

**City Council
Study Session
June 29, 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, June 29, 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: 253 205 0468

Toll Free: 888 475 4499

Zoom: <https://us06web.zoom.us/j/89568430056>

ROLL CALL

AGENDA MODIFICATIONS

ANNOUNCEMENTS, REPORTS, AND PRESENTATIONS

- A. 2026 Quarter 1 Financial Report (Thomas) (20 Minutes)

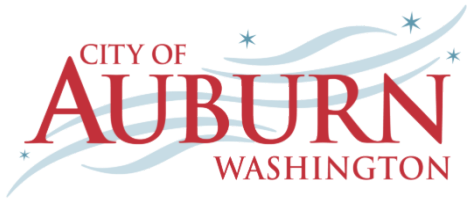
AGENDA ITEMS FOR COUNCIL DISCUSSION

- A. Ordinance No. 7023 Budget Amendment #5 (Thomas) (20 Minutes)
An Ordinance amending the City's 2025-2026 Biennial Budget

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:

2026 Quarter 1 Financial Report (Thomas) (20 Minutes)

Meeting Date:

June 29, 2026

Department:

Finance

Attachments:

2026 Q1 Financial Update
Presentation, Financial Report
through March 2026

Budget Impact:**Administrative Recommendation:**

For discussion only.

Background for Motion:**Background Summary:**

The financial report summarizes the general state of Citywide financial affairs and highlights significant items or trends that the City Council should be aware of. The attachment provides year-to-date financial activity through March 31, 2026, based on financial data available as of May 11, 2026.

Councilmember: Hanan Amer

Staff: Jamie Thomas

City of Auburn 1st Quarter 2026 Financial Report

CITY COUNCIL STUDY SESSION

JUNE 29, 2026

General Fund Revenue Overview

Summary

- Collected 8% more revenue YTD compared to budget and **collected 5% more than YTD last year**
- Underspent the YTD budgeted expenditures by 6% and but **spent 9% more than YTD last year**
- \$5.3 million more has been spent in 2025 than revenue collected

Revenue	2025 YTD Actual	2026 YTD Budget	2026 YTD Actual	Variance to Budget Favorable (Unfavorable)	%	Variance to 2025 Favorable (Unfavorable)	%
Property Tax	\$ 1,190,817	\$ 1,151,100	\$ 1,035,053	\$ (116,047)		\$ (155,764)	
Sales Tax	5,778,793	6,183,800	6,617,004	433,204		838,211	
Utility Tax	4,190,016	3,888,315	4,554,676	666,361		364,660	
B&O Tax	3,413,483	2,633,830	3,438,725	804,895		25,242	
Other Tax	1,290,170	1,249,776	1,340,865	91,089		50,695	
Licenses and Permits	657,664	690,400	1,074,296	383,896		416,632	
Intergovernmental	919,800	1,179,389	870,171	(309,218)		(49,629)	
Charges for Services	2,991,733	2,704,427	2,600,720	(103,707)		(391,013)	
Other	1,761,927	1,843,720	1,752,493	(91,227)		(9,434)	
Transfers In	-	31,500	-	(31,500)		-	
Total Revenue	\$ 22,194,403	\$ 21,556,257	\$ 23,284,003	\$ 1,727,746	8%	\$ 1,089,600	5%
Total Expenditures	\$ 26,166,558	\$ 30,270,237	\$ 28,572,778	\$ 1,697,459	6%	\$ (2,406,220)	-9%

Tax Revenue

2026 budgeted taxes account for \$82.6 million, or 75% of the General Fund budget

- Compared to 76.5% in 2025 – making the General Fund slightly less reliant on taxes than other funding sources

Property Tax (31% of taxes)

- \$25.8 million 2026 budget
- Collected 100% at year-end

Retail Sales and Use Tax (27% of taxes)

- \$22.6 million 2026 budget
- **\$433,000 (7%) over** 2026 YTD budget
- **\$838,000 (17%) over** 2025 YTD actual

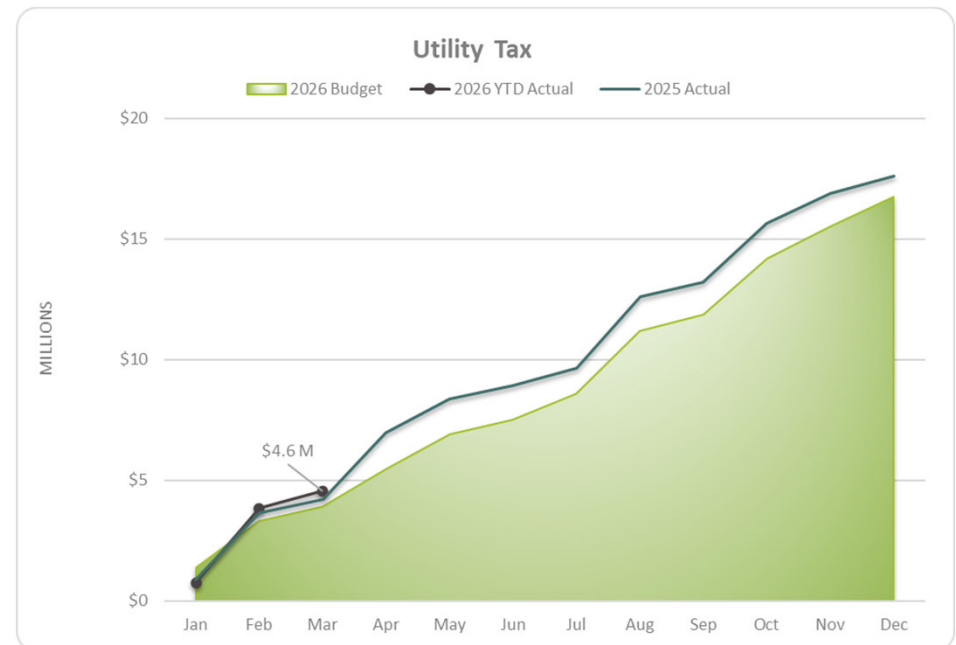
Tax Revenue

Comparison of Retail Sales Tax Collections by Group Through March 2026				
Component Group	2025	2026	Change from 2025	
	YTD Actual	YTD Actual	Amount	Percentage
Construction	\$ 611,356	\$ 547,395	\$ (63,961)	(10.5) %
Manufacturing	121,039	331,785	210,746	174.1 %
Transportation & Warehousing	84,567	95,360	10,793	12.8 %
Wholesale Trade	380,173	387,506	7,333	1.9 %
Automotive	1,243,828	1,849,776	605,948	48.7 %
Retail Trade	1,754,392	1,736,542	(17,850)	(1.0) %
Services	1,476,200	1,563,920	87,720	5.9 %
Miscellaneous	107,238	104,720	(2,518)	(2.3) %
YTD Total	\$ 5,778,793	\$ 6,617,004	\$ 838,211	14.5 %

Tax Revenue

Utility Tax (20% of taxes)

- \$16.7 million 2026 budget
 - Water, Sewer, Storm, Solid Waste Utility Tax rate 9% (\$9.2 million of total budget)
 - Electric, Natural Gas, Cable, and Telephone Utility Tax rate 5% (\$7.5 million of total budget)
- **\$666,000 (9%) over 2026 YTD budget**
 - Collections from external water/sewer/storm tax payers
- **\$365,000 (9%) over 2025 YTD actual**
 - Collections from external water/sewer/storm tax payers



Tax Revenue

Business and Occupation Tax (B&O) (12% of total taxes)

- \$10.1 million 2026 budget
- \$3.4 million collected YTD: \$2.3 million in gross receipts tax (68%) and \$1.1 million in square foot tax (32%)
 - Includes Q4 2025 and some 2025 Annual Filings
- **\$805,000 (31%) over 2026 YTD budget**
- **\$25,000 (1%) over 2025 YTD actual**

Other Taxes (6% of total taxes)

- \$5.2 million 2026 budget
- Criminal justice sales tax, admissions tax, gambling tax, leasehold excise tax, franchise fees
- **\$91,000 (4%) over 2026 YTD budget**
 - Due to higher collection of gambling excise tax
- **\$51,000 (7%) over 2025 YTD actual**
 - Due to higher collection of gambling excise tax (timing of payments)

Licenses and Permits

Accounts for 3% of the total General Fund Resources

\$3.0 million budgeted in 2026

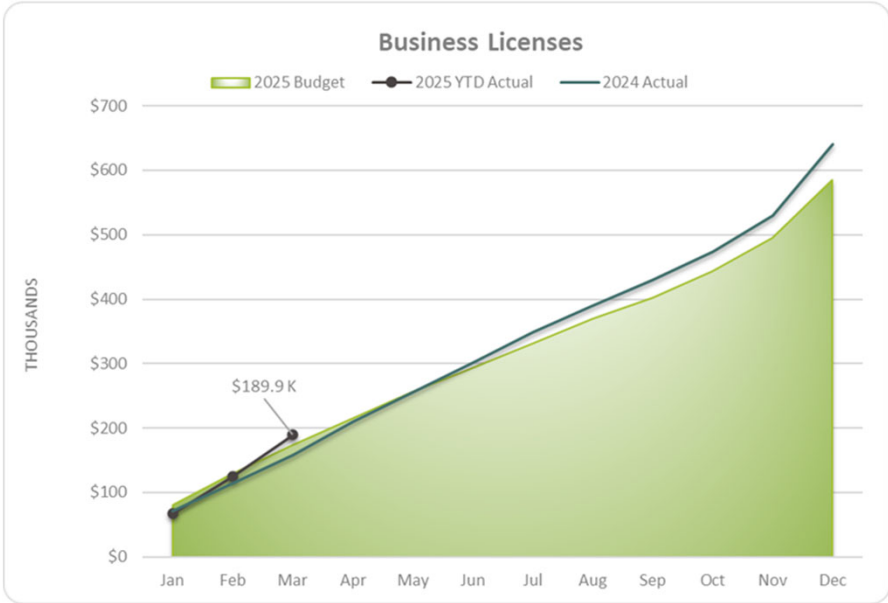
- \$975,000 is building permit revenue

\$384,000 (56%) over 2026 YTD budget

- Mostly attributed to one large permit fee paid in January for \$400,000

\$417,000 (63%) over 2025 YTD actual

- Mostly attributed to one large permit fee paid in January for \$400,000



Intergovernmental

Revenues include: Federal/State/Interlocal Grants, Muckleshoot Indian Tribe (MIT) Compact, State Shared Revenue

- State Shared Revenue:

- Streamlined Sales Tax, Motor Vehicle Excise Tax (MVET), Marijuana/Liquor excise taxes, Criminal Justice Sales Tax

\$309,000 (26%) under 2026 YTD budget

- Lower collection of grants and less liquor excise tax collected than budgeted

\$50,000 (5%) under 2025 YTD collections

- Lower collection of grants and reduced state shared revenue contributions (this sunsets entirely in June 2026)

Charges for Services

General Government - **\$1,000 above** budget (.1%)

- Increased passport fees due to the Real ID program

Public Safety - **\$57,000 below** budget (18%)

- Timing of collecting reimbursements for extra duty services and

Development Services - **\$67,000 below** budget (16%)

- Overall decreased activity and significantly training 2025 YTD collections

Culture and Recreation - **\$20,000 above** budget (3%)

- Due to green fees – although higher than budgeted, still underperforming prior YTD due to the golf course closure in mid-December – mid-February

Other

Fines and Penalties

- **\$516,000 under** 2026 YTD budget (37%)
 - Fewer traffic infraction collections compared to budget

Interest and Investment Earnings

- **\$327,000 over** 2026 YTD budget (233%)
- **\$149,000 under** 2025 YTD actual (24%)

General Fund Expenditures by Department

Department	2025 YTD Actual	2026 YTD Budget	2026 YTD Actual	Budget vs Actual	
				\$	%
Council, Mayor, Admin	717,580	850,852	642,527	208,325	24%
Office of Equity	99,712	279,447	93,761	185,686	66%
Municipal Court	360,702	746,364	898,208	(151,844)	-20%
Community Development	1,732,199	1,962,082	1,843,159	118,923	6%
Human Services	498,518	649,259	331,935	317,324	49%
Public Works	1,581,097	2,139,980	1,463,841	676,139	32%
Streets (M&O)	1,373,749	1,510,222	1,516,050	(5,828)	0%
Parks, Art, and Recreation	4,140,726	4,544,138	4,375,204	168,934	4%
Police	9,960,347	11,732,595	10,935,130	797,465	7%
SCORE	1,463,808	1,762,500	1,709,844	52,656	3%
Internal Services (HR, Finance, Legal, Nondepartment)	4,238,121	4,092,800	4,763,119	(670,319)	-16%
Total	\$ 26,166,559	\$ 30,270,239	\$ 28,572,778	\$ 1,697,461	6%

ARPA Update

Title	Budget	2026		Lifetime Spend (includes this quarter)	Remaining
		Q1 Spend			
Completed Projects	6,851,617	-		6,851,617	-
Human Services Grants Includes Admin	1,000,000	-		445,882	554,118
Theater	389,700	693		693	389,007
2023 Local Street Preservation	148,167	-		58,793	89,374
Translation Services	25,000	-		1,685	23,315
Auburn Way South Roundabout	150,000	-		53,924	96,076
Emergency Housing Voucher Program	2,000,000	28,062		896,934	1,103,066
DEI Dashboard (Inclusive Auburn)	130,000	-		92,805	37,195
Downtown Infrastructure Improvements includes Theater	1,819,409	24,671		1,580,148	239,261
Community Violence Intervention Programs (Drone, SPIDRTech)	236,248	-		204,436	31,812
Other Projects (not started)	2,001,091	-		-	2,001,090
Total:	14,751,231	53,426		10,186,918	4,564,313

Non-General Fund Highlights – Capital

Real Estate Excise Tax (REET)

Total 2026 Budget: \$1.8 million

YTD Collections: \$807,000

\$425,000 over 2026 YTD budget

\$73,000 over than 2025 YTD actual



Questions

This report provides an overview of the City's overall cash-basis financial position for the fiscal period ending March 31, 2026, reflecting data available as of May 11, 2026. References to budget, actual and prior year amounts reflect year-to-date numbers, unless otherwise stated. Year-to-date budget expectations are generally based on the two prior years of data.

General Fund Overview

Throughout 2025, the City continued to see growth in many aspects of City operations and infrastructure. However, the City experienced a significant natural disaster at the end of 2025 when an atmospheric river caused widespread flooding. In response, the President approved a major disaster declaration for Washington state on April 7, 2026. Many City facilities and operations were affected, and these impacts – referred to throughout this report as the “flooding event” – will be referenced throughout the report. Although the City anticipates cost recovery for most flood-related damages, the favorable variances seen in prior years are expected to diminish in 2026. Revenue collections this year are also expected to be influenced by the FIFA World Cup matches being hosted in Washington, though the financial impact of this on the City remains uncertain.

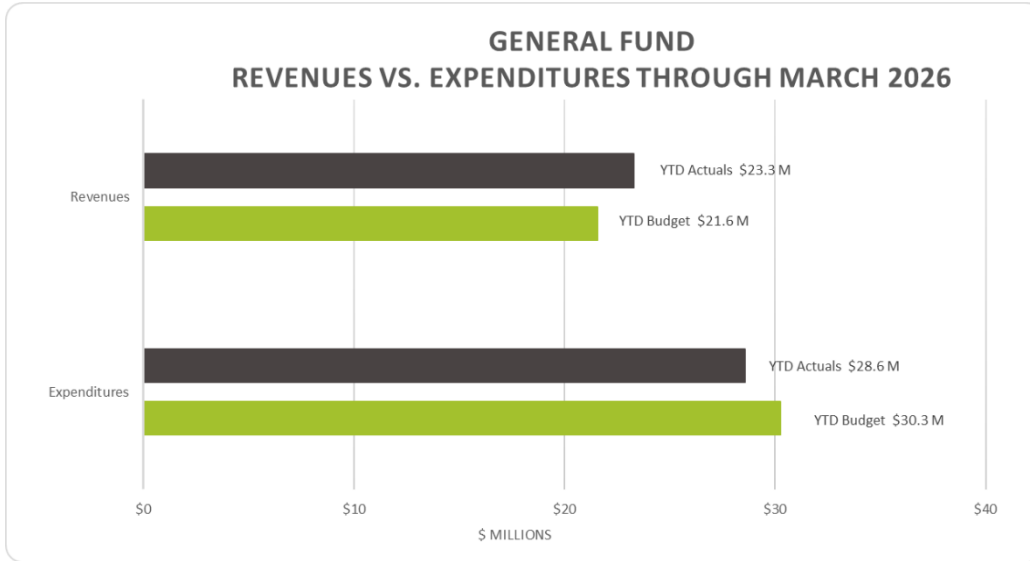
With the adoption of Ordinance #7000 in November 2025, the 2026 annual budget consists of \$110.1 million in revenues and \$116.4 million in expenditures, resulting in a planned decrease in General Fund balance of \$6.3 million.

Through the first quarter of 2026, the General Fund outperformed revenue expectations by \$1.7 million (8%). Year-to-date revenue collections are \$1.1 million (5%) higher than the same period in 2025. A major contributor to this favorable variance is Business and Occupation (B&O) tax revenue. The City collected \$3.4 million in B&O taxes, including payments made in arrears. Despite a strong performance thus far, the City anticipates B&O revenues will decline from a peak of \$13.4 million in 2025 as payments related to prior periods decrease.

Sales tax collections also contributed to the positive revenue performance. Year-to-date sales tax revenue totals \$6.6 million, exceeding the same period in 2025 by \$838,000. These revenue gains support the City's continued growth and offset rising costs.

General Fund expenditures increased \$2.4 million (9%) compared to the same period last year, driven by planned increases in overhead costs, professional services for citywide projects and improvements, and insurance premiums.

Overall, General Fund revenues collected through the first quarter of 2026 totaled \$23.3 million, exceeding the year-to-date budget of \$21.6 million by \$1.7 million, or **8% above** budget expectations. Expenditures totaled \$28.6 million compared to the year-to-date budget of \$30.3 million, resulting in a \$1.7 million or **6% underspend**.



Revenue: The following factors had the most significant impact on the budget vs. actual revenue collected:

- **Retail Sales and Use Tax:** Collections totaled \$6.6 million, exceeding the year-to-date budget by \$933,000. Much of this favorable variance is attributable to the automotive sector, where reporting requirements have changed for some companies. The City anticipates the trend of higher collections will continue throughout the end of the year. **[pages 7-9]**
- **Business and Occupation Tax:** Revenues collected throughout Q1-2026 totaled \$3.4 million, exceeding the year-to-date budget by \$805,000. Some of this favorable variance is due to the collection of tax obligations incurred in prior years, which is not expected to continue at the same level in the future. **[pages 9-10]**
- **Fines and Penalties:** Year-to-date revenues totaled \$891,000 and are unfavorable to budget projections by \$516,000 (38%). However, partially mitigating the unfavorable variance is the collection of fines and penalties assessed on backdated B&O taxes, totaling \$321,000, or 36% of total collections year-to-date. **[pages 19-20]**
- **Building Permits:** Revenues totaled \$602,000, significantly exceeding the year-to-date budget of \$220,000. While permit volume is higher than the same period last year, the majority of the favorable variance comes from a single high-value project within City limits. **[pages 14-15]**
- **Interest and Investment Earnings:** Collections totaled \$468,000, exceeding budget expectations by \$328,000. Several investments matured during the quarter, and the City has structured its portfolio to provide quarterly maturities which support steady cash flow. Based on current market indicators, the City anticipates exceeding budget expectations by the end of the year. **[pages 20-21]**

Expenditures: Most City departments operated within year-to-date expectations throughout the first quarter of 2026, with some variances due to the timing of professional services payments. Overall, expenditures were \$1.7 million below the year-to-date budget. Contributing to the favorable variance was a savings in salaries and benefits of roughly \$456,000; as of the compilation of this report, the City had 32 vacant regular full-time positions. Additionally, services and charges were approximately \$110,000 below budget expectations. This is partially due to the timing of spending on ARPA-related projects in progress within the City.

Enterprise Funds Overview

The City's enterprise funds account for operations in which revenues are primarily provided by user fees, charges, or contracts for services. While the City's investments have seen a high rate of return in the past several years, the maturation of certain investments has slowed year-over-year growth in interest earnings. Through Q1-2026, interest earnings for the City's enterprise funds were \$776,000, 3% lower than interest earnings through Q1-2025.

The **Water Utility Fund** ended Q1-2026 with operating income of \$1.3 million, an increase of \$173,000 compared to the same period last year. This variance is due primarily to increased revenues from charges for services (+\$554,000), offset by a decrease of \$127,000 in interest earnings. Expenditures also increased by \$263,000 compared to Q1-2025, driven by increased personnel costs (+\$121,000), supplies (+\$28,000) and miscellaneous service charges (+\$132,000). Overall, the fund's operating income had an \$845,000 favorable variance to year-to-date budget expectations, driven by strong performance in charges for service and interest and investment earnings on the revenue side and lower-than-expected insurance expense. [pages 24-25]

The **Sewer Utility Fund** ended Q1-2026 with operating income of \$1.3 million, which was \$105,000 higher than Q1-2025. While operating revenues increased \$488,000 compared to the same period last year, operating expenditures also increased (+\$384,000). The increase in operating expenditures was driven primarily by increased service charges (+\$404,000), a portion of which is related to ongoing mitigation efforts associated with the flooding event. In total, operating income for this fund was \$926,000 higher than budget projections, due to favorable variances in both operating revenues (+\$911,000) and operating expenses (-\$16,000). [page 25]

The **Stormwater Utility Fund** ended Q1-2026 with operating income of \$898,000, a moderate increase of \$64,000 (8%) compared to the same period last year. Operating revenues increased \$140,000 compared to the prior year, mainly due to an increase in charges for storm service (+\$125,000) and interest and investment earnings (+\$15,000). Operating expenditures for this fund also increased compared to the prior year (+\$76,000) due mainly to increased service charges (+\$100,000), though partially offset by lower personnel costs (-\$22,000). This fund outperformed operating income budget projections by \$321,000 due to favorable variances in both operating revenues (+\$180,000) and expenditures (-\$141,000). [pages 25-26]

The **Solid Waste Utility Fund** ended Q1-2026 with operating income of \$1.8 million, a \$110,000 increase compared to the prior year. This variance is due primarily to a timing difference between revenues collected for solid waste service and payments made to the City's solid waste provider. Charges for service revenues saw a \$494,000 increase from the prior year, reflecting higher service rates adopted for 2026. Operating expenditures also increased (+\$402,000), consistent with the correlation between rate revenues and charges from the City's solid waste provider. Compared to budget expectations, operating income was \$173,000 higher than anticipated, driven by a favorable budget variance in revenues (+\$254,000) and offset by higher-than-expected expenditures (+\$81,000). [page 26]

Internal Service Funds Overview

Internal service funds provide services to other City departments and include functions such as Insurance, Worker's Compensation, Facilities, Innovation & Technology, and Equipment Rental.

The City's **Insurance Fund** incurred an annual insurance charge approximately \$1.8 million lower than originally anticipated. This resulted in decreased interfund allocation charges for all funds, including the Enterprise Funds noted above.

The **Facilities Fund** saw a significant increase in professional services charges over 2025 (+\$643,000) as a direct result of ongoing flood mitigation efforts. These increased costs resulted in a negative working capital balance of \$302,000 in Q1-2026. Facilities expenses related to the flood event were reimbursed from the Cumulative Reserve Fund in April 2026; the City will continue to monitor these efforts.

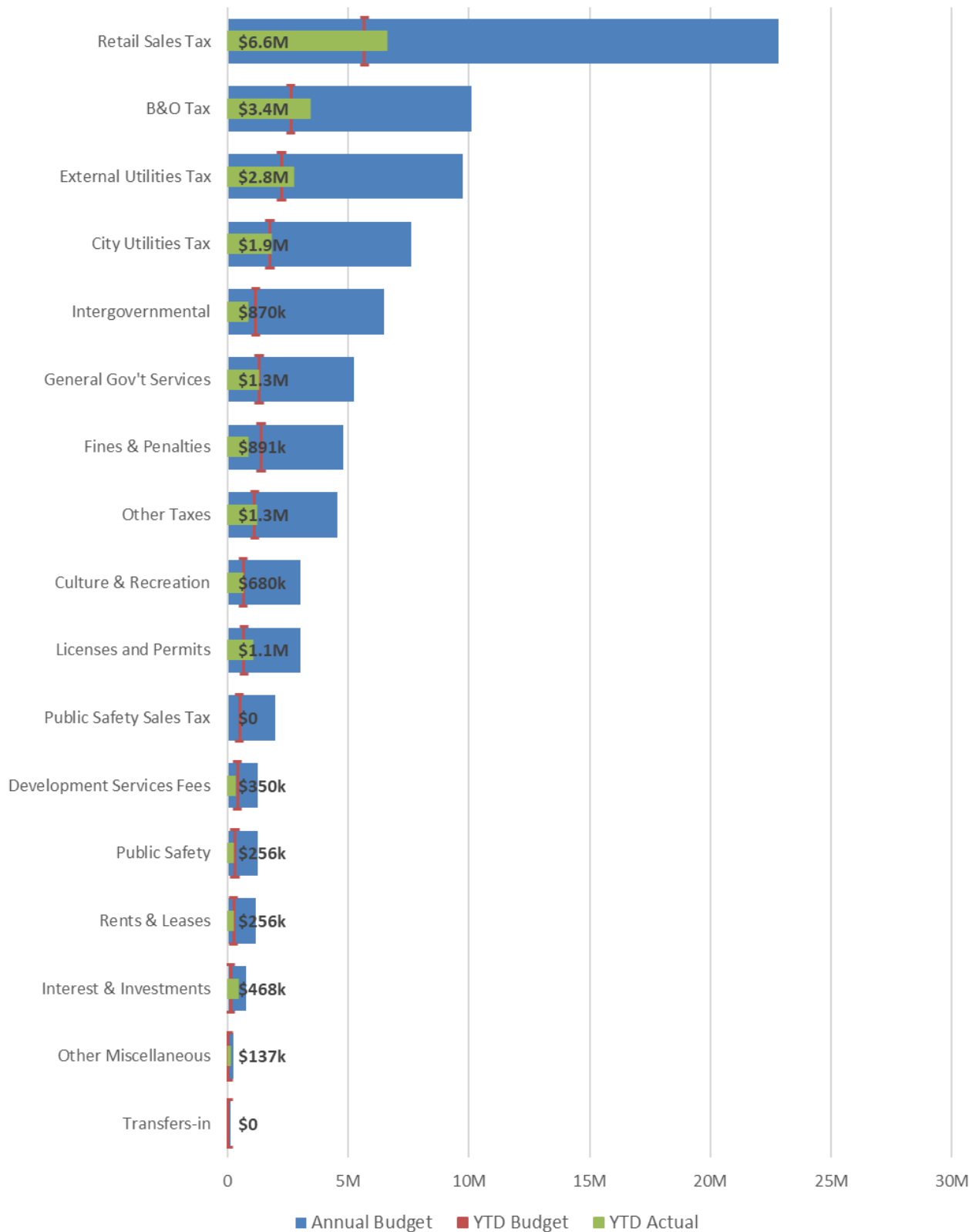
No other significant variances were reported in these funds during Q1-2026. **[page 26]**

General Fund Details

The following chart is a detailed breakdown of the General Fund's different sources of revenue and expenditures, broken down by department:

General Fund Summary of Sources and Uses	2026			2026 YTD Budget vs. Actual		2025	2026 YTD Actual vs. 2025 Actual	
	Annual Budget	YTD Budget	YTD Actual	Favorable (Unfavorable)		YTD Actual	Favorable (Unfavorable)	
				Amount	Percentage		Amount	Percentage
Operating Revenues								
Property Tax	\$ 25,815,300	\$ 1,151,100	\$ 1,035,053	\$ (116,047)	(10.1) %	\$ 1,190,817	\$ (155,763)	(13.1) %
Retail Sales Tax	22,808,000	5,683,800	6,617,004	933,204	16.4 %	5,778,793	838,211	14.5 %
Public Safety Sales Tax	2,000,000	500,000	-	(500,000)	(100.0) %	-	-	%
Affordable Housing Sales Tax Credit	149,500	47,500	45,208	(2,292)	(4.8) %	47,903	(2,695)	(5.6) %
Sales Tax - Pierce County Parks	132,400	32,400	35,839	3,439	10.6 %	33,546	2,293	6.8 %
Criminal Justice Sales Tax	3,098,200	773,000	834,176	61,176	7.9 %	784,634	49,542	6.3 %
Brokered Natural Gas Tax	317,100	116,700	73,493	(43,207)	(37.0) %	78,519	(5,026)	(6.4) %
City Utilities Tax	7,629,100	1,767,100	1,856,836	89,736	5.1 %	1,705,971	150,865	8.8 %
Business & Occupation Tax	10,091,600	2,633,830	3,438,725	804,895	30.6 %	3,413,483	25,243	0.7 %
Admissions Tax	260,200	83,200	126,227	43,027	51.7 %	129,758	(3,530)	(2.7) %
Electric Tax	4,924,800	1,131,000	1,361,030	230,030	20.3 %	1,179,218	181,812	15.4 %
Natural Gas Tax	1,367,000	339,600	359,080	19,480	5.7 %	375,249	(16,169)	(4.3) %
Cable Franchise Fee	905,800	226,450	156,040	(70,410)	(31.1) %	177,098	(21,058)	(11.9) %
Cable Utility Tax	894,400	223,600	166,060	(57,540)	(25.7) %	186,009	(19,949)	(10.7) %
Cable Franchise Fee - Capital	52,200	13,050	7,640	(5,410)	(41.5) %	9,057	(1,417)	(15.6) %
Telephone Tax	581,990	195,520	336,410	140,890	72.1 %	246,283	90,127	36.6 %
Solid Waste Tax (external)	1,017,900	114,795	401,767	286,972	250.0 %	418,767	(17,000)	(4.1) %
Leasehold Excise Tax	297,400	16,200	21,309	5,109	31.5 %	15,438	5,871	38.0 %
Gambling Excise Tax	293,200	57,976	114,424	56,448	97.4 %	92,736	21,688	23.4 %
Taxes sub-total	\$ 82,636,090	\$ 15,106,821	\$ 16,986,323	\$ 1,879,503	12.4 %	\$ 15,863,279	\$ 1,123,044	7.1 %
Business License Fees	\$ 588,000	\$ 151,000	\$ 200,202	\$ 49,202	32.6 %	\$ 189,859	\$ 10,343	5.4 %
Building Permits	974,000	219,700	602,324	382,624	174.2 %	223,266	379,058	169.8 %
Other Licenses & Permits	1,449,300	319,700	271,770	(47,930)	(15.0) %	244,539	27,232	11.1 %
Intergovernmental (Grants, etc.)	6,495,885	1,179,389	870,171	(309,218)	(26.2) %	919,800	(49,629)	(5.4) %
Charges for Services:								
General Government Services	5,253,717	1,313,429	1,314,431	1,001	0.1 %	1,280,053	34,377	2.7 %
Public Safety	1,255,571	313,893	256,428	(57,465)	(18.3) %	214,183	42,245	19.7 %
Development Services Fees	1,273,900	417,600	350,326	(67,274)	(16.1) %	716,004	(365,678)	(51.1) %
Culture and Recreation	3,026,300	659,505	679,535	20,030	3.0 %	781,493	(101,957)	(13.0) %
Fines and Penalties	4,816,697	1,407,272	891,232	(516,039)	(36.7) %	779,743	111,490	14.3 %
Fees/Charges/Fines sub-total	\$ 25,133,370	\$ 5,981,488	\$ 5,436,420	\$ (545,068)	(9.1) %	\$ 5,348,939	\$ 87,481	1.6 %
Interest and Investment Earnings	\$ 790,900	\$ 140,167	\$ 467,693	\$ 327,526	233.7 %	\$ 617,105	\$ (149,412)	(24.2) %
Rents and Leases	1,190,180	255,600	256,282	682	0.3 %	302,492	(46,211)	(15.3) %
Contributions and Donations	16,000	2,109	5,457	3,348	158.8 %	5,167	291	5.6 %
Other Miscellaneous	208,000	32,322	72,587	40,265	124.6 %	37,995	34,592	91.0 %
Transfers In	126,000	31,500	-	(31,500)	(100.0) %	-	-	%
Insurance Recoveries - Capital & Operating	25,000	6,250	59,242	52,992	847.9 %	19,425	39,817	205.0 %
Other Revenues sub-total	\$ 2,356,080	\$ 467,948	\$ 861,261	\$ 393,312	84.1 %	\$ 982,184	\$ (120,923)	(12.3) %
Total Operating Revenues	\$ 110,125,540	\$ 21,556,257	\$ 23,284,004	\$ 1,727,747	8.0 %	\$ 22,194,402	\$ 1,089,602	4.9 %
Operating Expenditures								
Council & Mayor	\$ 1,915,503	\$ 557,817	\$ 423,638	\$ 134,179	24.1 %	\$ 502,612	\$ (78,974)	(15.7) %
Administration	1,067,010	293,035	218,889	74,146	25.3 %	214,968	3,921	1.8 %
Human Resources	2,857,163	753,344	647,524	105,820	14.0 %	694,663	(47,139)	(6.8) %
King County Court & Probation	4,809,090	681,823	898,208	(216,386)	(31.7) %	360,702	537,506	149.0 %
Finance	5,856,264	1,543,099	1,537,992	5,107	0.3 %	1,437,566	100,426	7.0 %
City Attorney	4,969,972	1,438,010	1,537,964	(99,954)	(7.0) %	1,138,641	399,323	35.1 %
Municipal Court	258,163	64,541	-	64,541	100.0 %	-	-	%
Community Development	7,564,295	1,962,082	1,843,159	118,923	6.1 %	1,732,199	110,960	6.4 %
Human Services	2,568,086	649,259	331,935	317,324	48.9 %	498,518	(166,583)	(33.4) %
Office of Equity	1,045,388	279,447	93,761	185,686	66.4 %	99,712	(5,951)	(6.0) %
Jail - SCORE	7,050,000	1,762,500	1,709,844	52,656	3.0 %	1,463,808	246,036	16.8 %
Police	41,831,608	11,732,595	10,935,130	797,465	6.8 %	9,960,347	974,783	9.8 %
Public Works	6,449,916	2,139,980	1,463,841	676,139	31.6 %	1,581,097	(117,257)	(7.4) %
Parks, Arts & Recreation	17,569,666	4,544,138	4,375,204	168,934	3.7 %	4,140,726	234,478	5.7 %
Streets	5,309,285	1,510,222	1,516,050	(5,828)	(0.4) %	1,373,749	142,301	10.4 %
Non-Departmental	5,309,576	358,347	1,039,639	(681,293)	(190.1) %	967,251	72,389	7.5 %
Total Operating Expenditures	\$ 116,430,985	\$ 30,270,237	\$ 28,572,778	\$ 1,697,459	5.6 %	\$ 26,166,558	\$ 2,406,220	9.2 %

General Fund Revenues Budget Vs Actual



General Fund Revenue

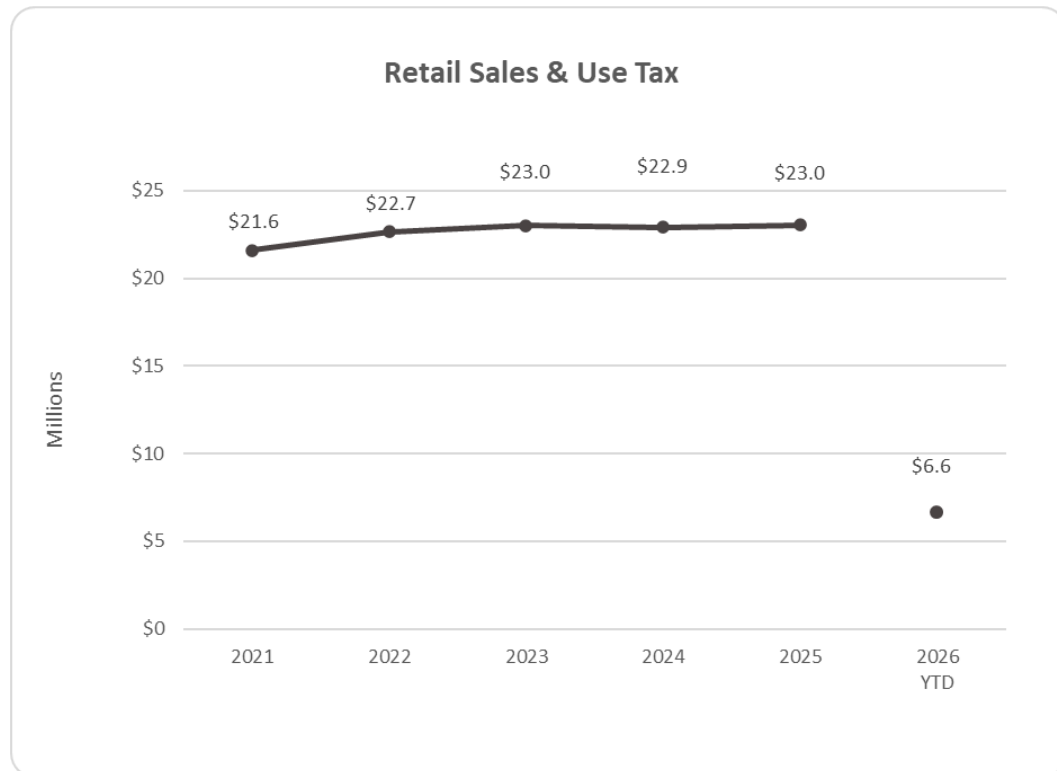
Tax revenues, including property, sales/use, utility, business & occupation, gambling, and admissions taxes provide 73% of all resources supporting general governmental activities. Licenses, charges for services, intergovernmental revenue (grants, state shared revenue, etc.) and fines contribute a further 23% of total revenue to the General Fund. The remaining 4% is comprised of a combination of one-time resources. The following section provides additional information on the most significant resource streams.

Property Tax collections through the first quarter totaled roughly \$1.0 million, approximately \$116,000 or -10% below budget projections. As depicted in the graphic below, the majority of property taxes are collected during the months of April and October, coinciding with the due dates for county property tax billings.



Retail Sales Tax collections throughout Q1-2026 totaled \$6.6 million, representing taxes remitted to the City of Auburn on sales occurring from November 2025 through January 2026. Collections increased by \$838,000 (15%) compared to Q1-2025 and exceeded budget expectations by \$933,200. This year-over-year growth of 15% significantly exceeds the most recent King County economic forecast¹ of 6.5% annual growth over 2025 collections. If current trends continue, retail sales tax collections are expected to surpass both budgeted and prior-year totals by year-end.

¹ King County, WA. 2025. The Office of Economic and Financial Analysis. <https://kingcounty.gov/en/legacy/independent/forecasting>.



Industry performance was mixed. Strong gains were reported in automotive (+\$605,948), manufacturing (+\$210,746), and services (+\$87,720) categories, with smaller gains in transportation and warehousing (+\$10,793), and wholesale trade (+\$7,333). These increases were partially offset by declines in the construction (-\$63,961), retail trade (-\$17,850), and miscellaneous (-\$2,518) categories. The chart below illustrates the year-over-year changes in retail sales tax collections by industry through the first quarter.

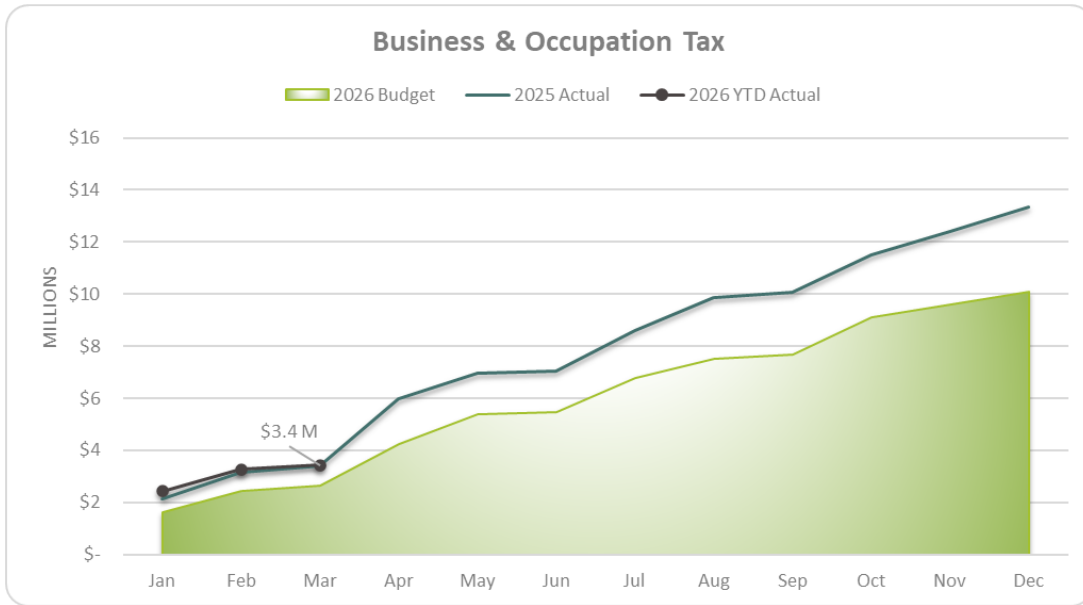
Comparison of Retail Sales Tax Collections by Group Through March 2026				
Component Group	2025	2026	Change from 2025	
	YTD Actual	YTD Actual	Amount	Percentage
Construction	\$ 611,356	\$ 547,395	\$ (63,961)	(10.5) %
Manufacturing	121,039	331,785	210,746	174.1 %
Transportation & Warehousing	84,567	95,360	10,793	12.8 %
Wholesale Trade	380,173	387,506	7,333	1.9 %
Automotive	1,243,828	1,849,776	605,948	48.7 %
Retail Trade	1,754,392	1,736,542	(17,850)	(1.0) %
Services	1,476,200	1,563,920	87,720	5.9 %
Miscellaneous	107,238	104,720	(2,518)	(2.3) %
YTD Total	\$ 5,778,793	\$ 6,617,004	\$ 838,211	14.5 %

Business & Occupation (B&O) Taxes are collected from businesses based on either the value of gross receipts or square footage of occupied warehousing space, subject to certain constraints. While the City receives collections throughout the year, B&O taxes are primarily remitted on a quarterly basis.

Through reconciliation with the State’s Business Licensing System, the City has identified tax amounts due from prior periods. This effort has significantly increased year-to-date performance and is expected to push total annual collections above budget projections. Collections through the first quarter totaled \$3.4 million versus a year-to-date budget of \$2.6 million. Of the \$3.4 million collected, roughly \$1.2 million (36%) consists of back taxes. By comparison, an average of 55% of collections in 2025 consisted of back payments. Current 2026 collections outpace 2025 collections throughout the same period by a slim margin of \$25,000 (0.7%); while the proportion of back taxes (and the occasional large payments associated with them) has slowed, overall revenue remains consistent as more businesses are added through the discovery process.

Compared to prior year-to-date totals, the City collected roughly \$234,000 (11%) more in gross-receipts-based revenue, while square-footage-based collections decreased by \$209,000 (16%).

Business & Occupation Tax Through March 2026								
Revenue	2026			Favorable (Unfavorable)		2025	2026 YTD Actual vs. 2025 Actual	
	Annual Budget	YTD Budget	YTD Actual	Amount	Percentage	YTD Actual	Amount	Percentage
Gross Receipts	\$ 7,188,400	\$ 1,876,117	\$ 2,349,599	\$ 473,482	25.2%	\$ 2,115,403	\$ 234,195	11.1%
Square Footage	2,903,200	757,713	1,089,127	331,414	43.7%	1,298,079	(208,953)	-16.1%
Total	\$ 10,091,600	\$ 2,633,830	\$ 3,438,725	\$ 804,895	30.6%	\$ 3,413,483	\$ 25,243	0.7%



Utility Taxes consist of an 11.5% tax on the gross revenues of water, sewer, storm drainage and solid waste utilities and a 6.0% tax on electric, natural gas, and telephone utilities operating within the City. Of those utilities taxed at 11.5%, the General Fund receives 9% while the remaining 2.5% is dedicated to funding City streets projects. For utilities taxed 6%, 5% is allocated to the General Fund and 1% to City streets projects.

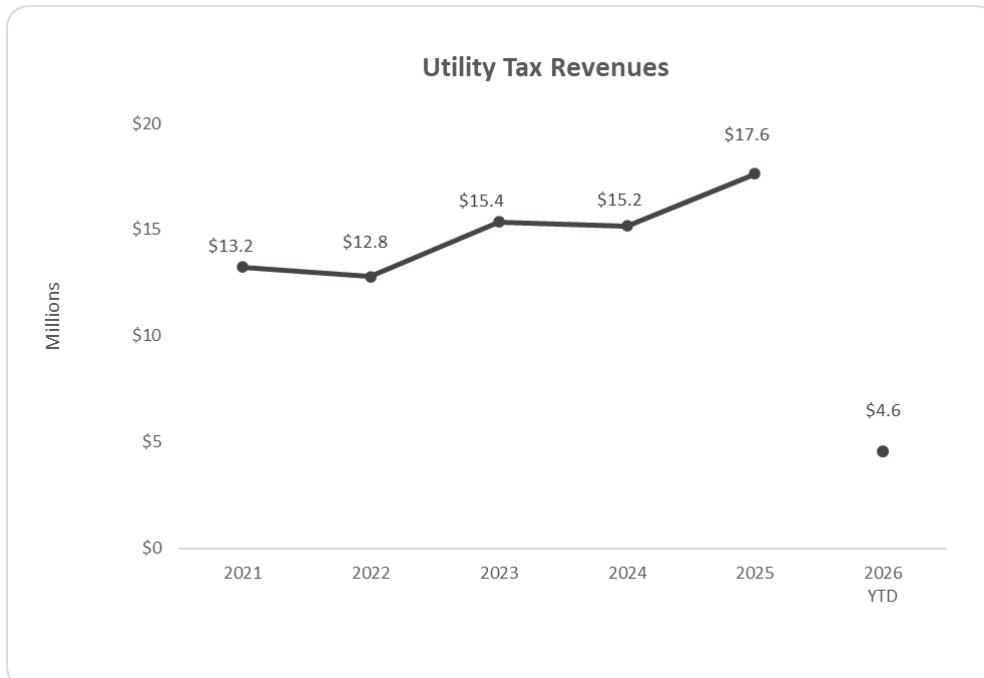
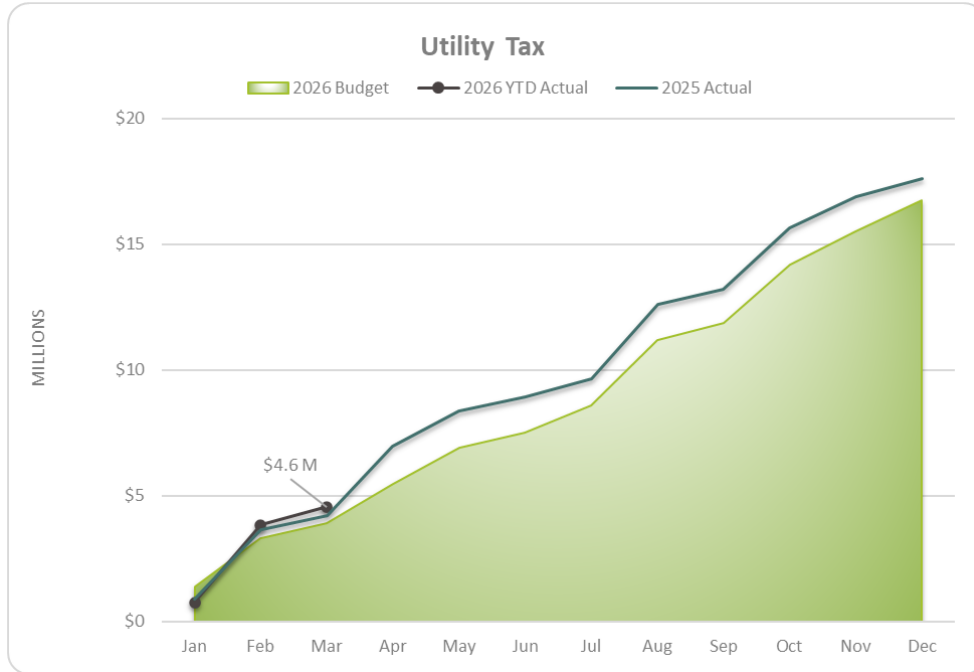
Overall, utility tax revenues increased by \$365,000 (9%) from Q1-2025 and are \$666,000 favorable to budget. Roughly 71% of utility tax receipts are City interfund utility taxes and electric utility taxes. These two revenue sources accounted for \$3.2 million of the collected \$4.6 million throughout the first quarter of 2026.

The largest portion of the overall favorable budget variance occurs within the external utility taxes (+\$287,000) category due to an increase in solid waste hauler usage, as well as rate adjustments effective in 2026. The remaining favorable variances are due to the collection of backdated taxes. While collections of back taxes are expected to continue, the City anticipates that large increases from newly-identified businesses will diminish over time.

Electric utility taxes exceed budget expectations by \$230,000 and surpassed prior-year collections by \$182,000, largely due to an approximately 6% rate increase at the beginning of the year. With this rate increase, the City anticipates these revenues will continue the favorable variance throughout the year. Telephone utility taxes increased by \$90,000 from Q1-2025, primarily as the result of the timing of collections related to prior year activity. Additionally, the City collected a large sum from one provider that became current in remitted filings.

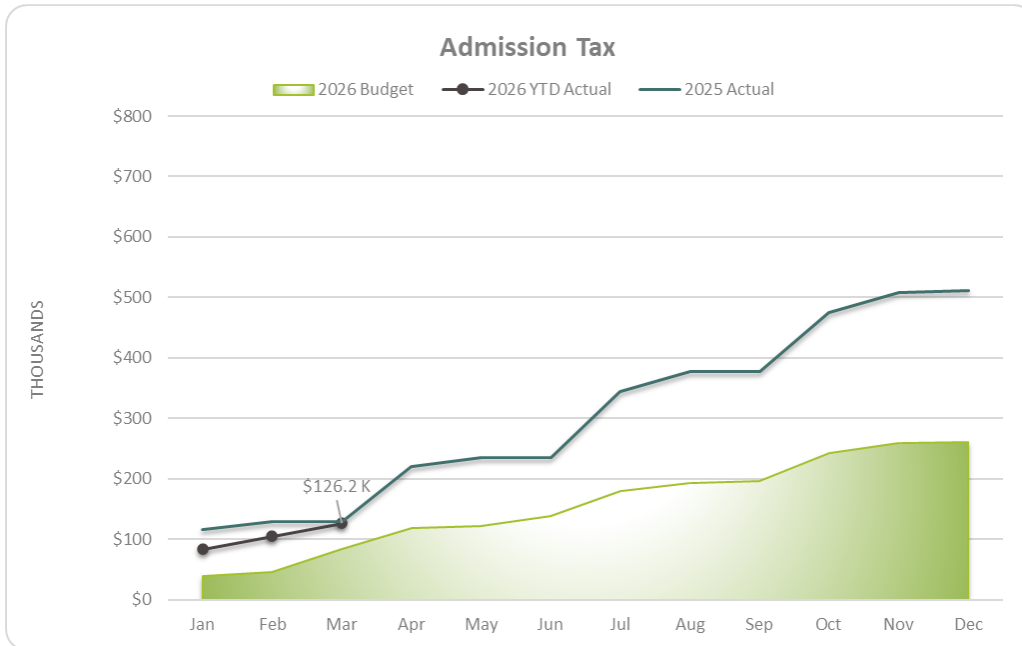
The table and charts below summarize utility tax revenues and compare actual revenues to budget. These figures represent only the General Fund portion and exclude amounts dedicated to City streets projects.

Utility Tax by Type (General Fund Portion) Through March 2026								
Revenue	2026			Favorable (Unfavorable)		2025	2026 YTD Actual vs. 2025 Actual	
	Annual Budget	YTD Budget	YTD Actual	Amount	Percentage	YTD Actual	Amount	Percentage
City Interfund Utility Taxes	\$ 7,629,100	\$ 1,767,100	\$ 1,856,836	\$ 89,736	5.1%	\$ 1,705,971	\$ 150,865	8.8%
Electric	4,924,800	1,131,000	1,361,030	230,030	20.3%	1,179,218	181,812	15.4%
Natural Gas	1,367,000	339,600	359,080	19,480	5.7%	375,249	(16,169)	-4.3%
Telephone	581,990	195,520	336,410	140,890	72.1%	246,283	90,127	36.6%
External Utility Taxes	1,017,900	114,795	401,767	286,972	250.0%	418,767	(17,000)	-4.1%
Brokered Natural Gas	317,100	116,700	73,493	(43,207)	-37.0%	78,519	(5,026)	-6.4%
Cable	894,400	223,600	166,060	(57,540)	-25.7%	186,009	(19,949)	-10.7%
Total	\$ 16,732,290	\$ 3,888,315	\$ 4,554,677	\$ 666,362	17.1%	\$ 4,190,016	\$ 364,660	8.7%



Note: The significant jump from 2022 (\$12.8 million) to 2023 (\$15.8 million) is largely due to higher service revenue following a rate increase effective in 2023, combined with higher service usage and the collection of B&O taxes on businesses that provide utility services. Similarly, 2024 (\$15.2 million) to 2025 (\$17.6 million) is largely due to increases in solid waste and electricity rates.

An **Admission Tax** of 5% is placed on charges for general admission, season tickets, cover charges, and similar activities, and is generally collected on a quarterly basis. Admission tax revenues of approximately \$126,000 through March 2026 were a slight decrease (3%) from Q1-2025. Although this tax is historically volatile due to external factors such as economic conditions and weather, revenues are favorable to budget by \$43,000 through the first quarter.



Gambling Tax applies to all card games, punch board games, pull tabs, bingo games, raffles and amusement games played within City limits. The majority of gambling tax revenues are generated from card games (78%) and punch boards and pull tabs (12%). Collections of \$114,000 through the first quarter are \$22,000 higher than 2025 year-to-date totals, and reflect a \$56,000, favorable variance to budget. The primary drivers of the favorable variance are higher collections from card games (+\$57,000) and punch boards and pull tabs (+\$8,000). Amusement games are \$9,100 less than year-to-date budget assumptions resulting in a lower overall favorable variance.

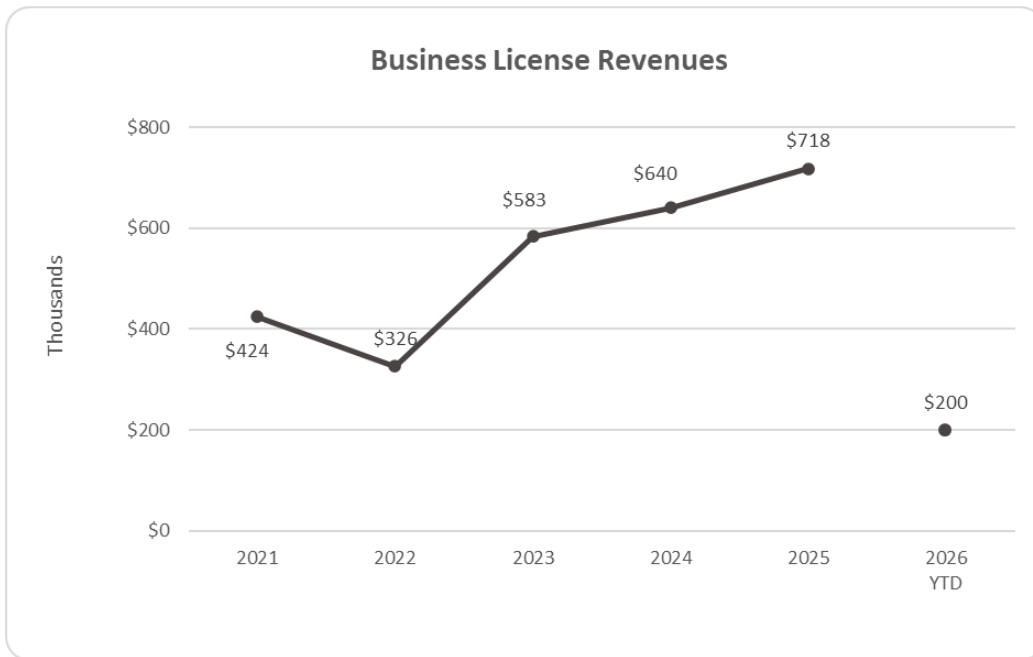
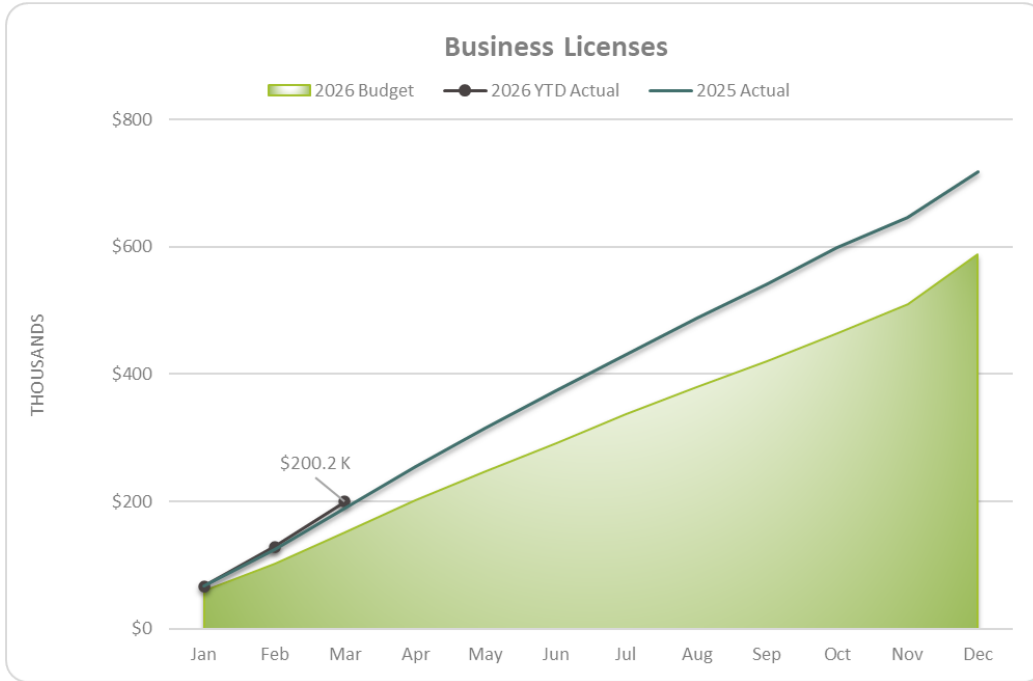
Gambling tax revenues have historically exhibited high volatility both month-over-month and year-over-year. Excluding 2021, when COVID-19 restrictions materially disrupted activity, first-quarter revenues in recent years have averaged about \$60,000, with a high of \$104,000 in 2023 and a low of \$29,000 in 2024. The City will continue to monitor these taxes closely – along with sales tax – given their value as an indicator of consumer discretionary spending.



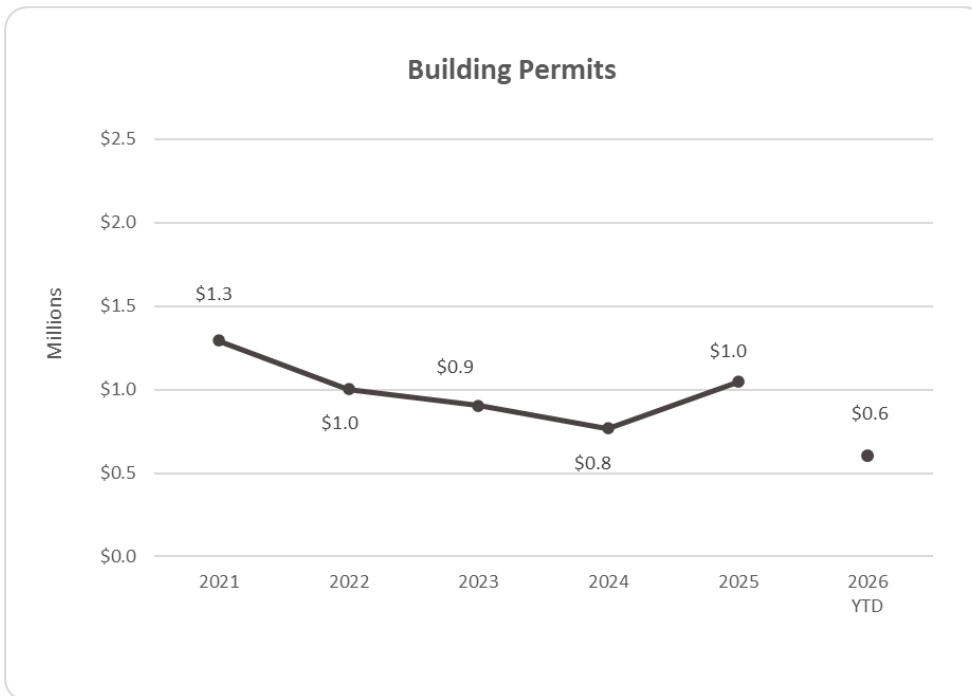
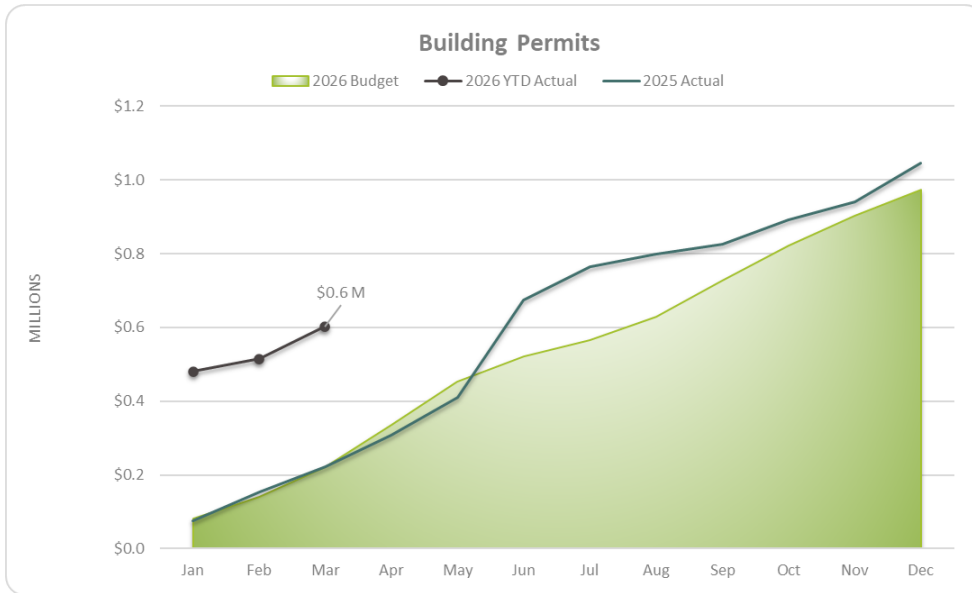
Licenses and Permits include business licenses, building permits, plumbing, electric and other licenses and permit fees. Building permit fees and other licenses – such as excavation, street/curb, and plumbing permits – typically comprise most of the budgeted revenue in this category, at approximately 32% and 48%, respectively.

The annual **Business License** renewal fee for each business located within the City is \$107, with the renewal cycle based on the anniversary of the business’s initial license issuance.

Year-to-date collections totaled \$200,000 in 2026, compared to \$190,000 in 2025, representing a 5% increase. Historically, business license collections have been a highly volatile, and therefore budgeted conservatively. However, through business discovery efforts and enhanced use of the State’s Business Licensing System as part of the B&O tax reconciliation process, these revenues have become more consistent. Comparing to budget projections, business license revenues are favorable by \$49,000 (33%). The City generally experiences the highest collection levels during the first and fourth quarters of the year due to the renewal cycle.

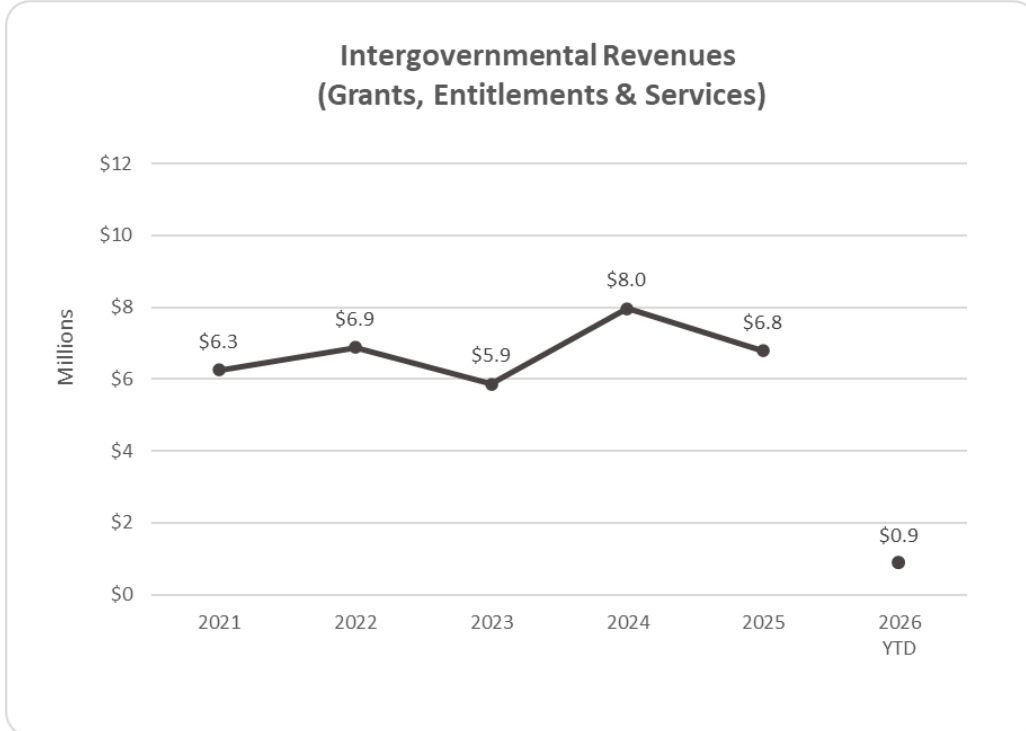


Building Permit revenues collected through March 2026 totaled \$602,000, approximately \$379,000 higher than 2025 collections year-to-date and favorable to budget by \$383,000 (+174%). A major contributor to this favorable variance is the increased valuation of construction permits on warehouses, along with a single high-value project within City limits. Additionally, the number of permits submitted throughout the first quarter increased by 17% over the same period last year, indicating elevated construction activity and permitting workload throughout the City.



Intergovernmental revenues include grants and stimulus monies (direct and indirect federal, state, and local), revenue from the Muckleshoot Indian Tribe (MIT) compact, and various state shared revenues. Collections throughout Q1-2026 totaled \$870,000 and were \$309,000 unfavorable to budget expectations. Much of this unfavorable variance is due to the timing of state and federal grant reimbursements. These grants are generally collected on a cost-reimbursement basis, and several projects have experienced delays, thus postponing reimbursements. The City anticipates that the identified projects will be completed and reimbursed in 2026. Furthermore, the City's proposed 2026 MIT compact request is still pending approval; the City anticipates approval and collections are expected to begin in Q2-2026.

Intergovernmental Revenues (Grants, Entitlements & Services) Through March 2026								
Revenue	2026			Favorable (Unfavorable)		2025	2026 YTD Actual vs. 2025 Actual	
	Annual Budget	YTD Budget	YTD Actual	Amount	Percentage	YTD Actual	Amount	Percentage
Federal Grants	\$ 917,333	\$ 229,333	\$ 5,783	\$ (223,550)	-97.5%	\$ 26,417	\$ (20,634)	-78.1%
State Grants	77,000	3,100	4,275	1,175	37.9%	39,208	(34,933)	-89.1%
Interlocal Grants	418,352	84,400	-	(84,400)	-100.0%	18,571	(18,571)	-100.0%
Muckleshoot Casino Services	1,400,000	-	-	-		-	-	
State Shared Revenues:								
Streamlined Sales Tax	368,700	92,175	102,416	10,241	11.1%	128,020	(25,604)	-20.0%
Motor Vehicle Fuel Tax	1,208,900	279,200	284,375	5,175	1.9%	226,600	57,776	25.5%
Criminal Justice - High Crime	294,500	73,625	79,341	5,716	7.8%	75,156	4,185	5.6%
Criminal Justice - Population	35,900	8,700	9,317	617	7.1%	8,803	514	5.8%
Criminal Justice - Special Prog.	125,600	30,400	32,547	2,147	7.1%	30,868	1,679	5.4%
Marijuana Excise Tax	201,300	50,325	47,911	(2,414)	-4.8%	51,991	(4,080)	-7.8%
State DUI	7,800	1,950	2,616	666	34.2%	1,913	703	36.8%
Fire Insurance Tax	123,400	-	-	-		-	-	
Liquor Excise	657,300	161,231	135,191	(26,040)	-16.2%	144,076	(8,885)	-6.2%
Liquor Profit	659,800	164,950	166,398	1,448	0.9%	168,177	(1,779)	-1.1%
Subtotal State Shared:	3,683,200	862,556	860,113	(2,443)	-0.3%	835,604	24,509	2.9%
YTD Total	\$ 6,495,885	\$ 1,179,389	\$ 870,171	\$ (309,218)	-26.2%	\$ 919,800	\$ (49,629)	-5.4%



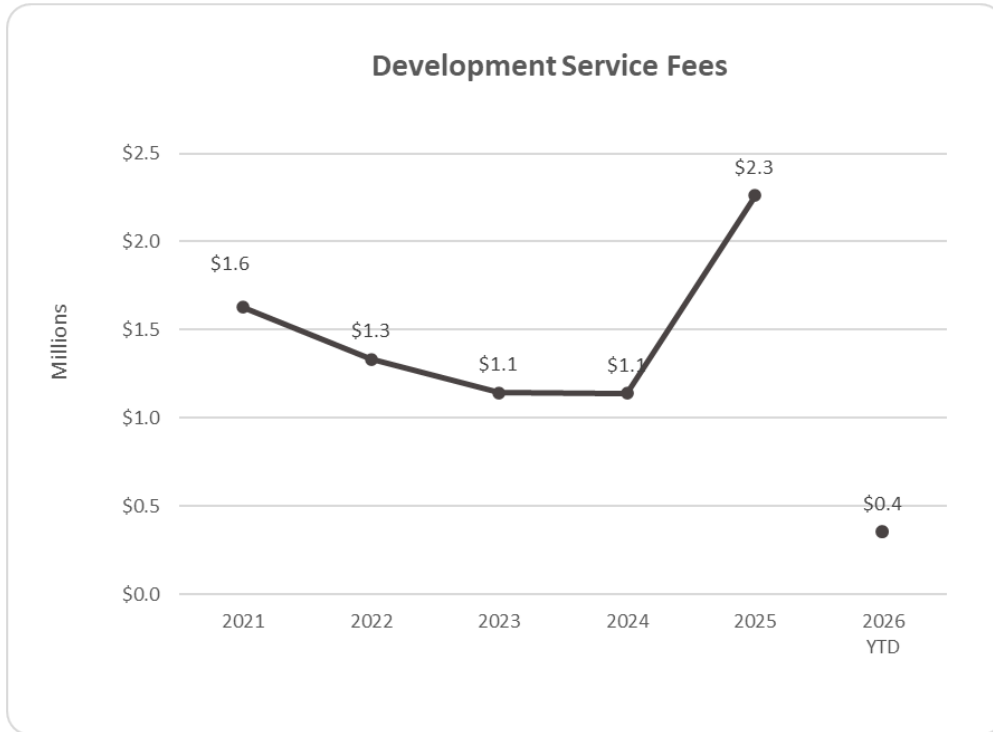
Charges for Services consist of general governmental service charges, public safety charges, development service fees, and culture and recreation fees. Revenues collected through March totaled \$2.6 million and were \$104,000 (4%) lower than year-to-date expectations. This shortfall was mainly due to lower-than-anticipated revenues in public safety and development services.

Charges for Services by Type Through March 2026								
Revenue	2026			Favorable (Unfavorable)		2025	2026 YTD Actual vs. 2025 Actual	
	Annual Budget	YTD Budget	YTD Actual	Amount	Percentage	YTD Actual	Amount	Percentage
General Government	\$ 5,253,717	\$ 1,313,429	\$ 1,314,431	\$ 1,001	0.1%	\$ 1,280,053	\$ 34,377	2.7%
Public Safety	1,255,571	313,893	256,428	(57,465)	-18.3%	214,183	42,245	19.7%
Development Services	1,273,900	417,600	350,326	(67,274)	-16.1%	716,004	(365,678)	-51.1%
Culture & Recreation	3,026,300	659,505	679,535	20,030	3.0%	781,493	(101,957)	-13.0%
Total	\$ 10,809,488	\$ 2,704,427	\$ 2,600,719	\$ (103,708)	-3.8%	\$ 2,991,732	\$ (391,013)	-13.1%

The *General Government* revenue category primarily includes the interfund assessment for support departments (Finance, Human Resources and Legal). Operating costs for these departments are charged to the respective General Fund home departments, and the portion of those costs that provide citywide benefit are recouped from other funds through interfund charges. General government revenues also include fees for passport services, quarterly administrative fees received by the City in return for acting as the fiscal agent for South King Housing and Homelessness Partners (SKHHP), and crime lab analysis fees.

Public Safety revenues mainly consist of reimbursements for law enforcement services, which are extra-duty security services where officers are contracted by external agencies. This category also includes reimbursements from the Muckleshoot Indian Tribe (MIT) for a full-time dedicated police officer and associated expenditures, as well as payments from the Auburn School District for services rendered. Public safety revenues through the first quarter of 2026 totaled \$256,000, an increase of \$42,000 from Q1-2025. This increase is primarily due to the timing of collections for law enforcement services rendered last year. However, DUI fees received by the City have decreased \$3,000 compared to last year. In total, public safety revenues hold an unfavorable variance to year-to-date budget of \$57,000.

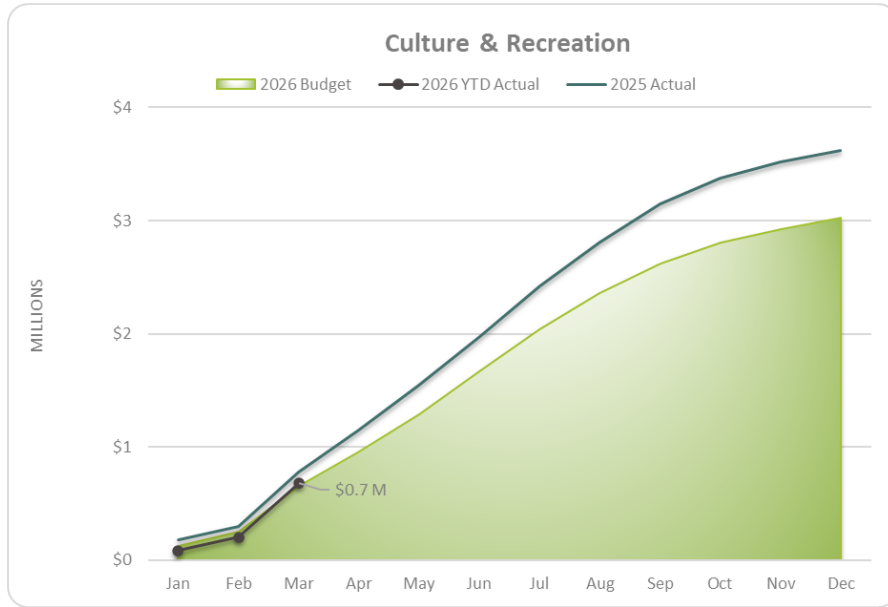
Development Services fee collections consist primarily of collections generated from plan check fees, facility extension charges, and zoning and subdivision fees. Through Q1-2026, these revenues totaled \$350,000, which is \$67,000 lower than budget expectations and \$366,000 lower than prior year-to-date totals. Unfavorable variances to year-to-date budget occurred in plan check fees (-\$47,000), other planning and development fees (-\$196,000), and zoning and subdivision fees (-\$25,000). The large variance within “other planning and development fees” is the result of the timing of collections on a single project; the City expects to collect the full amount budgeted by the end of the year. These variances were offset by a favorable variance in FAC charges (+\$8,000).



Most *Culture and Recreation* revenues are derived from green fees and pro shop sales at the Auburn Golf Course, recreational classes, ticket sales for performing arts events (currently held at alternate venues during construction of the Auburn Avenue Theater), senior programs, and special events. Overall, this category of revenues outperformed budget expectations by \$20,000 (3%).

Recreation classes account for 50% of year-to-date culture and recreation collections and remain consistent with prior-year levels, totaling \$340,000 in Q1-2026. Ticket sales for performances held at local school venues have increased by \$17,000 (43%) from prior year totals and carry a favorable variance to budget of \$35,000. This is mainly due to the success of several shows and as a result, ticket revenue was higher than the same period last year based on increased ticket prices and attendance. With continued participation in community activities throughout the remainder of the year, the City is expecting a slight increase in revenues in 2026.

A further \$122,000 (18%) of year-to-date Culture and Recreation revenues was generated by the Auburn Golf Course. This is considerably lower than prior year collections due to the late 2025 flooding event, which forced the golf course to close from December 2025 until mid-February 2026. As a result, green fee revenues decreased by \$112,000 (60%) from the same period last year and are unfavorable to year-to-date budget by \$287,000. The City projects that green fee collections will return to normal levels throughout the remainder of the year, as the golf course typically collects about 65% of its total revenues during the peak months of May through September.

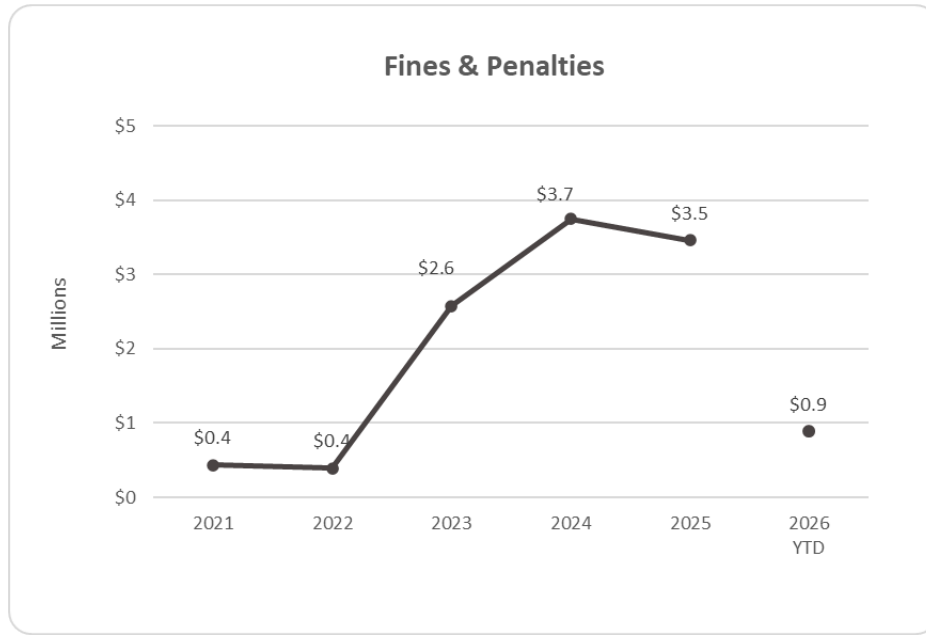


Fines & Penalties include civil penalties (such as code compliance fines), parking and traffic infraction penalties, criminal fines (including criminal traffic, criminal non-traffic, and other criminal offenses) as well as non-court fines such as false alarm fines. The table below shows a detailed breakdown of the different types of fines and penalties collected by the City.

Revenue	2026			Favorable (Unfavorable)		2025 YTD Actual	2026 YTD Actual vs. 2025 Actual	
	Annual Budget	YTD Budget	YTD Actual	Amount	Percentage		Amount	Percentage
Civil Penalties	\$ 1,000	\$ 72	\$ 3,340	\$ 3,268	4551.2%	\$ 345	\$ 2,995	867.2%
Civil Infraction Penalties	156,700	34,300	56,130	21,830	63.6%	55,978	152	0.3%
Photo Enforcement	1,100	400	-	(400)	-100.0%	-	-	#DIV/0!
Parking Infractions	4,516,497	1,338,400	508,853	(829,547)	-62.0%	518,187	(9,334)	-1.8%
Criminal Traffic Misdemeanor	31,800	9,600	6,943	(2,657)	-27.7%	27,906	(20,963)	-75.1%
Criminal Non-Traffic Fines	49,200	11,000	(6,810)	(17,810)	-161.9%	17,353	(24,163)	-139.2%
Criminal Costs	12,400	5,400	1,800	(3,600)	-66.7%	2,588	(788)	-30.4%
Non-Court Fines & Penalties	48,000	8,100	320,976	312,876	3862.7%	157,385	163,591	103.9%
Total	\$ 4,816,697	\$ 1,407,272	\$ 891,232	\$ (516,039)	-36.7%	\$ 779,743	\$ 111,490	14.3%

Total revenues collected through March 2026 were \$891,000, compared to a budget of \$1.4 million, and were 37% below budget expectations. This is primarily due to a reduction in photo enforcement collections throughout the first quarter. Offsetting a portion of the shortfall, collections of non-court fines and penalties exceeded both budget expectations (+\$313,000) and Q1-2025 totals (+\$164,000), largely driven by assessed fines and penalties on past-due B&O taxes.

The City contracts with the King County Court to operate its municipal court services. Court-related activity – including hearings, judgments, and collections – began declining in 2019 and has continued to trend downward. Although the graph below shows a large spike in revenue in 2023 and 2024, this is almost entirely due to photo enforcement and B&O-related collections rather than traditional court activity. Excluding those sources, court-related collections have declined to \$61,000, approximately one-third the level observed between 2015-2018, before the City began contracting with King County. Partly in response to this trend, the City Council has approved the establishment of a municipal court in Auburn effective January 1, 2027.



Miscellaneous Revenues consist of investment earnings, income from facility rentals, revenue collected for golf cart rentals at the Auburn Golf Course, contributions and donations, and other income such as the quarterly purchasing card (P-card) rebates. The most significant miscellaneous revenue categories are listed in the table below.

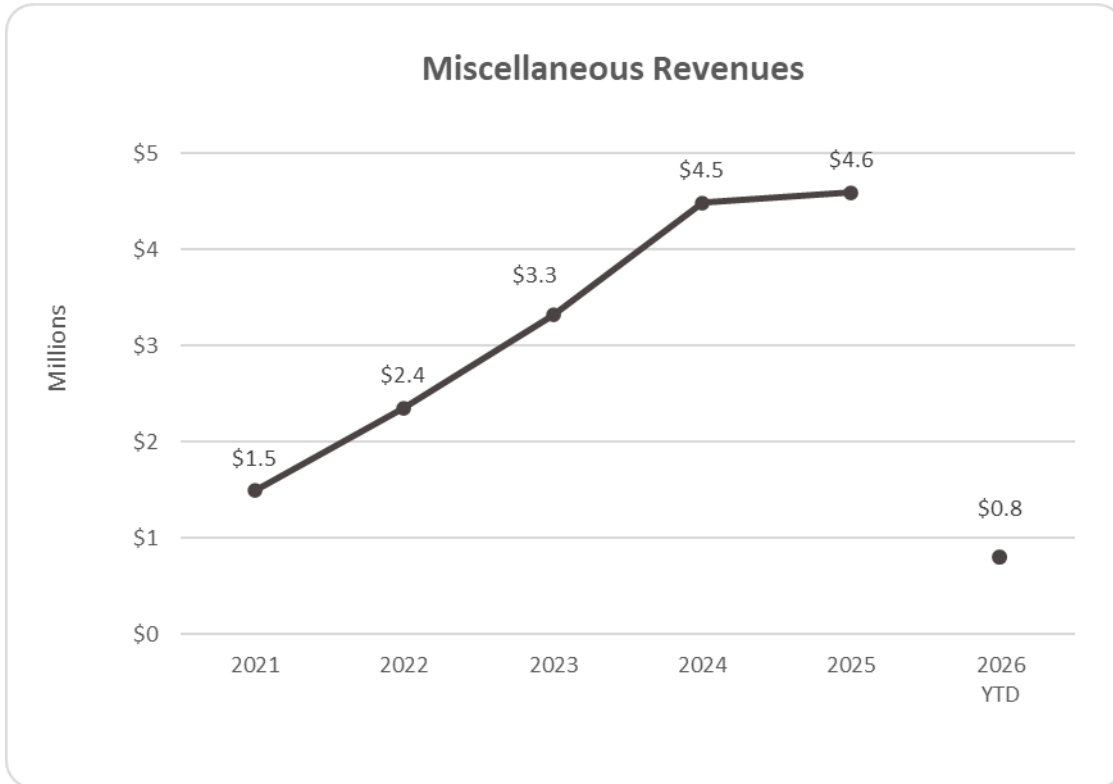
Miscellaneous Revenues by Type Through March 2026								
Revenue	2026			Favorable (Unfavorable)		2025 YTD Actual	2026 YTD Actual vs. 2025 Actual	
	Annual Budget	YTD Budget	YTD Actual	Amount	Percentage		Amount	Percentage
Interest & Investments	\$ 790,900	\$ 140,167	\$ 467,693	\$ 327,526	233.7%	\$ 617,105	\$ (149,412)	-24.2%
Rents & Leases	1,190,180	255,600	256,282	682	0.3%	302,492	(46,211)	-15.3%
Contributions & Donations	16,000	2,109	5,457	3,348	158.8%	5,167	291	5.6%
Other Miscellaneous Revenue	208,000	32,322	72,587	40,265	124.6%	37,995	34,592	91.0%
Total	\$ 2,205,080	\$ 430,198	\$ 802,018	\$ 371,820	86.4%	\$ 962,759	\$ (160,740)	-16.7%

Revenues collected year-to-date totaled \$802,000 and were \$372,000 (86%) favorable to budget. Of the favorable variance, 88% is attributable to interest and investment collections, far exceeding budget projections due to higher-than-expected interest rates (though lower than the prior year) and the maturation of multiple investments during the first quarter.

The rents and leases category includes payments for facility rentals, golf cart rentals, and the restaurant lease at the golf course. Revenues in this category were par for the course compared to year-to-date budget expectations. However, the flooding event forced the closure of the golf course until mid-February, significantly reducing golf cart rental revenues (-59,000). Moreover, the golf cart fleet itself was rendered inoperable, although the City was able to replace these vehicles prior to the reopening of the course.

Mitigating the loss of golf-related revenue, the City saw strong performance in facility and other rentals and concessions. This is a good sign for the outlook of these revenues as the City collects most of these revenues in the warm spring and summer months. Likewise, facility rentals were favorable to budget expectations by \$14,000, resulting in a slight favorable variance for the category. To date, rents and leases are \$46,000 below Q1-2025 levels, mainly due to the loss of golf cart rental revenue.

The “Other Miscellaneous Revenue” sub-category reported \$35,000 more than the same timeframe last year and was favorable to the year-to-date budget by \$40,000. This category includes revenue related to a national opioid settlement distribution program; however, the City did not receive settlement payments during the first quarter of the year, offsetting a portion of the favorable budget variance. These payments are expected to experience volatility over the upcoming years, as some companies involved in the settlements elect to pay off their obligations early, while other companies are still navigating the settlement process and may begin payments in the future.



OTHER FUNDS

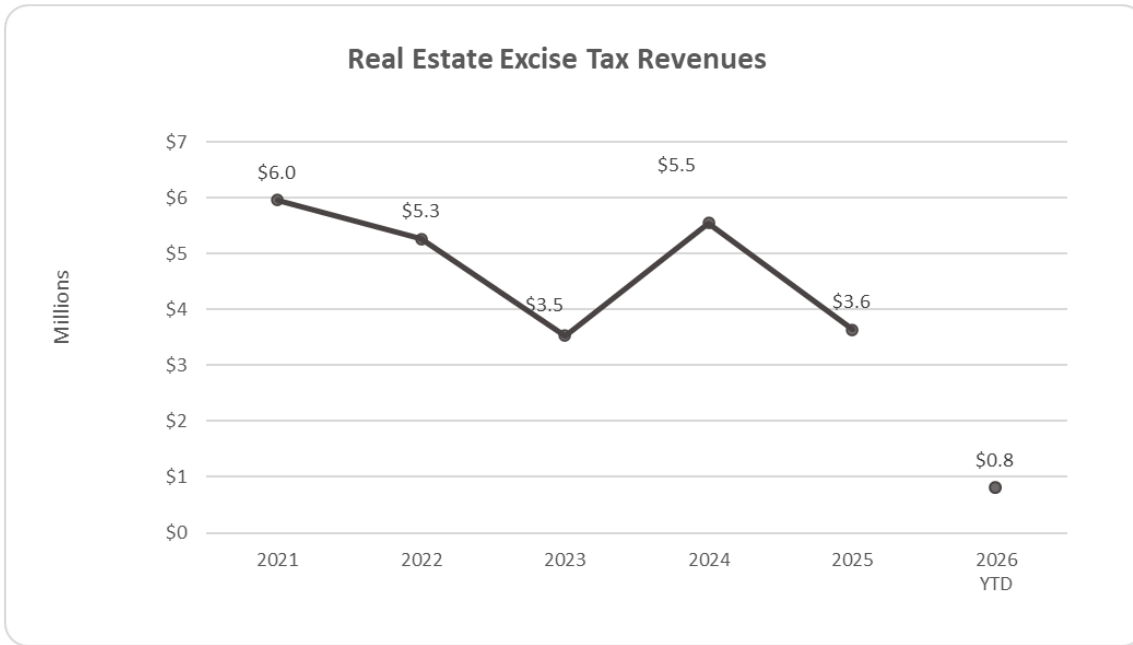
Real Estate Excise Tax (REET) revenues are taxes on the sale of both commercial properties and single-family residences. These collections are receipted into the Real Estate Excise Tax Fund and transferred to other funds to support governmental capital projects. REET revenues collected year-to-date in 2026 total \$808,000, which is \$425,000 (53%) favorable to budget expectations. Due to its historical volatility, this revenue is budgeted conservatively.

With lower current interest rates, the climate for real estate sales seems favorable within the State of Washington. Despite these supportive conditions, year-to-date REET collections in 2026 have generally remained consistent with prior year collections. Although current revenues exceed budget projections, they represent the median first-quarter total of the past fourteen years – suggesting a stabilizing market even as interest rates continue to ease from their 2023 peak.



Real Estate Excise Tax Revenues Through March 2026								
Revenue	2026			Favorable (Unfavorable)		2025	2026 YTD Actual vs. 2025 Actual	
	Annual Budget	YTD Budget	YTD Actual	Amount	Percentage	YTD Actual	Amount	Percentage
Real Estate Excise Tax	\$ 1,800,000	\$ 382,822	\$ 807,682	\$ 424,860	52.6%	\$ 734,997	\$ 72,685	9.9%
Total	\$ 1,800,000	\$ 382,822	\$ 807,682	\$ 424,860	52.6%	\$ 734,997	\$ 72,685	9.9%

REET collections reached their highest point in 2021 following two years of historically low interest rates maintained by the Federal Reserve in response to COVID-19. Subsequent rate increases in 2022 and 2023 to combat inflation slowed the real estate market and reduced REET activity. Interest rates were lowered in January 2026, with an additional rate cut anticipated in April. With market uncertainty throughout the country, the City is monitoring REET collections closely. Generally, REET revenues have reflected the overall market volatility in recent years, with a standard deviation of \$959,000 or 104% of the average annual collections over the period of 2017 to 2025.



American Rescue Plan Act (ARPA) Fund

In March 2021 the American Rescue Plan Act (ARPA) was signed into law, with the intent of mitigating the economic impacts related to COVID-19. Through ARPA’s State and Local Government Fiscal Recovery Fund program, the City was allocated \$14.8 million in funding; Council approved the City’s acceptance of ARPA funds in Resolution #5608. The City has since used all \$14.8 million of the ARPA funds to mitigate the cost of providing public safety services.

As a result of the cost mitigation provided by the ARPA funding, the City has been able to allocate General Fund funding toward projects approved by the Council’s ad hoc committee. As of March 31, 2026, the City has been able to spend \$53,000 year-to-date and \$10.2 million since 2021 on the following projects:

Title	Budget	2026		
		Q1 Spend	Lifetime Spend (includes this quarter)	Remaining
Completed Projects	6,851,617	-	6,851,617	-
Human Services Grants Includes Admin Theater	1,000,000	-	445,882	554,118
2023 Local Street Preservation	389,700	693	693	389,007
Translation Services	148,167	-	58,793	89,374
Auburn Way South Roundabout	25,000	-	1,685	23,315
Emergency Housing Voucher Program	150,000	-	53,924	96,076
DEI Dashboard (Inclusive Auburn)	2,000,000	28,062	896,934	1,103,066
Downtown Infrastructure Improvements includes Theater	130,000	-	92,805	37,195
Community Violence Intervention Programs (Drone, SPIDR Tech)	1,819,409	24,671	1,580,148	239,261
Other Projects (not started)	236,248	-	204,436	31,812
	2,001,091	-	-	2,001,090
Total:	14,751,231	53,426	10,186,918	4,564,313

Auburn Avenue Theater (cp2414)

In December 2021, a neighboring building fire resulted in damage to the previous Auburn Avenue Theater, necessitating the building’s demolition. The theater is currently being rebuilt, with groundbreaking occurring in May 2026. This project is funded in part by \$389,700 of General Fund money available due to savings created by ARPA. The limited spending (\$693) of this funding source to date reflects the requirement to utilize other, higher-priority funding sources within the project prior to drawing on this allocation. Project completion is anticipated in 2026.

Emergency Housing Voucher Program

Beginning in 2023, the Emergency Housing Voucher Program is budgeted at \$2 million over the life of the program. This program assists residents of Auburn experiencing homelessness and drug addiction who agree to enroll in and complete inpatient treatment. It will cover the costs of clean and sober housing for up to three years for participants who comply with program requirements. There are currently 20 individuals utilizing this program. Life-to-date project spend is \$896,934 with \$28,062 spent Q1-2026.

Downtown Infrastructure Improvements (cp2321)

This program will construct infrastructure improvements in downtown Auburn along Auburn Avenue from East Main Street N to 1st Street NE and on East Main Street from Auburn Ave to B Street NE, including B Street Plaza. The project supports existing and future redevelopment activities and replaces infrastructure that is at or near the end of its useful life. Construction has begun and is anticipated to be completed by the early part of 2026. Total expenditures to date are \$1.6 million, with \$24,671 spent in the first quarter.

Enterprise Funds

Operating activities include revenues and expenditures associated with day-to-day fund operations, whereas capital activities relate to construction projects and capital acquisitions. The net effect of these activities equals the change in the fund's working capital balance, which is calculated as current assets minus current liabilities.

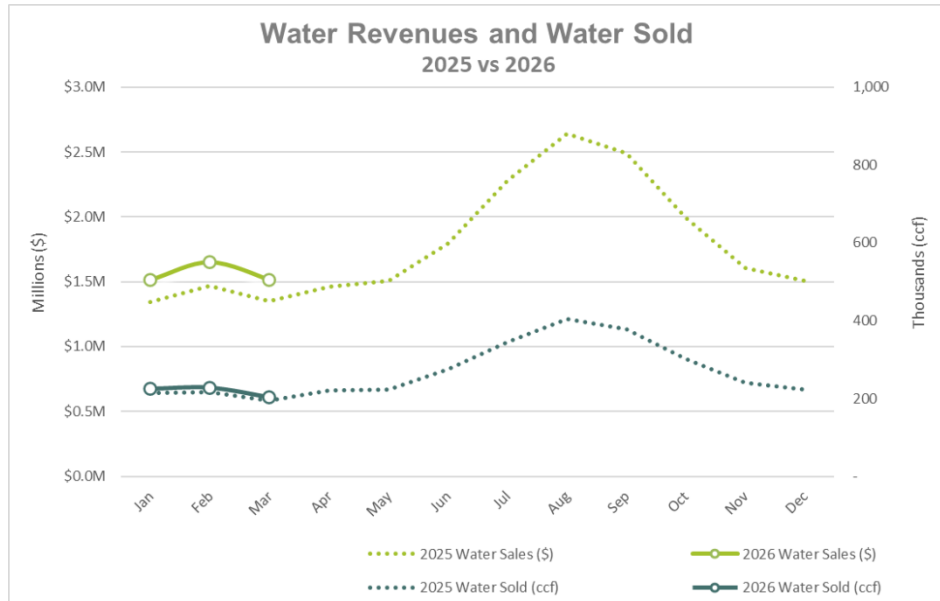
As noted earlier in this report, the City charges all departments their full insurance allocation in the first quarter, rather than spreading the cost evenly across the year. The total insurance charge for 2026 was lower than expected, resulting in favorable budget variances in interfund allocations for the City's funds.

Through March 2026, the **Water Utility Fund** had operating income of \$1.3 million (operating revenues less operating expenditures), an increase of +\$173,000 over the same period last year. This is consistent with expectations following the 2026 rate increases adopted under Ordinance No. 7004. Total operating revenues increased \$436,000, from \$4.5 million through Q1-2025 to \$4.9 million through Q1-2026. This increase was driven by both rate adjustments and higher water consumption; charges for service revenues were \$4.8 million through Q1-2026 compared to \$4.2 million through Q1-2025, a 13% increase. This was partially offset by a year-over-year decrease of \$127,000 in interest earnings.

Operating expenses also increased from \$3.3 million to \$3.6 million (+\$263,000). Expenses increased in several areas compared to the prior year, including personnel costs (+\$121,000), supplies (+\$28,000), and other service charges (+\$132,000).

Compared to projections, the fund's operating income is \$845,000 favorable to the year-to-date budget. Operating revenues were \$560,000 higher than anticipated through Q1-2026, with interest earnings outperforming budget expectations by \$111,000, along with higher charges for services (+\$437,000). Operating expenditures had a \$285,000 favorable variance to budget, driven by the lower-than-expected interfund insurance allocation (-\$135,000), external utility expenditures (-\$89,000), excise tax (-\$88,000), professional services (-\$49,000). These favorable variances were partially offset by higher than anticipated interfund utility taxes (+\$23,000), personnel costs (+\$35,000) and supplies (+\$16,000).

Billable water consumption through Q1-2026 totaled 625,000 ccf (hundred cubic feet), which is 31,000 ccf (5%) higher than consumption in Q1-2025. Increases in consumption were seen across nearly all customer classes, with the largest gains seen in commercial, manufacturing, schools and multifamily homes. These increases were partially offset by a slight decrease in the irrigation customer class.



Compared to the same period last year, the **Sewer Utility Fund** saw an 9% increase in operating income, from \$1.2 million through Q1-2025 to \$1.3 million in Q1-2026. Operating revenues increased by \$488,000 (16%) to \$3.6 million from \$3.1 million in the same period last year due to strong performance in charges for City sewer service (+\$388,000) and interest earnings (+\$65,000). The fund also saw an increase of \$35,000 in miscellaneous revenues for insurance recoveries and a refund on excise taxes previously paid. These gains were offset by corresponding increases in operating expenses, which rose \$384,000 from \$1.9 million through Q1-2025 to \$2.3 million through Q1-2026. This increase was driven primarily by repair and maintenance costs related to the flooding event (+\$284,000) and higher excise tax and interfund utility tax charges (+\$84,000).

Through Q1-2026, the fund outperformed budget expectations with a \$911,000 favorable variance in operating revenues, led by charges for service (+\$493,000) and interest earnings (+\$383,000). Operating expenditures ended slightly below budget by \$16,000. Costs related to the flooding event drove service charges to be higher than anticipated (+\$151,000); however, these overruns were offset by savings from a lower-than-expected interfund insurance allocation (-\$78,000) and personnel costs (-\$89,000).

The **Stormwater Utility Fund** had operating income of \$898,000 through Q1-2026, an increase of \$64,000 from the same period last year. While operating revenues were higher through Q1-2026 compared to Q1-2025 (+\$140,000), operating expenses for this fund were also higher during the same period (+\$76,000). Charges for service revenue increased \$125,000 (4%) from Q1-2025. Primary drivers for the increase in operating expenditures were higher service charges (+\$100,000), and interfund charges (+\$5,000), which were offset by decreases in personnel costs (-\$22,000) and supplies (-\$7,000).

This fund also outperformed budget expectations, with a \$321,000 favorable-to-budget variance in operating income. Operating revenues outperformed budget expectations by \$180,000 due to higher than anticipated charges for service (+\$57,000) and interest earnings (+\$123,000). Meanwhile, expenditures were lower than anticipated (-\$141,000), with savings in personnel costs (-\$70,000), supplies (-\$16,000), professional services (-\$40,000) and the interfund insurance allocation (-\$31,000). These savings were offset by higher than anticipated repair and maintenance costs unrelated to the flooding event (+\$21,000).

The **Solid Waste Utility Fund** finished Q1-2026 with operating income of \$1.8 million, which is \$110,000 million higher than the \$1.7 million reported through the same period last year. Operating revenues increased \$512,000, driven by an increase of \$494,000 (6%) in charges for service as a direct result of the service rates adopted in Ordinance No. 6920.

Operating expenditures also increased, rising from \$6.5 million through Q1-2025 to \$6.9 million through Q1-2026. This increase is consistent with expectations, as payments to the City's solid waste provider are correlated with rates adopted for services. Total professional services increased \$396,000 compared to the prior year, driven mainly by increased payments to the City's solid waste provider (+\$271,000) as well as higher excise and interfund utility taxes (+\$89,000).

Compared to budget expectations, operating revenues were higher than anticipated (+\$254,000) due primarily to charges for service (+\$231,000) and interest earnings (+\$23,000). Operating expenses were also higher than expected (+\$81,000), due to higher than anticipated excise and interfund utility taxes (+\$296,000), partially offset by lower than anticipated payments to the City's solid waste provider (-\$214,000). In total, the fund had a \$173,000 favorable variance in operating income compared to budget expectations through Q1-2026.

Internal Service Funds

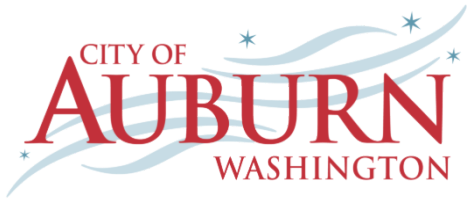
The **Insurance Fund** incurred \$3.8 million of expenditures for 2026 insurance premiums, which was \$439,000 lower than the \$4.2 million charged in 2025. Further, this amount was \$1.8 million lower than anticipated, resulting in lower interfund allocations for insurance expense across the City. Because interfund insurance revenues correspond directly to actual charges, the change to working capital was minimal (\$12,000).

The **Facilities Fund** reported a negative working capital balance of \$302,000 through Q1-2026, driven by unanticipated service charges related to the flooding event. Of the \$933,000 in total service charges incurred, \$312,000 was specifically for flood mitigation. The remaining \$621,000 in service charges included work previously contracted in 2025, along with ad hoc facility repairs and ongoing maintenance fees for the City's main buildings.

No significant variances are reported in the **Workers' Compensation, Innovation & Technology,** or **Equipment Rental Funds**.

Contact Information

This report has been prepared by the Finance Department. Additional financial information can also be viewed at our website: <http://www.auburnwa.gov/>. For any questions about this report please contact Jamie Thomas at jdthomas@auburnwa.gov.



AGENDA BILL APPROVAL FORM

Agenda Subject:

Ordinance No. 7023 Budget Amendment #5 (Thomas) (20 Minutes)
An Ordinance amending the City's 2025-2026 Biennial Budget

Meeting Date:

June 29, 2026

Department:

Finance

Attachments:

2026 Budget Amendment #5
Presentation, Transmittal Memo,
Ordinance No. 7023, Ordinance
No. 7023 Schedule A, Ordinance
No. 7023 Schedule B

Budget Impact:**Administrative Recommendation:**

For discussion only.

Background for Motion:**Background Summary:**

Ordinance No. 7023 (Budget Amendment No. 5) represents the fifth 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: Hanan Amer

Staff: Jamie Thomas

2025/2026 Budget Amendment #5

CITY COUNCIL STUDY SESSION

JUNE 29, 2026

Budget Adjustment #5

Types of Adjustments

1. Programs with Revenue Adjustments
2. New Programs
3. 2025 Carry Forward

General Fund – Summary of Changes

1. \$16,167 carryforward items from 2025 (1 items)
2. \$111,582 in programs with new revenue (6 items)
3. \$274,000 in new programs (3 items)

General Fund – New Items Fund Balance Impact

Type	Description	Fund	Revenue	Expenditure	Net Impact
New Revenue	EMPG Grant		\$ (2,596)	\$ 14,004	\$ (16,600)
New Revenue	CDBG TrueUp		(45,051)	\$ (45,051)	-
New Revenue	Bullet Proof Vest Grant TrueUp		3,240	3,240	-
New Revenue	Comcast Reimbursement		1,893	1,893	-
New Revenue	Cascade Bike Club Grant		191,800	191,800	-
New Revenue	Transfer Admin Fee from Impact Fee Fund		128,182	-	128,182
New Program	Public Defense Contracts		-	195,000	(195,000)
New Program	Municipal Court Start Up Costs - Initial		-	44,000	(44,000)
New Program	Replace Custodial Equipment (ISF)		-	35,000	(35,000)
Carry Forward	Housing Repair Contracts - 2025		-	16,167	(16,167)
Total General Fund Adjustments			\$ 277,468	\$ 456,053	\$ (178,585)

All Other Funds - Summary of Changes

1. \$22,323 in new programs (2 items)
2. -\$105,859 in programs with new revenue (9 items)

All Other Funds – Detailed Requests

Type	Description	Fund	Revenue	Expenditure	Net Impact
New Revenue	R/21st ST SE RAB Grant	General Transportation	220,800	220,800	-
New Revenue	Division/1st WSDOT Grant	General Transportation	139,125	139,125	-
New Revenue	C St SW Preservation WSDOT Grant	General Transportation	161,000	161,000	-
New Revenue	Flood - Side Sewer Repair Reimbursement	Cumulative Reserve	284,043	-	284,043
New Revenue	Flood - Side Sewer Repair Reimbursement	Sewer	22,323	284,043	(261,720)
New Revenue	King County CFT Frant for Soos Creek Gardens	Park Construction Fund	2,120,000	2,120,000	-
New Revenue	4Culture Grant - Theater	Capital Improvement Fund	625,000	625,000	-
New Revenue	Early Adopter of WA CBPS Funds	Facilities	18,904	18,904	-
New Revenue	Transfer Admin Fee to General Fund	Mitigation		128,182	(128,182)
New Program	GSA Property Road/Utilities	Capital Improvement Fund	-	100,000	(100,000)
New Program	Replace Custodial Equipment	Water/Sewer		15,000	(15,000)
New Program	Reduce Excise Tax Expense	Sewer		(400,000)	400,000
Total Adjustments - All Other Funds			\$ 3,591,195	\$ 3,412,054	\$ 179,141

Next Steps:

July 6, 2026

- Adopt BA#5



Interoffice Memorandum

To: City Council
From: Jamie Thomas, Finance Director
CC: Nancy Backus, Mayor
Date: June 29, 2026
Re: Ordinance #7023 – 2025-2026 Budget Amendment #5

The City's biennial 2025-2026 budget was approved by Council as two one-year appropriations. Budget Amendment #5 will be the fifth budget amendment for the biennium and will update the 2026 appropriations. For details on specific requests to amend the biennial budget, please refer to the accompanying **Schedule A, Summary of 2026 Budget Adjustments by Fund**. The purpose of this budget amendment is to:

1. Adjust operational expenditures; and
2. Recognize new grant awards and their associated expenditures; and
3. Adjust capital project budgets.

Net Effects on 2026 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. 5 has the following effects on fund balance by fund type:

• General Fund (Fund 001)	\$ -178,585
• Special Revenue Funds (Funds 1*)	155,861
• Debt Service Funds (Funds 2*)	-
• Governmental Capital Funds (Funds 3*)	-100,000
• Enterprise Funds (Funds 4*)	123,280
• Internal Service Funds (Funds 5*)	-
• Agency Funds (Funds 6*)	-
• Permanent Funds (Funds 7*)	-
NET EFFECT ON FUND BALANCE	\$ 556

Adjust Operating Budget: These requests represent changes to the operating budget due to revisions of existing budget authority and requests for new budget authority. Presented below is the new expenditure authority requested, net of interfund activity.

• Comcast emergency repair reimbursement ¹	\$ 285,936
• Increase public defense costs based on anticipated case load	195,000
• Replace aging custodial equipment	50,000
• Reduce sewer utility excise tax expenditure ²	-400,000
• Other operating adjustments (two total) ³	<u>60,167</u>
NEW EXPENDITURE AUTHORITY	\$ 191,103
NET EFFECT ON FUND BALANCE	\$ 117,156

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:

• GSA property driveway access and utilities project design	\$ 100,000
• Lake Tapps Parkway lighting ⁴	<u>0</u>
NEW EXPENDITURE AUTHORITY	\$ 100,000
NET EFFECT ON FUND BALANCE	\$ -100,000

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 unless a grant match is required. What is shown below is the additional expenditure authority requested, which in each case is offset by a corresponding adjustment to revenue. These requests include:

• KC Conservation Futures Tax Levy Grant: Soos Creek Botanical Gardens	\$ 2,120,000
• 4Culture Grant: Auburn Avenue Theater	625,000
• WSDOT Grant: R/21 st Street SE Roundabout ⁵	220,800
• Cascade Bike Club Grant: Bicycle Program	191,800
• WSDOT: C Street SW Preservation ⁶	161,000

¹ A reimbursement to the City for repairs necessitated by Comcast operations. Full reimbursement is \$308,259; this request restores \$284,043 of expenditure authority to the Sewer fund while reimbursing the Cumulative Reserve and General fund, which previously covered these expenses.

² Reduce the expenditure budget for sewer utility excise tax payments based on current projections.

³ Provide budget for two hourly judges for the Municipal Court to cover the remainder of 2026 (\$44,000); carry forward budget for housing repair program costs obligated but not spent in 2025 (\$16,167).

⁴ This program is currently split across Fund 102 (General Transportation) and Fund 328 (General Governmental Capital Projects). It has been determined this entire project should be recorded in Fund 102. No increase to expenditure authority.

⁵ This adjustment is a true-up of an existing budgeted grant award and expenditure to the actual award amount.

⁶ Supplemental grant funds awarded to existing project.

• WSDOT: 1 st Street NE/NW & Division Street Pedestrian Improvements ⁶	139,125
• Other grants (four total) ⁷	<u>-8,903</u>
NEW EXPENDITURE AUTHORITY	\$ 3,448,822
NET EFFECT ON FUND BALANCE	\$ - 16,600

Interfund Activity: The following interfund transfers and allocations are necessary to facilitate the amendments listed above.

• Interfund Activity	<u>\$ 572,142</u>
NEW EXPENDITURE AUTHORITY	\$ 572,142
NET EFFECT ON FUND BALANCE	\$ 0

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

Table 1: 2026 Budget as Amended

2026 Amended Budget	\$ 626,815,809
Budget Amendment #5 (Ord #7023)	<u>4,312,623</u>
Budget as Amended	\$ 631,128,432

Attachments:

- ❖ 1. Proposed Ordinance #7023 (budget adjustment #5)
- ❖ 2. Summary of proposed 2026 budget adjustments by fund and department (Schedule A)
- ❖ 3. Summary of proposed changes to the amended 2026 budget by fund (Schedule B)

⁷ Puget Sound Energy Clean Building Performance Standard (\$18,904); FEMA Emergency Management Performance Grant – includes expenditure budget true-up (\$14,004); Office of Justice Programs Bulletproof Vest Program (\$3,240), Housing and Urban Development CDBG grant true-up – reduce budget to match actual award (-\$45,051).

ORDINANCE NO. 7023

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 four times since adoption (by enacting Ordinance No. 6975 on May 19, 2025, Ordinance No. 6991 on August 4, 2025, Ordinance No. 7000 on November 17, 2025, and Ordinance No. 7017 on April 20, 2026); 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" and "B", attached hereto and incorporated herein by reference.

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:

APPROVED AS TO FORM:

Shawn Campbell, MMC, City Clerk

Jason Whalen, City Attorney

Published: _____

Schedule A
Summary of 2026 Budget Adjustments by Fund
Budget Amendment #5 (Ordinance #7023)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>
General Fund (#001)				
2026 Adopted Budget	33,158,530	106,950,907	114,023,485	26,085,952
Previous Budget Amendments	19,825,957	5,717,204	10,831,623	14,711,538
2026 Amended Budget	52,984,487	112,668,111	124,855,108	40,797,490
BA#5 (Ordinance #7023, Proposed):	-	277,468	456,053	(178,585)
Administration				
EMPG Grant Reduction	-	(2,596)	14,004	(16,600)
Human Resources				
Public Defense Cost Increase	-	-	195,000	(195,000)
Municipal Court				
Initial Court Costs - Ord #6991	-	-	44,000	(44,000)
Community Development				
Housing Rep 2025 Contracts CF	-	-	16,167	(16,167)
Human Services				
CDBG26 Budget Correction	-	(45,051)	(45,051)	-
Police				
Bulletproof Grnt Trueup PD2508	-	3,240	3,240	-
Public Works				
Comcast Rmbt Req EM2502.RPEM1	-	1,893	1,893	-
Parks, Arts & Rec				
Cascade Bike Club Grant GR2604	-	191,800	191,800	-
Non-Departmental				
Replacement of all Aging Custodial Equipment	-	-	35,000	(35,000)
Xfer Sch Admn Fee - F124 to GF	-	128,182	-	128,182
Revised 2026 Budget - Fund 001	52,984,487	112,945,579	125,311,161	40,618,905

Schedule A
Summary of 2026 Budget Adjustments by Fund
Budget Amendment #5 (Ordinance #7023)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>
General Transportation Fund (#102)				
2026 Adopted Budget	5,168,764	10,602,973	9,162,300	6,609,437
Previous Budget Amendments	10,123,802	25,656,238	35,290,859	489,181
2026 Amended Budget	15,292,566	36,259,211	44,453,159	7,098,618
BA#5 (Ordinance #7023, Proposed):	-	544,785	544,785	-
R/21st ST SE RAB Grant CP2308	-	220,800	220,800	-
Division/1st Add Grant CP2424	-	139,125	139,125	-
C St SW Prsrv Add Grant CP2425	-	161,000	161,000	-
Lake Tapps Parkway Lighting	-	23,860	23,860	-
Revised 2026 Budget - Fund 102	<u>15,292,566</u>	<u>36,803,996</u>	<u>44,997,944</u>	<u>7,098,618</u>
Cumulative Reserve Fund (#122)				
2026 Adopted Budget	33,171,351	80,000	825,600	32,425,751
Previous Budget Amendments	11,418,331	-	4,994,047	6,424,284
2026 Amended Budget	44,589,682	80,000	5,819,647	38,850,035
BA#5 (Ordinance #7023, Proposed):	-	284,043	-	284,043
Comcast Rmbt Req EM2502.RPEM1	-	284,043	-	284,043
Revised 2026 Budget - Fund 122	<u>44,589,682</u>	<u>364,043</u>	<u>5,819,647</u>	<u>39,134,078</u>
Mitigation Fees Fund (#124)				
2026 Adopted Budget	3,441,291	1,236,900	2,794,373	1,883,818
Previous Budget Amendments	10,152,901	-	8,493,669	1,659,232
2026 Amended Budget	13,594,192	1,236,900	11,288,042	3,543,050
BA#5 (Ordinance #7023, Proposed):	-	-	128,182	(128,182)
Xfer Sch Admn Fee - F124 to GF	-	-	128,182	(128,182)
Revised 2026 Budget - Fund 124	<u>13,594,192</u>	<u>1,236,900</u>	<u>11,416,224</u>	<u>3,414,868</u>

Schedule A
Summary of 2026 Budget Adjustments by Fund
Budget Amendment #5 (Ordinance #7023)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>
Parks Construction Fund (#321)				
2026 Adopted Budget	490,199	711,300	685,000	516,499
Previous Budget Amendments	1,436,486	2,170,021	2,510,819	1,095,688
2026 Amended Budget	1,926,685	2,881,321	3,195,819	1,612,187
BA#5 (Ordinance #7023, Proposed):	-	2,120,000	2,120,000	-
King County CFT Grant for Soos Creek Gardens	-	2,120,000	2,120,000	-
Revised 2026 Budget - Fund 321	<u>1,926,685</u>	<u>5,001,321</u>	<u>5,315,819</u>	<u>1,612,187</u>
Capital Improvements Fund (#328)				
2026 Adopted Budget	1,561,564	13,270,500	13,250,000	1,582,064
Previous Budget Amendments	3,521,233	25,053,431	25,738,083	2,836,581
2026 Amended Budget	5,082,797	38,323,931	38,988,083	4,418,645
BA#5 (Ordinance #7023, Proposed):	-	995,100	995,100	-
CDBG26 Budget Correction	-	293,960	293,960	-
4Culture 2026 Anchor Comm Grnt	-	625,000	625,000	-
Lake Tapps Parkway Lighting	-	(23,860)	(23,860)	-
GSA Prop Dvwy/Util Prj CP2616	-	100,000	100,000	-
Revised 2026 Budget - Fund 328	<u>5,082,797</u>	<u>39,319,031</u>	<u>39,983,183</u>	<u>4,418,645</u>
Real Estate Excise Tax Fund (#331)				
2026 Adopted Budget	5,398,962	1,840,000	1,569,700	5,669,262
Previous Budget Amendments	11,667,581	-	5,567,136	6,100,445
2026 Amended Budget	17,066,543	1,840,000	7,136,836	11,769,707
BA#5 (Ordinance #7023, Proposed):	-	-	100,000	(100,000)
Lake Tapps Parkway Lighting	-	-	-	-
GSA Prop Dvwy/Util Prj CP2616	-	-	100,000	(100,000)
Revised 2026 Budget - Fund 331	<u>17,066,543</u>	<u>1,840,000</u>	<u>7,236,836</u>	<u>11,669,707</u>

Schedule A
Summary of 2026 Budget Adjustments by Fund
Budget Amendment #5 (Ordinance #7023)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>
Water Fund (#430)				
2026 Adopted Budget	3,381,662	22,200,250	23,286,921	2,294,991
Previous Budget Amendments	19,973,510	1,043,161	13,802,918	7,213,753
2026 Amended Budget	23,355,172	23,243,411	37,089,839	9,508,744
BA#5 (Ordinance #7023, Proposed):	-	-	7,500	(7,500)
Replacement of all Aging Custodial Equipment	-	-	7,500	(7,500)
Revised 2026 Budget - Fund 430	<u>23,355,172</u>	<u>23,243,411</u>	<u>37,097,339</u>	<u>9,501,244</u>
Sewer Fund (#431)				
2026 Adopted Budget	14,725,640	11,505,000	12,425,228	13,805,412
Previous Budget Amendments	20,310,452	284,043	13,847,841	6,746,654
2026 Amended Budget	35,036,092	11,789,043	26,273,069	20,552,066
BA#5 (Ordinance #7023, Proposed):	-	22,323	(108,457)	130,780
Replacement of all Aging Custodial Equipment	-	-	7,500	(7,500)
Dec. F431 2026 Excise Tax Exp	-	-	(400,000)	400,000
Comcast Rmbt Req EM2502.RPEM1	-	22,323	284,043	(261,720)
Revised 2026 Budget - Fund 431	<u>35,036,092</u>	<u>11,811,366</u>	<u>26,164,612</u>	<u>20,682,846</u>
Facilities Fund (#505)				
2026 Adopted Budget	398,740	4,932,800	4,947,759	383,781
Previous Budget Amendments	256,688	1,032,413	1,577,349	(288,248)
2026 Amended Budget	655,428	5,965,213	6,525,108	95,533
BA#5 (Ordinance #7023, Proposed):	-	68,904	68,904	-
Replacement of all Aging Custodial Equipment	-	50,000	50,000	-
Early Adopter of WA CBPS Funds	-	18,904	18,904	-
Revised 2026 Budget - Fund 505	<u>655,428</u>	<u>6,034,117</u>	<u>6,594,012</u>	<u>95,533</u>

Schedule A
Summary of 2026 Budget Adjustments by Fund
Budget Amendment #5 (Ordinance #7023)

	<u>Beg. Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>
Grand Total - All Funds				
2026 Adopted Budget	141,526,173	280,938,953	289,766,103	132,699,023
Previous Budget Amendments	136,322,900	68,027,783	149,079,946	55,270,737
2026 Amended Budget	277,849,073	348,966,736	438,846,049	187,969,760
Total BA#5 (Ordinance #7023, Proposed):	-	4,312,623	4,312,067	556
Revised 2026 Budget	<u>277,849,073</u>	<u>353,279,359</u>	<u>443,158,116</u>	<u>187,970,316</u>
		631,128,432		631,128,432

Schedule B
2026 Ending Fund Balance/Working Capital
by Fund

Fund	2026	2026	BA#5	BA#5	BA Net Change Fund Balance	Revised Ending Balance
	Amended Beginning Balance	Amended Ending Balance	(ORD #7023) Revenues	(ORD #7023) Expenditures		
General Fund (#001)	52,984,487	40,797,490	277,468	456,053	(178,585)	40,618,905
General Transportation Fund (#102)	15,292,566	7,098,618	544,785	544,785	-	7,098,618
Hotel/Motel Tax Fund (#104)	385,943	369,343	-	-	-	369,343
Arterial Street Preservation Fund (#105)	6,864,676	4,868,565	-	-	-	4,868,565
Drug Forfeiture Fund (#117)	823,586	678,800	-	-	-	678,800
Recreation Trails Fund (#120)	63,629	71,129	-	-	-	71,129
Cumulative Reserve Fund (#122)	44,589,682	38,850,035	284,043	-	284,043	39,134,078
Mitigation Fees Fund (#124)	13,594,192	3,543,050	-	128,182	(128,182)	3,414,868
2020 LTGO A&B Refunding Bonds Fund (#232)	498,405	498,505	-	-	-	498,505
SCORE Debt Service Fund (#238)	-	-	-	-	-	-
LID Guarantee Fund (#249)	-	-	-	-	-	-
Golf/Cemetery 2016 Refunding Fund (#276)	-	-	-	-	-	-
Parks Construction Fund (#321)	1,926,685	1,612,187	2,120,000	2,120,000	-	1,612,187
Capital Improvements Fund (#328)	5,082,797	4,418,645	995,100	995,100	-	4,418,645
Local Revitalization Fund (#330)	353,125	44,437	-	-	-	44,437
Real Estate Excise Tax Fund (#331)	17,066,543	11,769,707	-	100,000	(100,000)	11,669,707
Water Fund (#430)	23,355,172	9,508,744	-	7,500	(7,500)	9,501,244
Sewer Fund (#431)	35,036,092	20,552,066	22,323	(108,457)	130,780	20,682,846
Storm Drainage Fund (#432)	25,011,077	9,204,602	-	-	-	9,204,602
Sewer Metro Sub Fund (#433)	5,539,425	5,582,425	-	-	-	5,582,425
Solid Waste Fund (#434)	2,754,644	3,581,114	-	-	-	3,581,114
Airport Fund (#435)	2,656,713	1,234,519	-	-	-	1,234,519
Cemetery Fund (#436)	1,623,094	1,144,887	-	-	-	1,144,887
Insurance Fund (#501)	1,237,416	1,074,916	-	-	-	1,074,916
Workers' Comp Fund (#503)	3,659,144	3,824,044	-	-	-	3,824,044
Facilities Fund (#505)	655,428	95,533	68,904	68,904	-	95,533
Innovation & Technology Fund (#518)	2,970,040	3,348,087	-	-	-	3,348,087
Equipment Rental Fund (#550)	9,221,655	9,536,795	-	-	-	9,536,795
Fire Pension Fund (#611)	1,870,815	1,839,475	-	-	-	1,839,475
Cemetery Endowment Fund (#701)	2,732,042	2,822,042	-	-	-	2,822,042