

City Council Study Session

August 24, 2015 - 5:30 PM

Auburn City Hall

AGENDA

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I. CALL TO ORDER

A. Roll Call

II. ANNOUNCEMENTS, REPORTS, AND PRESENTATIONS

III. AGENDA ITEMS FOR COUNCIL DISCUSSION

A. 2nd Quarter 2015 Financial Report* (Coleman)

B. Resolution No. 5163* (Snyder)

A Resolution of the City Council of the City of Auburn, Washington, authorizing the Mayor and City Clerk to execute Public Way Agreement No. 15-22 between the City of Auburn and Sprint Communications Company L.P.

C. Annual Street Selection for Arterial and Local Street Preservation* (Snyder)

D. Easement Relinquishment for 1905 Howard Road SE, Parcel 1921059206* (Snyder)

IV. OTHER DISCUSSION ITEMS

V. 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.

**Denotes attachments included in the agenda packet.*



AGENDA BILL APPROVAL FORM

Agenda Subject:

2nd Quarter 2015 Financial Report

Date:

August 18, 2015

Department:

Finance

Attachments:

[Q2 Financial Report](#)

Budget Impact:

\$0

Administrative Recommendation:

For discussion only.

Background Summary:

The purpose of the quarterly financial report is to summarize for the City Council the general state of Citywide financial affairs and to highlight significant items or trends that the City Council should be aware of. The following provides a high level summary of the City's financial performance; further details can be found within the attached financial report.

The second quarter status report is based on financial data available as of July 30, 2015 for the period ending June 30, 2015. Sales tax information represents business activity that occurred through April 2015.

General Fund:

The General Fund is the City's largest fund and accounts for the majority of City resources and services, other than those required by statute to be accounted for in another fund.

Through June 2015, General Fund revenues totaled \$30.9 million and exceed the year-to-date budget of \$29.8 million due primarily to increased revenues from sales tax collections, development services fees, and revenues from culture and recreation activities. Retail sales tax collections through the second quarter of 2015 exceed budget by \$467,000 or 7.1%, and exceed revenues collected for the same period last year by \$360,000. Development services fees collected through the first half of 2015 exceed budget expectations by \$314,000, or 78.3%, due primarily to an increase in plan check revenues, which have already exceeded budget for the year. In addition, culture and recreation revenues exceed budget by \$204,000, or 19.7%, primarily due to higher than anticipated revenues for greens fees at the Auburn Golf Course as well as an increase in revenues for league fees. These favorable increases are slightly

offset by lower than budgeted collections for electric and natural gas taxes (\$345,000, or 13.0%) due primarily to a mild winter that reduced customer heating demands. This also resulted in a year-over-year decline in electric and natural gas collections from the same period last year.

General Fund expenditures through the first half of 2015 totaled \$28.4 million compared to a budget of \$30.4 million. Year-to-date General Fund expenditures are running 7.3% or \$1.9 million higher than the same period last year. The increase in year-over-year expenditures is due to several factors, including a \$1.3 million transfer to Cumulative Reserve to replenish prior withdrawals, and an increase in interfund charges (particularly in Innovation and Technology due to increased operating and equipment replacement costs, and in Equipment Rental due to the addition of the Golf Course to the General Fund and increased operating, capital construction and replacement costs). In addition, salary and benefit costs have increased year-to-date by \$565,000, or 3.7% due to lower departmental vacancies compared to the year prior as well as increased costs associated with health care and pensions.

Year-to-date, 2,563 pet licenses have been sold resulting in \$73,605 in revenue. For the same period in 2014, 3,063 licenses were sold resulting in \$76,930 in revenue.

Enterprise Funds:

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

At the end of the second quarter, the Water fund had operating income of \$110,400 compared to operating income of \$273,800 in 2014. The Sewer fund ended the quarter with a net loss of \$17,000 compared to income of \$81,000 in 2014. The Sewer-Metro Utility ended the period with an operating loss of \$174,000 compared to operating income of \$1,303,100 in the previous year. Lastly, the Stormwater Utility ended the quarter with operating income of \$692,300 which compares to operating income of \$759,200 in 2014.

The Cemetery ended the second quarter with net operating income of \$68,200 compared to an operating loss of \$28,000 in 2014.

Internal Service Funds:

Internal Service Funds provide services to other City departments and include functions such as Insurance, Worker's Compensation, Facilities, Innovation and Technology, and Equipment Rental. All funds have sufficient revenues to cover year-to-date expenditures.

Investment Portfolio:

The City's total cash and investments at the end of Q2-2015 was \$121.9, and compares to \$118.3 million at the end of Q1-2015.

Reviewed by Council Committees:

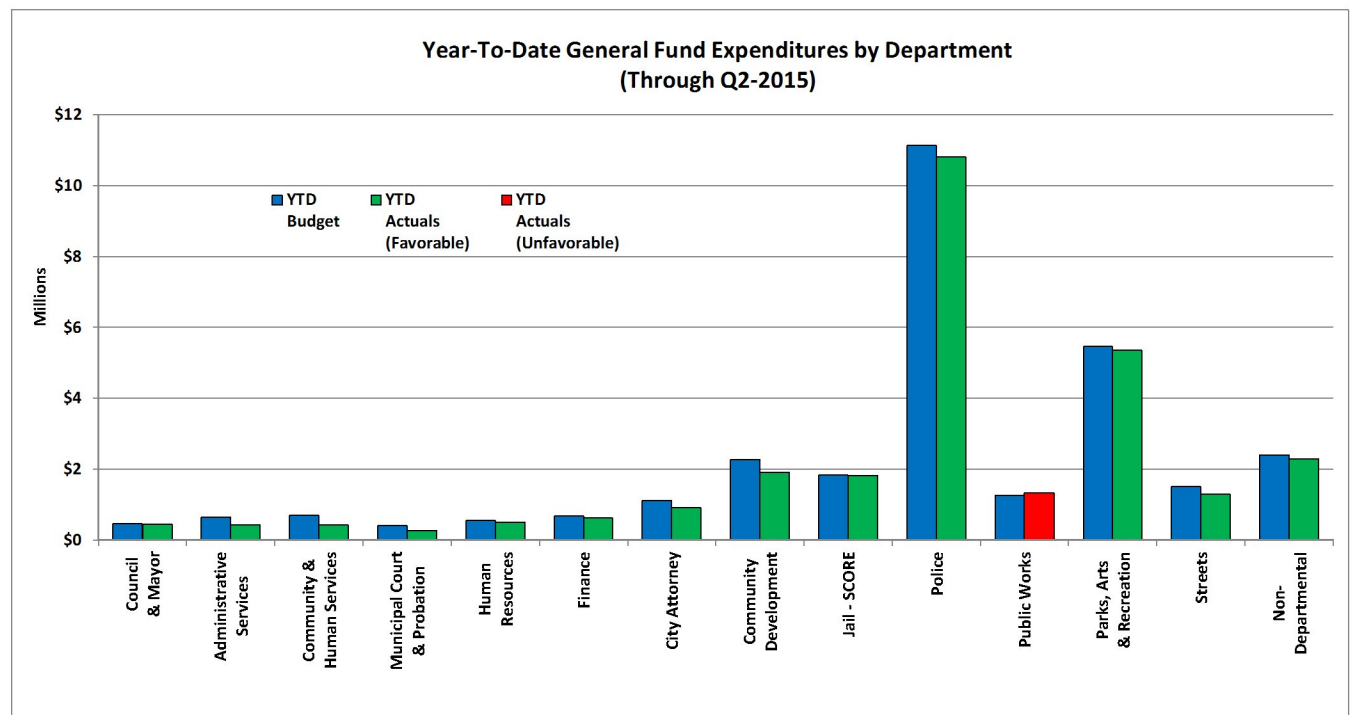
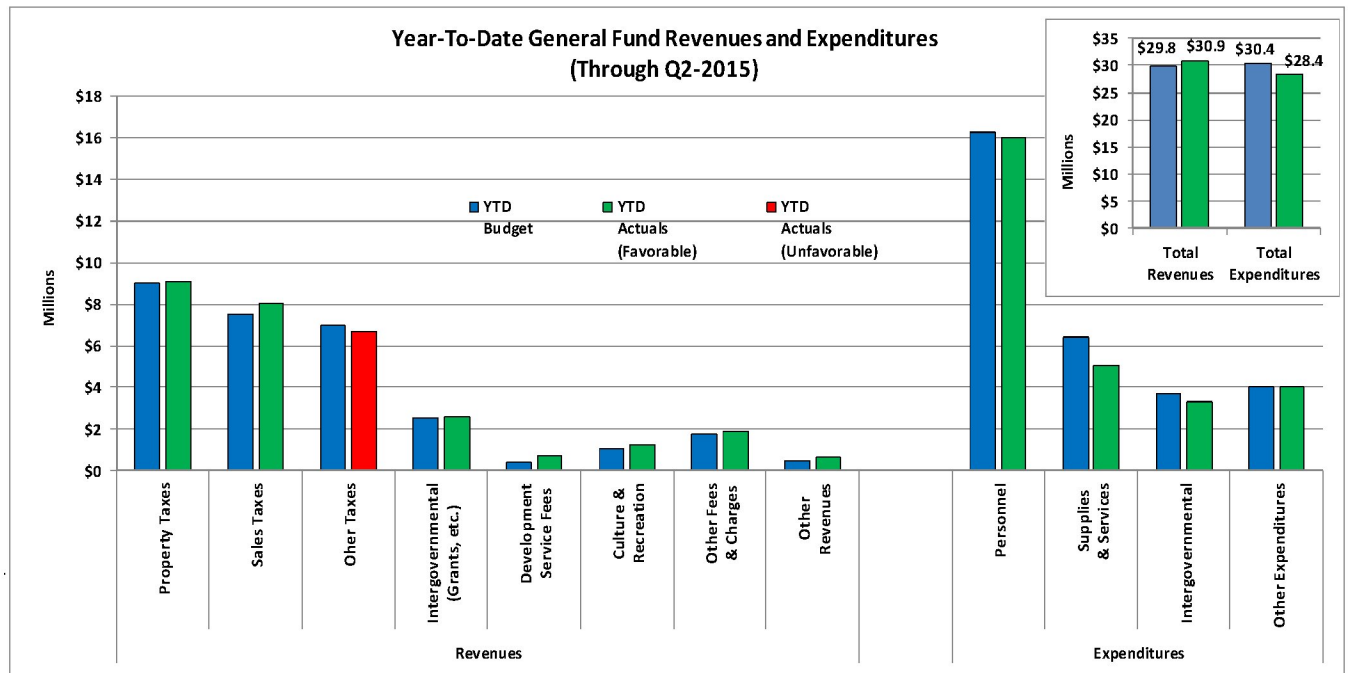
Councilmember:

Staff: Coleman

Meeting Date: August 24, 2015

Item Number: DI.A

General Fund Summary



General Fund Summary of Sources and Uses	2015			2014	2015 YTD Budget vs. Actual	
	Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable) Amount	Percentage
Operating Revenues						
Property Tax	\$ 17,182,600	\$ 9,040,600	\$ 9,082,406	\$ 8,345,532	\$ 41,806	0.5 %
Sales Tax	13,662,000	6,613,100	7,080,481	6,720,176	467,381	7.1 %
Sales Tax - Annexation Credit	1,856,000	887,200	953,126	886,979	65,926	7.4 %
Criminal Justice Sales Tax	1,589,000	760,000	861,400	791,944	101,400	13.3 %
Brokered Natural Gas Tax	282,000	178,700	159,349	174,971	(19,351)	(10.8) %
City Utilities Tax	3,452,300	1,695,000	1,719,324	1,683,352	24,324	1.4 %
Admissions Tax	330,300	135,300	135,674	133,624	374	0.3 %
Electric Tax	3,435,600	1,873,800	1,648,480	1,901,539	(225,320)	(12.0) %
Natural Gas Tax	1,152,000	778,900	659,020	786,907	(119,880)	(15.4) %
Cable TV Franchise Fee	888,900	442,900	455,052	441,481	12,152	2.7 %
Cable TV Franchise Fee - Capital	63,000	36,100	36,324	31,598	224	0.6 %
Telephone Tax	1,811,000	901,400	871,239	916,112	(30,161)	(3.3) %
Garbage Tax (external)	106,000	52,980	54,854	52,926	1,874	3.5 %
Leasehold Excise Tax	33,000	16,700	35,020	17,649	18,320	109.7 %
Local Gambling Tax	<u>232,400</u>	<u>114,200</u>	<u>82,550</u>	<u>137,999</u>	<u>(31,650)</u>	<u>(27.7) %</u>
Taxes sub-total	\$ 46,076,100	\$ 23,526,880	\$ 23,834,301	\$ 23,022,789	\$ 307,421	1.3 %
Business License Fees	\$ 219,000	\$ 106,000	\$ 137,902	\$ 94,037	\$ 31,902	30.1 %
Building Permits	1,100,000	652,400	645,220	833,282	(7,180)	(1.1) %
Other Licenses & Permits	532,300	251,100	269,145	327,199	18,045	7.2 %
Intergovernmental (Grants, etc.)	5,466,451	2,571,785	2,602,995	2,377,371	31,210	1.2 %
Charges for Services:						
General Government Services	96,500	50,900	43,704	64,122	(7,196)	(14.1) %
Public Safety	515,100	297,432	287,517	287,781	(9,915)	(3.3) %
Development Services Fees	680,000	401,000	715,082	638,333	314,082	78.3 %
Culture and Recreation	2,058,080	1,032,600	1,236,235	1,110,564	203,635	19.7 %
Fines and Forfeits	<u>788,040</u>	<u>414,700</u>	<u>485,978</u>	<u>758,806</u>	<u>71,278</u>	<u>17.2 %</u>
Fees/Charges/Fines sub-total	\$ 11,455,471	\$ 5,777,917	\$ 6,423,778	\$ 6,491,494	\$ 645,861	11.2 %
Interest and Other Earnings	\$ 36,850	\$ 17,900	\$ 23,497	\$ 18,714	\$ 5,597	31.3 %
Rents, Leases and Concessions	573,200	308,500	301,118	371,808	(7,382)	(2.4) %
Contributions and Donations	32,000	16,200	20,852	25,789	4,652	28.7 %
Other Miscellaneous	107,400	46,700	102,512	68,888	55,812	119.5 %
Transfers In	539,380	76,000	76,000	121,097	0	0.0 %
Insurance Recoveries - Capital & Operating	<u>25,000</u>	<u>12,600</u>	<u>110,458</u>	<u>40,229</u>	<u>97,858</u>	<u>776.7 %</u>
Other Revenues sub-total	\$ 1,313,830	\$ 477,900	\$ 634,438	\$ 646,526	\$ 156,538	32.8 %
Total Operating Revenues	\$ 58,845,401	\$ 29,782,697	\$ 30,892,517	\$ 30,160,808	\$ 1,109,820	3.7 %
Operating Expenditures						
Council & Mayor	\$ 915,017	\$ 460,000	\$ 446,739	\$ 381,106	\$ 13,261	2.9 %
Administration	1,299,136	649,800	434,188	327,627	215,612	33.2 %
Community & Human Services	1,348,323	692,900	423,553	443,788	269,347	38.9 %
Municipal Court & Probation	1,935,710	405,600	272,076	85,577	133,524	32.9 %
Human Resources	1,137,785	553,600	510,844	642,027	42,756	7.7 %
Finance	1,329,284	677,900	623,422	567,757	54,478	8.0 %
City Attorney	2,202,159	1,116,500	912,293	827,842	204,207	18.3 %
Community Development	4,606,675	2,272,000	1,919,180	1,880,297	352,820	15.5 %
Jail - SCORE	3,670,000	1,835,000	1,829,432	2,464,589	5,568	0.3 %
Police	22,887,782	11,129,300	10,811,956	9,965,305	317,344	2.9 %
Public Works	2,641,027	1,270,400	1,326,774	1,279,946	(56,374)	(4.4) %
Parks, Arts & Recreation	11,067,413	5,460,900	5,351,703	4,761,923	109,197	2.0 %
Streets	3,365,676	1,506,500	1,289,104	1,469,914	217,396	14.4 %
Non-Departmental	4,660,748	2,408,328	2,298,317	1,411,850	110,011	4.6 %
Total Operating Expenditures	\$ 63,066,735	\$ 30,438,728	\$ 28,449,580	\$ 26,509,549	\$ 1,989,147	6.5 %

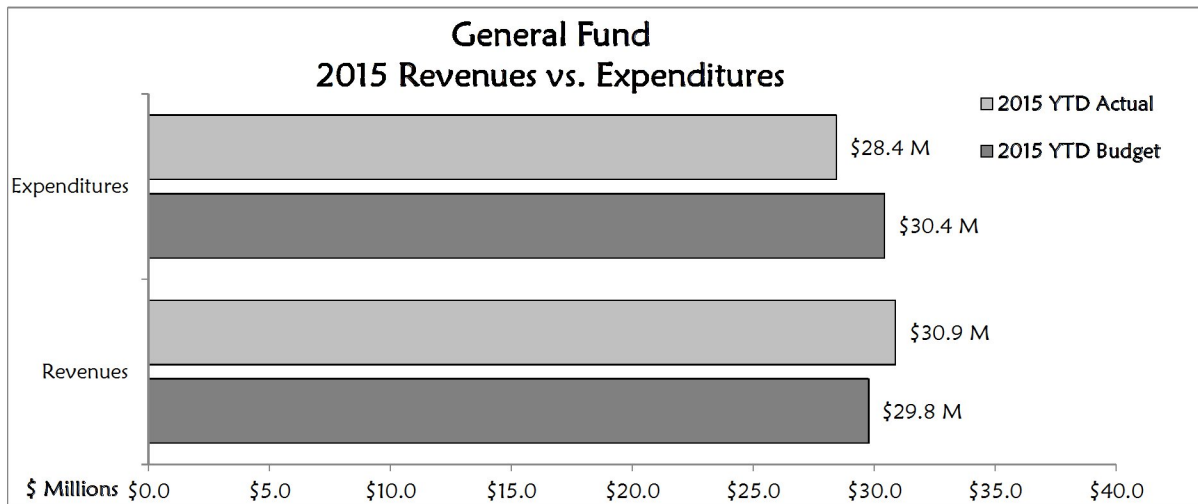
Overview

This financial overview reflects the City's overall financial position for the fiscal period ending June 30, 2015 and represents financial data available as of July 30, 2015. The budgeted revenues and operating expenditures are primarily based on the collection/disbursement average for the same period of the two prior years.

Through the first half of 2015, General Fund revenues totaled \$30.9 million compared to a budget of \$29.8 million and were \$732,000 higher than the revenues collected during the same period the year prior. Some notable variances to budget year-to-date include:

- General Fund sales tax revenues totaled \$7.1 million and exceeded budget by 7.1% or \$467,000, and exceed prior year collections by \$360,000. The areas of significant increase in sales activity are primarily in the automotive, retail trade, and construction categories.
- Development services fees totaled \$715,000 and exceeded budget by \$314,000. The increased revenues were attributable to plan check revenues which total \$576,000 through Q2-2015 and compare to a year-to-date budget of \$324,000.
- Culture and recreation revenues exceeded the year-to-date budget by \$204,000 and exceed collections for the same period last year by \$126,000. The year-over-year increase is primarily due to \$91,000 in increased revenues collected at the Auburn Golf Course for greens fees this year compared to the same period last year (representing a 19.5% increase).
- Electric tax revenues and natural gas tax revenues year-to-date are running under budget by \$225,000 and \$120,000 respectively due primarily to a mild winter, which reduced the customer demand for heating.

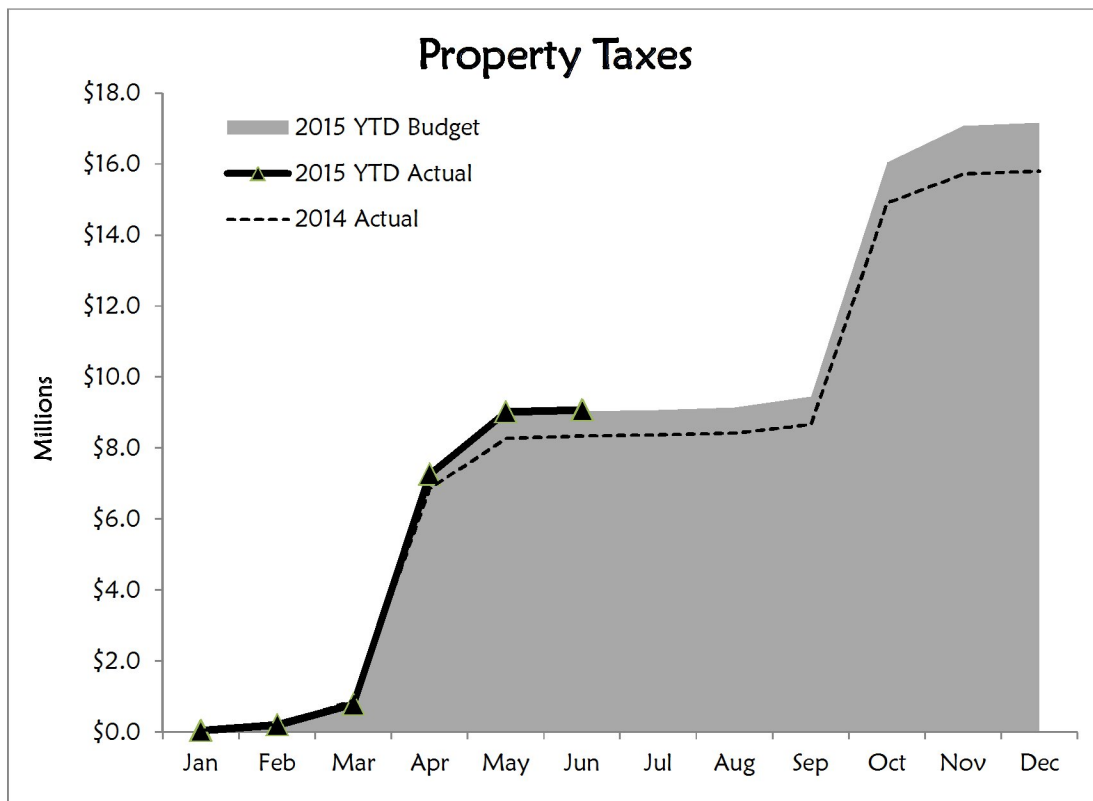
General Fund expenditures through the first half of 2015 totaled \$28.4 million compared to a budget of \$30.4 million. Year-to-date General Fund expenditures are running 7.3% or \$1.9 million higher than the same period last year. The increase in year-over-year expenditures are due to several factors including a \$1.3 million transfer to Cumulative Reserve to replenish prior withdrawals, and an increase in interfund costs (particularly in Innovation and Technology, due to increased operating and equipment replacement costs, and in Equipment Rental due to the addition of the Golf Course to the General Fund and increased operating, capital construction and replacement costs). In addition, salary and benefit costs have increased year-to-date by \$565,000, or 3.7% due to lower departmental vacancies compared to the year prior as well as increase costs associated with health care and pensions. Lastly, the cost of providing 911 services in 2015 has increased 30% over the year prior.



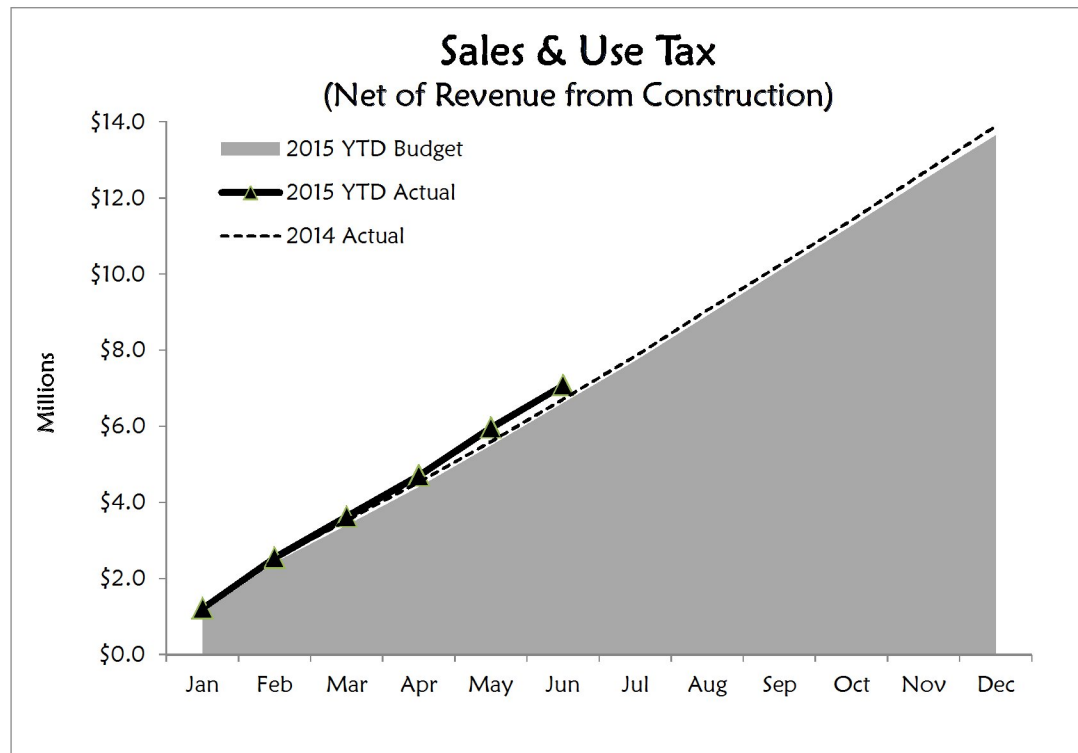
Revenues

The combined total of property tax, sales/use tax, utility tax, gambling, and admissions tax provides approximately 80% of all resources supporting general governmental activities. The following section provides additional information on these sources.

Property Tax collections through Q2-2015 totaled \$9.1 million and is on target to end the year at budget. The property tax revenue collection through June 2015 compares to \$8.3 million collected the same period the year prior, which represents an 8.8% increase year-over-year.



Sales tax distributions Citywide totaled \$8.1 million of which \$7.1 million was distributed to the General Fund and \$997,000 was distributed to the Local Street Fund (SOS) program.* Through June 2015, total Sales Tax revenue collected in the General Fund exceeded budget expectations by \$467,000, or 7.1%.



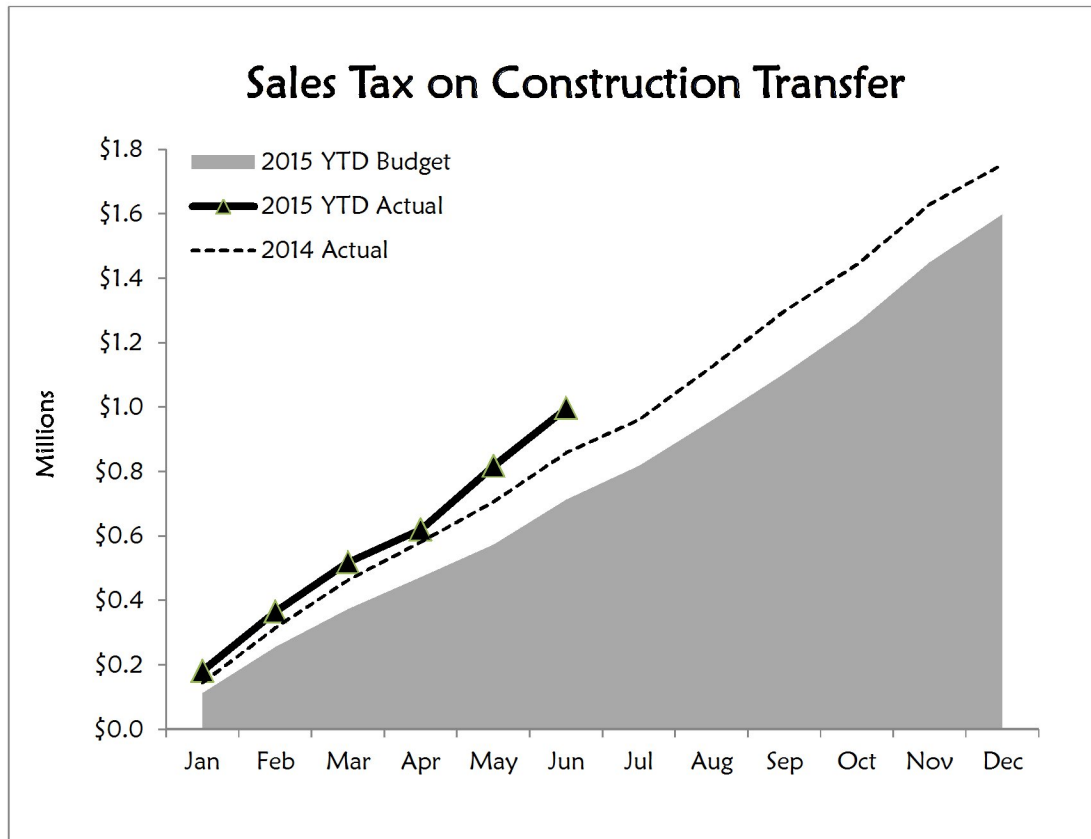
* Beginning in 2013, Local Street Fund (Fund 103) street repairs have been funded from sales taxes on construction. The total amount transferred year-to-date through Q2-2015 was \$996,884. The graphic above presents sales taxes under the current policy.

The following table breaks out the City's base sales tax, excluding Criminal Justice, Annexation Credit and Streamlined Sales Tax Mitigation, by major business sector.

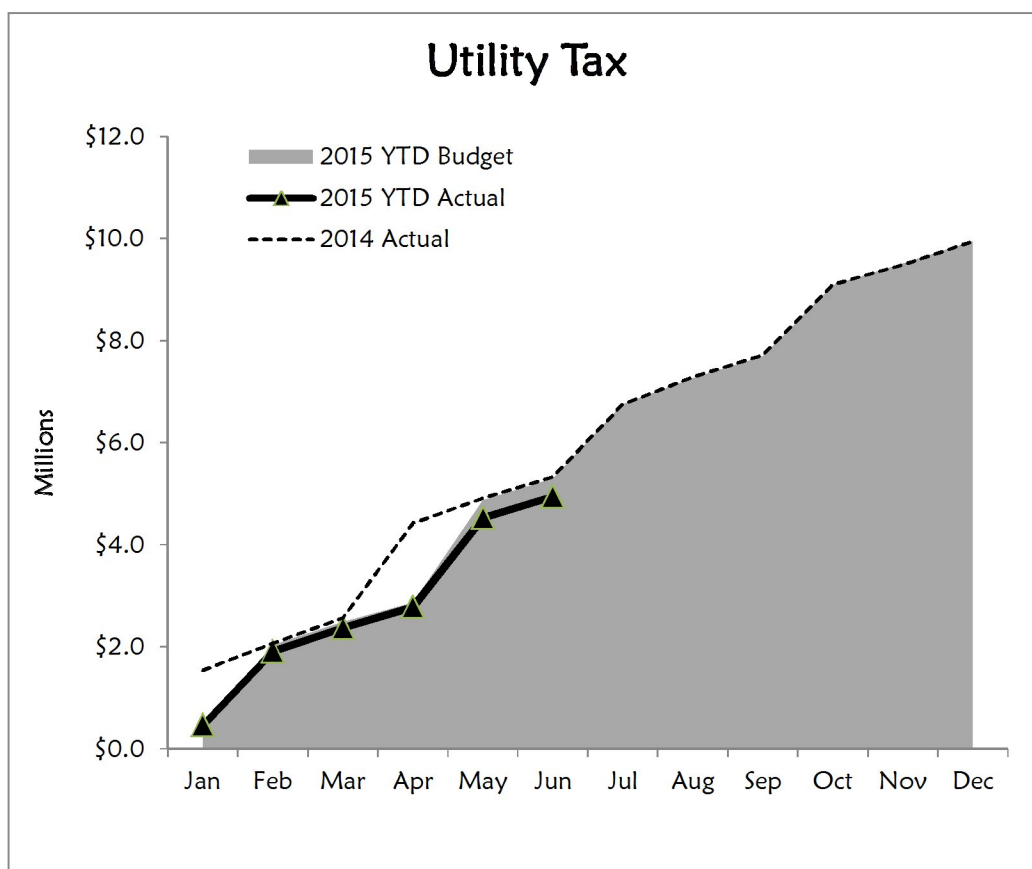
Comparison of Sales Tax Collections by SIC Group June-2015				
Component Group	2014 Actual	2015 Actual	Change from 2014	
			Amount	Percentage
Construction	\$ 858,847	\$ 996,884	\$ 138,037	16.1 %
Manufacturing	576,227	436,192	(140,034)	(24.3) %
Transportation & Warehousing	19,651	28,097	8,446	43.0 %
Wholesale Trade	583,189	609,203	26,014	4.5 %
Automotive	1,546,982	1,778,094	231,112	14.9 %
Retail Trade	2,315,684	2,483,952	168,268	7.3 %
Services	1,620,072	1,728,219	108,146	6.7 %
Miscellaneous	75,543	30,968	(44,575)	(59.0) %
YTD Total	\$ 7,596,196	\$ 8,091,609	\$ 495,413	6.5 %

Total sales tax revenue collected through Q2-2015 exceeded prior year collections by \$360,000 or 5.4%. The business sectors showing the largest increase in revenues compared to the same period last year were in the automotive industry, retail trade and construction.

Total sales tax revenue on construction, which is transferred to the Local Street Fund (Fund 103) for local street repair and maintenance, totaled \$997,000 and exceeded both budget and prior year collections by \$283,000 and \$138,000 respectively.



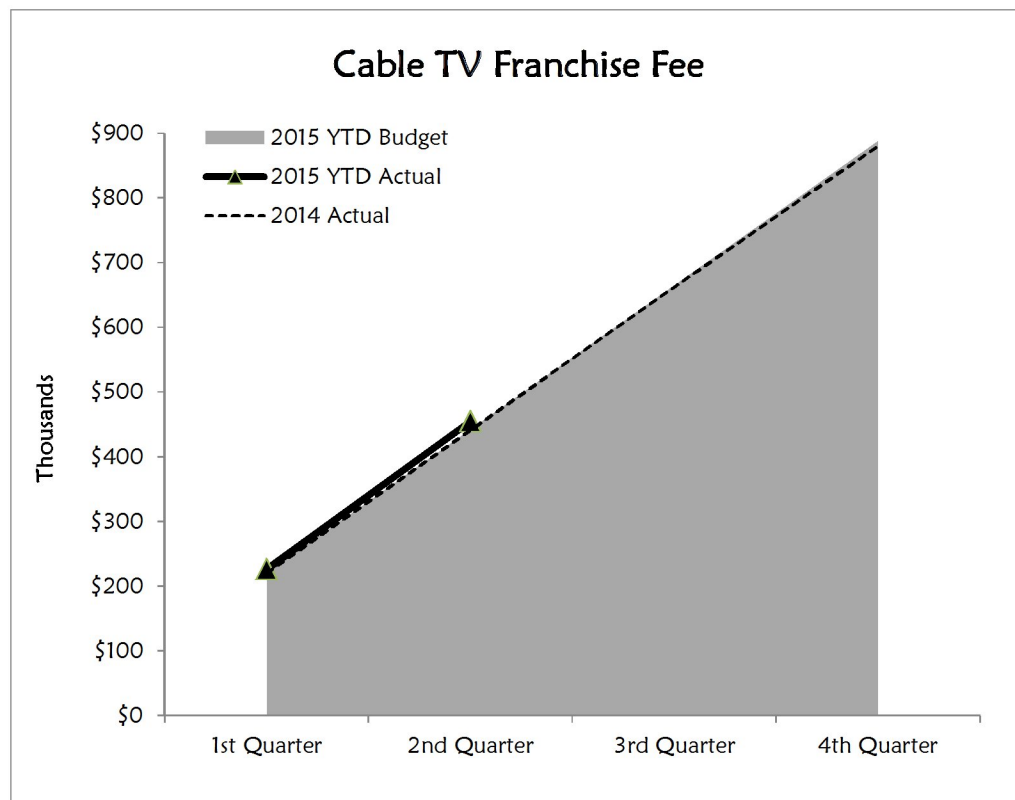
Utility Taxes consist of interfund taxes on City utilities (Water, Sewer, Storm and Solid Waste) and taxes on external utilities (Electric, Natural Gas, Telephone and Solid Waste). Utility taxes collected through the second quarter of 2015 totaled \$5.0 million, compared to a budget of \$5.3 million.



As shown in the table below, overall utility tax revenues collected year-to-date were \$5.0 million, resulting in underperformance relative to budget of \$349,000, or 6.6%. A mild winter has reduced customer heating demands and resulted in year-over-year declines in electric and natural gas revenue sales and therefore tax collections.

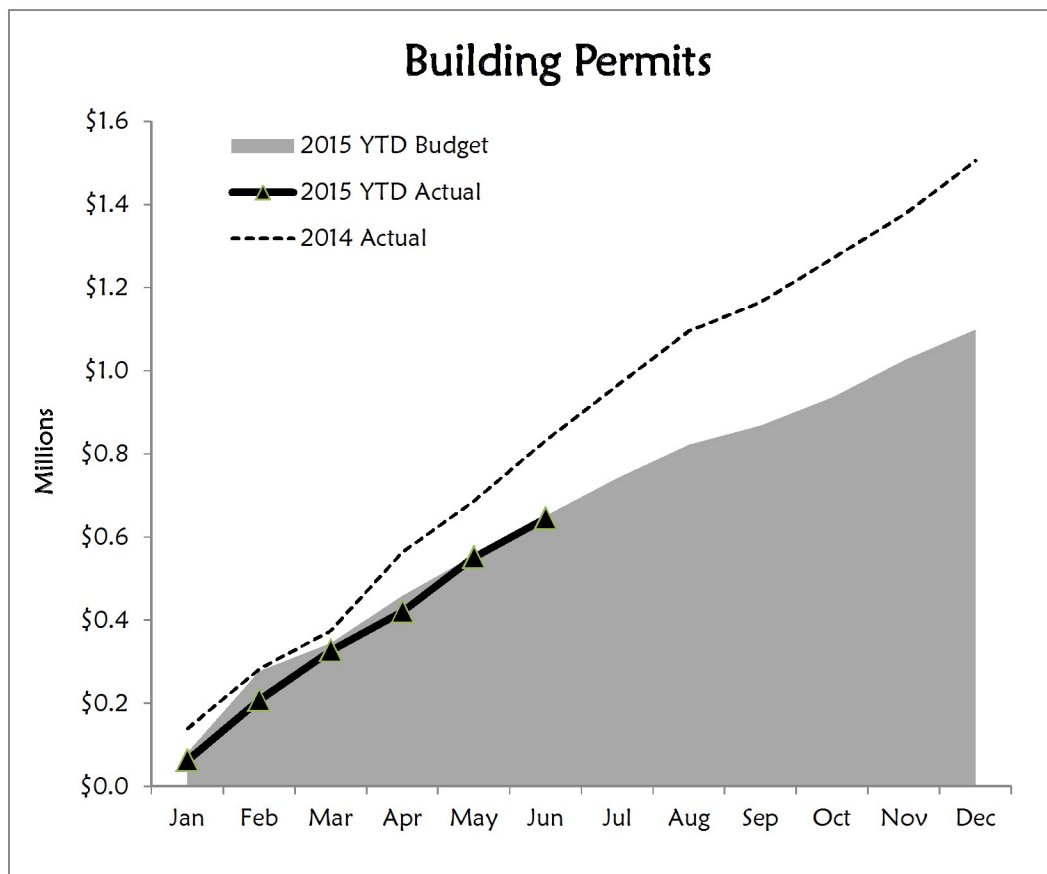
Utility Tax by Type June-2015							
Utility Tax Type	2014 Actual	2015 Budget	2015 Actual	2015 vs. 2014 Actual		2015 vs. Budget	
				Amount	Percentage	Amount	Percentage
City Interfund Utility Taxes	\$ 1,683,352	\$ 1,695,000	\$ 1,719,324	\$ 35,973	2.1 %	\$ 24,324	1.4 %
Electric	1,901,539	1,873,800	1,648,480	(253,060)	(13.3) %	(225,320)	(12.0) %
Natural Gas	786,907	778,900	659,020	(127,887)	(16.3) %	(119,880)	(15.4) %
Telephone	916,112	901,400	871,239	(44,873)	(4.9) %	(30,161)	(3.3) %
Solid Waste (external)	52,926	52,980	54,854	1,928	3.6 %	1,874	3.5 %
YTD Total	\$ 5,340,837	\$ 5,302,080	\$ 4,952,918	\$ (387,919)	(7.3) %	\$ (349,162)	(6.6) %

Cable TV Franchise Fees, which are collected quarterly, totaled \$455,000 and exceeded budget by \$12,000 or 2.7%.

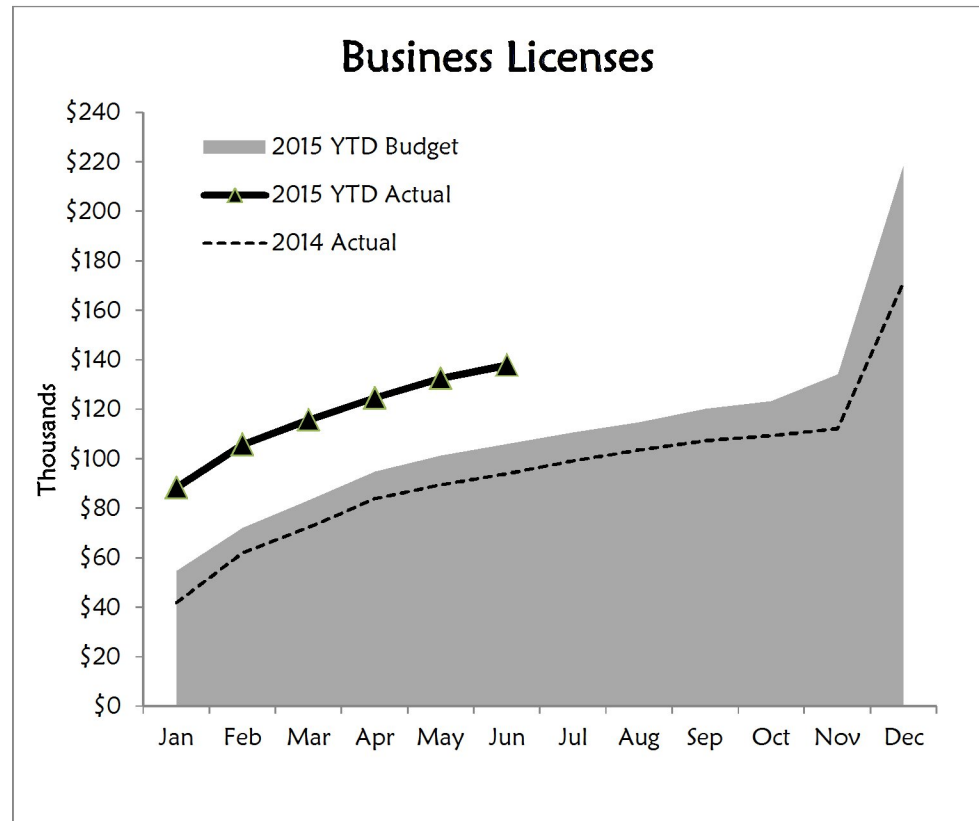


Licenses and Permits include business licenses, building permits, plumbing, electric and other licenses and permit fees. Building permit fees and business licenses make up 80% of the annual budgeted revenue in this category.

Total building permit revenues collected through June totaled \$645,000 compared to a year-to-date budget of \$652,000. Building permits issued through June total 385 and compare to 453 issued during the same period in 2014. Major projects contributing to revenues this quarter include building permits for the Merrill Gardens Senior Living development and Lakeland Hills Storage, as well as numerous housing developments – most notably Edgeview and Sonata Hill.



Business license revenues collected through June totaled \$138,000 compared to \$94,000 collected the same period in 2014; the difference is due to the timing of collections. The graphic below reflects the timing of payments by business owners, where the majority of business license payments are collected during the first two months of the year and the last month of the year.



Intergovernmental revenues include Grants (Direct & Indirect Federal, State and Local), compact revenue from the Muckleshoot Indian Tribe (MIT), intergovernmental and state shared revenues. Collections to date totaled \$2.6 million and were \$31,000, or 1.2%, higher than budget.

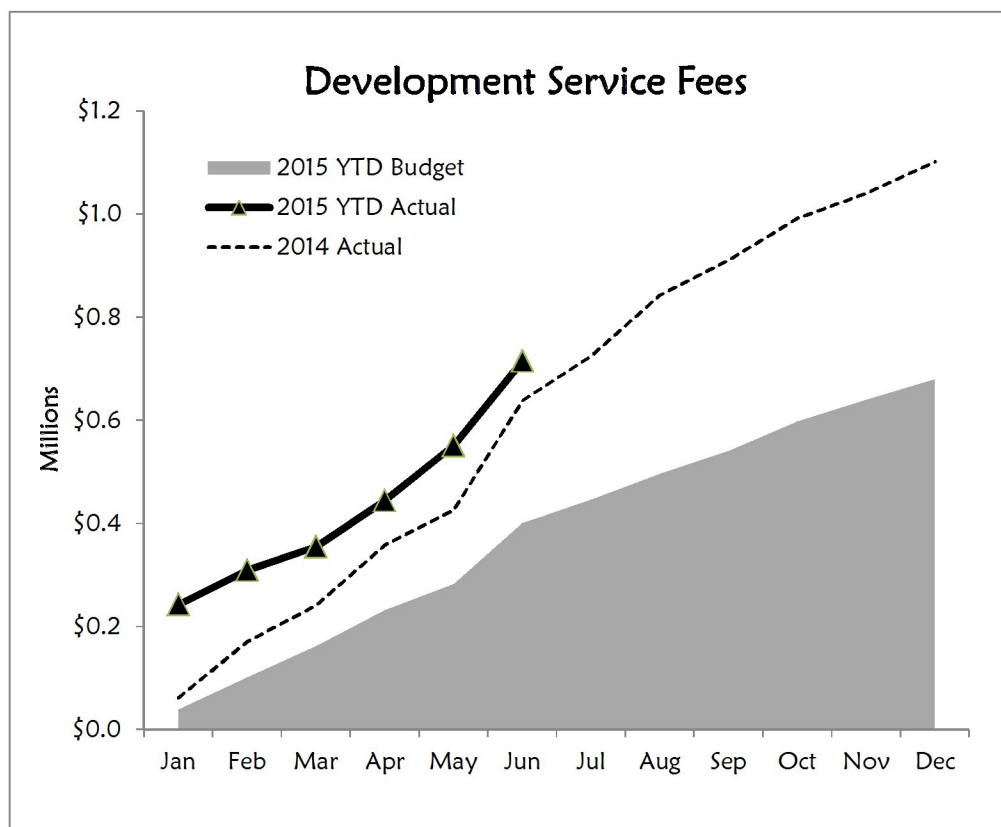
Intergovernmental June-2015							
Revenue	2014 Actual	2015 Budget	2015 Actual	2015 vs. 2014 Actual		2015 vs. Budget	
				Amount	% Change	Amount	% Change
Federal Grants	\$ 44,199	\$ 103,700	\$ 67,622	\$ 23,423	53.0 %	\$(36,078)	(34.8) %
State Grants	25,319	116,300	118,572	93,253	368.3 %	2,272	2.0 %
Muckleshoot Casino Emerg.	286,050	315,000	296,987	10,937	3.8 %	(18,013)	(5.7) %
Intergovernmental Service	23,351	0	8,556	(14,796)	(63.4) %	8,556	N/A
State Shared Revenues:							
Streamlined Sales Tax	988,422	1,007,500	980,842	(7,580)	(0.8) %	(26,658)	(2.6) %
Motor Vehicle Fuel Tax	485,842	449,200	495,526	9,684	2.0 %	46,326	10.3 %
Criminal Justice - High Crime	0	96,000	96,509	96,509	N/A	509	0.5 %
Criminal Justice - Population	9,148	8,600	9,742	594	6.5 %	1,142	13.3 %
Criminal Justice - Special Prog.	34,196	32,800	35,793	1,597	4.7 %	2,993	9.1 %
State DUI	6,665	6,700	6,560	(105)	(1.6) %	(140)	(2.1) %
Fire Insurance Tax	77,558	70,000	75,702	(1,855)	(2.4) %	5,702	8.1 %
Liquor Excise	70,980	50,815	83,566	12,586	17.7 %	32,751	64.5 %
Liquor Profit	325,643	315,170	327,019	1,375	0.4 %	11,849	3.8 %
Total State Shared:	1,998,453	2,036,785	2,111,259	112,806	5.6 %	74,474	3.7 %
YTD Total	\$ 2,377,371	\$ 2,571,785	\$ 2,602,995	\$ 225,624	9.5 %	\$ 31,210	1.2 %

Charges for Services consist of general governmental services, public safety, development service fees and cultural & recreation fees. Overall, charges for services collected through the first half of 2015 totaled \$2.3 million as compared to a year-to-date budget of \$1.8 million. Total revenues collected exceeded budget by \$501,000, or 28.1%.

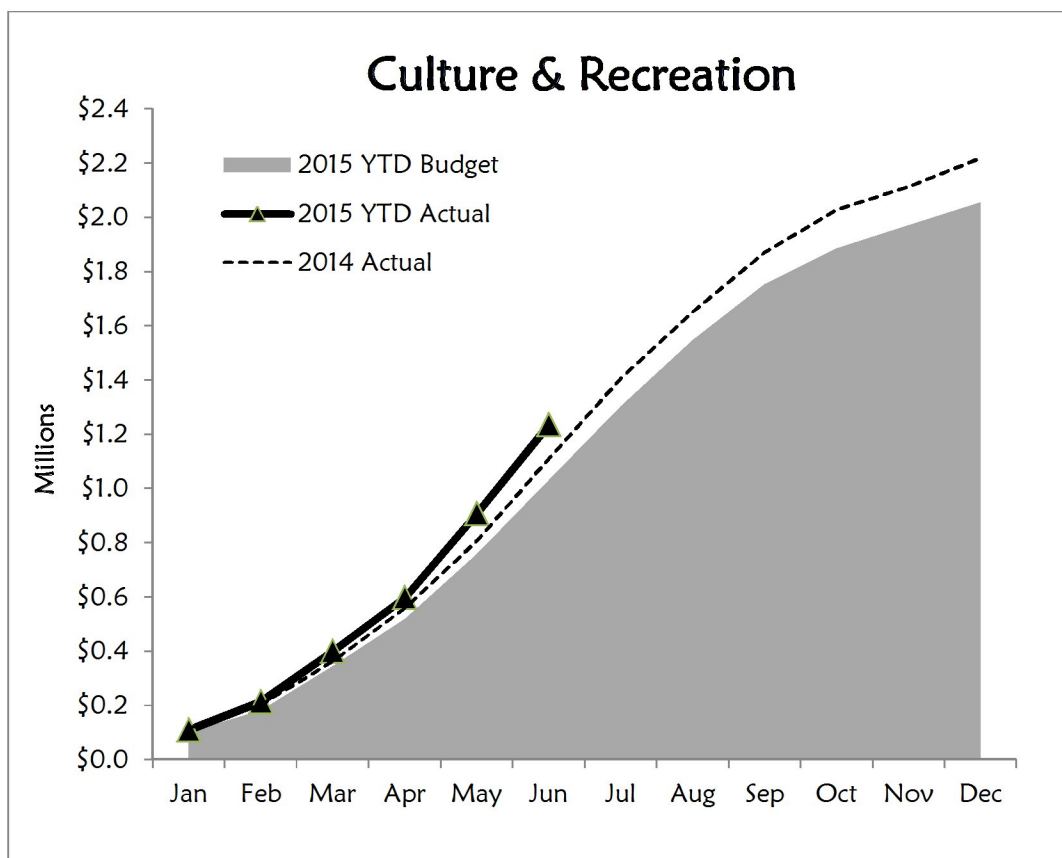
General governmental revenues through Q2-2015 total \$44,000 compared to a budget of \$51,000.

Public safety revenues collected year-to-date totaled \$288,000 and compare to a budget of \$297,000. Public safety revenues consist of revenues generated for Police Officer extra duty overtime, where officers are contracted for services and reimbursement is made by the hiring contractor. Effective June 2014, public safety revenue also includes reimbursement from the Muckleshoot Indian Tribe (MIT) for a full-time dedicated Police Officer and associated expenditures.

Development services fee collections, which primarily consist of plan check fees, totaled \$715,000 and exceeded budget by \$314,000. Total plan check fees collected in Q2-2015 totaled \$269,000 and include revenues related to several commercial and residential projects including a 5 building Mini Storage in the Lea Hill area, the Merrill Gardens Senior Living development, as well as plans for the Sonata Hill and Edgeview housing developments.



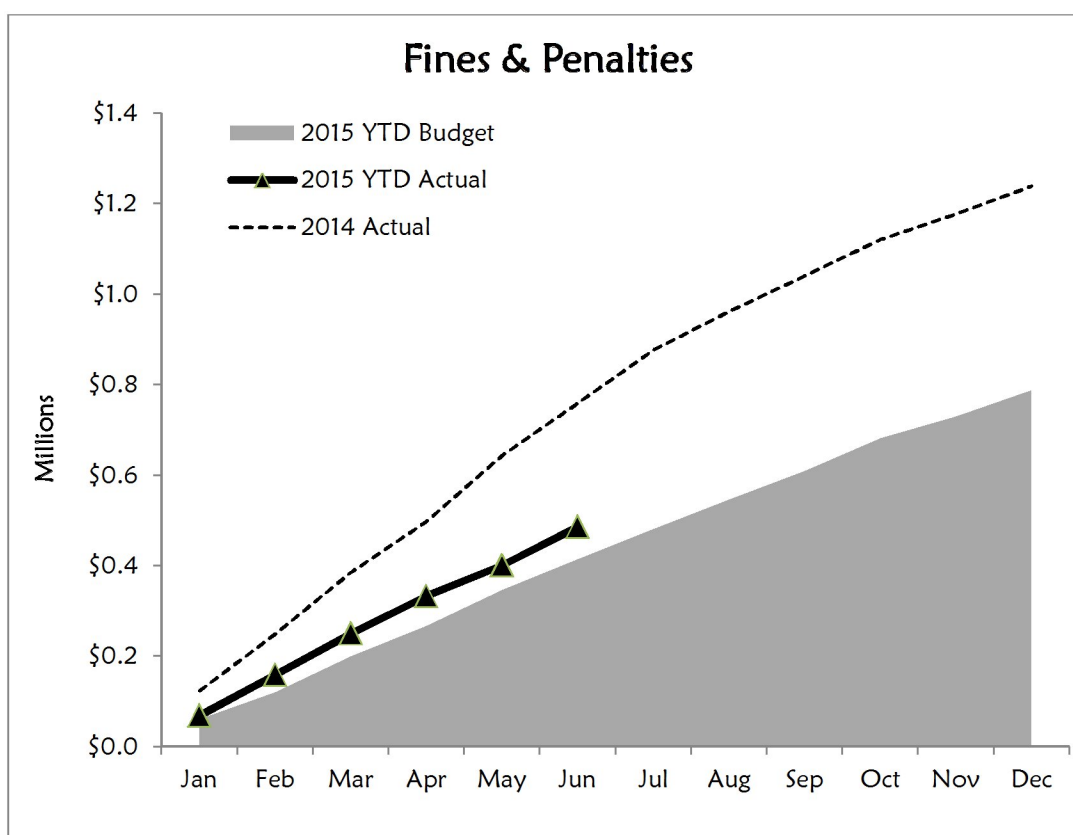
Culture and recreation revenues totaled \$1.2 million and compare to a budget of \$1.0 million and prior year collections of \$1.1 million. The year-over-year increase in revenues was primarily due to increased collections at the Auburn Golf Course for greens fees, as well as increased revenues collected for league fees.



Charges for Services by Type							
June-2015							
Revenue	2014 Actual	2015 Budget	2015 Actual	2015 vs. 2014 Actual		2015 vs. Budget	
				Amount	Percentage	Amount	Percentage
General Government	\$ 64,122	\$ 50,900	\$ 43,704	\$ (20,419)	(31.8) %	\$ (7,196)	(14.1) %
Public Safety	287,781	297,432	287,517	(264)	(0.1) %	(9,915)	(3.3) %
Development Services	638,333	401,000	715,082	76,750	12.0 %	314,082	78.3 %
Culture & Recreation	1,110,564	1,032,600	1,236,235	125,671	11.3 %	203,635	19.7 %
YTD Total	\$ 2,100,800	\$ 1,781,932	\$ 2,282,538	\$ 181,738	8.7 %	\$ 500,606	28.1 %

Fines & Penalties include traffic and parking infraction penalties, criminal fines (including criminal traffic, criminal non traffic and criminal costs) as well as non-court fines such as false alarm fines. Total revenue collected through Q2-2015 totaled \$486,000, compared to a budget of \$415,000 and prior year collections of \$759,000. Effective June 2014, the Redflex Photo Enforcement Program was cancelled, which is the contributing factor for the year-over-year decline in fines and forfeits revenue.

Fines & Forfeits by Type June-2015							
Month	2014 Actual	2015 Budget	2015 Actual	2015 vs. 2014 Actual		2015 vs. Budget	
				Amount	Percentage	Amount	Percentage
Civil Penalties	\$ 8,469	\$ 8,200	\$ 6,069	\$ (2,400)	(28.3) %	\$ (2,131)	(26.0) %
Civil Infraction Penalties	254,404	235,400	273,741	19,337	7.6 %	38,341	16.3 %
Redflex Photo Enforcement	309,868	0	1,766	(308,102)	(99.4) %	1,766	N/A %
Parking Infractions	61,504	56,000	67,867	6,363	10.3 %	11,867	21.2 %
Criminal Traffic Misdemeanor	27,942	26,900	29,317	1,374	4.9 %	2,417	9.0 %
Criminal Non-Traffic Fines	22,893	24,500	25,129	2,237	9.8 %	629	2.6 %
Criminal Costs	27,585	21,300	30,829	3,244	11.8 %	9,529	44.7 %
Non-Court Fines & Penalties	46,141	42,400	51,259	5,117	11.1 %	8,859	20.9 %
YTD Total	\$ 758,806	\$ 414,700	\$ 485,978	\$ (272,828)	(36.0) %	\$ 71,278	17.2 %

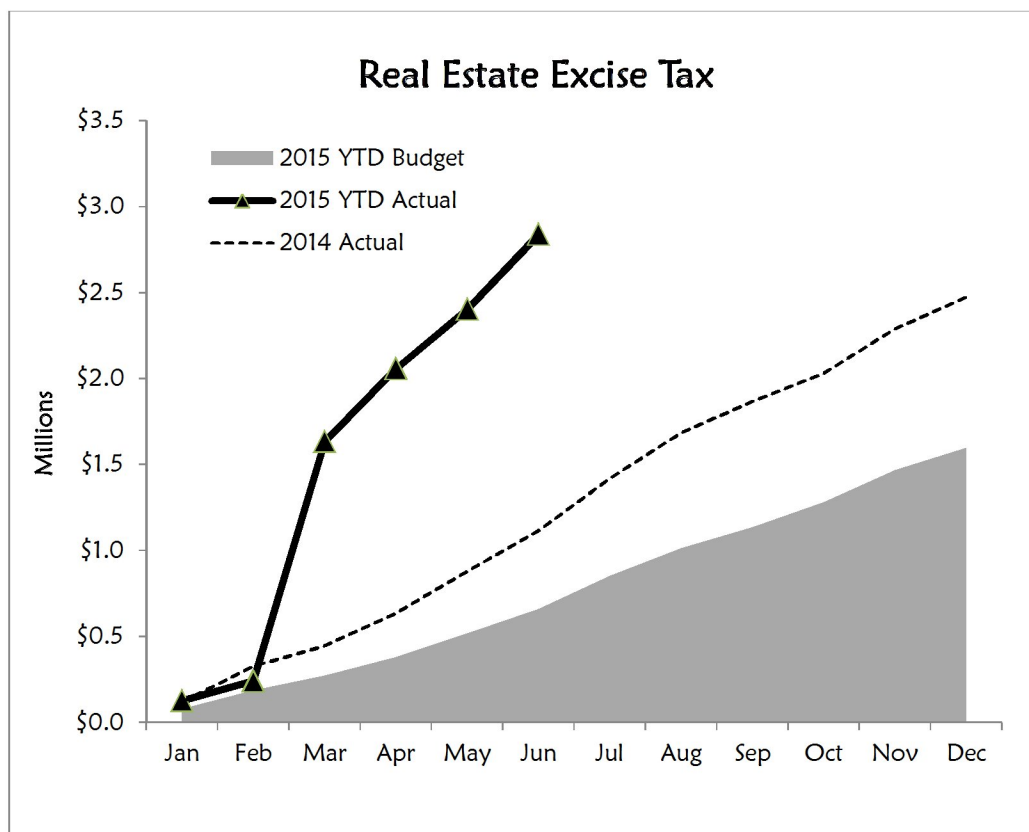


Miscellaneous revenues primarily consist of income from facility rentals; other sources within this category include investment earnings, contributions & donations and other miscellaneous income including the quarterly purchasing card (P-card) rebate monies. Total revenues collected in this category through Q2-2015 totaled \$448,000 and exceeded budget expectation of \$389,000. Although rents and leases revenue ended the quarter slightly below budget expectations, this was offset by higher than anticipated P-Card rebate monies collected through Q2.

Miscellaneous Revenues by Type June-2015							
Month	2014 Actual	2015 Budget	2015 Actual	2015 vs. 2014		2015 vs. Budget	
				Amount	Percentage	Amount	Percentage
Interest & Investments	\$ 18,714	\$ 17,900	\$ 23,497	\$ 4,783	25.6 %	\$ 5,597	31.3 %
Rents & Leases	371,808	308,500	301,118	(70,690)	(19.0) %	(7,382)	(2.4) %
Contributions & Donations	25,789	16,200	20,852	(4,937)	(19.1) %	4,652	28.7 %
Other Miscellaneous Revenue	68,888	46,700	102,512	33,624	48.8 %	55,812	119.5 %
YTD Total	\$ 485,200	\$ 389,300	\$ 447,979	\$ (37,220)	(7.7) %	\$ 58,679	15.1 %

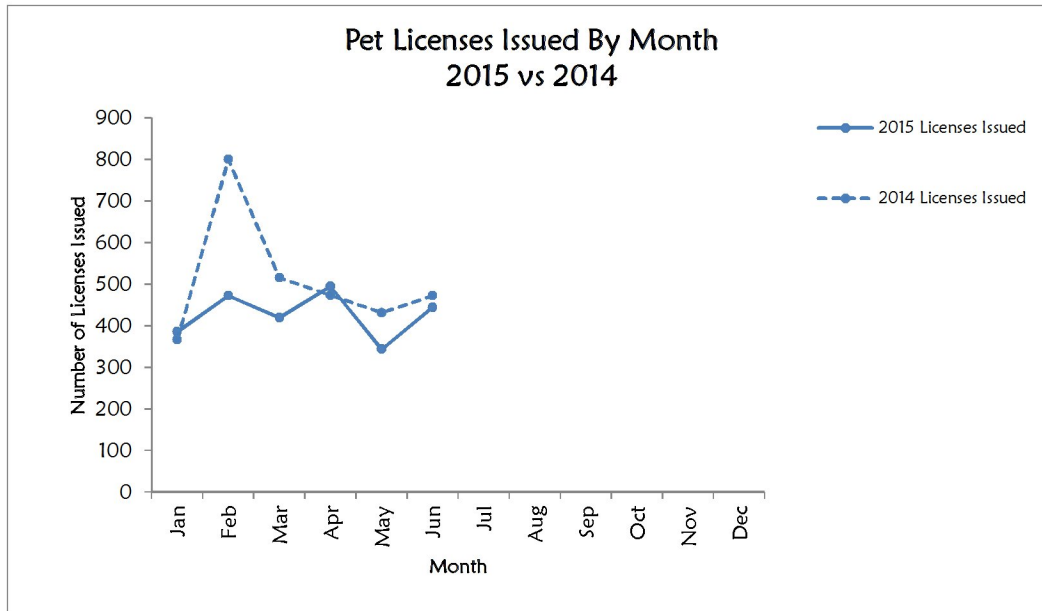
Real Estate Excise Tax (REET) revenue is receipted into the Capital Improvement Projects Fund and is used for governmental capital projects. REET revenues collected through Q2-2015 totaled \$2.8 million, compared to budget expectation of \$661,000. REET revenues collected in Q2-2015 totaled \$1.2 million compared to \$669,000 collected in Q2-2014. Real estate sales in the City of Auburn this quarter included the sale of several warehouse properties, vacant land, the sale of the Multiplex Theatre at the Outlet Collection – Seattle, as well as the sale of over 350 single family residences. Effective in the Q3-2015 Financial Report, the REET budget will increase from \$1.6 million to \$3.0 million per Budget Amendment #2, which was approved by Council in July 2015.

Real Estate Excise Tax Revenues June-2015							
Month	2014 Actual	2015 Budget	2015 Actual	2015 vs. 2014		2015 vs. Budget	
				Amount	Percentage	Amount	Percentage
Jan	\$ 119,765	\$ 79,300	125,089	\$ 5,324	4.4 %	\$ 45,789	57.7 %
Feb	208,206	107,300	115,287	(92,919)	(44.6) %	7,987	7.4 %
Mar	118,578	89,000	1,394,226	1,275,648	1075.8 %	1,305,226	1466.5 %
Apr	189,771	106,800	423,394	233,624	123.1 %	316,594	296.4 %
May	243,472	138,100	345,489	102,017	41.9 %	207,389	150.2 %
Jun	236,067	140,500	436,101	200,033	84.7 %	295,601	210.4 %
Jul	305,214	194,800					
Aug	263,573	157,800					
Sep	182,829	124,500					
Oct	163,912	144,600					
Nov	259,026	185,900					
Dec	183,799	131,400					
YTD Total	\$ 1,115,859	\$ 661,000	\$ 2,839,586	\$ 1,723,727	154.5 %	\$ 2,178,586	329.6 %



Pet Licensing

Year-to-date, 2,563 pet licenses have been sold resulting in \$73,605 in revenue. For the same period in 2014, 3,063 licenses were sold resulting in \$76,930 in revenue.



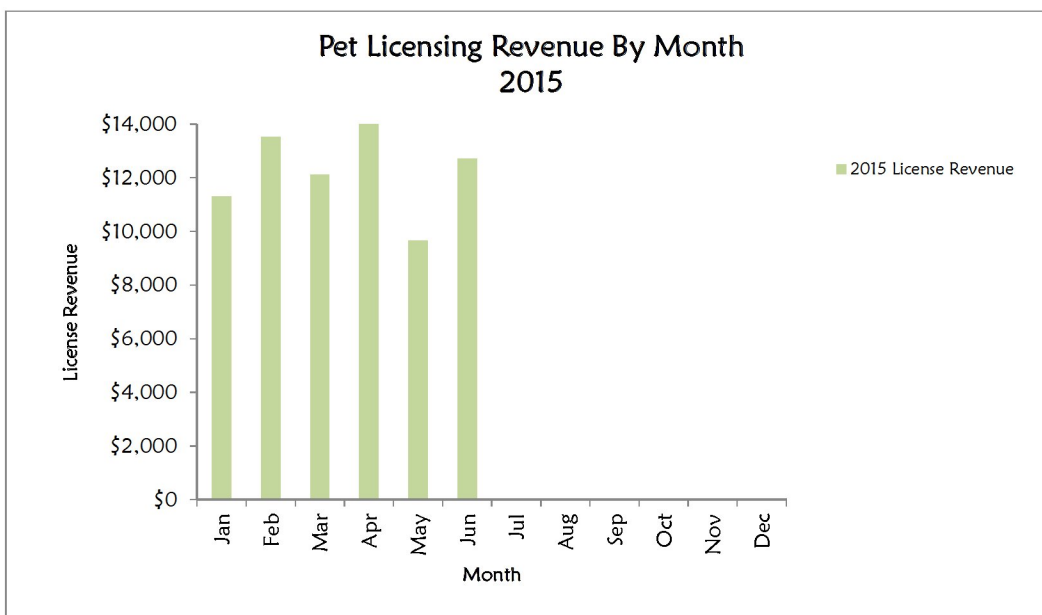
2015 Budget Goal: \$240,000 or more

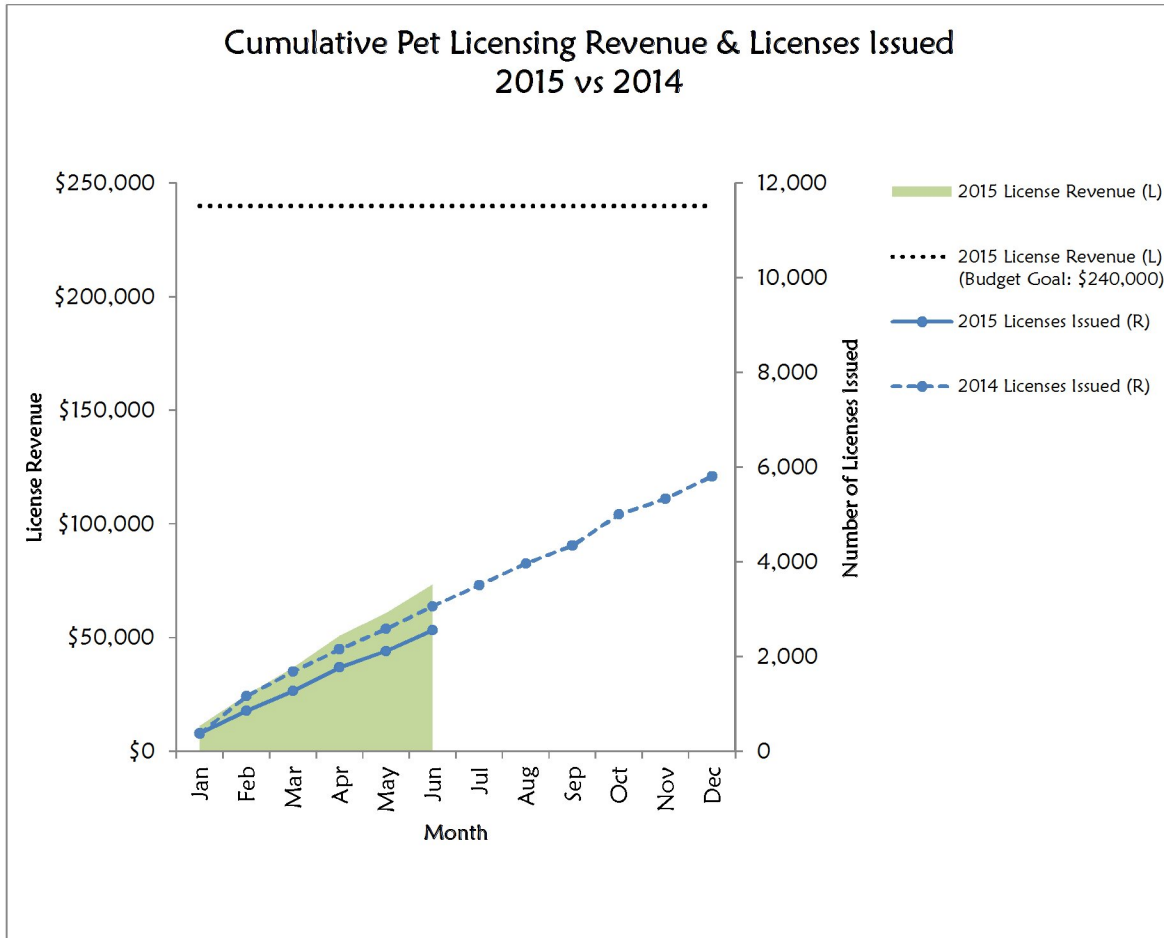
2015 Revenue = \$73,605

2014 Revenue = \$76,930

2015 Licenses Sold = 2,563

2014 Licenses Sold = 3,063

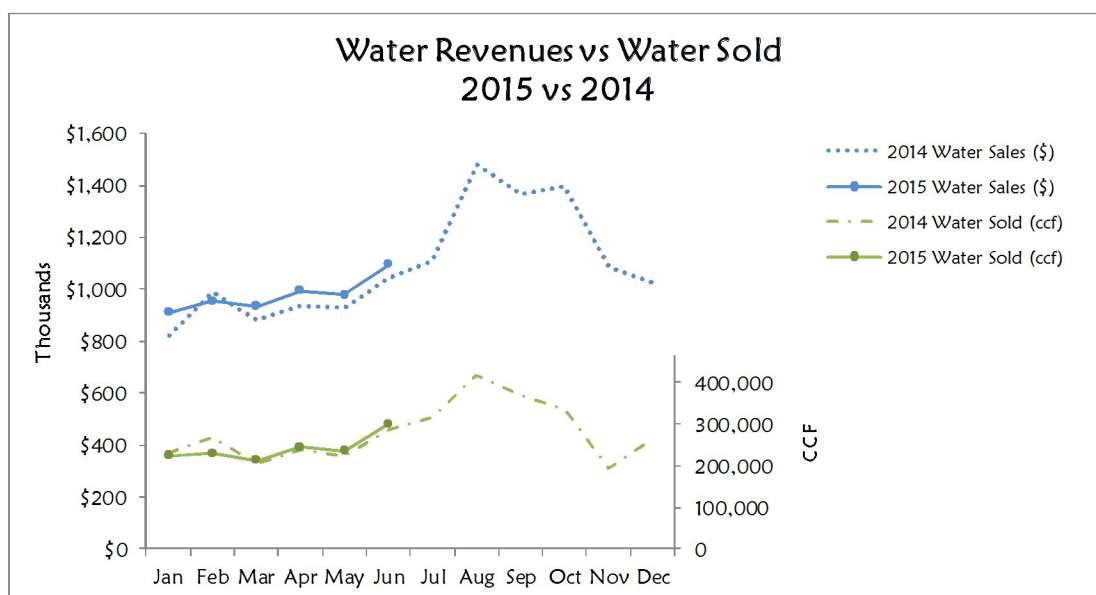




Enterprise Funds

Detailed Working Capital and Fund Balance statements for Enterprise and Internal Service funds can be found in the Appendix at the end of this report.

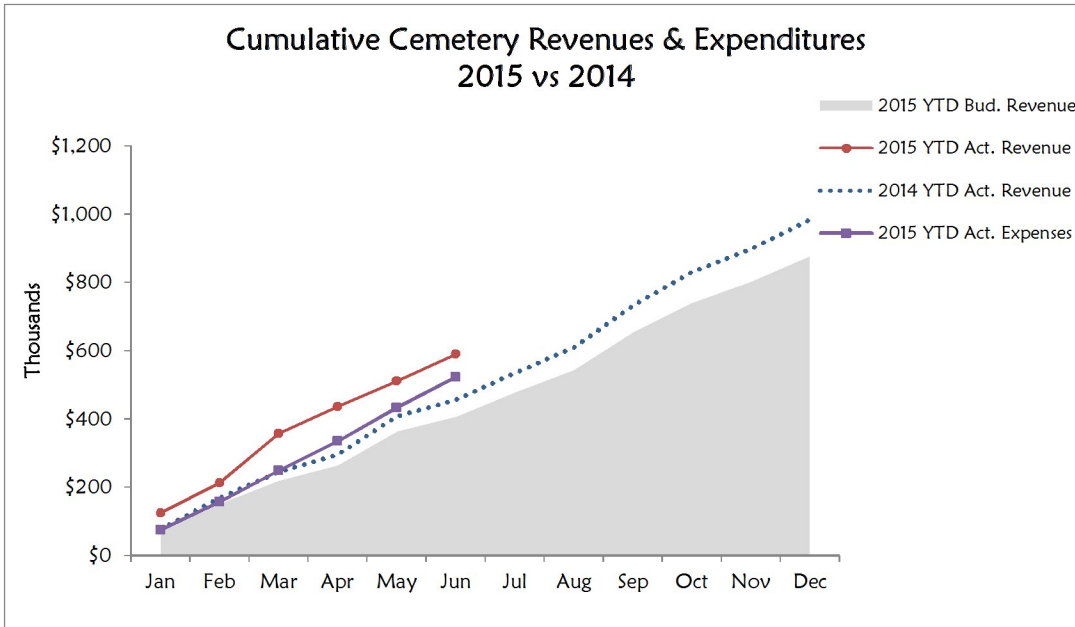
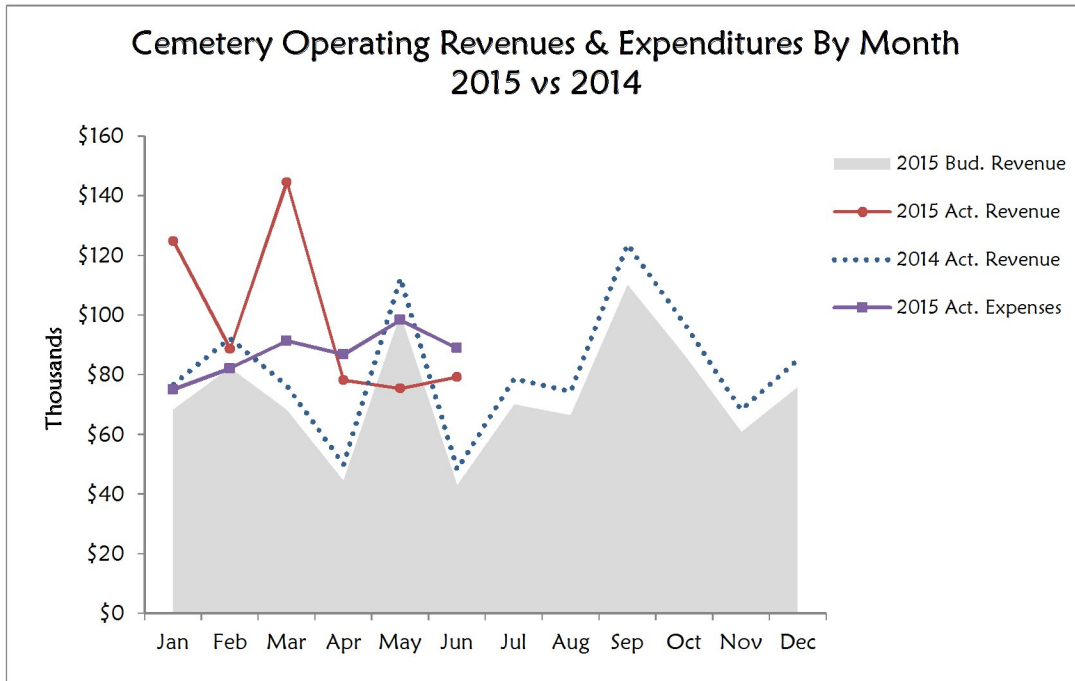
At the end of the second quarter, the **Water Utility** had operating income of \$110,400 compared to operating income of \$273,800 in 2014.



The **Sewer Utility** ended the quarter with an operating loss of \$17,000 compared to operating income of \$81,000 in 2014. The **Sewer-Metro Utility** ended the period with an operating loss of \$174,000 compared to operating income of \$1,303,100 for the previous year. The difference is largely due to the timing of the June 2014 payment to King County Metro (\$1.2 million), which was not posted until July, resulting in a temporary spike in net income.

The **Stormwater Utility** ended the quarter with \$692,300 in operating income which compares to operating income of \$759,200 for the same period last year.

The **Cemetery Fund** ended the second quarter with operating income of \$68,200 compared to an operating loss of \$28,000 for the same period last year. Year to date the number of interments at the Cemetery totals 110 (55 burials, 55 cremations), which compares to 116 (54 burials, 62 cremations) for the same period last year.



Internal Service Funds

Operating expenditures within the **Insurance** Fund represent the premium cost pool that will be allocated monthly to other City funds over the course of 2015. As a result, this balance will gradually diminish each month throughout the year.

No significant variances are reported in the **Worker's Compensation, Facilities, Innovation & Technology**, or **Equipment Rental** Funds. All funds have sufficient revenues to cover year-to-date expenditures.

Contact Information

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

City of Auburn
Investment Portfolio Summary
June 30, 2015

Investment Type	Purchase Date	Purchase Price	Maturity Date	Yield to Maturity
State Investment Pool	Various	\$ 102,070,333	Various	0.17%
KeyBank Money Market	Various	18,275,186	Various	0.00%
US Treasury	05/04/1990	57,750	05/15/2016	5.72%
FHLB	1/15/2015	1,300,000	7/28/2017	0.89%
LAKUTL	9/25/2013	235,919	11/1/2017	1.90%
Total Cash & Investments		\$ 121,939,187		0.157%

Investment Mix	% of Total	Summary	
State Investment Pool	83.7%	Current 6-month treasury rate	0.09%
KeyBank Money Market	15.0%	Current State Pool rate	0.17%
US Treasury	0.0%	KeyBank Money Market	0.00%
FFCB	0.0%	Blended Auburn rate	0.16%
FHLB	1.1%		
LAKUTL	0.2%		
	100.0%		

SALES TAX SUMMARY
JUNE 2015 SALES TAX DISTRIBUTIONS (FOR APRIL 2015 RETAIL ACTIVITY)

NAICS	CONSTRUCTION	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Apr '14)	2015 YTD (Nov '14 - Apr '15)	YTD % Diff	NAICS	AUTOMOTIVE	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Apr '14)	2015 YTD (Nov '14 - Apr '15)	YTD % Diff
236	Construction of Buildings	856,060	427,371	542,316	26.5%	441	Motor Vehicle and Parts Dealer	3,062,758 ^b	1,422,563	1,663,157	16.9%
237	Heavy and Civil Construction	146,261	77,101	97,491	26.4%	447	Gasoline Stations	246,636	124,420	114,938	-7.6%
238	Specialty Trade Contractors	741,211	354,375	357,077	0.8%		TOTAL AUTOMOTIVE	3,309,404	1,546,982	1,778,094	14.9%
	TOTAL CONSTRUCTION	1,753,532	858,847	996,884	16.1%		<i>Overall Change from Previous Year</i>			231,112	
	<i>Overall Change from Previous Year</i>			138,037							
NAICS	MANUFACTURING	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Apr '14)	2015 YTD (Nov '14 - Apr '15)	YTD % Diff	NAICS	RETAIL TRADE	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Apr '14)	2015 YTD (Nov '14 - Apr '15)	YTD % Diff
311	Food Manufacturing	3,220	1,890	1,369	-27.6%	442	Furniture and Home Furnishings	254,103	122,466	125,079	2.1%
312	Beverage and Tobacco Products	8,257	4,216	4,883	15.8%	443	Electronics and Appliances	236,955	151,747	154,707	2.0%
313	Textile Mills	234	163	117	-28.2%	444	Building Material and Garden	502,470	218,815	263,434	20.4%
314	Textile Product Mills	2,970	1,411	1,446	2.6%	445	Food and Beverage Stores	352,552	165,897	176,816	6.6%
315	Apparel Manufacturing	244	185	81	-66.1%	446	Health and Personal Care Store	187,715	95,263	110,685	16.2%
316	Leather and Allied Products	15	4	1	-69.0%	448	Clothing and Accessories	1,008,978	504,835	540,406	7.0%
321	Wood Product Manufacturing	76,560	38,502	33,888	-12.0%	451	Sporting Goods, Hobby, Books	212,015	118,600	111,217	-6.2%
322	Paper Manufacturing	5,237	2,478	3,210	29.5%	452	General Merchandise Stores	955,479	476,544 ^a	486,493	2.1%
323	Printing and Related Support	44,114	17,200	27,398	59.3%	453	Miscellaneous Store Retailers	587,784	282,461	315,841	11.8%
324	Petroleum and Coal Products	10,293	5,136	1,415	-72.4%	454	Nonstore Retailers	381,876	179,055	199,273	11.3%
325	Chemical Manufacturing	5,397	2,614	3,192	22.1%		TOTAL RETAIL TRADE	4,879,929	2,315,684	2,483,952	7.3%
326	Plastics and Rubber Products	9,844	5,335	5,315	-0.4%		<i>Overall Change from Previous Year</i>			168,268	
327	Nonmetallic Mineral Products	19,801	9,771	3,477	-64.4%						
331	Primary Metal Manufacturing	1,542	1,339	1,376	2.7%						
332	Fabricated Metal Product Manuf	33,900	15,287	15,214	-0.5%						
333	Machinery Manufacturing	24,491	11,199	12,953	15.7%	NAICS	SERVICES	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Apr '14)	2015 YTD (Nov '14 - Apr '15)	YTD % Diff
334	Computer and Electronic Product	18,265	10,873	3,642	-66.5%	51*	Information	486,856	247,912	244,720 ^{d, i}	-1.3%
335	Electric Equipment, Appliances	1,179	562	476	-15.4%	52*	Finance and Insurance	87,574	42,233	46,666	10.5%
336	Transportation Equipment Man	837,227	415,649	284,243	-31.6%	53*	Real Estate, Rental, Leasing	314,900	153,382	160,421	4.6%
337	Furniture and Related Products	21,248	11,535	7,954	-31.0%	541	Professional, Scientific, Tech	216,494	98,685	98,469	-0.2%
339	Miscellaneous Manufacturing	39,052	20,876	24,542	17.6%	551	Company Management	43	26	9,215	35423.6%
	TOTAL MANUFACTURING	1,163,090	576,227	436,192	-24.3%	56*	Admin. Supp., Remed Svcs	350,417	191,835	155,861	-18.8%
	<i>Overall Change from Previous Year</i>			-140,034		611	Educational Services	49,123	21,939	34,762	58.5%
						62*	Health Care Social Assistance	66,359	15,568	51,067	225.9%
						71*	Arts and Entertainment	157,908	99,398	91,709	-7.7%
						72*	Accommodation and Food Svcs	1,066,580	500,085	546,677	9.3%
						81*	Other Services	425,896	203,891	228,313	12.0%
						92*	Public Administration	99,676	45,019	60,340	34.0%
							TOTAL SERVICES	3,321,827	1,820,072	1,728,219	6.7%
							<i>Overall Change from Previous Year</i>			168,149	
NAICS	TRANSPORTATION AND WAREHOUSING	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Apr '14)	2015 YTD (Nov '14 - Apr '15)	YTD % Diff	NAICS	MISCELLANEOUS	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Apr '14)	2015 YTD (Nov '14 - Apr '15)	YTD % Diff
481	Air Transportation	0	0	0	N/A	000	Unknown	0	0	0	N/A
482	Rail Transportation	8,069	2,215	4,472	101.9%	111-115	Agriculture, Forestry, Fishing	7,488	2,230	1,897	-14.9%
484	Truck Transportation	4,740	1,751	3,540	102.2%	211-221	Mining & Utilities	28,687	9,734	10,295	5.8%
485	Transit and Ground Passengers	4	0	146	N/A	999	Unclassifiable Establishments	83,442	63,579	18,776	-70.5%
488	Transportation Support	26,786	12,818	13,655	6.5%		TOTAL SERVICES	119,617	75,543	30,968	-69.0%
491	Postal Service	691	483	137	-71.7%		<i>Overall Change from Previous Year</i>			-44,575	
492	Couriers and Messengers	672	422	1	-99.7%						
493	Warehousing and Storage	29,718 ^c	1,961	6,146	213.4%						
	TOTAL TRANSPORTATION	70,679	19,651	28,097	43.0%						
	<i>Overall Change from Previous Year</i>			8,446							
NAICS	WHOLESALE TRADE	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Apr '14)	2015 YTD (Nov '14 - Apr '15)	YTD % Diff	GRAND TOTAL		15,622,791	7,596,196	8,091,609	6.5%
423	Wholesale Trade, Durable Goods	1,024,016	499,126	513,620	2.9%		<i>Overall Change from Previous Year</i>			495,413	
424	Wholesale Trade, Nondurable	178,054	82,581	94,522	14.5%						
425	Wholesale Electronic Markets	2,643	1,483	1,061	-28.5%						
	TOTAL WHOLESALE	1,204,714	583,189	609,203	4.5%						
	<i>Overall Change from Previous Year</i>			26,014							

a. WA State Dept of Revenue audit adjustment to sales tax returns for period March 2014 (adjustment: -\$45,145).
b. WA State Dept of Revenue audit adjustment to sales tax returns for period April 2014 (adjustment: \$10,242).
c. WA State Dept of Revenue audit adjustment to sales tax returns for period August 2014 (adjustment: \$25,146).
d. WA State Dept of Revenue audit adjustment to sales tax returns for period November 2014 (adjustment: \$5,167).
e. WA State Dept of Revenue audit adjustment to sales tax returns for period December 2014 (adjustment: -\$2,382).
f. WA State Dept of Revenue audit adjustment to sales tax returns for period January 2015 (adjustment: \$4,464).
g. WA State Dept of Revenue audit adjustment to sales tax returns for period February 2015 (adjustment: \$11,845).
h. WA State Dept of Revenue audit adjustment to sales tax returns for period February 2015 (adjustment: -\$9,385).
i. WA State Dept of Revenue audit adjustment to sales tax returns for period March 2015 (adjustment: -\$17,839).

The following table presents the Working Capital Statement for each of the City's Enterprise and Internal Service funds. Working Capital is generally defined as the difference between current assets and current liabilities.

WORKING CAPITAL	ENTERPRISE FUNDS							INTERNAL SERVICE FUNDS				
	WATER	SEWER	SEWER METRO	STORM	SOLID WASTE	AIRPORT	CEMETERY	INSURANCE	WORKER'S COMPENSATION	FACILITIES	INNOVATION & TECHNOLOGY	EQUIPMENT RENTAL
OPERATING REVENUES												
Charges For Service	\$ 5,878,656	\$ 3,892,188	\$ -	\$ 4,607,516	\$ 6,700,044	\$ 8,143	\$ 591,201	\$ -	\$ 387,527	\$ -	\$ -	\$ -
Interfund Charges For Service	-	-	-	-	-	-	-	-	-	1,723,644	2,677,391	1,735,388
Sewer Metro Service Revenue	-	-	7,821,868	-	-	-	-	-	-	-	-	-
Rents, Leases, Concessions, & Other	-	-	-	-	-	330,841	-	-	-	42,145	69,869	-
TOTAL OPERATING REVENUES	\$ 5,878,656	\$ 3,892,188	\$ 7,821,868	\$ 4,607,516	\$ 6,700,044	\$ 338,983	\$ 591,201	\$ -	\$ 387,527	\$ 1,785,789	\$ 2,747,260	\$ 1,735,388
OPERATING EXPENSES												
Salaries & Wages	\$ 1,226,317	\$ 812,738	\$ -	\$ 1,178,146	\$ 198,859	\$ 13,571	\$ 217,744	\$ -	\$ 39,662	\$ 278,394	\$ 731,034	\$ 309,802
Benefits	560,287	371,002	-	533,421	91,506	4,886	101,376	-	82,386	141,825	305,931	143,252
Supplies	120,058	58,283	-	29,605	20,724	-	93,908	-	-	56,207	166,440	462,223
Other Service Charges	1,732,241	1,107,819	-	605,151	579,536	218,476	51,558	592,373	129,296	534,638	1,268,369	149,381
Intergovernmental Services	-	2,847	-	62,150	105,361	-	-	-	-	-	-	-
Waste Management Payments ¹	-	-	-	-	5,124,744	-	-	-	-	-	-	-
Sewer Metro Services	-	-	7,995,845	-	-	-	-	-	-	-	-	-
Interfund Operating Rentals & Supplies	645,437	485,398	-	667,967	52,469	-	32,730	-	-	57,408	81,078	108,514
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	1,483,901	1,071,104	-	838,732	9,410	237,956	25,719	-	-	-	309,120	437,546
TOTAL OPERATING EXPENSES	\$ 5,768,241	\$ 3,909,191	\$ 7,995,845	\$ 3,915,172	\$ 6,182,609	\$ 474,889	\$ 523,035	\$ 592,373	\$ 251,344	\$ 1,068,472	\$ 2,861,973	\$ 1,610,718
OPERATING INCOME (LOSS)	\$ 110,414	\$ (17,003)	\$ (173,977)	\$ 692,344	\$ 517,435	\$ (135,906)	\$ 68,167	\$ (592,373)	\$ 136,183	\$ 697,317	\$ (114,712)	\$ 124,670
NON-OPERATING REVENUES & EXPENSES												
Interest Revenue	\$ 10,081	\$ 8,910	\$ 563	\$ 13,271	\$ 1,585	\$ 583	\$ 279	\$ 579	\$ 327	\$ 1,644	\$ 2,319	\$ 3,826
Contributions	-	-	-	1,059,017	29,245	7,105	150	-	-	-	-	816
Other Non-Operating Revenue	94,352	36,137	-	32,596	280	(5,252)	(0)	-	-	-	500	96,294
Gain (Loss) On Sale Of Fixed Assets	-	-	-	10,000	-	-	-	-	-	-	-	(27,529)
Debt Service Interest	(49,854)	(16,217)	-	-	-	(18,338)	(11,134)	-	-	-	-	-
Other Non-Operating Expense	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-OPERATING REVENUES & EXPENSES	\$ 54,580	\$ 28,830	\$ 563	\$ 1,114,885	\$ 31,110	\$ (15,902)	\$ (10,705)	\$ 579	\$ 327	\$ 1,644	\$ 2,819	\$ 73,007
PLUS ITEMS NOT AFFECTING WORKING CAPITAL												
Depreciation	\$ 1,483,901	\$ 1,071,104	\$ -	\$ 838,732	\$ 9,410	\$ 237,956	\$ 25,719	\$ -	\$ -	\$ -	\$ 309,120	\$ 437,546
NET WORKING CAPITAL FROM OPERATIONS	\$ 1,648,896	\$ 1,082,932	\$ (173,414)	\$ 2,645,961	\$ 557,955	\$ 86,148	\$ 83,180	\$ (591,794)	\$ 136,510	\$ 698,961	\$ 197,226	\$ 635,223
Increase In Contributions - System Development	\$ 349,330	\$ 280,350	\$ -	\$ 261,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase In Contributions - Area Assessments	500	6,891	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - Other Governments	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - Other Funds	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - FAA	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds of Debt Activity	68,973	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers In	-	-	-	378,345	-	-	-	-	-	-	-	-
Increase In Restricted Net Assets	20,744	-	-	-	-	3,732	-	-	-	-	-	-
Decrease In Long-Term Receivables	-	45,000	-	-	-	-	-	-	-	-	-	-
Increase In Deferred Credits	-	-	-	-	-	15,219	-	-	-	-	-	-
TOTAL RESOURCES OTHER THAN OPERATIONS	\$ 439,547	\$ 332,242	\$ -	\$ 640,039	\$ -	\$ 18,951	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change In Restricted Net Assets	\$ 420,668	\$ 137,976	\$ -	\$ 192,316	\$ -	\$ 2,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (43,864)
Increase In Fixed Assets - Salaries	150,677	74,672	-	160,580	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Benefits	61,788	32,366	-	66,350	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Site Improvements	26,051	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Land	-	-	-	250,000	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Equipment	-	-	-	-	-	-	-	-	-	-	257,702	518,286
Increase In Fixed Assets - Construction	1,540,650	1,396,757	-	3,064,836	-	286,454	-	-	-	-	-	-
Increase In Fixed Assets - Other	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers Out	154,093	144,892	-	124,000	-	-	-	-	-	290,229	-	179,420
Debt Service Principal	522,831	288,262	-	-	-	-	-	-	-	-	-	-
TOTAL USES OTHER THAN OPERATIONS	\$ 2,876,698	\$ 2,074,925	\$ -	\$ 3,858,082	\$ -	\$ 288,902	\$ -	\$ -	\$ -	\$ 290,229	\$ 257,702	\$ 653,842
NET CHANGE IN WORKING CAPITAL	\$ (788,255)	\$ (659,751)	\$ (173,414)	\$ (572,082)	\$ 557,955	\$ (188,803)	\$ 83,180	\$ (591,794)	\$ 136,510	\$ 408,732	\$ (60,475)	\$ (18,618)
BEGINNING WORKING CAPITAL - January 1, 2015 ²	14,027,406	13,346,282	2,100,400	16,051,080	2,491,724	756,938	294,547	1,654,057	440,004	2,194,912	3,543,327	5,844,690
ENDING WORKING CAPITAL - June 30, 2015	13,239,150	12,686,531	1,926,986	15,478,999	3,049,679	571,135	377,727	1,062,263	576,514	2,603,644	3,482,852	5,826,072
NET CHANGE IN WORKING CAPITAL	\$ (788,255)	\$ (659,751)	\$ (173,414)	\$ (572,082)	\$ 557,955	\$ (188,803)	\$ 83,180	\$ (591,794)	\$ 136,510	\$ 408,732	\$ (60,475)	\$ (18,618)

¹ June's Waste Management payment in the amount of \$844,060 has been added to the Solid Waste Fund and is reflected in the Ending Working Capital balance.

² The Airport Fund's Beginning Working Capital has been restated reflecting a prior period adjustment of \$200,000 as the result of a reclassification of the Airport's Interfund loan.

The following table provides an analysis of each of the City's Enterprise and Internal Service funds - showing 2015 revenues and expenditures by fund.

FUND BALANCE	ENTERPRISE FUNDS							INTERNAL SERVICE FUNDS				
	WATER	SEWER	SEWER METRO	STORM	SOLID WASTE	AIRPORT	CEMETERY	INSURANCE	WORKER'S COMPENSATION	FACILITIES	INNOVATION & TECHNOLOGY	EQUIPMENT RENTAL
OPERATING REVENUES												
Charges For Service	\$ 5,878,656	\$ 3,892,188	\$ -	\$ 4,607,516	\$ 6,700,044	\$ 8,143	\$ 591,201	\$ -	\$ 387,527	\$ -	\$ -	\$ -
Interfund Charges For Service	-	-	-	-	-	-	-	-	-	1,723,644	2,677,391	1,735,388
Sewer Metro Service Revenue	-	-	7,821,868	-	-	-	-	-	-	-	-	-
Rents, Leases, Concessions, & Other	-	-	-	-	-	330,841	-	-	-	42,145	69,869	-
TOTAL OPERATING REVENUES	\$ 5,878,656	\$ 3,892,188	\$ 7,821,868	\$ 4,607,516	\$ 6,700,044	\$ 338,983	\$ 591,201	\$ -	\$ 387,527	\$ 1,765,789	\$ 2,747,260	\$ 1,735,388
OPERATING EXPENSES												
Administration	\$ 1,414,096	\$ 1,100,459	\$ -	\$ 1,599,032	\$ 321,107	\$ 231,461	\$ 130,376	\$ 592,373	\$ -	\$ -	\$ -	\$ 370,163
Operations & Maintenance	2,870,244	1,737,628	-	1,477,408	727,348	5,472	366,940	-	251,344	1,068,472	2,552,852	803,009
Waste Management Payments ¹	-	-	-	-	5,124,744	-	-	-	-	-	-	-
Sewer Metro Services	-	-	7,995,845	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	1,483,901	1,071,104	-	838,732	9,410	237,956	25,719	-	-	-	309,120	437,546
TOTAL OPERATING EXPENSES	\$ 5,768,241	\$ 3,909,191	\$ 7,995,845	\$ 3,915,172	\$ 6,182,609	\$ 474,889	\$ 523,035	\$ 592,373	\$ 251,344	\$ 1,068,472	\$ 2,861,973	\$ 1,610,718
OPERATING INCOME (LOSS)	\$ 110,414	\$ (17,003)	\$ (173,977)	\$ 692,344	\$ 517,435	\$ (135,906)	\$ 68,167	\$ (592,373)	\$ 136,183	\$ 697,317	\$ (114,712)	\$ 124,670
NON-OPERATING REVENUES & EXPENSES												
Interest Revenue	\$ 10,081	\$ 8,910	\$ 563	\$ 13,271	\$ 1,585	\$ 583	\$ 279	\$ 579	\$ 327	\$ 1,644	\$ 2,319	\$ 3,826
Other Non-Operating Revenue	94,352	36,137	-	1,091,613	29,525	1,853	150	-	-	-	500	97,111
Gain (Loss) On Sale Of Fixed Assets	-	-	-	10,000	-	-	-	-	-	-	-	(27,929)
Other Non-Operating Expense	(49,854)	(16,217)	-	-	-	(18,338)	(11,134)	-	-	-	-	-
TOTAL NON-OPERATING REVENUES & EXPENSES	\$ 54,580	\$ 28,830	\$ 563	\$ 1,114,885	\$ 31,110	\$ (15,902)	\$ (10,705)	\$ 579	\$ 327	\$ 1,644	\$ 2,819	\$ 73,007
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	\$ 164,994	\$ 11,828	\$ (173,414)	\$ 1,807,229	\$ 548,545	\$ (151,808)	\$ 57,461	\$ (591,794)	\$ 136,510	\$ 698,961	\$ (111,894)	\$ 197,677
Contributions	\$ 349,830	\$ 287,242	\$ -	\$ 261,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	378,345	-	-	-	-	-	-	-	-
Transfers Out	(154,033)	(144,892)	-	(124,000)	-	-	-	-	-	(290,229)	-	(179,420)
TOTAL CONTRIBUTIONS & TRANSFERS	\$ 195,797	\$ 142,350	\$ -	\$ 516,039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (290,229)	\$ -	\$ (179,420)
CHANGE IN FUND BALANCE	\$ 360,791	\$ 154,177	\$ (173,414)	\$ 2,323,268	\$ 548,545	\$ (151,808)	\$ 57,461	\$ (591,794)	\$ 136,510	\$ 408,732	\$ (111,894)	\$ 18,258
BEGINNING FUND BALANCE - January 1, 2015	\$ 71,320,494	\$ 78,284,418	\$ 2,100,400	\$ 55,862,809	\$ 2,560,449	\$ 9,662,547	\$ 870,261	\$ 1,654,057	\$ 434,859	\$ 2,152,736	\$ 4,826,830	\$ 10,864,439
ENDING FUND BALANCE - June 30, 2015	\$ 71,681,285	\$ 78,438,595	\$ 1,926,986	\$ 58,186,078	\$ 3,108,994	\$ 9,510,739	\$ 927,722	\$ 1,062,263	\$ 571,369	\$ 2,561,468	\$ 4,714,936	\$ 10,882,696

¹ June's Waste Management payment in the amount of \$844,060 has been added to the Solid Waste Fund and is reflected in Ending Fund Balance.



AGENDA BILL APPROVAL FORM

Agenda Subject:

Resolution No. 5163

Date:

August 17, 2015

Department:

CD & PW

Attachments:

[Resolution No. 5163](#)
[Public Way Agreement No. 15-22](#)

Budget Impact:

\$0

Administrative Recommendation:

For discussion only.

Background Summary:

Sprint Communications Company L.P. has applied for a new Public Way Agreement No. 15-22 for existing facilities located in City right-of-way along the UPRR right-of-way. The previous agreement, ROW Use Permit # 87-02, Recording Number 8710231121, that authorized these facilities is expired.

The existing facilities consist of fiber optic cable that occupies 542 linear feet of City right-of-way through six road crossings. These facilities currently do not serve any customers inside of the city limits. A Public Way Agreement is required when a commercial utility desires to occupy specific space in the City's right-of-way for the sole purpose of providing commercial utility services to areas outside the City.

The Public Way Agreement was reviewed by city staff and the applicant and it was determined that this agreement meets the needs of the City and the applicant for the existing facilities and their current use.

Resolution No. 5163 authorizes execution of Public Way Agreement No. 15-22 and allows Sprint's existing facilities to remain in the right-of-way per the terms and conditions set forth in the agreement upon completion of the requirements of Section 5. Acceptance of Public Way Agreement, by Sprint.

Reviewed by Council Committees:**Councilmember:****Staff:**

Snyder

Meeting Date: August 24, 2015

Item Number: DI.B

RESOLUTION NO. 5163

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE PUBLIC WAY AGREEMENT NO. 15-22 BETWEEN THE CITY OF AUBURN AND SPRINT COMMUNICATIONS COMPANY L.P.

WHEREAS, Sprint Communications Company L.P. ("Sprint") has applied to the City for a non-exclusive Public Way Agreement for the right of entry, use, and occupation of certain public rights-of-way within the City of Auburn, expressly to install, construct, erect, operate, maintain, repair, relocate and remove its facilities in, on, upon, along and/or across those right(s)-of-way; and

WHEREAS, the City has reviewed Sprint's application and determined that the location of Sprint's facilities within the requested rights-of-way is in the best interest of the City and the citizens of Auburn,

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

Section 1. The Mayor of the City of Auburn and the Auburn City Clerk are hereby authorized to execute a Public Way Agreement between the City of Auburn and Sprint, a copy of which is attached hereto, marked as Exhibit "1" and incorporated herein by this reference.

Resolution No. 5163
Public Way Agreement No. 15-22
July 14, 2015
Page 1 of 2

Section 2. The Mayor is hereby authorized to implement such administrative procedures as may be necessary to carry out the directives of this legislation.

Section 3. This resolution shall be in full force and effect upon passage and signatures hereon.

Dated and Signed this _____ day of _____, 2015.

CITY OF AUBURN

NANCY BACKUS
MAYOR

ATTEST:

Danielle E. Daskam, City Clerk

APPROVED AS TO FORM:

Daniel B. Heid, City Attorney

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Public Way Agreement No. 15-22
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CITY OF AUBURN PUBLIC WAY AGREEMENT WITH SPRINT
COMMUNICATIONS COMPANY L.P.

This Public Way Agreement is entered into by and between the City of Auburn, Washington, a municipal corporation ("City") and Sprint Communications Company L.P., a Delaware limited partnership ("Grantee").

WHEREAS, Grantee has applied to the City for a non-exclusive Public Way Agreement for the right of entry, use, and occupation of certain public right(s)-of-way within the City of Auburn, expressly to install, construct, erect, operate, maintain, repair, relocate and remove its facilities in, on, upon, along and/or across those right(s)-of-way; and

WHEREAS, the City has reviewed the Grantee's application and determined that the location of Grantee's facilities within the requested right(s)-of-way is in the best interest of the City and the citizens of Auburn,

NOW, THEREFORE, in consideration of the mutual benefits and conditions set forth below, the parties hereto agree as follows:

Section 1. Notice

A. Except as defined in the respective filing and emergency work provisions of Sections 5 and 7 herein, all notices, requests, demands and other communications shall be in writing and are effective three (3) days after deposited in the U.S. mail, certified and postage paid, or upon receipt if personally delivered or sent by next-business-day delivery via a nationally recognized overnight courier to the addresses set forth below. City or Grantee may from time to time designate any other address for this purpose by providing written notice to the other party effective thirty (30) days after the provision thereof.

City: Engineering Aide, Community Development and Public
 Works Department - Transportation
 City of Auburn
 25 West Main Street
 Auburn, WA 98001-4998
 Telephone: (253) 931-3010; Fax: (253) 931-3053

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with a copy to: City Clerk
City of Auburn
25 West Main Street
Auburn, WA 98001-4998

Grantee: Sprint Real Estate
Mailstop: KSOPHT0101-Z2040
6391 Sprint Parkway
Overland Park, KS 66251-2650
Attn: Charlene White
Voice: (913) 794-8199; Fax (913) 523-8353

With a copy to: Sprint Nextel Law Department
Mailstop: KSOPHT0101-Z2020
6391 Sprint Parkway
Overland Park, KS 66251-2020
Attn: Real Estate Attorney

B. Any changes to the above-stated Grantee information shall be sent to the City's Engineering Aide, Public Works Department – Transportation Division, with copies to the City Clerk, referencing the title and date of this agreement.

C. The Grantee's voice and fax telephone numbers shall be staffed at a minimum of between 8:00 AM and 5:00 PM Pacific Time, Monday through Friday, excepting holidays. Grantee may be reached at any time through its Network Operations Command Center at 800-877-6627, Option 5.

Section 2. Grant of Right to Use Public Way

A. Subject to the terms and conditions stated herein, the City grants to the Grantee general permission to enter, use, and occupy the right(s)-of-way specified in Exhibit "A," attached hereto (the "Public Way").

B. The Grantee is authorized to install, remove, construct, erect, operate, maintain, relocate and repair the facilities specified in Exhibit "B," attached hereto, and all necessary appurtenances thereto, ("Grantee Facilities") for provision of lawful communications, including, without limitation, long distance voice and data communications and other lawful communications as disclosed to

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the City from time to time ("Grantee Services") in, along, under and across the Public Way, for the sole purpose of providing commercial utility or telecommunications services to persons or areas outside the City.

C. This Public Way Agreement does not authorize the use of the Public Way for any facilities or services other than Grantee Facilities and Grantee Services, and it extends no rights or privilege relative to any facilities or services of any type, including Grantee Facilities and Grantee Services, elsewhere within the City.

D. This Public Way Agreement is non-exclusive and does not prohibit the City from entering into other agreements, including Public Way Agreements, impacting the Public Way, unless the City determines that entering into such agreements interferes with Grantee's rights under this Agreement.

E. Except as explicitly set forth herein, this Public Way Agreement does not waive any rights that the City has or may hereafter acquire with respect to the Public Way or any other City roads, rights-of-way, property, or any portions thereof. This Public Way Agreement shall be subject to the power of eminent domain, and in any proceeding under eminent domain, the Grantee acknowledges its use of the Public Way shall have no value.

F. The City reserves the right to change, regrade, relocate, abandon, or vacate the Public Way. If, at any time during the term of this Public Way Agreement, the City vacates any portion of the Public Way, the City may reserve an easement for Grantee Facilities within that vacated portion, pursuant to RCW 35.79.030, within which the Grantee may continue to operate the Grantee Facilities under the terms of this Public Way Agreement for the remaining period set forth under Section 3.

G. The Grantee agrees that its use of Public Way shall at all times be subordinated to and subject to the City and the public's need for municipal infrastructure, travel, and access to the Public Way, except as may be otherwise required by law.

H. Should the Grantee seek to use the Public Way to provide services, including Grantee Services, to City residents or businesses, the Grantee shall apply for, obtain, and comply with the terms of a City franchise agreement for such use. Entry into a City franchise agreement shall automatically terminate this Agreement.

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Section 3. Term of Agreement

A. This Public Way Agreement shall run for a period of five (5) years, from the date of execution specified in Section 5.

B. **Renewal Option of Term:** The Grantee may renew this Public Way Agreement for an additional five (5) year period upon submission and approval of the application specified under ACC 20.04.120, as it now exists or is amended, within the timeframe set forth therein (currently 180 to 120 days prior to expiration of the then-current term). Any materials submitted by the Grantee for a previous application may be considered by the City in reviewing a current application, and the Grantee shall only submit those materials deemed necessary by the City to address changes in the Grantee Facilities or Grantee Services, or to reflect specific reporting periods mandated by the ACC.

C. **Failure to Renew Public Way Agreement – Automatic Extension.** If the Parties fail to formally renew this Agreement prior to the expiration of its term or any extension thereof, the Agreement automatically continues month to month until renewed or until either party gives written notice at least one hundred eighty (180) days in advance of the intent not to renew the Agreement.

Section 4. Definitions

For the purpose of this agreement:

“ACC” means the Auburn City Code.

"Emergency" means a condition of imminent danger to the health, safety and welfare of Persons or property located within the City including, without limitation, damage to Persons or property from natural consequences, such as storms, earthquakes, riots, acts of terrorism or wars.

“Maintenance or Maintain” shall mean examining, testing, inspecting, repairing, maintaining and replacing the existing Grantee Facilities or any part thereof as required and necessary for safe operation.

“Relocation” means permanent movement of Grantee facilities required by the City, and not temporary or incidental movement of such facilities, or other revisions Grantee would accomplish and charge to third parties without regard to municipal request.

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“Rights-of-Way” means the surface and the space above and below streets, roadways, highways, avenues, courts, lanes, alleys, sidewalks, easements, rights-of-ways and similar public properties and areas.

Section 5. Acceptance of Public Way Agreement

A. This Public Way Agreement, and any rights granted hereunder, shall not become effective for any purpose unless and until Grantee files with the City Clerk (1) the Statement of Acceptance, attached hereto as Exhibit “C”, (2) all verifications of insurance coverage specified under Section 15, (3) the financial guarantees specified in Section 16 (collectively, “Public Way Acceptance”), and (4) payment of any outstanding application fees per the City fee schedule. The date that the above conditions are completed as determined by the City shall be the effective date of this Public Way Agreement.

B. Should the Grantee fail to complete the requirements of Section 5 Paragraph A within thirty (30) days after the effective date of the resolution approving the Public Way Agreement, said agreement will automatically terminate and shall be null and void.

Section 6. Construction and Maintenance

A. The Grantee shall apply for, obtain, and comply with the terms of all permits required under ACC Chapter 12.24 for any work done upon Grantee Facilities. Grantee shall comply with all applicable City, State, and Federal codes, rules, regulations, and orders in undertaking such work, which shall be done in a thorough and proficient manner.

B. Grantee agrees to coordinate its activities with the City and all other utilities located within the Public Way.

C. The City expressly reserves the right to prescribe how and where Grantee Facilities shall be installed within the Public Way and may from time to time, pursuant to the applicable sections of this Public Way Agreement, require the removal, relocation and/or replacement thereof in the public interest and safety at the expense of the Grantee.

D. Before commencing any work within the Public Way, the Grantee shall comply with the One Number Locator provisions of RCW Chapter 19.122 to identify existing utility infrastructure.

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Section 7. Access, Repair and Emergency Work

In the event of an emergency, the Grantee may commence such repair and emergency response work as required under the circumstances, provided that the Grantee shall notify the City telephonically during normal business hours (at 253-931-3010 and during non-business hours at 253-288-2121) as promptly as possible before such repair or emergency work commences, and in writing as soon thereafter as possible. Such notification shall include the Grantee's emergency contact phone number for the corresponding response activity. For any emergency or after normal business hour issues involving the Grantee's facilities which requires the Grantee's immediate response the City shall contact the Grantee at its Network Operations Command Center(NOCC) - (800) 877-6627 option 1, which is operated 24 hours a day, seven days a week. The City may act, at any time, without prior written notice in the case of emergency, but shall notify the Grantee in writing as promptly as possible under the circumstances of the nature of the emergency and the actions taken to address it.

Section 8. Damages to City and Third-Party Property

Grantee agrees that should any of its actions under this Public Way Agreement impair or damage any City property, survey monument, or property owned by a third-party, Grantee will restore, at its own cost and expense, said property to a safe condition. Such repair work shall be performed and completed to the satisfaction of the City Engineer.

Section 9. Location Preference

A. Any structure, equipment, appurtenance or tangible property of a privately-owned utility, other than the Grantee's, which was installed, constructed, completed or in place prior in time to Grantee's application for a permit to construct or repair Grantee Facilities under this Public Way Agreement shall have preference as to positioning and location with respect to the Grantee Facilities. However, to the extent that the Grantee Facilities are completed and installed prior to new or additional structures, equipment, appurtenances or tangible property of an earlier privately-owned utility being installed or completed, then the Grantee Facilities shall have priority. These rules governing preference shall continue in the event of the necessity of relocating or changing the grade of any such City road or right-of-way. A relocating utility shall not necessitate the relocation of another utility that otherwise would not require relocation. This Section shall not apply to

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any City facilities or utilities that may in the future require the relocation of Grantee Facilities. Such relocations shall be governed by Section 11.

B. Grantee shall maintain a minimum underground horizontal separation of five (5) feet from City water facilities and ten (10) feet from above-ground City water facilities; provided, that for development of new areas, the City, in consultation with Grantee and other utility purveyors or authorized users of the Public Way, will develop guidelines and procedures for determining specific utility locations.

Section 10. Grantee Information

A. Grantee agrees to supply, at no cost to the City, such information as the City Engineering Aide finds necessary to coordinate municipal functions with Grantee's activities in the Public Way and to fulfill any municipal obligations under state law. Said information shall include, at a minimum; as-built drawings of Grantee Facilities; installation inventory; and maps and plans showing the location of existing or planned facilities within the City. Said information shall be provided either in hard copy and/or electronic format as requested by the City, compatible with the City's then-current database system, including the City's geographic information Service (GIS) data base. Grantee shall keep the City Engineering Aide informed of its long-range plans for coordination with the City's long-range plans.

B. The parties understand that Washington law limits the ability of the City to shield from public disclosure any information given to the City. Grantee shall clearly mark any information that it provides to the City as "Proprietary" information if Grantee believes that disclosure of that information would be exempt under the trade secrets exemption in RCW 42.56.270. The City agrees that if it receives a request for Grantee's proprietary information, it will initially assert the exemption under 42.56.270, and will notify Grantee of the request.

The City shall not initiate legal action to prevent disclosure of Grantee's proprietary information. If a requestor files a lawsuit to compel disclosure, Grantee agrees to defend the action at Grantee's sole expense. Additionally, Grantee shall indemnify and hold harmless the City for any loss or liability for costs for attorneys' fees because of non-disclosures requested by Grantee under Washington's open public records law, provided reasonable notice and opportunity to defend was given to Grantee or Grantee is made aware of the pending of a request or claim.

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Section 11. Relocation of Grantee Facilities

A. Except as otherwise so required by law, Grantee agrees to relocate, remove, or reroute its facilities at its sole expense and liability and at no expense or liability to the City, except as may be required by RCW Chapter 35.99, or as further provided by Title 20 ACC, as ordered by the City Engineer, and upon sixty (60) days written notice from the City. Pursuant to the provisions of Section 14, Grantee agrees to defend, indemnify costs, including attorney fees and hold the City harmless from any customer or third-party claims for service interruption or other losses in connection with any such change, relocation, abandonment, or vacation of the Public Way.

B. In the event that the Public Way shall become a Primary State Highway as provided by law, the State Department of Transportation may order the Grantee to perform or undertake, at its sole expense, changes to the location of Grantee Facilities so that the same shall not interfere with such state highway and so that such facilities shall conform to such new grades or routes as may be established.

C. If a readjustment or relocation of the Grantee Facilities is necessitated by a request from a party other than the City, that party shall pay the Grantee the actual costs thereof.

Section 12. Abandonment and or Removal of Grantee Facilities

A. Within one hundred and eighty (180) days of Grantee's permanent cessation of use of the Grantee Facilities, or any portion thereof, the Grantee shall, at the City's discretion, either abandon in place or remove the affected facilities.

B. The parties agree that those conduits specified in Exhibit B, attached hereto, have been abandoned by the Grantee and are the property of the City. The City has all responsibility for the operation and maintenance of those conduits. In consideration of the Grantee releasing all claims it may have to the ownership of the conduits, the City grants the Grantee the right to use one conduit within each of the multi-conduit bundle shown in Exhibit B for the period of this Public Way Agreement, including any renewals thereof under Section 3.

C. The parties expressly agree that this Section shall survive the expiration, revocation or termination of this Public Way Agreement.

Section 13. Undergrounding

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A. The parties agree that this Public Way Agreement does not limit the City's authority under federal law, state law, or the ACC, to require the undergrounding of utilities.

B. Whenever the City requires the undergrounding of aerial utilities in the Public Way, the Grantee shall underground the Grantee Facilities in the manner specified by the City Engineer, and where other utilities are present and involved in the undergrounding project, Grantee shall only be required to pay its fair share of common costs borne by all utilities, in addition to the costs specifically attributable to the undergrounding of Grantee Facilities. Common costs shall include necessary costs for common trenching and utility vaults. Fair share shall be determined in comparison to the total number and size of all other utility facilities being undergrounded.

Section 14. Indemnification and Hold Harmless

A. The Grantee shall defend, indemnify, and hold the City and its officers, officials, agents, employees, and volunteers harmless from any and all costs, claims, injuries, damages, losses, suits, or liabilities of any nature including reasonable attorneys' fees arising out of or in connection with the Grantee's performance under this Public Way Agreement, except to the extent such costs, claims, injuries, damages, losses, suits, or liabilities are caused by the sole negligence or willful misconduct of the City.

B. The Grantee shall indemnify and hold the City harmless from any liability arising out of or in connection with any damage or loss to the Grantee Facilities caused by maintenance and/or construction work performed by, or on behalf of, the City within the Public Way or any other City road, right-of-way, or other property, except to the extent any such damage or loss is directly caused by the sole negligence of the City.

C. The Grantee acknowledges that neither the City nor any other public agency with responsibility for firefighting, emergency rescue, public safety or similar duties within the City has the capability to provide trench, close trench or confined space rescue. The Grantee, and its agents, assigns, successors, or contractors, shall make such arrangements as Grantee deems fit for the provision of such services. The Grantee shall hold the City harmless from any liability arising out of or in connection with any damage or loss to the Grantee for the City's failure or inability to provide such services, and, pursuant to the terms of Section 14(A), the Grantee shall indemnify the City against any and all third-

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party costs, claims, injuries, damages, losses, suits, or liabilities based on the City's failure or inability to provide such services.

D. 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 Grantee and the City, its officers, officials, employees, and volunteers, the Grantee's liability hereunder shall be only to the extent of the Grantee's negligence or willful misconduct. It is further specifically and expressly understood that the indemnification provided herein constitutes the City's and Grantee's waivers of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of the indemnifications set forth in this Section 14. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

E. Acceptance by the City of any work performed by the Grantee shall not be grounds for avoidance of this section.

Section 15. Insurance

A. The Grantee shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Grantee, its agents, representatives, or employees in the amounts and types set forth below:

1. Automobile Liability insurance covering all owned, non-owned, hired, and leased vehicles with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

2. Commercial General Liability insurance with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate and a \$2,000,000 products-completed operations aggregate limit. Coverage shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, products-completed operations, and personal injury and advertising injury and liability assumed under an insured contract. Aggregate limit of \$2 Million can be satisfied by Excess Liability at \$1

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Million. There shall be no endorsement or modification of the Commercial General Liability insurance for liability arising from explosion, collapse, or underground property damage. The City shall be named as an additional insured under the Grantee's Commercial General Liability insurance policy with respect to the work performed under this Public Way Agreement using ISO Additional Insured Endorsement CG 20 10 10 01 and Additional Insured-Completed Operations endorsement CG 20 37 10 01 or substitute endorsements providing equivalent coverage.

3. Professional Liability insurance with limits no less than \$1,000,000 per claim for all professionals employed or retained by the Grantee to perform services under this Public Way Agreement.

4. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington. Employer's Liability \$1,000,000 per occurrence (Stop Gap Liability included in Employer's Liability.)

B. The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Professional Liability, and Commercial General Liability insurance:

1. The Grantee's insurance coverage shall be primary insurance as respects the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be in excess of the Grantee's insurance and shall not contribute with it.

2. The Grantee's insurance shall be endorsed to state that coverage shall not be cancelled by either party except after thirty (30) days' prior written notice by mail, has been given to the City.

C. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A-VII.

D. Verification of Coverage. Grantee shall furnish the City with documentation of insurer's A.M. Best rating and with original certificates. Amendatory endorsements are available online at the following web address: <https://www.lockton.com/netcert2/key/termsandConditions.aspx?ck=L11N23640.Q4261J594440>.

E. Grantee shall have the right to self-insure any or all of the above-required insurance. Any such self-insurance is subject to approval by the City.

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Version Date: 06/15/2015
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F. Grantee's maintenance of insurance as required by this Agreement shall not be construed to limit the liability of Grantee to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy to which the City is otherwise entitled at law or in equity.

Section 16. Performance Security

Pursuant to ACC Chapter 20.10, the Grantee shall provide the City with adequate security as specified in ACC Section 20.10.250, in a form and substance acceptable to the City, securing the Grantee's faithful compliance with the terms of this Public Way Agreement. Such guarantees shall be in a performance bond in the amount of fifty thousand dollars (\$50,000.00).

Section 17. Successors and Assignees

A. All the provisions, conditions, regulations and requirements herein contained shall be binding upon the successors, assigns of, and independent contractors of the Grantee, and all rights and privileges, as well as all obligations and liabilities of the Grantee shall inure to its successors, assignees and contractors equally as if they were specifically mentioned herein wherever the Grantee is mentioned.

B. This public way agreement shall not be leased, assigned or otherwise alienated without the express consent of the City by resolution.

C. Grantee and any proposed assignee or transferee shall provide and certify the following to the City not less than one hundred twenty (120) days prior to the proposed date of transfer: (a) Complete information setting forth the nature, term and conditions of the proposed assignment or transfer; (b) All information required by the City of an applicant for a Public Way Agreement with respect to the proposed assignee or transferee; and, (c) An application fee which shall be set by the City, plus any other costs actually and reasonably incurred by the City in processing, and investigating the proposed assignment or transfer.

D. Notwithstanding anything to the contrary contained herein, Grantee may assign this Public Way Agreement or any of its rights under this Public Way Agreement or delegate any of its duties under this Public Way Agreement upon written notice to the City to (i) any entity that it controls, is under common control with or is controlled by or (ii) any entity that is the survivor of a merger, consolidation or other business combination or that acquires all or substantially

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all of the assets of Grantee provided such assignment or delegation specifically states that the successor or assignee agrees to be bound by the terms of this Agreement.

Section 18. Dispute Resolution

A. In the event of a dispute between the City and the Grantee arising by reason of this Agreement, the dispute shall first be referred to the operational officers or representatives designated by Grantor and Grantee to have oversight over the administration of this Agreement. The officers or representatives shall meet within fifteen (15) calendar days of either party's request for a meeting, whichever request is first, and the parties shall make a good faith effort to achieve a resolution of the dispute.

B. If the parties fail to achieve a resolution of the dispute in this manner, either party may then pursue any available judicial remedies. This Public Way Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration, or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be exclusively in King County, Washington. The prevailing party in any such action shall be entitled to its attorneys' fees and costs of suit, which shall be fixed by the judge hearing the case, and such fees shall be included in the judgment.

Section 19. Enforcement and Remedies

A. If the Grantee shall willfully violate, or fail to comply with any of the provisions of this Public Way Agreement through willful intent or gross negligence, or should it fail to heed or comply with any notice given to Grantee under the provisions of this agreement, the City may, at its discretion, provide Grantee with written notice to cure the breach within thirty (30) days of notification. If the City determines the breach cannot be cured within thirty days, the City may specify a longer cure period, and condition the extension of time on Grantee's submittal of a plan to cure the breach within the specified period, commencement of work within the original thirty day cure period, and diligent prosecution of the work to completion. If the breach is not cured within the specified time, or the Grantee does not comply with the specified conditions, the Grantee, and its successors or assignees, shall forfeit all rights

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conferred hereunder, and the Public Way Agreement may be revoked or annulled by the City with no further notification.

B. Should the City determine that Grantee is acting beyond the scope of permission granted herein for Grantee Facilities and Grantee Services, the City reserves the right to provide written notice to Grantee requiring the Grantee to apply for, obtain, and comply with all applicable City permits, franchises, or other City permissions for such actions, and if the Grantee's actions are not allowed under the Auburn City Code, to compel Grantee to cease such actions. If such permits, franchises or other permissions are not obtained within a reasonable period of time, as determined by the City, following Grantee's receipt of written notice of such requirement, then City may thereafter cancel this Public Way Agreement on thirty (30) days written notice to Grantee.

Section 20. Compliance with Laws and Regulations

A. This Public Way Agreement is subject to, and the Grantee shall comply with all applicable federal and state or City laws, regulations and policies (including all applicable elements of the City's comprehensive plan), in conformance with federal laws and regulations, affecting performance under this Public Way Agreement. Furthermore, notwithstanding any other terms of this agreement appearing to the contrary, the Grantee shall be subject to the police power of the City to adopt and enforce general ordinances necessary to protect the safety and welfare of the general public in relation to the rights granted in the Public Way.

B. The City reserves the right at any time to amend this Public Way Agreement to conform to any hereafter enacted, amended, or adopted federal or state statute or regulation relating to the public health, safety, and welfare, or relating to roadway regulation, or a City Ordinance enacted pursuant to such federal or state statute or regulation upon providing Grantee with thirty (30) days written notice of its action setting forth the full text of the amendment and identifying the statute, regulation, or ordinance requiring the amendment. Said amendment shall become automatically effective upon expiration of the notice period unless, before expiration of that period, the Grantee makes a written call for negotiations over the terms of the amendment. If the parties do not reach agreement as to the terms of the amendment within thirty (30) days of the initial notice, the City may enact the proposed amendment, by incorporating the Grantee's concerns to the maximum extent the City deems possible.

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C. The City may terminate this Public Way Agreement upon thirty (30) days written notice to the Grantee, if the Grantee fails to comply with such amendment or modification.

Section 21. License, Tax and Other Charges

This Public Way Agreement shall not exempt the Grantee from any future license, tax, or charge which the City may hereinafter adopt pursuant to authority granted to it under state or federal law for revenue or as reimbursement for use and occupancy of public ways.

Section 22. Consequential Damages Limitation

Notwithstanding any other provision of this Agreement, in no event shall either party be liable for any special, incidental, indirect, punitive, reliance, consequential or similar damages.

Section 23. Severability

If any portion of this Public Way Agreement is deemed invalid, the remainder portions shall remain in effect.

Section 24. Titles

The section titles used herein are for reference only and should not be used for the purpose of interpreting this Public Way Agreement

DATED and SIGNED this ____ day of _____, 20__.

CITY OF AUBURN

NANCY BACKUS
MAYOR

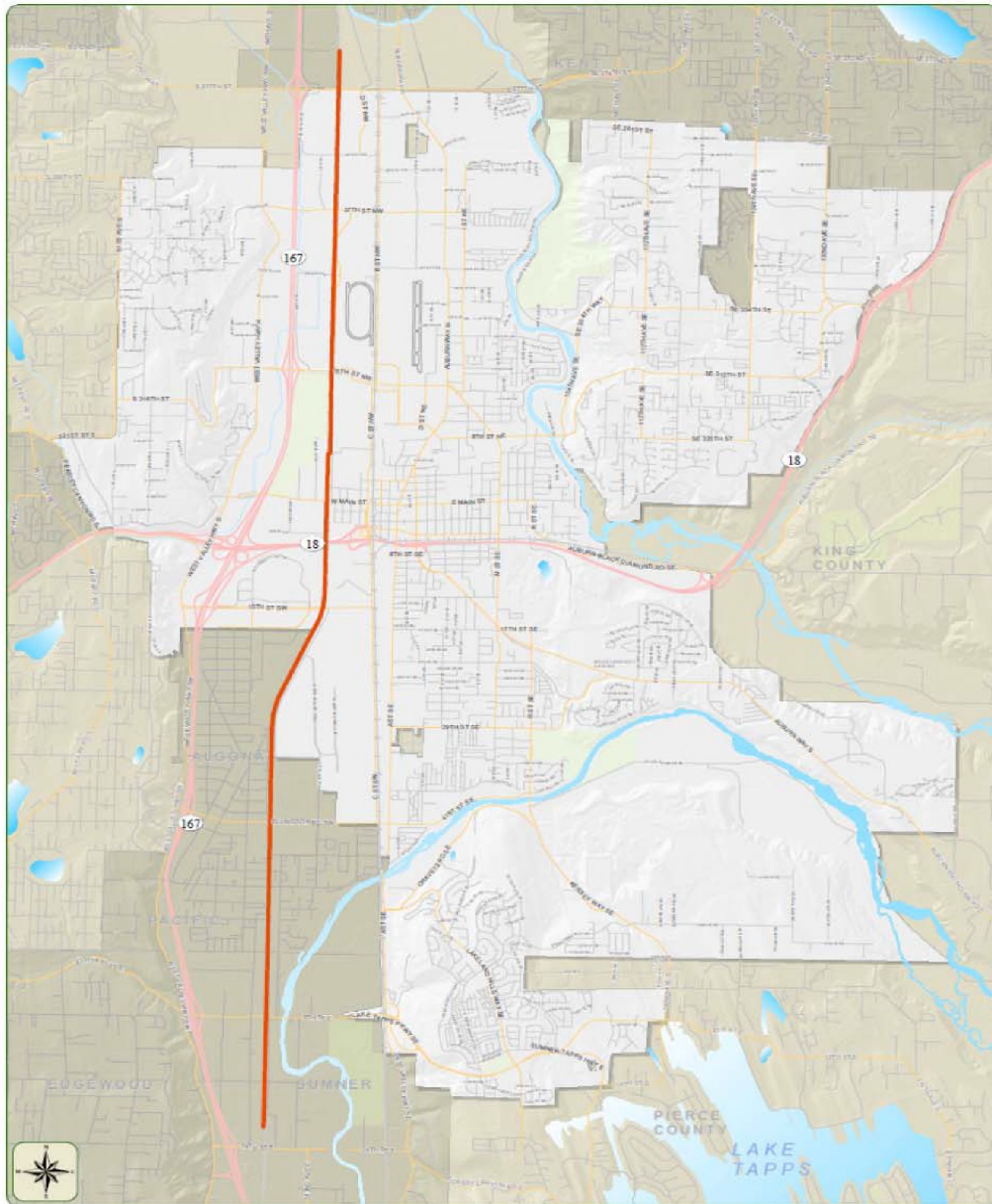
ATTEST:

Danielle E. Daskam,
City Clerk
APPROVED AS TO FORM:

Daniel B. Heid,
City Attorney

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Exhibit A Sprint Fiber



Sprint Facilities	Hydrology	Political Boundaries	Transportation
— Sprint Fiber	— Streams	 City of Auburn	— Arterials
	— Lakes and Rivers	 Surrounding Cities	— Highways
		 King and Pierce Counties	— Locals

Printed On: 5/29/2012
Map ID: 4205

Information shown is for general reference purposes only and does not necessarily represent exact geographic or cartographic data as mapped. The City of Auburn makes no warranty as to its accuracy.

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Exhibit B

Grantee Facilities

Sprint fiber optic cable occupies 542 linear feet of City right of way through 6 road crossings pursuant to City of Auburn, WA Public Works Department Permit No. 42-71, issued September 17, 1987. The crossing locations are as follows:

- (1) Crossing at 277th Street, 80'4" feet
- (2) Crossing 285th Street, 110'4"feet
- (3) Crossing 37th Street N.W., 90'4" feet
- (4) Crossing Main Street, 90'4" feet
- (5) Crossing 15th Street S.W., 140'4"feet
- (6) Crossing 29th Street N.W., 30'feet

EXHIBIT "C"

STATEMENT OF ACCEPTANCE

SPRINT COMMUNICATIONS COMPANY LP, a Delaware limited partnership for itself, its successors and assigns, hereby accepts and agrees to be bound by all lawful terms, conditions and provisions of the Public Way Agreement attached hereto and incorporated herein by this reference.

SPRINT COMMUNICATIONS COMPANY, L.P.

By: _____ Date: _____
Name:
Title:

STATE OF Kansas)
)ss.
COUNTY OF Johnson)

On this ____ day of _____, 20____, before me the undersigned, a Notary Public in and for the State of _____, duly commissioned and sworn, personally appeared, _____ of Sprint Communications Company L.P., the company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the date hereinabove set forth.

Signature

NOTARY PUBLIC in and for the State of _____,
residing at _____

MY COMMISSION EXPIRES: _____

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AGENDA BILL APPROVAL FORM

Agenda Subject:

Annual Street Selection for Arterial and Local Street Preservation

Date:

August 17, 2015

Department:

CD & PW

Attachments:

[Map 1: 2016 and 2017 Local Street](#)

[Preservation Program](#)

[Map 2: Arterial and Collector Street](#)

[Preservation Program](#)

[Map 3: Local and Arterial Streets Needing Work](#)

Budget Impact:

\$0

Administrative Recommendation:

For discussion only.

Background Summary:

Staff is providing information on the planned scope of work for the 2016 and 2017 SOS Local Street Preservation program, as well as the 2016 Arterial Street Preservation Program.

Staff is anticipating a Program budget for the SOS Local Street Preservation Program as follows:

- \$2,230,000.00 in 2016 SOS Funds
- \$1,600,000.00 in 2017 SOS Funds
- \$500,000.00 in 2016 and 2017 each of Water Funds

Staff is anticipating a Program budget for the Arterial Streets Preservation Fund of approximately \$3,573,000.00 in 2016. The 2017 Arterial Streets Preservation program budget has yet to be determined.

Staff is packaging these funds to perform the pavement reconstruction, preservation, water system improvements work shown on the attached maps. There are several locations of un-sewered areas included in the SOS Streets that have been selected. Staff will survey these neighborhoods about their interest in a Sewer Local Improvement District (LID) to determine if this work will be added to the Scope of the project.

Map 1: 2016 and 2017 Local Street Preservation Program;

- The Local Street selection process began with 47 streets that were being considered for reconstruction based on pavement condition rating, maintenance needs, and in consultation with the Water and Sewer Utility Engineers to determine their budget based priorities. The final selected streets are shown on this map.

Map 2: 2016 Arterial & Collector Street Preservation Program;

- Shows the Arterial Streets that have Arterial Preservation Funds in the project for 2016. The most significant corridors include the Auburn Way N Overlay Project and the B Street NW Reconstruction Project.

Map 3: Arterial & Local Streets Needing Work;

- Shows the remaining pavement preservation work for both the SOS and Arterial Preservation Programs after the completion of this years program work. Please note that the majority of the remaining rebuild work shown on this map will also have some associated utility work.

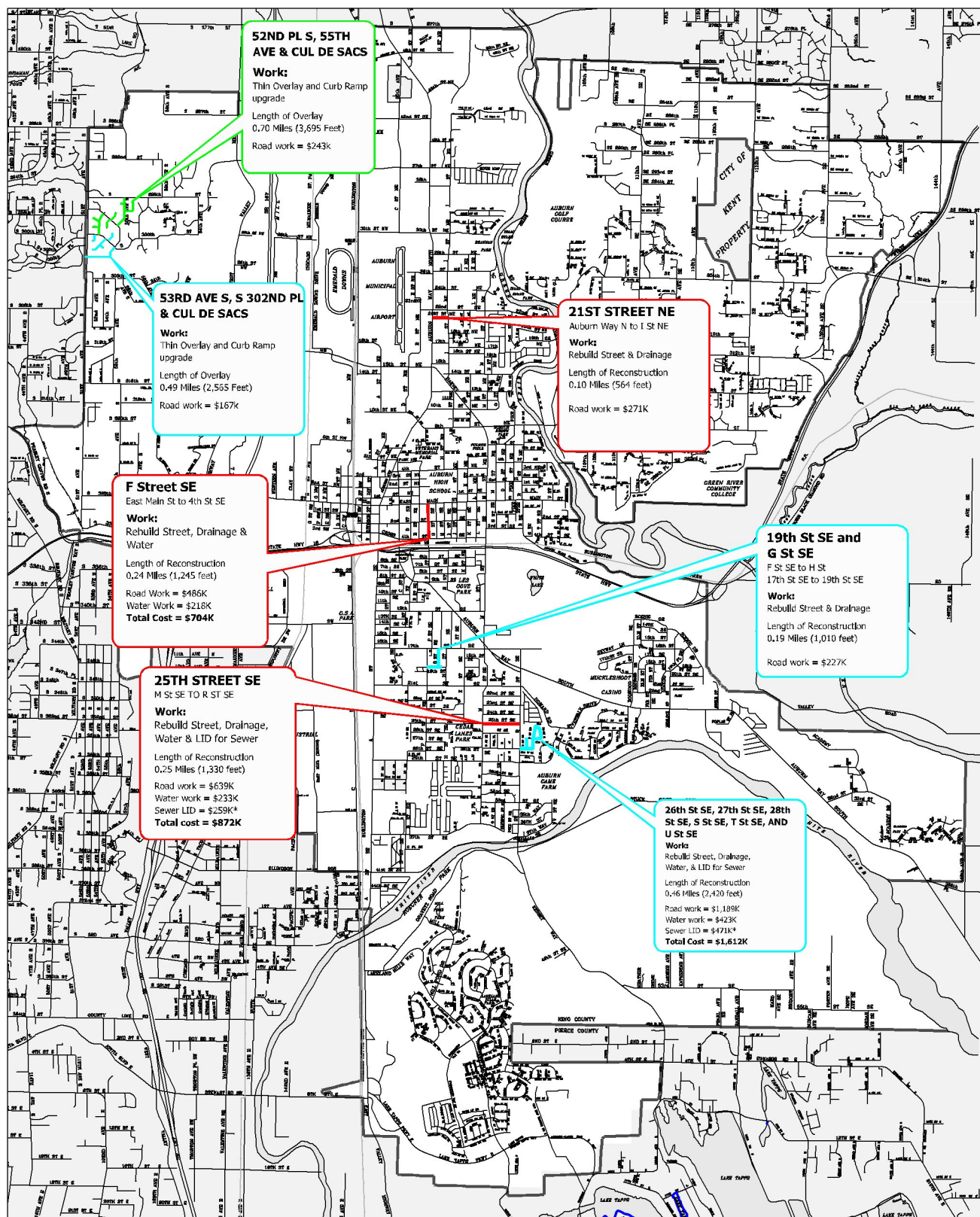
Reviewed by Council Committees:

Councilmember:

Staff: Snyder

Meeting Date: August 24, 2015

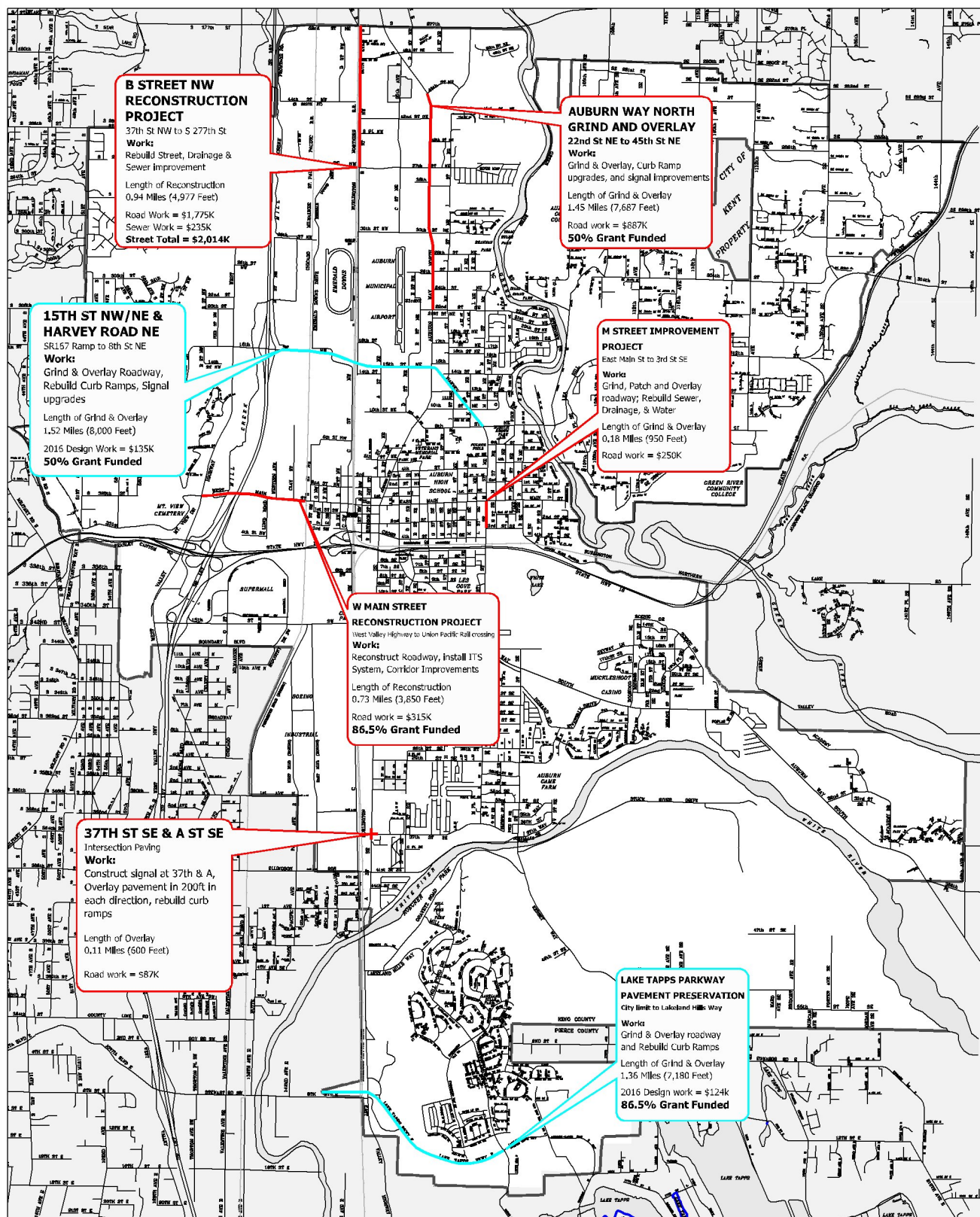
Item Number: DI.C



MAP 1: 2016 AND 2017 LOCAL STREET PRESERVATION PROGRAM

- **2016 PROPOSED REBUILD STREETS** (0.59 Miles, \$1,395K from 103 fund)
- **2016 PROPOSED OVERLAY STREET** (0.70 Miles, \$243K from 103 fund)
- **2017 PROPOSED REBUILD & OVERLAY STREETS** (1.14 Miles, \$1,583K from 103 fund)



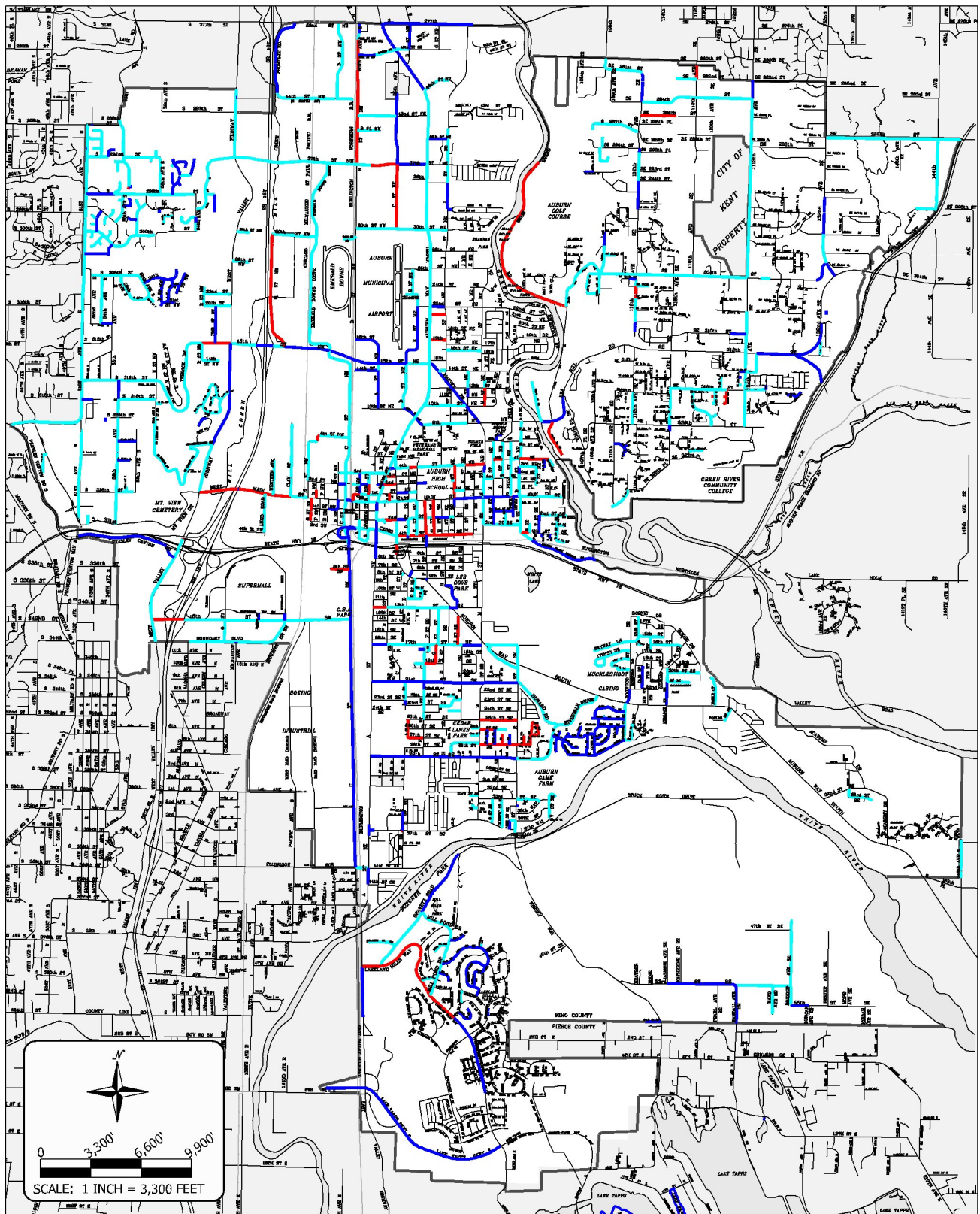


MAP 2: 2016 ARTERIAL & COLLECTOR STREET PRESERVATION PROGRAM

2016 PROJECT SITE (3.41 Miles, \$3,314K from 105 Fund)

2017 PROJECT SITE* (\$259K for Design Only in 2016)





MAP 3: LOCAL & ARTERIAL STREETS NEEDING WORK

- REBUILD REQUIRED
- BASE REPAIR AND OVERLAY REQUIRED
- SURFACE TREATMENT REQUIRED



AGENDA BILL APPROVAL FORM

Agenda Subject:

Easement Relinquishment for 1905 Howard Road SE,
Parcel 1921059206

Date:

August 18, 2015

Department:

CD & PW

Attachments:

[Attachment A - Depiction of the Proposed Estates at Hillside Gardens](#)

[Attachment B - Proposed Sewer Easement Relinquishments, New Sewer Easement, and Easements to Remain, The Estates at Hillside Gardens](#)

[Attachment C - Street Perspectives for Proposed Estates at Hillside Gardens Project and Plan View of Proposed Estates at Hillside Gardens Project](#)

Budget Impact:

\$0

Administrative Recommendation:

For discussion only.

Background Summary:

Farrell Property Investments is proposing to construct a 125-unit active adult residential development at 1905 Howard Road SE, as shown on Attachment A. The single-building complex, as proposed in their SEPA Application, will have a gated entry off of Howard Road, secured parking, perimeter buffering, and a private courtyard for the community residents. The proposed development includes Tax Parcels 1921059206 and 1921059247. There has been a significant amount of community comment and concern about the proposed development from residents near the site.

Tax Parcel 1921059206, which is the site of the proposed building, contains two easements for sewer drain fields and was recorded in 1989, each easement serves as an onsite septic system drainfield site for two adjacent properties:

- Tax Parcel 1921059337 (currently owned by the City of Auburn [City], currently used as a stormwater facility)
- Tax Parcel 1921059274 (currently owned by Valley Regional Fire Authority [VRFA]).

The applicant has requested that the City relinquish the 90-foot by 120-foot easement that benefits the City's property (Tax Parcel 1921059337) in exchange for the applicant granting a new 15-foot wide sanitary sewer easement for potential future construction of a sewer main line from the City's property to the existing sewer system in the adjacent "O" Court SE. Note that the existing, underlying 25-foot public utilities easement (recorded in 1990) along the north side of Tax Parcel 1921059206 would remain for the benefit of the City. The second easement is for VRFA's benefit and VRFA staff has indicated that the proposed relinquishment is acceptable, and that they will be discussing with their Board on September 8th. The proposed relinquishments, the new sewer easement proposed to be granted, and the easements to remain on the applicant's properties are shown on Attachment B.

The applicant, Farrell Property Investments, is requesting the easement relinquishment in order to accommodate their proposed building which currently overlaps with the City's and VRFA's existing easement area.

City staff has worked with the applicant to define the new sewer easement, and feels that it is in the best interests of the City to grant the relinquishment in exchange for the new easement area for the following reasons:

- There is no current need for a septic system to serve the City's Storm property.
- There is no existing septic system in place at this time.
- The new easement will provide the necessary access to the City's existing sewer system if future sewer service for the City's property is required.
- The VRFA property is already served by a sewer system.

The cost of preparing the legal descriptions and recording the relinquishment and new easement documents will be borne by the applicant.

Additional depictions (street perspective, landscaping plan) of the proposed development are shown in Attachment C.

Reviewed by Council Committees:

Councilmember:

Staff: Snyder

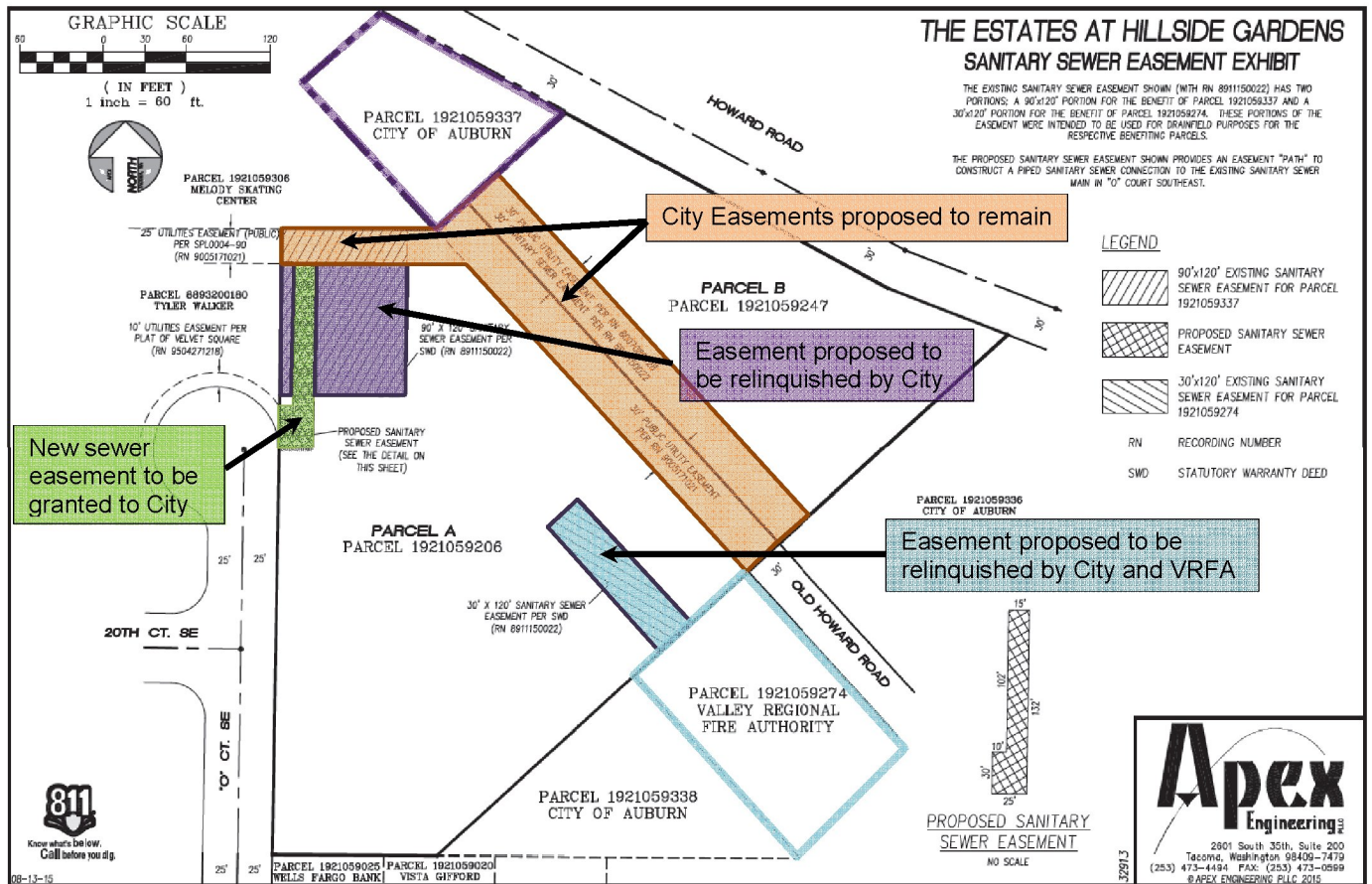
Meeting Date: August 24, 2015

Item Number: DI.D

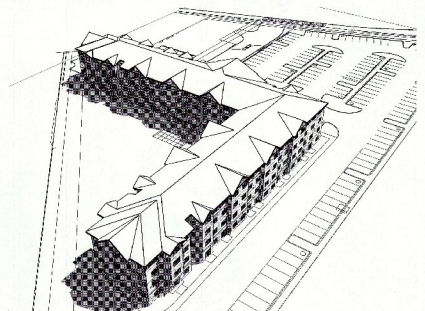
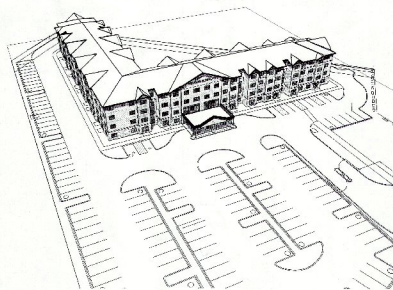
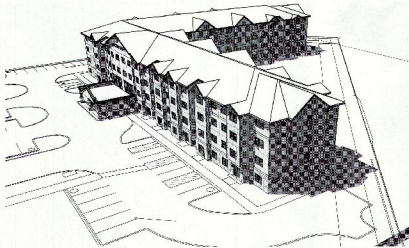
Attachment A – The Estates at Hillside Gardens



Attachment B - Proposed Sewer Easement Relinquishments, New Sewer Easement, and Easements to Remain
The Estates at Hillside Gardens







R D + A

RODG DEORMAN & ASSOCIATES INC.
207 FOUNTAIN AVENUE, SUITE 200
P.O. BOX 1000, BOSTON, MA 02111
TEL: 617.452.1000 FAX: 617.452.1001

PROJECT
HOWARD ROAD ELDERLY
PROJECT ADDRESS HERE

PERSPECTIVES

REVISIONS		
#	DESC.	DATE

JOB NO.	1400
ISSUE DATE	01/05/2015
REVISION	
DRAWN BY	Author
SHEET	

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