beginning January 1, 2024 and expiring December 31, 2026.

MOTION CARRIED UNANIMOUSLY. 7-0

VI. ANNOUNCEMENTS, MAYOR'S PROCLAMATIONS, AND PRESENTATIONS

A. Small Business Saturday

Mayor Backus proclaimed Saturday, November 25, 2023 as "Small Business Saturday" in the City of Auburn.

Councilmember Rakes and members of the Auburn Downtown Association accepted the proclamation and thanked the Mayor and Council for their support.

B. Native American Heritage Month

Mayor Backus proclaimed November 2023 as "Native American Heritage Month" in the City of Auburn.

C. Purple Heart City

Mayor Backus proclaimed the City of Auburn as a "Purple Heart City".

Robert Olivarez, National Senior Vice Commander at the Military Order of the Purple Heart of the USA, accepted the proclamation and thanked the Mayor and Council for their support.

VII. AGENDA MODIFICATIONS

There were no modifications to the agenda.

VIII. CITIZEN INPUT, PUBLIC HEARINGS AND CORRESPONDENCE

A. Audience Participation

This is the place on the agenda where the public is invited to speak to the City Council on any issue.

1. The public can participate in-person or submit written comments in advance.

Written Comments:

Tzachi Litov

Tzachi expressed concerns on the Hamas attacks, the Palestine people, and the Jewish Community.

In-Person Comments:

Tracy Taylor Auburn, WA

Tracey expressed concerns regarding Board and Commission

member attendance.

Mateo Acuna

Mateo read a poem they wrote regarding community.

Linda Redman Auburn, WA

Linda expressed concerns regarding the World Health Organization.

Suggested playing acoustic music on public radio and outdoor displays.

Robert Olivarez Marysville, WA

Robert encouraged the City to fly the Purple Heart flag on National Purple Heart Day.

B. Correspondence

There was no correspondence for Council to review.

IX. COUNCIL AD HOC COMMITTEE REPORTS

Council Ad Hoc Committee Chairs may report on the status of their ad hoc Council Committees' progress on assigned tasks and may give their recommendation to the City Council, if any.

1. Finance Ad Hoc Committee (Chair Baldwin)

Councilmember Baldwin, Chair of the Finance Ad Hoc Committee, reported she and Councilmember Baggett have reviewed the claims and payroll vouchers described on the agenda this evening and recommended their approval.

X. CONSENT AGENDA

All matters listed on the Consent Agenda are considered by the City Council to be routine and will be enacted by one motion in the form listed.

A. Minutes of the October 16, 2023, Regular City Council Meeting

B. Minutes of the October 23, 2023, Special City Council Meeting

C. Minutes of the October 23, 2023, Study Session Meeting

D. Claims Vouchers (Thomas)

Claims voucher list dated November 1, 2023 which includes voucher number 473863 through 474047, in the amount of \$4,330,545.10, six electronic fund transfer in the amount of \$3,088.94, and ten wire transfers in the amount of \$3,513,254.89

E. Payroll Voucher (Thomas)

Payroll check numbers 539533 through 359534 in the amount of \$618,105.86, electronic deposit transmissions in the amount of \$2,454,964.18, for a grand total of \$3,073,070.04 for the period covering October 12, 2023 to November 1, 2023

Deputy Mayor Jeyaraj moved and Councilmember Trout-Manuel seconded to approve the consent agenda.

MOTION CARRIED UNANIMOUSLY. 7-0

XI. UNFINISHED BUSINESS

There was no unfinished business.

XII. NEW BUSINESS

There was no new business.

XIII. ORDINANCES

A. Ordinance No. 6920 (Thomas)

An Ordinance amending Section 8.08.180 of the Auburn City Code relating to Solid Waste Collection Charges

Councilmember Baldwin moved and Councilmember Rakes seconded to approve Ordinance No. 6920.

MOTION CARRIED UNANIMOUSLY. 7-0

XIV. RESOLUTIONS

A. Resolution No. 5744 (Hinman)

A Resolution adopting the 2024 State Legislative Agenda

Councilmember Trout-Manuel moved and Councilmember Baggett seconded to adopt Resolution No. 5744.

MOTION CARRIED UNANIMOUSLY. 7-0

XV. MAYOR AND COUNCILMEMBER REPORTS

At this time the Mayor and City Council may report on significant items associated with their appointed positions on federal, state, regional and local organizations.

A. From the Council

Councilmember Trout-Manuel reported she met with the National League of Cities HELO Committee.

B. From the Mayor

Mayor Backus reported she attended Lela Brugger's memorial. She reminded everyone Saturday November 11, 2023, is the Auburn Veterans Day Parade and encouraged everyone to attend.

XVI. ADJOURNMENT

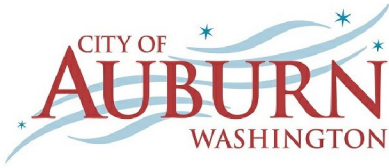
There being no further business to come before the Council, the meeting was adjourned at 7:35 p.m.

APPROVED this 20th day of November, 2023.

NANCY BACKUS, MAYOR

Shawn Campbell, City Clerk

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:

Minutes of the November 13, 2023, Study Session Meeting

Department:

City Council

Attachments:

[November 13, 2023 Minutes](#)

Date:

November 15, 2023

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

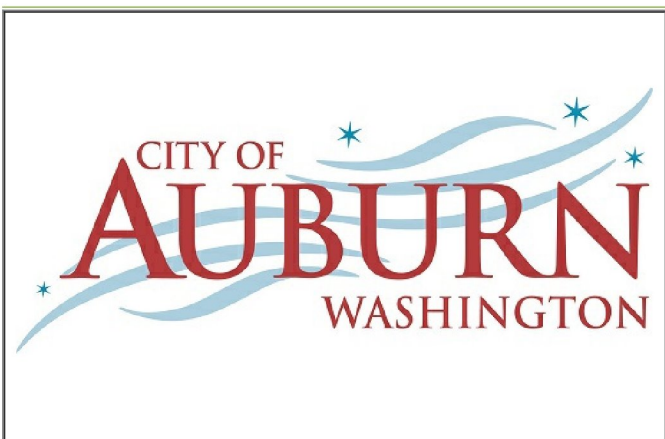
Revised Budget: \$0

Administrative Recommendation:**Background for Motion:****Background Summary:****Reviewed by Council Committees:****Councilmember:**

Meeting Date: November 20, 2023

Staff:

Item Number: CA.B

	City Council Study Session Finance, Technology and Economic Development Special Focus Area November 13, 2023 - 5:30 PM City Hall Council Chambers MINUTES Watch the meeting LIVE! Watch the meeting video Meeting videos are not available until 72 hours after the meeting has concluded.
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I. CALL TO ORDER

Councilmember Baldwin called the meeting to order at 5:30 p.m. in the Council Chambers of Auburn City Hall, 25 West Main Street.

II. PUBLIC PARTICIPATION

A. Public Participation

The City Council Meeting was held in person and virtually.

B. Roll Call

Councilmembers present: Bob Baggett, Kate Baldwin, Larry Brown, Cheryl Rakes, and Yolonda Trout-Manuel. Deputy Mayor James Jeyaraj and Councilmember Robyn Mulenga were excused.

Mayor Nancy Backus, Directors, and the following staff members present included: Acting City Attorney Harry Boesche, Assistant Chief of Police Samuel Betz, Director of Administration Dana Hinman, Director of Public Works Ingrid Gaub, Director of Community Development Jeff Tate, Director of Parks, Arts, and Recreation Daryl Faber, Senior Planner Josh Steiner, Senior Planner Alexandria Teague, Planner II Alyssa Tatro, Chief Equity Officer Brenda Goodson-Moore, Planning Services Manager Jeff Dixon, Senior Planner Dinah Reed, Business Systems Analyst Chrissy Malave, Deputy City Clerk Rebecca Wood-Pollock, and City Clerk Shawn Campbell.

III. AGENDA MODIFICATIONS

There were no agenda modifications.

IV. ANNOUNCEMENTS, REPORTS, AND PRESENTATIONS

A. REDI Report Out

Councilmember Brown provided a report on the REDI Coalition's purpose. Council discussed the importance of the REDI Coalition.

V. AGENDA ITEMS FOR COUNCIL DISCUSSION

A. Ordinance No. 6922 (Tate) (30 Minutes)

An Ordinance relating to Planning; Adopting 2020 Annual Comprehensive Plan Map and Text Amendments pursuant to the provisions of RCW Chapter 36.70A and Adopting Corresponding Rezones related to Certain Map Amendments

Senior Planner Steiner provided Council with an overview of Ordinance No. 6922 including the 2023 Annual Comprehensive Plan Amendments. He discussed the purpose of the Comprehensive Plan, updates to the Capital Facilities Plan for the school districts, Plan Text Amendments, and Map Amendments.

Senior Planner Teague shared details regarding the City-Initiated Comprehensive Plan Text and Map Amendment #1 for the Bridges area, including an overview area and its proposed map amendments, different residential zoning and housing types, the public hearing process, and zoning and land use designations.

Planner II Tatro provided Council with Comprehensive Plan Map Amendment #2 including Private-Initiated Comprehensive Plan Map Amendments, changes in land use designations, an overview of the MultiCare site, and proposed land use and zoning amendments.

Senior Planner Reed shared the Comprehensive Plan Map Amendment #3 regarding the Comprehensive Plan Land Use Map, including changes in zoning and land use designations, an overview of the Auburn Dairy property, and the conceptual plan for new development.

Senior Planner Steiner provided Council with the Planning Commission's recommendation to approve the Comprehensive Plan Text and Map Amendments.

Council discussed the Private-Initiated Amendment regarding the MultiCare property, the number of applicants for the map amendments, the urban separator portion of the Bridges area, potential capacity expected after zoning amendments, rezoning on the Auburn Dairy property, and public comment on the Comprehensive Plan Amendments.

B. Ordinance No. 6925 (Tate) (5 Minutes)

An Ordinance amending Sections 19.02.115, 19.02.120, 19.02.130 and 19.02.140 of the Auburn City Code relating to School Impact Fees

Senior Planner Steiner provided Council with an overview of Ordinance No. 6925 regarding the 2024 School Impact Fees for the Auburn, Dieringer, Federal Way, and Kent School Districts. He shared details of the Capital Facilities Plan and the Pierce County Maximum Fee Obligation.

Council discussed the reasoning behind expected decrease in student

enrollment, the calculation for school impact fees, and the difference between multifamily and single-family costs.

C. Ordinance No. 6926 (Hinman) (15 Minutes)

An Ordinance amending Chapter 2.07 of the Auburn City Code relating to Auburn Junior City Council

Director Hinman provided Council with an overview of Ordinance No. 6926 including an overview of the Auburn Junior City Council. Junior City Council Chair, Emily Helms, shared the proposed amendments to the City Code regarding membership for Auburn students, including expanding the eligibility to Auburn students who are not residents of the City, and total number of seats on the Junior City Council.

Council discussed inclusion of other schools outside of Auburn and homeschooled students, appointment of an Algona resident onto the Junior City Council and potential agenda modifications, goals for Junior Council membership, and participation and travel to conferences.

D. 2024 Comprehensive Plan Update (Tate) (20 Minutes)

Senior Planner Steiner provided Council with an overview of the 2024 Comprehensive Plan Update including an overview of the purpose and scope of the Comprehensive Plan, targets for increases in population and housing unit needs, and an overview of the Comprehensive Plan Elements. He shared details regarding the Land Use Element changes, the Auburn Downtown Plan Update, housing and development changes, the Climate Elements, and the next steps in the process.

Council discussed public comment regarding new construction, middle housing and parking requirements, the Downtown Urban Center Plan, the Business Improvement Area, space for businesses and housing in downtown Auburn, job creation, and environmental impacts.

Chair Baldwin recessed the meeting at 7:18 for five minutes.

Chair Baldwin reconvened the meeting at 7:23 p.m.

VI. FINANCE AND INTERNAL SERVICES DISCUSSION ITEMS

A. 2023/2024 Mid-Biennial Budget Review (Thomas) (15 Minutes)

Director Thomas provided Council with an overview of the 2023-2024 Mid-Biennial Budget Review including the major General Fund revenue sources and the 2024 General Fund revenue realignment and the 2024 Preliminary Property Tax Levy. She also addressed Ordinance 6918 amending the Mid-Biennial Budget, and Ordinance 6919 including the General Fund and other funds.

Council discussed new police vehicles, budget projections for 2025-2026,

and a potential recession.

B. Ordinance No. 6918 (Thomas) (15 Minutes)

An Ordinance amending the City's 2023-2024 Biennial Operating and Capital Budgets

See Item VI.A.

C. Ordinance No. 6919 (Thomas) (5 Minutes)

An Ordinance establishing the Levy for Regular Property Taxes by the City of Auburn for collection in 2024 for General City Operational Purposes in the amount of \$24,646,712

See Item VI.A.

D. Ordinance No. 6921 (Thomas) (5 Minutes)

An Ordinance related to the Administration and Collection of City Imposed Taxes: (1) Moving and Consolidating Tax Administration Provisions from ACC Chapters 3.40, 3.41, 3.42, 3.52, 3.80, 3.84, and 3.88 into a new ACC Chapter 3.62; and (2) and adding new sections and repealing certain sections related to Tax Administration

Director Thomas provided Council with an overview of Ordinance No. 6921 including the administrative code for certain City taxes.

E. Ordinance No. 6898 (Thomas) (30 Minutes)

An Ordinance amending Auburn City Code Chapters 3.53 and 3.54 related to City Business and Occupation (B&O) Tax, Clarifying Definitions and Procedures, and Updating Provisions for Consistency with State Law Changes

Director Thomas provided Council with an overview of Ordinance No. 6898 including adding language to clarify the B&O Tax code and administrative provisions.

VII. ADJOURNMENT

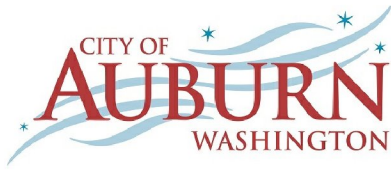
There being no further business to come before the Council, the meeting was adjourned at 8:03 p.m.

APPROVED this 20th day of November 2023.

JAMES JEYARAJ, DEPUTY MAYOR

Rebecca Wood-Pollock,
Deputy City Clerk

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AGENDA BILL APPROVAL FORM

Agenda Subject:

Claims Vouchers (Thomas)

Date:

November 7, 2023

Department:

Finance

Attachments:

No Attachments Available

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

Approve Claim Vouchers.

Background for Motion:**Background Summary:**

Claims voucher list dated November 15, 2023 which includes voucher number 474048 through 474197, in the amount of \$4,726,371.13, two electronic fund transfers in the amount of \$2,065.01, and one wire transfer in the amount of \$680,656.06.

Reviewed by Council Committees:

Councilmember: Baldwin

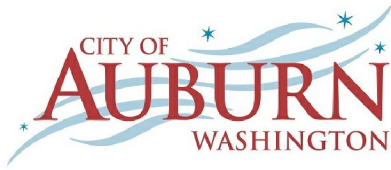
Staff:

Thomas

Meeting Date: November 20, 2023

Item Number:

CA.C



AGENDA BILL APPROVAL FORM

Agenda Subject:

Payroll Voucher (Thomas)

Date:

November 7, 2023

Department:

Finance

Attachments:

No Attachments Available

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:**Background for Motion:**

Approve Payroll Vouchers.

Background Summary:

Payroll check numbers 539535 through 539540 in the amount of \$84,273.03, electronic deposit transmissions in the amount of \$2,679,941.28, for a grand total of \$2,764,214.31 for the period covering November 2, 2023 to November 15, 2023.

Reviewed by Council Committees:

Councilmember: Baldwin

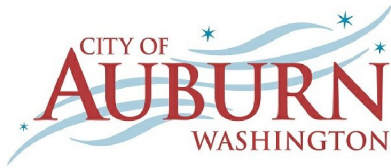
Staff:

Thomas

Meeting Date: November 20, 2023

Item Number:

CA.D



AGENDA BILL APPROVAL FORM

Agenda Subject:

Ordinance No. 6898 (Thomas)

Date:

November 13, 2023

Department:

Finance

Attachments:

[Ordinance No. 6898 Amendments to the B&O](#)

[Code](#)

[Exhibit A 3-53](#)

[Exhibit B 3-54](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

City Council to approve Ordinance No. 6898.

Background for Motion:

Ordinance No. 6898 amends sections of the City's Business and Occupation Tax code and Administrative Code to add definitions, alignment, and more clarity for tax reporting requirements.

Background Summary:

Ordinance No. 6898 amends ACC 3.53 Business and Occupation Tax and ACC 3.54 Business and Occupation Tax Administrative Provisions. These changes and three new definitions; add clarity to several existing definitions; establish exemption thresholds for organizations receiving contributions from DSHS; add clarity for reporting requirements (thresholds, reporting periods, authorized tax forms, and non-reporting status); and to add clarity for waiver provisions.

Reviewed by Council Committees:

Councilmember: Baldwin

Staff: Thomas

Meeting Date: November 20, 2023

Item Number: ORD.A

ORDINANCE NO. 6898

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON AMENDING AUBURN CITY CODE CHAPTERS 3.53 AND 3.54 RELATED TO CITY BUSINESS AND OCCUPATION (B&O) TAX, CLARIFYING DEFINITIONS AND PROCEDURES, AND UPDATING PROVISIONS FOR CONSISTENCY WITH STATE LAW CHANGES

WHEREAS, in 2021 the City enacted its business and occupations (B&O) tax code (ACC 3.53), and its corresponding B&O tax administrative code (ACC 3.54);

WHEREAS, following ongoing review and practical application, the City's Finance Department has determined that these ACC chapters need revisions:

- (1) clarifying the definitions of existing terms and adding definitions to assist taxpayers and the City in administering and collecting B&O taxes;
- (2) refining B&O tax collection procedures to clarify City B&O tax exemptions for taxpayers and to give the City's Finance Department greater flexibility in administering interest and penalties in B&O tax collection;
- (3) updating language within the City's B&O codes to match recent State law changes regarding B&O taxation; and
- (4) making additional needed technical revisions and corrections to the code;

WHEREAS, these revisions and additions to ACC 3.53 and 3.54 will enable greater clarity and precision in the administration and implementation of the City's B&O tax code, and they are in the best interest of the City, its business community and its B&O taxpayers.

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

Section 1. Amendment to City Code. Chapter 3.53 of the Auburn City Code is amended to read as set forth in Exhibit A to this Ordinance.

Section 2. Amendment to City Code. Chapter 3.54 of the Auburn City Code is amended to read as set forth in Exhibit B to this Ordinance.

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. Except for the Exhibit A revisions to ACC 3.53.090 (that take effect on January 1, 2024), 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:

APPROVED AS TO FORM:

Shawn Campbell, MMC, City Clerk

Harry Boesche, Acting City Attorney

Published: _____

ORD. 6898—Exhibit A

ACC 3.53.020 Definitions.

In construing the provisions of this chapter, the following definitions shall be applied. Words in the singular number shall include the plural, and the plural shall include the singular.

A. ~~Adult Family Home~~—“Adult family home” means a residential home licensed by the Washington State Department of Social and Health Services (~~DSHS~~) pursuant to Chapter 70.128 RCW in which a person or persons provides personal care, special care, room and board to more than one but not more than six adults who are not related by blood or marriage to the person or persons providing the services.

B. ~~“Advance,” “Reimbursement.”~~

1. “Advance” means money or credits a taxpayer receives from a customer or client for the purpose of paying costs or fees on behalf of the customer or client.

2. “Reimbursement” means money or credits a taxpayer receives from a customer or client to repay the taxpayer for money or credits expended by the taxpayer in payment of costs or fees of the customer or client.

C. ~~“Agricultural Product,” “Farmer.”~~

1. “Agricultural product” means any product of plant cultivation or animal husbandry including, but not limited to: a product of horticulture, grain cultivation, vermiculture, viticulture, or aquaculture as defined in RCW 15.85.020; plantation Christmas trees; turf; or any animal including but not limited to an animal that is a private sector cultured aquatic product as defined in RCW 15.85.020, or a bird, or insect, or the substances obtained from such animal. “Agricultural product” does not include animals intended to be pets, marijuana, or marijuana-infused products as defined by RCW 69.50.101(y) and (ff)).

2. “Farmer” means any person engaged in the business of growing or producing, upon the person’s own lands or upon lands in which the person has a present right of possession, any agricultural product whatsoever for sale. “Farmer” does not include a person using such products as ingredients in a manufacturing process, or a person growing or producing such products for the person’s own consumption. “Farmer” does not include a person selling any animal or substance obtained therefrom in connection with the person’s business of operating a stockyard or a slaughter or packing house. “Farmer” does not include any person in respect to the business of taking, cultivating, or raising timber. “Farmer” does not include any person engaged in the business of growing, producing, processing, selling or distributing marijuana.

D. ~~“Artistic or Cultural Organization.”~~

1. The term “artistic or cultural organization” means an organization which is organized and operated exclusively for the purpose of providing artistic or cultural exhibitions, presentations, or performances or cultural or art education programs, as defined in subsection (D)(10) of this section, for viewing or attendance by the general public.
2. The organization must be a not-for-profit corporation under Chapter 24.03 RCW.
3. The organization must be managed by a governing board of not less than eight individuals none of whom is a paid employee of the organization or by a corporation sole under Chapter 24.12 RCW.
4. No part of its income may be paid directly or indirectly to its members, stockholders, officers, directors, or trustees except in the form of services rendered by the corporation in accordance with its purposes and bylaws.
5. Salary or compensation paid to its officers and executives must be only for actual services rendered, and at levels comparable to the salary or compensation of like positions within the state.
6. Assets of the organization must be irrevocably dedicated to the activities for which the exemption is granted and, on the liquidation, dissolution, or abandonment by the organization, may not inure directly or indirectly to the benefit of any member or individual except a nonprofit organization, association, or corporation which also would be entitled to the exemption.
7. The organization must be duly licensed or certified when licensing or certification is required by law or regulation.
8. The amounts received that qualify for exemption must be used for the activities for which the exemption is granted.
9. Services must be available regardless of race, color, national origin, ancestry, religion, age, sex, marital status, Vietnam or disabled veteran status, sexual orientation, or the presence of any mental or physical disability.
10. The term “artistic or cultural exhibitions, presentations, or performances or cultural or art education programs” is limited to:
 - a. An exhibition or presentation of works of art or objects of cultural or historical significance, such as those commonly displayed in art or history museums;
 - b. A musical or dramatic performance or series of performances; or
 - c. An educational seminar or program, or series of such programs, offered by the organization to the general public on an artistic, cultural, or historical subject.

E. "Assisted living facility" means any home or other institution, however named, which is advertised, announced, or maintained for the express or implied purpose of providing housing, basic services, and assuming general responsibility for the safety and well-being of the residents, and may also provide domiciliary care. "Assisted living facility" shall not include facilities certified as group training homes pursuant to RCW 71A.22.040, nor any home, institution or section thereof which is otherwise licensed and regulated under the provisions of state law providing specifically for the licensing and regulation of such home, institution or section thereof. Nor shall it include any independent senior housing, independent living units in continuing care retirement communities, or other similar living situations including those subsidized by the Department of Housing and Urban Development.

F. "Athletic or fitness facility" means an indoor or outdoor facility or portion of a facility that is primarily used for: Exercise classes; strength and conditioning programs; personal training services; tennis, racquetball, handball, squash, or pickleball; or other activities requiring the use of exercise or strength training equipment, such as treadmills, elliptical machines, stair climbers, stationary cycles, rowing machines, Pilates equipment, balls, climbing ropes, jump ropes, and weightlifting equipment.

GF. "Business" includes all activities engaged in with the object of gain, benefit, or advantage to the taxpayer or to another person or class, directly or indirectly.

HG. "Business and occupation tax" or "gross receipts tax" means a tax imposed on or measured by the value of products, the gross income of the business, or the gross proceeds of sales, as the case may be, and that is the legal liability of the business.

IH. "City" means the city of Auburn, Washington.

JL. "Commercial or industrial use" means the following uses of products, including by-products, by the extractor or manufacturer thereof:

1. Any use as a consumer; and
2. The manufacturing of articles, substances or commodities.

KJ. "Competitive telephone service" means the providing by any person of telecommunications equipment or apparatus, or service related to that equipment or apparatus such as repair or maintenance service, if the equipment or apparatus is of a type which can be provided by persons that are not subject to regulation as telephone companies under RCW Title 80 and for which a separate charge is made.

LK. "Consumer" means the following:

1. Any person who purchases, acquires, owns, holds, or uses any tangible or intangible personal property irrespective of the nature of the person's business. "Consumer" includes, among others and without limiting its scope, persons who install, repair, clean,

alter, improve, construct, or decorate real or personal property of or for a consumer other than for the purpose of:

- a. Resale as tangible or intangible personal property in the regular course of business;
 - b. Incorporating such property as an ingredient or component of real or personal property when installing, repairing, cleaning, altering, imprinting, improving, constructing, or decorating such real or personal property of or for consumers;
 - c. Incorporating such property as an ingredient or component of a new product or as a chemical used in processing a new product when the primary purpose of such chemical is to create a chemical reaction directly through contact with an ingredient of a new product; or
 - d. Consuming the property in producing ferrosilicon which is subsequently used in producing magnesium for sale, if the primary purpose of such property is to create a chemical reaction directly through contact with an ingredient of ferrosilicon;
2. Any person engaged in any business activity that is taxable under ACC 3.53.040;
 3. Any person who purchases, acquires, or uses any competitive telephone service as herein defined, other than for resale in the regular course of business;
 4. Any person who purchases, acquires, or uses any personal, business, or professional service defined as a retail sale or retail service in this section, other than for resale in the regular course of business;
 5. Any person who is an end user of software;
 6. Any person engaged in the business of "public road construction" with respect to tangible personal property when that person incorporates the tangible personal property as an ingredient or component of a publicly owned street, place, road, highway, easement, right-of-way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle by installing, placing, or spreading the property in or upon the right-of-way of a publicly owned street, place, road, highway, easement, bridge, tunnel, or trestle, or in or upon the site of a publicly owned mass public transportation terminal or parking facility;
 7. Any person who is an owner, lessee, or has the right of possession to or an easement in real property which is being constructed, repaired, decorated, improved, or otherwise altered by a person engaged in business;
 8. Any person who is an owner, lessee, or has the right of possession to personal property which is being constructed, repaired, improved, cleaned, imprinted, or otherwise altered by a person engaged in business; or

9. Any person engaged in “government contracting.” Any such person shall be a consumer within the meaning of this subsection with respect to tangible personal property incorporated into, installed in, or attached to such building or other structure by such person. Nothing contained in this or any other subsection of this section shall be construed to modify any other definition of “consumer.”

ML. “Delivery” means the transfer of possession of tangible personal property between the seller and the buyer or the buyer’s representative. Delivery to an employee of a buyer is considered delivery to the buyer. Transfer of possession of tangible personal property occurs when the buyer or the buyer’s representative first takes physical control of the property or exercises dominion and control over the property. “Dominion and control” means the buyer has the ability to put the property to the buyer’s own purposes. It means the buyer or the buyer’s representative has made the final decision to accept or reject the property, and the seller has no further right to possession of the property and the buyer has no right to return the property to the seller, other than under a warranty contract. A buyer does not exercise dominion and control over tangible personal property merely by arranging for shipment of the property from the seller to itself. A buyer’s representative is a person, other than an employee of the buyer, who is authorized in writing by the buyer to receive tangible personal property and take dominion and control by making the final decision to accept or reject the property. Neither a shipping company nor a seller can serve as a buyer’s representative. It is immaterial where the contract of sale is negotiated or where the buyer obtains title to the property. Delivery terms and other provisions of the Uniform Commercial Code (RCW Title 62A) do not determine when or where delivery of tangible personal property occurs for purposes of taxation.

NM. “Director” means the finance director of the city or any officer, agent or employee of the city designated to act on the director’s behalf.

ON. “Digital automated service,” “digital code” and “digital goods” have the same meaning as in RCW 82.04.192.

PO. “Digital products” means digital goods, digital codes, digital automated services, and the services described in RCW 82.04.050(2)(q) and (6)(b).

QP. ~~Eligible Gross Receipts Tax.~~ The term “eEligible gross receipts tax” means a tax which:

1. Is imposed on the act or privilege of engaging in business activities within section ACC 3.53.040; and
2. Is measured by the gross volume of business, in terms of gross receipts, and is not an income tax or value added tax; and
3. Is not, pursuant to law or custom, separately stated from the sales price; and

4. Is not a sales or use tax, business license fee, franchise fee, royalty or severance tax measured by volume or weight, or concession charge, or payment for the use and enjoyment of property, property right or a privilege; and
5. Is a tax imposed by a local jurisdiction, whether within or without the state of Washington, and not by a country, state, province, or any other nonlocal jurisdiction above the county level.

RQ. “Engaging in Business.”

1. The term “engaging in business” means commencing, conducting, or continuing in business, and also the exercise of corporate or franchise powers, as well as liquidating a business when the liquidators thereof hold themselves out to the public as conducting such business.
2. This subsection sets forth examples of activities that constitute engaging in business in the city, and establishes safe harbors for certain of those activities so that a person who meets the criteria may engage in de minimis business activities in the city without having to register and obtain a business license or pay city business and occupation taxes. The activities listed in this section are illustrative only and are not intended to narrow the definition of “engaging in business” in subsection (**RQ**)(1) of this section. If an activity is not listed, whether it constitutes engaging in business in the city shall be determined by considering all the facts and circumstances and applicable law.
3. Without being all inclusive, any one of the following activities conducted within the city by a person, or its employee, agent, representative, independent contractor, broker or another acting on its behalf constitutes engaging in business and requires a person to register and obtain a business license:
 - a. Owning, renting, leasing, maintaining, or having the right to use, or using, tangible personal property, intangible personal property, or real property permanently or temporarily located in the city.
 - b. Owning, renting, leasing, using, or maintaining an office, place of business, or other establishment in the city.
 - c. Soliciting sales.
 - d. Making repairs or providing maintenance or service to real or tangible personal property, including warranty work and property maintenance.
 - e. Providing technical assistance or service, including quality control, product inspections, warranty work, or similar services on or in connection with tangible personal property sold by the person or on its behalf.

- f. Installing, constructing, or supervising installation or construction of, real or tangible personal property.
 - g. Soliciting, negotiating, or approving franchise, license, or other similar agreements.
 - h. Collecting current or delinquent accounts.
 - i. Picking up and transporting tangible personal property, solid waste, construction debris, or excavated materials.
 - j. Providing disinfecting and pest control services, employment and labor pool services, home nursing care, janitorial services, appraising, landscape architectural services, security system services, surveying, and real estate services including the listing of homes and managing real property.
 - k. Rendering professional services such as those provided by accountants, architects, attorneys, auctioneers, consultants, engineers, professional athletes, barbers, baseball clubs and other sports organizations, chemists, psychologists, court reporters, dentists, doctors, detectives, laboratory operators, teachers, veterinarians.
 - l. Meeting with customers or potential customers, even when no sales or orders are solicited at the meetings.
 - m. Training or recruiting agents, representatives, independent contractors, brokers or others, domiciled or operating on a job in the city, acting on its behalf, or for customers or potential customers.
 - n. Investigating, resolving, or otherwise assisting in resolving customer complaints.
 - o. In-store stocking or manipulating products or goods, sold to and owned by a customer, regardless of where sale and delivery of the goods took place.
 - p. Delivering goods in vehicles owned, rented, leased, used, or maintained by the person or another person acting on its behalf.
4. If a person, or their employee, agent, representative, independent contractor, broker or another acting on the person's behalf, engages in no other activities in or with the city but the following, it need not register and obtain a business license and pay tax:
- a. Meeting with suppliers of goods and services as a customer.
 - b. Meeting with government representatives in their official capacity, other than those performing contracting or purchasing functions.
 - c. Attending meetings, such as board meetings, retreats, seminars, and conferences, or other meetings wherein the person does not provide training in connection with

tangible personal property sold by the person or on its behalf. This provision does not apply to any board of directors member or attendee engaging in business such as a member of a board of directors who attends a board meeting.

d. Renting tangible or intangible property as a customer when the property is not used in the city.

e. Attending, but not participating in, a “trade show” or “multiple vendor events.” Persons participating at a trade show shall review Chapter 2.23 ACC, Special Event Permits.

f. Conducting advertising through the mail.

g. Soliciting sales by phone from a location outside the city.

5. A seller located outside the city merely delivering goods into the city by means of common carrier is not required to register and obtain a business license; provided, that it engages in no other business activities in the city. Such activities do not include those in subsection (~~RQ~~)(4) of this section.

6. The city expressly intends that engaging in business include any activity sufficient to establish nexus for purposes of applying the tax under the law and the Constitutions of the United States and the state of Washington. Nexus is presumed to continue as long as the taxpayer benefits from the activity that constituted the original nexus-generating contact or subsequent contacts.

~~SR~~. “Extracting” is the activity engaged in by an extractor and is reportable under the extracting classification.

~~TS~~. “Extractor.”

1. “Extractor” means every person who from the person’s own land or from the land of another under a right or license granted by lease or contract, either directly or by contracting with others for the necessary labor or mechanical services, for sale or for commercial or industrial use, mines, quarries, takes or produces coal, oil, natural gas, ore, stone, sand, gravel, clay, mineral or other natural resource product; or fells, cuts or takes timber, Christmas trees, other than plantation Christmas trees, or other natural products; or takes fish, shellfish, or other sea or inland water foods or products.

2. “Extractor” does not include persons performing under contract the necessary labor or mechanical services for others; ~~or~~ persons meeting the definition of “farmer:” under RCW 82.04.213, or persons producing cannabis.

3. When an “extractor” is also a “manufacturer” under this chapter, the principles of WAC 458-20-135 (as now enacted or hereafter amended) shall apply.

UT. “Extractor for hire” means a person who performs under contract necessary labor or mechanical services for an extractor.

VU. “Gross income of the business” means the value proceeding or accruing by reason of the transaction of the business engaged in and includes gross proceeds of sales, compensation for the rendition of services, gains realized from trading in stocks, bonds, or other evidences of indebtedness, interest, discount, rents, royalties, fees, commissions, dividends, and other emoluments however designated, all without any deduction on account of the cost of tangible property sold, the cost of materials used, labor costs, interest, discount, delivery costs, taxes, or any other expense whatsoever paid or accrued and without any deduction on account of losses.

WV. “Gross proceeds of sales” means the value proceeding or accruing from the sale of tangible personal property, digital goods, digital codes, digital automated services or for other services rendered, without any deduction on account of the cost of property sold, the cost of materials used, labor costs, interest, discount paid, delivery costs, taxes, or any other expense whatsoever paid or accrued and without any deduction on account of losses.

XW. “Gross receipts” has the same meaning as gross income.

YX. “Hospital” means any institution, place, building, or agency which provides accommodations, facilities and services over a continuous period of 24 hours or more, for observation, diagnosis, or care, of two or more individuals not related to the operator who are suffering from illness, injury, deformity, or abnormality, or from any other condition for which obstetrical, medical, or surgical services would be appropriate for care or diagnosis. “Hospital” as used in this chapter does not include hotels, or similar places furnishing only food and lodging, or simply domiciliary care; nor does it include clinics, or physician’s offices where patients are not regularly kept as bed patients for 24 hours or more; nor does it include nursing homes, as defined and which come within the scope of Chapter 18.51 RCW; nor does it include birthing centers, which come within the scope of Chapter 18.46 RCW; nor does it include psychiatric hospitals, which come within the scope of Chapter 71.12 RCW; nor any other hospital or institution specifically intended for use in the diagnosis and care of those suffering from mental illness, intellectual disability, convulsive disorders, or other abnormal mental condition. Furthermore, nothing in this chapter or the rules adopted pursuant thereto shall be construed as authorizing the supervision, regulation, or control of the remedial care or treatment of residents or patients in any hospital conducted for those who rely primarily upon treatment by prayer or spiritual means in accordance with the creed or tenets of any well recognized church or religious denominations.

ZY. “International Investment Management Services.”

1. “International investment management services” includes investment research, investment consulting, fund administration, fund distribution, investment transactions, or related investment services provided to persons for or on behalf of a collective

investment fund. A person is considered to be engaged in providing international investment management services if such person is providing investment management services and/or is a member of an affiliated group (as defined by RCW 82.04.293(2)(b)) primarily in the business of providing investment management services to collective investment funds, and at least 15 percent of the gross income of the person and/or affiliated group is derived from providing investment management services to any of the following:

- a. Persons or collective investment funds residing outside the United States; or
- b. Collective investment funds with at least 50 percent of their investment assets located or issued outside the United States.

2. For the purpose of this section, "collective investment fund" includes:

- a. A mutual fund or other regulated investment company as defined in 26 U.S.C. §851(a), as now enacted or hereafter amended;
- b. An investment company, as defined in 15 U.S.C. §80a-3 (as now enacted or hereafter amended), as well as any entity that would be an investment company for this purpose but for the exemptions contained in 15 U.S.C. §80a-3;
- c. An employee benefit plan, which includes any plan, trust, commingled employee benefit trust, or custodial arrangement that is subject to 29 U.S.C. §1001 et seq., or that is described in 26 U.S.C. §§125, 401, 403, 408, 457, 501(c)(9), and 501(c)(17) through (243), or a similar plan maintained by a state or local government, or a plan trust, or custodial arrangement established to self-insure benefits required by federal, state, or local law;
- d. A fund maintained by a tax exempt organization, as defined in 26 U.S.C. §501(c)(3) for operating, quasi-endowment, or endowment purposes;
- e. Funds that are established for the benefit of such tax exempt organizations, such as charitable remainder trusts, charitable lead trusts, charitable annuity trusts, or other similar trusts; or
- f. Collective investment funds similar to those described in subsections (Z)(2)(a) through (Z)(2)(e) of this section created under the laws of a foreign jurisdiction.

AAZ. "Liquor" shall have the same meaning as RCW 66.44.010.

BB. "Lottery commissions" are commissions received from sales of lottery and scratch tickets to a consumer.

CCA. "Manufacturing" means the activity conducted by a manufacturer and is reported under the manufacturing classification.

DDBB. “Manufacturer,” “To Manufacture.”

1. “Manufacturer” means every person who, either directly or by contracting with others for the necessary labor or mechanical services, manufactures for sale or for commercial or industrial use from the person’s own materials or ingredients any products. When the owner of equipment or facilities furnishes, or sells to the customer prior to manufacture, materials or ingredients equal to less than 20 percent of the total value of all materials or ingredients that become a part of the finished product, the owner of the equipment or facilities will be deemed to be a processor for hire, and not a manufacturer. A business not located in this city that is the owner of materials or ingredients processed for it in this city by a processor for hire shall be deemed to be engaged in business as a manufacturer in this city.

2. “To manufacture” means all activities of a commercial or industrial nature wherein labor or skill is applied, by hand or machinery, to materials or ingredients so that as a result thereof a new, different or useful product is produced for sale or commercial or industrial use, and shall include:

- a. The production of special made or custom made articles;
- b. The production of dental appliances, devices, restorations, substitutes, or other dental laboratory products by a dental laboratory or dental technician;
- c. Crushing and/or blending of rock, sand, stone, gravel, or ore; and
- d. The producing of articles for sale, or for commercial or industrial use from raw materials or prepared materials by giving such materials, articles, and substances of trade or commerce new forms, qualities, properties or combinations including, but not limited to, such activities as making, fabricating, processing, refining, mixing, slaughtering, packing, aging, curing, mild curing, preserving, canning, and the preparing and freezing of fresh fruits and vegetables.

“To manufacture” shall not include the production of digital goods or the production of computer software if the computer software is delivered from the seller to the purchaser by means other than tangible storage media, including the delivery by use of a tangible storage media where the tangible storage media is not physically transferred to the purchaser.

EEGG. “Newspaper,” “Magazine,” “Periodical.”

1. “Newspaper” means a publication offered for sale regularly at stated intervals at least once per week and printed on newsprint in tabloid or broadsheet format folded loosely together without stapling, glue, or any other binding of any kind.

2. “Magazine” or “periodical” means any printed publication, other than a newspaper, issued and offered for sale regularly at stated intervals at least once every three

months, including any supplement or special edition of the publication. Any publication meeting this definition qualifies regardless of its content.

FFDD. “Office” or “place of business” means a fixed location or permanent facility where the regular business of the person is conducted and which is either owned by the person or over which the person exercises legal dominion and control. The regular business of the person is presumed conducted at a location:

1. Whose address the person uses as their business mailing address; and
2. Where the place of primary use is shown on a telephone billing or a location containing a telephone line, listed in a public telephone directory or other similar publication, under the business name; and
3. Where the person holds themselves out to the general public as conducting regular business through signage or other means; and
4. Where the person is required to obtain any appropriate state and local business license or registration unless the person is exempted by law from such requirement.

A vehicle such as a pick-up, van, truck, boat or other motor vehicle is not an office or place of business. A post office box is not an office or place of business.

If a person has an office or place of business, the person’s home is not an office or place of business unless it meets the criteria for office or place of business above. If a person has no office or place of business, the person’s home or apartment within the city will be deemed the place of business.

GGEE. “Option to purchase” shall mean a continuing offer or contract by which owner stipulates with another that the latter shall have the right to buy property at a fixed dollar price within a certain time. An agreement is only an option when no obligation rests on the potential buyer to make any payment except such as may be agreed upon by the parties as consideration to support the option until the potential buyer has made up their mind within a time specified to complete the purchase. The use of the term “fair market value” or any other like term shall not be substituted for a fixed dollar price in determining if an “option to purchase” exists.

HHFF. “Person” means any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, co-partnership, joint venture, club, company, joint stock company, business trust, municipal corporation, political subdivision of the state of Washington, corporation, limited liability company, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise and the United States or any instrumentality thereof.

IIGG. “Processing for hire” means the performance of labor and mechanical services upon materials or ingredients belonging to others so that as a result a new, different or

useful product is produced for sale, or commercial or industrial use. A processor for hire is any person who would be a manufacturer if that person were performing the labor and mechanical services upon that person's own materials or ingredients. If a person furnishes, or sells to the customer prior to manufacture, materials or ingredients equal to 20% ~~percent~~ or more of the total value of all materials or ingredients that become a part of the finished product the person will be deemed to be a manufacturer and not a processor for hire.

JJHH. "Product" means tangible personal property, including articles, substances, or commodities created, brought forth, extracted, or manufactured by human or mechanical effort. "By-product" means any additional product, other than the principal or intended product, which results from extracting or manufacturing activities and which has a market value, without regard to whether or not such additional product was an expected or intended result of the extracting or manufacturing activities.

KKH. "Retailing" means the activity of engaging in making sales at retail and is reported under the retailing classification.

LLJJ. "Retail service" shall include the sale of or charge made for personal, business, or professional services including amounts designated as interest, rents, fees, admission, and other service emoluments however designated, received by persons engaging in the following business activities:

1. Amusement and recreation services including but not limited to golf, pool, billiards, skating, bowling, swimming, bungee jumping, ski lifts and tows, basketball, racquet ball, handball, squash, tennis, batting cages, day trips for sightseeing purposes, and others, when provided to consumers. "Amusement and recreation services" also include the provision of related facilities such as basketball courts, tennis courts, handball courts, swimming pools, and charges made for providing the opportunity to dance. The term "amusement and recreation services" does not include instructional lessons to learn a particular activity such as tennis lessons, swimming lessons, or archery lessons;
2. Abstract, title insurance, and escrow services;
3. Credit bureau services;
4. Automobile parking and storage garage services;
5. Landscape maintenance and horticultural services but excluding (a) horticultural services provided to farmers and (b) pruning, trimming, repairing, removing, and clearing of trees and brush near electric transmission or distribution lines or equipment, if performed by or at the direction of an electric utility;
6. Service charges associated with tickets to professional sporting events; and

7. The following personal services: physical fitness services, tanning salon services, tattoo parlor services, steam bath services, Turkish bath services, escort services, and dating services.

8. The term shall also include the renting or leasing of tangible personal property to consumers and the rental of equipment with an operator.

~~MMKK~~. “Royalties” means compensation for the use of intangible property, such as copyrights, patents, licenses, franchises, trademarks, trade names, and similar items.

~~NNLL~~. ~~“Sale,” “Casual or Isolated Sale.”~~

1. “Sale” means any transfer of the ownership of, title to, or possession of, property for a valuable consideration and includes any activity classified as a “sale at retail,” “retail sale,” or “retail service.” It includes renting or leasing, conditional sale contracts, leases with option to purchase, and any contract under which possession of the property is given to the purchaser but title is retained by the vendor as security for the payment of the purchase price. It also includes the furnishing of food, drink, or meals for compensation whether consumed upon the premises or not.

2. “Casual or isolated sale” means a sale made by a person who is not engaged in the business of selling the type of property involved on a routine or continuous basis.

~~OOMM~~. ~~“Sale at Retail,” “Retail Sale.”~~

1. “Sale at retail” or “retail sale” means every sale of tangible personal property (including articles produced, fabricated, or imprinted) to all persons irrespective of the nature of their business and including, among others, without limiting the scope hereof, persons who install, repair, clean, alter, improve, construct, or decorate real or personal property of or for consumers, other than a sale to a person who presents a resale certificate under RCW 82.04.470, and who:

a. Purchases for the purpose of resale as tangible personal property in the regular course of business without intervening use by such person; or

b. Installs, repairs, cleans, alters, imprints, improves, constructs, or decorates real or personal property of or for consumers, if such tangible personal property becomes an ingredient or component of such real or personal property without intervening use by such person; or

c. Purchases for the purpose of consuming the property purchased in producing for sale a new article of tangible personal property or substance, of which such property becomes an ingredient or component or is a chemical used in processing, when the primary purpose of such chemical is to create a chemical reaction directly through contact with an ingredient of a new article being produced for sale; or

d. Purchases for the purpose of consuming the property purchased in producing ferrosilicon which is subsequently used in producing magnesium for sale, if the primary purpose of such property is to create a chemical reaction directly through contact with an ingredient of ferrosilicon; or

e. Purchases for the purpose of providing the property to consumers as part of competitive telephone service, as defined in RCW 82.04.065. The term shall include every sale of tangible personal property which is used or consumed or to be used or consumed in the performance of any activity classified as a "sale at retail" or "retail sale" even though such property is resold or utilized as provided in subsections (~~OOMM~~)(1)(a) through (~~OOMM~~)(1)(e) of this section following such use.

f. Purchases for the purpose of satisfying the person's obligations under an extended warranty as defined in subsection (~~OOMM~~)(7) of this section, if such tangible personal property replaces or becomes an ingredient or component of property covered by the extended warranty without intervening use by such person.

2. "Sale at retail" or "retail sale" also means every sale of tangible personal property to persons engaged in any business activity which is taxable under ACC 3.53.040(A)(7).

3. "Sale at retail" or "retail sale" shall include the sale of or charge made for tangible personal property consumed and/or for labor and services rendered in respect to the following:

a. The installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property of or for consumers, including charges made for the mere use of facilities in respect thereto, but excluding charges made for the use of coin-operated laundry facilities when such facilities are situated in an apartment house, rooming house, or mobile home park for the exclusive use of tenants thereof, and also excluding sales of laundry service to nonprofit health care facilities, and excluding services rendered in respect to live animals, birds and insects;

b. The constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for consumers, including the installing or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation, and shall also include the sale of services or charges made for the clearing of land and the moving of earth excepting the mere leveling of land used in commercial farming or agriculture;

c. The charge for labor and services rendered in respect to constructing, repairing, or improving any structure upon, above, or under any real property owned by an owner who conveys the property by title, possession, or any other means to the person performing such construction, repair, or improvement for the purpose of performing such construction, repair, or improvement and the property is then reconveyed by title, possession, or any other means to the original owner;

d. The sale of or charge made for labor and services rendered in respect to the cleaning, fumigating, razing or moving of existing buildings or structures, but shall not include the charge made for janitorial services; and for purposes of this section the term “janitorial services” shall mean those cleaning and caretaking services ordinarily performed by commercial janitor service businesses including, but not limited to, wall and window washing, floor cleaning and waxing, and the cleaning in place of rugs, drapes and upholstery. The term “janitorial services” does not include painting, papering, repairing, furnace or septic tank cleaning, snow removal or sandblasting;

e. The sale of or charge made for labor and services rendered in respect to automobile towing and similar automotive transportation services, but not in respect to those required to report and pay taxes under Chapter 82.16 RCW;

f. The sale of and charge made for the furnishing of lodging and all other services, except telephone business and cable service, by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property, and it shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same. For the purposes of this subsection, it shall be presumed that the sale of and charge made for the furnishing of lodging for a continuous period of one month or more to a person is a rental or lease of real property and not a mere license to enjoy the same;

g. The installing, repairing, altering, or improving of digital goods for consumers;

h. The sale of or charge made for tangible personal property, labor and services to persons taxable under subsections (~~OOMM~~)(3)(a) through (~~OOMM~~)(3)(g) of this section when such sales or charges are for property, labor and services which are used or consumed in whole or in part by such persons in the performance of any activity defined as a “sale at retail” or “retail sale” even though such property, labor and services may be resold after such use or consumption. Nothing contained in this subsection shall be construed to modify subsection (~~OOMM~~)(1) of this section and nothing contained in subsection (~~OOMM~~)(1) of this section shall be construed to modify this subsection.

4. “Sale at retail” or “retail sale” shall also include the providing of competitive telephone service to consumers.

5. ~~*Sale at Retail or Retail Sale.*~~

~~a.~~ “Sale at retail” or “retail sale” shall also include the sale of prewritten software other than a sale to a person who presents a resale certificate under RCW 82.04.470, regardless of the method of delivery to the end user.

a. For purposes of this subsection (~~OOMM~~)(5), the sale of prewritten computer software includes the sale of or charge made for a key or an enabling or activation code, where the key or code is required to activate prewritten computer software and

put the software into use. There is no separate sale of the key or code from the prewritten computer software, regardless of how the sale may be characterized by the vendor or by the purchaser.

~~b.~~ The term “sale at retail” or “retail sale” does not include the sale of or charge made for:

~~i. Custom software; or~~

~~ii. The customization of prewritten software.~~

~~b.c.~~ The term also includes the charge made to consumers for the right to access and use prewritten computer software, where possession of the software is maintained by the seller or a third party, regardless of whether the charge for the service is on a per use, per user, per license, subscription, or some other basis.

i. The service described in this subsection (~~OOMM~~)(5)(~~cb~~) includes the right to access and use prewritten software to perform data processing.

ii. For purposes of subsection (~~OOMM~~)(5)(~~cb~~)(i) of this section “data processing” means the systematic performance of operations on data to extract the required information in an appropriate form or to convert the data to usable information. Data processing includes check processing, image processing, form processing, survey processing, payroll processing, claim processing, and similar activities.

6. “Sale at retail” or “retail sale” shall also include the sale of or charge made for labor and services rendered in respect to the building, repairing, or improving of any street, place, road, highway, easement, right-of-way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is owned by a municipal corporation or political subdivision of the state, the state of Washington, or by the United States and which is used or to be used primarily for foot or vehicular traffic including mass transportation vehicles of any kind (public road construction).

7. “Sale at retail” or “retail sale” shall also include the sale of or charge made for an extended warranty to a consumer. For purposes of this subsection, “extended warranty” means an agreement for a specified duration to perform the replacement or repair of tangible personal property at no additional charge or a reduced charge for tangible personal property, labor, or both, or to provide indemnification for the replacement or repair of tangible personal property, based on the occurrence of specified events. The term “extended warranty” does not include an agreement, otherwise meeting the definition of “extended warranty” in this subsection, if no separate charge is made for the agreement and the value of the agreement is included in the sales price of the tangible personal property covered by the agreement.

8. “Sale at retail” or “retail sale” shall also include the sale of or charge made for labor and services rendered in respect to the constructing, repairing, decorating, or improving

of new or existing buildings or other structures under, upon, or above real property of or for the United States, any instrumentality thereof, or a county or city housing authority created pursuant to Chapter 35.82 RCW, including the installing or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation (government contracting).

9. "Sale at retail" or "retail sale" shall not include the sale of services or charges made for the clearing of land and the moving of earth of or for the United States, any instrumentality thereof, or a county or city housing authority. Nor shall the term include the sale of services or charges made for cleaning up for the United States, or its instrumentalities, radioactive waste and other by-products of weapons production and nuclear research and development. (This should be reported under the service and other classification as defined under ACC 3.53.040(A)(7)-).

10. "Sale at retail" or "retail sale" shall not include the sale of or charge made for labor and services rendered for environmental remedial action. (This should be reported under the service and other classification as defined under ACC 3.53.040(A)(7)-).

11. "Sale at retail" or "retail sale" shall also include the following sales to consumers of digital goods, digital codes, and digital automated services:

- a. Sales in which the seller has granted the purchaser the right of permanent use;
- b. Sales in which the seller has granted the purchaser a right of use that is less than permanent;
- c. Sales in which the purchaser is not obligated to make continued payment as a condition of the sale; and
- d. Sales in which the purchaser is obligated to make continued payment as a condition of the sale.

A retail sale of digital goods, digital codes, or digital automated services under this subsection (~~OOMM~~)(11) includes any services provided by the seller exclusively in connection with the digital goods, digital codes, or digital automated services, whether or not a separate charge is made for such services.

For purposes of this subsection, "permanent" means perpetual or for an indefinite or unspecified length of time. A right of permanent use is presumed to have been granted unless the agreement between the seller and the purchaser specifies or the circumstances surrounding the transaction suggest or indicate that the right to use terminates on the occurrence of a condition subsequent.

12. "Sale at retail" or "retail sale" shall also include the installing, repairing, altering, or improving of digital goods for consumers.

PPNN. “Sale at wholesale” or “wholesale sale” means any sale of tangible personal property, digital goods, digital codes, digital automated services, prewritten computer software, or services described in subsection (**QQMM**)(5)(b) of this section, which is not a retail sale, and any charge made for labor and services rendered for persons who are not consumers, in respect to real or personal property and retail services, if such charge is expressly defined as a retail sale or retail service when rendered to or for consumers. Sale at wholesale also includes the sale of telephone business to another telecommunications company as defined in RCW 80.04.010 for the purpose of resale, as contemplated by RCW 35.21.715.

QQQQ. “Service” means any sale or charge made for personal, business or professional service, including amounts designated as rents, fees, or admissions, not otherwise included within any other tax classification defined herein; provided, that the term “service” excludes retail or wholesale services.

RRPP. “Software,” “Prewritten Software,” “Custom Software,” “Customization of Canned Software,” “Master Copies,” “Retained Rights.”

1. “Prewritten software” or “canned software” means computer software, including prewritten upgrades, that is not designed and developed by the author or other creator to the specifications of a specific purchaser. The combining of two or more prewritten computer software programs or prewritten portions thereof does not cause the combination to be other than prewritten computer software. Prewritten computer software includes software designed and developed by the author or other creator to the specifications of a specific purchaser when it is sold to a person other than such purchaser. Where a person modifies or enhances computer software of which such person is not the author or creator, the person shall be deemed to be the author or creator only of the person’s modifications or enhancements. Prewritten computer software or a prewritten portion thereof that is modified or enhanced to any degree, where such modification or enhancement is designed and developed to the specifications of a specific purchaser, remains prewritten computer software; however, where there is a reasonable, separately stated charge or an invoice or other statement of the price given to the purchaser for the modification or enhancement, the modification or enhancement shall not constitute prewritten computer software.

2. “Custom software” means software created for a single person.

3. “Customization of canned software” means any alteration, modification, or development of applications using or incorporating canned software to specific individualized requirements of a single person. Customization of canned software includes individualized configuration of software to work with other software and computer hardware but does not include routine installation. Customization of canned software does not change the underlying character or taxability of the original canned software.

4. “Master copies” of software means copies of software from which a software developer, author, inventor, publisher, licensor, sublicensor, or distributor makes copies for sale or license. The software encoded on a master copy and the media upon which the software resides are both ingredients of the master copy.

5. “Retained rights” means any and all rights, including intellectual property rights such as those rights arising from copyrights, patents, and trade secret laws, that are owned or are held under contract or license by a software developer, author, inventor, publisher, licensor, sublicensor, or distributor.

6. “Software” means any information, program, or routine, or any set of one or more programs, routines, or collections of information, used, or intended for use, to convey information that causes one or more computers or pieces of computer-related peripheral equipment, or any combination thereof, to perform a task or set of tasks. “Software” includes the associated documentation, materials, or ingredients, regardless of the media upon which that documentation is provided, that describe the code and its use, operation, and maintenance and that typically are delivered with the code to the consumer. All software is classified as either canned or custom.

SSQQ. “Taxpayer” means any “person,” as herein defined, required to have a business license under this chapter or liable for the collection of any tax or fee under this chapter, or who engages in any business or who performs any act for which a tax or fee is imposed by this chapter.

TTRR. “Tuition fee” includes library, laboratory, health service, and other special fees, and amounts charged for room and board by an educational institution when the property or service for which such charges are made is furnished exclusively to the students or faculty of such institution. “Educational institution,” as used in this section, means only those institutions created or generally accredited as such by the state and includes educational programs that such educational institution cosponsors with a nonprofit organization, as defined by 26 U.S.C. §501(c)(3), as hereafter amended, if such educational institution grants college credit for coursework successfully completed through the educational program, or an approved branch campus of a foreign degree-granting institution in compliance with Chapter 28B.90 RCW, and in accordance with RCW 82.04.4332 or defined as a degree-granting institution under RCW 28B.85.010(3) and accredited by an accrediting association recognized by the United States Secretary of Education, and offering to students an educational program of a general academic nature or those institutions which are not operated for profit and which are privately endowed under a deed of trust to offer instruction in trade, industry, and agriculture, but not including specialty schools, business colleges, other trade schools, or similar institutions.

UUSS. “Value proceeding or accruing” means the consideration, whether money, credits, rights, or other property expressed in terms of money, a person is entitled to receive or which is actually received or accrued. The term shall be applied, in each

case, on a cash receipts or accrual basis according to which method of accounting is regularly employed in keeping the books of the taxpayer.

~~VVTF~~. “Value of Products.”

1. The value of products, including by-products, extracted or manufactured, shall be determined by the gross proceeds derived from the sale thereof whether such sale is at wholesale or at retail, to which shall be added all subsidies and bonuses received from the purchaser or from any other person with respect to the extraction, manufacture, or sale of such products or by-products by the seller.

2. Where such products, including by-products, are extracted or manufactured for commercial or industrial use; and where such products, including by-products, are shipped, transported or transferred out of the city, or to another person, without prior sale or are sold under circumstances such that the gross proceeds from the sale are not indicative of the true value of the subject matter of the sale; the value shall correspond as nearly as possible to the gross proceeds from sales in this state of similar products of like quality and character, and in similar quantities by other taxpayers, plus the amount of subsidies or bonuses ordinarily payable by the purchaser or by any third person with respect to the extraction, manufacture, or sale of such products. In the absence of sales of similar products as a guide to value, such value may be determined upon a cost basis. In such cases, there shall be included every item of cost attributable to the particular article or article extracted or manufactured, including direct and indirect overhead costs. The director may prescribe rules for the purpose of ascertaining such values.

3. Notwithstanding subsection (~~VVTF~~)(2) of this section, the value of a product manufactured or produced for purposes of serving as a prototype for the development of a new or improved product shall correspond to (a) the retail selling price of such new or improved product when first offered for sale; or (b) the value of materials incorporated into the prototype in cases in which the new or improved product is not offered for sale.

~~WWUU~~. “Warehouse” means every structure wherein facilities are offered for the storage of tangible personal property. It includes the following:

1. “Storage warehouse” means a building or structure, or any part thereof, in which goods, wares, or merchandise are received for storage for compensation, except field warehouses, fruit warehouses, fruit packing plants, unroasted coffee bean warehouses, warehouses licensed under Chapter 22.09 RCW (which are agricultural commodities warehouses), public garages storing automobiles, railroad freight sheds, docks and wharves, and “self-storage” or “mini-storage” facilities whereby customers have direct access to individual storage areas by separate access.

2. “Cold storage warehouse” means a storage warehouse used to store fresh and/or frozen perishable fruits or vegetables, meat, seafood, dairy products, or fowl, or any

combination thereof, at a desired temperature to maintain the quality of the product for orderly marketing. This term does not include freezer space or frozen food lockers.

3. "Automobile storage garage" means any off-street building, structure, or area where vehicles are parked or stored, for any period of time, for a charge.

~~XXVV~~. "Warehouse, outdoor" means an area that is outdoors and is primarily used for the storage of merchandise, goods, inventory, materials or equipment or other items, which are not intended for immediate sale, whether or not for compensation, in furtherance of engaging in business.

~~YYWW~~. "Wholesaling" means engaging in the activity of making sales at wholesale, and is reported under the wholesaling classification.

ACC 3.53.040 Imposition of the tax – Tax or fee levied.

Except as provided in subsection C of this section, effective January 1, 2022, at 12:01 a.m. there is hereby levied upon and shall be collected from every person a tax for the act or privilege of engaging in business activities within the city of Auburn, whether the person's office or place of business be within or without the city. The tax shall be in amounts to be determined by application of rates against gross proceeds of sale, gross income of business, or value of products, including by-products, as the case may be, as follows:

A. *Gross Receipts Tax.*

1. Upon every person engaging within the city in business as an extractor; as to such persons, the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, extracted within the city for sale or for commercial or industrial use, multiplied by the rate of 0.100 of ~~1% one percent~~ (0.001). The measure of the tax is the value of the products, including by-products, so extracted, regardless of the place of sale or the fact that deliveries may be made to points outside the city.

2. Upon every person engaging within the city in business as a manufacturer; as to such persons, the amount of the tax with respect to such business shall be equal to the

value of the products, including by-products, manufactured within the city, multiplied by the rate of 0.100 of ~~1% one percent~~ (0.001). The measure of the tax is the value of the products, including by-products, so manufactured, regardless of the place of sale or the fact that deliveries may be made to points outside the city.

3. Upon every person engaging within the city in the business of making sales at wholesale; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business multiplied by the rate of 0.180 of ~~1% one percent~~ (0.0018).

4. Upon every person engaging within the city in the business of making sales at retail; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business multiplied by the rate of 0.050 of ~~1% one percent~~ (0.0005).

5. Upon every person engaging within the city in the business of (a) printing, (b) both printing and publishing newspapers, magazines, periodicals, books, music, and other printed items, (c) publishing newspapers, magazines and periodicals, (d) extracting for hire, and (e) processing for hire; as to such persons, the amount of tax on such business shall be equal to the gross income of the business multiplied by the rate of 0.100 of ~~1% one percent~~ (0.001).

6. Upon every person engaging within the city in the business of making sales of retail services; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of sales multiplied by the rate of 0.150 of ~~1% one percent~~ (0.0015).

7. Upon every other person engaging within the city in any business activity other than or in addition to those enumerated in the above subsections; such persons shall report gross receipts under the "service and other tax" classification, and the amount of tax on account of such activities shall be equal to the gross income of the business multiplied by the rate of 0.100 of ~~1% one percent~~ (0.001). This classification includes (among others, without limiting its scope and whether or not title to material used in the performance of such business passes to another by accession, merger or other than by outright sale): persons engaged in the business of developing or producing custom software or of customizing canned software, persons producing royalties or commissions, and persons engaged in the business of rendering any type of service which does not constitute a sale at retail, a sale at wholesale, or a retail service.

8. - Lottery Commissions are commissions received from the sales of lottery and scratch tickets to a consumer. Taxpayers ~~he organization~~ must report commissions received from such sales on the **excise tax return under Service & Other B&O tax classification**. Lottery payouts do not qualify for the payouts deduction.

9.8. Persons otherwise subject to the "service and other tax" classification who engage in business in multiple jurisdictions shall report their service income under the "service

and other apportionment” tax classification, and shall allocate their gross receipts in accordance with ACC 3.53.080 by using the city’s service income apportionment supplemental form.

B. Square Footage Tax.

1. Upon every person who leases, owns, occupies, or otherwise maintains a warehouse or outdoor warehouse within the city for purposes of engaging in business activities in the city there shall be a tax measured by the number of square feet of business warehouse floor space or outdoor warehouse space. The amount of the tax shall be equal to \$0.10 for each quarterly period of a calendar year for each square foot of warehouse or outdoor warehouse floor space that is leased, owned, occupied, or otherwise maintained within the city during the reporting period, calculated to the nearest square foot.

2. For purposes of this section, “warehouse” means every structure wherein facilities are offered for the storage of tangible personal property. It includes “storage warehouses,” “cold storage warehouses” and “automobile storage garage” as defined in ACC 3.53.020(WWWUU).

3. For purposes of this section, “outdoor warehouse” means an area that is outdoors and is primarily used for the storage of merchandise, goods, inventory, materials or equipment or other items, ~~which are not intended for immediate sale,~~ (whether or not for compensation), in furtherance of engaging in business.

4. For purposes of this section, the square footage of a business warehouse shall be computed by measuring to the inside finish of permanent outer building walls and shall include space used by columns and projections necessary to the building. Square footage shall not include stairs, elevator shafts, flues, pipe shafts, vertical ducts, heating or ventilation shafts, janitor closets, and electrical or utility closets. Outdoor warehouse space is measured based on the entire space used for outdoor warehousing and is not measured solely based on the size of the goods, wares, merchandise, or commodities that are being stored.

5. For purposes of this section, the square footage of an outdoor warehouse shall only include those areas used for the receipt or storage of goods, wares, merchandise, or commodities that are being received and temporarily stored, whether or not for compensation, in furtherance of engaging in business. Square footage shall not include areas used only for employee, customer, or visitor parking, dock high loading areas used primarily for a business warehouse, buildings, areas used only for direct sales or rentals to consumers, landscaped areas, storm water facilities, maneuvering areas and drive aisles, areas used only for garbage or recycling pickup, rights-of-way, or other areas clearly not used for the temporary storage of goods, wares, merchandise, and commodities in transit. ~~Outdoor areas used for storage of agricultural products or for ancillary storage of materials utilized in, or products resulting from, on-site manufacturing operations are not considered outdoor warehouses.~~

6. Persons with more than one business warehouse or outdoor warehouse within the city must include all business warehouse floor space and outdoor warehouse space for all locations within the city. When a person rents space to another person, the person occupying the rental space is responsible for the square footage business tax on that rental space ~~only if the renter has exclusive right of possession in the space as against the landlord~~. Space rented for the storage of goods in a warehouse or outdoor warehouse where no walls or other barriers separate the goods, and where the exclusive right of possession in the space is not held by the person to whom the space is rented, shall be included in the business warehouse floor space of the person that operates the business warehouse, and not by the person renting the warehouse space.

7. If the square footage tax imposed in this subsection B is equal to or less than the gross receipts tax imposed in subsection A of this section, no square footage tax will be due. If the square footage tax imposed in this subsection B exceeds the gross receipts tax imposed in subsection A of this section, the square footage tax will be due, but no gross receipts tax will be due. The taxpayer shall remit the tax due on the higher of the two categories, but not both, under subsections A and B of this section.

C. Gross Receipt and Square Footage Tax Thresholds.

1. *Gross Receipts Threshold.* The gross receipts tax imposed in this section shall not apply to any person whose company-wide gross proceeds of sales, gross income of the business, and value of products, including by-products, as the case may be, from all activities during any calendar year is equal to or less than \$500,000, nor shall it apply to any person who does not maintain a place of business in the city whose annual value of products, gross proceeds of sales, or gross income of the business in the city is equal to or less than \$2,000.

2. *Square Footage Threshold.* The square footage tax imposed in subsection B of this section shall not apply to any person unless that person's total area of business space within the city exceeds one of the following thresholds:

- a. Four thousand (4,000) taxable square feet of business warehouse space; or
- b. Two hundred sixty-one thousand three hundred sixty (261,360) taxable square feet (six acres) of outdoor warehouse space.

If the square footage tax applies, it applies to all business space leased, owned, occupied, or otherwise maintained by the taxpayer during the applicable reporting period.

3.53.090 Allocation and apportionment of printing and publishing income when activities take place in more than one jurisdiction.

Notwithstanding RCW 35.102.130, effective January 1, 2008, gross income from the activities of printing, and of publishing newspapers, periodicals, or magazines, shall be allocated to the principal place in this state from which the taxpayer's business is directed or managed. As used in this section until December 31, 2023, the activities of printing, and of publishing newspapers, periodicals, or magazines, have the same meanings as attributed to those terms in RCW 82.04.280(1) by the department of revenue. Beginning January 1, 2024, until January 1, 2034, as used in this section, the activities of printing, and of publishing newspapers and periodicals or magazines are those activities to which the exemption in RCW 82.04.759 and the tax rate in RCW 82.04.280(1)(a) apply.

ACC 3.53.100 Exemptions.

This section applies only to the gross receipts tax imposed in ACC 3.53.040(A).

A. *Adult Family Homes*. This chapter does not apply to adult family homes as defined in ACC 3.53.020(A) that are licensed or specifically exempt from licensing under DSHS rules.

B. *Daycare Provided by Churches*. This chapter shall not apply to amounts derived by a church that is exempt from property tax under RCW 84.36.020 from the provision of care for children for periods of less than 24 hours.

C. *Child Care Resource and Referral Services by Nonprofit Organizations*. This chapter does not apply to nonprofit organizations in respect to amounts derived from the provision of child care resource and referral services.

D. *Nonprofit Organizations That Are Guarantee Agencies, Issue Debt, or Provide Guarantees for Student Loans*. This chapter does not apply to gross income received by nonprofit organizations exempt from federal income tax under 26 U.S.C. §501(c)(3), as hereafter amended, that:

1. Are guarantee agencies under the federal guaranteed student loan program or that issue debt to provide or acquire student loans; or
2. Provide guarantees for student loans made through programs other than the federal guaranteed student loan program.

E. *Nonprofit Organizations – Credit and Debt Services*. This chapter does not apply to nonprofit organizations in respect to amounts derived from provision of the following services:

1. Presenting individual and community credit education programs including credit and debt counseling;
2. Obtaining creditor cooperation allowing a debtor to repay debt in an orderly manner;
3. Establishing and administering negotiated repayment programs for debtors; or
4. Providing advice or assistance to a debtor with regard to subsection (E)(1), (E)(2), or (E)(3) of this subsection.

F. *Certain Fraternal and Beneficiary Organizations.* This chapter shall not apply to fraternal benefit societies or fraternal fire insurance associations, as described in RCW Title 48; nor to beneficiary corporations or societies organized under and existing by virtue of RCW Title 24, if such beneficiary corporations or societies provide in their bylaws for the payment of death benefits. This exemption is limited, however, to gross income from premiums, fees, assessments, dues or other charges directly attributable to the insurance or death benefits provided by such societies, associations, or corporations.

G. *Certain Corporations Furnishing Aid and Relief.* This chapter shall not apply to the gross sales or the gross income received by corporations which have been incorporated under any act of the Congress of the United States and whose principal purposes are to furnish volunteer aid to members of the armed forces of the United States and also to carry on a system of national and international relief and to apply the same in mitigating the sufferings caused by pestilence, famine, fire, floods, and other national calamities and to devise and carry on measures for preventing the same.

H. *Community Services Provided by DSHS.* This chapter shall not apply to the first \$2,000,000 in annual taxable gross income received from ~~the~~ DSHS by a business or organization otherwise subject to this chapter for the cost of care, maintenance, support and training of persons with developmental disabilities at nonprofit group training homes (as defined by Chapter 71A.22 RCW), or to the business activities of nonprofit organizations from the operation of community services. For the purposes of this subsection, “the operation of community services” means performance of business activities of any kind on or off the premises of such nonprofit organizations which are performed for the primary purpose of:

1. Providing gainful employment or rehabilitation services to the handicapped as an interim step in the rehabilitation process for those who cannot be readily absorbed in the competitive labor market or during such time as employment opportunities for them in the competitive labor market do not exist; or
2. Providing evaluation and work adjustment services for handicapped individuals.

I. *Investments – Dividends From Subsidiary Corporations.* This chapter shall not apply to amounts derived by persons, other than those engaging in banking, loan, security or

other financial businesses, from investments or the use of money as such, and also amounts derived as dividends by a parent from its subsidiary corporations.

J. The city of Auburn is exempt from the tax levied by this chapter.

K. *Gross Receipts Taxed Under Other Sections of This Code.* This chapter shall not apply to:

1. Any person in respect to a business activity with respect to which tax liability is specifically imposed under the provisions of Chapter 3.88 ACC, Utility Services; or
2. Any person in respect to a business activity with respect to which tax liability is specifically imposed under the provisions of Chapter 3.80 ACC, Gambling Activities.

L. *Credit Unions.* This chapter shall not apply to the gross income of credit unions organized under the laws of this state, any other state, or the United States.

M. *International Banking Facilities.* This chapter shall not apply to the gross receipts of an international banking facility. As used in this subsection, an “international banking facility” means:

1. A facility represented by a set of asset and liability accounts segregated on the books and records of a commercial bank whose principal office is located in this state, and which is incorporated and doing business under the laws of the United States or of this state;
2. A United States branch or agency of a foreign bank;
3. An Edge corporation organized under 12 U.S.C. §§611 through 631; or
4. An agreement corporation having an agreement or undertaking with the Board of Governors of the Federal Reserve System under 12 U.S.C. §§601 through 604a, that includes only international banking facility time deposits as defined in 12 C.F.R. §204.8(a)(2) and international banking facility extensions of credit as defined in 12 C.F.R. §204.8(a)(3).

N. *Insurance Business.* This chapter shall not apply to amounts received by any person who is an insurer or their appointed insurance producer upon which a tax based on gross premiums is paid to the state pursuant to RCW 48.14.020; and provided further, that the provisions of this subsection shall not exempt any bonding company from tax with respect to gross income derived from the completion of any contract as to which it is a surety, or as to any liability as successor to the liability of the defaulting contractor.

O. *Farmers – Agriculture.* This chapter shall not apply to any farmer in respect to amounts received from selling fruits, vegetables, berries, butter, eggs, fish, milk, poultry,

meats or any other agricultural product that is raised, caught, produced or manufactured by such persons.

P. *Athletic Exhibitions.* This chapter shall not apply to any person in respect to the business of conducting boxing contests and sparring or wrestling matches and exhibitions for the conduct of which a license must be secured from the State Boxing Commission.

Q. *Racing.* This chapter shall not apply to any person in respect to the business of conducting race meets for the conduct of which a license must be secured from the Washington State Horse Racing Commission.

R. *Ride Sharing.* This chapter does not apply to any funds received in the course of commuter ride sharing or ride sharing for persons with special transportation needs in accordance with RCW 46.74.010.

S. *Employees.* This chapter shall not apply to any person in respect to the person's employment in the capacity as an employee or servant as distinguished from that of an independent contractor. For the purposes of this subsection, the definition of "employee" shall include those persons defined as employees in 26 U.S.C. §3121(d), as now enacted or hereafter amended. A booth renter as defined in RCW 82.04.360(3) is an independent contractor for purposes of this chapter.

T. *Amounts Derived from Sale of Real Estate.* This chapter shall not apply to gross proceeds derived from the sale of real estate. This, however, shall not be construed to allow an exemption of amounts received as commissions from the sale of real estate, nor as fees, handling charges, discounts, interest or similar financial charges resulting from, or relating to, real estate transactions. This chapter shall also not apply to amounts received for the rental of real estate if the rental income is derived from a contract to rent for a continuous period of 30 days or longer.

U. *Mortgage Brokers' Third-Party Provider Services Trust Accounts.* This chapter shall not apply to amounts received from trust accounts to mortgage brokers for the payment of third-party costs if the accounts are operated in a manner consistent with RCW 19.146.050 and any rules adopted by the Director of Financial Institutions.

V. *Amounts Derived from Manufacturing, Selling or Distributing Motor Vehicle Fuel.* This chapter shall not apply to manufacturing, selling or distributing motor vehicle fuel, as the term "motor vehicle fuel" is defined in RCW 82.38.020 and exempt under RCW 82.38.280; provided, that any fuel not subjected to the state fuel excise tax, or any other applicable deduction or exemption, will be taxable under this chapter.

W. *Amounts Derived from Liquor, and the Sale or Distribution of Liquor.* This chapter shall not apply to liquor as defined in RCW 66.04.010 and exempt in RCW 66.08.120.

X. *Casual and Isolated Sales*. This chapter shall not apply to the gross proceeds derived from casual or isolated sales.

Y. *Accommodation Sales*. This chapter shall not apply to sales for resale by persons regularly engaged in the business of making retail sales of the type of property so sold to other persons similarly engaged in the business of selling such property where:

1. The amount paid by the buyer does not exceed the amount paid by the seller to the vendor in the acquisition of the article; and
2. The sale is made as an accommodation to the buyer to enable the buyer to fill a bona fide existing order of a customer or is made within 14 days to reimburse in kind a previous accommodation sale by the buyer to the seller.

Z. *Real Estate Brokers and Associated Brokers, Agents, or Salesmen*. This chapter does not apply to that portion of a real estate commission assigned to another brokerage office pursuant to the division of revenue between the originating brokerage office and a cooperating brokerage office on a particular transaction. Each brokerage office shall pay the tax upon its respective revenue share of the transaction. Furthermore, where a brokerage office has paid the business and occupation tax on the gross commission earned by that brokerage office, associate brokers, salesmen or agents within the same office shall not be required to pay the tax upon their share of the commission from the same transaction.

AA. *Taxes Collected as Trust Funds*. This chapter shall not apply to amounts collected by the taxpayer from third parties to satisfy third party obligations to pay taxes such as the retail sales tax, use tax, and admission tax.

BB. *Health Maintenance Organization, Health Care Service Contractor, Certified Health Plan*. This chapter does not apply to any health maintenance organization, health care service contractor, or certified health plan with respect to premiums or prepayments that are taxable under RCW 48.14.0201. However, per RCW 48.14.0201(7), this exemption is not intended to, and shall not, impair the city's ability to impose a tax hereunder upon the health care services directly delivered by the employees of a health maintenance organization under Chapter 48.46 RCW.

CC. *Nonprofit Hospital*.

1. This chapter shall not apply to nonprofit hospitals, (as "hospital" is defined in ACC 3.53.020(YX)) to the extent that the ; provided, that a nonprofit hospital's annual net operating income is less than \$10,000,000. 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 noncash charges, such as depreciation of assets or amortization of financing costs, shall not be included in the calculation of net operating income.

2. Nonprofit hospitals exceeding \$10,000,000 in net operating income are not eligible ~~for subject to~~ the exemptions within this subsection.

DD. *County, City, Town, School District, or Fire District Activity.* This chapter shall not apply to any county, city, town, school district, or fire district activity, regardless of how financed, other than a utility or enterprise activity as defined by the State Auditor pursuant to RCW 35.33.111 and 36.40.220 and upon which the tax imposed pursuant to this chapter had previously applied. Nothing contained in this section shall limit the authority of the city to authorize the imposition of such tax prospectively upon such activities as the city shall specifically designate.

EE. This chapter shall not apply to the gross income received by the United States or any instrumentality thereof, or by the state of Washington or any municipal subdivision thereof; provided, however, that the exemption contained in this subsection shall only apply to gross income which the city is prohibited from taxing pursuant to the terms of any federal or state law.

FF. This chapter shall not apply to any person conducting business in an area that becomes a part of the city by annexation in accordance with ~~Chapter 35.10 or 35.13~~ RCW 35.10 or 35.13 after this chapter's effective date. The exemption provided in this subsection shall expire at the end of the calendar quarter three years after the date of such annexation.

ORD. 6898—Exhibit B

3.54.030 Definitions.

For purposes of this chapter:

The definitions contained in Chapter 3.53 ACC shall apply equally to the provisions of this chapter unless the term is defined otherwise in this chapter. In addition, the following definitions will apply:

A. “Cash basis” means a basis of accounting which recognizes revenues and expenses as occurring in the reporting period when they were actually either received or paid.

B. “City” means the City of Auburn and all of its departments, including Auburn Public Libraries and Auburn Public Utilities.

C. “Department” means the Tax Division of the Finance Department of the City or any successor department.

D. “Director” means the Director of the Finance Department of the City or any officer, agent, or employee of the City designated to act on the Director’s behalf.

BE. “Generally accepted accounting principles” means those national accounting standards promulgated by the Financial Accounting Standards Board for businesses and nonprofit associations or by the Governmental Accounting Standards Board for state agencies or local governments.

FG. “Records” means the books of accounts and other business-related records of a taxpayer subject to the city’s tax code or license code. Such records include ledgers, subsidiary ledgers, invoices, receipts, registration and incorporation documents, federal, state and local tax returns, and any other records necessary to establish the amounts due under the provisions of this code.

GD. “Reporting period” means:

1. A one-month period beginning the first day of each calendar month (monthly); or
2. A three-month period beginning the first day of January, April, July or October of each year (quarterly); or
3. A twelve-month period beginning the first day of January of each year (annual).

HE. “Return” means any document a person is required by the city to file to satisfy or establish a tax or fee obligation that is administered or collected by the city and that has a statutorily defined due date.

IF. “Successor” means any person to whom a taxpayer quitting, selling out, exchanging, or disposing of a business sells or otherwise conveys, directly or indirectly, in bulk and not in the ordinary course of the taxpayer’s business, any part of the materials, supplies, merchandise, inventory, fixtures, or equipment of the taxpayer. Any person obligated to fulfill the terms of a contract shall be deemed a successor to any contractor defaulting in the performance of any contract as to which such person is a surety or guarantor.

JG. “Tax” means the amount, usually based upon gross income, assessed upon a person doing business under the provisions of Chapter 3.53 ACC.

KH. “Tax year” or “taxable year” means the calendar year.

3.54.060 When due and payable – Reporting periods – Monthly, quarterly, and annual returns – Threshold provisions or relief from filing requirements – Computing time periods – Failure to file returns.

A. Other than any annual license fee or registration fee assessed under this chapter, ~~the tax imposed by this chapter shall be due and payable in quarterly installments. At the director’s discretion, businesses may be assigned to a monthly or annual reporting period depending on the tax amount owing or type of tax. Until December 31, 2020, tax payments are due on or before the last day of the next month following the end of the assigned reporting period covered by the return. Effective January 1, 2021, tax payments are due on or before the time as provided in RCW 82.32.045(1), (2), and (3).~~ the tax imposed by Chapter 3.53 shall be submitted using only city authorized tax return forms, and shall be due and payable as follows:

1. Taxpayers with gross income of less than \$2,000 per calendar year that do not maintain a permanent operating location within the city are exempt from the tax and return requirements imposed by this chapter.

2. Taxpayers who were directly contacted by the director or the total estimated tax due imposed under Chapter 3.53 for a calendar year exceeds \$3,000, shall be due in quarterly installments, and paid on or before the thirtieth day of the month after the end of the quarterly period in which the income was received.

3. All other businesses, who did not receive a written notification from the director or whose estimated annual tax due imposed by this chapter is less than \$3,000, shall be due annually, and paid on or before April 30th of the year following the year in which the income was received. The gross receipts and deduction amounts shall be entered on the tax return even though no tax may be due.

B. Director reserves the right to review and reassign tax return filing frequency on a case-by-case basis, as warranted by administrative requirements and applicable under this chapter.

C. For purposes of the tax imposed by Chapter 3.53 ACC, any person whose value of products, gross proceeds of sales, or gross income of the business is equal to or less than \$500,000 in the current calendar year and/or whose combined taxable business warehouse square footage within the city is 4,000 square feet or less, shall file a return declaring no tax due and submit the return to the director. The gross receipts and deduction amounts shall be entered on the tax return even though no tax may be due.

BD. Taxes shall be paid as provided in this chapter and accompanied by a return on city authorized forms as prescribed by the director. The return shall be signed by the taxpayer personally or by a responsible officer or agent of the taxpayer. The individual signing the return shall swear or affirm that the information in the return is complete and true.

EC. Tax returns must be filed and returned by the due date whether or not any tax is owed, unless a taxpayer qualifies for an exemption under the subsection A.1 and C and will be placed on the non-reporting status. Each taxpayer who claims a tax filing exemption must submit a written request to director providing the detailed explanations. Director will inform a taxpayer in writing about the status change and only written notice from the director confirms the non-reporting status.-

D.— For purposes of the tax imposed by Chapter 3.53 ACC, any person whose value of products, gross proceeds of sales, or gross income of the business is equal to or less than \$500,000 in the current calendar year and/or whose combined taxable business warehouse square footage within the city is 4,000 square feet or less, shall file a return declaring no tax due and submit the return to the director. The gross receipts and deduction amounts shall be entered on the tax return even though no tax may be due.

EF. A taxpayer that commences to engage in business activity shall file a return and pay the tax or fee for the portion of the reporting period during which the taxpayer is engaged in business activity.

GF. Except as otherwise specifically provided by any other provision of this chapter, in computing any period of days prescribed by this chapter the day of the act or event from which the designated period of time runs shall not be included. The last day of the period shall be included unless it is a Saturday, Sunday, or city or federal legal holiday, in which case the last day of such period shall be the next succeeding day which is neither a Saturday, Sunday, or city or federal legal holiday.

HG. Unless otherwise provided in this chapter, if any taxpayer fails, neglects or refuses to make a return as and when required in this chapter, the director is authorized to determine the amount of the tax or fees payable by obtaining facts and information upon which to base the director's estimate of the tax or fees due. Such assessment shall be

deemed prima facie correct and shall be the amount of tax owed to the city by the taxpayer. The director shall notify the taxpayer by mail of the amount of tax so determined, together with any penalty, interest, and fees due; the total of such amounts shall thereupon become immediately due and payable.

3.54.070 Payment methods – Mailing returns or remittances – Time extension – Deposits – Recording payments – Payment must accompany return – NSF checks.

A. Taxes shall be paid to the director in United States currency by bank draft, certified check, cashier's check, personal check, money order, cash, or by wire transfer or electronic payment if such wire transfer or electronic payment is authorized by the director. If payment so received is not paid by the bank on which it is drawn, the taxpayer, by whom such payment is tendered, shall remain liable for payment of the tax and for all legal penalties, the same as if such payment had not been tendered. Acceptance of any sum by the director shall not discharge the tax or fee due unless the amount paid is the full amount due.

B. A return or remittance that is transmitted to the city by United States mail shall be deemed filed or received on the date shown by the cancellation mark stamped by the post office upon the envelope containing it. The director may allow electronic filing of returns or remittances from any taxpayer. A return or remittance which is transmitted to the city electronically shall be deemed filed or received according to procedures set forth by the director.

~~C. If a written request is received prior to the due date, the director, for good cause, may grant, in writing, additional time within which to make and file returns.~~

DC. The director shall keep full and accurate records of all funds received or refunded. The director shall apply payments first against all penalties and interest owing, and then upon the tax, without regard to any direction of the taxpayer.

ED. For any return not accompanied by a remittance of the tax shown to be due thereon, the taxpayer shall be deemed to have failed or refused to file a return and shall be subject to the penalties and interest provided in this chapter.

FE. Any payment made that is returned for lack of sufficient funds or for any other reason will not be considered received until payment by certified check, money order, or cash of the original amount due, plus a "nonsufficient funds" (NSF) charge of \$2035.00 is received by the director. Any license issued upon payment with a NSF check will be considered void, and shall ~~be returned to the director. No license shall not~~ be reissued until payment (including the \$2035.00 NSF fee) is received.

FG. The director is authorized, but not required, to mail tax return forms to taxpayers, but failure of the taxpayer to ~~receive-obtain~~ any such forms shall not excuse the taxpayer from filing returns and making payment of the taxes or fees, when and as due under this chapter.

3.54.150 Cancellation-Waiver of penalties and interest.

A. The director may cancel any penalties imposed under ACC 3.54.140(A) if the taxpayer shows that its failure to timely file or pay the tax was due to reasonable cause and not willful neglect. Willful neglect is presumed unless the taxpayer shows that it exercised ordinary business care and prudence in making arrangements to file the return and pay the tax but was, nevertheless, due to circumstances beyond the taxpayer's control, unable to file or pay by the due date. The director has no authority to cancel any other penalties or to cancel penalties for any other reason except as provided in subsection C of this section.

B. A request for cancellation of penalties must be received by the director within 30 days after the date the finance department mails the notice that the penalties are due. The request must be in writing and contain competent proof of all pertinent facts supporting a reasonable cause determination. In all cases the burden of proving the facts rests upon the taxpayer.

C. The director may waive or cancel a penalty imposed under ACC 3.54.140 (A) when a taxpayer is ineligible for a penalty waiver or cancellation under subsection A of this section, if:

1. Was not licensed, and filing returns; and

2. The taxpayer has timely filed all tax returns and paid all required taxes due under those RCW sections for 24-months immediately preceding the period for which the waiver was requested.

D. The director may also waive or cancel interest imposed under this chapter if:

1. The timing of the taxpayer's tax payment was in direct reliance on written instructions from the director to the taxpayer; or

2. The timing of a taxpayer's assessment deficiency payment was based on a due date established for the sole convenience of the director.

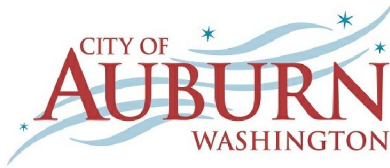
E. The director may adopt rules for the waiver or cancellation of penalties and interest under this section. ~~C. The director may cancel the penalties in ACC 3.54.140(A) one time if a person:~~

~~1. Is not currently licensed and filing returns,~~

~~2. Was unaware of its responsibility to file and pay tax, and~~

~~3. Obtained business licenses and filed past due tax returns within 30 days after being notified by the finance department.~~

~~D. The director shall not cancel any interest charged upon amounts due.~~



AGENDA BILL APPROVAL FORM

Agenda Subject:

Ordinance No. 6918 (Thomas)

Date:

November 13, 2023

Department: Attachments: Budget Impact:

Finance

[Ordinance No. 6918 BA #3](#)

[Interoffice Memo](#)

[Ordinance No. 6918 2023-2024 Budget Amendment](#)

[#3](#)

[2023 BA #3 Schedule A](#)

[2023 BA #3 Schedule B](#)

[2024 BA#3 Schedule C](#)

[2024 BA #3 Schedule D](#)

Table 1: 2023 Budget as Amended

2023 Amended Budget	\$ 491,843,555
Budget Amendment #3 (Ord #6918)	<u>12,875,429</u>
Budget as Amended	\$ 504,718,984

Table 2: 2024 Budget as Amended

2024 Adopted Budget	\$ 398,055,335
Budget Amendment #3 (Ord #6918)	<u>5,700,563</u>
Budget as Amended	\$ 403,755,898

Administrative Recommendation:

City Council to approve Ordinance No. 6918.

Background for Motion:

Ordinance No. 6918 is the third amendment to the City of Auburn's 2023-2024 Biennial Budget, and adjusts budgeted beginning balances, updates revenue projections, authorizes new expenditures offset by new revenues and includes limited requests for new expenditure authority.

Background Summary:

Ordinance No. 6918 (Budget Amendment #3) represents the third amendment for the 2023-2024 biennium. The third budget amendment of the biennium consists of adjustments to budgeted beginning fund balances, updates to 2024 General Fund revenue projections, the continuation of ongoing 2023 budget requests in 2024, adjustment of capital project budgets, adjustments to existing programs and limited new requests for budget authority.

For details, see the attached transmittal memorandum and supporting materials.

Reviewed by Council Committees:

Councilmember: Baldwin

Staff: Thomas

Meeting Date: November 20, 2023

Item Number: ORD.B



Interoffice Memorandum

To: City Council
From: Jamie Thomas, Finance Director
CC: Nancy Backus, Mayor
Date: November 13, 2023
Re: Ordinance #6918 – 2023-2024 Budget Amendment #3

The City's biennial 2023-2024 budget was approved by Council as two one-year appropriations. Budget Amendment #3 will be the third budget amendment for the biennium, and will update both the 2023 and 2024 appropriations. For details on specific requests to amend the biennial budget, please refer to the accompanying ***Schedule A, Summary of 2023 Budget Adjustments by Fund*** and ***Schedule C, Summary of 2024 Budget Adjustments by Fund***. The purpose of this budget amendment is to:

1. Adjust budgeted 2023 beginning fund balances to match 2022 ending fund balances, and adjust projected 2024 beginning fund balance to reflect budget amendments made in 2023; and
2. Realign significant General Fund revenue sources; and
3. Adopt the continuation of previously-approved requests for ongoing expenditures; and
4. Adjust capital project and equipment purchase budgets; and
5. Adjust operating expenditure budgets for existing programs; and
6. Add budget authority for new programs, projects, and purchases that have not previously been approved by Council.

Adjust Budgeted Beginning Fund Balance: This amendment adjusts 2023 budgeted beginning fund balances to be equal to 2022 ending fund balances, and adjusts 2024 budgeted beginning balances to reflect adjustments made in 2023.

2023 total adjustments by fund type are:

• General Fund (Fund 001)	\$ 540,945
• Special Revenue Funds	-525,331
• Special Revenue Funds	362,353
• Enterprise Funds	<u>8,273</u>
TOTAL	\$ 386,240

2024 adjustments include the effects of 2023 requests included in this budget amendment, and align 2024 budgeted beginning fund balance to 2023 budgeted ending fund balance. Total 2024 adjustments by fund type are:

• General Fund (Fund 001)	\$ 6,596,718
• Special Revenue Funds	-1,350,117
• Debt Service Funds	-202,529
• Capital Funds	-2,926,722
• Enterprise & Internal Service Funds	-3,588,197
• Other Funds	<u>942,754</u>
TOTAL	\$ -528,093

Realign Significant General Fund Revenue Sources. With new legislation and policies adopted throughout 2023, and three quarters of revenue collection data for 2023, there is an opportunity to fine-tune General Fund revenue projections for 2024. Total 2024 General Fund revenue adjustments would result in a net increase of **\$711,300** and include:

• B&O Square Footage Tax	\$ 3,400,000
• Interfund Solid Waste Tax	600,000
• Garbage B&O Tax (external)	330,000
• Greens Fees	300,000
• Interfund Water Tax	250,000
• Water Utility Tax (external)	150,000
• Sewer Utility Tax (external)	80,000
• MIT Compact Revenue	-200,000
• Streamlined Sales Tax Mitigation	-378,700
• Interfund Sewer Tax	-1,820,000
• B&O Gross Receipts Tax	<u>-2,000,000</u>
TOTAL	\$ 711,300

Ongoing Adjustments: Adjustments approved in 2023 that also have an ongoing effect in 2024 have a net effect of **\$147,000** on ending fund balance and include:

• Supernumerary position for police academy TAC officer ¹	\$ 147,000
• Move vehicle equipment purchase to PD ²	0
• Reclassify ARPA transfers ³	0
• Reclassify Multimedia Assistant ⁴	0
• Close out BIA Fund ⁵	<u>0</u>
TOTAL	\$ 147,000

¹ Approved in 2023 BA#2. This request adds \$147k in reimbursement revenue from the WCJTC for the supernumerary position's salary, but no additional expenditure authority.

² Approved in BA#2, this request reallocates the purchase of PD vehicle equipment from the Equipment Rental fund to the General Fund. As the expense is reimbursed by transfer-in, the net effect of the movement is zero.

³ Approved in BA#1 (2022 carryforwards) and BA#2 (2023 transfers). This request re-budgets transfers of funds from F106 to the capital funds to instead go to the General Fund, and from the General Funds to the capital funds. This results in a net zero change in funding, but is in compliance with recommendations received from the State Auditor's Office.

⁴ Approved in BA#2, this request reduces advertising and communications budget to facilitate an increase of personnel budget in order to reclassify a position from 0.75 FTE to 1.0 FTE.

⁵ Approved in BA#2. This request removes beginning balance and expenditure authority in preparation of fund closeout.

Adjust capital purchase and project budgets: These requests represent changes to project budgets to align with updated timelines in accordance with Public Works strategic planning. The net effect on fund balance due to these proposed adjustments is **-\$1,786,354** in 2023 and **\$4,192,917** in 2024 (including the ongoing effects of 2023 adjustments). Significant adjustments in this budget amendment include:

2023 significant adjustments (net effect on fund balance):

• Accelerate patrol vehicle purchases from 2024 to 2023 ⁶	\$ -1,899,374
• Cedar Lanes pump track ⁷	-382,580
• Replacement of snow plow unit ⁸	-171,800
• Increase funding for Open T-hangar project ⁹	750,000

2024 significant adjustments (net effect on fund balance):

• Regional Growth Center Improvements ¹⁰	\$ -785,555
• Downtown Infrastructure Improvements ¹¹	-550,000
• Garden Avenue Project ¹²	-450,000
• 49 th Street Northeast (Auburn Way N to D Street NE) ¹³	-400,000
• R Street Southeast Preservation Project ¹⁴	-374,500
• City Safety Pedestrian Crossing Project ¹⁵	-250,000
• Lea Hill Safe Routes to Schools Project	158,796
• Arterial Street and Arterial Street Preservation projects moved in alignment with TIP ¹⁶	6,664,356

⁶ Due to a lack of availability from the manufacturer, the 2024 purchase of these vehicles is being moved to 2023 in order to purchase from a vendor with current availability.

⁷ An increase in project costs and decrease in expected grant revenue necessitate the use of additional fund balance for this project.

⁸ An increase in the cost of the vehicle and ancillary equipment has necessitated an increased use of fund balance.

⁹ Additional FAA grant and WSDOT loan funding has increased the resources available to fund this project, increasing expenditures revenues and expenditures while reducing the use of fund balance.

¹⁰ Adds traffic impact fees and developer mitigation funds collected in 2021 as part of a fee-in-lieu agreement as a funding source for the project.

¹¹ Moves project from 2026-2027 to 2024 in alignment with the current adopted Transportation Improvement Plan.

¹² Traffic impact fee funding increased to align with Transportation Improvement Plan and fee-in-lieu agreements.

¹³ Adds funding collected as a fee-in-lieu agreement in 2021 as part of the Copper Gate Apartments project.

¹⁴ Increases funding to align with current Transportation Improvement Plan and Transportation Benefit District revenue projections.

¹⁵ A reduction in budgeted grant revenues and an increase in project cost and scope results in additional use of fund balance. The City is actively seeking grant funding for this project.

¹⁶ Includes: M St. NE Widening, Lake Tapps Pkwy/Sumner Hwy E Preservation, R St Widening (22nd – 33rd St), and R & 21st St SE Roundabout.

Funding Adjustments: Funding adjustment requests included in this budget amendment revise the revenue or expenditure authority for existing programs. Total expenditure funding adjustment requests in 2023 net to an increase of **\$1,473,966** in ending fund balance, while 2024 adjustments (including the ongoing effects of 2023 adjustments) net to **\$1,281,291**. Significant adjustments include:

2023 significant adjustments (net effect on fund balance):

• Water fund intergovernmental loan ¹⁷	\$ 2,418,200
• Increase Transportation Benefit District and interest revenue	474,500
• Increase photo enforcement program revenue (2023 revenue)	296,000
• Adjust Workers' Compensation fund expense due to increased claims and insurance premiums (2023 increase)	-185,800
• Recognize increased solid waste revenues, corresponding expenditures, and tax obligations	-1,148,000

2024 significant adjustments (net effect on fund balance):

• Increase photo enforcement program revenue (2024 revenue)	\$ 640,000
• Adjust Workers' Compensation fund expense due to increased claims and insurance premiums (2024 increase)	-309,300
• Expand internship program	-85,000

New Funding Requests: Requests for new funding included in this budget amendment add spending authority for new programs and unexpected expenditures. Total new funding requests net to a decrease of **-\$548,940**¹⁸ in ending balance in 2023, and **-\$843,160**¹⁹ in 2024 (inclusive of ongoing effects from 2023 requests):

2023 significant adjustments (net effect on fund balance):

• B&O Tax System Support ²⁰	\$ 0
• Nash Consulting training & development initiative	-50,000
• Council chambers broadcast equipment	-50,000
• Encampment cleanup	-95,000
• Parks maintenance unanticipated expenditures	-125,000
• Water fund debt service	-203,940

2024 significant adjustments (net effect on fund balance):

• Nash Consulting training & development initiative	\$ -65,000
• Water fund debt service	-201,220

SKHHP: The SKHHP agency fund is recognizing revenue budget authority of **\$4,970,485**, equal to the contributions of HB 1590 revenues allocated by the cities of Kent and Covington in 2023.

¹⁷ Recognizes the proceeds of a previously-unbudgeted DWSRF loan received in 2023 in reimbursement for prior years' expenses related to the Lead Service Line and Coal Creek Springs Transmission Main Replacement projects.

¹⁸ Amount excludes \$4,970,485 of revenue requested in 2023 in the South King Housing and Homelessness Partners (SKHHP) agency fund. There are currently no expenses associated with this funding.

¹⁹ Excludes fund balance increase resulting from 2023 SKHHP revenue (see above).

²⁰ The \$200k expense requested is expected to be offset by an equal amount of revenue in excess of current budget.

The following tables summarize the current and revised budget as a result of this amendment.

Table 1: 2023 Budget as Amended

2023 Amended Budget	\$ 491,843,555
Budget Amendment #3 (Ord #6918)	<u>12,875,429</u>
Budget as Amended	\$ 504,718,984

Table 2: 2024 Budget as Amended

2024 Adopted Budget	\$ 398,055,335
Budget Amendment #3 (Ord #6918)	<u>5,675,563</u>
Budget as Amended	\$ 403,730,898

Attachments:

- ❖ 1. Proposed Ordinance #6918 (budget adjustment #3)
- ❖ 2. Summary of proposed 2023 budget adjustments by fund and department (Schedule A)
- ❖ 3. Summary of proposed changes to adopted 2023 budget by fund (Schedule B)
- ❖ 4. Summary of proposed 2024 budget adjustments by fund and department (Schedule C)
- ❖ 5. Summary of proposed changes to adopted 2024 budget by fund (Schedule D)

ORDINANCE NO. 6918

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
AUBURN, WASHINGTON, AMENDING THE CITY'S 2023-2024
BIENNIAL OPERATING AND CAPITAL BUDGETS**

WHEREAS, at its November 21, 2022 regular meeting, the Auburn City Council enacted Ordinances No. 6879 and 6888, which adopted the City's 2023-2024 Biennial budget (Budget); and

WHEREAS, the City Council has amended the Budget twice since adoption (by enacting Ordinance No. 6900 on April 14, 2023, and Ordinance No. 6911 on July 17, 2023); and

WHEREAS, the City deems it necessary to amend the Budget a third time to appropriate additional funds into the various Budget funds outlined in the schedules attached to this Ordinance; and

WHEREAS, the City Council has approved this Ordinance by one more than its majority in accordance with RCW 35A.34.200.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Amendment of the 2023-2024 Biennial Budget. Pursuant to RCW 35A.34, the City hereby amends its 2023-2024 Biennial Budget to reflect the revenues and expenditures shown on Schedules "A", "B", "C" and "D" attached hereto and incorporated herein by reference.

Section 2. Implementation. The Mayor is authorized to utilize the revenue and expenditure amounts shown on Schedules "A", "B", "C" and "D" attached to this

Ordinance. A copy of these Schedules are on file with the City Clerk and available for public inspection. The Mayor is further authorized to implement those administrative procedures necessary to carry out the directives of this legislation.

Section 3. 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 4. 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:

APPROVED AS TO FORM:

Shawn Campbell, MMC, City Clerk

Harry Boesche, Acting City Attorney

Published: _____

Schedule A
Summary of 2023 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
General Fund (#001)					
2023 Adopted Budget	16,428,633	91,190,426	98,143,349	9,475,710	
Previous Budget Amendments	8,719,329	6,290,618	8,954,174	6,055,773	
2023 Amended Budget	25,147,962	97,481,044	107,097,523	15,531,483	
 BA#3 (Ordinance #6918, Proposed):	 540,945	 345,000	 776,184	 109,761	
Administration					
Council Chambers Broadcast Equip.	-	-	50,000	(50,000)	OT
Human Resources					
Civil Service fund adjustments	-	-	50,000	(50,000)	OG
Nash Consulting – Training & Development Initiative	-	-	50,000	(50,000)	OT
Finance Department					
B&O Tax System Support	-	200,000	200,000	-	OT
City Attorney's Office					
Encampment Cleanup	-	-	95,000	(95,000)	OT
Police Department					
Sexual Assault Kit Initiative	-	18,500	18,500	-	OT
Officer Wellness Program grant	-	55,000	55,000	-	OT
Public Works Department					
Traffic Signal Rpr–Ins Recover	-	18,500	18,500	-	OT
Parks Department					
Increase to Golf Cart Revenue and Labor	-	-	10,000	(10,000)	OG
Increase Inventory for Resale	-	35,000	35,000	-	OT
Golf Course Maintenance Staff Seasonal Labor	-	-	15,000	(15,000)	OG
Kiwanis Club -Sponsorship	-	10,000	10,000	-	OG
Clubhouse Repairs -ms2120	-	-	36,184	(36,184)	OT
Park Maint. Unanticipated Exp.	-	-	125,000	(125,000)	OT
Veterans Parade Tourism Board Funding 2023	-	8,000	8,000	-	OT
Non-Departmental					
Adjust 2023 Beginning Balances	540,945	-	-	540,945	OT
 Revised 2023 Budget - Fund 001	 25,688,907	 97,826,044	 107,873,707	 15,641,244	

Schedule A
Summary of 2023 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
Arterial Street Fund (#102)					
2023 Adopted Budget	965,783	9,085,192	9,360,894	690,081	
Previous Budget Amendments	1,384,373	6,214,703	7,153,040	446,036	
2023 Amended Budget	2,350,156	15,299,895	16,513,934	1,136,117	
BA#3 (Ordinance #6918, Proposed):	-	126,340	35,340	91,000	
Evergreen Heights Elem Sidewalks	-	(56,500)	(71,500)	15,000	OT
AWS Imp -Hemlock to Poplar-FIL	-	106,840	106,840	-	OT
277th Wetland Mitigation Refurb	-	-	-	-	OT
Garden Ave Project, Add FIL	-	26,000	-	26,000	OT
F102 – Interest Revenue Increase	-	50,000	-	50,000	OT
Revised 2023 Budget - Fund 102	2,350,156	15,426,235	16,549,274	1,227,117	
Arterial Street Preservation Fund (#105)					
2023 Adopted Budget	2,699,358	4,041,772	4,100,000	2,641,130	
Previous Budget Amendments	1,338,912	1,802,341	4,836,951	(1,695,698)	
2023 Amended Budget	4,038,270	5,844,113	8,936,951	945,432	
BA#3 (Ordinance #6918, Proposed):	(525,331)	474,500	-	(50,831)	
F105 -Revenue Budget Increase	-	474,500	-	474,500	OT
Adjust 2023 Beginning Balances	(525,331)	-	-	(525,331)	OT
Revised 2023 Budget - Fund 105	3,512,939	6,318,613	8,936,951	894,601	
Cumulative Reserve Fund (#122)					
2023 Adopted Budget	30,713,551	80,000	1,391,450	29,402,101	
Previous Budget Amendments	(121,110)	-	527,000	(648,110)	
2023 Amended Budget	30,592,441	80,000	1,918,450	28,753,991	
BA#3 (Ordinance #6918, Proposed):	-	-	762,944	(762,944)	
2024 Patrol Take Home Vehicles and Scheduled Replacements	-	-	762,944	(762,944)	OT
Revised 2023 Budget - Fund 122	30,592,441	80,000	2,681,394	27,991,047	

Schedule A
Summary of 2023 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
Mitigation Fees Fund (#124)					
2023 Adopted Budget	10,976,167	1,601,200	7,043,982	5,533,385	
Previous Budget Amendments	4,873,455	-	4,417,798	455,657	
2023 Amended Budget	15,849,622	1,601,200	11,461,780	5,989,042	
BA#3 (Ordinance #6918, Proposed):	-	-	(16,900)	16,900	
277th Wetland Mitigation Refurb	-	-	(16,900)	16,900	OT
Revised 2023 Budget - Fund 124	15,849,622	1,601,200	11,444,880	6,005,942	
Parks Construction Fund (#321)					
2023 Adopted Budget	816,504	1,545,100	1,347,800	1,013,804	
Previous Budget Amendments	544,956	1,020,503	1,733,933	(168,474)	
2023 Amended Budget	1,361,460	2,565,603	3,081,733	845,330	
BA#3 (Ordinance #6918, Proposed):	8,273	(159,980)	260,100	(411,807)	
Cedar Lanes Pump Track -cp2127	-	(122,480)	260,100	(382,580)	OT
Cedar Lanes Mountain Bike Park	-	(37,500)	-	(37,500)	OT
Adjust 2023 Beginning Balances	8,273	-	-	8,273	OT
Revised 2023 Budget - Fund 321	1,369,733	2,405,623	3,341,833	433,523	
Capital Improvements Fund (#328)					
2023 Adopted Budget	13,078,556	6,833,300	6,320,700	13,591,156	
Previous Budget Amendments	3,055,814	4,505,309	10,332,233	(2,771,110)	
2023 Amended Budget	16,134,370	11,338,609	16,652,933	10,820,046	
BA#3 (Ordinance #6918, Proposed):	-	-	25,000	(25,000)	
2023 City Street Lighting Imp.	-	-	25,000	(25,000)	OT
Revised 2023 Budget - Fund 328	16,134,370	11,338,609	16,677,933	10,795,046	

Schedule A
Summary of 2023 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
Water Fund (#430)					
2023 Adopted Budget	10,210,632	20,513,410	24,485,990	6,238,052	
Previous Budget Amendments	1,778,469	700,000	4,746,718	(2,268,249)	
2023 Amended Budget	11,989,101	21,213,410	29,232,708	3,969,803	
BA#3 (Ordinance #6918, Proposed):	-	2,418,200	203,940	2,214,260	
Water Fund Debt Service	-	-	203,940	(203,940)	OT
Water Fund Intergovernmental Loan	-	2,418,200	-	2,418,200	OT
Revised 2023 Budget - Fund 430	11,989,101	23,631,610	29,436,648	6,184,063	
Sewer Fund (#431)					
2023 Adopted Budget	9,299,995	9,573,200	10,346,701	8,526,494	
Previous Budget Amendments	2,939,027	-	565,640	2,373,387	
2023 Amended Budget	12,239,022	9,573,200	10,912,341	10,899,881	
BA#3 (Ordinance #6918, Proposed):	-	43,500	43,500	-	
22nd St NE Sewer Pump Station Gen Repl.	-	43,500	43,500	-	OT
Revised 2023 Budget - Fund 431	12,239,022	9,616,700	10,955,841	10,899,881	
Solid Waste Fund (#434)					
2023 Adopted Budget	2,135,607	26,646,830	26,533,984	2,248,453	
Previous Budget Amendments	566,164	-	-	566,164	
2023 Amended Budget	2,701,771	26,646,830	26,533,984	2,814,617	
BA#3 (Ordinance #6918, Proposed):	-	2,000,000	3,148,000	(1,148,000)	
2023 Solid Waste Budget	-	2,000,000	3,148,000	(1,148,000)	OT
Revised 2023 Budget - Fund 434	2,701,771	28,646,830	29,681,984	1,666,617	

Schedule A
Summary of 2023 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
Airport Fund (#435)					
2023 Adopted Budget	601,969	1,653,800	1,988,188	267,581	
Previous Budget Amendments	1,186,825	-	1,141,576	45,249	
2023 Amended Budget	1,788,794	1,653,800	3,129,764	312,830	
BA#3 (Ordinance #6918, Proposed):	195,548	970,000	243,750	921,798	
Airport Fuel	-	145,000	168,750	(23,750)	OT
Inc. Funding - Open T Hangar	-	825,000	75,000	750,000	OT
Adjust 2023 Beginning Balances	195,548	-	-	195,548	OT
Revised 2023 Budget - Fund 435	1,984,342	2,623,800	3,373,514	1,234,628	
Cemetery Fund (#436)					
2023 Adopted Budget	1,812,215	1,432,300	2,308,402	936,113	
Previous Budget Amendments	(160,795)	-	-	(160,795)	
2023 Amended Budget	1,651,420	1,432,300	2,308,402	775,318	
BA#3 (Ordinance #6918, Proposed):	-	126,000	126,000	-	
F436 Inc. Operations Rev & Exp	-	107,000	107,000	-	OT
Security Entrance Shutters	-	19,000	19,000	-	OT
Revised 2023 Budget - Fund 436	1,651,420	1,558,300	2,434,402	775,318	
Sewer Capital Fund (#461)					
2023 Adopted Budget	8,687,557	377,200	5,992,500	3,072,257	
Previous Budget Amendments	1,933,089	-	3,122,956	(1,189,867)	
2023 Amended Budget	10,620,646	377,200	9,115,456	1,882,390	
BA#3 (Ordinance #6918, Proposed):	-	43,500	43,500	-	
22nd St NE Sewer Pump Station Gen Repl.	-	43,500	43,500	-	OT
Revised 2023 Budget - Fund 461	10,620,646	420,700	9,158,956	1,882,390	

Schedule A
Summary of 2023 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
Airport Capital Fund (#465)					
2023 Adopted Budget	311,215	4,000,755	4,238,390	73,580	
Previous Budget Amendments	(73,080)	2,399,363	2,326,283	-	
2023 Amended Budget	238,135	6,400,118	6,564,673	73,580	
BA#3 (Ordinance #6918, Proposed):	-	127,900	127,900	-	
Inc. Funding - Open T Hangar	-	127,900	127,900	-	OT
Revised 2023 Budget - Fund 465	238,135	6,528,018	6,692,573	73,580	
Cemetery Capital Fund (#466)					
2023 Adopted Budget	7,184	355,100	355,050	7,234	
Previous Budget Amendments	5,106	-	-	5,106	
2023 Amended Budget	12,290	355,100	355,050	12,340	
BA#3 (Ordinance #6918, Proposed):	-	19,000	19,000	-	
Security Entrance Shutters	-	19,000	19,000	-	OT
Revised 2023 Budget - Fund 466	12,290	374,100	374,050	12,340	
Workers' Comp Fund (#503)					
2023 Adopted Budget	3,102,720	1,144,900	750,700	3,496,920	
Previous Budget Amendments	(189,205)	-	-	(189,205)	
2023 Amended Budget	2,913,515	1,144,900	750,700	3,307,715	
BA#3 (Ordinance #6918, Proposed):	-	-	185,800	(185,800)	
Adjustment to Workers Comp allocations	-	-	185,800	(185,800)	OT
Revised 2023 Budget - Fund 503	2,913,515	1,144,900	936,500	3,121,915	

Schedule A
Summary of 2023 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
Innovation & Technology Fund (#518)					
2023 Adopted Budget	3,155,085	9,046,000	9,173,835	3,027,250	
Previous Budget Amendments	(88,389)	150,000	930,000	(868,389)	
2023 Amended Budget	3,066,696	9,196,000	10,103,835	2,158,861	
BA#3 (Ordinance #6918, Proposed):	16	-	-	16	
Adjust 2023 Beginning Balances	16	-	-	16	OT
Revised 2023 Budget - Fund 518	3,066,712	9,196,000	10,103,835	2,158,877	
Equipment Rental Fund (#550)					
2023 Adopted Budget	1,769,286	3,527,200	3,564,826	1,731,660	
Previous Budget Amendments	229,180	-	-	229,180	
2023 Amended Budget	1,998,466	3,527,200	3,564,826	1,960,840	
BA#3 (Ordinance #6918, Proposed):	-	-	171,800	(171,800)	
New Units 6911C, A409B, and A903B	-	-	171,800	(171,800)	OT
Revised 2023 Budget - Fund 550	1,998,466	3,527,200	3,736,626	1,789,040	
Equipment Rental Capital Fund (#560)					
2023 Adopted Budget	4,508,173	3,470,540	3,096,120	4,882,593	
Previous Budget Amendments	1,032,046	3,000,045	5,967,785	(1,935,694)	
2023 Amended Budget	5,540,219	6,470,585	9,063,905	2,946,899	
BA#3 (Ordinance #6918, Proposed):	-	960,200	2,122,930	(1,162,730)	
Parks Wide Area Mower Replacement	-	-	78,000	(78,000)	OT
New Units 6911C, A409B, and A903B	-	171,800	171,800	-	OT
2024 Patrol Take Home Vehicles and Scheduled Replacements	-	788,400	1,873,130	(1,084,730)	OT
Revised 2023 Budget - Fund 560	5,540,219	7,430,785	11,186,835	1,784,169	

Schedule A
Summary of 2023 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
IT Capital Fund (#568)					
2023 Adopted Budget	237,354	674,700	585,300	326,754	
Previous Budget Amendments	(125,119)	614,000	565,500	(76,619)	
2023 Amended Budget	112,235	1,288,700	1,150,800	250,135	
BA#3 (Ordinance #6918, Proposed):	166,789	24,544	76,244	115,089	
2024 Patrol Take Home Vehicles and Scheduled Replacements	-	(25,456)	26,244	(51,700)	OT
Council Chambers Broadcast Equip.	-	50,000	50,000	-	OT
Adjust 2023 Beginning Balances	166,789	-	-	166,789	OT
Revised 2023 Budget - Fund 568	279,024	1,313,244	1,227,044	365,224	
Fire Pension Fund (#611)					
2023 Adopted Budget	1,790,627	103,600	196,256	1,697,971	
Previous Budget Amendments	99,905	-	-	99,905	
2023 Amended Budget	1,890,532	103,600	196,256	1,797,876	
BA#3 (Ordinance #6918, Proposed):	-	-	25,000	(25,000)	
Fire Pension Fund Salary and Prof Services Increase	-	-	25,000	(25,000)	OT
Revised 2023 Budget - Fund 611	1,890,532	103,600	221,256	1,772,876	

Schedule A
Summary of 2023 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
SKHHP Fund (#654)					
2023 Adopted Budget	1,668,893	297,400	366,475	1,599,818	
Previous Budget Amendments	76,098	1,078,621	354,828	799,891	
2023 Amended Budget	1,744,991	1,376,021	721,303	2,399,709	
BA#3 (Ordinance #6918, Proposed):	-	4,970,485	-	4,970,485	
SKHHP Housing Capital Fund HB 1590 Revenue	-	4,970,485	-	4,970,485	OG
Revised 2023 Budget - Fund 654	1,744,991	6,346,506	721,303	7,370,194	
Grand Total - All Funds					
2023 Adopted Budget	161,030,549	256,021,357	288,796,223	128,255,683	
Previous Budget Amendments	36,642,109	38,149,540	75,713,484	(921,835)	
2023 Amended Budget	197,672,658	294,170,897	364,509,707	127,333,848	
Total BA#3 (Ordinance #6918, Proposed):	386,240	12,489,189	8,380,032	4,495,397	
Revised 2023 Budget	198,058,898	306,660,086	372,889,739	131,829,245	
		504,718,984		504,718,984	

Schedule B
2023 Ending Fund Balance/Working Capital
by Fund

Fund	2023 Amended Beginning Balance	2023 Amended Ending Balance	BA#3 (ORD #6918) Revenues	BA#3 (ORD #6918) Expenditures	BA#3 (ORD #6918) Net Change in Fund Balance	Revised Ending Balance
General Fund (#001)	25,147,962	15,531,483	885,945	776,184	109,761	15,641,244
Arterial Street Fund (#102)	2,350,156	1,136,117	126,340	35,340	91,000	1,227,117
Local Street Fund (#103)	3,363,496	2,990,643	-	-	-	2,990,643
Hotel/Motel Tax Fund (#104)	464,299	423,099	-	-	-	423,099
Arterial Street Preservation Fund (#105)	4,038,270	945,432	(50,831)	-	(50,831)	894,601
American Rescue Plan Act Fund (#106)	-	-	-	-	-	-
Drug Forfeiture Fund (#117)	1,137,015	822,344	-	-	-	822,344
Housing and Comm Develop Fund (#119)	42,904	42,904	-	-	-	42,904
Recreation Trails Fund (#120)	97,169	38,059	-	-	-	38,059
BIA Fund (#121)	135,941	0	-	-	-	0
Cumulative Reserve Fund (#122)	30,592,441	28,753,991	-	762,944	(762,944)	27,991,047
Mitigation Fees Fund (#124)	15,849,622	5,989,042	-	(16,900)	16,900	6,005,942
2020 LTGO A&B Refunding Bonds Fund (#232)	460,163	460,163	-	-	-	460,163
SCORE Debt Service Fund (#238)	-	-	-	-	-	-
LID Guarantee Fund (#249)	1,702	1,712	-	-	-	1,712
Golf/Cemetery 2016 Refunding Fund (#276)	-	-	-	-	-	-
Parks Construction Fund (#321)	1,361,460	845,330	(151,707)	260,100	(411,807)	433,523
Capital Improvements Fund (#328)	16,134,370	10,820,046	-	25,000	(25,000)	10,795,046
Local Revitalization Fund (#330)	272,819	6,620	-	-	-	6,620
Water Fund (#430)	11,989,101	3,969,803	2,418,200	203,940	2,214,260	6,184,063
Sewer Fund (#431)	12,239,022	10,899,881	43,500	43,500	-	10,899,881
Storm Drainage Fund (#432)	14,133,052	13,904,780	-	-	-	13,904,780
Sewer Metro Sub Fund (#433)	4,237,930	4,265,430	-	-	-	4,265,430
Solid Waste Fund (#434)	2,701,771	2,814,617	2,000,000	3,148,000	(1,148,000)	1,666,617
Airport Fund (#435)	1,788,794	312,830	1,165,548	243,750	921,798	1,234,628
Cemetery Fund (#436)	1,651,420	775,318	126,000	126,000	-	775,318
Water Capital Fund (#460)	6,104,799	1,024,296	-	-	-	1,024,296
Sewer Capital Fund (#461)	10,620,646	1,882,390	43,500	43,500	-	1,882,390
Storm Drainage Capital Fund (#462)	9,225,817	6,194	-	-	-	6,194
Airport Capital Fund (#465)	238,135	73,580	127,900	127,900	-	73,580
Cemetery Capital Fund (#466)	12,290	12,340	19,000	19,000	-	12,340
Insurance Fund (#501)	1,488,966	1,318,466	-	-	-	1,318,466
Workers' Comp Fund (#503)	2,913,515	3,307,715	-	185,800	(185,800)	3,121,915
Facilities Fund (#505)	323,167	179,468	-	-	-	179,468
Innovation & Technology Fund (#518)	3,066,696	2,158,861	16	-	16	2,158,877
Equipment Rental Fund (#550)	1,998,466	1,960,840	-	171,800	(171,800)	1,789,040
Equipment Rental Capital Fund (#560)	5,540,219	2,946,899	960,200	2,122,930	(1,162,730)	1,784,169
IT Capital Fund (#568)	112,235	250,135	191,333	76,244	115,089	365,224
Fire Pension Fund (#611)	1,890,532	1,797,876	-	25,000	(25,000)	1,772,876
SKHHP Fund (#654)	1,744,991	2,399,709	4,970,485	-	4,970,485	7,370,194
Cemetery Endowment Fund (#701)	2,201,305	2,265,435	-	-	-	2,265,435

Schedule C
Summary of 2024 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
General Fund (#001)					
2024 Adopted Budget	9,475,710	101,921,889	101,372,924	10,024,675	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	9,475,710	101,921,889	101,372,924	10,024,675	
 BA#3 (Ordinance #6918, Proposed):	 6,165,534	 4,003,166	 2,647,866	 7,520,834	
Administration					
READY Program -ms2310	-	20,000	20,000	-	OT
Council Chambers Broadcast Equip.	(50,000)	-	-	(50,000)	OT
Human Resources					
Civil Service fund adjustments	(50,000)	-	50,000	(100,000)	OG
Nash Consulting – Training & Development Initiative	(50,000)	-	65,000	(115,000)	OT
Finance Department					
Mid Biennial Revenue Adjustments	-	711,300	-	711,300	OT
City Attorney's Office					
Encampment Cleanup	(95,000)	-	-	(95,000)	OT
Police Department					
Supernumerary position for Academy TAC Officer	-	147,000	-	147,000	OG
2024 Move Vehicle Equipment to PD	-	52,000	52,000	-	OT
Public Works Department					
Photo Enforcement Revenue	-	640,000	-	640,000	OT
Parks Department					
Increase to Golf Cart Revenue and Labor	(10,000)	-	10,000	(20,000)	OG
Golf Course Maintenance Staff Seasonal Labor	(15,000)	-	18,000	(33,000)	OG
Kiwanis Club -Sponsorship	-	1,000	1,000	-	OG
Clubhouse Repairs -ms2120	(36,184)	-	-	(36,184)	OT
Park Maint. Unanticipated Exp.	(125,000)	-	-	(125,000)	OT
Non-Departmental					
2024 Reclassify F106 Transfers	-	2,431,866	2,431,866	-	OT
Adjust 2023 Beginning Balances	6,596,718	-	-	6,596,718	OT
 Revised 2024 Budget - Fund 001	 15,641,244	 105,925,055	 104,020,790	 17,545,509	

Schedule C
Summary of 2024 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
Arterial Street Fund (#102)					
2024 Adopted Budget	690,081	11,307,150	11,968,800	28,431	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	690,081	11,307,150	11,968,800	28,431	
BA#3 (Ordinance #6918, Proposed):	537,036	(3,789,445)	(4,022,945)	770,536	
Evergreen Heights Elem Sidewalks	15,000	(840,000)	(1,050,500)	225,500	OT
Regional Growth Center Imp.	-	785,555	785,555	-	OT
R St SE Widening- 22nd St - 33rd	-	(3,300,000)	(3,300,000)	-	OT
49th St NE (AWN to D St NE)	-	-	400,000	(400,000)	OT
R & 21st St SE Roundabout Grant	-	-	-	-	OT
Garden Ave Project, Add FIL	26,000	-	92,000	(66,000)	OT
Garden Avenue Project, Add TIF	-	450,000	450,000	-	OT
F102 – Interest Revenue Increase	50,000	15,000	-	65,000	OT
M Street NE Widening	-	(900,000)	(1,400,000)	500,000	OT
Adjust 2023 Beginning Balances	446,036	-	-	446,036	OT
Revised 2024 Budget - Fund 102	1,227,117	7,517,705	7,945,855	798,967	
Local Street Fund (#103)					
2024 Adopted Budget	2,494,389	2,546,100	1,951,300	3,089,189	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	2,494,389	2,546,100	1,951,300	3,089,189	
BA#3 (Ordinance #6918, Proposed):	496,254	-	-	496,254	
Adjust 2023 Beginning Balances	496,254	-	-	496,254	OT
Revised 2024 Budget - Fund 103	2,990,643	2,546,100	1,951,300	3,585,443	

Schedule C
Summary of 2024 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
Hotel/Motel Tax Fund (#104)					
2024 Adopted Budget	446,979	143,900	177,100	413,779	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	446,979	143,900	177,100	413,779	
BA#3 (Ordinance #6918, Proposed):	(23,880)	-	-	(23,880)	
Adjust 2023 Beginning Balances	(23,880)	-	-	(23,880)	OT
Revised 2024 Budget - Fund 104	423,099	143,900	177,100	389,899	
Arterial Street Preservation Fund (#105)					
2024 Adopted Budget	2,641,130	4,203,100	5,250,000	1,594,230	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	2,641,130	4,203,100	5,250,000	1,594,230	
BA#3 (Ordinance #6918, Proposed):	(1,746,529)	(750,000)	(2,224,856)	(271,673)	
M Street NE Widening	-	-	(1,315,000)	1,315,000	OT
R St SE Preservation Project	-	-	374,500	(374,500)	OT
Lake Tapps Pkwy/Sumner Prev.	-	(750,000)	(1,284,356)	534,356	OT
F105 -Revenue Budget Increase	474,500	-	-	474,500	OT
Adjust 2023 Beginning Balances	(2,221,029)	-	-	(2,221,029)	OT
Revised 2024 Budget - Fund 105	894,601	3,453,100	3,025,144	1,322,557	
American Rescue Plan Act Fund (#106)					
2024 Adopted Budget	-	4,246,866	4,246,866	-	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	-	4,246,866	4,246,866	-	
BA#3 (Ordinance #6918, Proposed):	-	-	-	-	
2024 Reclassify F106 Transfers	-	-	-	-	OT
Revised 2024 Budget - Fund 106	-	4,246,866	4,246,866	-	

Schedule C
Summary of 2024 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
Drug Forfeiture Fund (#117)					
2024 Adopted Budget	612,565	148,000	404,917	355,648	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	612,565	148,000	404,917	355,648	
BA#3 (Ordinance #6918, Proposed):	209,779	-	-	209,779	
Adjust 2023 Beginning Balances	209,779	-	-	209,779	OT
Revised 2024 Budget - Fund 117	822,344	148,000	404,917	565,427	
Housing and Comm Develop Fund (#119)					
2024 Adopted Budget	42,842	650,000	650,000	42,842	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	42,842	650,000	650,000	42,842	
BA#3 (Ordinance #6918, Proposed):	62	-	-	62	
Adjust 2023 Beginning Balances	62	-	-	62	OT
Revised 2024 Budget - Fund 119	42,904	650,000	650,000	42,904	
Recreation Trails Fund (#120)					
2024 Adopted Budget	102,945	7,100	-	110,045	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	102,945	7,100	-	110,045	
BA#3 (Ordinance #6918, Proposed):	(64,886)	-	-	(64,886)	
Adjust 2023 Beginning Balances	(64,886)	-	-	(64,886)	OT
Revised 2024 Budget - Fund 120	38,059	7,100	-	45,159	

Schedule C
Summary of 2024 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance	OT/OG
BIA Fund (#121)					
2024 Adopted Budget	7,502	-	7,502	-	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	7,502	-	7,502	-	
BA#3 (Ordinance #6918, Proposed):	(7,502)	-	(7,502)	-	
Close out F121	(7,502)	-	(7,502)	-	OT
Revised 2024 Budget - Fund 121	-	-	-	-	
Cumulative Reserve Fund (#122)					
2024 Adopted Budget	29,402,101	80,000	12,959,994	16,522,107	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	29,402,101	80,000	12,959,994	16,522,107	
BA#3 (Ordinance #6918, Proposed):	(1,411,054)	-	(762,944)	(648,110)	
2024 Patrol Take Home Vehicles and Scheduled Replacements	(762,944)	-	(762,944)	-	OT
2024 Move Vehicle Equipment to PD	-	-	-	-	OT
Adjust 2023 Beginning Balances	(648,110)	-	-	(648,110)	OT
Revised 2024 Budget - Fund 122	27,991,047	80,000	12,197,050	15,873,997	
Mitigation Fees Fund (#124)					
2024 Adopted Budget	5,533,385	1,600,100	7,003,800	129,685	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	5,533,385	1,600,100	7,003,800	129,685	
BA#3 (Ordinance #6918, Proposed):	472,557	-	(2,579,445)	3,052,002	
Regional Growth Center Imp.	-	-	785,555	(785,555)	OT
R St SE Widening- 22nd St - 33rd	-	-	(3,300,000)	3,300,000	OT
R & 21st St SE Roundabout Grant	-	-	(115,000)	115,000	OT
277th Wetland Mitigation Refurb	16,900	-	-	16,900	OT
Garden Avenue Project, Add TIF	-	-	450,000	(450,000)	OT
M Street NE Widening	-	-	(400,000)	400,000	OT
Adjust 2023 Beginning Balances	455,657	-	-	455,657	OT
Revised 2024 Budget - Fund 124	6,005,942	1,600,100	4,424,355	3,181,687	

Schedule C
Summary of 2024 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
2020 LTGO A&B Refunding Bonds Fund (#232)					
2024 Adopted Budget	662,707	1,504,200	1,504,100	662,807	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	662,707	1,504,200	1,504,100	662,807	
BA#3 (Ordinance #6918, Proposed):	(202,544)	-	-	(202,544)	
Adjust 2023 Beginning Balances	(202,544)	-	-	(202,544)	OT
Revised 2024 Budget - Fund 232	460,163	1,504,200	1,504,100	460,263	
LID Guarantee Fund (#249)					
2024 Adopted Budget	1,697	10	-	1,707	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	1,697	10	-	1,707	
BA#3 (Ordinance #6918, Proposed):	15	-	-	15	
Adjust 2023 Beginning Balances	15	-	-	15	OT
Revised 2024 Budget - Fund 249	1,712	10	-	1,722	
Parks Construction Fund (#321)					
2024 Adopted Budget	1,013,804	568,800	768,500	814,104	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	1,013,804	568,800	768,500	814,104	
BA#3 (Ordinance #6918, Proposed):	(580,281)	-	-	(580,281)	
Cedar Lanes Pump Track -cp2127	(382,580)	-	-	(382,580)	OT
Cedar Lanes Mountain Bike Park	(37,500)	-	-	(37,500)	OT
Adjust 2023 Beginning Balances	(160,201)	-	-	(160,201)	OT
Revised 2024 Budget - Fund 321	433,523	568,800	768,500	233,823	

Schedule C
Summary of 2024 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
Capital Improvements Fund (#328)					
2024 Adopted Budget	13,591,156	4,099,300	7,249,500	10,440,956	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	13,591,156	4,099,300	7,249,500	10,440,956	
BA#3 (Ordinance #6918, Proposed):	(2,796,110)	(148,276)	(7,072)	(2,937,314)	
Downtown Infrastructure Imp.	-	-	550,000	(550,000)	OT
M Street NE Widening	-	-	(500,000)	500,000	OT
2024 Reclassify F106 Transfers	-	-	-	-	OT
2023 City Safety Ped. Crossing	-	(40,000)	210,000	(250,000)	OT
Lea Hill Safe Route to Schools Project – Grant Fund Adj.	-	(108,276)	(267,072)	158,796	OT
2023 City Street Lighting Imp.	(25,000)	-	-	(25,000)	OT
Adjust 2023 Beginning Balances	(2,771,110)	-	-	(2,771,110)	OT
Revised 2024 Budget - Fund 328	10,795,046	3,951,024	7,242,428	7,503,642	
Local Revitalization Fund (#330)					
2024 Adopted Budget	2,031	2,082,866	2,081,866	3,031	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	2,031	2,082,866	2,081,866	3,031	
BA#3 (Ordinance #6918, Proposed):	4,589	-	-	4,589	
2024 Reclassify F106 Transfers	-	-	-	-	OT
Adjust 2023 Beginning Balances	4,589	-	-	4,589	OT
Revised 2024 Budget - Fund 330	6,620	2,082,866	2,081,866	7,620	

Schedule C
Summary of 2024 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
Water Fund (#430)					
2024 Adopted Budget	6,238,052	18,963,410	21,242,749	3,958,713	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	6,238,052	18,963,410	21,242,749	3,958,713	
BA#3 (Ordinance #6918, Proposed):	(53,989)	-	201,220	(255,209)	
Water Fund Debt Service	(203,940)	-	201,220	(405,160)	OT
Water Fund Intergovernmental Loan	2,418,200	-	-	2,418,200	OT
Adjust 2023 Beginning Balances	(2,268,249)	-	-	(2,268,249)	OT
Revised 2024 Budget - Fund 430	6,184,063	18,963,410	21,443,969	3,703,504	
Sewer Fund (#431)					
2024 Adopted Budget	8,526,494	9,661,700	10,676,197	7,511,997	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	8,526,494	9,661,700	10,676,197	7,511,997	
BA#3 (Ordinance #6918, Proposed):	2,373,387	-	-	2,373,387	
Adjust 2023 Beginning Balances	2,373,387	-	-	2,373,387	OT
Revised 2024 Budget - Fund 431	10,899,881	9,661,700	10,676,197	9,885,384	
Storm Drainage Fund (#432)					
2024 Adopted Budget	13,315,693	11,160,700	17,964,446	6,511,947	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	13,315,693	11,160,700	17,964,446	6,511,947	
BA#3 (Ordinance #6918, Proposed):	589,087	-	1,000,000	(410,913)	
Transfer to F462 -Capital fund	-	-	1,000,000	(1,000,000)	OT
Adjust 2023 Beginning Balances	589,087	-	-	589,087	OT
Revised 2024 Budget - Fund 432	13,904,780	11,160,700	18,964,446	6,101,034	

Schedule C
Summary of 2024 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance	OT/OG
Sewer Metro Sub Fund (#433)					
2024 Adopted Budget	3,355,634	21,989,300	21,961,800	3,383,134	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	3,355,634	21,989,300	21,961,800	3,383,134	
BA#3 (Ordinance #6918, Proposed):	909,796	-	-	909,796	
Adjust 2023 Beginning Balances	909,796	-	-	909,796	OT
Revised 2024 Budget - Fund 433	4,265,430	21,989,300	21,961,800	4,292,930	
Solid Waste Fund (#434)					
2024 Adopted Budget	2,248,453	28,102,400	28,328,158	2,022,695	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	2,248,453	28,102,400	28,328,158	2,022,695	
BA#3 (Ordinance #6918, Proposed):	(581,836)	2,423,000	2,858,000	(1,016,836)	
2023 Solid Waste Budget	-	450,000	450,000	-	OG
2023 Solid Waste Budget	(1,148,000)	1,973,000	2,408,000	(1,583,000)	OT
Adjust 2023 Beginning Balances	566,164	-	-	566,164	OT
Revised 2024 Budget - Fund 434	1,666,617	30,525,400	31,186,158	1,005,859	
Airport Fund (#435)					
2024 Adopted Budget	267,581	1,938,000	2,107,005	98,576	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	267,581	1,938,000	2,107,005	98,576	
BA#3 (Ordinance #6918, Proposed):	967,047	178,500	203,875	941,672	
Airport Fuel	(23,750)	178,500	203,875	(49,125)	OT
Inc. Funding - Open T Hangar	750,000	-	-	750,000	OT
Adjust 2023 Beginning Balances	240,797	-	-	240,797	OT
Revised 2024 Budget - Fund 435	1,234,628	2,116,500	2,310,880	1,040,248	

Schedule C
Summary of 2024 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
Cemetery Fund (#436)					
2024 Adopted Budget	936,113	1,432,300	1,878,038	490,375	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	936,113	1,432,300	1,878,038	490,375	
BA#3 (Ordinance #6918, Proposed):	(160,795)	-	-	(160,795)	
Adjust 2023 Beginning Balances	(160,795)	-	-	(160,795)	OT
Revised 2024 Budget - Fund 436	775,318	1,432,300	1,878,038	329,580	
Water Capital Fund (#460)					
2024 Adopted Budget	1,032,208	5,603,310	6,176,810	458,708	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	1,032,208	5,603,310	6,176,810	458,708	
BA#3 (Ordinance #6918, Proposed):	(7,912)	-	-	(7,912)	
Adjust 2023 Beginning Balances	(7,912)	-	-	(7,912)	OT
Revised 2024 Budget - Fund 460	1,024,296	5,603,310	6,176,810	450,796	
Sewer Capital Fund (#461)					
2024 Adopted Budget	3,072,257	377,200	1,344,000	2,105,457	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	3,072,257	377,200	1,344,000	2,105,457	
BA#3 (Ordinance #6918, Proposed):	(1,189,867)	-	-	(1,189,867)	
Adjust 2023 Beginning Balances	(1,189,867)	-	-	(1,189,867)	OT
Revised 2024 Budget - Fund 461	1,882,390	377,200	1,344,000	915,590	

Schedule C
Summary of 2024 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
Storm Drainage Capital Fund (#462)					
2024 Adopted Budget	1,567,248	7,536,200	8,065,000	1,038,448	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	1,567,248	7,536,200	8,065,000	1,038,448	
BA#3 (Ordinance #6918, Proposed):	(1,561,054)	1,000,000	-	(561,054)	
Transfer to F462 -Capital fund	-	1,000,000	-	1,000,000	OT
Adjust 2023 Beginning Balances	(1,561,054)	-	-	(1,561,054)	OT
Revised 2024 Budget - Fund 462	6,194	8,536,200	8,065,000	477,394	
Airport Capital Fund (#465)					
2024 Adopted Budget	73,580	1,145,755	1,101,210	118,125	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	73,580	1,145,755	1,101,210	118,125	
BA#3 (Ordinance #6918, Proposed):	-	-	-	-	
Adjust 2023 Beginning Balances	-	-	-	-	OT
Revised 2024 Budget - Fund 465	73,580	1,145,755	1,101,210	118,125	
Cemetery Capital Fund (#466)					
2024 Adopted Budget	7,234	100	50	7,284	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	7,234	100	50	7,284	
BA#3 (Ordinance #6918, Proposed):	5,106	-	-	5,106	
Adjust 2023 Beginning Balances	5,106	-	-	5,106	OT
Revised 2024 Budget - Fund 466	12,340	100	50	12,390	

Schedule C
Summary of 2024 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
Insurance Fund (#501)					
2024 Adopted Budget	1,540,275	12,000	182,500	1,369,775	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	1,540,275	12,000	182,500	1,369,775	
BA#3 (Ordinance #6918, Proposed):	(221,809)	-	-	(221,809)	
Adjust 2023 Beginning Balances	(221,809)	-	-	(221,809)	OT
Revised 2024 Budget - Fund 501	1,318,466	12,000	182,500	1,147,966	
Workers' Comp Fund (#503)					
2024 Adopted Budget	3,496,920	1,144,900	751,000	3,890,820	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	3,496,920	1,144,900	751,000	3,890,820	
BA#3 (Ordinance #6918, Proposed):	(375,005)	-	309,300	(684,305)	
Adjustment to Workers Comp allocations	(185,800)	-	309,300	(495,100)	OT
Adjust 2023 Beginning Balances	(189,205)	-	-	(189,205)	OT
Revised 2024 Budget - Fund 503	3,121,915	1,144,900	1,060,300	3,206,515	
Facilities Fund (#505)					
2024 Adopted Budget	368,394	4,451,000	4,468,294	351,100	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	368,394	4,451,000	4,468,294	351,100	
BA#3 (Ordinance #6918, Proposed):	(188,926)	-	-	(188,926)	
2024 Reclassify F106 Transfers	-	-	-	-	OT
Adjust 2023 Beginning Balances	(188,926)	-	-	(188,926)	OT
Revised 2024 Budget - Fund 505	179,468	4,451,000	4,468,294	162,174	

Schedule C
Summary of 2024 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
Innovation & Technology Fund (#518)					
2024 Adopted Budget	3,027,250	11,696,580	11,755,538	2,968,292	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	3,027,250	11,696,580	11,755,538	2,968,292	
BA#3 (Ordinance #6918, Proposed):	(868,373)	-	-	(868,373)	
Multimedia Assistant On-going Reclass	-	-	-	-	OG
Adjust 2023 Beginning Balances	(868,373)	-	-	(868,373)	OT
Revised 2024 Budget - Fund 518	2,158,877	11,696,580	11,755,538	2,099,919	
Equipment Rental Fund (#550)					
2024 Adopted Budget	1,731,660	3,608,990	3,749,447	1,591,203	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	1,731,660	3,608,990	3,749,447	1,591,203	
BA#3 (Ordinance #6918, Proposed):	57,380	-	-	57,380	
New Units 6911C, A409B, and A903B	(171,800)	-	-	(171,800)	OT
Adjust 2023 Beginning Balances	229,180	-	-	229,180	OT
Revised 2024 Budget - Fund 550	1,789,040	3,608,990	3,749,447	1,648,583	

Schedule C
Summary of 2024 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
Equipment Rental Capital Fund (#560)					
2024 Adopted Budget	4,882,593	3,023,152	2,648,380	5,257,365	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	4,882,593	3,023,152	2,648,380	5,257,365	
BA#3 (Ordinance #6918, Proposed):	(3,098,424)	(714,400)	(1,799,130)	(2,013,694)	
Parks Wide Area Mower Replacement	(78,000)	-	-	(78,000)	OT
2024 Patrol Take Home Vehicles and Scheduled Replacements	(1,084,730)	(662,400)	(1,747,130)	-	OT
2024 Move Vehicle Equipment to PD	-	(52,000)	(52,000)	-	OT
Adjust 2023 Beginning Balances	(1,935,694)	-	-	(1,935,694)	OT
Revised 2024 Budget - Fund 560	1,784,169	2,308,752	849,250	3,243,671	
IT Capital Fund (#568)					
2024 Adopted Budget	326,754	603,944	514,544	416,154	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	326,754	603,944	514,544	416,154	
BA#3 (Ordinance #6918, Proposed):	38,470	(100,544)	(100,544)	38,470	
2024 Patrol Take Home Vehicles and Scheduled Replacements	(51,700)	(100,544)	(100,544)	(51,700)	OT
Adjust 2023 Beginning Balances	90,170	-	-	90,170	OT
Revised 2024 Budget - Fund 568	365,224	503,400	414,000	454,624	
Fire Pension Fund (#611)					
2024 Adopted Budget	1,697,971	103,600	206,256	1,595,315	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	1,697,971	103,600	206,256	1,595,315	
BA#3 (Ordinance #6918, Proposed):	74,905	-	28,000	46,905	
Fire Pension Fund Salary and Prof Services Increase	(25,000)	-	28,000	(53,000)	OT
Adjust 2023 Beginning Balances	99,905	-	-	99,905	OT
Revised 2024 Budget - Fund 611	1,772,876	103,600	234,256	1,642,220	

Schedule C
Summary of 2024 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6918)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>	<u>OT/OG</u>
SKHHP Fund (#654)					
2024 Adopted Budget	1,599,818	331,000	377,600	1,553,218	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	1,599,818	331,000	377,600	1,553,218	
BA#3 (Ordinance #6918, Proposed):	5,770,376	-	-	5,770,376	
SKHHP Housing Capital Fund HB 1590 Revenue	4,970,485	-	-	4,970,485	OG
Adjust 2023 Beginning Balances	799,891	-	-	799,891	OT
Revised 2024 Budget - Fund 654	7,370,194	331,000	377,600	7,323,594	
Cemetery Endowment Fund (#701)					
2024 Adopted Budget	2,222,477	64,130	-	2,286,607	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	2,222,477	64,130	-	2,286,607	
BA#3 (Ordinance #6918, Proposed):	42,958	-	-	42,958	
Adjust 2023 Beginning Balances	42,958	-	-	42,958	OT
Revised 2024 Budget - Fund 701	2,265,435	64,130	-	2,329,565	
Grand Total - All Funds					
2024 Adopted Budget	128,255,683	269,799,652	304,836,791	93,218,544	
Previous Budget Amendments	-	-	-	-	
2024 Amended Budget	128,255,683	269,799,652	304,836,791	93,218,544	
Total BA#3 (Ordinance #6918, Proposed):	3,573,562	2,102,001	(4,256,177)	9,931,740	
Revised 2024 Budget	131,829,245	271,901,653	300,580,614	103,150,284	
		403,730,898		403,730,898	

Schedule D
2024 Ending Fund Balance/Working Capital
by Fund

Fund	2024 Adopted Beginning Balance	2024 Adopted Ending Balance	BA#3 (ORD #6918) Revenues	BA#3 (ORD #6918) Expenditures	BA#3 (ORD #6918) Net Change in Fund Balance	Revised Ending Balance
General Fund (#001)	9,475,710	10,024,675	10,168,700	2,647,866	7,520,834	17,545,509
Arterial Street Fund (#102)	690,081	28,431	(3,252,409)	(4,022,945)	770,536	798,967
Local Street Fund (#103)	2,494,389	3,089,189	496,254	-	496,254	3,585,443
Hotel/Motel Tax Fund (#104)	446,979	413,779	(23,880)	-	(23,880)	389,899
Arterial Street Preservation Fund (#105)	2,641,130	1,594,230	(2,496,529)	(2,224,856)	(271,673)	1,322,557
American Rescue Plan Act Fund (#106)	-	-	-	-	-	-
Drug Forfeiture Fund (#117)	612,565	355,648	209,779	-	209,779	565,427
Housing and Comm Develop Fund (#119)	42,842	42,842	62	-	62	42,904
Recreation Trails Fund (#120)	102,945	110,045	(64,886)	-	(64,886)	45,159
BIA Fund (#121)	7,502	-	(7,502)	(7,502)	-	-
Cumulative Reserve Fund (#122)	29,402,101	16,522,107	(1,411,054)	(762,944)	(648,110)	15,873,997
Mitigation Fees Fund (#124)	5,533,385	129,685	472,557	(2,579,445)	3,052,002	3,181,687
2020 LTGO A&B Refunding Bonds Fund (#232)	662,707	662,807	(202,544)	-	(202,544)	460,263
SCORE Debt Service Fund (#238)	-	-	-	-	-	-
LID Guarantee Fund (#249)	1,697	1,707	15	-	15	1,722
Golf/Cemetery 2016 Refunding Fund (#276)	-	-	-	-	-	-
Parks Construction Fund (#321)	1,013,804	814,104	(580,281)	-	(580,281)	233,823
Capital Improvements Fund (#328)	13,591,156	10,440,956	(2,944,386)	(7,072)	(2,937,314)	7,503,642
Local Revitalization Fund (#330)	2,031	3,031	4,589	-	4,589	7,620
Water Fund (#430)	6,238,052	3,958,713	(53,989)	201,220	(255,209)	3,703,504
Sewer Fund (#431)	8,526,494	7,511,997	2,373,387	-	2,373,387	9,885,384
Storm Drainage Fund (#432)	13,315,693	6,511,947	589,087	1,000,000	(410,913)	6,101,034
Sewer Metro Sub Fund (#433)	3,355,634	3,383,134	909,796	-	909,796	4,292,930
Solid Waste Fund (#434)	2,248,453	2,022,695	1,841,164	2,858,000	(1,016,836)	1,005,859
Airport Fund (#435)	267,581	98,576	1,145,547	203,875	941,672	1,040,248
Cemetery Fund (#436)	936,113	490,375	(160,795)	-	(160,795)	329,580
Water Capital Fund (#460)	1,032,208	458,708	(7,912)	-	(7,912)	450,796
Sewer Capital Fund (#461)	3,072,257	2,105,457	(1,189,867)	-	(1,189,867)	915,590
Storm Drainage Capital Fund (#462)	1,567,248	1,038,448	(561,054)	-	(561,054)	477,394
Airport Capital Fund (#465)	73,580	118,125	-	-	-	118,125
Cemetery Capital Fund (#466)	7,234	7,284	5,106	-	5,106	12,390
Insurance Fund (#501)	1,540,275	1,369,775	(221,809)	-	(221,809)	1,147,966
Workers' Comp Fund (#503)	3,496,920	3,890,820	(375,005)	309,300	(684,305)	3,206,515
Facilities Fund (#505)	368,394	351,100	(188,926)	-	(188,926)	162,174
Innovation & Technology Fund (#518)	3,027,250	2,968,292	(868,373)	-	(868,373)	2,099,919
Equipment Rental Fund (#550)	1,731,660	1,591,203	57,380	-	57,380	1,648,583
Equipment Rental Capital Fund (#560)	4,882,593	5,257,365	(3,812,824)	(1,799,130)	(2,013,694)	3,243,671
IT Capital Fund (#568)	326,754	416,154	(62,074)	(100,544)	38,470	454,624
Fire Pension Fund (#611)	1,697,971	1,595,315	74,905	28,000	46,905	1,642,220
SKHHP Fund (#654)	1,599,818	1,553,218	5,770,376	-	5,770,376	7,323,594
Cemetery Endowment Fund (#701)	2,222,477	2,286,607	42,958	-	42,958	2,329,565



AGENDA BILL APPROVAL FORM

Agenda Subject:

Ordinance No. 6919 (Thomas)

Date:

November 13, 2023

Department:

Finance

Attachments:

[Ordinance No. 6919 - 2024 Property Tax Levy](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

City Council to approve Ordinance No. 6919.

Background for Motion:

Ordinance No. 6919 sets the City's 2024 Property Tax levy amount to support general operational purposes in 2024.

Background Summary:

Proposed Ordinance No. 6919 establishes the 2024 Property Tax levy based on the assessed valuations provided by King County. It represents a 1% increase over 2023, plus banked capacity, plus one-time increases due to new construction and refunds. The following table summarizes the 2024 Property Tax Levy calculation.

Table 1 - 2024 Property Tax Levy Calculation	
2023 Levy	\$ 24,357,904
1% Increase	243,579
Banked Capacity	45,229
2024 Levy	\$ 24,646,712
Plus: Estimated New Construction	145,984
Plus: Estimated Refund Levy	170,862
Total 2024 Property Tax	\$ 24,963,558

As of this date, the County has preliminarily established the 2024 assessed valuation (including estimated new construction) for the City of Auburn at \$17.8 billion, which is a 2% increase over the 2023 assessed value of \$17.5 billion. The 2024 Property Tax Levy will be distributed to the General Fund to support general governmental operations.

Reviewed by Council Committees:

Councilmember: Baldwin

Staff:

Thomas

Meeting Date: November 20, 2023

Item Number: ORD.C

ORDINANCE NO. 6919

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, ESTABLISHING THE LEVY FOR REGULAR PROPERTY TAXES BY THE CITY OF AUBURN FOR COLLECTION IN 2024 FOR GENERAL CITY OPERATIONAL PURPOSES IN THE AMOUNT OF \$24,646,712

WHEREAS, the City Council of the City of Auburn has met and considered its budget for the calendar year 2024; and

WHEREAS, pursuant to RCW 84.55.120 the City Council held public hearings November 20, 2023, after proper notice was given, to consider the City of Auburn's 2023-2024 mid-biennial budget review and the regular property tax levy to support it; and

WHEREAS, the City Council of the City of Auburn, after public hearing, and after duly considering all relevant evidence and testimony presented, has determined that the City of Auburn requires property tax revenue and any increase of new construction and improvements to property, any increase in the value of state-assessed property, annexations, and any refund levies in order to discharge the expected expenses and obligations of the City and in its best interest; and

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Regular property taxes for collection in the City of Auburn

for the year 2024 are authorized in the amount of \$24,646,712. Not including the addition of new construction and improvements to property, any increases related

to the value of state assessed property, and any refund levies available, the regular property tax levy for 2024 collection represents an increase from regular property taxes levied for collection in 2023 of \$288,808 which includes a 1.0% increase in revenue from the previous year, plus \$45,229 in banked capacity from the previous year.

Section 2. Implementation. The Mayor is hereby authorized to implement those administrative procedures necessary to carry out the directions of this legislation.

Section 3. 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 4. 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:

APPROVED AS TO FORM:

Shawn Campbell, MMC, City Clerk

Harry Boesche, City Attorney

Published: _____



AGENDA BILL APPROVAL FORM

Agenda Subject:

Ordinance No. 6921 (Thomas)

Date:

November 13, 2023

Department:

Finance

Attachments:

[Ordinance No. 6921 Utility Tax, Admission, and
Gambling and other Tax Administrative](#)

[Provisions](#)

[Exhibit A 3-62](#)

[Exhibit B](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

City Council to approve Ordinance No. 6921.

Background for Motion:

Ordinance No. 6921 adds a new section ACC 3.62 - Administrative Code for Certain City Taxes. This section will provide consistent administrative provisions for the taxes imposed in ACC 3.40, 3.41, 3.42, 3.52, 3.80, 3.84, 3.88, and 3.54.

Background Summary:

Ordinance No. 6921 adds a new section ACC 3.62 - Administrative Code for Certain City Taxes. This section will provide consistent administrative provisions for the taxes imposed in ACC 3.40, 3.41, 3.42, 3.52, 3.80, 3.84, and 3.88. There will be coinciding revisions to each individual tax section (ACC 3.40, 3.41, 3.42, 3.52, 3.80, 3.84, and 3.88) to remove the individually and separate administrative provisions. These changes will align the administrative provisions for all City imposed taxes, removing redundancy, and contradictory or conflicting guidance. Ultimately, these changes will add clarity to the process and create a more efficient filing process for businesses.

Reviewed by Council Committees:

Councilmember: Baldwin

Staff:

Thomas

Meeting Date: November 20, 2023

Item Number:

ORD.D

ORDINANCE NO. 6921

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON RELATED TO THE ADMINISTRATION AND COLLECTION OF CITY IMPOSED TAXES: (1) MOVING AND CONSOLIDATING TAX ADMINISTRATION PROVISIONS FROM ACC CHAPTERS 3.40, 3.41, 3.42, 3.52, 3.80, 3.84, AND 3.88 INTO A NEW ACC CHAPTER 3.62; AND (2) AND ADDING NEW SECTIONS AND REPEALING CERTAIN SECTIONS RELATED TO TAX ADMINISTRATION

WHEREAS, ACC Chapters 3.40, 3.41, 3.42, 3.52, 3.80, 3.84, and 3.88 impose and administer taxes on utilities, admissions and gambling activities within the City;

WHEREAS, these chapters each contain similar City tax administration and collection provisions that become duplicative and redundant when spread out throughout the City's tax code;

WHEREAS, for taxpayer simplification and the ease of administration and reference, the tax administration and collection provisions within these ACC chapters should be consolidated into a newly created single ACC chapter, with new sections providing additional definitions added for greater clarity and guidance, and duplicative and redundant tax administration sections repealed for simplification;

WHEREAS, these revisions and additions to the City tax code will enable greater clarity and precision in the administration and implementation of City taxes, and are in the best interest of the City and its taxpayers.

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

Section 1. New Chapter to City Code. A new chapter 3.62 entitled “Administrative Code for Certain City Taxes” is added to the Auburn City Code, and shall read as set forth in Exhibit A attached to this Ordinance.

Section 2. Amendments to City Code. As set forth in Exhibit B to this Ordinance, Chapters 3.40, 3.41, 3.42, 3.52, 3.80, 3.84, and 3.88 of the Auburn City Code are supplemented, revised, and amended. New sections 3.40.020 and 3.40.030 are added to the City code, and sections 3.41.014, 3.52.080, 3.52.090, 3.52.100, 3.52.110, 3.84.070, 3.84.080, 3.84.090, 3.88.070, 3.88.080, and 3.88.090 are repealed from the City code.

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:

APPROVED AS TO FORM:

Shawn Campbell, MMC, City Clerk

Harry Boesche, Acting City Attorney

Published: _____

ORD. 6921 EXHIBIT A

[NEW CHAPTER]

ACC 3.62 ADMINISTRATIVE CODE FOR CERTAIN CITY TAXES

ACC 3.62.010 Purpose of Chapter.

The purpose of this Chapter is to set forth administrative requirements for the collection and payment of City taxes imposed by ACC Chapters 3.40, 3.41, 3.42, 3.52, 3.80, 3.84, and 3.88. Refer to ACC Chapter 3.54 for the administrative requirements related to the City's business and occupation (B&O) tax imposed by ACC 3.53.

ACC 3.62.015 Definitions.

Unless defined otherwise in an applicable section of this Code, the following definitions apply to this Chapter and to ACC Chapters 3.40, 3.41, 3.42, 3.52, 3.80, 3.84, and 3.88:

- A. "Cash basis" means a basis of accounting which recognizes revenues and expenses as occurring in the reporting period when they were actually either received or paid.
- B. "City" means the City of Auburn and all of its departments.
- C. "Department" means the City's Finance Department (or any successor City department responsible to administer City taxation).
- D. "Director" means the Director of the City's Finance Department, or any City officer, agent, or employee designated to act on the Director's behalf.
- E. "Gambling" means any activity identified in RCW 9.46.0237.
- F. "Generally accepted accounting principles" means those national accounting standards promulgated by the Financial Accounting Standards Board for businesses and nonprofit associations or by the Governmental Accounting Standards Board for state agencies or local governments.
- G. "Gross income" means the value proceeding or accruing by reason of the transaction of business engaged in and includes gross proceeds of sales, compensation for the rendition of services, gains realized from trading in stocks, bonds, or other evidence of indebtedness, interest, discount, rents, royalties, fees, commissions, dividends, and other emoluments, however designated, all without any deduction on account of the cost of tangible property sold, the cost of materials used, labor costs, interest, discount,

delivery costs, taxes, or any other expense whatsoever paid or accrued without any deduction on account of losses.

H. "Gross receipts" has the same meaning as gross income.

I. "Person" means any individual or entity subject to or potentially subject to taxation under ACC Chapters 3.40, 3.41, 3.42, 3.52, 3.80, 3.84, and 3.88.

J. "Records" means the books of accounts and other business-related records of a taxpayer subject to the city's tax code or license code. Such records include ledgers, subsidiary ledgers, invoices, receipts, registration and incorporation documents, federal, state and local tax returns, and any other records necessary to establish the amounts due under the provisions of this code.

K. "Reporting period" means:

1. A 1 month period beginning the first day of each calendar month (monthly); or
2. A 3 month period beginning the first day of January, April, July or October of each year (quarterly); or
3. A 12 month period beginning the first day of January of each year (annual).

L. "Return" means any document a person is required by the city to file to satisfy or establish a tax or fee obligation that is administered or collected by the city and that has a statutorily defined due date.

M. "Successor" means any person to whom a taxpayer quitting, selling out, exchanging, or disposing of a business sells or otherwise conveys, directly or indirectly, in bulk and not in the ordinary course of the taxpayer's business, any part of the materials, supplies, merchandise, inventory, fixtures, or equipment of the taxpayer. Any person obligated to fulfill the terms of a contract shall be deemed a successor to any contractor defaulting in the performance of any contract as to which such person is a surety or guarantor.

N. "Tax" means the amount, usually based upon gross income, assessed upon a person doing business under the provisions of ACC Chapters 3.40, 3.41, 3.42, 3.52, 3.80, 3.84 and 3.88.

O. "Tax year" or "taxable year" means the calendar year.

ACC 3.62.016 Registration/license requirements.

No person shall engage in any business or conduct any business activity without first obtaining a valid current business registration as required by Chapter 5.10 ACC, General Business License.

ACC 3.62.020 Exemption from tax return and payment requirements.

A. Persons with a gross income of less than \$2,000 in a calendar year that do not maintain a permanent operating location within the city are exempt from the tax return and payment requirements imposed by this chapter and by ACC Chapters 3.40, 3.41, 3.42, 3.52, 3.80, 3.84 and 3.88.

B. Taxpayers claiming an exemption under this section must submit a written exemption request to the Director. The Director must approve an exemption request in writing before a taxpayer will be granted an exemption from the tax and return requirements in this Chapter.

ACC 3.62.030 Tax return filing and payment requirements.

A. Taxpayers subject to the tax imposed by ACC Chapters 3.40, 3.41, 3.42, 3.80, 3.84, and 3.88. Taxpayers subject to these ACC Chapters shall record and report tax due on the city authorized tax return forms, and shall file the return and pay the corresponding tax due to the city finance director, as follows:

1. Taxpayers with gross income of \$20,000 per month or less: unless ACC 3.62.020.A applies, the taxes imposed by those ACC chapters shall be due annually, and paid on or before April 30th of the year following the year in which the income was received.

2. Taxpayers with gross income exceeding \$20,000 per month: the taxes imposed by those chapters shall be due in quarterly installments, and paid on or before the 30th day of the month after the end of the quarterly period in which the income was received.

B. Taxpayers subject to the tax imposed by ACC Chapter 3.52. Taxpayers subject to the tax imposed by ACC 3.52 shall record and report tax due on a city tax return form. Tax owed under this ACC chapter is due and payable in quarterly installments and shall be paid on or before the 30th day of the month after the end of the quarterly period in which the taxpayer received the income.

C. If a taxpayer is subject to multiple taxes imposed under different Chapters 3.40, 3.41, 3.42, 3.52, 3.80, 3.84, 3.88 ACC and Chapter 3.53, a taxpayer shall report all taxes on the same city tax return form, using the same filing frequency, determined in accordance with A1, A2, B of this subsection.

D. The Director reserves the right to review and reassign the tax return filing frequencies in this section case by case.

E. Taxpayer accounting methods. Taxpayers may file tax returns listing amounts based on cash receipt only if the taxpayer's records are kept on a cash basis.

Otherwise, taxpayers must file returns listing amounts based on an accrual accounting method.

F. Taxes shall be paid as provided in this chapter and accompanied by a return on the city authorized tax forms as prescribed by the director . Taxpayer returns shall be signed by the taxpayer or by their authorized agent. The individual signing the return shall swear or affirm that the return information is true and complete. Unless exempt from taxation under ACC 3.62.020, taxpayers must file completed City tax returns whether or not any tax is owed.

G. Unless otherwise provided in this chapter, if any taxpayer fails, neglects or refuses to make a return as and when required in this chapter, the director is authorized to determine the amount of the tax or fees payable by obtaining facts and information upon which to base the director's estimate of the tax or fees due. Such assessment shall be deemed prima facie correct and shall be the amount of tax owed to the city by the taxpayer. The director shall notify the taxpayer by mail of the amount of tax so determined, together with any penalty, interest, and fees due; the total of such amounts shall thereupon become immediately due and payable.

ACC 3.62.040 Tax payment methods and requirements.

A. Taxpayers shall pay taxes due to the director in United States currency by bank draft, certified check, cashier's check, personal check, money order, cash, or by wire transfer or electronic payment (if authorized by the director). The director's acceptance of any sum shall not discharge the tax or fee due unless and until the City actually receives required payments.

B. A return or remittance mailed to the city shall be deemed received on the date of the mailing's post office stamp. The director may allow taxpayers to file or pay taxes electronically. A return or remittance that is electronically transmitted to the city shall be deemed filed or received according to procedures set forth by the director.

C. The director shall keep full and accurate records of all taxpayer funds received or refunded. The director shall apply payments received from taxpayers first against any penalties and interest owing, and then to tax owed, without regard to any direction of the taxpayer.

D. Taxpayers who file a tax return without including payment of any tax due shall be deemed to have failed or refused to file a return and shall be subject to the penalties and interest provided in this chapter.

E. Taxpayer payments that are returned for lack of sufficient funds (or for any other reason) will not be considered received, and are subject to a \$35.00 "nonsufficient funds" (NSF) charge.

F. The director is authorized (but not required) to mail tax return forms to taxpayers, but failure of the taxpayer to obtain any such forms shall not excuse the taxpayer from the tax filing and payment obligations under this chapter.

ACC 3.62.050 Assessments – overpayment or underpayment of tax

A. Unless otherwise provided in this Chapter or in ACC Chapters 3.40, 3.41, 3.42, 3.52, 3.80, 3.84 or 3.88, if a taxpayer fails, neglects or refuses to file a tax return as required by this chapter, the director is authorized to assess the taxpayer's tax obligation to the City. The director's assessment shall be deemed prima facie correct and the assessed amount shall be the taxpayer's tax owed to the city. The director shall notify the taxpayer in writing of the tax assessed, together with any penalty, interest, and fees, which shall be immediately due and payable.

B. The director shall not assess (or correct an assessment for) taxes, penalties, or interest due more than 4 years after the close of the calendar year in which they were incurred, except:

1. Against a person who is not currently registered or licensed as required by ACC Title 5, unless the person voluntarily registers or becomes licensed under ACC Title 5 before director contact;
2. Against a person who has not filed a tax return as required by this Chapter or by ACC Chapters 3.40, 3.41, 3.42, 3.52, 3.80, 3.84 or 3.88 for taxes due within the period commencing 10 years prior to the close of the calendar year in which the director contacted the person in writing;
3. Against a person that has committed fraud or who has misrepresented a material fact in connection with a tax return or tax obligation under this Title; or

4. Against a person that has provided the director with a signed written waiver of this assessment limitation.

C. Underpayment of tax. If the director's review of any tax returns or other information obtained reveals that a person has paid a tax or penalty less than that properly due, the director shall assess the additional amount found to be due and shall add interest to the unpaid tax only. The director shall notify the person by mail of the additional amount, which shall be due and payable within 30 days from the date of the notice, or within such time as the director may provide in writing. Substantial tax underpayments are further subject to ACC 3.62.070.B.

D. Overpayment of tax.

1. If, upon receipt of an application for a refund, or during an audit or examination of the taxpayer's records and tax returns, the director determines that the amount of tax, penalty, or interest paid is in excess of that properly due, the excess amount shall be credited to the taxpayer's account or shall be refunded to the taxpayer. Except as provided in subsection B of this section, no refund or credit shall be made for taxes, penalties, or interest paid more than four years prior to the beginning of the calendar year in which the refund application is made or examination of records is completed.

2. The execution of a written waiver shall extend the time for applying for, or making a refund or credit of any taxes paid during, or attributable to, the years covered by the waiver if, prior to the expiration of the waiver period, an application for refund of such taxes is made by the taxpayer or the director discovers that a refund or credit is due.

3. Refunds shall be made by means of vouchers approved by the director and by the issuance of a city check or warrants drawn upon and payable from such funds as the city may provide.

4. Any final judgment for which a recovery is granted by any court of competent jurisdiction for tax, penalties, interest, or costs paid by any person shall be paid in the same manner, as provided in subsection C of this section, upon the filing with the director a certified copy of the order or judgment of the court.

5. Interest on overpayments of taxes for reporting periods beginning on or after January 1, 2005, shall be computed in accordance with RCW 82.32.060, as now enacted or hereafter amended.

ACC 3.62.060 Records to be preserved – Examination – Estoppel to question assessment.

A. Persons liable for any fee or tax imposed by ACC Chapters 3.40, 3.41, 3.42, 3.52, 3.80, 3.84 or 3.88 shall keep and preserve records necessary to determine their City tax liability for 5 years after filing a tax return. "Records" shall include the taxpayer's federal and state income tax returns and any books, papers, invoices, vendor lists, inventories,

or other data needed to determine the taxpayer's City tax liability. The taxpayer's records and business premises shall be open for director examination.

B. Persons who keep the records required by this section outside the City may either produce them to the director for examination or pay in advance the director's costs to examine the records outside the city (which may include round-trip fare, lodging, meals and incidental expenses).

C. Any person who fails, or refuses a finance department request to provide or make available records, or to allow inspection or examination of a business premises, shall be forever barred from questioning in a court action the correctness of any City tax assessment for any period for which such records have not been provided, made available or kept and preserved, or for which inspection or examination of the business premises has been denied.

D. The director is authorized to determine the amount of the tax or fees payable by obtaining facts and information upon which to base the estimate of the tax or fees due. Such fee or tax assessment shall be deemed prima facie correct and shall be the amount of tax owing the city by the taxpayer. The director shall notify the taxpayer by mail the amount of tax so determined, together with any penalty, interest, and fees due; the total of such amounts shall thereupon become immediately due and payable.

ACC 3.62.070 Late payment – Disregard of written instructions – Evasion – Penalties.

A. If a taxpayer fails to pay any tax due on a return by its due date, the director shall add a penalty in accordance with RCW 82.32.090(1) (as now enacted or hereafter amended).

B. If the director determines that a taxpayer has substantially underpaid any tax as defined in RCW 82.32.090(2), the director may add a penalty to the tax owed in accordance with RCW 82.32.090(2) (as now enacted or as hereafter amended).

C. A citation or criminal complaint issued to collect of taxes, fees, assessments, interest or penalties shall include an added penalty in accordance with RCW 82.32.090(3) (as now enacted or hereafter amended).

D. If the director finds that a person has engaged in any taxable business or activities under this title without a license required by ACC 5.10, the director shall impose a penalty in accordance with RCW 82.32.090(4) (as now enacted or hereafter amended). No penalty shall be imposed under this subsection D if the person obtains the required license before receiving written notice of the licensing requirement from the director.

E. If the director determines that all or any part of a taxpayer's deficient tax payment resulted from the taxpayer's failure to follow specific City written tax reporting

instructions, the director shall assess a penalty in accordance with RCW 82.32.090(5) (as now enacted or hereafter amended).

F. If the director finds that all or any part of a taxpayer's deficient tax payment resulted from an intent to evade the tax, the director shall assess a penalty in accordance with RCW 82.32.090(6) (as now enacted or hereafter amended).

G. The director may impose the penalties in this section cumulatively on any City tax owed, except that the subsection E and F penalties shall not be imposed on the same delinquent tax. This subsection does not prohibit or restrict the application of other penalties authorized by law.

H. If future changes to RCW 82.32.090 are deemed invalid, the provisions of RCW 82.32.090 incorporated into this section at the time of its enactment shall apply.

ACC 3.62.080 Waiver of penalties and interest.

A. The director may waive penalties or interest otherwise required by this Chapter or by ACC Chapters 3.40, 3.41, 3.42, 3.52, 3.80, 3.84 or 3.88 if a taxpayer's failure to pay required taxes when due was caused by circumstances beyond the taxpayer's control.

B. A taxpayer may submit a written request to the director for the waiver of penalties or interest under this section within 30 days after the finance department mails the taxpayer a notice that penalties are due. The request must contain facts supporting a waiver under this section. In all cases the burden of producing facts rests upon the taxpayer.

C. The director may waive or cancel a penalty imposed when a taxpayer is ineligible for a penalty waiver or cancellation under subsection A of this section, if:

1. Was not licensed, and filing returns;

2. The taxpayer has timely filed all tax returns and paid all required taxes due under those RCW sections for 24 months immediately preceding the period for which the waiver was requested.

C. The director may also waive or cancel interest imposed under this chapter if:

1. The timing of the taxpayer's tax payment was in direct reliance on written instructions from the director to the taxpayer; or

2. The timing of a taxpayer's assessment deficiency payment was based on a due date established for the sole convenience of the director.

D. The director may adopt rules for the waiver or cancellation of penalties and interest under this section.

ACC 3.62.090 Taxpayer quitting business – liability of successor

A. Whenever any taxpayer quits business, sells out, exchanges, or otherwise disposes of his business or his stock of goods, any tax payable hereunder shall become immediately due and payable. Such taxpayer shall, within 10 days thereafter, make a return and pay the tax due.

B. Any person who becomes a successor shall become liable for the full amount of any tax owing. The successor shall withhold from the purchase price a sum sufficient to pay any tax due to the city from the taxpayer until such time as: (a) the taxpayer shall produce a receipt from the city showing payment in full of any tax due or a certificate that no tax is due, or (b) more than six months has passed since the successor notified the director of the acquisition and the director has not issued and notified the successor of an assessment.

C. Payment of the tax by the successor shall, to the extent thereof, be deemed a payment upon the purchase price. If such payment is greater in amount than the purchase price, the amount of the difference shall become a debt due such successor from the taxpayer.

D. Notwithstanding the above, if a successor gives written notice to the director of the acquisition, and the finance department does not within six months of the date it received the notice issue an assessment against the taxpayer and mail a copy of that assessment to the successor, the successor shall not be liable for the tax.

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ACC 3.62.100 Administrative review and appeal.

A. Request for conference to review assessment. Persons issued a City finance department notice of assessed taxes, delinquent taxes, interest, or penalties may request a conference with the finance department to review the assessment.

1. Conference requests must be written and received by the finance department within 30 days after issuance of the assessment notice (or within the period of any due date extension granted by the finance department).

2. Assessed interest and penalties will continue to accrue while a conference request is pending and during any finance department review (unless the department determines

that the assessment was erroneously high or the review is unreasonably delayed by the finance department).

3. If the department grants a review conference, at its conclusion the department will make a final decision regarding the assessment and issue the taxpayer a written notice of its decision within 60 days of the conference (unless notified otherwise by the department). The department's written decision is subject to appeal as provided in this section. Written decisions not appealed under this section become final and immediately due and payable.

B. Appeal of finance department decision. Persons aggrieved by any fee, tax, interest, penalty or decision by the director under this chapter may appeal using the following procedures:

1. Appealing parties must fully pay the department's assessed amount(s) under appeal before starting the appeal process, and appeals must include a finance department receipt (as proof of payment "under protest") showing full payment of the assessed fee, tax, interest and/or penalty being appealed;

2. Appealing parties must pay a filing fee with the appeal in accordance with ACC 2.46).

3. Appeals must be written and contain the following:

a. The taxpayer's name, business address, and phone number; and

b. The taxpayer's statement:

(i) identifying the department decision being appealed;

(ii) setting forth the appeal basis and identifying the specific alleged errors the finance department made in its decision; and

(iii) identifying the requested relief sought in the appeal.

4. Appeals must be filed with the city clerk and the director no later than 20 days after the finance department's written decision being appealed mailed to the taxpayer.

Failure to follow the appeal procedures in this section, including paying the filing fee and payment "under protest," shall preclude the taxpayer's right to appeal.

5. *Appeal Hearing.* The hearing examiner shall notify the taxpayer and director in writing of an appeal hearing date.

a. Appeal hearings will be conducted in accordance with this chapter and rules and procedures developed by the hearing examiner.

b. Both the appealing taxpayer and the director shall have the opportunity to be heard and to introduce evidence in an appeal hearing.

c. The appellant taxpayer shall have the burden of proving the allegations in their appeal statement by a preponderance of the evidence.

d. The hearing examiner shall preserve a record of appeal hearings in a form and manner that the examiner deems proper.

e. Following the hearing, the hearing examiner shall enter a written decision supported by findings and conclusions. A copy of the decision shall be mailed to the appellant taxpayer and to the director. The decision shall state the examiner's decision of the correct fee, tax, interest or penalty amount owing. If the hearing examiner determines that the taxpayer is owed a refund, such refund amount shall be paid to the taxpayer.

6. *Interest Accrual or Payment.* Interest and/or penalties shall continue to accrue on all unpaid amounts despite the filing of an appeal. #

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ACC 3.62.110 Judicial review of hearing examiner decision.

The taxpayer or the city may seek judicial review of a hearing examiner decision in accordance with applicable laws and court rules.

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ACC 3.62.120 Director may make rules.

The director shall have the power to adopt, publish and enforce rules and regulations not inconsistent with this chapter or with other applicable law to carry out this chapter's provisions. Any such rules and regulations shall be presumed valid and shall have the force of law, and it shall be unlawful to violate them.

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ACC 3.62.140 Mailing of notices.

The department shall send any required notices in this chapter to taxpayers by ordinary mail, addressed as shown in the records of the director. A taxpayer's failure to receive any such notice shall not release the taxpayer from any tax, fee, interest, or any penalties, nor shall the failure extend any time limit in this chapter. It is every taxpayer's responsibility to inform the director of a mailing address change in writing.

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ACC 3.62.150 Tax declared additional.

License fees and taxes levied in this chapter are additional to any imposed or levied under any other City law or ordinance, except as otherwise expressly provided.

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ACC 3.62.170 Unpaid taxes constitute debt.

Unpaid license fees, taxes, interest and penalties under this chapter are a debt to the city of Auburn and the City may collect them in the same manner as any other debt, in addition to all other existing remedies.

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ACC 3.62.180 Unlawful actions – violation – penalties.

A. It is unlawful for any person, firm or corporation subject to this chapter (or other chapters as listed):

1. To violate or fail to comply with any of the provisions of this chapter or any lawful rule or regulation adopted by the director;
2. To make any false statement on any license application or tax return;
3. To aid or abet any person in any attempt to evade payment of a license fee or tax;
4. To fail to appear or testify in response to a subpoena issued pursuant to the rules of procedure of the office of the hearing examiner;
5. To testify falsely in any investigation, audit, or proceeding conducted pursuant to this chapter.

B. Violation of any of the provisions of this chapter is a gross misdemeanor punishable by 364 days in jail and/or a \$1,000 fine. Penalties or punishments provided in this chapter shall be in addition to all other penalties provided by law.

C. Any person, or officer of a corporation, convicted of continuing to engage in business after the revocation of a license shall be guilty of a gross misdemeanor and may be punished by a fine not to exceed \$5,000, or imprisonment not to exceed one year, or both fine and imprisonment.

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ACC 3.62.190 Settlement agreement provisions.

The director may enter into written agreements with persons relating to their liability for any tax imposed by this chapter or any chapter listed within this chapter. Such

agreements shall be final and conclusive as to their stated subject matter, and (except upon a showing of fraud or malfeasance, or misrepresentation of a material fact):

A. The matters agreed upon in an agreement shall not be reopened, and no agreement may be modified except in a writing agreed to by the director and the taxpayer; and

B. In any suit, action or proceeding, such agreement, or any determination, assessment, collection, payment, abatement, refund, or credit made in accordance therewith, shall not be annulled, modified, set aside, or disregarded.

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ACC 3.62.200 Charge off of uncollectable taxes.

The director may charge off any tax, penalty, or interest that is owed by a taxpayer, if the director reasonably ascertains that the cost of collecting such amounts would be greater than the total amount that is owed or likely to be collected from the taxpayer.

ACC 3.62.290 Severability.

If any provision of this chapter or its application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provision to other persons or circumstances shall not be affected.

ORD. 6921 EXHIBIT B

Chapter 3.40

WATER, ~~AND SEWER~~, AND STORM DRAINAGE UTILITY TAX

[NEW SECTION] 3.40.020 Definitions

A. "Clerk" means the city clerk of the city of Auburn.

B. "Sewerage system business" means and includes:

1. Sanitary sewage disposal sewers and facilities, including (without limitation) on-site or off-site sanitary sewer facilities consisting of an approved septic tank or septic tank systems, or any other means of sewage treatment and disposal;
2. Combined sanitary sewage disposal and storm or surface water drains and facilities;
3. Storm or surface water drains, channels and facilities;
4. Outfalls for storm drainage or sanitary sewage and works, plants, and facilities for storm drainage or sanitary sewage treatment and disposal;
5. Any combination of or part of any or all of such facilities.

C. "Water distribution business" means the business of operating a plant or system for the distribution of water for hire or sale.

[NEW SECTION] 3.40.030 Administration and collection of tax.

The tax imposed by this chapter shall be administered and collected in accordance with ACC 3.62.

Chapter 3.41

SOLID WASTE GARBAGE UTILITY TAX

3.41.011 Definitions.

~~A. “Gross income” means the value proceeding or accruing from the sale of tangible property or service, and receipts (including all sums earned or charged, whether received or not) by reason of the investment of capital in the business engaged in, including rentals, royalties, fees, or other emoluments, however designated (excluding receipts or proceeds from the use or sale of real property or any interest therein, and proceeds from the sale of notes, bonds, mortgages, or other evidences of indebtedness, or stocks and the like) and without any deduction on account of the cost of the property sold, the cost of materials used, labor costs, interest or discount paid, or any expense whatsoever, and without any deduction on account of losses.~~

AB. “Solid waste” means garbage, trash, rubbish, or other material discarded as worthless or not economically viable for further use, infectious, hazardous, or toxic wastes, and recyclable or reusable materials collected, in whole or part, for recycling or salvage.

BC. “Solid waste collection service” means receiving solid waste for transfer, processing, treatment, storage, or disposal including, but not limited to, all collection services, public or private dumps, transfer stations, and similar operations.

3.41.012 Administration and collection of Tax—Payment—Returns.

The tax imposed by this chapter shall be administered and collected in accordance with ACC 3.62.

~~A. *Exemption From Tax and Return Requirement.* Taxpayers with gross income of less than \$2,000 per calendar year that do not maintain a permanent operating location within the city are exempt from the tax and return requirements imposed by this chapter.~~

~~B. *Tax Return Filing and Payment Requirements.* Taxpayers subject to the tax imposed by this chapter shall record and report tax due on a city tax return form, and shall file the return and pay the corresponding tax due to the city finance director, as follows:~~

- ~~1. Taxpayers with gross income exceeding \$20,000 per month: the taxes imposed by this chapter shall be due in quarterly installments, and paid on or before the~~

~~thirtieth day of the month after the end of the quarterly period in which the income was received.~~

~~Such quarterly periods are as follows:~~

~~First quarter—January, February, March;~~

~~Second quarter—April, May, June;~~

~~Third quarter—July, August, September;~~

~~Fourth quarter—October, November, December.~~

~~2. Taxpayers with gross income of \$20,000 per month or less: unless subsection A of this section applies, the taxes imposed by this chapter shall be due annually, and paid on or before January 31st of the year following the year in which the income was received.~~

~~3. *Finance Director Reservation of Rights.* The finance director reserves the right to review and reassign tax filing frequency on a case-by-case basis, as warranted by administrative requirements.~~

3.41.013 Deductions.

~~A. Taxpayers here may be deducted from the total gross receipts income upon which the tax is computed any revenues derived from business that State or Federal law which the city is prohibits the City ed from taxing under the Constitution or laws of the state of Washington or the United States or the charter of the city.~~

~~B. Solid waste collection businesses There may be deducted from the total gross receipts income upon which the tax is computed the amount of state excise taxes the business collects and remits, pursuant to Chapter 82.18 RCW 82.18, imposed directly upon persons using the service of a solid waste collection business and collected for payment to the state by the solid waste collection business.~~

3.41.014 Overpayment of tax.

~~A. If a taxpayer refund request or an audit or examination of the taxpayer's records reveals that the taxpayer has paid tax exceeding that properly due within the two years immediately preceding the request, audit or examination, the city shall (at the taxpayer's option) credit the excess amount paid to the taxpayer's account or refund the excess amount to the taxpayer.~~

~~B. No refund or credit will be allowed for any payment made more than two years before the date that such request, audit or examination is commenced.~~

~~C.—Where a refund or credit is disallowed by the lapse of the two-year period in this section, the director may use the credit or refund amount otherwise allowable to offset any tax deficiency determined by the director to be due for the tax assessment period preceding the two-year period.~~

Chapter 3.42

CABLE TELEVISION UTILITY TAX

3.42.020 Cable television utility tax.

A. There is levied a 6% tax ~~of six percent~~ on the gross income from gross subscriber revenues of, and upon the total annual revenues of, cable television businesses operating within the city. This, ~~which~~ tax shall be collected from and levied upon the total receipts of such cable television business(es). ~~For the purposes hereof, the following terms and definitions shall apply:~~

~~A. “Gross revenues” means the value proceeding or accruing from the sale of any tangible personal property and/or for services rendered, without any deduction on account of the cost of property sold, the cost of materials used, labor costs, interest, discount paid, delivery costs, taxes, or any other expense whatsoever paid or accrued and without any deduction on account of losses. Gross revenues for the purposes of calculating franchise fees shall be as set forth in any franchise agreement.~~

B. On and after January 1, 2023, the finance director shall allocate 1% of the tax revenue received under this section for the purpose of acquiring, investing in, constructing, improving, providing, operating, preserving, maintaining and/or funding transportation improvements in the city. The remaining five percent levied pursuant to this section shall be relegated for use by the city’s general fund.

C. Definitions.

1. AB. “Cable television business” means a system providing cable service pursuant to a franchise issued by the city under the Cable Communications Policy Act of 1984, Public Law No. 98-549, 47 U.S.C. §Section 521, as now enacted or hereafter it may be amended or superseded.

2B. “~~Cable service~~television business” means the one-way transmission of video programming and associated nonvideo signals to subscribers together with subscriber interaction, if any, which is provided in connection with video programming.

3C. “Gross subscriber revenues.”

a. For ~~the purposes~~ of this Chapter, “gross subscriber revenues” means and includes those revenues derived from the supplying of subscription service, including that is, installation fees, disconnect and reconnect fees, fees for regular cable benefits (including the transmission of broadcast signals), and access and origination channels and per-program or per-channel charges.

b. ; however, tThe revenues taxed liability imposed under this Section shall not include leased channel revenue, advertising revenues, or any other income derived from the system that is , which shall be taxed under Chapter 3.53.

D. The business of operating or conducting a cable television system (CATV) does not include the provision of interactive two-way communications over cable. Such activities shall be reported under the telecommunication service or telephone business classification.

~~C.— On and after January 1, 2023, the finance director shall allocate one percent of the tax revenue received under this section for the purpose of acquiring, investing in, constructing, improving, providing, operating, preserving, maintaining and/or funding transportation improvements in the city. The remaining five percent levied pursuant to this section shall be relegated for use by the city's general fund.~~

3.42.030 Administration and collection of Tax—Payment—Returns.

The tax imposed by this chapter shall be administered and collected in accordance with ACC 3.62.

~~A.— *Exemption From Tax and Return Requirement.* Taxpayers with gross income of less than \$2,000 per calendar year that do not maintain a permanent operating location within the city are exempt from the tax and return requirements imposed by this chapter.~~

~~B.— *Tax Return Filing and Payment Requirements.* Taxpayers subject to the tax imposed by this chapter shall record and report tax due on a city tax return form, and shall file the return and pay the corresponding tax due to the city finance director, as follows:~~

~~1.— Taxpayers with gross income exceeding \$20,000 per month: the taxes imposed by this chapter shall be due in quarterly installments, and paid on or before the thirtieth day of the month after the end of the quarterly period in which the income was received.~~

~~Such quarterly periods are as follows:~~

~~First quarter— January, February, March;~~

~~Second quarter— April, May, June;~~

~~Third quarter— July, August, September;~~

~~Fourth quarter— October, November, December.~~

~~2.— Taxpayers with gross income of \$20,000 per month or less: unless subsection A of this section applies, the taxes imposed by this chapter shall be due annually, and paid on or before January 31st of the year following the year in which the income was received.~~

3. ~~*Finance Director Reservation of Rights.*~~ The city finance director reserves the right to review and reassign tax return filing frequency on a case-by-case basis, as warranted by administrative requirements.

Chapter 3.52 ADMISSION TAX

3.52.020 Definitions.

A. "Admission charge," in addition to its usual and ordinary meaning, includes:

1. Charge made for season tickets or subscriptions;
2. A cover charge or a charge made for the use of seats or tables reserved or otherwise, and similar accommodations;
3. A charge made for rental or use of equipment or facilities for purposes of recreation or amusement, and where the rental of the equipment or facilities is necessary to the enjoyment of the privilege for which general admission is charged, the combined charge shall be the admission charge;
4. A charge made for admission to any theater, cabaret, tavern, dance hall, amphitheater, private club, auditorium, observation tower, stadium, athletic pavilion or field, baseball or athletic park, golf course, or any similar place, and includes equipment to which persons are admitted for purposes of recreation such as merry-go-rounds, ferris wheels, dodge'ems, roller coaster, go carts and other rides, whether such rides are restricted to tracks or not;
5. Charge made for automobile parking where the amount of the charge is determined according to the number of passengers in an automobile;
6. A sum of money referred to as a "donation" which must be paid before entrance is allowed;
7. The amount of an increase in the price of refreshments, service or merchandise in a place if no fixed admission charge or cover charge is imposed, but the price charged for refreshments, service or merchandise is higher during the time entertainment or dancing is provided than at other times.

~~B. "Clerk" means the city clerk of the city of Auburn.~~

~~C. "Finance director" means the finance director for the city of Auburn.~~

~~D. "Person" means any individual, receiver, assignee, firm, copartnership, joint venture, corporation, company, joint stock association, society or any group of individuals acting as a unit whether mutual, cooperative or fraternal.~~

~~E.~~ B. "Place" includes, but is not limited to, theaters, dance halls, amphitheaters, auditoriums, stadiums, athletic pavilions and fields, baseball and athletic parks, circuses, side shows, swimming pools, outdoor amusement parks, and such attractions as merry-go-rounds, ferris wheels, dodge 'ems, roller coasters, and observation towers within the city limits.

CF. “Subscription” means, in addition to its usual and ordinary meaning, annual membership dues or fees in an organization whose principal purpose is to present theatrical or musical performance for its members.

~~G. “Successor” means any person who shall directly or indirectly purchase or succeed to a business in any manner whatsoever; any person obligated to fulfill the terms of a contract shall be deemed a successor to any contractor defaulting in the performance of any contract as to which such person or persons is surety or guarantor.~~

3.52.050 Administration, Collection and remittance of taxes.

A. *Collection and Remittance.* Any person, (including any municipal or quasi-municipal corporation), who receives ~~any~~ payment for a taxable admission charge ~~on which a tax is levied~~ under this chapter shall collect ~~the amount of~~ the tax amount from the ~~person making the admission payment~~ and shall remit it the same to the finance director ~~as provided in this section. Persons collecting the required tax required to be collected~~ under this chapter shall be deemed to hold it be held in trust ~~by the person required to collect the same~~ until remittance ~~to the clerk as herein provided.~~

B. *Liability for Uncollected Tax ~~Not Collected~~.* Any person ~~required to collect the tax imposed under this chapter~~ who fails to collect or remit the required tax under this chapter ~~same, or who collects the same but fails to remit the same to the clerk in the manner prescribed by this chapter,~~ shall be liable to the city for the tax amount of such tax, and shall, ~~unless remittance is made as herein required, be guilty of a violation of this chapter~~ whether such failure is the result of their own act or ~~the result of~~ acts or conditions beyond the person’s control.

C. The City shall administer and collect the tax imposed by this chapter shall be administered and collected in accordance with ACC 3.62.

~~C. *Remittance to the Finance Director.*~~

~~The tax imposed under this chapter shall be collected at the time the admission charge is paid by the person seeking admission to any place and shall be reported and remitted by the person receiving the tax to the finance director in monthly installments and remittances thereof on or before the fifteenth of the following month in which the tax is collected or approved.~~

~~D. *Remittance May be by Check.* Payment or remittance of the tax collected may be made by check, unless payment or remittance is otherwise required by the finance director, but payment by check shall not relieve the person collecting the tax from liability for payment and remittance of the tax unless the check is honored and is in the full and correct amount.~~

~~E. *Return Required.* Any person receiving any payment for such admission shall make out a return upon such form and setting forth such information as the finance director may require, showing the amount of the tax upon admission for which they is liable for~~

~~the preceding quarterly period, and shall sign and transmit the same to the finance director with remittance for the amount; provided, that the finance director may in their discretion require verified annual returns from any person receiving admission payments setting forth such additional information as they may deem necessary to determine correctly the amount of tax collected and payable.~~

~~F. *Penalty Assessed for Late Remittance.* If the return provided for in this section is not made and the tax is not collected and paid by the due date, the finance director shall proceed in the manner provided for in ACC 3.52.120.~~

3.52.070 Reports and remittances by owner.

Whenever the applicant for a certificate of registration obtained for the purpose of operating or conducting a temporary or transitory amusement, entertainment or exhibition is not the owner, lessee or custodian of the building, lots or place where the amusement is to be conducted, the tax imposed by this chapter shall be reported and remitted as provided in ACC 3.52.060 by the person who is the owner, lessee or custodian if not paid by the person conducting the amusement, entertainment or exhibition. The applicant for a certificate of registration in any such case shall furnish to the clerk Director on the application form the name and address of the owner, lessee or custodian of the premises upon which the amusement is to be conducted, and such owner, lessee or custodian shall be notified by the clerk of the issuance of such certificate and of their joint liability for collection and remittance of such tax.

~~3.52.080 Records to be kept.~~

~~It shall be the duty of every person liable for any tax imposed by this chapter to keep and preserve for a period of two years, plus the current year's, such suitable records as may be necessary to determine the amount of any tax for which the person may be liable under the provisions of this chapter.~~

~~3.52.090 City to adopt rules and regulations.~~

~~The city shall have power to adopt rules and regulations not inconsistent with the terms of this chapter for carrying out and enforcing the payment, collection and remittance of the tax levied in this chapter, and shall publish and place on file a copy of the rules and regulations for public examination in the clerk's office. Failure to or refusal to comply with any such rules or regulations is a violation of this chapter.~~

~~3.52.100~~ — ~~Delinquent payments — Penalty.~~

~~If any person fails or refuses to make any return required by this chapter, the finance director shall proceed in such manner as they may deem best to obtain facts and information on which to base their estimate of the tax due. As soon as the finance director procures such facts and information as they is able to obtain upon which to base the assessment of any tax payable by any person who has failed or refused to make a return, they shall proceed to determine and assess against such person the tax and penalties provided for by this chapter and shall notify such taxpayer by mail of the total amount of such tax, penalties and interest, and the total amount shall be paid within 10 days from the date of such notice.~~

~~If any person fails or refuses to pay the tax required to be paid by this chapter within the time and in the amount specified by this chapter, the finance director shall add to any tax due, interest at the rate of one percent for every month or fraction thereof that the tax is unpaid.~~

~~3.52.110~~ — ~~Examination of books and records.~~

~~The books and records and accounts of any person collecting a tax levied in this chapter shall, as to admission charges and tax collections, be at all reasonable times subject to examination and audit by the finance director.~~

Chapter 3.80 GAMBLING ACTIVITIES

3.80.020 State and City Licenses – Required.—~~Filing with chief of police.~~

~~A.~~ Any person, association or organization, required to obtain a State gambling license ~~for gambling under the laws of the state, which receives such a license,~~ shall ~~upon receipt thereof~~ immediately file a copy of such license ~~thereof~~ with the chief of police ~~upon receipt~~, and shall thereafter promptly notify the chief of police of any changes in, ~~suspension or action pertaining to such the~~ license status.

B. On and after January 1, 1982, no person, firm or corporation shall engage in or carry on any business, occupation, act or privilege taxable under this chapter unless licensed by the City to do so under ACC Title 5.

3.80.070 Administration and collection of tax.~~Tax—Exemption—Payment—Returns.~~

~~A. Exemption From Tax and Return Requirement.~~ Taxpayers with gross income of less than \$2,000 per calendar year that do not maintain a permanent operating location within the city are exempt from the tax and return requirements imposed by this chapter.

BA. *Payment of Tax Upon Filing Washington State Gambling Commission Report.* Upon the filing of any report to the Washington State Gambling Commission of gambling moneys received, a taxpayer shall pay the taxes imposed by this chapter and file a duplicate copy of any such reports with the city finance director with the tax payment.

~~C. Tax Return Filing and Payment Requirements.~~ Taxpayers subject to the tax imposed by this chapter shall record and report tax due on a city tax return form, and shall file the return and pay the corresponding tax due to the city finance director, as follows:

~~1. Taxpayers with gross income exceeding \$20,000 per month: the taxes imposed by this chapter shall be due in quarterly installments, and paid on or before the thirtieth day of the month after the end of the quarterly period in which the income was received.~~

~~Such quarterly periods are as follows:~~

~~First quarter—January, February, March;~~

~~Second quarter—April, May, June;~~

~~Third quarter—July, August, September;~~

~~Fourth quarter—October, November, December.~~

~~2.—Taxpayers with gross income of \$20,000 per month or less: unless subsection A of this section applies, the taxes imposed by this chapter shall be due annually, and paid on or before January 31st of the year following the year in which the income was received.~~

~~3.—*Finance Director Reservation of Rights.* The city finance director reserves the right to review and reassign tax return filing frequency on a case-by-case basis, as warranted by administrative requirements. (Ord. 6874 § 1 (Exh. A), 2022; Ord. 5673 § 1, 2002; Ord. 5013 § 2, 1997; Ord. 2883 § 5, 1975. Formerly 5.44.070.)~~

B. The tax imposed by this chapter shall be administered and collected in accordance with ACC 3.62.

Chapter 3.84 TELEPHONE BUSINESS

3.84.010 Definitions.

A. "Telephone business" means the business of providing access to a local telephone network, local telephone network switching service, toll service, cellular telephone service, or coin telephone services, or providing telephonic, video, data, or similar communication or transmission for hire, via a local telephone network, toll line or channel, or similar communication or transmission system, and as more fully defined in RCW 82.04.065. It includes cooperative or farmer line telephone companies or associations operating an exchange. "Telephone business" does not include the providing of competitive telephone service, nor the providing of cable television service, nor the providing of broadcast services by radio or television stations.

B. "Cellular telephone service" is a two-way voice and data telephone/telecommunications system based in whole or substantially in part on wireless radio communications and which is not subject to regulation by the Washington Utilities and Transportation Commission (WUTC). This includes cellular mobile service. The definition of "cellular mobile service" includes other wireless radio communications services such as specialized mobile radio (SMR), personal communications services (PCS), and any other evolving wireless radio communications technology which accomplishes a purpose similar to cellular mobile service.

C. "Competitive telephone service" means the providing by any person of telecommunications equipment, apparatus, or service related to that equipment or apparatus, such as repair or maintenance services, if the equipment or apparatus is of a type which can be provided by persons that are not subject to regulation as telephone companies under RCW Title 80, and for which a separate charge is made. Transmission of communication through cellular telephones is classified as "telephone business" in subsection A of this section rather than "competitive telephone service."

~~D. "Gross income" means the value proceeding or accruing from the sale of tangible property or service, and receipts (including all sums earned or charged, whether received or not) by reason of the investment of capital in the business engaged in, including rentals, royalties, fees, or other emoluments, however designated (excluding receipts or proceeds from the use or sale of real property or any interest therein, and proceeds from the sale of notes, bonds, mortgages, or other evidences of indebtedness, or stocks and the like) and without any deduction on account of the cost of the property sold, the cost of materials used, labor costs, interest or discount paid, or any expense whatsoever, and without any deduction on account of losses.~~

ED. "Network telephone service" means the providing by any person of access to a telephone network, telephone network switching service, toll service, or coin telephone service, or providing of telephonic, video, voice, data, or similar communication or transmission for hire, via a telephone network, toll line or channel, cable, microwave, or

similar communication or transmission system. "Network telephone service" includes the provision of electronic transmitting to and from the site of an internet service provider via a telephone network, toll line or channel, cable, microwave, or similar communication or transmitting system, without regard to whether such service is referred to as voice over Internet Protocol services. It also encompasses interstate service, including toll service, originating from or received on telecommunications equipment or apparatus in this state if the charge for the service is billed to a person in this state. "Network telephone service" does not include the providing of competitive telephone service, the providing of cable television service, or the providing of broadcast services by radio or television stations, nor the provision of internet service as defined in RCW 82.04.297, including the reception of dial-in connection provided at the site of the internet service provider.

EF. "Pager service" means service provided by means of an electronic device which has the ability to send or receive voice or digital messages transmitted through the local telephone network via satellite or any other form of voice or data transmission.

EG. "Place of primary use" means the residential street address or the primary business street address of the customer and in both cases must be located within the licensed service area of the home service provider.

G. "Telecommunications company" includes every corporation, company, association, joint stock association, partnership and person, their lessees, trustees or receivers appointed by any court whatsoever, and every city or town owning, operating or managing any facilities used to provide telecommunications for hire, sale, or resale to the general public within this state.

H. "Telegraph business" means the business of providing telegraphic communication for hire.

3.84.050 Administration and collection of tax. Tax—Payment—Returns.

The tax imposed by this chapter shall be administered and collected in accordance with ACC 3.62.

A.—Exemption From Tax and Return Requirement. Taxpayers with gross income of less than \$2,000 per calendar year that do not maintain a permanent operating location within the city are exempt from the tax and return requirements imposed by this chapter.

B.—Tax Return Filing and Payment Requirements. Taxpayers subject to the tax imposed by this chapter shall record and report tax due on a city tax return form, and

shall file the return and pay the corresponding tax due to the city finance director, as follows:

1. ~~Taxpayers with gross income exceeding \$20,000 per month: the taxes imposed by this chapter shall be due in quarterly installments, and paid on or before the thirtieth day of the month after the end of the quarterly period in which the income was received.~~

Such quarterly periods are as follows:

First quarter—January, February, March;

Second quarter—April, May, June;

Third quarter—July, August, September;

Fourth quarter—October, November, December.

2. ~~Taxpayers with gross income of \$20,000 per month or less: unless subsection A of this section applies, the taxes imposed by this chapter shall be due annually, and paid on or before January 31st of the year following the year in which the income was received.~~

3. *Finance Director Reservation of Rights.* ~~The city finance director reserves the right to review and reassign tax return filing frequency on a case-by-case basis, as warranted by administrative requirements.~~

C. ~~The first payment made hereunder shall be made by April 30, 1982, for the three-month period ending March 31, 1982.~~

3.84.070—Records required.

~~Each taxpayer shall keep records reflecting the amount of their gross revenues, and such records shall be open at all reasonable times to the inspection of the city clerk, or duly authorized subordinates, for verification of the tax returns or for the fixing of the tax of a taxpayer who shall fail to make such returns.~~

3.84.080—Tax—Late penalty.

~~If any person, firm or corporation subject to this chapter shall fail to pay any tax required by this chapter within 30 days after the due date thereof, there shall be added to such tax a penalty of 12 percent of the amount of such tax, and any tax due under this chapter and unpaid, and all penalties thereon, shall constitute a debt to the city of Auburn, Washington, and may be collected by court proceedings, which remedy shall be in addition to all other remedies.~~

3.84.090 — Credit and refund.

~~Any money paid to the city of Auburn, Washington, through error or otherwise not in payment of the tax imposed or in excess of such tax shall, upon request of the taxpayer, be credited against any tax due or to become due from such taxpayer under this chapter or, upon the taxpayer's ceasing to do business in the city of Auburn, Washington, be refunded to the taxpayer.~~

Chapter 3.88 UTILITY SERVICES

3.88.035 Definitions.

~~In construing the provisions of this chapter, except when otherwise plainly declared or clearly apparent from the context, the following definitions shall be applied:~~

~~A. "Electricity business" means the business of producing, transmitting, distributing, or selling electricity.~~

~~B. "Gas distribution business" means the business of operating a plant or system for the production or distribution for hire or sale of gas, whether manufactured or natural.~~

~~C. "Light and power business" means the business of operating a plant or system for the generation, production or distribution of electrical energy for hire or sale and/or for the wheeling of electricity for others.~~

~~"Gross income" means the value proceeding or accruing from the sale of tangible property or service, and receipts (including all sums earned or charged, whether received or not) by reason of the investment of capital in the business engaged in, including rentals, royalties, fees, or other emoluments, however designated (excluding receipts or proceeds from the use or sale of real property or any interest therein, and proceeds from the sale of notes, bonds, mortgages, or other evidences of indebtedness, or stocks and the like) and without any deduction on account of the cost of the property sold, the cost of materials used, labor costs, interest or discount paid, or any expense whatsoever, and without any deduction on account of losses.~~

3.88.060 Collection and administration of tax. ~~Tax return filing and requirements.~~

The tax imposed by this chapter shall be administered and collected in accordance with ACC 3.62.

~~Taxpayers subject to the tax imposed by this chapter shall record and report tax due on a city tax return form, and shall file the return and pay the corresponding tax due to the city finance director, as follows:~~

~~A. Taxpayers with gross income of less than \$2,000 per calendar year that do not maintain a permanent operating location within the city are exempt from the tax and return requirements imposed by this chapter.~~

~~B.—Taxpayers with gross income of \$20,000 per month or less: unless subsection A of this section applies, the taxes imposed by this chapter shall be reported annually, and paid on or before January 31st of the year following the year in which the income was received.~~

~~C.—Taxpayers with gross income between \$20,000 per month and \$100,000 per month: the taxes imposed by this chapter shall be reported quarterly, and paid on or before the thirtieth day of the month after the end of the quarterly period in which the income was received.~~

~~Such quarterly periods are as follows:~~

~~First quarter—January, February, March;~~

~~Second quarter—April, May, June;~~

~~Third quarter—July, August, September;~~

~~Fourth quarter—October, November, December.~~

~~D.—Taxpayers with gross income exceeding \$100,000 per month: the taxes imposed by this chapter shall be reported monthly, and paid on or before the thirtieth day of the month after the month in which the income was received.~~

~~E.—*Finance Director Reservation of Rights.* The city finance director reserves the right to assign individual taxpayer tax return filing frequency on a case-by-case basis.~~

~~3.88.070—Revenue records.~~

~~Each taxpayer shall keep records reflecting the amount of its gross revenues, and such records shall be open at all reasonable times to the inspection of the city clerk, or their duly authorized subordinates, for verification of the tax returns or for the fixing of the tax of a taxpayer who fails to make such returns.~~

~~3.88.080—Tax — Payment failure — Penalty and collection.~~

~~If any person, firm or corporation subject to this chapter fails to pay any tax required by this chapter within 30 days after the due date thereof, there shall be added to such tax a penalty of 12 percent of the amount of such tax, and any tax due under this chapter and unpaid, and all penalties thereon, shall constitute a debt to the city and may be collected by court proceedings, which remedy shall be in addition to all other remedies.~~

~~3.88.090 — Tax — Overpayments.~~

~~Any money paid to the city through error or otherwise not in payment of the tax imposed by this chapter or in excess of such tax shall, upon request of the taxpayer, be credited against any tax due or to become due from such taxpayer under this chapter or, upon the taxpayer's ceasing to do business in the city, be refunded to the taxpayer.~~



AGENDA BILL APPROVAL FORM

Agenda Subject:

Ordinance No. 6926 (Hinman)

Department:

Administration

Attachments:

[Ordinance No. 6926](#)

Date:

November 15, 2023

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

City Council to approve Ordinance No. 6926.

Background for Motion:

The Auburn Junior City Council was created by Ordinance in 2013 to offer an opportunity for the youth in the community to bring advice and ideas from the youth to the Auburn City Council, learn how City government operates and see how they can influence government activities in order to make a positive difference in the community. Over the years, the Junior Council has brought forward many ideas to improve the functionality of this body. This change is being requested to create a more inclusive membership to include all schools within the Auburn School District and the Muckleshoot Tribal School.

Background Summary:

Ordinance No. 6926 amends Auburn City Code Chapter 2.07 to create a more inclusive membership for the Auburn Junior City Council to include all students from all schools within the Auburn School District and waiving the residency requirement and the Muckleshoot Tribal School. The amendment also removes language regarding a specific number to achieve quorum but instead allow for the majority of appointed members due to the fluctuating nature of membership.

Reviewed by Council Committees:**Councilmember:**

Meeting Date: November 20, 2023

Staff:

Hinman

Item Number:

ORD.E

ORDINANCE NO. 6926

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
AUBURN, WASHINGTON, AMENDING CHAPTER 2.07 OF
THE AUBURN CITY CODE RELATING TO AUBURN
JUNIOR CITY COUNCIL

WHEREAS, the Auburn Junior City Council desires to include any middle or high school student in good standing in the Auburn School District or Muckleshoot Tribal Schools for membership on the Council and;

WHEREAS, the Auburn Junior City Council believes that the voices of youth in the aforementioned school districts should be included in the work of the Auburn Junior City Council and;

WHEREAS, the membership of the Auburn Junior City Council will fluctuate from year to year, it is necessary to adjust the quorum requirement to adapt to the currently appointed members and;

WHEREAS, in order to create a more inclusive Auburn Junior Council and accommodate the nature of the body, it is appropriate to amend sections 2.07.040 and 2.07.080

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

Section 1. Amendment to City Code. 2.07.040 of the Auburn City Code (ACC) is amended to read as follows:

2.07.040 Membership.

A. The Auburn junior city council shall consist of nine members and two alternate members. The members and the alternate members shall be appointed by the mayor, and confirmed by the city council from among students who submit a completed application. The nomination of members and alternates shall be based upon consideration of criteria including: interest in government, positive participation in civics classes, academic accomplishments, involvement in school and community activities and other factors that identify a prospective member as a valuable contributor to the Auburn junior city council. Those considering prospective members, making nominations and appointing or confirming members to the junior city council shall endeavor to include diverse members of the city's population, including one or more representatives of the Muckleshoot Indian Tribe.

B. In the process of nominating members and alternate members to the junior city council, those nominating such members shall strive to seek representation of various schools, and to the extent reasonably possible, assemble a slate consisting of a member from each of the four high schools and the four middle schools, and one member at large, or such other strategy representing various schools so that their membership represents a diverse cross section of the student population of middle schools and high schools in the city.

C. All students on the junior city council shall be ~~residents of the city of Auburn, and shall be residents of the city during their entire term of office. If a student is a resident of the city of Auburn but attends a school located outside the city, e.g., Thomas Jefferson High School, such student would be eligible to participate on the junior city council, if selected.~~ enrolled and in good standing in a middle school or high school in the Auburn School District or Muckleshoot Tribal Schools, and shall remain enrolled during their entire term of office. If a student is a resident of the city of Auburn, but attends a school located outside the city, e.g., such as a private school or a school in another city, such student would be eligible to participate on the junior city council as the at-large member, if selected.

D. The junior council members and alternate members shall serve without compensation.

E. Each member and alternate member shall serve a term of two years. Interested students shall submit a completed application that includes a letter of recommendation from the principal of the school they attend and one teacher or counselor to the mayor. The mayor and city council will appoint and confirm new members and alternates to fill the expiring terms on the Auburn junior city council. The city council may remove an Auburn junior city council member or alternate member at any time if the city council determines that member is not fulfilling their responsibilities to the satisfaction of the city council. Members and alternate members of the junior city council who fail to attend two consecutive regular meetings of the junior city council without being excused by the chairperson, or excused by a majority of the membership of the junior city council, shall forfeit their positions on and be removed from the junior city council.

F. In the event of a vacancy on the junior city council, an alternate member shall be appointed to fill the unexpired term of the vacating member. The mayor shall appoint, subject to confirmation by the city council, the alternate member to replace the vacating member. If possible, the mayor shall appoint an alternate member who attends the same school as the vacating member. If an alternate is unavailable, unwilling, or unsuitable, as determined by the mayor, to fill the vacancy, the mayor and city council shall solicit nominations from the school principals and shall appoint and confirm a new member to fill the unexpired term of that Auburn junior city council member; provided, that the junior city council may also nominate members to fill the unexpired term vacancies. Unless the appointed replacement member is replacing the at-large member of the junior city council, the appointed replacement member shall be from the same school as the member being replaced. Notice must be made to that school to solicit applications and nominations for the position to be refilled at least 30 days before the appointment is intended to be made. A vacancy in an alternate member position shall not be filled until the expiration of the term of the position.

G. All members of the Auburn junior city council shall serve until the mayor appoints alternate members to fill their positions or their successors are duly appointed by the mayor and confirmed by the city council.

H. The members will elect a chairperson from among themselves. The chairperson will be elected annually at the first meeting following the beginning of the school year. The chairperson will be allowed to vote on all matters.

I. A quorum of the junior city council shall consist of ~~at least five members~~, a majority of the currently appointed members, including alternate members appointed to serve for an absent or disqualified member, and a ~~minimum of five~~ quorum of members must be present to vote on matters. Members who are aware that they will be unavailable or unable to attend a meeting shall notify the mayor's office. If a member is absent at the time the chairperson calls roll at a meeting, the deputy mayor, or the chairperson if the deputy mayor is absent, may appoint an alternate member in attendance at the meeting to serve as a member and to vote. The alternate member shall serve as a member until adjournment of the meeting.

J. The deputy mayor or designee shall serve as liaison to the junior city council, participating as a nonvoting member of the junior city council, to encourage and counsel the members of the junior city council in connection with their duties as members of the junior city council. (Ord. 6834 § 1 (Exh. A), 2021; Ord. 6808 § 1, 2020; Ord. 6594 § 1, 2016; Ord. 6441 § 1, 2013.)

Section 2. Amendment to City Code. 2.07.080 of the Auburn City Code (ACC)

is amended to read as follows:

2.07.080 Subcommittee structure.

A. The junior city council may informally divide its members into subcommittees to consider different topics of interest, or into subcommittees that it deems helpful to its tasks.

B. The subcommittees will meet on an as-needed basis.

C. The subcommittees shall consist of at least three members of the junior city council, but shall consist of less than a quorum of the junior city council (~~less than five members~~). If a member is absent from a committee meeting, the present members may appoint an alternate member in attendance to serve as a committee member and to cast a vote. Once the committee meeting is commenced, the alternate member shall serve as a committee member until adjournment of the meeting.

D. Any discussions or recommendations of any subcommittees shall be communicated to and shared with the full junior city council.

E. The subcommittees shall not constitute legislative or agency bodies so as to trigger the requirement that the subcommittees comply with the Washington State Open Public

Meetings Act (Chapter 42.30 RCW). (Ord. 6594 § 5, 2016; Ord. 6532 § 2, 2014; Ord. 6441 § 1, 2013.)

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 4. 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

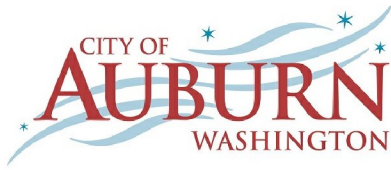
ATTEST:

APPROVED AS TO FORM:

Shawn Campbell, MMC, City Clerk

Harry Boesche, Acting City Attorney

Published: _____



AGENDA BILL APPROVAL FORM

Agenda Subject:

Resolution No. 5747 (Gaub)

Date:

November 13, 2023

Department:

Public Works

Attachments:

[Resolution No. 5747](#)

[Exhibit A](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

City Council adopt Resolution No. 5747.

Background for Motion:

This Resolution authorizes an agreement with the Auburn School District that will allow the District to place features in the Right-Of-Way that support school spirit after review and approval by the City.

Background Summary:

Resolution No. 5747 authorizes the Mayor to enter into an agreement with the Auburn School District (District) that would allow the District to place features in the right-of-way that support school spirit.

An example of a feature that may be considered for placement under this agreement include banners on street light poles with school mascots and colors. Placement of features will require review and approval by the City through the issuance of construction permits.

Reviewed by Council Committees:

Councilmember: Brown

Staff: Gaub

Meeting Date: November 20, 2023

Item Number: RES.A

RESOLUTION NO. 5747

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
AUBURN, WASHINGTON, AUTHORIZING THE MAYOR TO
EXECUTE AN INTERLOCAL AGREEMENT BETWEEN THE
CITY OF AUBURN AND THE AUBURN SCHOOL DISTRICT
FOR PUBLIC STREET FEATURES TO SUPPORT SCHOOL
SPIRIT

WHEREAS, students with a sense of school spirit perform better academically, are more engaged, and are generally happier; and

WHEREAS, developing and promoting a sense of school identity can help encourage school spirit; and

WHEREAS, the City of Auburn (City) and Auburn School District (District) have a shared desire to help the District students achieve success; and

WHEREAS, school spirit features placed on, and along, City streets can help promote school spirit; and

WHEREAS, the City has the authority to approve right-of-way uses, and to ensure that proposed uses are consistent with the health, safety, and welfare of the community, and that any harm or nuisance which may result from a proposed use is prevented; and

WHEREAS, the City is willing to allow the District to place features that support school spirit within the City right-of-way with terms and conditions; and

WHEREAS, the District and the City are authorized to enter into an interlocal agreement (Agreement) under RCW 39.34.030.

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

Section 1. The Mayor is authorized to execute an interlocal agreement (Agreement) with the Auburn School District related to the providing school spirit features within City right-of-way, which Agreement will be in substantial conformity with the Agreement attached as Exhibit A.

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

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

Dated and Signed: _____

CITY OF AUBURN

NANCY BACKUS, MAYOR

ATTEST:

APPROVED AS TO FORM:

Shawn Campbell, MMC, City Clerk

Harry Boesche, Acting City Attorney

**INTERLOCAL AGREEMENT BETWEEN
CITY OF AUBURN AND AUBURN SCHOOL DISTRICT
FOR PUBLIC STREET FEATURES TO SUPPORT SCHOOL
SPIRIT**

THIS INTERLOCAL AGREEMENT (Agreement) made and entered into on this day of _____, 2023, by and between the City of Auburn, a municipal corporation of the State of Washington, hereinafter referred to as “City” and, the Auburn School District, hereinafter referred to as the “District.”

WITNESSETH:

WHEREAS, students with a sense of school spirit perform better academically, are more engaged, and are generally happier; and,

WHEREAS, developing and promoting a sense of school identity can help encourage school spirit; and,

WHEREAS, the City and District have a shared desire to help the District students achieve success; and

WHEREAS, school spirit features (as defined in this Agreement) that the District places on, and along, City streets can help promote school spirit; and

WHEREAS, the City has the authority to approve right-of-way uses, and to ensure that proposed uses are consistent with the health, safety, and welfare of the community, and that any harm or nuisance which may result from a proposed use is prevented; and

WHEREAS, the City is willing to allow the District to place features that support school spirit within the City right-of-way in accordance with the terms of this Agreement.

NOW THEREFORE in consideration of their mutual covenants, conditions and promises, **THE PARTIES HERETO DO HEREBY AGREE** as follows:

1. Definitions

School Spirit Features means items attached, placed, set, installed, or constructed in the City right-of-way by the District under this Agreement. Examples include, but are not limited to, street light banners, signage, planters, and crosswalk markings. This definition does not include banners hung across E Main Street or Auburn Way South at the Burlington Northern Santa Fe bridge, which are subject to a separate and specific City right-of-way use permit requirement and process.

Right-of-Way Facilities means improvements, physical facilities, or other City owned items in the right-of-way. Examples include street lights, pavement markings such as crosswalks, signs, roadways, and sidewalks. This definition does not include City owned

traffic signal poles, pedestrian push button poles, or infrastructure owned by any entity other than the City located in the right-of-way, or infrastructure located outside of the right-of-way, or on private property.

District means the Auburn School District and any person, entity, agent or contractor acting on the District's behalf.

2. General

The District agrees that all School Spirit Features it places, installs, or constructs under this Agreement shall be owned by the District, and that the District shall have sole responsibility to maintain, remove, and replace the School Spirit Features as required to ensure they are consistent with public health, safety, and welfare of the community, and that they do not cause any harm or nuisance. The District agrees that at any time, and for any reason, the City may require the District to remove the School Spirit Features from the right-of-way and to restore any impacts the School Spirit Features may have had on the right-of-way. The District is responsible for repairing or replacing Right-of-Way Facilities that are damaged or otherwise impacted by the District or the School Spirit Features.

The District agrees and understands that this Agreement is not intended to authorize, allow, permit, or otherwise approve permanent structures, facilities, features, or improvements that require land-use review, building permits, traffic engineering, structural engineering, or environmental reviews. Facilities such as monument signs, sculptures, and traffic control beacons/signals/signage are excluded from this Agreement.

3. Construction Permit Required

The District shall not place, remove, or modify any School Spirit Features in the right-of-way without a City issued construction permit. An issued construction permit may include additional terms and requirements applicable to specific School Spirit Features. Construction permits for removal of School Spirit Features may require the District to restore right-of-way or Right-of-Way Facility damage caused by the School Spirit Features or their removal. General maintenance and repairs of School Spirit Features do not require a permit unless vehicular or pedestrian traffic will be impacted in which case a construction permit with traffic control plan would be required. School Spirit Features placed by the City, without any work in the right-of-way by the District does not require a construction permit.

4. City Assistance and cost reimbursement

The District may request City assistance in placing or installing School Spirit Features. Such requests are to be made in writing or via e-mail to the City contact listed in this Agreement at least ninety (90) calendar days in advance of the requested installation date. The City will consider such requests and may decline or accept to provide the assistance for any reason within thirty (30) calendar days of receiving the District request. If the City is willing and able to provide the assistance, the City will provide the District with an estimated cost to provide the assistance with its response. Estimated costs shall include City staff time, overhead, materials, equipment, and vehicle costs. Upon acceptance of the estimated costs within thirty (30) calendar days of the City response by the District, the City will provide the assistance per an agreed upon schedule between the City and District. If, at any time, actual costs exceed estimated costs by 20% or more, the City will notify the

District and shall either cease assistance until the District has provided approval of the higher costs, or terminate the work if the District does not approve the higher costs. If City assistance is terminated for this reason, the District shall reimburse the City for its actual costs incurred to the termination date, up to the estimated cost amount. Upon completion of the assistance work by the City, the City will provide an invoice to the District for the actual costs of the assistance and the District shall pay the invoice within sixty (60) calendar days.

5. Connection of School Spirit Features to Right-of-Way Facilities

In its sole discretion, the City may request that the District remove, maintain, replace, repair, enhance or modify any School Spirit Features that are connected to, or incorporated into Right-of-Way Facilities. Upon receipt of such a City request, the District shall have a minimum thirty (30) calendar days to fulfill it (excluding time for City review of construction permits, if required). If at any time the City determines that it must remove School Spirit Features due to an emergency, blocked City or public access, or safety issues, the City may hold the removed School Spirit Features at City facilities for the District to retrieve. Any School Spirit Features held for more than seven (7) calendar days shall be disposed of unless other arrangements are agreed upon. The District shall reimburse the City for all costs associated with removing, transporting, storing, and disposing of School Spirit Features removed by the City.

6. Continuation of Performance.

In the event that any dispute or conflict arises between the parties while this Agreement is in effect, the parties agree that, notwithstanding such dispute or conflict, the parties shall continue to make a good faith effort to cooperate and continue work toward successful completion of assigned duties and responsibilities.

7. Administration of Agreement.

This Agreement shall be jointly administered by the Auburn School District Capital Projects Department on behalf of the District, and by the Mayor of the City, or designee, on behalf of the City. Any written notices required by the terms of this Agreement or requests for City assistance shall be served on or mailed to the following addresses:

<u>City of Auburn</u> Auburn City Hall 25 West Main ATTN: Jacob Sweeting Auburn, WA 98001-4998 (253) 804-3118 jsweeting@auburnwa.gov	<u>Auburn School District</u> Contact Name: Jeffrey L. Grose Title: Executive Director of Capital Projects Address: 915 Fourth Street NE Auburn, WA 98002 Email: jgrose@auburn.wednet.edu Phone: 253-931-4826
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8. Notices.

Written notices to the parties shall be sent to the above-stated addresses, unless a different address is designated in writing and delivered to the other party. Any such notice or request shall become effective upon receipt. Any changes to the above-stated addresses shall be given to the other party pursuant to the procedures set forth in this section.

9. Indemnification.

Each party shall indemnify, defend and hold harmless the other party and its officers, agents, employees, and volunteers, or any of them from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, including attorney fees, by any reason of or arising out of the act or omission of that party, its officers, agents, employees, and volunteers, or any of them relating to or arising out of the performance of this Agreement except for injuries and damages caused by the sole negligence of the indemnifying party. If a final judgment is rendered against the indemnified party, its officers, agents, employees, volunteers, and/or any of them, or jointly against the indemnifying party and the indemnified party and their respective officers, agents and employees, or any of them, the indemnifying party shall satisfy the same to the extent that such judgment was due to the indemnifying party's negligent acts or omissions.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the District and the City, its officers, officials, employees, and volunteers, the District's liability, including the duty and cost to defend, hereunder shall be only to the extent of the District's negligence.

It is further specifically and expressly understood that this indemnification constitutes the Provider's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section will survive the expiration or termination of this Agreement.

10. Damage to third party property and restoration

The District agrees that if any of its actions under this Agreement (or under any construction permit issued under this Agreement) impairs or damages any property owned by a third-party, the District will restore the property at its own cost and expense.

11. Amendment, Modification or Waiver.

This Agreement may only be amended or modified in a writing approved and executed by both Parties. Such amendment shall specifically state that it is an amendment to this Agreement and shall outline with particularity the nature and extent of the amendment or modification. Any waiver by any party of any default of the other party shall not affect or impair any right arising from any subsequent default.

12. Counterparts.

This Agreement may be executed in multiple counterparts, each of which shall be one and the same Agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

13. Termination.

Either the District or City may terminate this Agreement upon thirty (30) calendar days prior written notice, except that this Agreement may not be terminated while any School

Spirit Features remain within the right-of-way or if reimbursement of City costs are due from the District to the City. The District will remove all School Spirit Features from the right-of-way subject to applicable City construction permits per Section 3 above, and any required restorations completed to the satisfaction of the City prior to any termination of this Agreement taking effect.

14. Term

The term of this Agreement shall be 10-years unless amended otherwise by both parties. No later than ninety (90) calendar days prior to the end of the Agreement term, the District will remove all School Spirit Features from the right-of-way (subject to the City construction permit requirement in paragraph 3) and will complete any required restorations to the satisfaction of the City.

15. Entire Agreement.

This Agreement contains the entire understanding of the parties hereto in respect to the transactions contemplated hereby and supersedes all prior agreements and understandings between the parties with respect to such subject matter.

16. Miscellaneous.

This Agreement creates no separate legal or administrative entity. Both parties to this Agreement have the necessary budget authority to carry out the provisions of this Agreement. Real or personal property subject to this Agreement may only be acquired, held or disposed of according to the terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed effective the day and year first set forth above.

CITY OF AUBURN

AUBURN SCHOOL DISTRICT

Nancy Backus
Mayor

Cindi Blansfield
Associate Superintendent,
Business and Operations

Attest:

Shawn Campbell, City Clerk

Approved as to form:

Harry Boesche, Acting City Attorney