City Council
Study Session
Finance & Internal Services SFA
November 10, 2025 - 5:30 PM
City Hall Council Chambers

AGENDA

CALL TO ORDER

PUBLIC PARTICIPATION

A. The Auburn City Council Study Session Meeting scheduled for Monday, November 10, 2025, at 5:30 p.m. will be held in person and virtually.

Virtual Participation Link:
To view the meeting virtually please click the below link, or call into the meeting at the phone number listed below. The link to the Virtual Meeting is:
https://www.youtube.com/user/watchauburn/live/?nomobile=1

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

Telephone: 253 215 8782
Toll Free: 877 853 5257
Zoom: https://us06web.zoom.us/j/87221290963

ROLL CALL

AGENDA MODIFICATIONS

ANNOUNCEMENTS, REPORTS, AND PRESENTATIONS

FINANCE AND INTERNAL SERVICES DISCUSSION ITEMS

A. Ordinance No. 7004 (Thomas) (60 Minutes)
A presentation to discuss Revenue Requirements, Cost of Service Analysis, and Rate Design for the Water, Sanitary Sewer and Storm Drainage Utilities

B. Ordinance No. 7008 (Thomas) (10 Minutes)
An Ordinance amending Sections 3.60.010 and 3.60.020 of the Auburn Municipal Code to authorize an additional one tenth of one percent Sales and Use Tax for Criminal Justice purposes in accordance with Section 201, Chapter 350, Laws of 2025, providing for severability, and establishing an effective date

C. Ordinance No. 7000 (Thomas) (30 Minutes)
An Ordinance amending the City's 2025-2026 Biennial Budget

D. Ordinance No. 7003 (Thomas) (10 Minutes)
An Ordinance establishing the levy for regular Property Taxes by the City of Auburn for collection in 2026 for general City operational purposes in the amount of $25,843,584

ADJOURNMENT

Agendas and minutes are available to the public at the City Clerk's Office and on the City website (http://www.auburnwa.gov).

AGENDA BILL APPROVAL FORM

Agenda Subject:
Ordinance No. 7004 (Thomas) (60 Minutes)
A presentation to discuss Revenue Requirements, Cost of Service Analysis, and Rate Design for the Water, Sanitary Sewer and Storm Drainage Utilities

Meeting Date:
November 10, 2025

Department:
Finance

Attachments:
Ordinance No. 7004, 7004 Exhibit A--Table for 13-06-360, 7004 Exhibit B--Table for 13-20-440, 7004 Exhibit C--Table for 13-48-100, Auburn SDC and Wholesale Power Presentation 2

Budget Impact:

Administrative Recommendation:
For discussion only.

Background for Motion:

Background Summary:
The City of Auburn provides water, sewer, and stormwater services to its utility customers. In 2025, the City contracted with FCS Group to perform a Water, Sanitary Sewer, and Storm Drainage Utility Rate Study to review the adequacy of existing rates and to propose new rates as appropriate.

The FCS study elements completed to date includes:

1. A review of "revenue requirements" for each utility, which encompass the costs that the City needs to recover on an ongoing basis from utility ratepayers.

2. A cost of service analysis that determines the relative burden each customer class places on the utility. A comparison of existing revenues with the cost of service results then indicates whether each class is paying its fair share of costs for each utility system.

3. A review of system development charges, which are one-time charges imposed on new development or expended connection to the system.

4. A review of wholesale rates.

This discussion will review the work performed by FCS Group and summarize their findings.

Councilmember: Kate Baldwin **Staff:** Jamie Thomas

ORDINANCE NO. 7004

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AMENDING SECTIONS 13.06.360, 13.20.440, AND 13.48.100 OF THE AUBURN CITY CODE (ACC), RELATING TO CITY UTILITY RATES

WHEREAS, pursuant to its powers in RCW 35.92, the City has established water, sewer, and storm drainage utilities to serve its residents;

WHEREAS, consistent with its responsibilities to operate these utilities in a cost-effective manner and in a manner that reflects the City's actual operating costs, the City periodically reviews its utility rate structure to ensure that its rates are set appropriately;

WHEREAS, in 2025, the City consulted with FCS Group to study the City's current utility rates against the City's cost of utility service delivery and revenue requirements;

WHEREAS, in light of the above recitals, and following the FCS Group utility rate review conducted at City staff request, City staff recommends that City utility rates should be adjusted as reflected in this Ordinance.

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

Section 1. **Amendment to City Code.** Section 13.06.360 of the Auburn City Code is hereby amended to read as set forth in Exhibit A to this Ordinance.

Section 2. **Amendment to City Code.** Section 13.20.440 of the Auburn City Code is hereby amended to read as set forth in Exhibit B to this Ordinance.

Section 3. **Amendment to City Code.** Section 13.48.100 of the Auburn City Code is hereby amended to read as set forth in Exhibit C to this Ordinance.

Section 4. **Implementation.** The Mayor is authorized to implement those administrative procedures necessary to carry out the directives of this legislation.

Section 5. **Severability.** The provisions of this Ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this Ordinance, or the invalidity of the application of it to any person or circumstance, will not affect the validity of the remainder of this Ordinance, or the validity of its application to other persons or circumstances.

Section 6. **Effective date.** This Ordinance will take effect and be in force five days from and after its passage, approval, and publication as provided by law.

INTRODUCED: ________________

PASSED: ____________________

APPROVED: __________________

____
NANCY BACKUS, MAYOR

ATTEST:

____
Shawn Campbell, MMC, City Clerk

APPROVED AS TO FORM:

____
Jason Whalen, City Attorney

Published: ____

EXHIBIT A—ORD. 7004

ACC 13.06.360 Water service Rates – Generally.

A. Except as provided in subsections B and C of this section, effective January 1, 2026, the monthly base rate for all water user classifications except interruptible wholesale shall be as set forth in Table 13.06.360-1 below.

Table 13.06.360-1.

	Monthly Charge		
Meter Size (inches)	**Effective January 1, 2026**	**Effective January 1, 2027**	**Effective January 1, 2028**
5/8, 3/4	$ 24.43	$ 26.34	$ 28.39
1 (Single-Family Residential)	$ 24.43	$ 26.34	$ 28.39
1 (All Other Classes)	$ 27.41	$ 29.55	$ 31.85
1-1/2	$ 29.85	$ 32.18	$ 34.69
2	$ 34.41	$ 37.09	$ 39.98
3	$ 66.18	$ 71.34	$ 76.90
4	$ 83.04	$ 89.52	$ 96.50
6	$ 106.12	$ 114.40	$ 123.32
8	$ 137.09	$ 147.78	$ 159.31
10	$ 194.65	$ 209.83	$ 226.20

Charge per 100 cubic feet (ccf)

Customer Class	Effective January 1, 2026	Effective January 1, 2027	Effective January 1, 2028
Single-Family Residential:			
0 to 7 ccf	$ 4.84	$ 5.22	$ 5.63
7.01 to 15 ccf	$ 5.92	$ 6.38	$ 6.88
Over 15 ccf	$ 6.74	$ 7.27	$ 7.84
Multifamily Residential	$ 5.80	$ 6.25	$ 6.74
Commercial	$ 6.11	$ 6.59	$ 7.10
Manufacturing/Industrial	$ 5.97	$ 6.44	$ 6.94
Schools	$ 6.50	$ 7.01	$ 7.56
Municipal/City Accounts	$ 6.02	$ 6.49	$ 7.00
Irrigation	$ 8.04	$ 8.67	$ 9.35
Wholesale (Algona)	$ 2.71	$ 2.79	$ 2.88

Fifty percent shall be added to all rates for water service for customers outside the city limits. City of Auburn utility taxes are included in the monthly rate for all customers except wholesale accounts. Wholesale rates exclude the 50 percent out-of-city service charge and state excise taxes.

B. Interruptible wholesale water supply customers shall pay monthly the sum of the following:

1. Standby Service Charge: the cost to maintain, repair, and replace the infrastructure required to provide water utility service to the interruptible wholesale water customer when the customer requests water supply from the city of Auburn. This charge also includes the interruptible wholesale water customer’s proportional share of the peak capacity charge imposed on the City by Tacoma Public Utilities. This is a fixed monthly charge and does not include the delivery of any quantity of water.

2. Usage Charge: the cost of water supply. The charge is based on actual water deliveries, if any, during the month times the usage rate.

3. Purchased Water Surcharge: In any month in which water is purchased from Tacoma Public Utilities or other external agency, the interruptible wholesale customer shall pay an additional charge of $2.53 per ccf, applied to the quantity of water purchased by the city of Auburn during the month to supply the interruptible wholesale customer.

Interruptible Wholesale Rates

Charge	**Effective January 1, 2026**	**Effective January 1, 2027**	**Effective January 1, 2028**
Standby Service Charge (per month)*	$ 2,131.05	$ 2,141.74	$ 2,153.27
Usage Charge (per ccf)	$ 2.49	$ 2.56	$ 2.64
Purchased Water Surcharge (per ccf of water purchased)**	$ 2.53	$ 2.53	$ 2.53

* The Standby Service Charge (per month) rates shown are based on the most current information provided to the City by Tacoma Public Utilities for its contracted peak capacity charge per month. Rates may be adjusted as necessary to account for the interruptible wholesale customer's calculated proportional share of the peak capacity charge when Tacoma Public Utilities releases updates.
** Purchased Water Surcharge rates to change if Tacoma Public Utilities updates its wholesale summer season peaking rate.

C. Water customers served by the City's Braunwood water system. City water customers served by the City's Satellite Water System for Braunwood Estates (approved by City Resolution 2114) shall be subject to the following monthly water service rates, effective January 1, 2026:

Monthly Charge

Meter Size (inches)	Effective January 1, 2026	Effective January 1, 2027	Effective January 1, 2028
3/4"	$ 24.43	$ 26.33	$ 28.39
1”	$ 24.43	$ 26.33	$ 28.39
1-1/2”	$ 29.85	$ 32.18	$ 34.69
2”	$ 34.41	$ 37.09	$ 39.99
3”	$ 66.18	$ 71.34	$ 76.90
4”	$ 83.04	$ 89.52	$ 96.50
6”	$ 106.12	$ 114.40	$ 123.32
8”	$ 137.09	$ 147.78	$ 159.31
10”	$ 194.65	$ 209.84	$ 226.20

Variable Charges based on ccf (100 cubic feet of water used)

Description	Effective January 1, 2026	Effective January 1, 2027	Effective January 1, 2028
B1 (0-7 ccf)	$ 4.84	$ 5.22	$ 5.62
B2 (7.01-15 ccf)	$ 5.92	$ 6.38	$ 6.88
B3 (15.01 – 25 ccf)	$ 6.74	$ 7.26	$ 7.83
B4 (25.01-38 ccf)	$ 7.47	$ 8.05	$ 8.68
B5 (38+ ccf)	$ 14.95	$ 16.12	$ 17.38

<u>EXHIBIT B—ORD. 7004</u>

ACC 13.20.440 Sewer Rates and charges.

A. *Sewer Rates.* The monthly sewer charge to city of Auburn sanitary sewer customers consists of two separate fees. Auburn sanitary sewer utility imposes a charge to maintain, expand and operate the utility's sewer conveyance facilities, and King County imposes a separate fee for the service King County provides. No charge shall be imposed by the city on the amount charged by King County, which amount the city shall pass directly onto the customer as the cost of the service that King County is providing. The Auburn monthly charge shall be as set forth in Table 13.20.440-1 below.

Table 13.20.440-1.

City of Auburn Monthly Charge

Customer Class	**Effective January 1, 2026**	**Effective January 1, 2027**	**Effective January 1, 2028**
Single-Family Residential Rate -- Inside City Limits	$ 32.94	$ 33.60	$ 34.27
Single-Family Residential Rate -- Outside City Limits	$ 49.41	$ 50.40	$ 51.41
Non-Single-Family Residential Rate -- Inside City Limits for the first 750 cubic feet of water used each month	$ 36.13	$ 36.85	$ 37.59
Plus for each additional 100 cubic feet thereafter	$ 3.66	$ 3.73	$ 3.80
Non-Single-Family Residential Rate -- Outside City Limits for the first 750 cubic feet of water used each month	$ 54.20	$ 55.28	$ 56.39
Plus for each additional 100 cubic feet thereafter	$ 5.49	$ 5.60	$ 5.70

Commercial accounts will be allowed to average winter water consumption for the billing dates falling between December through May to determine the summer sewer rates for the billing dates falling between July and October. Said allowance shall be upon application and with appropriate justification that additional summer usage does not enter the sewer system. The months of November through June shall be billed per water used, at the rates noted above.

Commercial accounts without city water service shall be charged at the published rate based on a city-approved water meter or other acceptable means of recording water use. The meter shall be read by the city to determine sewage charges on commercial private water systems.

Commercial accounts that have industrial use of domestic water that is not discharged into the sanitary sewer system may request a deduct meter to measure the water that is actually discharged to the sewer system. The customer will be allowed to deduct the amount of water usage that is not discharged to the sanitary sewer system.

Irrigation meters shall not be billed for sanitary sewer service.

B. *Permit Fees.* Permit fees for side sewer repair, replacement, inspection, or installation of side sewers shall be as shown in the city of Auburn fee schedule.

EXHIBIT C—ORD. 7004

ACC 13.48.100 Storm Water Rates.

A. The customer classes and rates below are based upon the cost of services provided by the storm utility. The storm water rates shall be as set forth in Table 13.48.100-1 below.

Table 13.48.100-1.

	ESU[1] Rate per Month		
Customer Class	**Effective January 1, 2026**	**Effective January 1, 2027**	**Effective January 1, 2028**
Single-Family Residential Parcels and Two-Family Residential Parcels	$ 19.94	$ 20.59	$ 21.26
Single-Family with Detention and Water Quality Treatment	$ 15.56	$ 16.07	$ 16.59
Non-Single-Family	$ 19.94	$ 20.59	$ 21.26
Non-Single-Family with Detention	$ 17.16	$ 17.72	$ 18.30
Non-Single-Family with Retention	$ 14.37	$ 14.84	$ 15.32
Non-Single-Family with Water Quality Treatment	$ 18.34	$ 18.94	$ 19.56
Non-Single-Family with Detention and Water Quality Treatment	$ 15.56	$ 16.07	$ 16.59
Non-Single-Family with Retention and Water Quality Treatment	$ 12.77	$ 13.19	$ 13.62

1 An “equivalent service unit (ESU)” is defined in ACC 13.48.010 as 2,600 square feet of impervious surface.

The customer classes set forth in this subsection shall be applicable only if the qualifying on-site facilities have met applicable city standards upon installation, have received city approval of construction, and are in conformity with the applicable operations and maintenance standards. If the city determines that the operation and maintenance standards are not being complied with, the customer class shall be determined to be that of non-single-family only, until operation and maintenance of the facilities meet city standards. The customer being billed may apply in writing for a system inspection. If the inspection shows that the facilities meet city standards, the customer will be reclassified to the previous class.

B. *Developed Parcels.* Only developed parcels containing impervious surfaces as defined in ACC 13.48.010 shall be charged.

C. *Multiple Class Accounts.* When a developed non-single-family parcel contains more than one customer class, the appropriate rate for each customer class will be calculated, and the aggregate total summed for billing.

City of Auburn
Utility Rate Study

November 10, 2025

FCS
a Bowman company

Presentation Overview

- Background
- Summary of findings
  - » Revenue requirement
    - – Low-income revenue impact
  - » Cost of service
  - » Rate design – stormwater update
- System Development Charges
- Wholesale Rates
- Next steps
- Question / discussion

Rate Setting Background

- Comprehensive rate study update commenced in 2025
  - » 10.27.25 - Revenue requirement and COSA results presented to Council
  - » Today's focus:
    - – Revenue requirement summary
    - – Cost of service summary
    - – Stormwater rate design update
    - – System development charge findings

Revenue Requirement Summary

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Revenue Requirement Summary

Sample Water Bill	Existing	2026	2027	2028	2029	2030	2031
Proposed Increases		**7.80%**	**7.80%**	**7.80%**	**7.80%**	**7.80%**	**3.75%**
Sample Residential Mo. Bill	$ 49.60	$ 53.47	$ 57.64	$ 62.14	$ 66.98	$ 72.21	$ 74.91
$ Difference		*$ 3.87*	*$ 4.17*	*$ 4.50*	*$ 4.85*	*$ 5.22*	*$ 2.71*

Note: *assumes 3/4" or smaller meter and 6 ccf of monthly usage*

Sample Sewer Bill	Existing	2026	2027	2028	2029	2030	2031
Proposed Increases - City Portion		**2.00%**	**2.00%**	**2.00%**	**2.00%**	**2.00%**	**2.00%**
Sample Residential Mo. Bill - Auburn	**$ 32.29**	**$ 32.94**	**$ 33.59**	**$ 34.27**	**$ 34.95**	**$ 35.65**	**$ 36.36**
$ Difference		***$ 0.65***	***$ 0.66***	***$ 0.67***	***$ 0.69***	***$ 0.70***	***$ 0.71***
Sample Residential Mo. Bill - KC	$ 58.28	$ 62.66	$ 70.65	$ 79.66	$ 90.42	$ 102.63	$ 116.49
$ Difference		*$ 4.38*	*$ 7.99*	*$ 9.01*	*$ 10.76*	*$ 12.21*	*$ 13.86*
Sample Residential Mo. Bill - Total	$ 90.57	$ 95.60	$ 104.24	$ 113.93	$ 125.37	$ 138.28	$ 152.85
$ Difference		*$ 5.03*	*$ 8.65*	*$ 9.68*	*$ 11.45*	*$ 12.91*	*$ 14.57*

Sample Stormwater Bill	Existing	2026	2027	2028	2029	2030	2031
Proposed Increases		**3.25%**	**3.25%**	**3.25%**	**3.25%**	**3.25%**	**3.25%**
Sample Residential Mo. Bill	$ 19.31	$ 19.94	$ 20.59	$ 21.25	$ 21.95	$ 22.66	$ 23.39
$ Difference		*$ 0.63*	*$ 0.65*	*$ 0.67*	*$ 0.69*	*$ 0.71*	*$ 0.74*

Combined Residential Sample Bill

Utility	Existing	2026	2027	2028	2029	2030	2031
Water	$ 49.60	$ 53.47	$ 57.64	$ 62.14	$ 66.98	$ 72.21	$ 74.91
Sewer (local charge only)	32.29	32.94	33.59	34.27	34.95	35.65	36.36
Storm	19.31	19.94	20.59	21.25	21.95	22.66	23.39
Avg. Res. Mo. Bill	$ 101.20	$ 106.34	$ 111.82	$ 117.66	$ 123.88	$ 130.52	$ 134.67
$ Mo. Difference		*$ 5.14*	*$ 5.48*	*$ 5.84*	*$ 6.22*	*$ 6.64*	*$ 4.16*
% Difference		**5.08%**	**5.15%**	**5.22%**	**5.29%**	**5.36%**	**3.19%**

Notes:
1. Water bill assumes 6 ccf of usage
2. Sewer bill does not include King County portion

Low Income Rate Impacts

- Assumed impacts from 1,000 customers and rate discount of 50%
  - Administration may require an additional FTE and costs would need to be incorporated
- Recommendation:
  - Research in 2026
  - Consider implementing in 2027/2028 budget process

Description	2026 Projected Low Income Impact		
	Water	Sewer	Stormwater
Revenue Impact	$ (351,428)	$ (198,405)	$ (120,104)
Rate impact on customer base	1.62%	1.68%	0.86%
Average Mo. Single Family Bill	$ 53.47	$ 32.94	$ 19.94
Monthly Impact	**$ 0.80**	**$ 0.54**	**$ 0.16**

Sample Water Bill	Existing	2026	2027	2028
Proposed Increases		**9.42%**	**7.80%**	**7.80%**
Sample Residential Mo. Bill	$ 49.60	$ 54.27	$ 58.51	$ 63.07
$ Difference		*$ 4.67*	*$ 4.23*	*$ 4.56*

Note: *assumes 3/4" or smaller meter and 6 ccf of monthly usage*

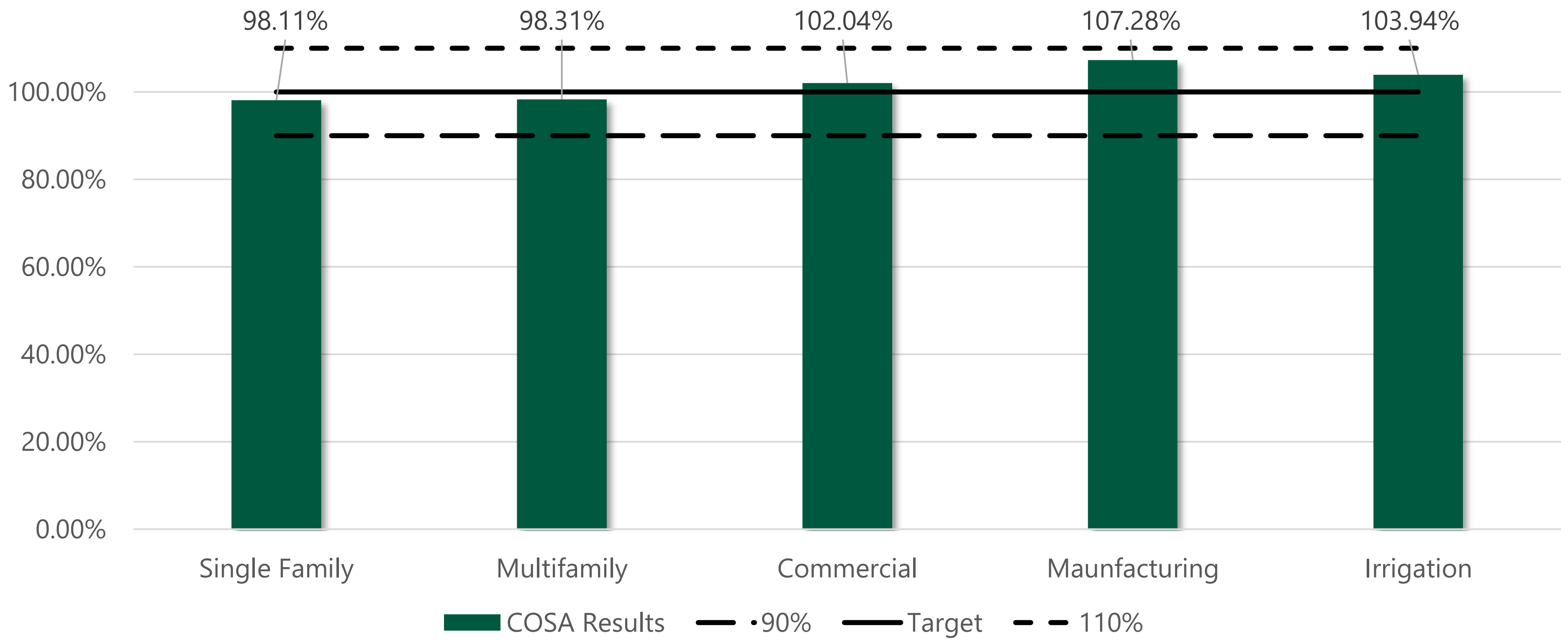
Sample Sewer Bill	Existing	2026	2027	2028
Proposed Increases - City Portion		**3.68%**	**2.00%**	**2.00%**
Sample Residential Mo. Bill - Auburn	$ 32.29	$ 33.48	$ 34.15	$ 34.83
$ Difference		*$ 1.19*	*$ 0.67*	*$ 0.68*

Sample Stormwater Bill	Existing	2026	2027	2028
Proposed Increases		**4.11%**	**3.25%**	**3.25%**
Sample Residential Mo. Bill	$ 19.31	$ 20.10	$ 20.76	$ 21.43
$ Difference		*$ 0.79*	*$ 0.65*	*$ 0.67*

FCS a Bowman company

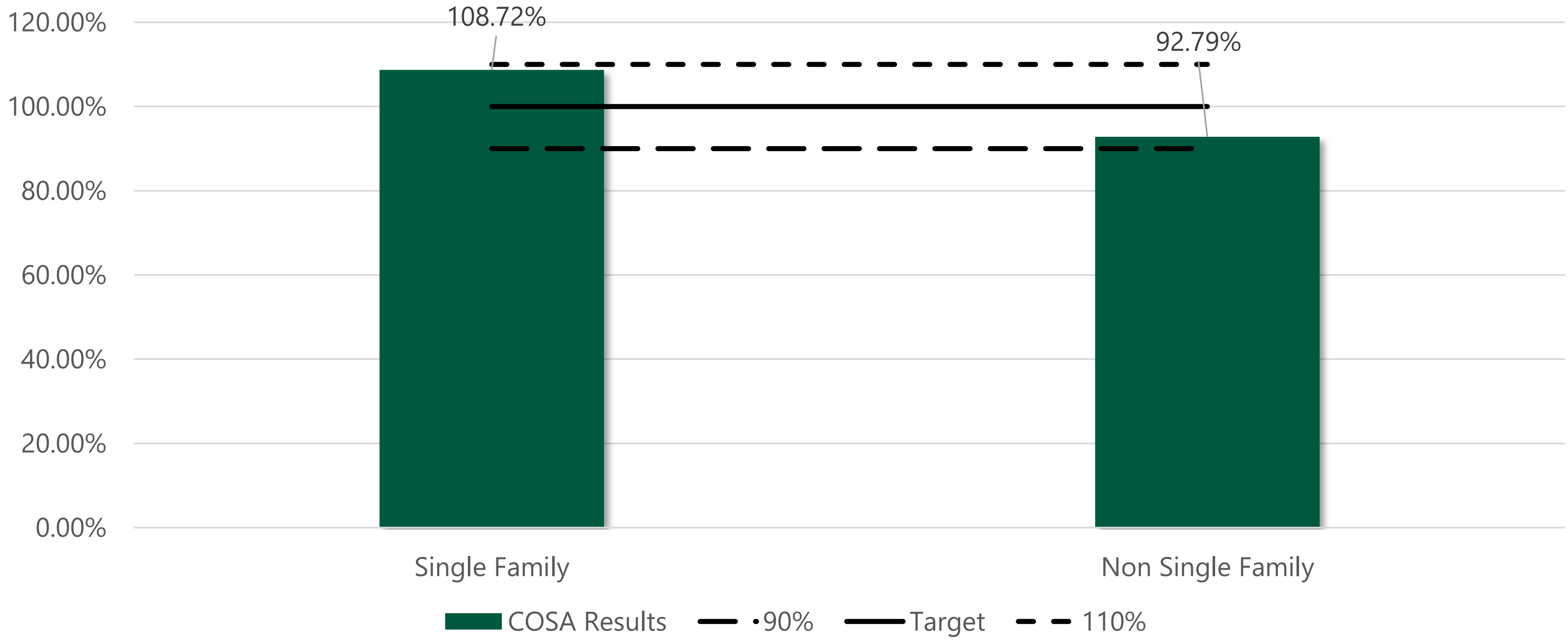
Cost of Service Summary

Water COSA Results



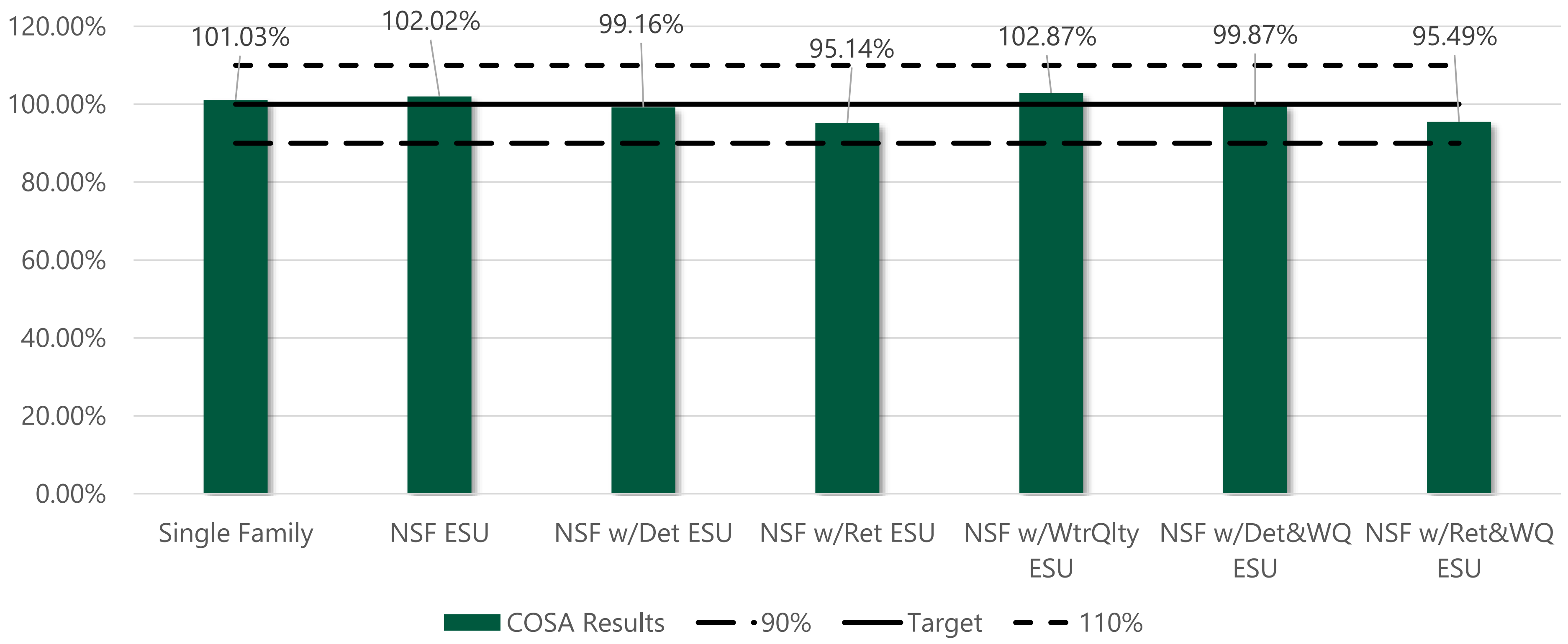
- ±10% within COSA range of reasonableness
  - » All classes within range of reasonableness

Sewer COSA Results



- ±10% within COSA target range of reasonableness
  - All classes are within the range of reasonableness

Stormwater COSA Results



- ±10% within COSA range of reasonableness
  - » All classes within range of reasonableness

Rate Design Update

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Proposed Stormwater Rates

Description	Existing	Proposed 2026	Proposed 2027	Proposed 2028
Monthly Fixed Charges All Classes				
Single Family	$ 19.31	$ 19.94	$ 20.59	$ 21.26
Single Family w/Det&WQ		$ 15.56	$ 16.07	$ 16.59
NSF ESU	19.31	19.94	20.59	21.26
NSF w/Det ESU	16.62	17.16	17.72	18.30
NSF w/Ret ESU	13.92	14.37	14.84	15.32
NSF w/WtrQlty ESU	17.76	18.34	18.94	19.56
NSF w/Det&WQ ESU	15.07	15.56	16.07	16.59
NSF w/Ret&WQ ESU	12.37	12.77	13.19	13.62

- Evaluated new SF credit applicable to customers with
  - On-site stormwater detention
  - Water quality infrastructure
- 685 accounts qualify for credit
  - 0.26% revenue impact
- No other rate structure changes
  - Equal increases applied to each customer class

System Development Charges

What Is a System Development Charge?

- One time charge imposed on new development or expanded connection to system
- Revised Code of Washington (RCW) 35.92.025 grants Cities the authority to fix rates and charges for connecting to water & wastewater systems
- Represents a pro rata share of the cost of providing system capacity
- Based on cost of system infrastructure investment
  - » Allows for both existing and future costs
  - » May not be used to recover operation and maintenance costs

- Consists of two parts
  - » ***Existing cost basis***: intends to recognize the current ratepayers' net investment in the original cost of the non-donated system
  - » ***Future cost basis***: intends to include future facilities needed to serve growth, including regulatory system improvements

- Last time system development charges were updated was in 2014
  - » CCI index has been applied annually since 2014

Methodology

$$\frac{\text{EXISTING COST BASIS} + \text{FUTURE COST BASIS}}{\text{CURRENT \& FUTURE CAPACITY}} = \textbf{System Development Charge}$$

- Existing costs
  - Existing assets (original cost)
  - less: contributions (dev. / grants)
  - less: provision for asset retirement
  - plus: interest (maximum 10 years)
  - less: net debt principal outstanding
- Future costs
  - Future capital cost (today's dollars)
  - less: ineligible projects (plans / studies)
  - less: contributions (dev. / grants)

Existing Cost Basis

Calculation Component	Characteristics	Water	Sewer	Stormwater
1. Original Cost of Current Assets	Based on inventory of City assets through 2024.	$183.1M	$118.2M	$107.2M
2. Less: Contributions In Aid of Construction	Excluding assets that were funded by other entities or fees.	($39.7M)	($48.6M)	($28.0M)
3. Plus: Interest	RCW allows for inclusion of up to ten years of interest on each asset, not to exceed the original cost of the asset.	$50.6M	$29.8M	$30.2M
4. Less: Provision for Asset Retirement	Accounts for the replacement of existing assets in the future capital plan	($17.7M)	($14.2M)	(9.1M)
5. Less: Debt Principal Outstanding	Excluded since customers will pay for their share of debt service through user rates.	($3.2M)	-	-
Total Existing Cost Basis		**$173.1M**	**$85.2M**	**$100.3M**

Future Cost Basis

Calculation Component	Characteristics	Water	Sewer	Stormwater
1. Capital Improvement Plan (CIP)	Projects identified in the City's capital improvement plan. All project costs in today's dollars.	$200.7M	$68.4M	$61.6M
2. Less: Grants & Developer Contributions	Projects that receive grant or developer contributions within the City's capital improvement plan.	($2.5M)	-	($0.5M)
Total Future Cost Basis		**$198.2M**	**$68.4M**	**$61.1M**

System Capacity

Water

Total system capacity: 36,624 MCEs

Based on comprehensive plan system capacity analysis by function

37% future available capacity

Sewer

Total system capacity: 42,792 RCEs

Based on comprehensive plan flow forecast through 2044

25% future available capacity

Stormwater

Total system capacity: 91,104 ESUs

Based on the same flow growth rate as sewer

25% future available capacity

Notes: *MCE = Meter Capacity Equivalent, or meter size*

RCE = Residential Capacity Equivalent

ESU = Equivalent Service Unit

SDC Calculation

Cost Basis	Applicable Customers	Water	Sewer	Stormwater
Existing Cost Basis	Current & Future Capacity by Function	$4,745	$1,992	$1,101
Future Cost Basis	Current & Future Capacity by Function	$5,382	$1,598	$671
Total SDC per MCE/RCE/ESU		**$10,127**	**$3,590**	**$1,772**
	Existing SDC:	***$9,725***	***$3,608***	***$1,791***
	Inc./Dec.	***+$402***	***-$18***	***-$19***

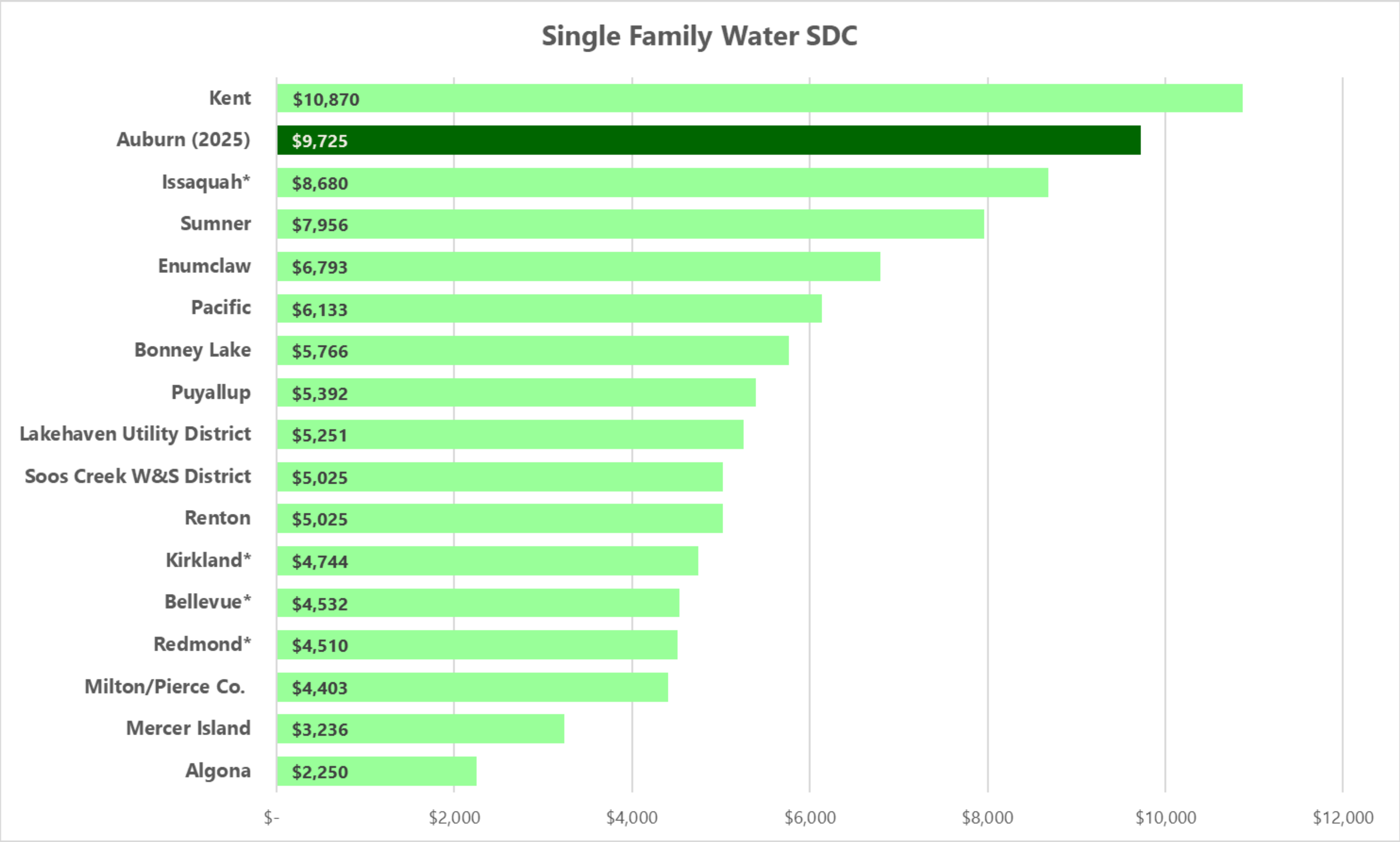
Total Increase for New SF Connection = $365

Notes: *MCE = Meter Capacity Equivalent, or meter size*
RCE = Residential Capacity Equivalent
ESU = Equivalent Service Unit

SDC Charge Basis

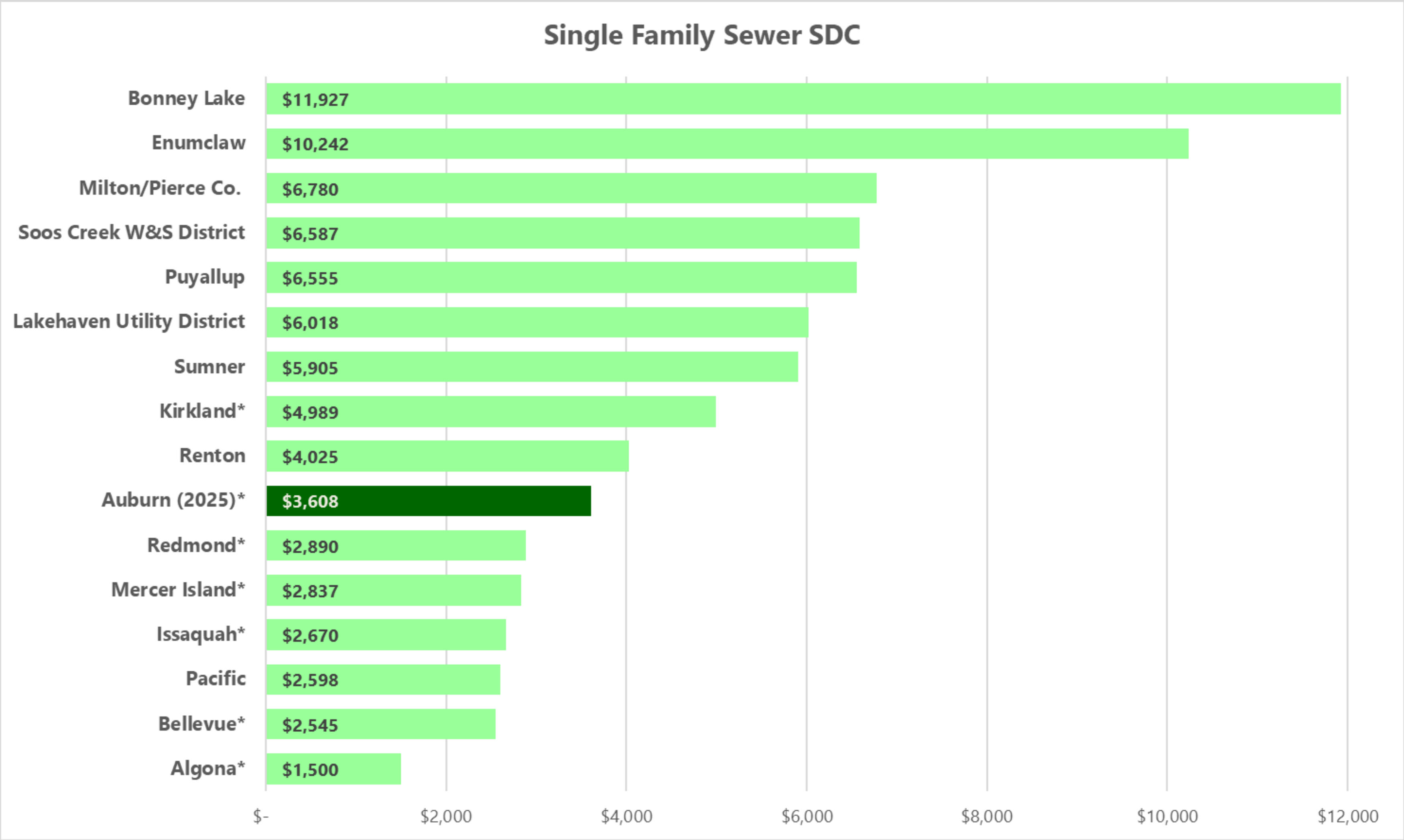
- Water SDC will be determined by meter capacity equivalents (MCEs)
  - ¾ meter = $10,127
  - Charges increase for larger meters and are related to the flow capacity of the meter
- Sewer SDC will be calculated based on residential capacity equivalents (RCEs)
  - 1 single family residence = 1 RCE
  - 1 RCE = $3,590
  - Non-residential RCEs are calculated based on # of fixture units and projected flow
- Stormwater SDC will be calculated based on equivalent service units (ESUs)
  - 1 single family residence = 1 ESU
  - 1 ESU = $1,772
  - 1 ESU = 2,600 sq. ft. of impervious surface area
  - Non-residential ESUs are calculated based on amount of impervious surface area and definition of ESU
- Calculated charges are "maximum allowable"
- Recommended to adjust annually by an accredited inflation index (e.g., ENR CCI)

SDC Survey - Water



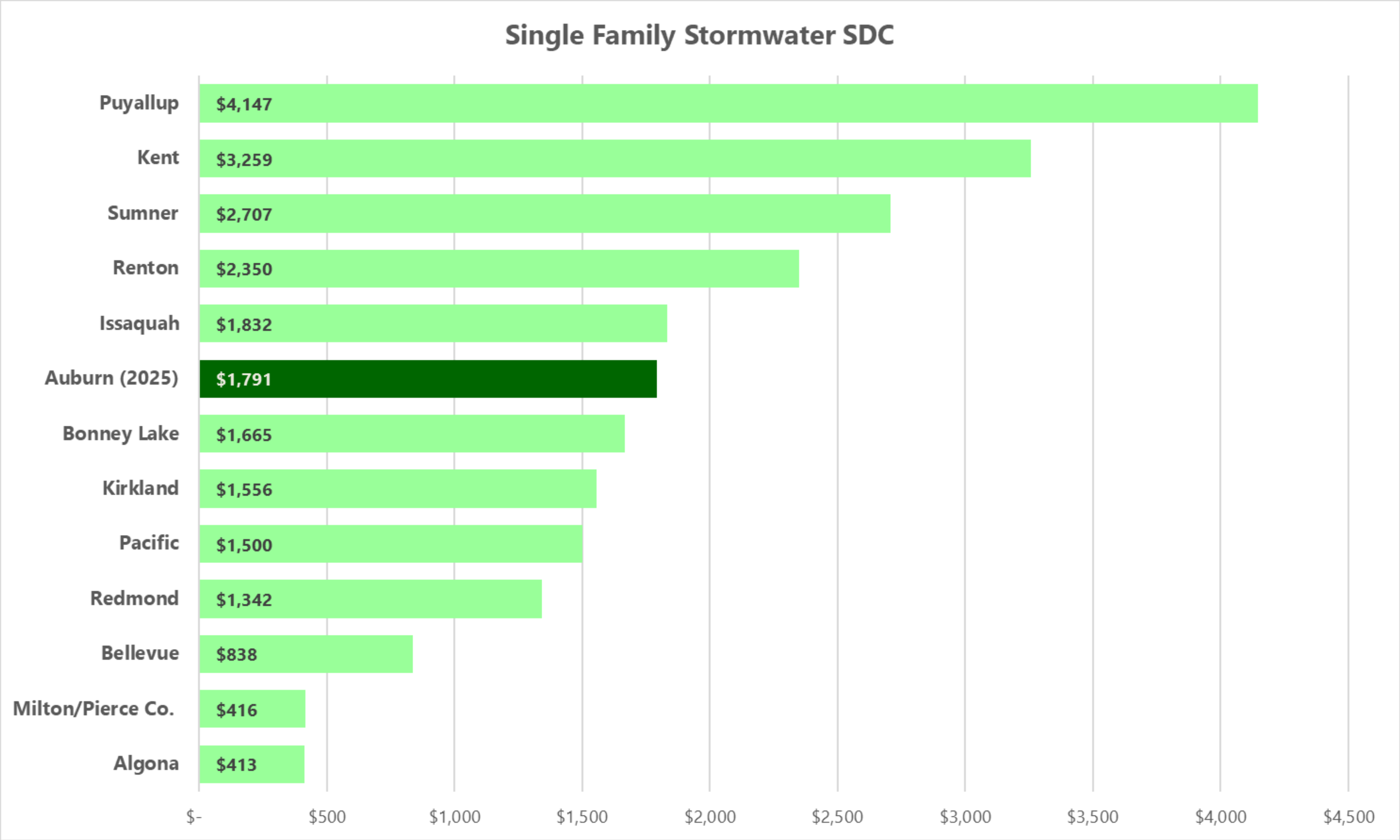
**** Jurisdiction requires payment of an additional Cascade Water Alliance Regional Capital Facilities Charge in addition to SDC***

SDC Survey - Sewer



***** Jurisdiction requires payment of an additional King County Sewer Capacity Charge in addition to SDC*

SDC Survey - Stormwater



Wholesale Rates

Wholesale Background

- Last wholesale rate update part of greater utility rate study completed in 2022
  - Per agreements

    "Auburn has created a customer classification for wholesale customers, and rates for service charges for wholesale customers shall be based on a rate study for the wholesale customer classification."

    "Wholesale water rates shall be based on costs of providing the service."
- Two wholesale customers
  - City of Algona – continual service wholesale customer
  - Lake Meridian Water District (LMWD) – interruptible "ready to serve" upon request

Wholesale Rate Methodology

- Current update uses the previously established wholesale rate study methodology
- Using industry* accepted practice – “utility basis” methodology
- Methodology includes
  - <u>Operating Costs</u> – costs related to ongoing maintenance and operation of eligible assets
  - <u>Annual depreciation</u> – of the facilities required to deliver service, related to the loss in value of facilities due to wear and tear, decay, and obsolescence
  - <u>Return</u> - to provide a fair rate of return for the past investment made to finance facilities used to provide water service

*American Water Works Association Principles of Water Rates, Fees and Charges, M1 Manual

Algona Wholesale Water Rates

- Charges composed of:
  - » Fixed meter charge, by size
  - » Usage charge per hundred cubic feet

Description	Existing Charges	Cost of Service 2026	Proposed 2027	Proposed 2028
Meter Charge (per month, per meter)				
8-inch (4)	$ 127.17	$ 137.09	$ 147.78	$ 159.31
Charge per 100 cubic feet (ccf)	$ 2.51	$ 2.71	$ 2.79	$ 2.88

Lake Meridian Water District Rates

- Fixed ready to serve:
  - Charged each month
  - Recovers the cost to maintain delivery assets and provide the ability to serve when requested
  - Includes a portion of Tacoma read to serve charge
- Usage Charge:
  - Delivery rate for using City of Auburn sources
  - 2026 cost of service assumes no actual water deliveries
- Purchased Water Surcharge:
  - Applied to water purchased from Tacoma for delivery to LMWD
  - Includes Tacoma peaking rate & portion of ready to serve charge

Description	Existing Charges	Cost of Service 2026	Proposed 2027	Proposed 2028
Standby Charge per month	$ 1,592.61	$ 2,131.05	$ 2,141.74	$ 2,153.27
Usage Charges:				
Usage Charge - per 100 cubic feet (ccf)	$ 2.24	$ 2.49	$ 2.56	$ 2.64
Purchased Water Surcharge - per ccf of water purchased from Tacoma	$ 1.82	$ 2.53	$ 2.53	$ 2.53

Next Steps

- Direction / feedback
  - » Move forward with updated SDCs
    - Water: $10,127 per MCE
    - Sewer: $3,590 per RCE
    - Stormwater: $1,772 per ESU
  - » Adjust wholesale rates to cost of service
- Next steps
  - » Adopt rates and SDCs effective January 1, 2026

Thank you!
Questions?

Brooke Tacia, Project Manager
(425) 502-6445
Brooke.tacia@bowman.com

www.fcsgroup.com

FCS
a Bowman company

AGENDA BILL APPROVAL FORM

Agenda Subject:
Ordinance No. 7008 (Thomas) (10 Minutes)
An Ordinance amending Sections 3.60.010 and 3.60.020 of the Auburn Municipal Code to authorize an additional one tenth of one percent Sales and Use Tax for Criminal Justice purposes in accordance with Section 201, Chapter 350, Laws of 2025, providing for severability, and establishing an effective date

Meeting Date:
November 10, 2025

Department:
Finance

Attachments:
Ordinance No. 7008, 2025 .1% Sales TAx

Budget Impact:

Administrative Recommendation:
For discussion only.

Background for Motion:

Background Summary:
Proposed Ordinance No. 7008 authorizes the City to enact an additional 0.1% sales and use tax as permitted under RCW 43.101.540. This statute allows cities to impose the tax to support local criminal justice efforts. The proposed tax is projected to generate approximately $2.7 million annually to help fund the City's police, jail, human services, and public defense operations.

Public safety costs have continued to rise faster than general fund revenues. The additional tax would help (1) reduce pressure on existing general fund resources and (2) provide funding for critical police department technology and infrastructure upgrades.

Upon adoption of the Ordinance, the City must apply to the Washington State Criminal Justice Training Center (WSCJTC) and demonstrate compliance with the eligibility requirements established under RCW 43.101.540.

Adoption of this Odinance does not commit the Council to any specific spending programs beyond 2026. If approved, the City anticipates beginning tax collection on April 1, 2026, resulting in an estimated $2 million increase in revenue, which is currently proposed and reflected in the mid-biennial budget amendment. Further allocation of funds will be determined during the 2027–2028 Biennial Budget process to identify specific programs supported by this revenue.

Councilmember: Kate Baldwin

Staff: Jamie Thomas

ORDINANCE NO. 7008

AN ORDINANCE OF THE CITY OF AUBURN, WASHINGTON, AMENDING SECTIONS 3.60.010 AND 3.60.020 OF THE AUBURN MUNICIPAL CODE TO AUTHORIZE AN ADDITIONAL ONE TENTH OF ONE PERCENT SALES AND USE TAX FOR CRIMINAL JUSTICE PURPOSES IN ACCORDANCE WITH SECTION 201, CHAPTER 350, LAWS OF 2025, PROVIDING FOR SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Legislature enacted House Bill 2015 in the 2025 legislative session to provide qualified cities, towns, or counties to authorize, by Resolution or Ordinance, a new local option sales and use tax of one-tenth of one percent (0.1%) for criminal justice purposes; and

WHEREAS, the City Council seeks to enhance criminal justice funding; and

WHEREAS, the City's cost of maintain public safety services continues to outpace the growth of general fund sources that directly support public safety operations; and

WHEREAS, the sales and use tax authorized will represent a significant additional source of funding to address public safety needs in the City; and

WHEREAS, imposing the sales and use tax in furtherance of programs and services allowed by Section 201, Chapter 350, Laws of 2025, including addressing high-priority community safety needs; and

WHEREAS, the City Council finds that the city, through its law enforcement agency, the Auburn Police Department, meets the requirements to receive a grant from the Local Law Enforcement Grant Program created in Section 101, Chapter 350, Laws of Washington 2025; and

WHEREAS, the city voters have not repealed by referendum the criminal justice sales tax imposed pursuant to RCW 82.14.340 or rejected a ballot proposition to impose the public safety sales tax authorized by RCW 82.14.450 in the previous 12 months;

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

SECTION 1. The City Council finds that the City meets the eligibility requirements to impose the sales and use tax authorized by Section 201, Chapter 350, Laws of 2025, and if there were any documentation deficiencies identified by the CJTC, such deficiencies will be rectified.

SECTION 2. All portions of the Auburn Municipal Code in this Ordinance that are not shown in strikethrough and underline edits or are not explicitly repealed herein remain in effect and unchanged.

SECTION 3. Section 3.60.010 of the Auburn Municipal Code is amended to add a new subsection C to read as follows:

C. There is hereby imposed an additional sales or use tax upon every taxable event, as defined in RCW 82.14.020, occurring within the City, as authorized by Section 201, Chapter 350, Laws of 2025. Money collected under this subsection must be used for criminal justice purposes, as defined in Section 201, Chapter 350, Laws of 2025 (or as may be amended in the future).

SECTION 4. Section 3.60.020 of the Auburn Municipal Code is amended to add new subsections C and D to read as follows:

C. The tax imposed under AMC 3.60.010 C is assessed on the selling price in the case of a sales tax, or value of the article used, in the case of a use tax. The rate of such tax imposed shall be one-tenth of one percent, as allowed under Section 201, Chapter 350, Laws of 2025 (or as may be amended in the future).

D. To the extent an additional sales tax imposed by the City would cause the total rate of tax for sales of lodging to exceed the maximum amount allowed by RCW 82.14.410, sales of lodging shall be exempt from the portion of the tax that would be prohibited by Chapter 82.14 RCW.

SECTION 5. Upon approval of the City Attorney, the City Clerk is authorized to direct the codifier to make necessary corrections to this Ordinance, including the corrections of scriveners or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering and references. The City Clerk is further authorized to direct the codifier to update any chapter, section, or subsection titles in the Auburn Municipal Code affected by this Ordinance, and to replace references to Section 201, Chapter 350, Laws of 2025 with applicable RCW section references as such sections are codified.

SECTION 6. If any section, subsection, sentence, clause, phrase, or word of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality thereof shall not affect the constitutionality of any other section, subsection, sentence, clause, phrase, or word of this Ordinance.

SECTION 7. This Ordinance shall be in full force and effect five (5) days after publication of a summary of this Ordinance in the City's official newspaper, the additional tax imposed in Sections 3 and 4 shall apply to taxable events occurring on or after April 1, 2026. The summary shall consist of this Ordinance's title.

INTRODUCED: _______________

PASSED: ____________________

APPROVED: _________________

____
NANCY BACKUS, MAYOR

ATTEST:

____
Shawn Campbell, MMC, City Clerk

APPROVED AS TO FORM:

____
Jason Whalen, City Attorney

Published: ____

Ordinance 7008

.1% Public Safety Sales and Use Tax

CITY COUNCIL STUDY SESSION

NOVEMBER 10, 2025

HB 2015 Details

HB 2015 is public safety funding law that allows qualifying cities to:

- Impose an additional .1% sales and use tax for criminal justice purposes; and/or
- Apply for grants that support hiring, training, and retaining officers

Enacting the .1% sales and use tax can be done through councilmanic action

The City must meet eligibility criteria and apply through the Washington State Criminal Justice Training Center (WSCJTC) to collect the tax without penalty and/or to apply for the grant

Allowable sales and use tax uses: domestic violence services, public defenders, diversion and reentry programs, programs to reduce homelessness and improve behavioral health, community outreach and assistance programs, mental health crisis response, alternative response programs, and community placements for juvenile offenders.

The .1% public safety sales and use tax is not new – it's now just easier for cities to impose

Requirements for Imposing the Sales and Use Tax – RCW 43.101.540

Issue and implement policies consistent with:

- RCWs 43.17.425 and 10.93.160
- Office of the attorney general's keep Washington working act guide; and
- Model policies and training recommendations for state and local enforcement agencies
- Specifically, policies and practices regarding use of force and de-escalation tactics, and training addressing firearm relinquishment pursuant to court orders

Participate in training as required by RCWs 43.101.455 and 36.28A.445

Implement use of force data collection and reporting

25% officer completion rate with the commission's 40-hour crisis intervention team training

100% officer completion rate for officers required to complete trauma-informed, gender-based violence interviewing, investigation, response, and case review training developed or approved by the commission pursuant to RCW 43.101.272 and 43.101.276

A police Chief who has not been convicted of a felony, certain gross misdemeanors, and has not implemented policies or practices that allow volunteers to assist with law enforcement activities

Application for Sales and Use Tax Qualification Verification

Upon adoption by Council, PD will complete and submit the application for verification with WSCJTC

WSCJTC has 45 days to review submissions and provide feedback

The City has 30 days to respond and provide additional details or clarifying documentation and up to 180 days to prove compliance

- After the 180 days if the City still can't demonstrate compliance, the State Treasurer will withhold $100,000 of the tax collected, per month, until WSCJTC has verified compliance

DOR – who collects sales and use tax on behalf of the City – requires a 75-calendar day notice of change and changes can take effect January 1, April 1, or July 1.

Increasing Public Safety Costs and Needs

Immediate needs for 2025 and 2026 (as presented in the mid-biennial budget amendment – Ord. 7000):

	2025		2026	
General Fund Operational Admendments	**Revenue**	**Expenditure**	**Revenue**	**Expenditure**
SCORE	-	165,000	-	1,150,000
Electronic Home Monitoring	-	55,000	-	27,000
Public Defense Contracts	-	325,000	-	550,000
Total Budget Amendment Requests	**$ -**	**$ 545,000**	**$ -**	**$ 1,727,000**

Future needs for consideration (2027 and beyond):

- Potential continued increases to SCORE: $500,000
- Enhanced PD technology needs: $575,000
- Potential continued increases for public defense contracts: $175,000
- Additional Debt Service for new public safety building: $1.4 million

Revenue Impacts

The current tax rate in the City of Auburn is 10.3% (KC imposed their .1% public safety sales and use tax option and Jan.1 the rate will be 10.4%)

Of the current 10.3%, the city only collects .95%, or $.09 of every $1.00 paid in sales tax

Every .1% generates approximately $2.7 million* in tax revenue to the City

*With recent sales and use tax law changes over certain professional services, the cities taxable base will be increasing in 2026

Tax Rate Comparisons as of Q4 2025

City	Current City Rate	Total	HB 2015	.1% TBD	Est. Annual Sales Tax Impact
City of Auburn	9.5%	10.3%		Yes	$ 1,965
City of Fife	7.5%	10.1%	unk	No*	$ 1,926
City of Puyallup	8.5%	10.2%	unk	No	$ 1,945
City of Sumner	2.5%	9.6%	unk	Yes	$ 1,831
City of Edgewood	7.5%	10.1%	unk	No	$ 1,926
City of Algona	8.5%	10.2%	Yes	No	$ 1,945
City of Pacific	9.5%	10.3%	unk	Yes	$ 1,965
City of Kent	8.5%	10.2%	Yes	No	$ 1,945
City of Federal Way	8.5%	10.2%	unk	No	$ 1,945
City of Des Moines	8.5%	10.2%	Yes	No*	$ 1,945
City of SeaTac	8.5%	10.2%	Yes	No	$ 1,945
City of Burien	8.5%	10.2%	unk	No*	$ 1,945
City of Renton	9.5%	10.3%	Yes	Yes	$ 1,965

A .1% increase = $19.07 additional tax paid per year/per tax payer*

*Assumes median income of $95,367 and spends 20% of their gross income on sales taxable items

Next Steps:

If Council decides to move forward with Ord. 7008:

- 11/17/ 2025: Adopt .1% Public Safety Sales and Use Tax (Ord. 7008)
- 11/17/ 2025: Adopt Mid-Biennial Budget Amendment (Ord. 7000) with new $2 million in 2026
- Apply for the Sales and Use Tax Authorization with WSCJTC
- Send signed tax ordinance to DOR to begin collections April 1, 2026
- Continue to refine how to dedicate the new .1% in the 2027/2028 biennial budget

If Council decides not to move forward with Ord. 7008:

- 11/17/2025: Adopt Mid-Biennial Budget Amendment (Ord. 7000) without new $2 million in 2026

CITY OF AUBURN WASHINGTON

AGENDA BILL APPROVAL FORM

Agenda Subject:
Ordinance No. 7000 (Thomas) (30 Minutes)
An Ordinance amending the City's 2025-2026 Biennial Budget

Meeting Date:
November 10, 2025

Department:
Finance

Attachments:
Ordinance No. 7000, Ord No. 7000 BA#3 Transmittal Memo, 2025 BA#3 Ord No 7000 Schedule A, 2025 BA#3 Ord No 7000 Schedule B, 2026 BA#3 Ord No 7000 Schedule C, 2026 BA#3 Ord No 7000 Schedule D, 2025 Mid-Biennial Review Power Point

Budget Impact:

	2025	2026
Budget Impact	27,343,247	3,062,608
Current Budget	616,909,877	450,954,306
Proposed Revision	27,343,247	3,062,608
Revised Budget	644,250,124	454,016,914

Administrative Recommendation:
For discussion only.

Background for Motion:

Background Summary:
Ordinance No. 7000 (Budget Amendment #3) represents the third Budget Amendment for the 2025-2026 Biennium. This amendment consists of adjustments to capital project budgets; recognition of new grant awards and adjustments of estimated grant awards and their associated expenditures; and new expenditures offset by new revenues, adjustments to existing programs, and limited requests for new budget authority.

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

Councilmember: Kate Baldwin

Staff: Jamie Thomas

ORDINANCE NO. 7000

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AMENDING THE CITY'S 2025-2026 BIENNIAL BUDGET

WHEREAS, at its November 18, 2024, regular meeting, the Auburn City Council enacted Ordinance No. 6848, which adopted the City's 2025-2026 Biennial budget (Budget); and

WHEREAS, the City Council has amended the Budget two times since adoption (by enacting Ordinance No. 6975 on May 19, 2025, and Ordinance No. 6991 on August 4, 2025); and

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

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

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

Section 1. **Amendment of the 2025-2026 Biennial Budget.** Pursuant to RCW 35A.34, the City hereby amends its 2025-2026 Biennial Budget to reflect the revenues and expenditures shown on Schedules "A", "B", "C" and "D" attached hereto and incorporated herein by reference.

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

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

Section 3. **Severability.** The provisions of this Ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this Ordinance, or the invalidity of the application of it to any person or circumstance, will not affect the validity of the remainder of this Ordinance, or the validity of its application to other persons or circumstances.

Section 4. **Effective date.** This Ordinance will take effect and be in force five days from and after its passage, approval, and publication as provided by law.

INTRODUCED: ____________________

PASSED: ________________________

APPROVED: ______________________

____
NANCY BACKUS, MAYOR

ATTEST:

____
Shawn Campbell, MMC, City Clerk

APPROVED AS TO FORM:

____
Jason Whalen, City Attorney

Published: ____

Interoffice Memorandum

To: City Council

From: **Jamie Thomas, Finance Director**

CC: Nancy Backus, Mayor

Date: November 10, 2025

Re: Ordinance #7000 – 2025-2026 Budget Amendment #3

The City's biennial 2025-2026 budget was approved by Council as two one-year appropriations. Budget Amendment #3 will be the third budget amendment for the biennium and will update the 2025 and 2026 appropriations. Although the 2026 appropriation is being adjusted, this is generally due to the effects of adjustments to the 2025 appropriation, since any adjustment to the ending balance of 2025 must be reflected in 2026. Given this, the detail below relates to the 2025 appropriation. For details on specific requests to amend the biennial budget, please refer to the accompanying ***Schedule A, Summary of 2025 Budget Adjustments by Fund*** and ***Schedule C, Summary of 2026 Budget Adjustments by Fund***. The purpose of this budget amendment is to:

1. Adjust capital expenditure budgets; and
2. Recognize grant awards and their associated expenditures, and adjust estimated amounts to awarded amounts when necessary; and
3. Adjust operational expenditures.

Net Effects on 2025 Fund Balance: The fund balance (or ending working capital for proprietary funds) of a fund is affected when revenues and expenditures within a fund are not equal. If revenues exceed expenditures, fund balance increases; if expenditures exceed revenues, fund balance decreases. Budget Amendment No. 3 has the following effects on fund balance by fund type:

• General Fund (Fund 001)	$ -14,070,769
• Special Revenue Funds (Funds 1*)	13,222,500
• Governmental Capital Funds (Funds 3*)	1,426,239
• Enterprise Funds (Funds 4*)	-250,721
• Internal Service Funds (Funds 5*)	-340,261
• Agency Funds (Funds 6*)	-35,000
NET EFFECT ON FUND BALANCE	**$ -48,012**

Adjust capital project budgets: These requests represent changes to project budgets to align with updated timelines and project scopes in accordance with strategic planning. Shown below is the additional expenditure authority requested, along with the additional expenditure authority and net effect on citywide fund balance:

• M&O Facility Improvements (cp2107)[1]	$	400,000
• Move funding from Postmark to Theater Park Plaza (cp2507)[2]		100,000
• Undercover vehicle purchase		61,000
• Purchase new Cemetery gator[3]		38,000
• Project funding adjustments[4]		0
NEW EXPENDITURE AUTHORITY	**$**	**599,000**
PROJECT FUNDING ADJUSTMENTS	**$**	**1,920,274**
NET EFFECT ON FUND BALANCE	**$**	**-561,000**

Grant awards and adjustments: These requests recognize the receipt of new grants not previously budgeted, true-ups of previously approved grant budgets to award amounts, and authorization of associated grant expenditures. As such, there is generally a net zero effect on fund balance for these requests. What is shown below is the additional expenditure authority requested, which in each case is offset by a corresponding adjustment to revenue. The PSE grant reimburses prior expenditures with no additional authority requested, resulting in an increase to fund balance. These requests include:

• WSDOT: Downtown Bike to Transit (cp2509)	$	1,924,000
• FAA: AWOS, Beacon & Emergency Generator (cp2335)		1,647,537
• King County ILA: 124th Ave SE Transit Imp (cp2515)		1,056,680
• Dept. of Commerce: Downtown Theater Design/Const. (cp2414)		485,000
• AWC: Alternative Response Team (pd2507)		100,000
• PSE: Conservation (cp2108)		0
• Other grants (six total)[5]		205,836
NEW EXPENDITURE AUTHORITY	**$**	**5,419,053**
NET EFFECT ON FUND BALANCE	**$**	**226,239**

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[1] Covers furniture, fixtures and equipment not included in the original contract but required to operation the facility.
[2] Reallocates funding from a completed project and adds an additional $100,000 of King County Park Levy funding.
[3] Adds expenditure authority which is offset by increased revenues, so there is no effect on fund balance.
[4] Several projects are changing funding sources with no effect on overall expenditure authority: Facilities Master Plan ($1.7M of F328 fund balance changed to Cumulative Reserve), 12th St. property purchase ($53.8k F328 fund balance to REET 1), Public Art purchase and Lea Hill Safe Routes to School ($140,196 and $80,990 F328 fund balance to REET 2). The Downtown Infrastructure project is being reallocated from F330 exclusively to F330, F328 and F102 to more accurately classify expenditures (overall expenditure authority for the project is unchanged). Centennial Viewpoint Park art will be purchased from F328 rather than the General Fund (transfer from GF to F328). Remaining funds from Auburn Ave. Theater Demo will be moved to Auburn Avenue Theater Rebuild (move $34,382 from F330 to F328). A WSDOT grant was erroneously budgeted in F328 and will be moved to F102 ($6,500).
[5] Dept. of Ecology Local Solid Waste Financial Assistance ($95,765), WA Office of Public Defense SPAR grant ($60,000), WTSC High Visibility Enforcement grant ($21,886), KC Sheriff's Office RSO grant ($14,725), 4Culture equipment grant ($13,460).

Adjust Operating Budget: These requests represent changes to the operating budget due to revisions of existing budget authority and requests for new budget authority.

• Transfer funds from the General Fund to Cumulative Reserve	$ 15,000,000
• Reimburse F550 for equipment cost overruns[6]	1,421,276
• Transfer non-TBD funds from F105 to F102[7]	1,122,767
• Increase medical and time loss claim budget	420,000
• Increase solid waste utility tax payments	350,000
• Increase public defense expense	325,000
• Add Drinking Water Revolving Fund Loan debt service	249,882
• Increase Parks irrigation budget	200,000
• Replace Golf Course furnace[8]	170,000
• Increase police fleet expansion costs[9]	156,000
• Increase SCORE jail expense	165,000
• Decrease sewer excise tax expense	-400,000
• Other operating adjustments (eight total)[10]	273,007
NEW EXPENDITURE AUTHORITY	**$19,452,932**
NET EFFECT ON FUND BALANCE	**$ 286,749**

Requests With 2026 Effects Only: All previous requests are effective as of 2025, many with follow-on effects in 2026. The following requests only affect the 2026 budget and have no effect in 2025.

• Increase annual HVAC maintenance	140,000
• Implement golf course facility improvement fee	106,000
• Increase annual generator preventive maintenance	80,000
• Consolidate parks security contracts to Facilities fund	78,000
• Consolidate cemetery security contracts to Facilities fund	$ 18,240
NEW EXPENDITURE AUTHORITY	**$ 422,240**
NET EFFECT ON FUND BALANCE	**$ -111,620**

[6] Expense includes movement of funds to F550. Net effect on fund balance is -$762,769.
[7] Beginning in 2025, F105 is only used to house Transportation Benefit District funds. No effect on fund balance.
[8] Expense includes movement of funds from GF to Facilities. Net effect on fund balance is -$85,000.
[9] Expense includes movement of funds from GF to Equipment Rental. Net effect on fund balance is -$78,000.
[10] Increase electronic home monitoring expense ($55,000), increase personnel costs in F117 ($52,500), insurance reimbursement and expense for traffic signal repair ($44,400), golf clubhouse door ($35,100), increase fire pension expense ($35,000), golf pro shop inventory ($30,000), parks fence insurance claims and repair ($14,340), Community Center insurance claim ($6,667)

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

Table 1: 2025 Budget as Amended

2025 Amended Budget	**$ 616,906,877**
Budget Amendment #3 (Ord #7000)	27,343,247
Budget as Amended	**$ 644,250,124**

Table 2: 2026 Budget as Amended

2026 Amended Budget	**$ 450,954,306**
Budget Amendment #3 (Ord #7000)	3,062,608
Budget as Amended	**$ 454,016,914**

Attachments:

- 1. Proposed Ordinance #7000 (budget adjustment #3)
- 2. Summary of proposed 2025 budget adjustments by fund and department (Schedule A)
- 3. Summary of proposed changes to the amended 2025 budget by fund (Schedule B)
- 4. Summary of proposed 2026 budget adjustments by fund and department (Schedule C)
- 5. Summary of proposed changes to the amended 2026 budget by fund (Schedule D)

Schedule A
Summary of 2025 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #7000)

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
General Fund (#001)				
2025 Adopted Budget	**38,910,092**	**103,396,310**	**109,147,872**	**33,158,530**
Previous Budget Amendments	22,033,911	2,863,362	10,940,372	13,956,901
2025 Amended Budget	**60,944,003**	**106,259,672**	**120,088,244**	**47,115,431**
BA#3 (Ordinance #7000, Proposed):	**-**	**2,785,478**	**16,856,247**	**(14,070,769)**
Parks, Arts & Rec				
Furnace Replacement – Golf Course	**-**	**-**	**85,000**	**(85,000)**
Police				
Increase POL.0039 Vehicle Exp.	**-**	**-**	**78,000**	**(78,000)**
Equip. Rental CF Reimbursement	**-**	**-**	**607,669**	**(607,669)**
Human Resources				
2025-26 OPD SPAR Grant gr2506	**-**	**60,000**	**60,000**	**-**
Police				
PD2506/PD2408 HVE Grant	**-**	**21,886**	**21,886**	**-**
PD2504 2025-26 RSO Grant	**-**	**14,725**	**14,725**	**-**
pd2507 Alt Response Team Grant	**-**	**100,000**	**100,000**	**-**
Public Works				
MS2502 8th/R St Signl Rpr/Cnst	**-**	**44,400**	**44,400**	**-**
Parks, Arts & Rec				
PAARTS 4Culture 2025 Equip Grt	**-**	**13,460**	**13,460**	**-**
CP2516 Centennial Viewpoint Art	**-**	**-**	**-**	**-**
Parks Fence Insurance Claims	**-**	**14,340**	**14,340**	**-**
Pro Shop Inventory for Q4-2025	**-**	**30,000**	**30,000**	**-**
Irrigation budget increase	**-**	**-**	**200,000**	**(200,000)**
Community Rm Floor Insur Claim	**-**	**6,667**	**6,667**	**-**
MS2120 Golf Clubhouse Doors	**-**	**-**	**35,100**	**(35,100)**
Non-Departmental				
General Fund Revenues Adjustments	**-**	**2,480,000**	**545,000**	**1,935,000**
GF to Cumulative Reserve Xfer Request	**-**	**-**	**15,000,000**	**(15,000,000)**
Revised 2025 Budget - Fund 001	**60,944,003**	**109,045,150**	**136,944,491**	**33,044,662**

Schedule A
Summary of 2025 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #7000)

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
General Transportation Fund (#102)				
2025 Adopted Budget	**5,721,099**	**16,841,954**	**17,394,289**	**5,168,764**
Previous Budget Amendments	5,665,221	23,960,230	31,180,816	(1,555,365)
2025 Amended Budget	**11,386,320**	**40,802,184**	**48,575,105**	**3,613,399**
BA#3 (Ordinance #7000, Proposed):	**-**	**4,096,947**	**2,974,180**	**1,122,767**
Adjust cp2321 Transfer Budget	**-**	**-**	**-**	**-**
Xfer Non-TBD to F102	**-**	**1,122,767**	**-**	**1,122,767**
CP2509 Grnt Dwntwn Bike 2 Trnt	**-**	**1,924,000**	**1,924,000**	**-**
CP2515 KC Metro ILA 124th Imp	**-**	**1,056,680**	**1,056,680**	**-**
CP2424 Indirect Fed Grnt WSDOT	**-**	**(6,500)**	**(6,500)**	**-**
Revised 2025 Budget - Fund 102	**11,386,320**	**44,899,131**	**51,549,285**	**4,736,166**
Arterial Street Preservation Fund (#105)				
2025 Adopted Budget	**1,798,224**	**2,144,000**	**2,186,000**	**1,756,224**
Previous Budget Amendments	3,721,721	-	354,599	3,367,122
2025 Amended Budget	**5,519,945**	**2,144,000**	**2,540,599**	**5,123,346**
BA#3 (Ordinance #7000, Proposed):	**-**	**-**	**1,122,767**	**(1,122,767)**
Xfer Non-TBD to F102	**-**	**-**	**1,122,767**	**(1,122,767)**
Revised 2025 Budget - Fund 105	**5,519,945**	**2,144,000**	**3,663,366**	**4,000,579**
Drug Forfeiture Fund (#117)				
2025 Adopted Budget	**802,203**	**251,300**	**399,233**	**654,270**
Previous Budget Amendments	86,379	15,000	30,000	71,379
2025 Amended Budget	**888,582**	**266,300**	**429,233**	**725,649**
BA#3 (Ordinance #7000, Proposed):	**-**	**-**	**77,500**	**(77,500)**
Increase to Drug Forfeiture Salaries & Benefits	**-**	**-**	**52,500**	**(52,500)**
F117 – Undercover Vehicle Purchase	**-**	**-**	**25,000**	**(25,000)**
Revised 2025 Budget - Fund 117	**888,582**	**266,300**	**506,733**	**648,149**

Schedule A
Summary of 2025 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #7000)

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
Cumulative Reserve Fund (#122)				
2025 Adopted Budget	**33,916,951**	**80,000**	**825,600**	**33,171,351**
Previous Budget Amendments	(482,315)	-	5,696,544	(6,178,859)
2025 Amended Budget	**33,434,636**	**80,000**	**6,522,144**	**26,992,492**
BA#3 (Ordinance #7000, Proposed):	**-**	**15,000,000**	**1,700,000**	**13,300,000**
GF to Cumulative Reserve Xfer Request	**-**	**15,000,000**	**-**	**15,000,000**
GCBD20 Facilities Master Plan	**-**	**-**	**1,700,000**	**(1,700,000)**
Revised 2025 Budget - Fund 122	**33,434,636**	**15,080,000**	**8,222,144**	**40,292,492**
Parks Construction Fund (#321)				
2025 Adopted Budget	**463,899**	**1,876,300**	**1,850,000**	**490,199**
Previous Budget Amendments	287,545	1,940,645	2,151,914	76,276
2025 Amended Budget	**751,444**	**3,816,945**	**4,001,914**	**566,475**
BA#3 (Ordinance #7000, Proposed):	**-**	**430,000**	**530,000**	**(100,000)**
CP2507 Move Funds from CP1612	**-**	**430,000**	**530,000**	**(100,000)**
Revised 2025 Budget - Fund 321	**751,444**	**4,246,945**	**4,531,914**	**466,475**

Schedule A
Summary of 2025 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #7000)

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
Capital Improvements Fund (#328)				
2025 Adopted Budget	**1,541,064**	**8,195,500**	**8,175,000**	**1,561,564**
Previous Budget Amendments	22,569,620	21,904,595	40,949,894	3,524,321
2025 Amended Budget	**24,110,684**	**30,100,095**	**49,124,894**	**5,085,885**
BA#3 (Ordinance #7000, Proposed):	**-**	**3,333,013**	**1,131,782**	**2,201,231**
CP2108 PSE Grnt City Hall HVAC	**-**	**226,239**	**-**	**226,239**
Adjust cp2321 Transfer Budget	**-**	**550,000**	**550,000**	**-**
MS2210/GCBD05/CP2332 REET CORR	**-**	**274,992**	**-**	**274,992**
CP2507 Move Funds from CP1612	**-**	**-**	**-**	**-**
CP2516 Centennial Viewpoint Art	**-**	**55,900**	**55,900**	**-**
GCBD20 Facilities Master Plan	**-**	**1,700,000**	**-**	**1,700,000**
CP2414 Aub Ave Thtr-Comm Grant	**-**	**485,000**	**485,000**	**-**
CP2424 Indirect Fed Grnt WSDOT	**-**	**6,500**	**6,500**	**-**
CP2414 xfr funding from CP2406	**-**	**34,382**	**34,382**	**-**
Revised 2025 Budget - Fund 328	**24,110,684**	**33,433,108**	**50,256,676**	**7,287,116**

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
Local Revitalization Fund (#330)				
2025 Adopted Budget	**16,333**	**1,001,000**	**1,000,000**	**17,333**
Previous Budget Amendments	351,676	2,485,642	2,807,314	30,004
2025 Amended Budget	**368,009**	**3,486,642**	**3,807,314**	**47,337**
BA#3 (Ordinance #7000, Proposed):	**-**	**(1,550,000)**	**(1,550,000)**	**-**
Adjust cp2321 Transfer Budget	**-**	**(1,550,000)**	**(1,550,000)**	**-**
CP2414 xfr funding from CP2406	**-**	**-**	**-**	**-**
Revised 2025 Budget - Fund 330	**368,009**	**1,936,642**	**2,257,314**	**47,337**

Schedule A
Summary of 2025 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #7000)

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
Real Estate Excise Tax Fund (#331)				
2025 Adopted Budget	**5,689,062**	**1,840,000**	**2,130,100**	**5,398,962**
Previous Budget Amendments	(5,689,062)	17,977,654	6,746,600	5,541,992
2025 Amended Budget	**-**	**19,817,654**	**8,876,700**	**10,940,954**
BA#3 (Ordinance #7000, Proposed):	**-**	**-**	**674,992**	**(674,992)**
MS2210/GCBD05/CP2332 REET CORR	**-**	**-**	**274,992**	**(274,992)**
CP2107 M&O Facility Imprv Ph 1	**-**	**-**	**400,000**	**(400,000)**
Revised 2025 Budget - Fund 331	**-**	**19,817,654**	**9,551,692**	**10,265,962**
Water Fund (#430)				
2025 Adopted Budget	**5,361,267**	**20,710,000**	**22,689,605**	**3,381,662**
Previous Budget Amendments	16,342,581	3,342,721	14,650,851	5,034,451
2025 Amended Budget	**21,703,848**	**24,052,721**	**37,340,456**	**8,416,113**
BA#3 (Ordinance #7000, Proposed):	**-**	**-**	**300,721**	**(300,721)**
DWL26020 Debt Service Pmts	**-**	**-**	**249,882**	**(249,882)**
Equip. Rental CF Reimbursement	**-**	**-**	**50,839**	**(50,839)**
Revised 2025 Budget - Fund 430	**21,703,848**	**24,052,721**	**37,641,177**	**8,115,392**
Sewer Fund (#431)				
2025 Adopted Budget	**18,781,324**	**10,745,000**	**14,800,684**	**14,725,640**
Previous Budget Amendments	12,240,632	-	9,181,985	3,058,647
2025 Amended Budget	**31,021,956**	**10,745,000**	**23,982,669**	**17,784,287**
BA#3 (Ordinance #7000, Proposed):	**-**	**-**	**(400,000)**	**400,000**
Decr. 2025 Excise Tax Expense	**-**	**-**	**(400,000)**	**400,000**
Revised 2025 Budget - Fund 431	**31,021,956**	**10,745,000**	**23,582,669**	**18,184,287**

Schedule A
Summary of 2025 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #7000)

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
Solid Waste Fund (#434)				
2025 Adopted Budget	1,883,449	32,522,700	32,056,678	2,349,471
Previous Budget Amendments	(66,980)	37,457	37,457	(66,980)
2025 Amended Budget	1,816,469	32,560,157	32,094,135	2,282,491
BA#3 (Ordinance #7000, Proposed):	-	95,765	445,765	(350,000)
Incr. 2025 Utility Tax Expense	-	-	350,000	(350,000)
LSWF25 Solid Waste Grant 25-27	-	95,765	95,765	-
Revised 2025 Budget - Fund 434	1,816,469	32,655,922	32,539,900	1,932,491
Airport Fund (#435)				
2025 Adopted Budget	1,692,950	2,319,760	2,602,859	1,409,851
Previous Budget Amendments	233,793	1,093,521	1,398,801	(71,487)
2025 Amended Budget	1,926,743	3,413,281	4,001,660	1,338,364
BA#3 (Ordinance #7000, Proposed):	-	1,647,537	1,647,537	-
CP2335 Airport AWOS FAA Grant	-	1,647,537	1,647,537	-
Revised 2025 Budget - Fund 435	1,926,743	5,060,818	5,649,197	1,338,364
Cemetery Fund (#436)				
2025 Adopted Budget	1,534,792	1,634,300	2,073,075	1,096,017
Previous Budget Amendments	53,857	-	124,953	(71,096)
2025 Amended Budget	1,588,649	1,634,300	2,198,028	1,024,921
BA#3 (Ordinance #7000, Proposed):	-	19,000	19,000	-
Purchase New JD Gator HPX815E	-	19,000	19,000	-
Revised 2025 Budget - Fund 436	1,588,649	1,653,300	2,217,028	1,024,921

Schedule A
Summary of 2025 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #7000)

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
Workers' Comp Fund (#503)				
2025 Adopted Budget	3,498,469	1,225,300	1,060,200	3,663,569
Previous Budget Amendments	391,010	410,000	500,000	301,010
2025 Amended Budget	3,889,479	1,635,300	1,560,200	3,964,579
BA#3 (Ordinance #7000, Proposed):	-	220,000	420,000	(200,000)
Increase to Medical & Time Loss Claims	-	220,000	420,000	(200,000)
Revised 2025 Budget - Fund 503	3,889,479	1,855,300	1,980,200	3,764,579
Facilities Fund (#505)				
2025 Adopted Budget	398,481	4,821,500	4,821,241	398,740
Previous Budget Amendments	(280,075)	215,000	316,000	(381,075)
2025 Amended Budget	118,406	5,036,500	5,137,241	17,665
BA#3 (Ordinance #7000, Proposed):	-	85,000	85,000	-
Furnace Replacement – Golf Course	-	85,000	85,000	-
Revised 2025 Budget - Fund 505	118,406	5,121,500	5,222,241	17,665
Equipment Rental Fund (#550)				
2025 Adopted Budget	5,061,776	8,146,940	6,354,620	6,854,096
Previous Budget Amendments	3,008,895	2,795,978	5,659,660	145,213
2025 Amended Budget	8,070,671	10,942,918	12,014,280	6,999,309
BA#3 (Ordinance #7000, Proposed):	-	1,180,507	1,320,768	(140,261)
Increase POL.0039 Vehicle Exp.	-	78,000	78,000	-
Purchase New JD Gator HPX815E	-	19,000	19,000	-
F117 – Undercover Vehicle Purchase	-	25,000	61,000	(36,000)
Equip. Rental CF Reimbursement	-	658,507	762,768	(104,261)
CP2107 M&O Facility Imprv Ph 1	-	400,000	400,000	-
Revised 2025 Budget - Fund 550	8,070,671	12,123,425	13,335,048	6,859,048

Schedule A
Summary of 2025 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #7000)

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
Fire Pension Fund (#611)				
2025 Adopted Budget	**1,837,188**	**167,900**	**207,840**	**1,797,248**
Previous Budget Amendments	2,517	-	-	2,517
2025 Amended Budget	**1,839,705**	**167,900**	**207,840**	**1,799,765**
BA#3 (Ordinance #7000, Proposed):	**-**	**-**	**35,000**	**(35,000)**
Increase Fire Pension Salaries	**-**	**-**	**35,000**	**(35,000)**
Revised 2025 Budget - Fund 611	**1,839,705**	**167,900**	**242,840**	**1,764,765**
Grand Total - All Funds				
2025 Adopted Budget	**159,056,171**	**273,573,960**	**291,103,958**	**141,526,173**
Previous Budget Amendments	102,582,206	81,694,540	156,199,507	28,077,239
2025 Amended Budget	**261,638,377**	**355,268,500**	**447,303,465**	**169,603,412**
Total BA#3 (Ordinance #7000, Proposed):	**-**	**27,343,247**	**27,391,259**	**(48,012)**
Revised 2025 Budget	**261,638,377**	**382,611,747**	**474,694,724**	**169,555,400**
		644,250,124		**644,250,124**

Schedule B
2025 Ending Fund Balance/Working Capital
by Fund

Fund	2025 Amended Beginning Balance	2025 Amended Ending Balance	BA#3 (ORD #7000) Revenues	BA#3 (ORD #7000) Expenditures	BA#3 (ORD #7000) Net Change in Fund Balance	Revised Ending Balance
General Fund (#001)	60,944,003	47,115,431	2,785,478	16,856,247	(14,070,769)	33,044,662
General Transportation Fund (#102)	11,386,320	3,613,399	4,096,947	2,974,180	1,122,767	4,736,166
Hotel/Motel Tax Fund (#104)	470,231	321,681	-	-	-	321,681
Arterial Street Preservation Fund (#105)	5,519,945	5,123,346	-	1,122,767	(1,122,767)	4,000,579
Drug Forfeiture Fund (#117)	888,582	725,649	-	77,500	(77,500)	648,149
Recreation Trails Fund (#120)	53,723	61,223	-	-	-	61,223
Cumulative Reserve Fund (#122)	33,434,636	26,992,492	15,000,000	1,700,000	13,300,000	40,292,492
Mitigation Fees Fund (#124)	16,082,277	4,262,088	-	-	-	4,262,088
2020 LTGO A&B Refunding Bonds Fund (#232)	476,000	476,100	-	-	-	476,100
SCORE Debt Service Fund (#238)	-	-	-	-	-	-
LID Guarantee Fund (#249)	-	-	-	-	-	-
Golf/Cemetery 2016 Refunding Fund (#276)	-	-	-	-	-	-
Parks Construction Fund (#321)	751,444	566,475	430,000	530,000	(100,000)	466,475
Capital Improvements Fund (#328)	24,110,684	5,085,885	3,333,013	1,131,782	2,201,231	7,287,116
Local Revitalization Fund (#330)	368,009	47,337	(1,550,000)	(1,550,000)	-	47,337
Real Estate Excise Tax Fund (#331)	-	10,940,954	-	674,992	(674,992)	10,265,962
Water Fund (#430)	21,703,848	8,416,113	-	300,721	(300,721)	8,115,392
Sewer Fund (#431)	31,021,956	17,784,287	-	(400,000)	400,000	18,184,287
Storm Drainage Fund (#432)	23,011,582	9,279,829	-	-	-	9,279,829
Sewer Metro Sub Fund (#433)	4,879,211	4,918,211	-	-	-	4,918,211
Solid Waste Fund (#434)	1,816,469	2,282,491	95,765	445,765	(350,000)	1,932,491
Airport Fund (#435)	1,926,743	1,338,364	1,647,537	1,647,537	-	1,338,364
Cemetery Fund (#436)	1,588,649	1,024,921	19,000	19,000	-	1,024,921
Insurance Fund (#501)	1,313,034	1,150,034	-	-	-	1,150,034
Workers' Comp Fund (#503)	3,889,479	3,964,579	220,000	420,000	(200,000)	3,764,579
Facilities Fund (#505)	118,406	17,665	85,000	85,000	-	17,665
Innovation & Technology Fund (#518)	3,432,201	2,665,215	-	-	-	2,665,215
Equipment Rental Fund (#550)	8,070,671	6,999,309	1,180,507	1,320,768	(140,261)	6,859,048
Fire Pension Fund (#611)	1,839,705	1,799,765	-	35,000	(35,000)	1,764,765
Cemetery Endowment Fund (#701)	2,540,569	2,630,569	-	-	-	2,630,569

Schedule C
Summary of 2026 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #7000)

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
General Fund (#001)				
2026 Adopted Budget	**33,158,530**	**106,950,907**	**114,023,485**	**26,085,952**
Previous Budget Amendments	13,956,901	374,633	603,800	13,727,734
2026 Amended Budget	**47,115,431**	**107,325,540**	**114,627,285**	**39,813,686**
BA#3 (Ordinance #7000, Proposed):	**(14,070,769)**	**2,800,000**	**1,803,700**	**(13,074,469)**
Non-Departmental				
Furnace Replacement – Golf Course	(85,000)	-	-	(85,000)
Increase POL.0039 Vehicle Exp.	(78,000)	-	-	(78,000)
Equip. Rental CF Reimbursement	(607,669)	-	-	(607,669)
Parks, Arts & Rec				
Security Contract I/F Alloc.	-	-	-	-
Irrigation budget increase	(200,000)	-	-	(200,000)
MS2120 Golf Clubhouse Doors	(35,100)	-	-	(35,100)
Non-Departmental				
City Wide – Annual HVAC Preventative Maintenance	-	-	68,700	(68,700)
City Wide - Annual Generator Preventative Maintenance	-	-	8,000	(8,000)
General Fund Revenues Adjustments	1,935,000	2,800,000	1,727,000	3,008,000
GF to Cumulative Reserve Xfer Request	(15,000,000)	-	-	(15,000,000)
Revised 2026 Budget - Fund 001	**33,044,662**	**110,125,540**	**116,430,985**	**26,739,217**

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
General Transportation Fund (#102)				
2026 Adopted Budget	**5,168,764**	**10,602,973**	**9,162,300**	**6,609,437**
Previous Budget Amendments	(1,555,365)	-	-	(1,555,365)
2026 Amended Budget	**3,613,399**	**10,602,973**	**9,162,300**	**5,054,072**
BA#3 (Ordinance #7000, Proposed):	**1,122,767**	-	-	**1,122,767**
Xfer Non-TBD to F102	1,122,767	-	-	1,122,767
Revised 2026 Budget - Fund 102	**4,736,166**	**10,602,973**	**9,162,300**	**6,176,839**

Schedule C
Summary of 2026 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #7000)

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
Arterial Street Preservation Fund (#105)				
2026 Adopted Budget	1,756,224	2,168,000	2,186,000	1,738,224
Previous Budget Amendments	3,367,122	-	-	3,367,122
2026 Amended Budget	5,123,346	2,168,000	2,186,000	5,105,346
BA#3 (Ordinance #7000, Proposed):	(1,122,767)	-	-	(1,122,767)
Xfer Non-TBD to F102	(1,122,767)	-	-	(1,122,767)
Revised 2026 Budget - Fund 105	4,000,579	2,168,000	2,186,000	3,982,579
Drug Forfeiture Fund (#117)				
2026 Adopted Budget	654,270	263,700	408,486	509,484
Previous Budget Amendments	71,379	-	-	71,379
2026 Amended Budget	725,649	263,700	408,486	580,863
BA#3 (Ordinance #7000, Proposed):	(77,500)	-	-	(77,500)
Increase to Drug Forfeiture Salaries & Benefits	(52,500)	-	-	(52,500)
F117 – Undercover Vehicle Purchase	(25,000)	-	-	(25,000)
Revised 2026 Budget - Fund 117	648,149	263,700	408,486	503,363
Cumulative Reserve Fund (#122)				
2026 Adopted Budget	33,171,351	80,000	825,600	32,425,751
Previous Budget Amendments	(6,178,859)	-	-	(6,178,859)
2026 Amended Budget	26,992,492	80,000	825,600	26,246,892
BA#3 (Ordinance #7000, Proposed):	13,300,000	-	-	13,300,000
GF to Cumulative Reserve Xfer Request	15,000,000	-	-	15,000,000
GCBD20 Facilities Master Plan	(1,700,000)	-	-	(1,700,000)
Revised 2026 Budget - Fund 122	40,292,492	80,000	825,600	39,546,892

Schedule C
Summary of 2026 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #7000)

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
Parks Construction Fund (#321)				
2026 Adopted Budget	**490,199**	**711,300**	**685,000**	**516,499**
Previous Budget Amendments	76,276	-	-	76,276
2026 Amended Budget	**566,475**	**711,300**	**685,000**	**592,775**
BA#3 (Ordinance #7000, Proposed):	**(100,000)**	**106,000**	**106,000**	**(100,000)**
CP2507 Move Funds from CP1612	**(100,000)**	**-**	**-**	**(100,000)**
gpbd02 Golf Facility Improvement Fee	**-**	**106,000**	**106,000**	**-**
Revised 2026 Budget - Fund 321	**466,475**	**817,300**	**791,000**	**492,775**
Capital Improvements Fund (#328)				
2026 Adopted Budget	**1,561,564**	**13,270,500**	**13,250,000**	**1,582,064**
Previous Budget Amendments	3,524,321	-	-	3,524,321
2026 Amended Budget	**5,085,885**	**13,270,500**	**13,250,000**	**5,106,385**
BA#3 (Ordinance #7000, Proposed):	**2,201,231**	**-**	**-**	**2,201,231**
CP2108 PSE Grnt City Hall HVAC	**226,239**	**-**	**-**	**226,239**
MS2210/GCBD05/CP2332 REET CORR	**274,992**	**-**	**-**	**274,992**
GCBD20 Facilities Master Plan	**1,700,000**	**-**	**-**	**1,700,000**
Revised 2026 Budget - Fund 328	**7,287,116**	**13,270,500**	**13,250,000**	**7,307,616**
Real Estate Excise Tax Fund (#331)				
2026 Adopted Budget	**5,398,962**	**1,840,000**	**1,569,700**	**5,669,262**
Previous Budget Amendments	5,541,992	-	-	5,541,992
2026 Amended Budget	**10,940,954**	**1,840,000**	**1,569,700**	**11,211,254**
BA#3 (Ordinance #7000, Proposed):	**(674,992)**	**-**	**-**	**(674,992)**
MS2210/GCBD05/CP2332 REET CORR	**(274,992)**	**-**	**-**	**(274,992)**
CP2107 M&O Facility Imprv Ph 1	**(400,000)**	**-**	**-**	**(400,000)**
Revised 2026 Budget - Fund 331	**10,265,962**	**1,840,000**	**1,569,700**	**10,536,262**

Schedule C
Summary of 2026 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #7000)

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
Water Fund (#430)				
2026 Adopted Budget	3,381,662	22,200,250	23,286,921	2,294,991
Previous Budget Amendments	5,034,451	-	-	5,034,451
2026 Amended Budget	8,416,113	22,200,250	23,286,921	7,329,442
BA#3 (Ordinance #7000, Proposed):	(300,721)	-	287,275	(587,996)
City Wide - Annual Generator Preventative Maintenance	-	-	6,900	(6,900)
DWL26020 Debt Service Pmts	(249,882)	-	280,375	(530,257)
Equip. Rental CF Reimbursement	(50,839)	-	-	(50,839)
Revised 2026 Budget - Fund 430	8,115,392	22,200,250	23,574,196	6,741,446

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
Sewer Fund (#431)				
2026 Adopted Budget	14,725,640	11,505,000	12,425,228	13,805,412
Previous Budget Amendments	3,058,647	-	-	3,058,647
2026 Amended Budget	17,784,287	11,505,000	12,425,228	16,864,059
BA#3 (Ordinance #7000, Proposed):	400,000	-	21,900	378,100
City Wide - Annual Generator Preventative Maintenance	-	-	21,900	(21,900)
Decr. 2025 Excise Tax Expense	400,000	-	-	400,000
Revised 2026 Budget - Fund 431	18,184,287	11,505,000	12,447,128	17,242,159

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
Storm Drainage Fund (#432)				
2026 Adopted Budget	8,802,355	14,180,200	15,452,074	7,530,481
Previous Budget Amendments	477,474	-	-	477,474
2026 Amended Budget	9,279,829	14,180,200	15,452,074	8,007,955
BA#3 (Ordinance #7000, Proposed):	-	-	3,200	(3,200)
City Wide - Annual Generator Preventative Maintenance	-	-	3,200	(3,200)
Revised 2026 Budget - Fund 432	9,279,829	14,180,200	15,455,274	8,004,755

Schedule C
Summary of 2026 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #7000)

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
Solid Waste Fund (#434)				
2026 Adopted Budget	2,349,471	34,866,600	34,040,130	3,175,941
Previous Budget Amendments	(66,980)	-	-	(66,980)
2026 Amended Budget	2,282,491	34,866,600	34,040,130	3,108,961
BA#3 (Ordinance #7000, Proposed):	(350,000)	-	-	(350,000)
Incr. 2025 Utility Tax Expense	(350,000)	-	-	(350,000)
Revised 2026 Budget - Fund 434	1,932,491	34,866,600	34,040,130	2,758,961
Airport Fund (#435)				
2026 Adopted Budget	1,409,851	2,512,400	2,973,025	949,226
Previous Budget Amendments	(71,487)	-	-	(71,487)
2026 Amended Budget	1,338,364	2,512,400	2,973,025	877,739
BA#3 (Ordinance #7000, Proposed):	-	-	700	(700)
City Wide – Annual HVAC Preventative Maintenance	-	-	700	(700)
Revised 2026 Budget - Fund 435	1,338,364	2,512,400	2,973,725	877,039
Cemetery Fund (#436)				
2026 Adopted Budget	1,096,017	1,696,800	2,098,241	694,576
Previous Budget Amendments	(71,096)	-	-	(71,096)
2026 Amended Budget	1,024,921	1,696,800	2,098,241	623,480
BA#3 (Ordinance #7000, Proposed):	-	-	2,220	(2,220)
City Wide – Annual HVAC Preventative Maintenance	-	-	600	(600)
CEM Security Contract I/F Alloc	-	-	1,620	(1,620)
Revised 2026 Budget - Fund 436	1,024,921	1,696,800	2,100,461	621,260

Schedule C
Summary of 2026 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #7000)

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
Workers' Comp Fund (#503)				
2026 Adopted Budget	3,663,569	1,225,300	1,060,400	3,828,469
Previous Budget Amendments	301,010	-	-	301,010
2026 Amended Budget	3,964,579	1,225,300	1,060,400	4,129,479
BA#3 (Ordinance #7000, Proposed):	(200,000)	-	-	(200,000)
Increase to Medical & Time Loss Claims	(200,000)	-	-	(200,000)
Revised 2026 Budget - Fund 503	3,764,579	1,225,300	1,060,400	3,929,479
Facilities Fund (#505)				
2026 Adopted Budget	398,740	4,932,800	4,947,759	383,781
Previous Budget Amendments	(381,075)	-	-	(381,075)
2026 Amended Budget	17,665	4,932,800	4,947,759	2,706
BA#3 (Ordinance #7000, Proposed):	-	204,620	204,620	-
City Wide – Annual HVAC Preventative Maintenance	-	70,000	70,000	-
City Wide - Annual Generator Preventative Maintenance	-	40,000	40,000	-
CEM Security Contract I/F Alloc	-	16,620	16,620	-
Security Contract I/F Alloc.	-	78,000	78,000	-
Revised 2026 Budget - Fund 505	17,665	5,137,420	5,152,379	2,706
Equipment Rental Fund (#550)				
2026 Adopted Budget	6,854,096	7,794,805	5,834,743	8,814,158
Previous Budget Amendments	145,213	-	-	145,213
2026 Amended Budget	6,999,309	7,794,805	5,834,743	8,959,371
BA#3 (Ordinance #7000, Proposed):	(140,261)	-	-	(140,261)
F117 – Undercover Vehicle Purchase	(36,000)	-	-	(36,000)
Equip. Rental CF Reimbursement	(104,261)	-	-	(104,261)
Revised 2026 Budget - Fund 550	6,859,048	7,794,805	5,834,743	8,819,110

Schedule C
Summary of 2026 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #7000)

	Beg. Fund Balance	Revenues	Expenditures	Ending Fund Balance
Fire Pension Fund (#611)				
2026 Adopted Budget	**1,797,248**	**176,500**	**207,840**	**1,765,908**
Previous Budget Amendments	2,517	-	-	2,517
2026 Amended Budget	**1,799,765**	**176,500**	**207,840**	**1,768,425**
BA#3 (Ordinance #7000, Proposed):	**(35,000)**	**-**	**-**	**(35,000)**
Increase Fire Pension Salaries	**(35,000)**	**-**	**-**	**(35,000)**
Revised 2026 Budget - Fund 611	**1,764,765**	**176,500**	**207,840**	**1,733,425**
Grand Total - All Funds				
2026 Adopted Budget	**141,526,173**	**280,938,953**	**289,766,103**	**132,699,023**
Previous Budget Amendments	28,077,239	411,941	641,108	27,848,072
2026 Amended Budget	**169,603,412**	**281,350,894**	**290,407,211**	**160,547,095**
Total BA#3 (Ordinance #7000, Proposed):	**(48,012)**	**3,110,620**	**2,429,615**	**632,993**
Revised 2026 Budget	**169,555,400**	**284,461,514**	**292,836,826**	**161,180,088**
		454,016,914		**454,016,914**

Schedule D
2026 Ending Fund Balance/Working Capital
by Fund

Fund	2026 Amended Beginning Balance	2026 Amended Ending Balance	BA#3 (ORD #7000) Revenues	BA#3 (ORD #7000) Expenditures	BA#3 (ORD #7000) Net Change in Fund Balance	Revised Ending Balance
General Fund (#001)	47,115,431	39,813,686	(11,270,769)	1,803,700	(13,074,469)	26,739,217
General Transportation Fund (#102)	3,613,399	5,054,072	1,122,767	-	1,122,767	6,176,839
Hotel/Motel Tax Fund (#104)	321,681	323,081	-	-	-	323,081
Arterial Street Preservation Fund (#105)	5,123,346	5,105,346	(1,122,767)	-	(1,122,767)	3,982,579
Drug Forfeiture Fund (#117)	725,649	580,863	(77,500)	-	(77,500)	503,363
Recreation Trails Fund (#120)	61,223	68,723	-	-	-	68,723
Cumulative Reserve Fund (#122)	26,992,492	26,246,892	13,300,000	-	13,300,000	39,546,892
Mitigation Fees Fund (#124)	4,262,088	2,704,615	-	-	-	2,704,615
2020 LTGO A&B Refunding Bonds Fund (#232)	476,100	476,200	-	-	-	476,200
Parks Construction Fund (#321)	566,475	592,775	6,000	106,000	(100,000)	492,775
Capital Improvements Fund (#328)	5,085,885	5,106,385	2,201,231	-	2,201,231	7,307,616
Local Revitalization Fund (#330)	47,337	48,337	-	-	-	48,337
Real Estate Excise Tax Fund (#331)	10,940,954	11,211,254	(674,992)	-	(674,992)	10,536,262
Water Fund (#430)	8,416,113	7,329,442	(300,721)	287,275	(587,996)	6,741,446
Sewer Fund (#431)	17,784,287	16,864,059	400,000	21,900	378,100	17,242,159
Storm Drainage Fund (#432)	9,279,829	8,007,955	-	3,200	(3,200)	8,004,755
Sewer Metro Sub Fund (#433)	4,918,211	4,961,211	-	-	-	4,961,211
Solid Waste Fund (#434)	2,282,491	3,108,961	(350,000)	-	(350,000)	2,758,961
Airport Fund (#435)	1,338,364	877,739	-	700	(700)	877,039
Cemetery Fund (#436)	1,024,921	623,480	-	2,220	(2,220)	621,260
Insurance Fund (#501)	1,150,034	987,534	-	-	-	987,534
Workers' Comp Fund (#503)	3,964,579	4,129,479	(200,000)	-	(200,000)	3,929,479
Facilities Fund (#505)	17,665	2,706	204,620	204,620	-	2,706
Innovation & Technology Fund (#518)	2,665,215	2,873,935	-	-	-	2,873,935
Equipment Rental Fund (#550)	6,999,309	8,959,371	(140,261)	-	(140,261)	8,819,110
Fire Pension Fund (#611)	1,799,765	1,768,425	(35,000)	-	(35,000)	1,733,425
Cemetery Endowment Fund (#701)	2,630,569	2,720,569	-	-	-	2,720,569

2025/2026 Mid-Biennial Budget Review
Major General Fund Revenue Sources, 2026 Property Tax Levy (Ord.7003), and Mid-Biennial Budget Amendment (Ord. 7008)

CITY COUNCIL STUDY SESSION

NOVEMBER 10, 2025

Upcoming Calendar and Council Action

Date	Meeting	Action	Topic
10/27/2025	Study Session	Presentation	Utility Rate Study – Presentation 1
11/10/2025	Study Session	Presentation	Utility Rate Study – Presentation 2
11/10/2025	Study Session	Presentation	.1% public safety sales tax
11/10/2025	Study Session	Presentation	2026 Property Tax Levy
11/10/2025	Study Session	Presentation	Mid-Biennial Budget Review
11/17/2025	Council Meeting	Public Hearing	Mid-Biennial Budget Review
11/17/2025	Council Meeting	Public Hearing	2026 Property Tax
11/17/2025	Council Meeting	Adoption	Mid-Biennial Budget Amendment
11/18/2025	Council Meeting	Adoption	2026 Property Tax Levy
11/17/2025	Council Meeting	Adoption	Utility Rate Study
11/17/2025	Council Meeting	Adoption	.1% public safety sales tax

Mid-Biennial Budget Amendment

Ordinance 7000 accounts for three types of General Fund adjustments:

1. Review major revenue sources
   - 2025 and 2026 revenue realignment and cumulative reserve fund transfers
   - 2026 Property Tax Levy (ord. 7003)
   - Net impact on fund balance: -$11.72 million

2. Regular budget amendment for operational needs
   - Net Impact on fund balance: -$3.4 million

3. Add revenue impacts of .1% Public Safety Sales Tax
   - Net impact on fund balance: $2 million

Estimated 2026 Ending Fund Balance: $26.7 million (23% of annual operating expenditures)

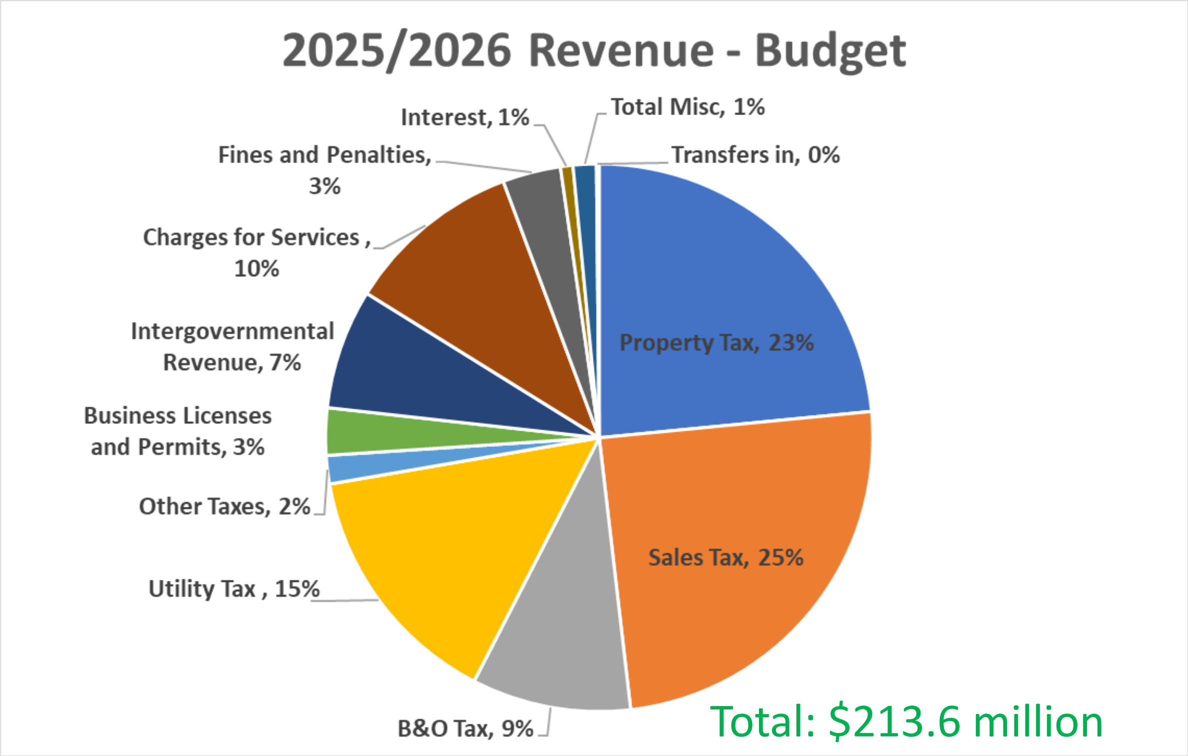
Ordinance 7000 accounts for two types of adjustments to all other funds:

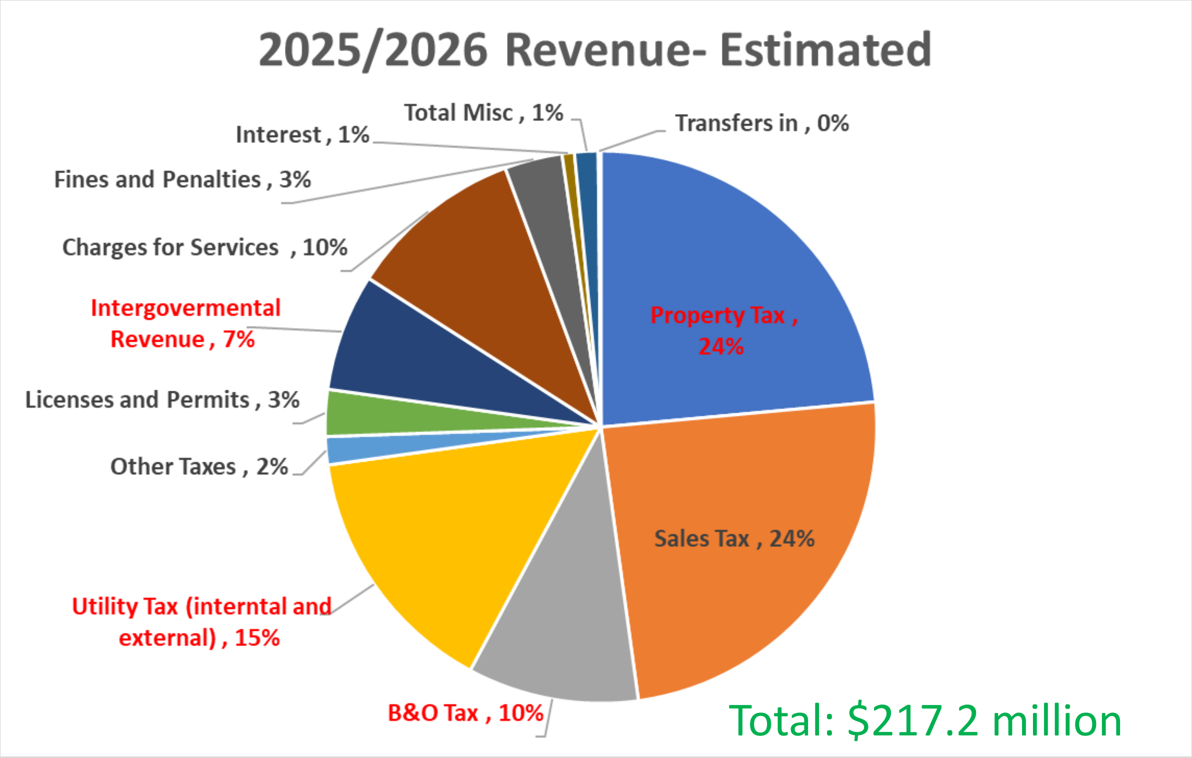
1. Regular budget amendments for operational needs
   - Net impact on fund balances: -$1 million

2. Capital project adjustments
   - Net impact on fund balances: -$274k

Estimated 2026 Ending Fund Balance for all other funds: $134.4 million

Review Major Revenue Sources





2026 Preliminary Property Tax Levy

Ordinance 7003 sets the 2026 Property Tax Levy at $25,843,584

2026 Preliminary Assessed Valuation	$	19,633,917,579
2025 Property Tax Levy	$	25,587,707
Add: 1%		255,877
Add: New Construction (at prior year levy rate)		176,247
Add: Refunds		125,519
2026 Property Tax Levy	**$**	**26,145,350**
2026 Estimated Levy Rate	$	1.33168
2025 Actual Levy Rate	$	1.31632

Mid-Biennial Budget Amendment – 1. General Fund Revenue Realignment

	2025		2026	
Mid-Biennial Revenue Realignment	**Revenue**	**Expenditure**	**Revenue**	**Expenditure**
Property Tax	$ 300,000	-	$ 700,000	-
Utility Taxes - Solid Waste	$ 400,000	-	$ 400,000	-
Utility Taxes - Electric Utility	$ 200,000	-	-	-
B&O Tax	$ 1,700,000	-	-	-
MIT Compact	$ (120,000)	-	(300,000)	-
Total Revenue Adjustments	**$ 2,480,000**	**$ -**	**$ 800,000**	**$ -**

Property tax in alignment with our current trend of 99% collection rates

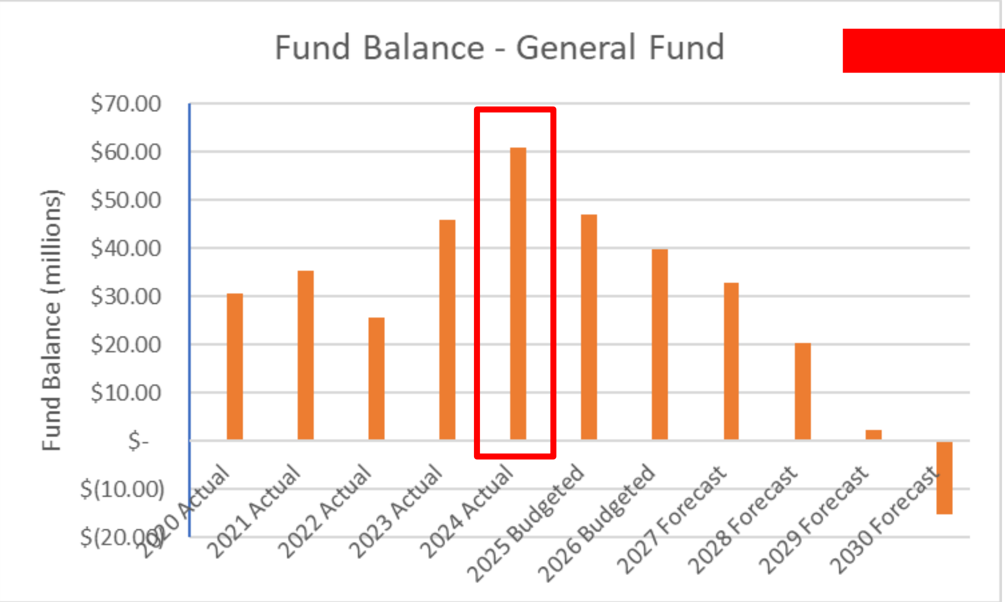
Utility taxes are trending greater based on increased revenue base = greater tax collection

B&O Tax collections exceeds budget based on collection and audit efforts of past due and delinquent accounts

MIT Compact funding has begun decreasing and we have been warned this trend will continue

Transfer $15 million into the Cumulative Reserve Fund

Mid-Biennial Budget Amendment – 1. General Fund Revenue Realignment



Cumulative Reserve Fund

Target balance 11-31% of General Fund expenditures ($12.6 million - $35.5 million)

Current balance is $33.4 million with $9.6 million currently committed by Council action

Funds can be used for economic downturn/stabilization, capital/1x programs, catastrophic events

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budgeted	2026 Budgeted	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Ending Fund Balance	$30,688,514	$35,357,368	$25,688,906	$46,010,987	$60,944,003	$47,115,431	$39,813,686	$32,861,142	$20,267,242	$ 2,259,963	$(15,324,904)
% of Expenditures	42.0%	43.7%	25.2%	49.3%	61.2%	39.2%	34.7%	27.4%	16.3%	1.8%	-11.4%

Mid-Biennial Budget Amendment – 2. General Fund Operating Adjustment

	2025		2026	
General Fund Operational Admendments	**Revenue**	**Expenditure**	**Revenue**	**Expenditure**
Furnace Replacement - Golf Course	$ -	$ 85,000	$ -	$ -
Cluhouse Doors - Golf Course	-	35,100	-	-
Pro Shop Inventory	30,000	30,000	-	-
Parks Irrigation	-	200,000	-	-
4Culture Grant (Parks)	13,460	13,460	-	-
Police Take Home Vehicles	-	685,669	-	-
SPAR Grant	60,000	60,000	-	-
HVE Grant (PD)	21,886	21,886	-	-
RSO Grant (PD)	14,725	14,725	-	-
Alt Response Team Grant (PD)	100,000	100,000	-	-
8th/R Signal Repairs Insurance Claim	44,400	44,400	-	-
Park Fences Insurance Claim	14,340	14,340	-	-
Community Room Floor Insurance Claim	6,667	6,667	-	-
SCORE	-	165,000	-	1,150,000
Electronic Home Monitoring	-	55,000	-	27,000
Public Defense Contracts	-	325,000	-	550,000
Preventative Maintenance (to Facilities)	-	-	-	76,700
Total Budget Amendment Requests	**$ 305,478**	**$ 1,856,247**	**$ -**	**$ 1,803,700**

Net impact to 2026 Ending Fund Balance: -$3.4 million

Mid-Biennial Budget Amendment – 3. .1% Public Safety Sales Tax (ord. 7008)

If Ord. 7008 is adopted:

Add $2,000,000 in sales tax revenue in 2026

- This additional revenue to soften the impacts increasing public safety costs in 2026: SCORE jail and public defense contracts
- These increase costs already need to be accounted for in the regular budget amendment

Future uses for consideration:

- Estimated revenue impacts in the future 2027/2028 biennial budget = $2.7 million annually
- Potential increases to SCORE: $500,000
- New PD Technology needs: $575,000
- Potential Public Defense Contracts: $175,000
- Additional Debt Service for new public safety building: $1.4 million

Mid-Biennial Budget Amendment – All Other Funds – Operating Adjustments

		2025		2026	
Operational Adjustments	**Fund**	**Revenue**	**Expenditure**	**Revenue**	**Expenditure**
Drug Forfeiture Adjustments	Drug Forfeiture/ERR	$ -	$ 113,500	$ -	$ -
DWSRF Loan	Water	-	249,882	-	280,375
Equipment Replacement Charge	Water	-	50,839	-	-
Excise Tax Correction	Sewer	-	(400,000)	-	-
Annual Generator Maintenance (to Facilities)	Water/Sewer/Storm	-	-	-	34,920
Utility Tax	Solid Waste	-	350,000	-	-
Dept of Ecology Grant	Solid Waste	95,765	95,765	-	-
FAA Grant	Airport	1,647,537	1,647,537	-	-
John Deere Gator	Cemetery	19,000	19,000	-	-
Time Loss Claim Adjustments	Workers Comp	220,000	420,000	-	-
Equipment Replacment Carry Forward	Equipment Replacement	-	104,261	-	-
Fire Pension Salaries	Fire Pension	-	35,000	-	-
Total Operational Adjustments		**$ 1,982,302**	**$ 2,685,784**	**$ -**	**$ 315,295**

Net impact to 2026 Ending Fund Balance: -$1 million

Mid-Biennial Budget Amendment – All Other Funds – Capital Adjustments

		2025		2026	
Capital Projects	**Fund**	**Revenue**	**Expenditure**	**Revenue**	**Expenditure**
Downtown Bike Grant	General Transportation	$ 1,924,000	$ 1,924,000	$ -	$ -
KC Metro ILA 124th Improvements	General Transportation	1,056,680	1,056,680	-	-
Drug Forfeiture Adjustments	Drug Forfeiture/ERR	-	113,500	-	-
Combine Postmark Alley and New Park Projects	Parks Construction	-	100,000	-	-
Golf Facility Improvement Fee	Parks Construction	-	-	106,000	106,000
PSE Grant	Capital Improvement Fund	226,239	-	-	-
Auburn Ave. Theater Grant	Capital Improvement Fund	485,000	485,000	-	-
M&O Facilty Improvements Phase 1	REET	-	400,000	-	-
Total Capital Projects		**$ 3,691,919**	**$ 4,079,180**	**$ 106,000**	**$ 106,000**

Net impact to 2026 Ending Fund Balance: -$274k

Next Steps:

11/17/25

- Public Hearing on Mid-Biennial Budget Review
- Public Hearing on 2026 Property Tax Levy

11/17/2025

- Adopt Mid-Biennial Budget Amendment (Ord. 7000)
- Adopt 2026 Property Tax Levy (Ord. 7003)
- Adopt Utility Rate Study (Ord. 7004)
- Adopt .1% Public Safety Sales Tax (Ord. 7008)

AGENDA BILL APPROVAL FORM

Agenda Subject:
Ordinance No. 7003 (Thomas) (10 Minutes)
An Ordinance establishing the levy for regular Property Taxes by the City of Auburn for collection in 2026 for general City operational purposes in the amount of $25,843,584

Meeting Date:
November 10, 2025

Department:
Finance

Attachments:
Ordinance No. 7003

Budget Impact:

Administrative Recommendation:
For discussion only.

Background for Motion:

Background Summary:
Proposed Ordinance No. 7003 establishes the 2026 Property Tax levy based on the assessed valuations provided by King County plus a 1% increase over 2025, which totals $26,843,584. Additionally, the city will levy one-time increases due to new construction from prior years and refunds, which are estimated to total $301,766. The following table summarizes the 2026 Property Tax Levy calculation.

2025 Property Tax Levy	$25,587,707
Add: 1%	255,877
Add: New Construction (at prior year levy rate)	176,247
Add: Refunds	125,519
2026 Property Tax Levy	$26,145,350

As of this date, the County has preliminarily established the 2026 assessed valuation (including estimated new construction) for the City of Auburn at $19.6 billion, which is a 2.44% increase over the 2025 assessed value of $19.2 billion. The 2026 Property Tax Levy will be distributed to the General Fund to support general governmental operations.

Councilmember: Kate Baldwin

Staff: Jamie Thomas

ORDINANCE NO. 7003

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, ESTABLISHING THE LEVY FOR REGULAR PROPERTY TAXES BY THE CITY OF AUBURN FOR COLLECTION IN 2026 FOR GENERAL CITY OPERATIONAL PURPOSES IN THE AMOUNT OF $25,843,584

WHEREAS, the City Council of the City of Auburn has met and considered its budget for the calendar year 2026; and

WHEREAS, pursuant to RCW 84.55.120 the City Council held Public Hearings on November 17, 2025, after proper notice was given, to consider the City of Auburn's 2025-2026 mid-biennial budget review and the regular property tax levy; and

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

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

Section 1. Regular property taxes for collection in the City of Auburn for the year 2026 are authorized in the amount of $25,843,584. Not including the addition of new construction and improvements to property, any increases related to the value of state assessed property, and any refund levies available. The regular property tax levy for 2026 collection represents an increase of $255,877, or 1%, from regular property taxes levied for collection in 2025.

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

Section 3. Severability. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this ordinance, or the invalidity of the application of it to any person or circumstance will not affect the validity of the remainder of this ordinance, or the validity of its application to other persons or circumstances.

Section 4. Effective date. This Ordinance will take effect and be in force five days from and after its passage, approval and publication as provided by law.

INTRODUCED: _______________

PASSED: ____________________

APPROVED: _________________

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NANCY BACKUS, MAYOR

ATTEST:

____
Shawn Campbell, MMC, City Clerk

APPROVED AS TO FORM:

____
Jason Whalen, City Attorney

Published: ____
