CITY OF AUBURN WASHINGTON

City Council
Study Session
Municipal Services SFA
February 9, 2026 - 5:30 PM
City Hall Council Chambers

AGENDA

CALL TO ORDER

PUBLIC PARTICIPATION

A. The Auburn City Council Study Session Meeting scheduled for Monday, February 9, 2026, 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/84086942855

ROLL CALL

AGENDA MODIFICATIONS

ANNOUNCEMENTS, REPORTS, AND PRESENTATIONS

MUNICIPAL SERVICES DISCUSSION ITEMS

AGENDA ITEMS FOR COUNCIL DISCUSSION

A. Ordinance No. 7012 (Thomas) (5 Minutes)
An Ordinance establishing the Local Sales and Use Tax Rate for Local Revitalization Financing for 2026

B. Resolution No. 5889 (Thomas) (5 Minutes)
A Resolution authorizing the Transfer of Funds for the purpose of making loans from the General Fund and/or the Cumulative Reserve Fund to Funds sustained by Grants, Fees, or Tax Credits between February 2026 and February 2029

COUNCIL REPORTS

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. 7012 (Thomas) (5 Minutes)
An Ordinance establishing the Local Sales and Use Tax Rate for Local Revitalization Financing for 2026

Meeting Date:
February 9, 2026

Department:
Finance

Attachments:
Ordinance No. 7012

Budget Impact:

Administrative Recommendation:
For discussion only.

Background for Motion:

Background Summary:
Ordinance No. 7012 levies a 0.014% sales tax credit against the State sales tax for Local Revitalization Financing. Senate Bill 5045 authorizing the tax credit was passed by the State Legislature during the 2009 regular session. The intent of the legislation was to provide financial assistance to cities, to assist with financing public improvements in an identified revitalization area to promote Community and Economic Development.

The City first applied for the use of Local Revitalization Financing on August 11, 2009, and the Department of Revenue approved the City's application on September 16, 2009, authorizing up to $250,000 per year for the Local Revitalization Program (Promenade Capital Improvements).

In 2010, the City issued $7.24 million in 2010 C/D Bonds for the purpose of funding capital improvements for the Promenade. In October 2020, the City refunded the remaining portion of these bonds by issuing the 2020B LTGO Bonds. The balance of the 2020B bonds at the end of 2025 was $2.94 million. Funds from REET2 funds, combined with EDA grants and interest earnings, are used to pay the annual debt service costs of the Local Revitalization Project.

The tax credit is available to the City for up to 25 years. 2026 will be the seventeenth year that the City has asked the State for the tax credit. As provided by the State, in order for the City to continue receiving the Tax Credit, the City must request this each year by Ordinance. Based upon historical taxable retail sales, the above rate of 0.014% is estimated to generate $250,000 for Local Revitalization Funding during the State's fiscal year, July 1, 2026, to June 30, 2027.

Councilmember: Hanan Amer

Staff: Jamie Thomas

ORDINANCE NO. 7012

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, ESTABLISHING THE LOCAL SALES AND USE TAX RATE FOR LOCAL REVITALIZATION FINANCING FOR 2026

WHEREAS, The City of Auburn ("City") enacted Ordinance No. 6301 on April 19, 2010, which established a local sales and use tax as provided for in RCW 82.14.510; and,

WHEREAS, this tax is imposed in order to pay the debt service on Local Revitalization Financing bonds in accordance with Chapter 39.104 RCW; and,

WHEREAS, Chapter 39.104 RCW provides that the City shall, from time to time, adjust the tax rate so that it is set at the rate reasonably necessary to receive the state contribution over 10 months, in accordance with RCW 82.14.510(3); and

WHEREAS, the Local Sales and Use Tax Rate is set at a rate to generate approximately $250,000 between July 1, 2026 through June 30, 2027, for Local Revitalization Financing.

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

Section 1. The sales and use tax rate initially established in Section 3.2 of Ordinance No. 6301, and most recently amended by Ordinance No. 6968, is hereby amended to 0.014%, effective July 1, 2026.

Section 2. **Implementation.** The Mayor is 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. **Corrections.** The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, Ordinance numbering, section/subsection numbers, and any references thereto.

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

INTRODUCED: _______________

PASSED: ____________________

APPROVED: _________________

____
NANCY BACKUS, MAYOR

ATTEST:

____
Shawn Campbell, MMC, City Clerk

APPROVED AS TO FORM:

____
Jason Whalen, City Attorney

Published: ____

AGENDA BILL APPROVAL FORM

Agenda Subject:
Resolution No. 5889 (Thomas) (5 Minutes)
A Resolution authorizing the Transfer of Funds for the purpose of making loans from the General Fund and/or the Cumulative Reserve Fund to Funds sustained by Grants, Fees, or Tax Credits between February 2026 and February 2029

Meeting Date:
February 9, 2026

Department:
Finance

Attachments:
Resolution No. 5889

Budget Impact:

Administrative Recommendation:
For discussion only.

Background for Motion:

Background Summary:
City financial management policies, which are approved as part of the Biennial Budget, provide for issuance of interfund loans with approval from Council. Interfund loans provide operational flexibility to cover authorized expenditures, such as when the City is awaiting reimbursement of expenses from a grant.

Council approval of Resolution No. 5889 will authorize the City's Finance Department to prepare interfund loans, if and when they may be needed. Many of the City's funds are supported by grants, fees, or tax credits and sometimes there is a delay in receiving timely cost reimbursement. In the event a fund needs additional cash flow, this Resolution will allow the Finance Department to initiate an unbudgeted transfer from the General Fund and/or the Cumulative Reserve Fund to the fund requiring temporary cash flow support. These transfers will only be allowed in the event:

1. The fund requiring funding is supported by grants, fees, or tax credits and is awaiting reimbursement from these funding sources; and
2. The authority is limited to $2.5 million per fund.
3. The transferred money will be immediately returned to the General Fund and/or Cumulative Reserve fund once the reimbursement has been received.

Council authorization is requested to enable the aforementioned flexibility in managing the City's short-term funding needs. This Resolution is an extension of Resolution No. 5698, which expires February 2026. Like the previous legislation, this Resolution is effective for 3 years through February 2029, at which time its authority will lapse.

Councilmember: Hanan Amer

Staff: Jamie Thomas

RESOLUTION NO. <u>5889</u>

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE TRANSFER OF FUNDS FOR THE PURPOSE OF MAKING LOANS FROM THE GENERAL FUND AND/OR THE CUMULATIVE RESERVE FUND TO FUNDS SUSTAINED BY GRANTS, FEES, OR TAX CREDITS BETWEEN FEBRUARY 2026 AND FEBRUARY 2029

WHEREAS, there may be insufficient funds available from time to time during the period February 2026 to February 2029 in a fund or funds supported by grants, fees, and/or tax credits to cover authorized expenditures prior to reimbursement from federal, state and local grant monies, which have been approved for allocation to the City and for which contracts have been executed, or the collection of user fees, or the receipt of tax credits from the State of Washington; and

WHEREAS, the General Fund and/or the Cumulative Reserve Fund contain sufficient funds for the transfer funds in an amount not to exceed TWO MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS ($2,500,000.00) for the purpose of making loans to cover authorized expenditures in funds sustained by grants, fees, or tax credits; and

WHEREAS, in the event a loan is made from the General Fund (Fund No. 001) and/or the Cumulative Reserve Fund (Fund No. 122) to a fund sustained by a grant, fee or tax credits, the loan shall be interest free.

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

<u>Section 1.</u> **<u>Purpose</u>.** During the time period February 2026 to February 2029, the Finance Director is authorized to transfer funds from the General Fund and/or the

Cumulative Reserve fund to a fund sustained by grants, fees, or tax credits, for the purpose of making an interest free loan to the fund when there are insufficient funds available in the fund to cover authorized expenditures while the City waits for federal, state and local grant monies which have been approved for allocation to the City and for which contracts have been executed, or for the collection of user fees, or for the receipt of tax credits. Any transfer of funds for this purpose shall be in an amount not to exceed TWO MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS ($2,500,000.00) per fund per year.

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

Section 3. The City Clerk is authorized to make necessary corrections to this Resolution including, but not limited to, the correction of scrivener's/clerical errors, references, Resolution numbering, section/subsection numbers, and any references thereto.

Section 4. This Resolution will take effect and be in full force on passage and signatures.

Dated and Signed: ______________________

CITY OF AUBURN

____
NANCY BACKUS, MAYOR

ATTEST:

____
Shawn Campbell, MMC, City Clerk

APPROVED AS TO FORM:

____
Jason Whalen, City Attorney