



City of Tukwila
***Finance and Governance
Committee***

- ◆ Armen Papyan, Chair
- ◆ Dennis Martinez
- ◆ Verna Seal

Distribution:

A. Papyan
D. Martinez
V. Seal
T. Sharp

Mayor McLeod
M. Wine
A. Youn
L. Humphrey

AGENDA

MONDAY, NOVEMBER 24, 2025 – 5:30 PM

ON-SITE PRESENCE:

**TUKWILA CITY HALL
HAZELNUT CONFERENCE ROOM
6200 SOUTHCENTER BOULEVARD**

REMOTE PARTICIPATION FOR THE PUBLIC:

1-253-292-9750, ACCESS CODE: 441656166#
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| Item | Recommended Action | Page |
|--|--|--------------|
| 1. BUSINESS AGENDA | | |
| a. Resolution Amending the Change Fund Level <i>Valerie Marino, Deputy Court Administrator</i> | a. Forward to 12/1 Regular Meeting Consent Agenda | Pg.1 |
| b. Ordinance Updating Equity and Social Justice Commission Membership <i>Laurel Humphrey, Council Analyst</i> | b. Forward to 12/15 Regular Meeting Consent Agenda | Pg.5 |
| c. Ordinance Recodifying & Enacting new Tukwila Municipal Code (TMC) <i>Andy Youn-Barnett, City Clerk</i> | c. Forward to 12/8 C.O.W. & 12/15 Regular Mtg | Pg.9 |
| d. An Ordinance Amending the Business & Occupancy Tax <i>Adam Schierenbeck, Acting Fiscal Manager</i> | d. Forward to 12/8 C.O.W. & 12/15 Regular Mtg | Pg.15 |
| e. October Monthly Financial Report <i>Tony Cullerton, Deputy Finance Director</i> | e. Discussion only | Pg.49 |
| 2. MISCELLANEOUS | | |

Next Scheduled Meeting: *December 22, 2025*



The City of Tukwila strives to accommodate individuals with disabilities.
Please contact the City Clerk's Office at **206-433-1800** (TukwilaCityClerk@TukwilaWA.gov) for assistance.



INFORMATIONAL MEMORANDUM

TO: **Finance and Governance Committee**

FROM: **Trish Kinlow, Judicial Branch Administrator**

BY: **Valerie Marino, Deputy Judicial Branch Administrator**

CC: **Thomas McLeod**

DATE: **November 6, 2025**

SUBJECT: **Change in Change Fund Level**

ISSUE

Since the beginning of 2025, the court has experienced a significant increase in case filings, which has led to higher volume of cash payments. Many customers are paying with \$100 bills, depleting the court's change funds more quickly than in previous years.

BACKGROUND

The court currently maintains two change cash tills, containing \$150, for a total of \$300.

ANALYSIS

Due to the increased need for change, staff must make multiple trips to the bank each week to replenish the tills. This creates operational inefficiencies and additional workload.

FINANCIAL IMPACT

An increase of \$300 to the existing change cash fund.

RECOMMENDATION

The court recommends increasing the total change cash fund \$300 to \$600. Each till would be increased from \$150 to \$300.

We request the Committee forward this item to the December 1, 2025, Regular Council Meeting Consent Agenda

ATTACHMENTS

Draft Change Fund Level Resolution

DRAFT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, INCREASING CHANGE FUNDS TO REFLECT CHANGING CITY OPERATIONS AND IMPROVE OPERATIONAL EFFICIENCIES; AND REPEALING RESOLUTION NO. 2094.

WHEREAS, the Tukwila City Council previously established Change Fund and Petty Cash Fund levels for various City departments by Resolution No. 2094, passed on May 6, 2024; and

WHEREAS, there is now a need to increase the Change Fund level for the Tukwila Municipal Court to reflect changes in court processes to improve operational efficiencies;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. The Change Fund levels are hereby set as follows:

| | | | |
|---------------------------------------|-------------------------|-----|---------------------------------|
| Finance Department | Water Fund | 401 | \$ 400.00 |
| Municipal Court | General Fund | 000 | 3 \$600.00 |
| Parks and Recreation | General Fund | 000 | \$350.00 |
| Parks and Recreation (Golf Course) | Foster Golf Course Fund | 411 | \$200.00 |
| Police Department | General Fund | 000 | \$500.00 (or less as needed) |

Section 2. The Petty Cash Fund levels are hereby set as follows:

| | | | |
|----------------------------------|--------------|-----|-------------|
| Finance Department | General Fund | 000 | \$ 300.00 |
| Finance Dept. Witness/Juror Fees | General Fund | 000 | \$1,000.00 |
| Police Investigation/Tukwila | General Fund | 000 | \$10,000.00 |
| Parks and Recreation | General Fund | 000 | \$100.00 |

Section 3. Resolution No. 2094 is hereby repealed.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a
Regular Meeting thereof this _____ day of _____, 2025.

ATTEST/AUTHENTICATED:

Andy Youn-Barnett, CMC, City Clerk

Tosh Sharp, Council President

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____

Passed by the City Council: _____

Resolution Number: _____

Office of the City Attorney



INFORMATIONAL MEMORANDUM

TO: **Finance & Governance Committee**
FROM: **Laurel Humphrey, Legislative Analyst**
CC: **Mayor McLeod**
DATE: **November 18, 2025**
SUBJECT: **Ordinance updating Equity and Social Justice Commission Membership**

ISSUE

The proposed ordinance removes the City Councilmember position and replaces it with a 4th community member position.

BACKGROUND

Upon the advice of the City Attorney, no sitting Tukwila Councilmember should also serve on a city board or commission. Under RCW 35A.12.030, a city councilmember may “hold within the city government no other public office or employment.” The Washington State Supreme Court defined public office as “a position of authority, duty, or responsibility conferred by a governmental authority for a public purpose or to exercise a public function.” Under this definition, city board and commission positions qualify.

Further, since city commissions act as advisory bodies to the City Council, holding both roles is also likely a violation of the doctrine of incompatible offices and therefore unlawful.

In response to this advice issued earlier this year, sitting and incoming appointed Councilmembers have resigned their commission seats. The Equity and Social Justice Commission is unusual in that its City Council position is included in the Municipal Code as a required part of the membership. The Equity and Social Justice Commission (formerly Equity and Diversity) was championed by the late Joan Hernandez, former City Councilmember, and this position was codified at the direction of the Council at the time.

DISCUSSION

The draft ordinance removes the City Councilmember position from ESJC in compliance with state law. To retain the same number of members, the position is replaced by an additional community member, which can be a resident or member of the business, non-profit, or faith-based community.

There are other ways for Councilmembers to engage with City Commissioners and staff is looking at ways to enhance these relationships in future years.

RECOMMENDATION

Staff is seeking Committee discussion of the ordinance and a recommendation to forward to the December 15, 2025 Regular Consent Agenda.

ATTACHMENTS

Draft ordinance

DRAFT

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, AMENDING ORDINANCE NO. 2530 §5, AS CODIFIED AT TUKWILA MUNICIPAL CODE SECTION 2.29.020, "MEMBERSHIP," TO REMOVE THE COUNCILMEMBER POSITION; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Equity and Social Justice (formerly Equity and Diversity) Commission was established in 1996 and codified as an advisory body to the Mayor and City Council in 1998; and

WHEREAS, since its inception, the Commission has included a membership position allocated specifically to a sitting City Councilmember; and

WHEREAS, pursuant to RCW 35A.12.030, a "councilmember shall hold within the city government no other public office or employment except as permitted under the provision of chapter 42.23 RCW"; and

WHEREAS, because the Equity and Social Justice Commission serves in an advisory capacity to the Tukwila City Council, a Councilmember serving on the Commission is likely in violation of the legal principle commonly known as the doctrine of incompatible offices; and

WHEREAS, it is in the best interest of the City of Tukwila that the City Council periodically review and update the functionality of its Commissions to align with state law, the current environment, and best practices;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

Section 1. TMC Section 2.29.020 Amended. Ordinance No. 2530 §5, as codified at TMC Section 2.29.020, "Membership" subparagraphs A and B, is hereby amended to read as follows:

2.29.020 Membership

A. Qualifications. Members must meet at least one of the following requirements:

1. Be a resident of the City of Tukwila.
2. Own or work at a business, non-profit, or faith-based organization operating within the city limits of the City of Tukwila; or
3. Work in the education field in the City of Tukwila.

B. Number of Members. The Commission shall be comprised of nine members. To the extent possible, membership shall be representative of the diversity of the community and should include:

1. Two city employees ~~and one Tukwila City Councilmember~~ (Positions ~~1, 4~~ and 7). If the City is unable to fill one of its two employee positions, a community member may fill one City employee position.
2. ~~Three~~ Four community members that meet the resident, ~~-or-~~ business, non-profit, or faith-based criteria as stated in TMC Section 2.29.020.A (Positions 1, 3, 6, and 9).
3. Three members representing the education field in Tukwila (Positions 2, 5 and 8). If needed, a community member may fill one education field position.

Section 2. Corrections by City Clerk or Code Reviser Authorized. Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

Section 3. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance or its application to any person or situation should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

Section 4. Effective Date. This ordinance or a summary thereof shall be published in the official newspaper of the City, and shall take effect and be in full force five days after passage and publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2025.

[signatures to follow]

ATTEST/AUTHENTICATED:

Andy Youn-Barnett, CMC, City Clerk

Thomas McLeod, Mayor

APPROVED AS TO FORM BY:

Office of the City Attorney

Filed with the City Clerk:_____
Passed by the City Council:_____
Published:_____
Effective Date:_____
Ordinance Number:_____



INFORMATIONAL MEMORANDUM

TO: **Finance & Governance Committee**
BY: **Andy Youn-Barnett, City Clerk**
CC: **Mayor McLeod**
Marty Wine, City Administrator
DATE: **November 17, 2025**
SUBJECT: **Recodification of the Tukwila Municipal Code**

ISSUE

The City has been using a legacy format of the Tukwila Municipal Code ("TMC") for several decades and recently completed a conversion to an online format. In alignment with RCW 35A.21.130, this recodification requires an ordinance and public hearing adopting the new TMC.

BACKGROUND

The City Clerk's Office is responsible for the codification of City ordinances into the City's Municipal Code, as authorized by RCW 35.21.510. As part of the department's efforts to streamline resources, implement process efficiencies, and enhance end-user experience, the Clerk's Office identified codification of the TMC as a key opportunity to improve an existing process while providing enhanced services for both staff and the public.

Codification of ordinances is the process by which laws are compiled into an orderly, formal code of all enacted laws currently in force. Staff have codified in-house for decades using a legacy system and maintain 23 individual Titles spanning over 800 pages of code at any given time, depending on the number of ordinances requiring recodification. Recodification is a labor-intensive process, and recent releases have typically occurred within 3-6 months after passage due to archaic processes and a high number of complex, large-scale ordinances needing codification. Delays result in staff, businesses, and the public relying on a code that is out of sync with recently passed ordinances.

Earlier this year, the Clerk's Office began work on transitioning our code to an online format, with the goal of modernizing the current TMC, making it more accessible to staff and the public. Following a review of proposals from different vendors, General Code was selected as the most competitive and cost-effective provider for codification services with a comprehensive suite of code features, including:

- An online code portal
- Regularly scheduled code updates, with an option to expedite updates as needed;
- Robust search and user engagement capabilities; and
- Translation for more than 100 additional languages;
- Data analytics and metrics

Staff have worked with General Code over the past few months to transition our legacy code into the new online code portal. The recodification process included standardization of language, correction of scrivener's errors, housekeeping on certain code conflicts and inconsistencies, and Chapter/Section renumbering. The recodification package is now complete, and pursuant to RCW 35A.21.130, staff are bringing forward an enacting ordinance to recodify and enact the new TMC and adopt the recodified version as the formal and official code moving forward.

FINANCIAL IMPACT

The costs for codification will be paid for through the Technology Fee Fund, and are outlined as follows:

| One-Time Costs | |
|----------------|---------|
| Conversion Fee | \$2,990 |

| Recurring Costs | |
|--------------------------|-----------------|
| Annual Maintenance Fee | \$1,195 |
| Codification Fee | |
| Page | \$24 (per page) |
| Tables, Graphics, Charts | \$10 (Per item) |

Based on an internal analysis of codification activity (average number of pages codified annually) over the past 5 years, we anticipate the financial impact to be approximately \$5,000 - 10,000 annually, although the cost may vary in years with high legislative activity.

RECOMMENDATION

In alignment with RCW 35A.21.130, City staff recommend this item be forwarded to the December 8th Committee of the Whole for a first reading and forwarded to the December 15th Regular Meeting for a public hearing and potential adoption.

ATTACHMENTS

Draft Ordinance
Exhibit A – “Recodification Package”

DRAFT

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, RECONFIGURING, RECODIFYING AND ENACTING A NEW MUNICIPAL CODE FOR THE CITY OF TUKWILA PURSUANT TO RCW 35A.21.130; REARRANGING AND RENUMBERING TITLES, CHAPTERS, AND SECTIONS; CONFORMING INTERNAL REFERENCES AND CROSS-REFERENCES ACCORDINGLY; PROVIDING TABLES AND INDICES TO FACILITATE LOCATION AND CONVERSION OF CODE REFERENCES AND MATERIAL; ESTABLISHING AN EFFECTIVE DATE OF DECEMBER 23, 2025 FOR THE NEW CITY OF TUKWILA MUNICIPAL CODE HEREIN ADOPTED; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Tukwila Municipal Code (“TMC”) has been compiled, adopted, effectuated, altered, and amended over several decades; and

WHEREAS, the City desires to modernize the TMC from its current legacy, static format to an interactive, online format to align with best practices, facilitate administrative and legislative management of the TMC, enhance accessibility of the TMC for the public and staff, and better serve the public interest; and

WHEREAS, the City desires to recodify and republish the TMC to reestablish a coherent numbering and reference system; rearrange and renumber titles, chapters and sections; and update and coordinate numbering and standard referencing of and within the TMC; and

WHEREAS, the City has completed that work, which is reflected by and composed of the new Tukwila Municipal Code Recodification Package, attached hereto and available on the City website and in hard copy at the City Clerk’s Office; and

WHEREAS, RCW 35A.21.130 requires that compilation, codification, and revision of city codes shall conform with RCW 35.21.500 through RCW 35.21.570; and

WHEREAS, a first reading was held on December 8, 2025, and a public hearing was held on December 15, 2025;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

Section 1. Adoption of Findings of Fact. The City Council finds as follows:

The above recitals, set forth as “WHEREAS” clauses, are hereby adopted as Findings of Fact in support of the adoption of this ordinance.

Section 2. Adoption of Recodified Tukwila Municipal Code. The Tukwila Municipal Code Recodification Package, attached hereto as Exhibit A, is hereby adopted and enacted as the formal and official City of Tukwila Municipal Code and shall be in full force and effect commencing as of 12:01 a.m. on December 23, 2025. As of the effective date, it shall be known and referenced as the Tukwila Municipal Code (TMC) and may thereafter be further amended and modified pursuant to the City’s usual procedures and applicable statutes.

Section 3. Prior Tukwila Municipal Code Superseded. The prior Tukwila Municipal Code shall be deemed superseded in all respects as of the effective date specified in Section 2 of this ordinance.

Section 4. Corrections by City Clerk or Code Reviser Authorized. Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

Section 5. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance or its application to any person or situation should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

Section 6. Effective Date. This ordinance or a summary thereof shall be published in the official newspaper of the City and shall take effect and be in full force five days after passage and publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2025.

[signature page to follow]

ATTEST/AUTHENTICATED:

Andy Youn-Barnett, CMC, City Clerk

Thomas McLeod, Mayor

APPROVED AS TO FORM BY:

Filed with the City Clerk:_____

Passed by the City Council:_____

Published:_____

Effective Date:_____

Ordinance Number:_____

Office of the City Attorney

[Exhibit A: Tukwila Municipal Code Recodification Package](#)



INFORMATIONAL MEMORANDUM

TO: **Finance & Governance Committee**

FROM: **Aaron BeMiller, Finance Director**

BY: **Adam Schierenbeck, Acting Fiscal Manager**

CC: **Thomas McLeod, Mayor**

DATE: **October 27, 2025**

SUBJECT: **B&O Tax – Amendments to Chapter 3.26 TMC**

ISSUE

The Finance Department is recommending amendments to Chapter 3.26 of the Tukwila Municipal Code (TMC) concerning business and occupation (B&O) tax. The amendments will align the code with the Washington State B&O Tax Model Ordinance and will correct a technical error in the administrative provision pertaining to tax confidentiality.

BACKGROUND

RCW 35.102.040 requires the City to use the mandatory provisions of the model ordinance developed by Washington cities when imposing a B&O tax. The model ordinance has been amended effective January 1, 2026, in response to Senate Bill (SB) 5814, changing certain activities from the Service and Other Activities tax classification to the Retailing tax classification.

Additionally, while the City has adopted an optional provision of the model ordinance relating to public disclosure and confidentiality of tax information, as passed by the City council in Ordinance 2727 effective January 1, 2024, a technical correction is required in this section.

DISCUSSION

Staff are proposing the following amendments to Chapter 3.26 TMC, which aligns the code with the model ordinance.

Definition Changes

The definition of “sale at retail” or “retail sale” is being amended to incorporate changes to the taxation of professional services, sales of custom software, customization of prewritten computer software, and sales of digital goods and digital automated services.

The definition of “sale at wholesale” or “wholesale sale” is being amended to parallel updates to the definition of retail sale pertaining to custom software or customization of prewritten software.

These changes will result in the following activities being classified as retail sales:

- Advertising services;
- Live presentations;
- Information technology services;
- Custom website development services;
- Investigation, security, and armored car services;
- Temporary staffing services; and
- Sales of custom software and customization of prewritten software.

Tax Confidentiality

TMC section 3.27.220 establishes safeguards for protecting tax information from public disclosure. Subsection (F) of this section explains the repercussions if tax information is improperly disclosed. This subsection is being amended to state that such repercussions apply to employees of the City, whereas it formerly cited employees of the state in error.

Financial Impact

The business activities impacted by this change have, to date, been taxable under the Service and Other Activities tax classification at a rate of 0.00085. The gross income derived from such services is allocated to Tukwila using a two-factor apportionment method which takes both the company's payroll costs and the customer's location into account.

Beginning, January 1, 2026, gross income derived from the business activities that are impacted will be subject to tax under the Retailing classification at a rate of 0.0005 and will be allocated to Tukwila solely based on the location where the activity takes place. Furthermore, the changes may impact only a portion of a company's business activities.

The information available to the City, namely amounts reported on tax returns previously filed and information provided on the business license application concerning the business activities of the taxpayer, is not sufficient to determine the financial impact of these changes.

FINANCIAL IMPACT

Due to the reasons cited above, the financial impact cannot be determined based on the information available. However, the code changes are not expected to have a significant financial impact on B&O tax revenues.

RECOMMENDATION

The Council is being asked to approve the ordinance and consider this item at the December 8, 2025 Committee of the Whole Meeting and subsequent December 15, 2025 Regular Meeting.

ATTACHMENTS

- A - Draft B&O Tax Ordinance
- B - 2026 B&O Tax Model Ordinance
- C - AWC 2026 Changes to Model Ordinance Fact Sheet

DRAFT

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON; AMENDING ORDINANCE NO. 2689 §5, AS CODIFIED AT TUKWILA MUNICIPAL CODE (TMC) SECTION 3.26.040, “DEFINITIONS”; AMENDING ORDINANCE NO. 2726 §11, AS CODIFIED AT TMC SECTION 3.27.220; TO ADOPT UPDATED REGULATIONS IN ACCORDANCE WITH THE MODEL ORDINANCE; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, RCW 35.102.040 requires the City to adopt the mandatory provisions of the model ordinance developed by Washington cities when imposing a business and occupation tax; and

WHEREAS, the definition in RCW 82.04.050 for “sale at retail” or “retail sale” and the definition in RCW 82.04.060 for “sale at wholesale” or “wholesale sale” were amended by Senate Bill 5814, resulting in changes to Washington’s model ordinance; and

WHEREAS, the City has adopted an administrative provision relating to public disclosure and confidentiality of tax information, which requires a technical correction;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

Section 1. TMC Section 3.26.040 Amended. Ordinance No. 2689 §5, as codified at TMC Section 3.26.040, “Definitions,” **subparagraph U**, is hereby amended to read as follows:

3.26.040 Definitions

U. “Sale at retail,” “retail sale”

1. “Sale at retail” or “retail sale” means every sale of tangible personal property (including articles produced, fabricated, or imprinted) to all persons irrespective of the nature of their business and including, among others, without limiting the scope hereof, persons who install, repair, clean, alter, improve, construct, or decorate real or personal

property of or for consumers, other than a sale to a person who presents a resale certificate under RCW 82.04.470 and who:

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

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

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

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

e. Purchases for the purpose of providing the property to consumers as part of competitive telephone service, as defined in RCW 82.04.065; ~~or. The term shall include every sale of tangible personal property which is used or consumed or to be used or consumed in the performance of any activity classified as a "sale at retail" or "retail sale" even though such property is resold or utilized as provided in TMC Section 3.26.040.U.1.a, b, c, d, or e following such use.~~

f. Purchases for the purpose of satisfying the person's obligations under an extended warranty as defined in ~~TMC Section 3.26.040.U.7~~ subsection (8) of this section, if such tangible personal property replaces or becomes an ingredient or component of property covered by the extended warranty without intervening use by such person.

The term shall include every sale of tangible personal property which is used or consumed or to be used or consumed in the performance of any activity defined as a "sale at retail" or "retail sale" even though such property is resold or utilized as provided in (a)(i) through (vi) of this subsection following such use.

The term also means every sale of tangible personal property to persons engaged in any business that is taxable under RCW 82.04.280(1)(a), (b), and (g), 82.04.290, and 82.04.2908.

2. "Sale at retail" or "retail sale" also means every sale of tangible personal property to persons engaged in any business activity which is taxable under TMC Section 3.26.050.A.7.

3. The term "sale at retail" or "retail sale" includes the sale of or charge made for personal, business, or professional services including amounts designated as interest,

rents, fees, admissions, and other service emoluments however designated, received by persons engaging in the following business activities:

a. Information technology training services, technical support, and other services including, but not limited to, assisting with network operations and support, help desk services, in-person training related to hardware or software, network system support services, data entry services, and data processing services; or

b. Custom website development services. For the purposes of this subsection (3), “website development services” means the design, development, and support of a website provided by a website developer to a customer; or

c. Investigation, security services, security monitoring services, and armored car services including, but not limited to, background checks, security guard and patrol services, personal and event security, armored car transportation of cash and valuables, and security system services and monitoring. This does not include locksmith services; or

d. Temporary staffing services. For the purposes of this subsection (3), “temporary staffing services” means providing workers to other businesses, except for hospitals licensed under chapter 70.41 or 71.12 RCW, for limited periods of time to supplement their workforce and fill employment vacancies on a contract or for a fee basis; or

e. Advertising services.

i. For the purposes of this subsection (3), “advertising services” means all digital and nondigital services related to the creation, preparation, production, or dissemination of advertisements including, but not limited to:

A. Layout, art direction, graphic design, mechanical preparation, production supervision, placement, referrals, acquisition of advertising space, and rendering advice concerning the best methods of advertising products or services; and

B. Online referrals, search engine marketing, and lead generation optimization, web campaign planning, the acquisition of advertising space in the internet media, and the monitoring and evaluation of website traffic for purposes of determining the effectiveness of an advertising campaign.

ii. “Advertising services” do not include:

A. Web hosting services and domain name registration;

B. Services rendered in respect to the following:

I. “Newspapers” as defined in RCW 82.04.214;

II. Printing or publishing under RCW 82.04.280; and

III. “Radio and television broadcasting” within this state as defined in RCW 82.04 (section 1, chapter 9, Laws of 2025); and

C. Services rendered in respect to out-of-home advertising, including: Billboard advertising; street furniture advertising; transit advertising; place-based

advertising, such as in-store display advertising or point-of-sale advertising; dynamic or static signage at live events; naming rights; and fixed signage advertising. Out-of-home advertising does not include direct mail; or

f. Live presentations including, but not limited to, lectures, seminars, workshops, or courses where participants attend either in person or via the internet or telecommunications equipment that allows audience members and the presenter or instructor to give, receive, and discuss information with each other in real time.

For the purposes of (a) through (c) and (e) of this subsection (3), the terms “sale at retail” and “retail sale” do not include a sale between members of an affiliated group as defined in RCW 82.04.299(1)(f).

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

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

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

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

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

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

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

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

h. The sale of or charge made for tangible personal property, labor and services to persons taxable under TMC Section 3.26.040.U.3.a, b, c, d, e, f, and g when such sales or charges are for property, labor and services which are used or consumed in whole or in part by such persons in the performance of any activity defined as a “sale at retail” or “retail sale” even though such property, labor and services may be resold after such use or consumption. Nothing contained in this section shall be construed to modify TMC Section 3.26.040.U.1 and nothing contained in TMC Section 3.26.040.U.1 shall be construed to modify this subsection.

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

56. “Sale at retail” or “retail sale”:

a. “Sale at retail” or “retail sale” shall also include the sale of prewritten software, custom software, and customization of prewritten computer software to a consumer, other than a sale to a person who presents a resale certificate under RCW 82.04.470, regardless of the method of delivery to the end user. For the purposes of this subsection (6)(a), the sale of prewritten computer software includes the sale of or charge made for a key or an enabling or activation code, where the key or code is required to activate prewritten computer software and put the software into use. There is no separate sale of the key or code from the prewritten computer software, regardless of how the sale may be characterized by the vendor or by the purchaser. ~~The term “sale at retail” or “retail sale” does not include the sale of or charge made for:~~

~~i. Custom software; or~~

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

b. (i). The term “sale at retail” or “retail sale” also includes the charge made to consumers for the right to access and use prewritten computer software, custom software, and customization of prewritten computer software, where possession of the

software is maintained by the seller or a third party, regardless of whether the charge for the service is on a per use, per user, per license, subscription, or some other basis.

(ii.) A. The service described in ~~TMC Section 3.26.040.U.5.b~~ (b)(i) of this subsection (6) includes the right to access and use prewritten software, custom software, and customization of prewritten computer software to perform data processing.

ii. B. For the purposes of ~~TMC Section 3.26.040.U.5.b(i)~~ this subsection (b)(ii), “data processing” means the systematic performance of operations on data to extract the required information in an appropriate form or to convert the data to usable information. Data processing includes check processing, image processing, form processing, survey processing, payroll processing, claim processing, and similar activities.

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

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

89. “Sale at retail” or “retail sale” shall also include the sale of or charge made for labor and services rendered in respect to the constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for the United States, any instrumentality thereof, or a county or city housing authority created pursuant to chapter 35.82 RCW, including the installing, or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation (government contracting).

910. “Sale at retail” or “retail sale” shall not include the sale of services or charges made for the clearing of land and the moving of earth of or for the United States, any instrumentality thereof, or a county or city housing authority. Nor shall the term include the sale of services or charges made for cleaning up for the United States, or its instrumentalities, radioactive waste and other byproducts of weapons production and nuclear research and development.

110. “Sale at retail” or “retail sale” shall not include the sale of or charge made for labor and services rendered for environmental remedial action.

124. (a). “Sale at retail” or “retail sale” shall also include the following sales to consumers of digital goods, digital codes, and digital automated services:

ai. Sales in which the seller has granted the purchaser the right of permanent use;

bii. Sales in which the seller has granted the purchaser a right of use that is less than permanent;

ciii. Sales in which the purchaser is not obligated to make continued payment as a condition of the sale; and

dii. Sales in which the purchaser is obligated to make continued payment as a condition of the sale.

(b). A retail sale of digital goods, digital codes, or digital automated services under ~~TMC Section 3.26.040.U.5.b.2~~ this subsection (12) includes any services provided by the seller exclusively in connection with the digital goods, digital codes, or digital automated services, whether or not a separate charge is made for such services.

(c). A retail sale of digital goods, digital codes, or digital automated services does not include the following services if the sale occurs between members of an affiliated group as defined in RCW 82.04.299(1)(f):

i. Any service that primarily involved the application of human effort by the seller, and the human effort originated after the customer requested the service;

ii. Live presentations, such as lectures, seminars, workshops, or courses, where participants are connected to other participants via the internet or telecommunications equipment, which allows audience members and the presenter or instructor to give, receive, and discuss information with each other in real time;

iii. **Advertising services.** For purposes of this subsection, “advertising services” means all services directly related to the creation, preparation, production, or dissemination of advertisements. Advertising services include layout, art direction, graphic design, mechanical preparation, production supervision, placement, and rendering advice to a client concerning the best methods of advertising that client’s products or services. Advertising services also include online referrals, search engine marketing and lead generation optimization, web campaign planning, the acquisition of advertising space in the internet media, and the monitoring and evaluation of website traffic for purposes of determining the effectiveness of an advertising campaign. Advertising services do not include web hosting services and domain name registration; and

iv. **Data processing services.** For purposes of this subsection, “data processing service” means a primarily automated service provided to a business or other organization where the primary object of the service is the systematic performance of operations by the service provider on data supplied in whole or in part by the customer to

extract the required information in an appropriate form or to convert the data to usable information. Data processing services include check processing, image processing, form processing, survey processing, payroll processing, claim processing, and similar activities. Data processing does not include the service described in subsection (6)(b) of this section.

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

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

Section 2. TMC Section 3.26.040 Amended. Ordinance No. 2689 §5, as codified at TMC Section 3.26.040, “Definitions,” **subparagraph V**, is hereby amended to read as follows:

3.26.040 Definitions

“**Sale at wholesale**,” “**wholesale sale**” means any sale of tangible personal property, digital goods, digital codes, digital automated services, prewritten computer software, custom software, customization of prewritten computer software, or services described in TMC Section 3.26.040.U.5.b.i, which is not a retail sale, and any charge made for labor and services rendered for persons who are not consumers, in respect to real or personal property and retail services, if such charge is expressly defined as a retail sale or retail service when rendered to or for consumers. Sale at wholesale also includes the sale of telephone business to another telecommunications company as defined in RCW 80.04.010 for the purpose of resale, as contemplated by RCW 35.21.715.

Section 3. TMC Section 3.27.220 Amended. Ordinance No. 2726 §11, as codified at TMC Section 3.27.220, “Public Disclosure – Confidentiality – Information Sharing,” **subparagraph F**, is hereby amended to read as follows:

F. Any person acquiring knowledge of any return or tax information in the course of his or her employment with the City and any person acquiring knowledge of any return or tax information as provided under subsection ~~©(c)~~(4), (5), (6), (7), (8), (9), or (11) of this section, who discloses any such return or tax information to another person not entitled to knowledge of such return or tax information under the provisions of this section, is guilty of a misdemeanor. If the person guilty of such violation is an officer or employee of the ~~state~~city, such person must forfeit such office or employment and is incapable of holding any public office or employment in this city for a period of two years thereafter.

Section 4. Corrections by City Clerk or Code Reviser Authorized. Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/ subsection numbering.

Section 5. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance or its application to any person or situation should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

Section 6. Effective Date. This ordinance or a summary thereof shall be published in the official newspaper of the City and shall take effect and be in full force on January 1, 2026, after passage and publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2025.

ATTEST/AUTHENTICATED:

Andy Youn-Barnett, CMC, City Clerk

Thomas McLeod, Mayor

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____

Passed by the City Council: _____

Published: _____

Effective Date: _____

Ordinance Number: _____

Office of the City Attorney

Model Ordinance

Final revised version of the City model ordinance for business & occupation tax. Dated October 2025.

The legislative intent information contained in the boxes indicates the intent of the ordinance and provide guidance for courts and administrators in the uniform interpretation of the ordinance. They should not be adopted as part of the ordinance, but as a supporting document to the ordinance.

While the tax provisions of this chapter are intended to provide a uniform methodology for levying a gross receipts tax on business entities, nothing in this chapter should be construed as limiting a city's ability to levy and collect a business privilege tax on any other basis; such as a tax on square footage, a tax on annualized full-time equivalents [head tax], graduated annual license tax, or any other tax calculated on a basis other than a gross receipts tax [gross income of the business, gross proceeds of sales, or value of products multiplied by rates.]

MODEL ORDINANCE CHAPTER ____.

.010 Purpose. [CITY MAY ENACT A “PURPOSE PROVISION” IN THIS SECTION.]

.020 Exercise of revenue license power. The provisions of this chapter shall be deemed an exercise of the power of the City to license for revenue. The provisions of this chapter are subject to periodic statutory or administrative rule changes or judicial interpretations of the ordinances or rules. The responsibility rests with the licensee or taxpayer to reconfirm tax computation procedures and remain in compliance with the City code.

Legislative intent information

This section implements Washington Constitution Article XI, Sec. 12 and RCW 35A.82.020 and 35A.11.020 (code cities); 35.22.280(32) (first class cities); RCW 35.23.440(8) (second class cities); 35.27.370(9) (towns), which give municipalities the authority to license for revenue. In the absence of a legal or constitutional prohibition, municipalities have the power to define taxation categories as they see fit in order to respond to the unique concerns and responsibilities of local government. See *Enterprise Leasing v. City of Tacoma*, 139 Wn.2d 546 (1999). It is intended that this model ordinance be uniform among the various municipalities adopting it.

.028 Administrative Provisions. The administrative provisions contained in chapter _____ shall be fully applicable to the provisions of this chapter except as expressly stated to the contrary herein.

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

“Business.” “Business” includes all activities engaged in with the object of gain, benefit, or advantage to the taxpayer or to another person or class, directly or indirectly. **(Mandatory)**

“Business and occupation tax.” “Business and occupation tax” or “gross receipts tax” means a tax imposed on or measured by the value of products, the gross income of the business, or the gross proceeds of sales, as the case may be, and that is the legal liability of the business. **(Mandatory)**

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

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

“Delivery” means the transfer of possession of tangible personal property between the seller and the buyer or the buyer's representative. Delivery to an employee of a buyer is considered delivery to the buyer. Transfer of possession of tangible personal property occurs when the buyer or the buyer's representative first takes

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

“Digital automated service,” “digital code,” and “digital goods” have the same meaning as in RCW 82.04.192. **(Mandatory)**

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

“Eligible gross receipts tax.” The term “eligible gross receipts tax” means a tax which:

- (1) Is imposed on the act or privilege of engaging in business activities within section .050; and
- (2) Is measured by the gross volume of business, in terms of gross receipts and is not an income tax or value added tax; and
- (3) Is not, pursuant to law or custom, separately stated from the sales price; and
- (4) Is not a sales or use tax, business license fee, franchise fee, royalty or severance tax measured by volume or weight, or concession charge, or payment for the use and enjoyment of property, property right or a privilege; and
- (5) Is a tax imposed by a local jurisdiction, whether within or without the State of Washington, and not by a Country, State, Province, or any other non-local jurisdiction above the County level. **(Mandatory)**

[Comment: This definition is worded slightly different from the state's definition (RCW 82.04.440) in that it goes into more detail in describing what constitutes an eligible gross receipts tax. In addition, it makes it very clear that an eligible gross receipts tax for which a credit can be calculated must be imposed at the local level.]

“Engaging in business” –

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

- (d) Making repairs or providing maintenance or service to real or tangible personal property, including warranty work and property maintenance.
 - (e) Providing technical assistance or service, including quality control, product inspections, warranty work, or similar services on or in connection with tangible personal property sold by the person or on its behalf.
 - (f) Installing, constructing, or supervising installation or construction of, real or tangible personal property.
 - (g) Soliciting, negotiating, or approving franchise, license, or other similar agreements.
 - (h) Collecting current or delinquent accounts.
 - (i) Picking up and transporting tangible personal property, solid waste, construction debris, or excavated materials.
 - (j) Providing disinfecting and pest control services, employment and labor pool services, home nursing care, janitorial services, appraising, landscape architectural services, security system services, surveying, and real estate services including the listing of homes and managing real property.
 - (k) Rendering professional services such as those provided by accountants, architects, attorneys, auctioneers, consultants, engineers, professional athletes, barbers, baseball clubs and other sports organizations, chemists, consultants, psychologists, court reporters, dentists, doctors, detectives, laboratory operators, teachers, veterinarians.
 - (l) Meeting with customers or potential customers, even when no sales or orders are solicited at the meetings.
 - (m) Training or recruiting agents, representatives, independent contractors, brokers or others, domiciled or operating on a job in the City, acting on its behalf, or for customers or potential customers.
 - (n) Investigating, resolving, or otherwise assisting in resolving customer complaints.
 - (o) In-store stocking or manipulating products or goods, sold to and owned by a customer, regardless of where sale and delivery of the goods took place.
 - (p) Delivering goods in vehicles owned, rented, leased, used, or maintained by the person or another acting on its behalf.
- (4) If a person, or its employee, agent, representative, independent contractor, broker or another acting on the person's behalf, engages in no other activities in or with the City but the following, it need not register and obtain a business license and pay tax.
- (a) Meeting with suppliers of goods and services as a customer.
 - (b) Meeting with government representatives in their official capacity, other than those performing contracting or purchasing functions.
 - (c) Attending meetings, such as board meetings, retreats, seminars, and conferences, or other meetings wherein the person does not provide training in connection with tangible personal property sold by the person or on its behalf. This provision does not apply to any board of director member or attendee engaging in business such as a member of a board of directors who attends a board meeting.
 - (d) Renting tangible or intangible property as a customer when the property is not used in the City.
 - (e) Attending, but not participating in a "trade show" or "multiple vendor events". Persons participating at a trade show shall review the City's trade show or multiple vendor event ordinances.
 - (f) Conducting advertising through the mail.
 - (g) Soliciting sales by phone from a location outside the City.
- (5) A seller located outside the City merely delivering goods into the City by means of common carrier is not required to register and obtain a business license, provided that it engages in no other business activities in the City. Such activities do not include those in subsection (4).

The City expressly intends that engaging in business include any activity sufficient to establish nexus for purposes of applying the tax under the law and the constitutions of the United States and the State of Washington. Nexus is presumed to continue as long as the taxpayer benefits from the activity that constituted the original nexus generating contact or subsequent contacts. **(Mandatory)**

[Comment: Section (2) has been added to the State's definition of engaging in business to give guidelines and parameters to businesses in order for them to better ascertain whether or not they need to license and pay tax to the cities.]

“Extracting.” “Extracting” is the activity engaged in by an extractor and is reportable under the extracting classification. [Comment: This definition is not contained in state law; however, RCW 35.102.120 requires that the model ordinance include this definition.]

“Extractor.” “Extractor” means every person who from the person's own land or from the land of another under a right or license granted by lease or contract, either directly or by contracting with others for the necessary labor or mechanical services, for sale or for commercial or industrial use, mines, quarries, takes or produces coal, oil, natural gas, ore, stone, sand, gravel, clay, mineral or other natural resource product; or fells, cuts or takes timber, Christmas trees, other than plantation Christmas trees, or other natural products; or takes fish, shellfish, or other sea or inland water foods or products. “Extractor” does not include persons performing under contract the necessary labor or mechanical services for others; or persons meeting the definition of farmer.

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

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

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

“Manufacturing.” “Manufacturing” means the activity conducted by a manufacturer and is reported under the manufacturing classification. **(Mandatory unless you don’t tax manufacturing activities)**
[Comment: This definition is not contained in state law, however RCW 35.102.120 requires that the model ordinance include this definition.]

“Manufacturer,” “to manufacture.”

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

Comment: This definition differs from that found in RCW 82.04.110. The manufacturing vs. processing for hire language has been included within this definition rather than covered by rule as provided in RCW 82.04.110. The optional portion of this definition is different from the RCW in that the RCW allows for the owner of materials that are processed in Washington to be excluded as a manufacturer. It is presumed that the RCW was written in this way to encourage material owners to bring their materials into Washington to be processed by Washington processors for hire. The State chooses to forego the tax that the owner would pay on the value of the materials under the manufacturing classification. The aluminum and nuclear fuel assembly provisions were excluded since no B & O city contains these types of activities.

- (2) “To manufacture” means all activities of a commercial or industrial nature wherein labor or skill is applied, by hand or machinery, to materials or ingredients so that as a result thereof a new, different or useful product is produced for sale or commercial or industrial use, and shall include:
- (a) The production of special made or custom made articles;
 - (b) The production of dental appliances, devices, restorations, substitutes, or other dental laboratory products by a dental laboratory or dental technician;
 - (c) Crushing and/or blending of rock, sand, stone, gravel, or ore; and
 - (d) The producing of articles for sale, or for commercial or industrial use from raw materials or prepared materials by giving such materials, articles, and substances of trade or commerce new forms, qualities, properties or combinations including, but not limited to, such activities as making, fabricating, processing, refining, mixing, slaughtering, packing, aging, curing, mild curing, preserving, canning, and the preparing and freezing of fresh fruits and vegetables.

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

Comment: This definition is different from RCW 82.04.120. The cutting, delimbing, and measuring of felled, cut, or taken trees does not usually take place within cities so that was deleted. The RCW also states that some activities which are covered in other special taxing classifications at the State level are not manufacturing. Although some of these activities normally do not take place in cities we included them into manufacturing since they fall within the definition. Manufacturing activities covered in other tax classifications at the State level such as slaughtering, curing, preserving, or canning were included in this definition since the Cities do not have the other classifications.

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

“Retailing.” “Retailing” means the activity of engaging in making sales at retail and is reported under the retailing classification. **(Mandatory)**

Comment: This definition is not contained in state law, however RCW 35.102.120 requires that the model ordinance include this definition.

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

- (1) Amusement and recreation services including but not limited to golf, pool, billiards, skating, bowling, swimming, bungee jumping, ski lifts and tows, basketball, racquet ball, handball, squash, tennis, batting cages, day trips for sightseeing purposes, and others, when provided to consumers. “Amusement and recreation services” also include the provision of related facilities such as basketball courts, tennis courts, handball courts, swimming pools, and charges made for providing the opportunity to dance. The term “amusement and recreation services” does not include instructional lessons to learn a particular activity such as tennis lessons, swimming lessons, or archery lessons.
- (2) Abstract, title insurance, and escrow services;
- (3) Credit bureau services;
- (4) Automobile parking and storage garage services;

- (5) Landscape maintenance and horticultural services but excluding (i) horticultural services provided to farmers and (ii) pruning, trimming, repairing, removing, and clearing of trees and brush near electric transmission or distribution lines or equipment, if performed by or at the direction of an electric utility;
- (6) Service charges associated with tickets to professional sporting events; and
- (7) The following personal services: Physical fitness services, tanning salon services, tattoo parlor services, steam bath services, Turkish bath services, escort services, and dating services.
- (8) The term shall also include the renting or leasing of tangible personal property to consumers and the rental of equipment with an operator. **(Mandatory)**

Comment: This definition has been removed and separated from the definition of “sale at retail” since many cities have kept these activities taxable at a rate different from their “retailing” rate. The State changed these activities to retail from service a few decades ago. This separation of definitions enables those cities that have historically taxed retail sales and retail services at a different rate to continue to do so. The definition includes more examples under the amusement and recreation subsection than State’s definition and these examples originated from the State’s rule on amusement and recreation.

“Sale,” “casual or isolated sale.”

- (1) “Sale” means any transfer of the ownership of, title to, or possession of, property for a valuable consideration and includes any activity classified as a “sale at retail,” “retail sale,” or “retail service.” It includes renting or leasing, conditional sale contracts, leases with option to purchase, and any contract under which possession of the property is given to the purchaser but title is retained by the vendor as security for the payment of the purchase price. It also includes the furnishing of food, drink, or meals for compensation whether consumed upon the premises or not.
- (2) “Casual or isolated sale” means a sale made by a person who is not engaged in the business of selling the type of property involved on a routine or continuous basis. [Comment: the term “routine or continuous” comes from WAC 458-20-106.]

“Sale at retail,” “retail sale.”

- (1) “Sale at retail” or “retail sale” means every sale of tangible personal property (including articles produced, fabricated, or imprinted) to all persons irrespective of the nature of their business and including, among others, without limiting the scope hereof, persons who install, repair, clean, alter, improve, construct, or decorate real or personal property of or for consumers, other than a sale to a person who presents a resale certificate under RCW 82.04.470 and who:
 - (a) Purchases for the purpose of resale as tangible personal property in the regular course of business without intervening use by such person; or
 - (b) Installs, repairs, cleans, alters, imprints, improves, constructs, or decorates real or personal property of or for consumers, if such tangible personal property becomes an ingredient or component of such real or personal property without intervening use by such person; or
 - (c) Purchases for the purpose of consuming the property purchased in producing for sale a new article of tangible personal property or substance, of which such property becomes an ingredient or component or is a chemical used in processing, when the primary purpose of such chemical is to create a chemical reaction directly through contact with an ingredient of a new article being produced for sale; or
 - (d) Purchases for the purpose of consuming the property purchased in producing ferrosilicon which is subsequently used in producing magnesium for sale, if the primary purpose of such property is to create a chemical reaction directly through contact with an ingredient of ferrosilicon; or
 - (e) Purchases for the purpose of providing the property to consumers as part of competitive telephone service, as defined in RCW 82.04.065; ~~or The term shall include every sale of tangible personal property which is used or consumed or to be used or consumed in the performance of any activity classified as a “sale at retail” or “retail sale” even though such property is resold or utilized as provided in (a), (b), (c), (d), or (e) of this subsection following such use.~~
 - (f) Purchases for the purpose of satisfying the person's obligations under an extended warranty as defined in subsection ~~(8)~~(7) of this section, if such tangible personal property replaces or becomes an

ingredient or component of property covered by the extended warranty without intervening use by such person.

The term shall include every sale of tangible personal property which is used or consumed or to be used or consumed in the performance of any activity classified as a "sale at retail" or "retail sale" even though such property is resold or utilized as provided in (a), (b), (c), (d), (e), or (f) of this subsection following such use.

The term also means every sale of tangible personal property to persons engaged in any business that is taxable under RCW 82.04.280(1)(a), (b), and (g), 82.04.290, and 82.04.2908.

- (2) "Sale at retail" or "retail sale" also means every sale of tangible personal property to persons engaged in any business activity which is taxable under .050(1)(g).
- (3) The term "sale at retail" or "retail sale" includes the sale of or charge made for personal, business, or professional services including amounts designated as interest, rents, fees, admission, and other service emoluments however designated, received by persons engaging in the following business activities:
 - (a) Information technology training services, technical support, and other services including, but not limited to, assisting with network operations and support, help desk services, in-person training related to hardware or software, network system support services, data entry services, and data processing services; or
 - (b) Custom website development services. For the purposes of this subsection (3), "website development services" means the design, development, and support of a website provided by a website developer to a customer; or
 - (c) Investigation, security services, security monitoring services, and armored car services including, but not limited to, background checks, security guard and patrol services, personal and event security, armored car transportation of cash and valuables, and security system services and monitoring. This does not include locksmith services; or
 - (d) Temporary staffing services. For the purposes of this subsection (3), "temporary staffing services" means providing workers to other businesses, except for hospitals licensed under chapter 70.41 or 71.12 RCW, for limited periods of time to supplement their workforce and fill employment vacancies on a contract or for fee basis; or
 - (e) Advertising services. (i) For the purposes of this subsection (3), "advertising services" means all digital and nondigital services related to the creation, preparation, production, or dissemination of advertisements including, but not limited to: (A) Layout, art direction, graphic design, mechanical preparation, production supervision, placement, referrals, acquisition of advertising space, and rendering advice concerning the best methods of advertising products or services; and (B) Online referrals, search engine marketing, and lead generation optimization, web campaign planning, the acquisition of advertising space in the internet media, and the monitoring and evaluation of website traffic for purposes of determining the effectiveness of an advertising campaign.
 - (ii) "Advertising services" do not include:
 - (A) Web hosting services and domain name registration;
 - (B) Services rendered in respect to the following:
 - (I) "Newspapers" as defined in RCW 82.04.214;
 - (II) Printing or publishing under RCW 82.04.280; and
 - (III) "Radio and television broadcasting" within this state as defined in RCW 82.04 (section 1, chapter 9, Laws of 2025); and
 - (C) Services rendered in respect to out-of-home advertising, including: Billboard advertising; street furniture advertising; transit advertising; place-based advertising, such as in-store display advertising or point-of-sale advertising; dynamic or static signage at live events; naming rights; and fixed signage advertising. Out-of-home advertising does not include direct mail; or
 - (f) Live presentations including, but not limited to, lectures, seminars, workshops, or courses where participants attend either in person or via the internet or telecommunications equipment that allows

audience members and the presenter or instructor to give, receive, and discuss information with each other in real time.

For the purposes of (a) through (c) and (e) of this subsection (3), the terms "sale at retail" and "retail sale" do not include a sale between members of an affiliated group as defined in RCW 82.04.299(1)(f).

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

- (a) The installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property of or for consumers, including charges made for the mere use of facilities in respect thereto, but excluding charges made for the use of coin-operated laundry facilities when such facilities are situated in an apartment house, rooming house, or mobile home park for the exclusive use of the tenants thereof, and also excluding sales of laundry service to nonprofit health care facilities, and excluding services rendered in respect to live animals, birds and insects;
- (b) The constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for consumers, including the installing or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation, and shall also include the sale of services or charges made for the clearing of land and the moving of earth excepting the mere leveling of land used in commercial farming or agriculture;
- (c) The charge for labor and services rendered in respect to constructing, repairing, or improving any structure upon, above, or under any real property owned by an owner who conveys the property by title, possession, or any other means to the person performing such construction, repair, or improvement for the purpose of performing such construction, repair, or improvement and the property is then reconveyed by title, possession, or any other means to the original owner;
- (d) The sale of or charge made for labor and services rendered in respect to the cleaning, fumigating, razing or moving of existing buildings or structures, but shall not include the charge made for janitorial services; and for purposes of this section the term "janitorial services" shall mean those cleaning and caretaking services ordinarily performed by commercial janitor service businesses including, but not limited to, wall and window washing, floor cleaning and waxing, and the cleaning in place of rugs, drapes and upholstery. The term "janitorial services" does not include painting, papering, repairing, furnace or septic tank cleaning, snow removal or sandblasting;
- (e) The sale of or charge made for labor and services rendered in respect to automobile towing and similar automotive transportation services, but not in respect to those required to report and pay taxes under chapter 82.16 RCW;
- (f) The sale of and charge made for the furnishing of lodging and all other services, except telephone business and cable service, by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property, and it shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same. For the purposes of this subsection, it shall be presumed that the sale of and charge made for the furnishing of lodging for a continuous period of one month or more to a person is a rental or lease of real property and not a mere license to enjoy the same;
- (g) The installing, repairing, altering, or improving of digital goods for consumers;
- (h) The sale of or charge made for tangible personal property, labor and services to persons taxable under (a), (b), (c), (d), (e), (f), and (g) of this subsection when such sales or charges are for property, labor and services which are used or consumed in whole or in part by such persons in the performance of any activity defined as a "sale at retail" or "retail sale" even though such property, labor and services may be resold after such use or consumption. Nothing contained in this subsection shall be construed to modify subsection (1) of this section and nothing contained in subsection (1) of this section shall be construed to modify this subsection.

(5) "Sale at retail" or "retail sale" shall also include the providing of competitive telephone service to consumers. [Comment: Cities can only include "competitive telephone service" since telephone business is taxed under the utility tax.]

(6) “Sale at retail” or “retail sale”

(a) “Sale at retail” or “retail sale” shall also include the sale of prewritten software, custom software, and customization of prewritten computer software to a consumer, other than a sale to a person who presents a resale certificate under RCW 82.04.470, regardless of the method of delivery to the end user. For purposes of this subsection ~~(65)~~(a) the sale of the sale of prewritten computer software includes the sale of or charge made for a key or an enabling or activation code, where the key or code is required to activate prewritten computer software and put the software into use. There is no separate sale of the key or code from the prewritten computer software, regardless of how the sale may be characterized by the vendor or by the purchaser. ~~The term “sale at retail” or “retail sale” does not include the sale of or charge made for:~~

~~(i) Custom software; or~~

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

(b)

~~(iii)~~(i) The term “sale at retail” or “retail sale” also includes the charge made to consumers for the right to access and use prewritten computer software, custom software, and customization of prewritten computer software, where possession of the software is maintained by the seller or a third party, regardless of whether the charge for the service is on a per use, per user, per license, subscription, or some other basis.

(ii) (A) The service described in (b)(i) of this subsection ~~65~~ includes the right to access and use prewritten software, custom software, and customization of prewritten computer software to perform data processing.

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

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

(Public road construction)

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

(9) “Sale at retail” or “retail sale” shall also include the sale of or charge made for labor and services rendered in respect to the constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for the United States, any instrumentality thereof, or a county or city housing authority created pursuant to chapter 35.82 RCW, including the installing, or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation (government contracting).

(10) “Sale at retail” or “retail sale” shall not include the sale of services or charges made for the clearing of land and the moving of earth of or for the United States, any instrumentality thereof, or a county or city housing authority. Nor shall the term include the sale of services or charges made for cleaning up for the United States, or its instrumentalities, radioactive waste and other byproducts of weapons production and nuclear research and development. [This should be reported under the service and other classification.]

(11) “Sale at retail” or “retail sale” shall not include the sale of or charge made for labor and services rendered for environmental remedial action. [This should be reported under the service and other classification.]

(12)(a) “Sale at retail” or “retail sale” shall also include the following sales to consumers of digital goods, digital codes, and digital automated services:

- ~~(a)-(i)~~ Sales in which the seller has granted the purchaser the right of permanent use;
 - ~~(b)-(ii)~~ Sales in which the seller has granted the purchaser a right of use that is less than permanent;
 - ~~(c)-(iii)~~ Sales in which the purchaser is not obligated to make continued payment as a condition of the sale; and
 - ~~(d)-(iv)~~ Sales in which the purchaser is obligated to make continued payment as a condition of the sale.
- (b) A retail sale of digital goods, digital codes, or digital automated services under this subsection [insert reference to section .040(12)5(44)] includes any services provided by the seller exclusively in connection with the digital goods, digital codes, or digital automated services, whether or not a separate charge is made for such services.

(c) A retail sale of digital goods, digital codes, or digital automated services does not include the following services if the sale occurs between members of an affiliated group as defined in RCW 82.04.299(1)(f):

- (i) Any service that primarily involves the application of human effort by the seller, and the human effort originated after the customer requested the service;
- (ii) Live presentations, such as lectures, seminars, workshops, or courses, where participants are connected to other participants via the internet or telecommunications equipment, which allows audience members and the presenter or instructor to give, receive, and discuss information with each other in real time;
- (iii) Advertising services. For purposes of this subsection, “advertising services” means all services directly related to the creation, preparation, production, or dissemination of advertisements. Advertising services include layout, art direction, graphic design, mechanical preparation, production supervision, placement, and rendering advice to a client concerning the best methods of advertising that client’s products or services. Advertising services also include online referrals, search engine marketing and lead generation optimization, web campaign planning, the acquisition of advertising space in the internet media, and the monitoring and evaluation of website traffic for purposes of determining the effectiveness of an advertising campaign. Advertising services do not include web hosting services and domain name registration; and
- (iv) Data processing services. For purposes of this subsection, “data processing service” means a primarily automated service provided to a business or other organization where the primary object of the service is the systematic performance of operations by the service provider on data supplied in whole or in part by the customer to extract the required information in an appropriate form or to convert the data to usable information. Data processing services include check processing, image processing, form processing, survey processing, payroll processing, claim processing, and similar activities. Data processing does not include the service described in subsection (6)(b) of this section.

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

(13) “Sale at retail” or “retail sale” shall also include the installing, repairing, altering, or improving of digital goods for consumers. **(Mandatory)**

Comment: This definition is different than RCW 82.04.050. Retail services have been given their own definition. Public road construction and government contracting has been included into this definition since the Cities do not have special tax classifications for those two activities. Environmental or nuclear waste cleanup are assigned to the service and other classification. And the sales to farmers will remain under the retailing classification. The reference to “telephone business and cable service” in subsection (3)(f) has been included to clarify to hotels and motels that such telephone services and cable services are taxable under the utility tax.

“Sale at wholesale,” “wholesale sale.” “Sale at wholesale” or “wholesale sale” means any sale of tangible personal property, digital goods, digital codes, digital automated services, prewritten computer software, custom software, customization of prewritten software to a consumer, or services described in [insert reference

to “sale at retail” section 6(b)(i)], which is not a retail sale, and any charge made for labor and services rendered for persons who are not consumers, in respect to real or personal property and retail services, if such charge is expressly defined as a retail sale or retail service when rendered to or for consumers. Sale at wholesale also includes the sale of telephone business to another telecommunications company as defined in RCW 80.04.010 for the purpose of resale, as contemplated by RCW 35.21.715. **(Mandatory)**

[The last sentence must be included since telephone business would normally be taxed under the utility tax. The wholesale treatment of telephone business to another telecommunications company is dictated by State law.]

“Services.” [Comment: RCW 35.102.120 requires that the model ordinance include this definition. However, no explicit definition will be included in this Model Ordinance until the RCW contains a definition of “service”. In the absence of a definition of “service” in state law, the Cities generally use this term and classification to include those activities that do not fall within one of the other tax classifications used by a city.]

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

“Value proceeding or accruing.” “Value proceeding or accruing” means the consideration, whether money, credits, rights, or other property expressed in terms of money, a person is entitled to receive or which is actually received or accrued. The term shall be applied, in each case, on a cash receipts or accrual basis according to which method of accounting is regularly employed in keeping the books of the taxpayer.

(Mandatory if you have a manufacturing tax)

“Value of products.”

- (1) The value of products, including by-products, extracted or manufactured, shall be determined by the gross proceeds derived from the sale thereof whether such sale is at wholesale or at retail, to which shall be added all subsidies and bonuses received from the purchaser or from any other person with respect to the extraction, manufacture, or sale of such products or by-products by the seller.
- (2) Where such products, including by-products, are extracted or manufactured for commercial or industrial use; and where such products, including by-products, are shipped, transported or transferred out of the City, or to another person, without prior sale or are sold under circumstances such that the gross proceeds from the sale are not indicative of the true value of the subject matter of the sale; the value shall correspond as nearly as possible to the gross proceeds from sales in this state of similar products of like quality and character, and in similar quantities by other taxpayers, plus the amount of subsidies or bonuses ordinarily payable by the purchaser or by any third person with respect to the extraction, manufacture, or sale of such products. In the absence of sales of similar products as a guide to value, such value may be determined upon a cost basis. In such cases, there shall be included every item of cost attributable to the particular article or article extracted or manufactured, including direct and indirect overhead costs. The Director may prescribe rules for the purpose of ascertaining such values. (3) Notwithstanding subsection (2) above, the value of a product manufactured or produced for purposes of serving as a prototype for the development of a new or improved product shall correspond to (a) the retail selling price of such new or improved product when first offered for sale; or (2) the value of materials incorporated into the prototype in cases in which the new or improved product is not offered for sale.

Comment: This definition is slightly different than that contained in RCW 82.04.450. The meaning is intended to be the same, and the only difference is in grammatical construction. The model also adds a sentence, taken from WAC 458-20-112, at the end of subsection (2) explaining the use of costs to ascertain the value of the products.

(Mandatory if you have manufacturing or extracting tax)

“Wholesaling.” “Wholesaling” means engaging in the activity of making sales at wholesale, and is reported under the wholesaling classification. **(Mandatory)**

[Comment: This definition is not contained in state law, however RCW 35.102.120 requires that the model ordinance include this definition.]

.050 Imposition of the tax - tax or fee levied.

- (1) Except as provided in subsection (2) of this section, there is hereby levied upon and shall be collected from every person a tax for the act or privilege of engaging in business activities within the City, whether the person's office or place of business be within or without the City. The tax shall be in amounts to be determined by application of rates against gross proceeds of sale, gross income of business, or value of products, including by-products, as the case may be, as follows:
- (a) Upon every person engaging within the City in business as an extractor; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, extracted within the city for sale or for commercial or industrial use, multiplied by the rate of _____ of one percent (____). The measure of the tax is the value of the products, including by-products, so extracted, regardless of the place of sale or the fact that deliveries may be made to points outside the City.
 - (b) Upon every person engaging within the City in business as a manufacturer, as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, manufactured within the city, multiplied by the rate of _____ of one percent (____). The measure of the tax is the value of the products, including by-products, so manufactured, regardless of the place of sale or the fact that deliveries may be made to points outside the City.
 - (c) Upon every person engaging within the City in the business of making sales at wholesale, except persons taxable under subsection ____ of this section; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business without regard to the place of delivery of articles, commodities or merchandise sold, multiplied by the rate of _____ of one percent (____).
 - (d) Upon every person engaging within the City in the business of making sales at retail, as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business, without regard to the place of delivery of articles, commodities or merchandise sold, multiplied by the rate of _____ of one percent (____).
 - (e) Upon every person engaging within the City in the business of (i) printing, (ii) both printing and publishing newspapers, magazines, periodicals, books, music, and other printed items, (iii) publishing newspapers, magazines and periodicals, (iv) extracting for hire, and (v) processing for hire; as to such persons, the amount of tax on such business shall be equal to the gross income of the business multiplied by the rate of _____ of one percent (____).
 - (f) Upon every person engaging within the City in the business of making sales of retail services; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of sales multiplied by the rate of _____ of one percent (____).
 - (g) Upon every other person engaging within the City in any business activity other than or in addition to those enumerated in the above subsections; as to such persons, the amount of tax on account of such activities shall be equal to the gross income of the business multiplied by the rate of _____ of one percent (____). This subsection includes, among others, and without limiting the scope hereof (whether or not title to material used in the performance of such business passes to another by accession, merger or other than by outright sale), persons engaged in the business of developing, or producing custom software or of customizing canned software, producing royalties or commissions, and persons engaged in the business of rendering any type of service which does not constitute a sale at retail, a sale at wholesale, or a retail service.
[Comment: Most cities do not use all of the classifications listed above, so they need only adopt those that are imposed within their jurisdictions.] (**Mandatory** wording for those classifications that are adopted).
- (2) The gross receipts tax imposed in this section shall not apply to any person whose gross proceeds of sales, gross income of the business, and value of products, including by-products, as the case may be, from all activities conducted within the City during any calendar year is equal to or less than \$20,000, or is equal to or less than \$5,000 during any quarter if on a quarterly reporting basis.

(Subsection (2) is Mandatory)

.060 Doing business with the City. - Repealed effective January 1, 2008.

.070 Multiple activities credit when activities take place in one or more cities with eligible gross receipt taxes.

- (1) Persons who engage in business activities that are within the purview of two (2) or more subsections of .050 shall be taxable under each applicable subsection.
- (2) Notwithstanding anything to the contrary herein, if imposition of the City's tax would place an undue burden upon interstate commerce or violate constitutional requirements, a taxpayer shall be allowed a credit to the extent necessary to preserve the validity of the City's tax, and still apply the City tax to as much of the taxpayer's activities as may be subject to the City's taxing authority.
- (3) To take the credit authorized by this section, a taxpayer must be able to document that the amount of tax sought to be credited was paid upon the same gross receipts used in computing the tax against which the credit is applied.
- (4) Credit for persons that sell in the City products that they extract or manufacture. Persons taxable under the retailing or wholesaling classification with respect to selling products in this City shall be allowed a credit against those taxes for any eligible gross receipts taxes paid (a) with respect to the manufacturing of the products sold in the City, and (b) with respect to the extracting of the products, or the ingredients used in the products, sold in the City. The amount of the credit shall not exceed the tax liability arising under this chapter with respect to the sale of those products.
- (5) Credit for persons that manufacture products in the City using ingredients they extract. Persons taxable under the manufacturing classification with respect to manufacturing products in this City shall be allowed a credit against those taxes for any eligible gross receipts tax paid with respect to extracting the ingredients of the products manufactured in the City. The amount of the credit shall not exceed the tax liability arising under this chapter with respect to the manufacturing of those products.
- (6) Credit for persons that sell within the City products that they print, or publish and print. Persons taxable under the retailing or wholesaling classification with respect to selling products in this City shall be allowed a credit against those taxes for any eligible gross receipts taxes paid with respect to the printing, or the printing and publishing, of the products sold within the City. The amount of the credit shall not exceed the tax liability arising under this chapter with respect to the sale of those products. **(Mandatory)**

[Comment: The wording in this section .070 is not quite the same as RCW 35.102.060 (1). Subsection (1) is the same as (a) in RCW 35.102.060. Subsection (2) has the same meaning although the cities add the last phrase that the tax will be subjected to the greatest extent possible. Subsection (3) is not included in RCW 35.102.060—it merely states that the taxpayer must have records or proof that it paid another eligible gross receipts tax to another local jurisdiction.

In the case of manufacturing products that have been partially manufactured in another location with an eligible gross receipt tax, the cities have chosen to give a deduction and only tax the incremental increase in the value of the product. This should provide an equal or better treatment to the manufacturer than the credit provision contained in RCW 35.102.060 (1)(d). (Refer to subsection .075(2) below.)]

Legislative intent information

This section provides a tax credit for taxpayers engaged in multiple taxable activities. The section provides a credit against eligible selling or manufacturing taxes imposed by the City for extracting or manufacturing taxes paid to the City or to any other local jurisdiction with respect to the same products. The tax credit does not depend upon whether a person that sells in the City extracts or manufactures in the City or in another jurisdiction to which it has paid an eligible gross receipts tax. The tax credit does not depend on whether a person that manufactures in the City extracts in the City or in another jurisdiction to which it has paid an eligible gross receipts tax. The credit is available to any person that pays an eligible gross receipts tax on the applicable activities, regardless of where it conducts business. The result of this section is that a city in which

selling takes place gives up the tax to the manufacturing jurisdiction and the manufacturing jurisdiction gives up the tax to the extracting jurisdiction, whether those jurisdictions are inside or outside the State of Washington.

.075 Deductions to prevent multiple taxation of manufacturing activities and prior to January 1, 2008, transactions involving more than one city with an eligible gross receipts tax.

- (1) Amounts subject to an eligible gross receipts tax in another city that also maintains nexus over the same activity. For taxes due prior to January 1, 2008, a taxpayer that is subject to an eligible gross receipts tax on the same activity in more than one jurisdiction may be entitled to a deduction as follows:
- (a) A taxpayer that has paid an eligible gross receipts tax, with respect to a sale of goods or services, to a jurisdiction in which the goods are delivered or the services are provided may deduct an amount equal to the gross receipts used to measure that tax from the measure of the tax owed to the City.
 - (b) Notwithstanding the above, a person that is subject to an eligible gross receipts tax in more than one jurisdiction on the gross income derived from intangibles such as royalties, trademarks, patents, or goodwill shall assign those gross receipts to the jurisdiction where the person is domiciled (its headquarters is located).
 - (c) A taxpayer that has paid an eligible gross receipts tax on the privilege of accepting or executing a contract with another city may deduct an amount equal to the contract price used to measure the tax due to the other city from the measure of the tax owed to the City. **(Mandatory)**

Legislative intent information

This section establishes deductions to be applied when a single taxable activity is taxable by more than one jurisdiction that imposes an eligible gross receipts tax for taxes due prior to January 1, 2008. Prior to January 1, 2008, under Washington State Law, more than one city that has established nexus can include 100% of the gross receipts from that transaction in its tax base. However, to eliminate the possibility of the same sale or service being taxed more than once by cities that maintain nexus and an eligible gross receipts tax, the cities have provided this deduction to taxpayers. For taxes due after January 1, 2008, the apportionment provisions in section .077 will provide the mechanism for all activities except manufacturing.

Sales. A taxpayer that has paid an eligible gross receipts tax on the sale to the jurisdiction where the product is delivered may deduct the gross receipts used to measure that tax from the measure of the tax owed to another jurisdiction on the sale. If a taxpayer has not paid tax to the jurisdiction where the product is delivered, then no deduction is allowed. The sale shall be taxed by the city where the office or place of business that generated the sale is located.

Service. A taxpayer that has paid an eligible gross receipts tax on services to the jurisdiction where the service is performed may deduct the gross receipts used to measure that tax from the measure of the tax owed to another jurisdiction on that service. If a taxpayer has not paid tax to the jurisdiction where the service is performed, then the service income shall be taxed by the city where the office or place of business that generated the sale is located. For both sales and services, the order of taxing rights is delivery city, first; and business office location, second.

General Business Activities Other Than Services. The eligible gross receipts tax on income derived from intangibles such as royalties, licenses, trademarks, patents and goodwill, and reportable under the general business classification .050 (7), shall be assigned to the domicile/headquarters office.

Conducting Business with Another City. A taxpayer that has paid an eligible gross receipts tax on the privilege of accepting or executing a contract with a city may deduct the contract price used to measure the tax from the measure of the tax owed to another city on the same activity.

- (2) Person manufacturing products within and without. A person manufacturing products within the City using products manufactured by the same person outside the City may deduct from the measure of the manufacturing tax the value of products manufactured outside the City and included in the measure of an eligible gross receipts tax paid to the other jurisdiction with respect to manufacturing such products. **(Mandatory)**

.076 Assignment of gross income derived from intangibles.

Gross income derived from the sale of intangibles such as royalties, trademarks, patents, or goodwill shall be assigned to the jurisdiction where the person is domiciled (its headquarters is located).

.077 Allocation and apportionment of income when activities take place in more than one jurisdiction.

Effective January 1, 2008, gross income, other than persons subject to the provisions of chapter 82.14A RCW, shall be allocated and apportioned as follows:

- (1) Gross income derived from all activities other than those taxed as service or royalties under _____ [insert city code reference to .050(1)(g)] shall be allocated to the location where the activity takes place.
- (2) In the case of sales of tangible personal property, the activity takes place where delivery to the buyer occurs.
- (3) In the case of sales of digital products, the activity takes place where delivery to the buyer occurs. The delivery of digital products will be deemed to occur at:
 - (a) The seller's place of business if the purchaser receives the digital product at the seller's place of business;
 - (b) If not received at the seller's place of business, the location where the purchaser or the purchaser's donee, designated as such by the purchaser, receives the digital product, including the location indicated by instructions for delivery to the purchaser or donee, known to the seller;
 - (c) If the location where the purchaser or the purchaser's donee receives the digital product is not known, the purchaser's address maintained in the ordinary course of the seller's business when use of this address does not constitute bad faith;
 - (d) If no address for the purchaser is maintained in the ordinary course of the seller's business, the purchaser's address obtained during the consummation of the sale, including the address of a purchaser's payment instrument, if no other address is available, when use of this address does not constitute bad faith; and
 - (e) If no address for the purchaser is obtained during the consummation of the sale, the address where the digital good or digital code is first made available for transmission by the seller or the address from which the digital automated service or service described in RCW 82.04.050 (2)(g) or (6)(b) was provided, disregarding for these purposes any location that merely provided the digital transfer of the product sold.
- (4) If none of the methods in subsection [insert city code reference to .077(3)] for determining where the delivery of digital products occurs are available after a good faith effort by the taxpayer to apply the methods provided in subsections [insert city code reference to .077(3)(a) through .077(3)(e)], then the city and the taxpayer may mutually agree to employ any other method to effectuate an equitable allocation of income from the sale of digital products. The taxpayer will be responsible for petitioning the city to use an alternative method under this subsection [insert city code reference to .077(D)]. The city may employ an alternative method for allocating the income from the sale of digital products if the methods provided in subsections [insert city code reference to .077(3)(a) through .077(3)(e)] are not available and the taxpayer and the city are unable to mutually agree on an alternative method to effectuate an equitable allocation of income from the sale of digital products.
- (5) For purposes of subsections [insert city code reference to .077(3)(a) through .077(3)(e)], the following definitions apply:
 - (a) "Digital automated services," "digital codes," and "digital goods" have the same meaning as in RCW 82.04.192;
 - (b) "Digital products" means digital goods, digital codes, digital automated services, and the services described in RCW 82.04.050 (2)(g) and (6)(c); and
 - (c) "Receive" has the same meaning as in RCW 82.32.730.
- (6) [Effective January 1, 2020] Gross income derived from activities taxed as services and other activities taxed under _____ [insert city code reference to .050(1)(g)] shall be apportioned to the city by multiplying apportionable income by a fraction, the numerator of which is the payroll factor plus the service income factor and the denominator of which is two.

- (a) The payroll factor is a fraction, the numerator of which is the total amount paid in the city during the tax period by the taxpayer for compensation and the denominator of which is the total compensation paid everywhere during the tax period. Compensation is paid in the city if:
 - (i) The individual is primarily assigned within the city;
 - (ii) The individual is not primarily assigned to any place of business for the tax period and the employee performs fifty percent or more of his or her service for the tax period in the city; or
 - (iii) The individual is not primarily assigned to any place of business for the tax period, the individual does not perform fifty percent or more of his or her service in any city and the employee resides in the city.
- (b) The service income factor is a fraction, the numerator of which is the total service income of the taxpayer in the city during the tax period, and the denominator of which is the total service income of the taxpayer everywhere during the tax period. Service income is in the city if the customer location is in the city.
- (c) Gross income of the business from engaging in an apportionable activity must be excluded from the denominator of the service income factor if, in respect to such activity, at least some of the activity is performed in the city, and the gross income is attributable under (b) of this subsection (6) to a city or unincorporated area of a county within the United States or to a foreign country in which the taxpayer is not taxable. For purposes of this subsection (6)(c), "not taxable" means that the taxpayer is not subject to a business activities tax by that city or county within the United States or by that foreign country, except that a taxpayer is taxable in a city or county within the United States or in a foreign country in which it would be deemed to have a substantial nexus with the city or county within the United States or with the foreign country under the standards in RCW 35.102.050 regardless of whether that city or county within the United States or that foreign country imposes such a tax.
- (d) If the allocation and apportionment provisions of this subsection (6) do not fairly represent the extent of the taxpayer's business activity in the city the taxpayer may petition for or the tax administrators may require, in respect to all or any part of the taxpayer's business activity, if reasonable:
 - (i) Separate accounting;
 - (ii) The exclusion of any one or more of the factors;
 - (iii) The inclusion of one or more additional factors that will fairly represent the taxpayer's business activity in the city; or
 - (iv) The employment of any other method to effectuate an equitable allocation and apportionment of the taxpayer's income.
- (e) The party petitioning for, or the tax administrator requiring, the use of any method to effectuate an equitable allocation and apportionment of the taxpayer's income pursuant to subsection (d) of this subsection (6) must prove by a preponderance of the evidence:
 - (i) That the allocation and apportionment provisions of this subsection (6) do not fairly represent the extent of the taxpayer's business activity in the city; and
 - (ii) That the alternative to such provisions is reasonable.

The same burden of proof shall apply whether the taxpayer is petitioning for, or the tax administrator is requiring, the use of an alternative, reasonable method to effectuate an equitable allocation and apportionment of the taxpayer's income.
- (f) If the tax administrator requires any method to effectuate an equitable allocation and apportionment of the taxpayer's income, the tax administrator cannot impose any civil or criminal penalty with reference to the tax due that is attributable to the taxpayer's reasonable reliance solely on the allocation and apportionment provisions of this subsection (6).
- (g) A taxpayer that has received written permission from the tax administrator to use a reasonable method to effectuate an equitable allocation and apportionment of the taxpayer's income shall not have that permission revoked with respect to transactions and activities that have already occurred unless there has been a material change in, or a material misrepresentation of, the facts provided by the taxpayer upon which the tax administrator reasonably relied in approving a reasonable alternative method.
- (7) The definitions in this subsection apply throughout this section.
 - (a) "**Apportionable income**" means the gross income of the business taxable under the service classifications of a city's gross receipts tax, including income received from activities outside the city if

the income would be taxable under the service classification if received from activities within the city, less any exemptions or deductions available.

- (b) **“Business activities tax”** means a tax measured by the amount of, or economic results of, business activity conducted in a city or county within the United States or within a foreign country. The term includes taxes measured in whole or in part on net income or gross income or receipts. “Business activities tax” does not include a sales tax, use tax, or a similar transaction tax, imposed on the sale or acquisition of goods or services, whether or not denominated a gross receipts tax or a tax imposed on the privilege of doing business.
- (c) **“Compensation”** means wages, salaries, commissions, and any other form of remuneration paid to individuals for personal services that are or would be included in the individual's gross income under the federal internal revenue code.
- (d) **“Customer”** means a person or entity to whom the taxpayer makes a sale or renders services or from whom the taxpayer otherwise receives gross income of the business.
- (e) **“Customer location”** means the following:
 - (i) For a customer not engaged in business, if the service requires the customer to be physically present, where the service is performed.
 - (ii) For a customer not engaged in business, if the service does not require the customer to be physically present:
 - (A) The customer's residence; or
 - (B) If the customer's residence is not known, the customer's billing/mailling address.
 - (iii) For a customer engaged in business:
 - (A) Where the services are ordered from;
 - (B) At the customer's billing/mailling address if the location from which the services are ordered is not known; or
 - (C) At the customer's commercial domicile if none of the above are known.
- (f) **“Individual”** means any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee of that taxpayer.
- (g) **“Primarily assigned”** means the business location of the taxpayer where the individual performs his or her duties.
- (h) **“Service-taxable income”** or **“service income”** means gross income of the business subject to tax under either the service or royalty classification.
- (i) **“Tax period”** means the calendar year during which tax liability is accrued. If taxes are reported by a taxpayer on a basis more frequent than once per year, taxpayers shall calculate the factors for the previous calendar year for reporting in the current calendar year and correct the reporting for the previous year when the factors are calculated for that year, but not later than the end of the first quarter of the following year.
- (8) Assignment or apportionment of revenue under this Section shall be made in accordance with and in full compliance with the provisions of the interstate commerce clause of the United States Constitution where applicable.

(Mandatory – Effective January 1, 2020)

Legislative intent information

For tax periods after January 1, 2020, Substitute House Bill 1403 further simplifies the administration of municipal business and occupation tax apportionment by (1) adopting a consistent sourcing hierarchy; (2) adopting market-based sourcing in the income factor; (3) establishing a rule that excludes service receipts from the income factor denominator attributable to jurisdictions where the taxpayer would not be subject to tax; and (4) establishing a consistent burden of proof for application of an alternative apportionment method. There are no changes to the payroll factor.

For periods prior to January 1, 2020, the following language is still in effect:

Sec. 0.077(6)(b) provides “The service income factor is a fraction, the numerator of which is the total service income of the taxpayer in the city during the tax period, and the denominator of which is the total service income of the taxpayer everywhere during the tax period. Service income is in the city if:

- (i) The customer location is in the city; or
- (ii) The income-producing activity is performed in more than one location and a greater proportion of the service-income-producing activity is performed in the city than in any other location, based on costs of performance, and the taxpayer is not taxable at the customer location; or
- (iii) The service-income-producing activity is performed within the city, and the taxpayer is not taxable in the customer location.”

Sec. 0.077(7)(d) provides “Customer location” means the city or unincorporated area of a county where the majority of the contacts between the taxpayer and the customer take place.

Sec. 0.077(7)(h) provides “Taxable in the customer location” means either that a taxpayer is subject to a gross receipts tax in the customer location for the privilege of doing business, or that the government where the customer is located has the authority to subject the taxpayer to gross receipts tax regardless of whether, in fact, the government does so.

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

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

Legislative intent information

This section is required by RCW 35.102.150 and provides that printing and publishing income shall be allocated to the city in which taxpayer's business is directed or managed. This section is not mandatory for the model ordinance, but the tax treatment is required by RCW 35.102.150.

This section defines the sourcing of gross income arising from the activities of printing, and publishing newspapers, periodicals, or magazines. The changes effective January 1, 2024 modify only the definition of printing, and of publishing newspapers and periodicals or newspapers in accordance with ESS2B 5199 (2023). This section does not constitute an adoption of the State of Washington business and occupation tax exemption for gross income arising from the activities of printing, and of publishing newspapers, or the tax rate that applies to the activities of printing and of publishing periodicals or magazines

.090 Exemptions.

- (1) **Public utilities.** This chapter shall not apply to any person in respect to a business activity with respect to which tax liability is specifically imposed under the provisions of [local utility tax cite].
- (2) **Investments - dividends from subsidiary corporations.** This chapter shall not apply to amounts derived by persons, other than those engaging in banking, loan, security, or other financial businesses, from investments or the use of money as such, and also amounts derived as dividends by a parent from its subsidiary corporations.
- (3) **Insurance business.** This chapter shall not apply to amounts received by any person who is an insurer or their appointed insurance producer upon which a tax based on gross premiums is paid to the state pursuant to RCW 48.14.020, and provided further, that the provisions of this subsection shall not exempt any bonding company from tax with respect to gross income derived from the completion of any contract as to which it is a surety, or as to any liability as successor to the liability of the defaulting contractor.
- (4) **Employees.**

- (a) This chapter shall not apply to any person in respect to the person's employment in the capacity as an employee or servant as distinguished from that of an independent contractor. For the purposes of this subsection, the definition of employee shall include those persons that are defined in the Internal Revenue Code, as hereafter amended.
- (b) A booth renter is an independent contractor for purposes of this chapter.
- (5) **Amounts derived from sale of real estate.** This chapter shall not apply to gross proceeds derived from the sale of real estate. This, however, shall not be construed to allow an exemption of amounts received as commissions from the sale of real estate, nor as fees, handling charges, discounts, interest or similar financial charges resulting from, or relating to, real estate transactions. This chapter shall also not apply to amounts received for the rental of real estate if the rental income is derived from a contract to rent for a continuous period of thirty (30) days or longer.
- (6) **Mortgage brokers' third-party provider services trust accounts.** This chapter shall not apply to amounts received from trust accounts to mortgage brokers for the payment of third-party costs if the accounts are operated in a manner consistent with RCW 19.146.050 and any rules adopted by the director of financial institutions.
- (7) **Amounts derived from manufacturing, selling or distributing motor vehicle fuel.** This chapter shall not apply to the manufacturing, selling, or distributing motor vehicle fuel, as the term "motor vehicle fuel" is defined in RCW 82.38.020 and exempt under RCW 82.38.280, provided that any fuel not subjected to the state fuel excise tax, or any other applicable deduction or exemption, will be taxable under this chapter.
- (Mandatory)**
- (8) **Amounts derived from liquor, and the sale or distribution of liquor.** This chapter shall not apply to liquor as defined in RCW 66.04.010 and exempt in RCW 66.08.120. **(Mandatory)**
- (9) **Casual and isolated sales.** This chapter shall not apply to the gross proceeds derived from casual or isolated sales.
- (10) **Accommodation sales.** This chapter shall not apply to sales for resale by persons regularly engaged in the business of making retail sales of the type of property so sold to other persons similarly engaged in the business of selling such property where (1) the amount paid by the buyer does not exceed the amount paid by the seller to the vendor in the acquisition of the article and (2) the sale is made as an accommodation to the buyer to enable the buyer to fill a bona fide existing order of a customer or is made within fourteen days to reimburse in kind a previous accommodation sale by the buyer to the seller.
- (11) **Taxes collected as trust funds.** This chapter shall not apply to amounts collected by the taxpayer from third parties to satisfy third party obligations to pay taxes such as the retail sales tax, use tax, and admission tax.

.100 Deductions. In computing the license fee or tax, there may be deducted from the measure of tax the following items:

- (1) **Receipts from tangible personal property delivered outside the State.** In computing tax, there may be deducted from the measure of tax under retailing or wholesaling amounts derived from the sale of tangible personal property that is delivered by the seller to the buyer or the buyer's representative at a location outside the State of Washington. **(Mandatory)**
- (2) **Cash discount taken by purchaser.** In computing tax, there may be deducted from the measure of tax the cash discount amounts actually taken by the purchaser. This deduction is not allowed in arriving at the taxable amount under the extracting or manufacturing classifications with respect to articles produced or manufactured, the reported values of which, for the purposes of this tax, have been computed according to the "value of product" provisions.
- (3) **Credit losses of accrual basis taxpayers.** In computing tax, there may be deducted from the measure of tax the amount of credit losses actually sustained by taxpayers whose regular books of account are kept upon an accrual basis.
- (4) **Constitutional prohibitions.** In computing tax, there may be deducted from the measure of the tax amounts derived from business which the City is prohibited from taxing under the Constitution of the State of Washington or the Constitution of the United States. **(Mandatory)**
- (5) **Receipts from the Sale of Tangible Personal Property and Retail Services Delivered Outside the City but Within Washington.** Effective January 1, 2008, amounts included in the gross receipts reported

on the tax return derived from the sale of tangible personal property delivered to the buyer or the buyer's representative outside the City but within the State of Washington may be deducted from the measure of tax under the retailing, retail services, or wholesaling classification.

- (6) **Professional employer services.** In computing the tax, a professional employer organization may deduct from the calculation of gross income the gross income of the business derived from performing professional employer services that is equal to the portion of the fee charged to a client that represents the actual cost of wages and salaries, benefits, workers' compensation, payroll taxes, withholding, or other assessments paid to or on behalf of a covered employee by the professional employer organization under a professional employer agreement.
- (7) **Interest on investments or loans secured by mortgages or deeds of trust.** In computing tax, to the extent permitted by Chapter 82.14A RCW, there may be deducted from the measure of tax by those engaged in banking, loan, security or other financial businesses, amounts derived from interest received on investments or loans primarily secured by first mortgages or trust deeds on non-transient residential properties.

Legislative intent information

Subsection (6) is required by RCW 35.102.160 and provides that professional employer organizations may deduct the portion of fees for actual costs of employee wages and other benefits and taxes from gross income. This deduction is not mandatory for the model ordinance, but the tax treatment is required by RCW 35.102.160 and is taken from RCW 82.04.540(2).

.120 Tax part of overhead.

It is not the intention of this chapter that the taxes or fees herein levied upon persons engaging in business be construed as taxes or fees upon the purchasers or customer, but that such taxes or fees shall be levied upon, and collectible from, the person engaging in the business activities herein designated and that such taxes or fees shall constitute a part of the cost of doing business of such persons.

.130 Severability Clause.

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

Note: The following Items contained in the model ordinance guidelines are omitted from this Core model ordinance.

Definitions omitted:

- (1) Advancement, Reimbursement
- (2) Agricultural Product
- (3) Artistic or cultural organization
- (4) Consumer
- (5) In this City, within the City
- (6) Newspaper
- (7) Non-profit organization or non-profit corporation
- (8) Office, or Place of business
- (9) Precious metal bullion or monetized bullion
- (10) Product, byproduct
- (11) Royalties
- (12) Software, canned software, custom software, customization of canned software, master copies, retained rights
- (13) Tuition fee

Sections omitted:

- (.040) Agency—sales and services by agent, consignee, bailee, factor or auctioneer
- (.110) Application to City's business activities.

Exemptions and Deductions omitted:

Numerous exemptions and deductions—compare with model guidelines to see if you need additional exemptions or deductions.

NOTE: Because of the wording contained in Section .050(2), cities should ensure that their licensing or registration section contains the authority to impose the license or registration. Section .050(2) is intended to relieve persons engaging in business activities that total equal to or less than \$20,000 from tax obligations – but not from license or registration fee requirements.



2026 changes to City B&O Tax Model Ordinance

A city workgroup of city finance directors and tax managers met over the summer to review changes needed to the B&O model ordinance in response to **SB 5814** changing the taxation of certain activities from services to sales.

Now B&O tax cities must adopt mandatory changes to model ordinance with same effective date: January 1, 2026.

SB 5814 changed the tax classification for the following services to retail sales:

- Advertising services;
- Live presentations;
- Information technology services;
- Custom website development services;
- Investigation, security, and armored car services;
- Temporary staffing services; and
- Sales of custom software and customization of prewritten software.

Changes to Model Ordinance

The workgroup decided to limit revisions to the model ordinance to changes necessary to implement the state's changes to sales at retail in **SB 5814**.

The model ordinance changes are as follows:

- **Core model ordinance .030: Definition of "sale at retail"**
 - adds new subsection (3) to incorporate changes to professional services.
 - (6) updates language related to custom software and customization of prewritten software.
 - (12) updates language related to digital goods and digital automated services.
- **Core model ordinance .030: Definition of "sale at wholesale"**: adds language to parallel updates to software in retail sales (6).
- **Technical change**: .030 "sale at retail": (1) moves misplaced language to correct typo created when extended warranties were added to the model.

While **SB 5814** also changed the definitions of digital automated services and digital goods, the model ordinance did not need to be updated because the model ordinance incorporates the state's definition by reference to the RCW.

Background on the Model Ordinance

53 cities impose a local B&O tax on the gross receipts of businesses engaging in business in their city.

Since 2004, cities with local B&O taxes were required to adopt the B&O tax model ordinance with mandatory uniform provisions related to a minimum threshold, tax classification definitions, engaging in business definition, and allocation and apportionment for activities occurring in more than one jurisdiction. (Chapter 35.102 RCW)

There are four main classifications: manufacturing, retail sales, wholesale sales, and services, but some cities have additional classifications.

The last revision was another technical fix to the B&O tax model ordinance in response to state law changes related to newspapers and took effect January 1, 2023.



INFORMATIONAL MEMORANDUM

TO: Finance & Governance Committee
CC: Mayor McLeod
FROM: Tony Cullerton, Deputy Finance Director
DATE: November 24, 2025
SUBJECT: October 2025 Financial Report

Summary at a Glance

October 31, 2025, represents 83% of the calendar year.

Revenues: \$73.8M (96.6% of budget), up \$8.46M (+12.9%) from 2024.

Expenditures: \$60.66M (80.9% of budget), down \$4.46M (-6.9%) from 2024.

Overall Position: The City remains on budget. Revenues continue to trend above prior year primarily due to strong intergovernmental revenues and one-time land sales, while expenditures remain below 2024 levels.

General Fund Performance:

Key Variances:

It is important to note that much of the year-over-year revenue growth is attributable to grant revenues and a property sale that will not recur in future years.

Significant Increases:

- Intergovernmental Revenues – up \$2.59M (+37.4%) - Grants
- Miscellaneous Revenue – up \$381k (+16.1%) - Procurement Card rebates, Claims processing.
- Business & Occupation Taxes – up 1.63M (+\$133.5%) from full-year implementation and collections.
- Admission Tax – up \$197k (+26.4%)

Significant Decreases:

- Property Tax – down \$3.84M (-\$26.4%) - \$6M unlevied.
- Business Licenses – down \$157k (-6.2%)

General Fund Expenditures

Through October, expenditures and transfers-out total \$60.66M, or 80.9% of budget, compared to \$65.12M in 2024. This represents a decrease of \$4.46M (-6.9%) year-over-year.

Key increases from prior year:

- Police Department – \$2.96M (+14.9%) – Fleet Contribution was \$0 in 2024.
- Parks Maintenance – up \$253k (+12%) – Construction projects , Tech Svs.
- Street Maintenance – \$558k (+16.9%) – Repairs & Maint. Svs.

Major decreases:

- Fire Department – 93.5% (-\$11.70M), reflecting transition to PSRFA

Projected Ending Fund Balance

The General Fund is projected to close the year with an ending balance of \$30.9M. After accounting for reserves, contingencies, and one-time revenues, the operationally available balance is \$2.5M.

Breakdown:

| | |
|---|--------------------|
| 2025 Projected Ending Fund Balance | 30,921,118 |
| Less: General Fund Reserve Policy | (13,865,764) |
| Less: Contingency Fund 105 | (7,703,202) |
| Less One-time Revenue - Property Sale | (4,511,436) |
| Less: Less One -time Grants | <u>(2,297,866)</u> |
| 2025 Projected Ending Fund Balance (Operational) | 2,542,850 |

Takeaway: A reduced portion of the ending balance is available for ongoing operations.

Other Funds:**Other Funds – Notable Variances (>5% and \$250,000)**

| Fund | Revenues | Expenditures | Key Driver |
|--|-----------------------|----------------------|--|
| Fund 101 – Hotel/Motel | -\$74,928 (-8.3%) | +\$689,676 (67.5%) | Revenues slightly under trend; expenditures well below plan due to timing of marketing & service contracts |
| Fund 103 – Residential Street | -\$845,544 (-74.8%) | +\$762,486 (89.7%) | Delayed grant receipts and shifted project timelines |
| Fund 104 – Arterial Street | +\$532,024 (+9.5%) | +\$4,786,966 (62.7%) | High traffic impact fee collections; most |
| Fund 301 – Land, Rec & Parks | -\$1,194,288 (-42.0%) | +\$1,879,671 (61.0%) | Large grants tracked on a reimbursement |
| Fund 303 – General Government Improvements | -\$101,651 (-23.2%) | +\$484,864 (90.1%) | Minimal project activity pending planning and facility assessments |
| Fund 304 – Fire Improvements | -\$556,657 (-92.8%) | +\$600,000 (100%) | Fire impact fees significantly under plan; annual transfer scheduled later in fiscal year |
| Fund 305 – Public Safety Plan | -\$715,624 (-64.2%) | +\$329,706 (25.0%) | REET revenues below projections; scheduled transfers continuing |
| Fund 306 – City Facilities | -\$1,076,568 (-58.3%) | +\$942,853 (94.3%) | Capital projects delayed; anticipated rental revenue not recognized |
| Fund 401 – Water Utility | -\$3,232,514 (-28.5%) | +\$3,964,080 (33.0%) | Water consumption-based revenues trending below budget; capital spending staggered |
| Fund 402 – Sewer Utility | -\$2,545,876 (-20.3%) | +\$6,265,305 (36.1%) | Sewer flow-based revenues below expectations; large capital project invoices pending |

Financial Overview Through August 2025

The City's financial condition remains on budget. Revenues continue to trend above prior year levels, while expenditures remain below 2024 levels. Staff will continue to monitor revenues and expenditures closely.

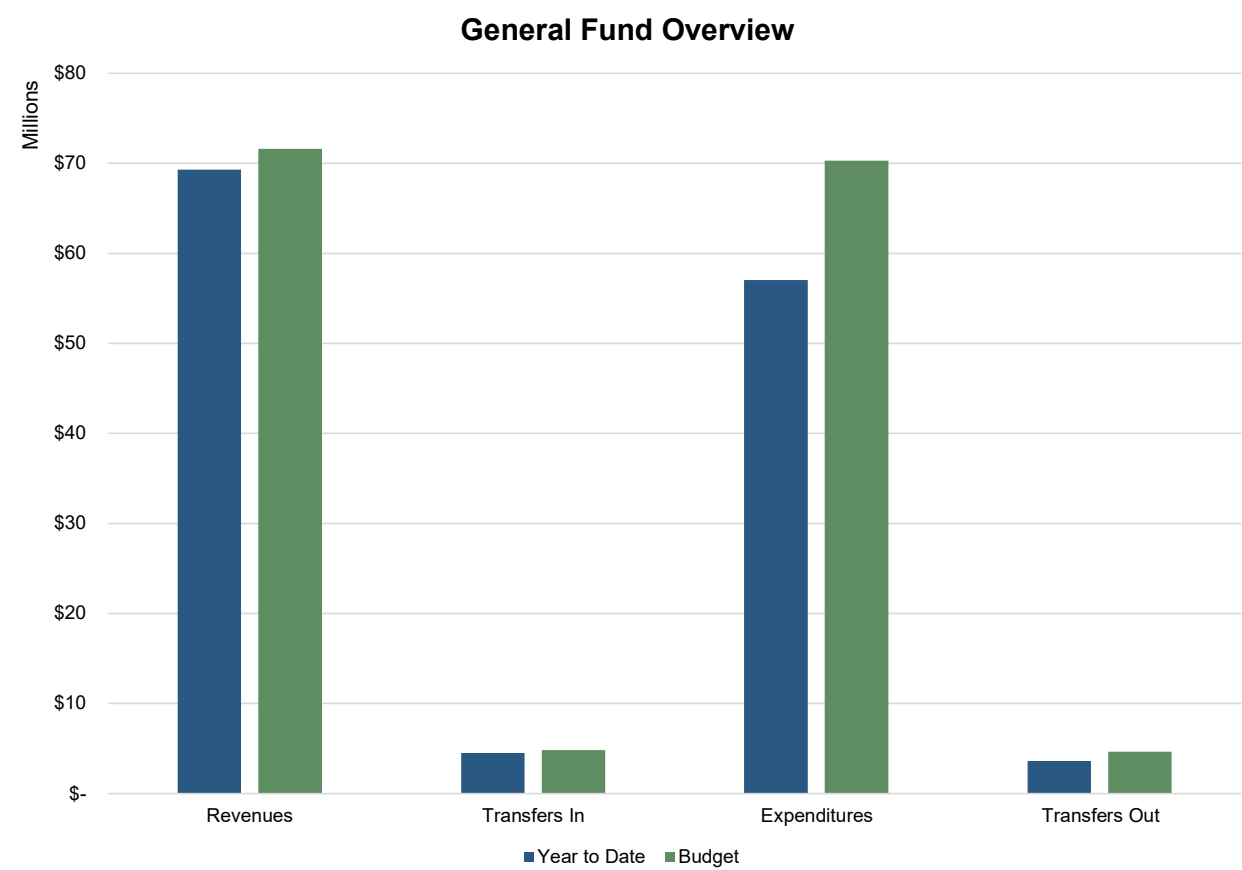
Attachments:

- October Monthly Report
- Ending Fund Balance
- Cash & Investment Report

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| General Fund Overview | | | | |
|---------------------------------------|---------------------------------|-------------------|---------------------|---------------------------------------|
| | 2025 Actuals through October | | 2025 Total Budget | Budget Variance % of Annual Budget |
| Revenues | \$ | 69,298,955 | \$ 71,601,037 | 96.8% |
| Transfers In | | 4,529,307 | 4,836,952 | 93.6% |
| Expenditures | | 57,032,474 | 70,298,671 | 81.1% |
| Transfers Out | | 3,622,793 | 4,663,479 | 77.7% |
| Net Revenues Less Expenditures | \$ | 13,172,995 | \$ 1,475,839 | % of Year Complete 83.3% |

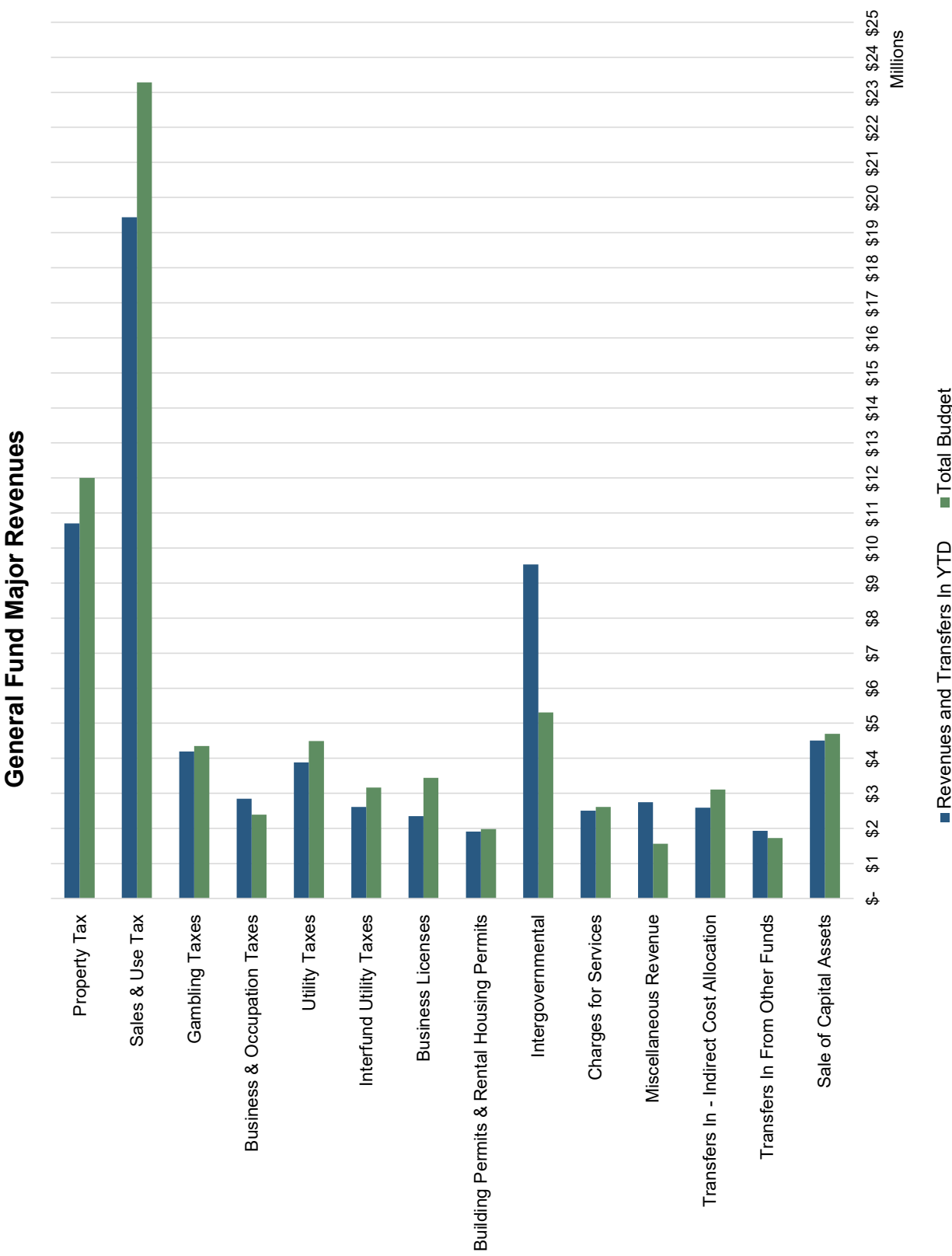
General Fund figures include General Fund and Contingency Fund, a Sub-Fund of the General Fund



General Fund Overview - Revenues and Transfers In by Category

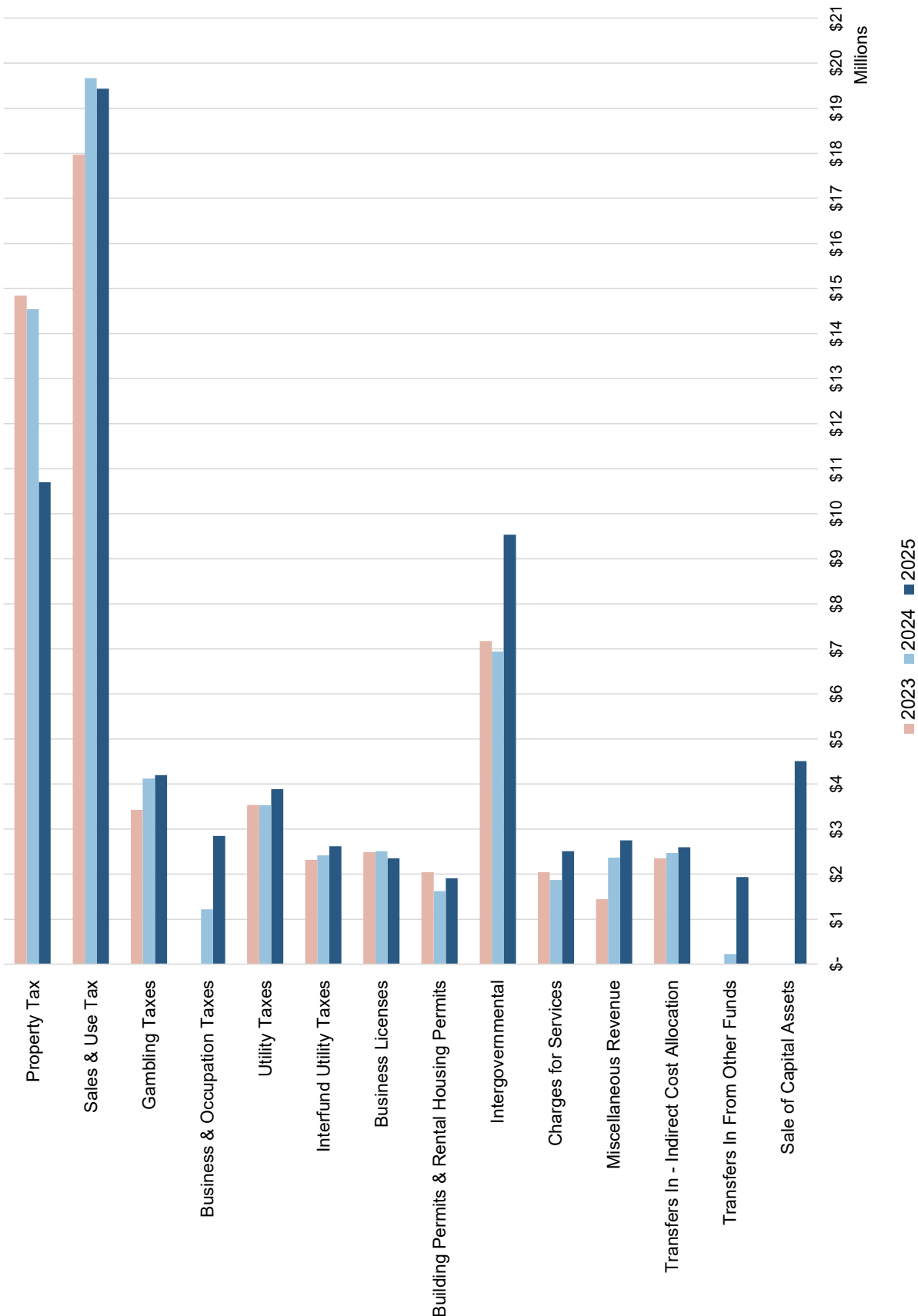
| Category | 2025 Total Budget | 2025 Revenues through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|---|----------------------|----------------------------------|--|---------------------------------------|
| Taxes: | | | | |
| Property Tax | \$ 11,999,227 | \$ 10,700,253 | \$ (1,298,974) | 89.2% |
| Sales & Use Tax | 23,283,886 | 19,433,735 | (3,850,151) | 83.5% |
| Other Sales Taxes | 1,163,100 | 907,054 | (256,046) | 78.0% |
| Gambling Taxes | 4,349,500 | 4,196,559 | (152,941) | 96.5% |
| Business & Occupation Taxes | 2,400,000 | 2,848,121 | 448,121 | 118.7% |
| Utility Taxes | 4,493,702 | 3,886,693 | (607,009) | 86.5% |
| Interfund Utility Taxes | 3,167,729 | 2,618,951 | (548,778) | 82.7% |
| Admission Taxes | 859,235 | 947,170 | 87,935 | 110.2% |
| Leasehold Excise Tax | 260,000 | 198,182 | (61,818) | 76.2% |
| Business Licenses | 3,445,500 | 2,352,174 | (1,093,326) | 68.3% |
| Building Permits & Rental Housing Permits | 1,985,200 | 1,907,768 | (77,432) | 96.1% |
| Intergovernmental | 5,313,474 | 9,532,302 | 4,218,828 | 179.4% |
| Charges for Services | 2,612,121 | 2,509,749 | (102,372) | 96.1% |
| Miscellaneous Revenue | 1,568,363 | 2,748,806 | 1,180,443 | 175.3% |
| Transfers In - Indirect Cost Allocation | 3,111,694 | 2,593,078 | (518,616) | 83.3% |
| Transfers In From Other Funds | 1,725,258 | 1,936,229 | 210,971 | 112.2% |
| Sale of Capital Assets | 4,700,000 | 4,511,436 | (188,564) | 96.0% |
| Total | \$ 76,437,989 | \$ 73,828,260 | \$ 2,687,170 | 96.6% |

Percent of Year Complete: 83.3%



| General Fund: Year-to-Year Revenues and Transfers In | | | | | |
|--|----------------------------------|----------------------------------|----------------------------------|---------------------|---------------|
| Category | 2023 Revenues Through October | 2024 Revenues Through October | 2025 Revenues through October | 2025 vs 2024 \$ | % |
| Taxes: | | | | | |
| Property Tax | \$ 14,836,900 | \$ 14,541,381 | \$ 10,700,253 | \$ (3,841,128) | -26.4% |
| Sales & Use Tax | 17,972,900 | 19,666,549 | 19,433,735 | (232,814) | -1.2% |
| Other Sales Taxes | 968,026 | 916,955 | 907,054 | (9,901) | -1.1% |
| Gambling Taxes | 3,426,473 | 4,122,355 | 4,196,559 | 74,204 | +1.8% |
| Business & Occupation Taxes | - | 1,219,685 | 2,848,121 | 1,628,436 | +133.5% |
| Utility Taxes | 3,536,179 | 3,532,768 | 3,886,693 | 353,925 | +10.0% |
| Interfund Utility Taxes | 2,318,267 | 2,412,956 | 2,618,951 | 205,995 | +8.5% |
| Admission Taxes | 768,155 | 750,440 | 947,170 | 196,730 | +26.2% |
| Leasehold Excise Tax | 180,141 | 195,892 | 198,182 | 2,290 | +1.2% |
| Business Licenses | 2,487,025 | 2,508,975 | 2,352,174 | (156,801) | -6.2% |
| Building Permits & Rental Housing Permits | 2,045,083 | 1,626,864 | 1,907,768 | 280,904 | +17.3% |
| Intergovernmental | 7,172,562 | 6,939,492 | 9,532,302 | 2,592,810 | +37.4% |
| Charges for Services | 2,041,870 | 1,872,949 | 2,509,749 | 636,800 | +34.0% |
| Miscellaneous Revenue | 1,445,578 | 2,367,463 | 2,748,806 | 381,343 | +16.1% |
| Transfers In - Indirect Cost Allocation | 2,352,010 | 2,469,599 | 2,593,078 | 123,479 | +5.0% |
| Transfers In From Other Funds | - | 225,891 | 1,936,229 | 1,710,338 | +757.2% |
| Sale of Capital Assets | - | - | 4,511,436 | 4,511,436 | - |
| Total | \$ 61,551,169 | \$ 65,370,214 | \$ 73,828,260 | \$ 8,458,046 | +12.9% |

General Fund Major Revenues Prior Year Comparisons YTD

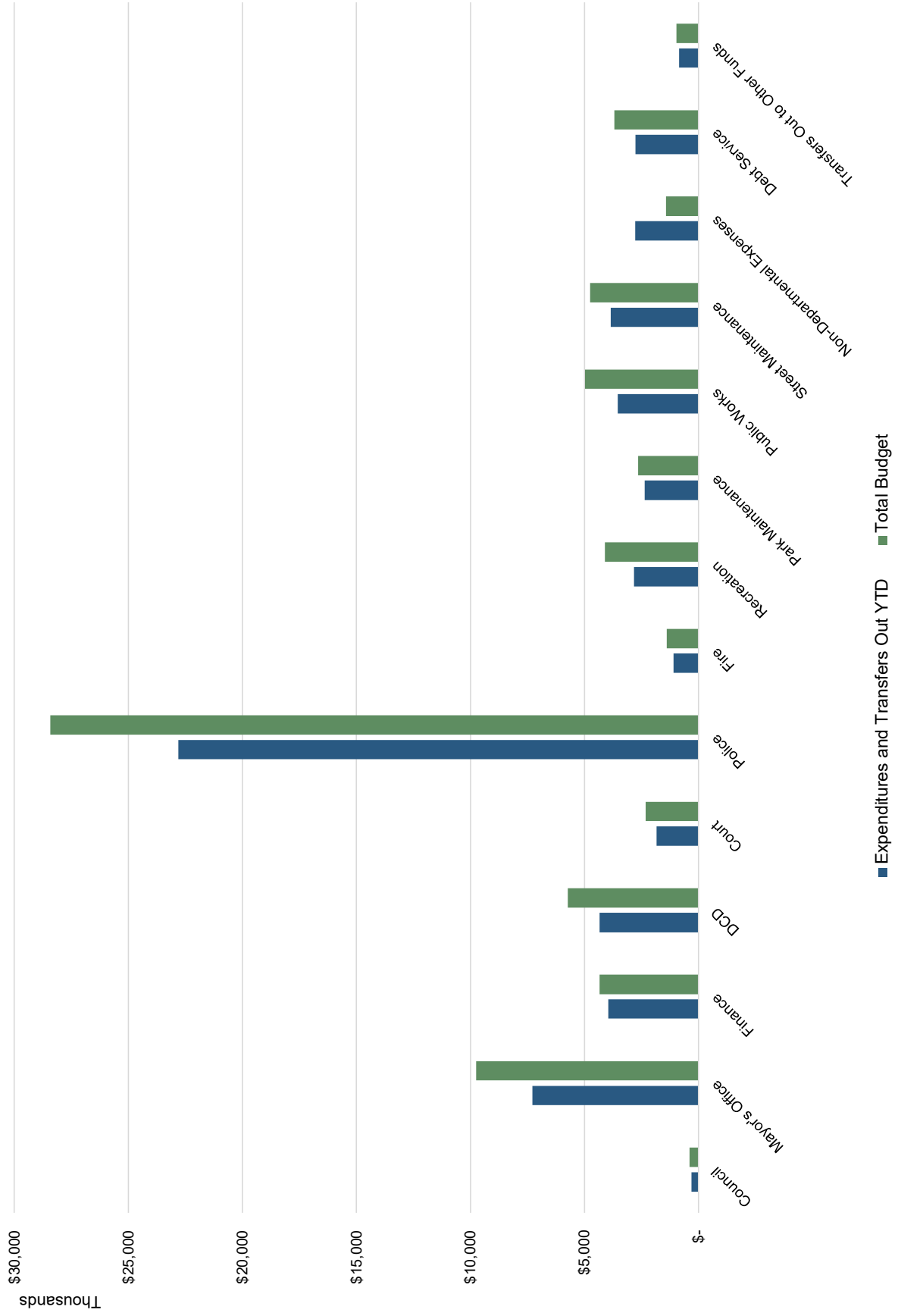


General Fund Overview - Expenditures & Transfers Out by Department

| Department | 2025 Total Budget | 2025 Expenses through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|------------------------------|----------------------|-------------------------------|--|---------------------------------------|
| City Council | \$ 400,093 | \$ 311,144 | \$ 88,949 | 77.8% |
| Mayor's Office | 9,748,218 | 7,281,480 | 2,466,738 | 74.7% |
| Finance Department | 4,343,230 | 3,966,461 | 376,769 | 91.3% |
| Community Development (DCD) | 5,732,921 | 4,338,279 | 1,394,642 | 75.7% |
| Municipal Court | 2,329,525 | 1,845,836 | 483,689 | 79.2% |
| Police Department | 28,411,330 | 22,810,941 | 5,600,389 | 80.3% |
| Fire Department | 1,398,192 | 1,098,504 | 299,688 | 78.6% |
| Recreation Department | 4,110,113 | 2,833,181 | 1,276,932 | 68.9% |
| Park Maintenance Dept | 2,659,037 | 2,367,240 | 291,797 | 89.0% |
| Public Works Dept | 4,977,693 | 3,547,723 | 1,429,970 | 71.3% |
| Street Maintenance Dept | 4,761,271 | 3,854,286 | 906,985 | 81.0% |
| Non-Departmental | | | | |
| Expenses | 1,427,046 | 2,777,400 | (1,350,354) | 194.6% |
| Transfers Out - Debt Service | 3,692,390 | 2,769,293 | 923,097 | 75.0% |
| Transfers Out to Other Funds | 971,089 | 853,500 | 117,589 | 87.9% |
| Total | \$ 74,962,148 | \$ 60,655,268 | \$ 14,306,880 | 80.9% |

Percent of Year Complete: 83.3%

General Fund Expenditures and Transfers Out by Department



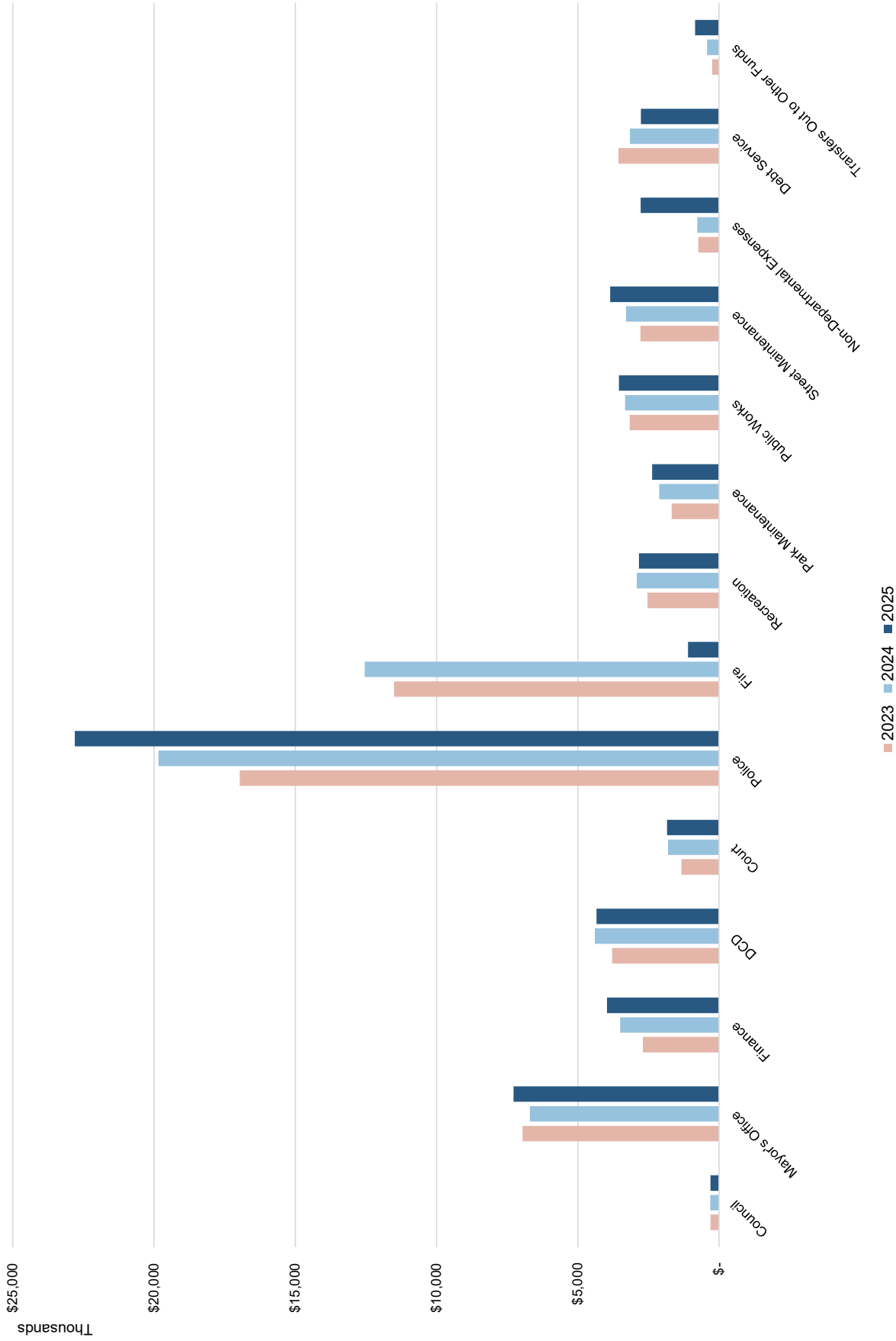
General Fund Overview - Year-to-Year Expenditures & Transfers Out by Department

| Category | 2023 Expenses through October | 2024 Expenses through October | 2025 Expenses through October | 2025 vs 2024 \$ | % | |
|------------------------------|----------------------------------|----------------------------------|----------------------------------|--------------------|----------------|---------|
| City Council | \$ | 301,496 | \$ 316,379 | \$ | (5,235) | -1.7% |
| Mayor's Office | | 6,957,896 | 6,695,534 | 7,281,480 | 585,946 | +8.8% |
| Finance Department | | 2,698,052 | 3,503,504 | 3,966,461 | 462,957 | +13.2% |
| Community Development (DCD) | | 3,788,569 | 4,403,678 | 4,338,279 | (65,399) | -1.5% |
| Municipal Court | | 1,333,369 | 1,804,762 | 1,845,836 | 41,074 | +2.3% |
| Police Department | | 16,969,178 | 19,846,969 | 22,810,941 | 2,963,972 | +14.9% |
| Fire Department | | 11,507,190 | 12,545,603 | 1,098,504 | (11,447,099) | -91.2% |
| Recreation Department | | 2,528,967 | 2,914,850 | 2,833,181 | (81,669) | -2.8% |
| Park Maintenance Dept | | 1,681,000 | 2,113,986 | 2,367,240 | 253,254 | +12.0% |
| Public Works Dept | | 3,166,803 | 3,324,793 | 3,547,723 | 222,930 | +6.7% |
| Street Maintenance Dept | | 2,784,525 | 3,296,363 | 3,854,286 | 557,923 | +16.9% |
| Non-Departmental | | | | | | |
| Expenses ¹ | | 737,102 | 768,161 | 2,777,400 | 2,009,239 | +261.6% |
| Transfers Out - Debt Service | | 3,562,371 | 3,154,758 | 2,769,293 | (385,465) | -12.2% |
| Transfers Out to Other Funds | | 241,250 | 427,598 | 853,500 | 425,902 | +99.6% |
| Total | \$ | 58,257,768 | \$ 65,116,939 | \$ 60,655,268 | \$ (4,461,671) | -7% |

Notes:

¹In 2025, vehicle leases across the General Fund are now Non-Departmental expenses. From 2023-2024, these expenses were paid from savings accumulated in the Fleet Fund

General Fund Expenditures by Department Prior Year Comparisons YTD

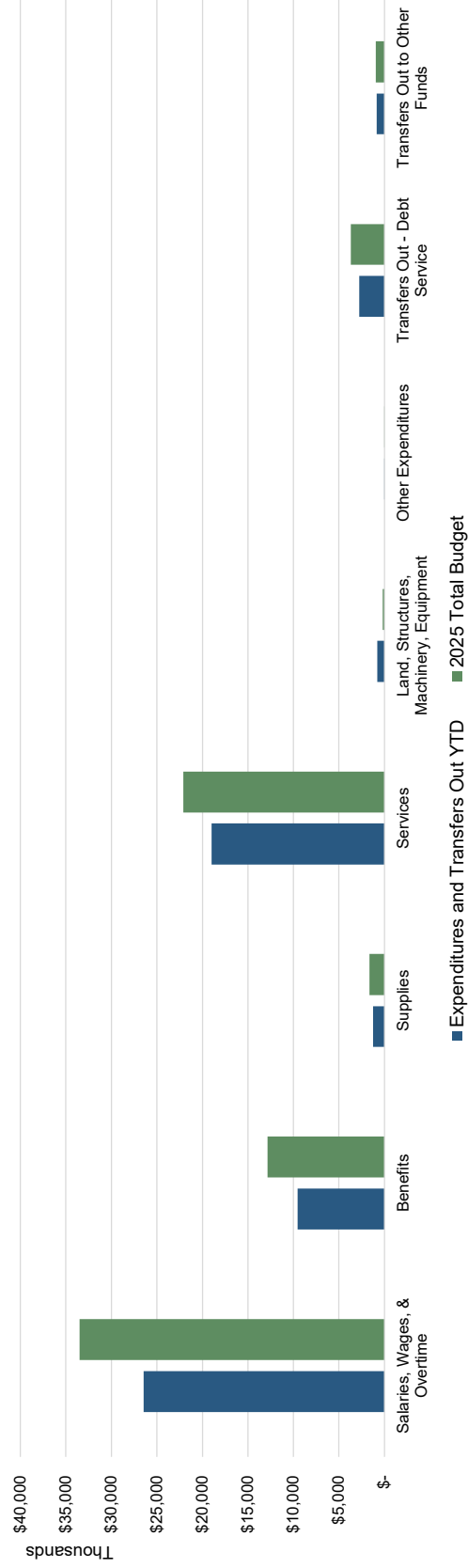


General Fund Overview - Expenditures by Category

| Category | 2025 Total Budget | 2025 Expenses through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|--|----------------------|-------------------------------|--|---------------------------------------|
| Salaries, Wages, & Overtime | \$ 33,466,376 | \$ 26,447,190 | \$ 7,019,186 | 79.0% |
| Benefits | 12,851,718 | 9,544,638 | 3,307,080 | 74.3% |
| Supplies | 1,640,914 | 1,243,993 | 396,921 | 75.8% |
| Services | 22,109,457 | 19,007,542 | 3,101,915 | 86.0% |
| Land, Structures, Machinery, Equipment | 200,000 | 767,962 | (567,962) | 384.0% |
| Other Expenditures | 30,205 | 21,148 | 9,057 | 70.0% |
| Transfers Out - Debt Service | 3,692,390 | 2,769,293 | 923,097 | 75.0% |
| Transfers Out to Other Funds | 971,089 | 853,500 | 117,589 | 87.9% |
| Total | \$ 74,962,149 | \$ 60,655,266 | \$ 14,306,883 | 80.9% |

Percent of Year Complete:

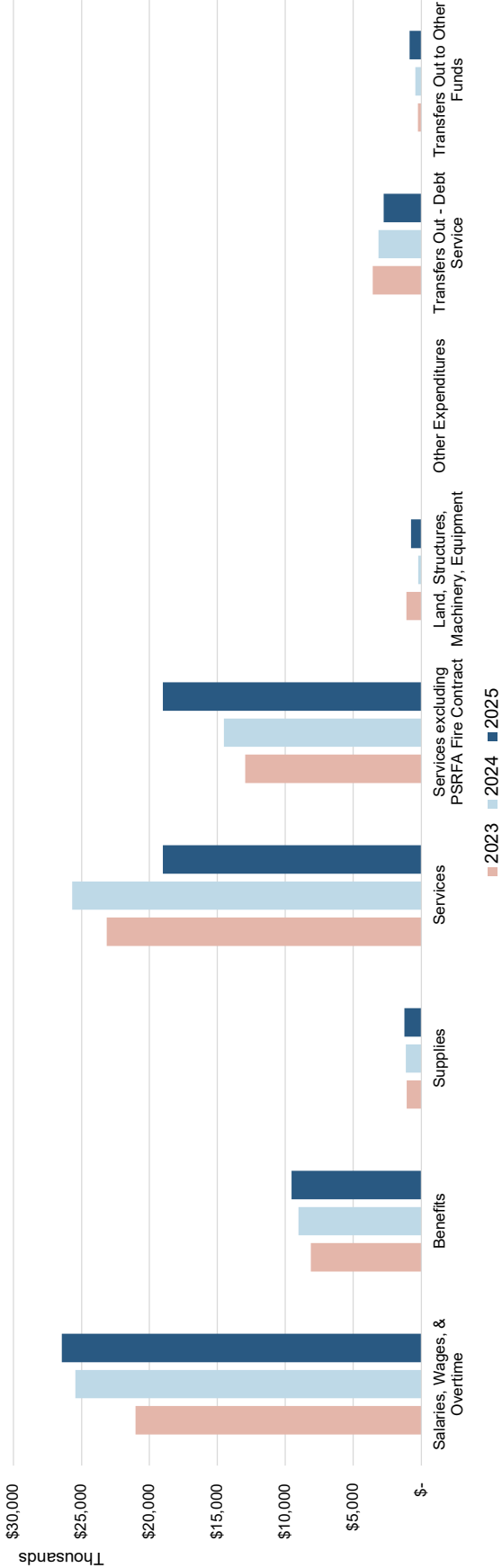
General Fund Expenditures and Transfers Out by Category



General Fund: Year-to-Year Expenditures & Transfers Out by Category

| Category | 2023 Expenses through October | 2024 Expenses through October | 2025 Expenses through October | 2025 vs 2024 \$ | 2025 vs 2024 % |
|--|----------------------------------|----------------------------------|----------------------------------|--------------------|-------------------|
| Salaries, Wages, & Overtime | \$ 21,027,381 | \$ 25,456,092 | \$ 26,447,190 | \$ 991,098 | +3.9% |
| Benefits | 8,133,029 | 9,047,840 | 9,544,638 | 496,798 | +5.5% |
| Supplies | 1,060,734 | 1,125,745 | 1,243,993 | 118,248 | +10.5% |
| Services | 23,150,943 | 25,679,015 | 19,007,542 | (6,671,473) | -26.0% |
| Services excluding PSRFA Fire Contract | 12,938,105 | 14,520,673 | 19,007,542 | 4,486,869 | +30.9% |
| Land, Structures, Machinery, Equipment | 1,082,062 | 225,891 | 767,962 | 542,071 | +240.0% |
| Other Expenditures | - | - | 21,148 | 21,148 | - |
| Transfers Out - Debt Service | 3,562,371 | 3,154,758 | 2,769,293 | (385,465) | -12.2% |
| Transfers Out to Other Funds | 241,250 | 427,598 | 853,500 | 425,902 | +99.6% |
| Total | \$ 58,257,770 | \$ 65,116,939 | \$ 60,655,266 | (4,461,673) | -6.9% |

General Fund Expenditures by Category Prior Year Comparisons YTD



Fund 101 Hotel/Motel Special Revenue Fund

Overview

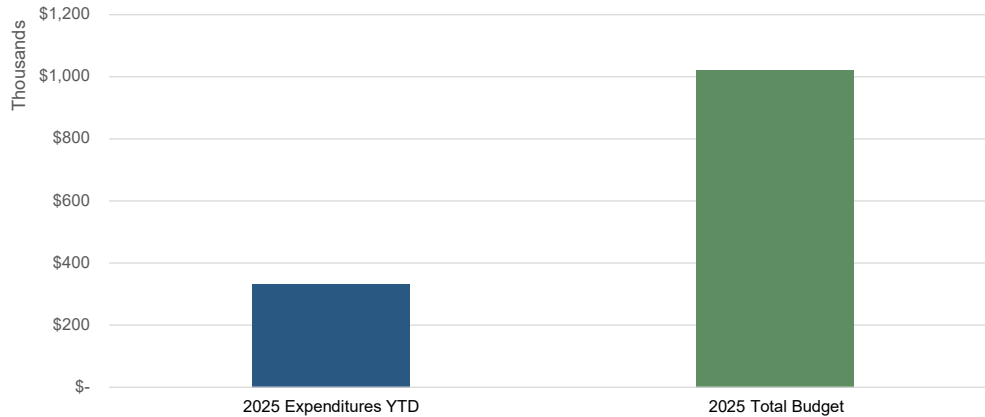
| | 2025 through October | | 2025 Total Budget | | Budget Variance % of Annual Budget |
|---------------------------------------|----------------------|----------------|-------------------|------------------|---------------------------------------|
| Revenues | \$ | 822,822 | \$ | 897,750 | 91.7% |
| Expenditures | | 307,395 | | 992,204 | 31.0% |
| Transfers Out | | 24,341 | | 29,209 | 83.3% |
| <hr/> | | | | | |
| Net Revenues Less Expenditures | \$ | 491,086 | \$ | (123,663) | |
| | | | | | % of Year Complete |
| | | | | | 83.3% |

Fund 101 Hotel/Motel Special Revenue Fund
Expenditures and Transfers Out by Category

| Category | 2025 Total Budget | 2025 Expenses through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|--|---------------------|-------------------------------|---|------------------------------------|
| Salaries, Wages, & Overtime | \$ 51,393 | \$ 43,362 | \$ 8,031 | 84.4% |
| Benefits | 20,561 | 9,090 | 11,471 | 44.2% |
| Supplies | 3,000 | 933 | 2,067 | 31.1% |
| Services | 917,250 | 254,011 | 663,239 | 27.7% |
| Transfers Out - Internal Cost Allocation | 29,209 | 24,341 | 4,868 | 83.3% |
| Total | \$ 1,021,413 | \$ 331,737 | \$ 689,676 | 32.5% |

Fund 101 Expenditures

% of Year Complete
83.3%

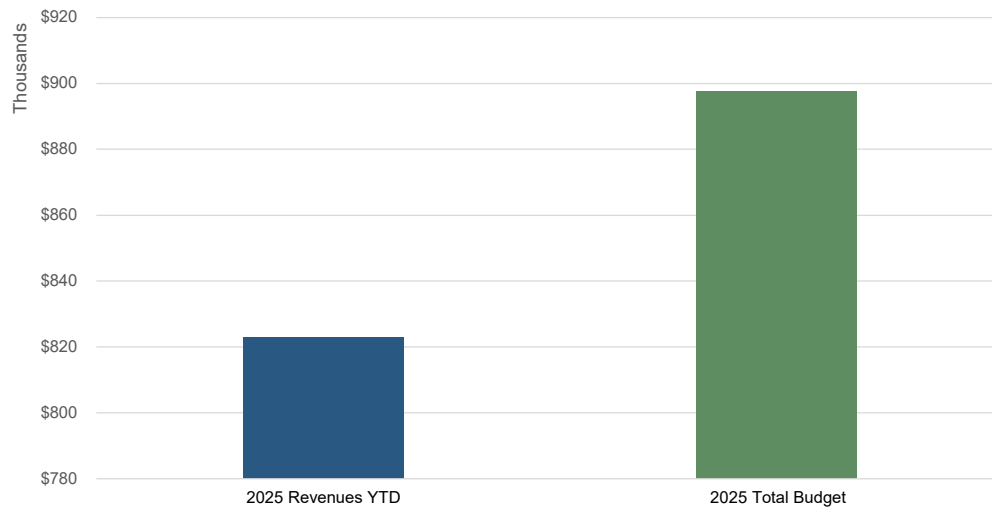


Revenues and Transfers In by Category

| Category | 2025 Total Budget | 2025 Revenues through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|---------------------|-------------------|-------------------------------|---|------------------------------------|
| Hotel/Motel Tax | \$ 850,000 | \$ 767,447 | \$ (82,553) | 90.3% |
| Investment Earnings | 47,750 | 55,375 | 7,625 | 116.0% |
| Total | \$ 897,750 | \$ 822,822 | \$ (74,928) | 91.7% |

Fund 101 Revenues

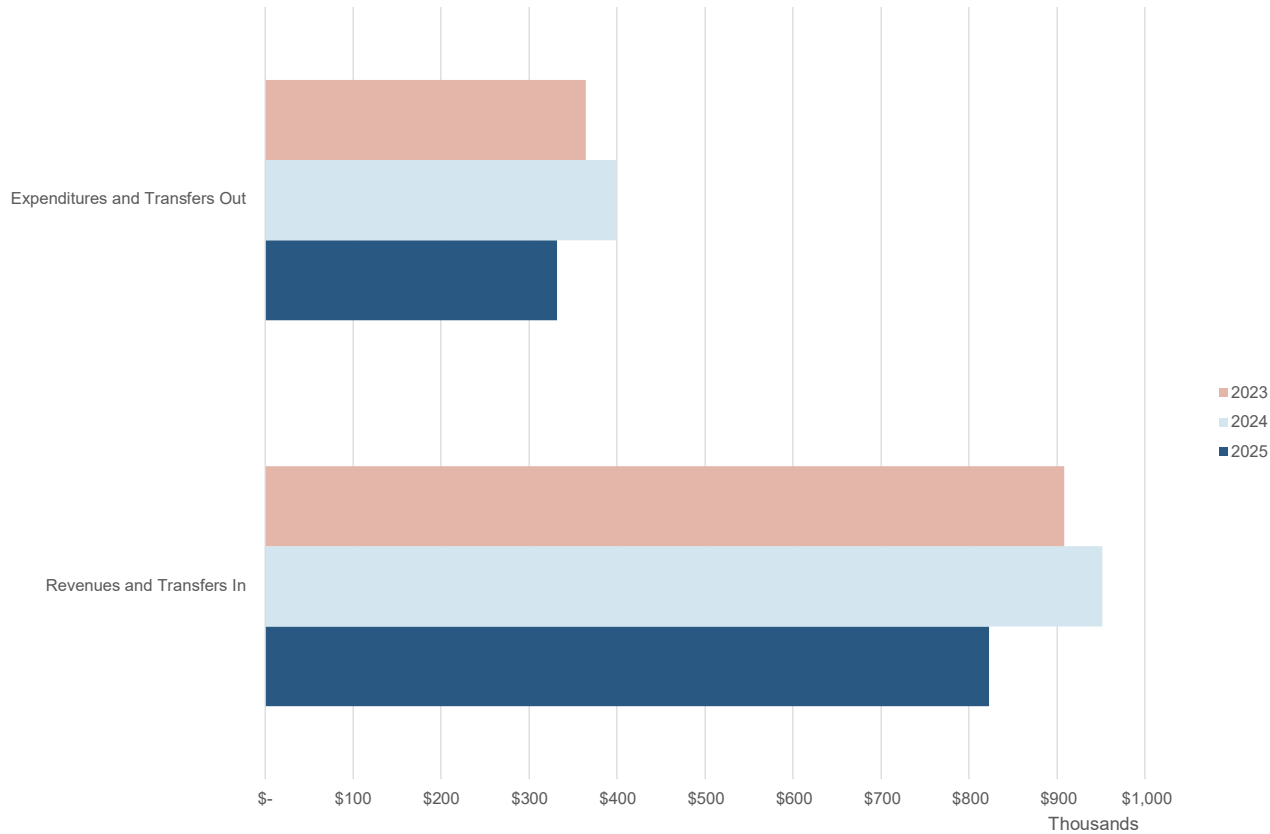
% of Year Complete
83.3%



| Fund 101 Hotel/Motel Special Revenue Fund Year-to-Year Expenditures & Transfers Out by Category | | | | | | |
|--|----------------------------------|----------------|----------------------------------|----------------|----------------------------------|--------------------------------|
| Category | 2023 Expenses through October | | 2024 Expenses through October | | 2025 Expenses through October | |
| | | | | | 2025 vs 2024 | |
| | | | | | \$ | % |
| Salaries, Wages, & Overtime | \$ | 57,358 | \$ | 78,169 | \$ 43,362 | \$ (34,807) -44.5% |
| Benefits | | 14,456 | | 17,980 | | (8,890) -49.4% |
| Supplies | | 154 | | 73 | | 933 +1178.1% |
| Services | | 270,533 | | 279,520 | | 254,011 (25,509) -9.1% |
| Transfers Out - Internal Cost Allocation | | 22,080 | | 23,182 | | 24,341 1,159 +5.0% |
| Total | \$ | 364,581 | \$ | 398,924 | \$ | 331,737 (67,187) -16.8% |

| Fund 101 Hotel/Motel Special Revenue Fund Year-to-Year Revenues and Transfers In by Category | | | | | | |
|---|----------------------------------|----------------|----------------------------------|----------------|----------------------------------|---------------------------------|
| Category | 2023 Revenues through October | | 2024 Revenues through October | | 2025 Revenues through October | |
| | | | | | 2025 vs 2024 | |
| | | | | | \$ | % |
| Hotel/Motel Tax | \$ | 809,505 | \$ | 818,748 | \$ 767,447 | \$ (51,301) -6.3% |
| Investment Earnings | | 98,785 | | 132,913 | | 55,375 (77,538) -58.3% |
| Total | \$ | 908,290 | \$ | 951,661 | \$ | 822,822 (128,839) -13.5% |

Fund 101 Prior Year Comparisons YTD



Fund 103 Residential Street Fund
Overview

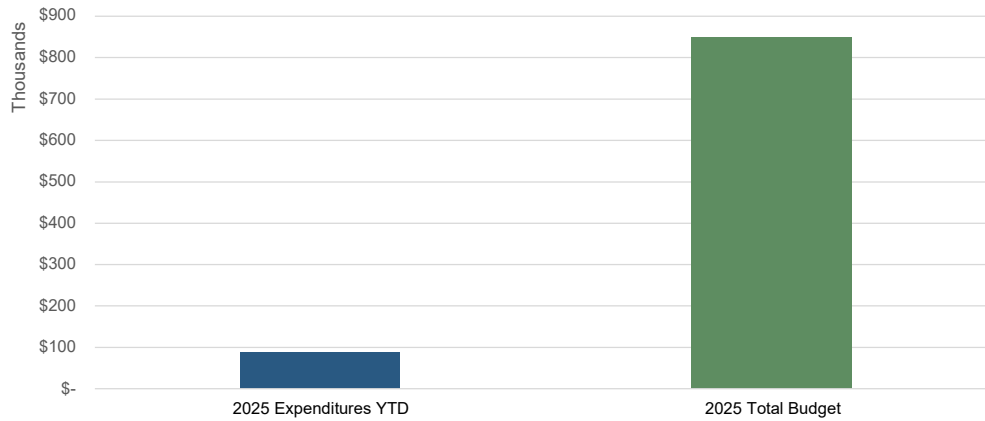
| | 2025 through October | | 2025 Total Budget | | Budget Variance % of Annual Budget |
|---------------------------------------|----------------------|----------------|-------------------|----------------|---------------------------------------|
| Revenues | \$ | 284,456 | \$ | 1,130,000 | 25.2% |
| Expenditures | | 87,514 | | 850,000 | 10.3% |
| Net Revenues Less Expenditures | \$ | 196,942 | \$ | 280,000 | |
| | | | | | % of Year Complete 83.3% |

Fund 103 Residential Street Fund
Expenditures and Transfers Out by Category

| Category | 2025 Total Budget | 2025 Expenses through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|-----------------------------|-------------------|-------------------------------|--|---------------------------------------|
| Salaries, Wages, & Overtime | - | 1,697 | (1,697) | - |
| Benefits | - | 298 | (298) | - |
| Supplies | \$ - | \$ 11,437 | \$ (11,437) | - |
| Services | 850,000 | 74,082 | 775,918 | 8.7% |
| Total | \$ 850,000 | \$ 87,514 | \$ 762,486 | 10.3% |

Fund 103 Expenditures

% of Year Complete
83.3%

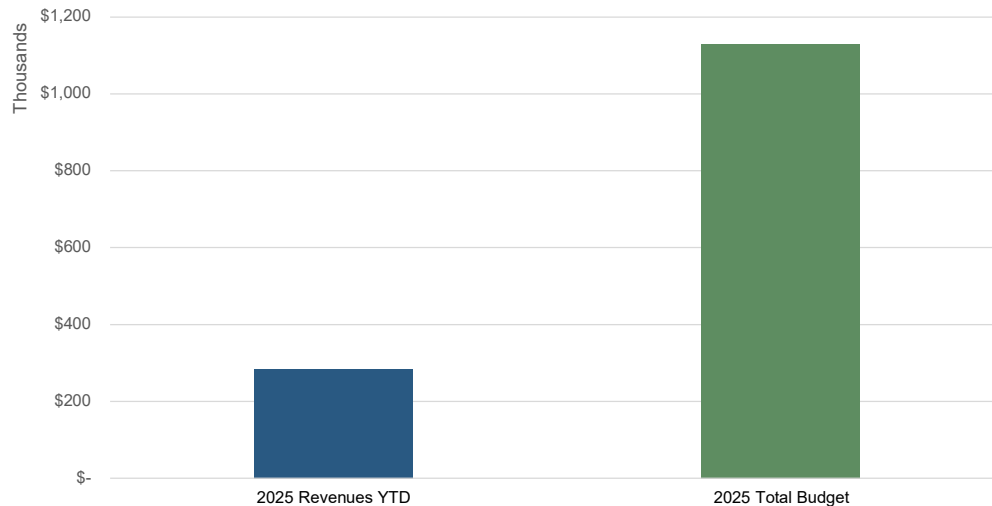


Revenues and Transfers In by Category

| Category | 2025 Total Budget | 2025 Revenues through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|---------------------|---------------------|-------------------------------|--|---------------------------------------|
| Utility Taxes | \$ 100,000 | \$ - | \$ (100,000) | 0.0% |
| Grant Revenues | 724,000 | - | (724,000) | 0.0% |
| State Entitlements | 280,000 | 228,147 | (51,853) | 81.5% |
| Investment Earnings | 26,000 | 56,309 | 30,309 | 216.6% |
| Total | \$ 1,130,000 | \$ 284,456 | \$ (845,544) | 25.2% |

Fund 103 Revenues

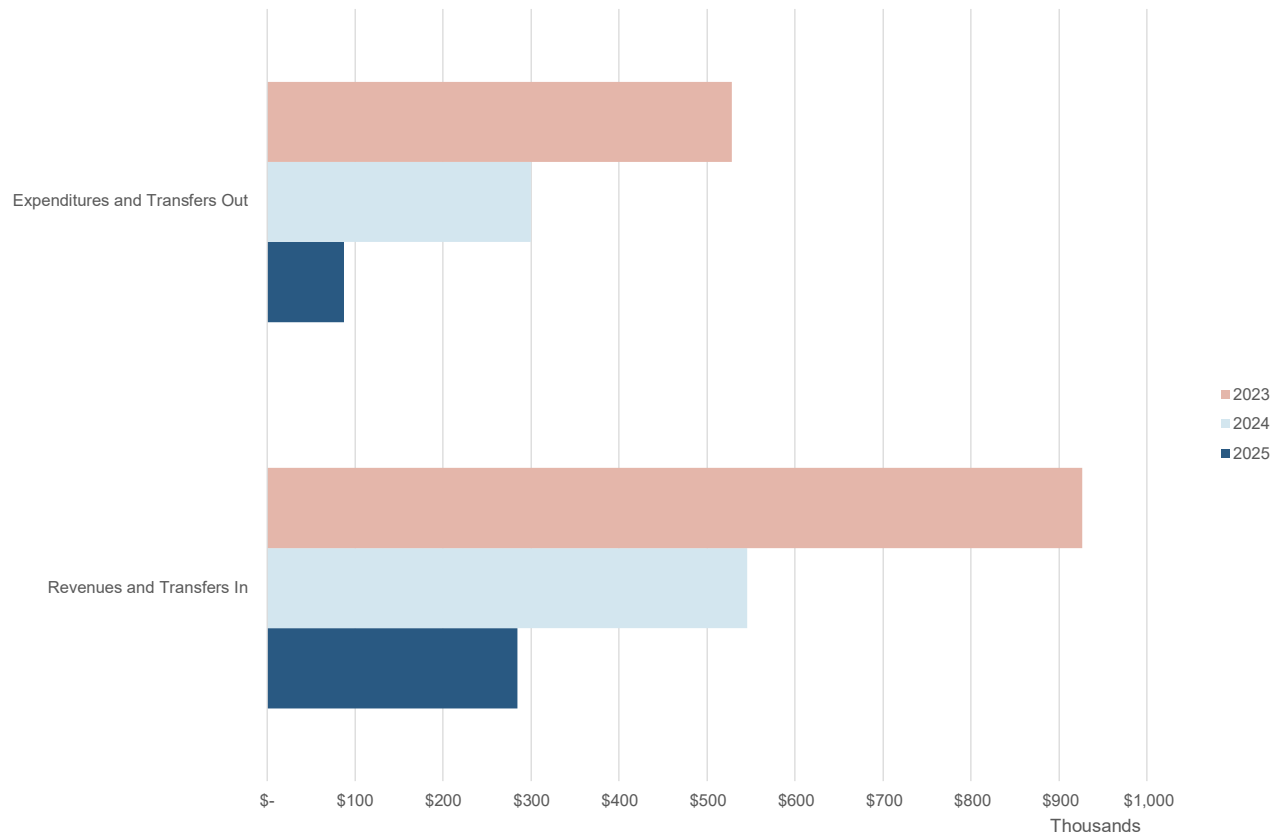
% of Year Complete
83.3%



| Fund 103 Residential Street Fund | | | | | | |
|---|----------------------------------|----------------------------------|----------------------------------|---------------------|---------------|--|
| Year-to-Year Expenditures & Transfers Out by Category | | | | | | |
| Category | 2023 Expenses through October | 2024 Expenses through October | 2025 Expenses through October | 2025 vs 2024 | | |
| | | | | \$ | % | |
| Salaries, Wages, & Overtime | \$ 9,926 | \$ 2,066 | \$ 1,697 | \$ (369) | -17.9% | |
| Benefits | 5,620 | 890 | 298 | (592) | -66.5% | |
| Supplies | 41,684 | 15,729 | 11,437 | (4,292) | -27.3% | |
| Services | 341,211 | 224,905 | 74,082 | (150,823) | -67.1% | |
| Land, Structures, Machinery, Equipment | 129,627 | 56,171 | - | (56,171) | -100.0% | |
| Total | \$ 528,068 | \$ 299,761 | \$ 87,514 | \$ (212,247) | -70.8% | |

| Fund 103 Residential Street Fund | | | | | | |
|--|----------------------------------|----------------------------------|----------------------------------|---------------------|---------------|--|
| Year-to-Year Revenues and Transfers In by Category | | | | | | |
| Category | 2023 Revenues through October | 2024 Revenues through October | 2025 Revenues through October | 2025 vs 2024 | | |
| | | | | \$ | % | |
| Grant Revenues | \$ 3,133 | \$ 70,797 | \$ - | \$ (70,797) | -100.0% | |
| State Entitlements | 245,448 | 234,873 | 228,147 | (6,726) | -2.9% | |
| Investment Earnings | 27,867 | 56,520 | 56,309 | (211) | -0.4% | |
| Transfers In | - | 183,598 | - | (183,598) | -100.0% | |
| Total | \$ 926,448 | \$ 545,788 | \$ 284,456 | \$ (261,332) | -47.9% | |

Fund 103 Prior Year Comparisons YTD



Fund 104 Arterial Street Fund

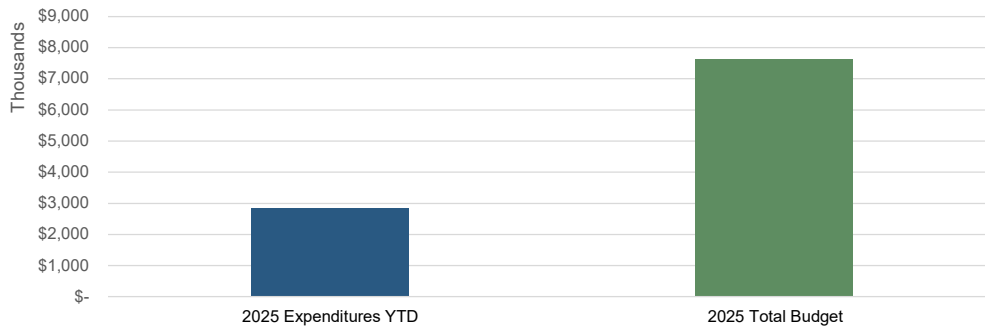
Overview

| | 2025 through October | | 2025 Total Budget | | Budget Variance % of Annual Budget |
|---------------------------------------|----------------------|------------------|-------------------|--------------------|---------------------------------------|
| Revenues | \$ | 6,144,404 | \$ | 5,586,001 | 110.0% |
| Expenditures | | 2,849,761 | | 7,636,726 | 37.3% |
| Net Revenues Less Expenditures | \$ | 3,294,643 | \$ | (2,050,725) | |
| | | | | | % of Year Complete 83.3% |

Fund 104 Arterial Street Fund
Expenditures and Transfers Out by Category

| Category | 2025 Total Budget | 2025 Expenses through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|--|---------------------|-------------------------------|--|---------------------------------------|
| Salaries, Wages, & Overtime | \$ 793,142 | \$ 563,377 | \$ 229,765 | 71% |
| Benefits | 312,185 | 187,844 | 124,341 | 60% |
| Supplies | 23,200 | 82,218 | (59,018) | 354.4% |
| Services | 6,508,200 | 1,352,623 | 5,155,577 | 20.8% |
| Land, Structures, Machinery, Equipment | - | 663,699 | (663,699) | - |
| Total | \$ 7,636,727 | \$ 2,849,761 | \$ 4,786,966 | 37.3% |

Fund 104 Expenditures

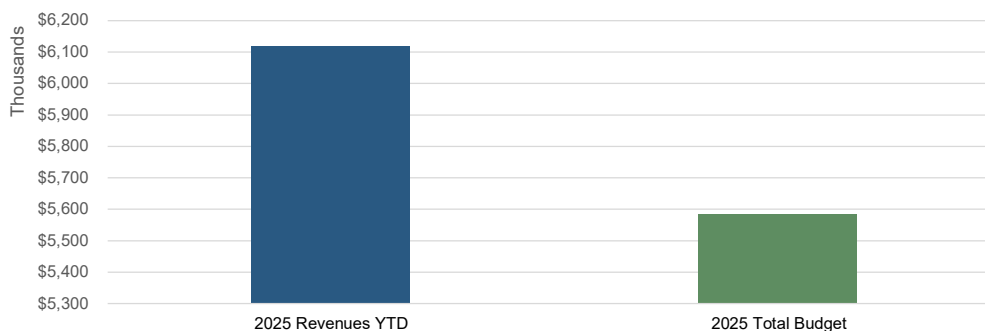


% of Year Complete
83.3%

Revenues and Transfers In by Category

| Category | 2025 Total Budget | 2025 Revenues through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|-------------------------------|---------------------|-------------------------------|--|---------------------------------------|
| Utility Taxes | \$ 1,320,000 | \$ 1,276,151 | \$ (43,849) | 96.7% |
| Parking Tax | 800,000 | 807,832 | 7,832 | 101.0% |
| Real Estate Excise Tax (REET) | 500,000 | 356,359 | (143,641) | 71.3% |
| Permits | 1 | - | (1) | 0.0% |
| Franchise Fees | 450,000 | 394,370 | (55,630) | 87.6% |
| Grant Revenues | 2,026,000 | 971,491 | (1,054,509) | 48.0% |
| State Entitlements | 135,000 | 116,169 | (18,831) | 86.1% |
| General Government Revenue | - | 360 | 360 | - |
| Traffic Impact Fees | 200,000 | 1,496,464 | 1,296,464 | 748.2% |
| Fines and Penalties | 2,000 | 6,500 | 4,500 | 325.0% |
| Other Income | 80,000 | 419,724 | 339,724 | 524.7% |
| Investment Earnings | 73,000 | 272,605 | 199,605 | 373.4% |
| Total | \$ 5,586,001 | \$ 6,118,025 | \$ 532,024 | 109.5% |

Fund 104 Revenues



% of Year Complete
83.3%

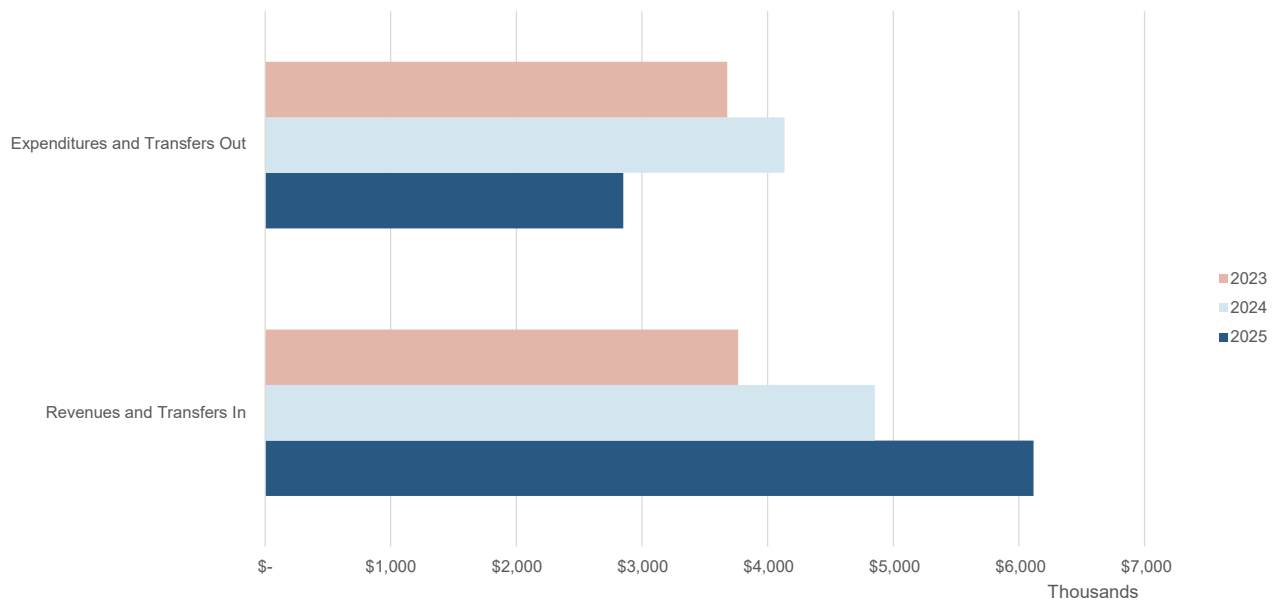
Fund 104 Arterial Street Fund
Year-to-Year Expenditures & Transfers Out by Category

| Category | 2023 Expenses through October | | 2024 Expenses through October | | 2025 Expenses through October | | 2025 vs 2024 | |
|--|-------------------------------|------------------|-------------------------------|------------------|-------------------------------|------------------|-----------------------|---------------|
| | | | | | | | \$ | % |
| Salaries, Wages, & Overtime | \$ | 335,604 | \$ | 455,776 | \$ | 563,377 | \$ 107,601 | +23.6% |
| Benefits | | 117,736 | | 148,470 | | 187,844 | 39,374 | +26.5% |
| Supplies | | 88,103 | | 57,478 | | 82,218 | 24,740 | +43.0% |
| Services | | 1,731,729 | | 2,069,108 | | 1,352,623 | (716,485) | -34.6% |
| Land, Structures, Machinery, Equipment | | 1,407,365 | | 1,404,622 | | 663,699 | (740,923) | -52.7% |
| Total | \$ | 3,680,537 | \$ | 4,135,454 | \$ | 2,849,761 | \$ (1,285,693) | -31.1% |

Fund 104 Arterial Street Fund
Year-to-Year Revenues and Transfers In by Category

| Category | 2023 Revenues through October | | 2024 Revenues through October | | 2025 Revenues through October | | 2025 vs 2024 | |
|-------------------------------|-------------------------------|------------------|-------------------------------|------------------|-------------------------------|------------------|---------------------|---------------|
| | | | | | | | \$ | % |
| Utility Taxes | \$ | 428,632 | \$ | 1,299,729 | \$ | 1,276,151 | \$ (23,578) | -2% |
| Parking Tax | | 663,174 | | 780,466 | | 807,832 | 27,366 | +3.5% |
| Real Estate Excise Tax (REET) | | 271,074 | | 479,362 | | 356,359 | (123,003) | -25.7% |
| Permits | | 831 | | 2 | | - | (2) | -100.0% |
| Franchise Fees | | - | | 350,150 | | 394,370 | 44,220 | +12.6% |
| Grant Revenues | | 1,114,345 | | 1,269,927 | | 971,491 | (298,436) | -23.5% |
| State Entitlements | | 124,414 | | 119,386 | | 116,169 | (3,217) | -2.7% |
| General Government Revenue | | - | | 335 | | 360 | 25 | +7.5% |
| Traffic Impact Fees | | 762,805 | | 213,642 | | 1,496,464 | 1,282,822 | +600.5% |
| Fines and Penalties | | 11,081 | | 2,540 | | 6,500 | 3,960 | +155.9% |
| Other Income | | 172,334 | | 69,200 | | 419,724 | 350,524 | +506.5% |
| Investment Earnings | | 217,656 | | 268,115 | | 272,605 | 4,490 | +1.7% |
| Total | \$ | 3,766,346 | \$ | 4,852,854 | \$ | 6,118,025 | \$ 1,265,171 | +26.1% |

Fund 104 Prior Year Comparisons YTD

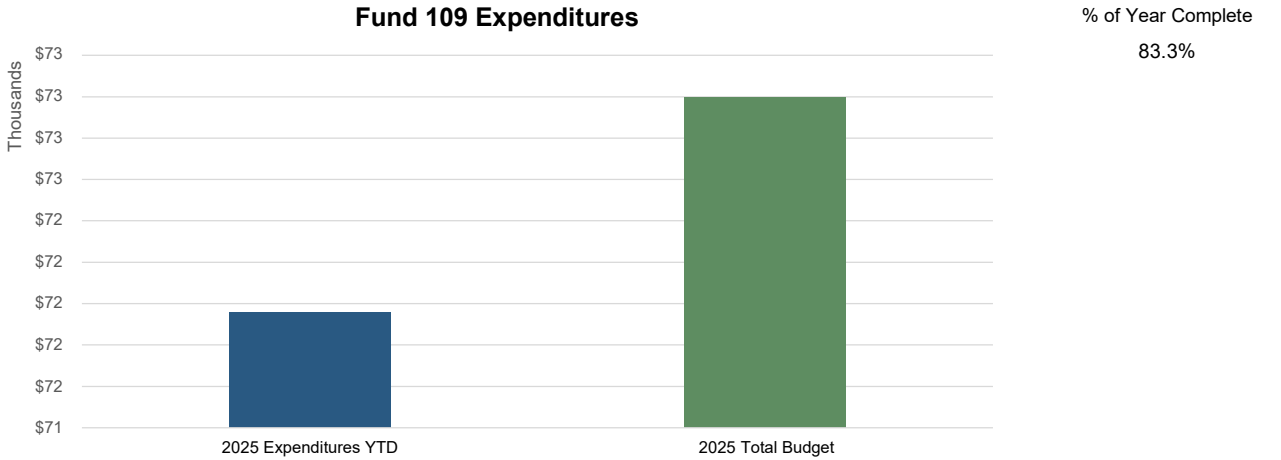


Fund 109 Drug Seizure Fund
Overview

| | 2025 through October | | 2025 Total Budget | | Budget Variance % of Annual Budget |
|---------------------------------------|----------------------|-----------------|-------------------|---------------|---------------------------------------|
| Revenues | \$ | 12,719 | \$ | 98,100 | 13.0% |
| Expenditures | | 71,959 | | 73,000 | 98.6% |
| Net Revenues Less Expenditures | \$ | (59,240) | \$ | 25,100 | % of Year Complete 83.3% |

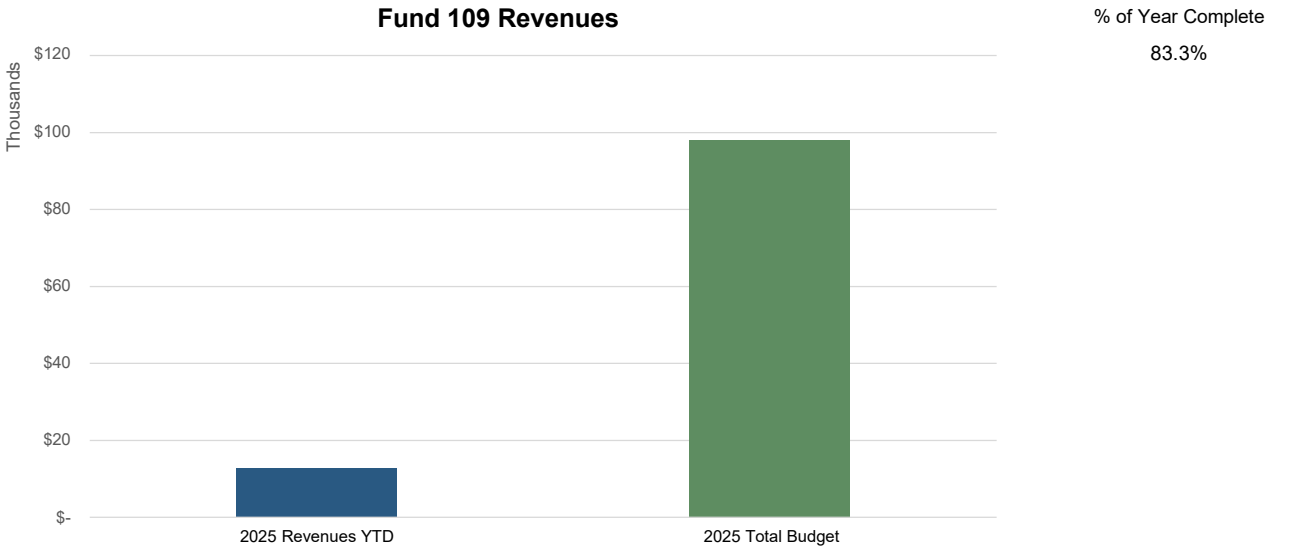
Fund 109 Drug Seizure Fund
Expenditures and Transfers Out by Category

| Category | 2025 Total Budget | 2025 Expenses through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|--------------|-------------------|-------------------------------|---|------------------------------------|
| Supplies | \$ 36,000 | \$ 45,713 | \$ (9,713) | 127.0% |
| Services | 37,000 | 26,246 | 10,754 | 70.9% |
| Total | \$ 73,000 | \$ 71,959 | \$ 1,041 | 98.6% |



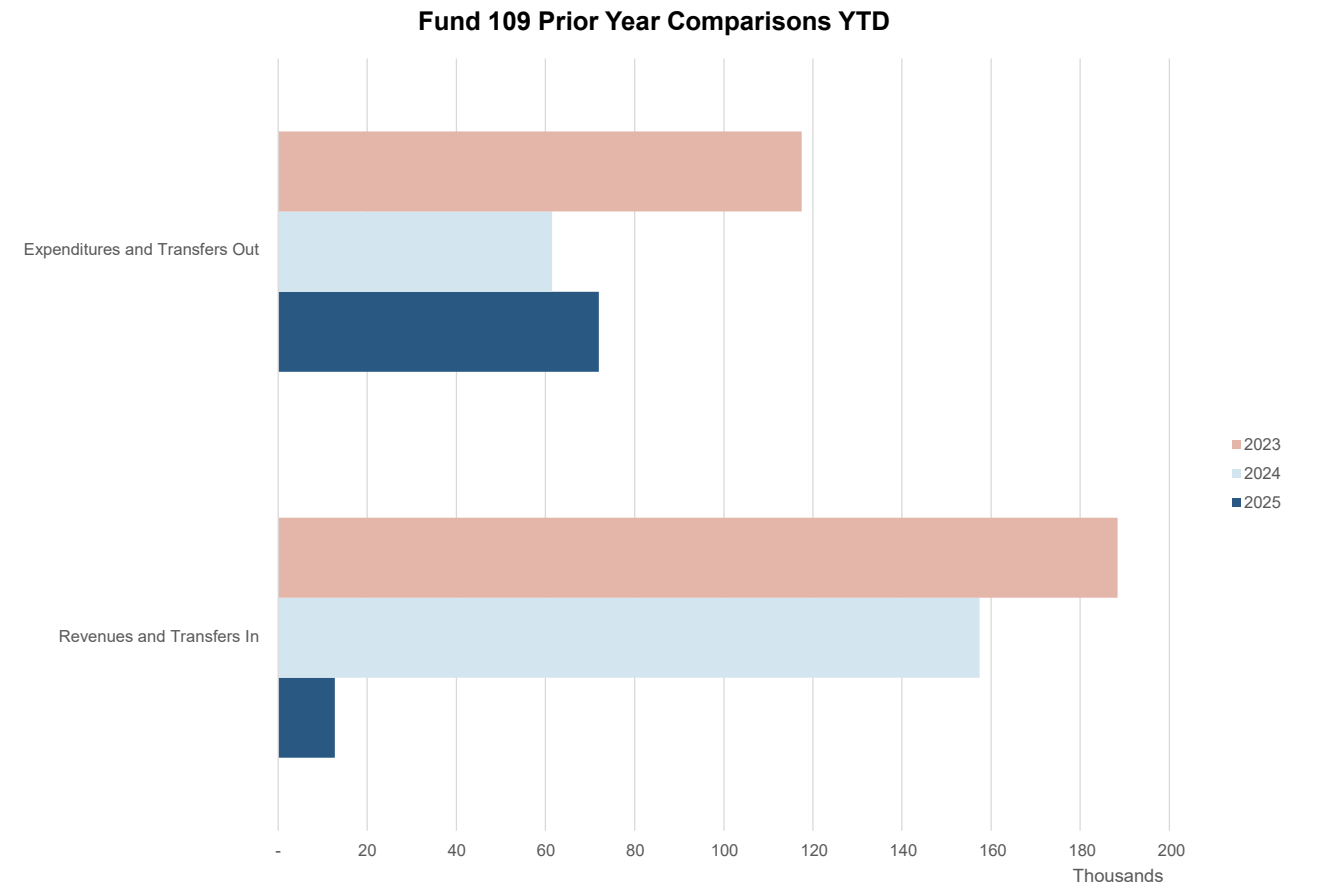
Revenues and Transfers In by Category

| Category | 2025 Total Budget | 2025 Revenues through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|---------------------|-------------------|-------------------------------|---|------------------------------------|
| Intergovernmental | \$ 35,000 | \$ 12,719 | \$ (22,281) | 36.3% |
| Other Income | 60,000 | - | (60,000) | 0.0% |
| Investment Earnings | 3,100 | - | (3,100) | 0.0% |
| Total | \$ 98,100 | \$ 12,719 | \$ (85,381) | 13.0% |



| Fund 109 Drug Seizure Fund | | | | | | |
|---|----------------------------------|----------------------------------|----------------------------------|------------------|---------------|--|
| Year-to-Year Expenditures & Transfers Out by Category | | | | | | |
| Category | 2023 Expenses through October | 2024 Expenses through October | 2025 Expenses through October | 2025 vs 2024 | | |
| | | | | \$ | % | |
| Supplies | \$ 11,423 | \$ 12,112 | \$ 45,713 | \$ 33,601 | +277.4% | |
| Services | 106,038 | 49,339 | 26,246 | (23,093) | -46.8% | |
| Total | \$ 117,461 | \$ 61,451 | \$ 71,959 | \$ 10,508 | +17.1% | |

| Fund 109 Drug Seizure Fund | | | | | | |
|--|----------------------------------|----------------------------------|----------------------------------|---------------------|---------------|--|
| Year-to-Year Revenues and Transfers In by Category | | | | | | |
| Category | 2023 Revenues through October | 2024 Revenues through October | 2025 Revenues through October | 2025 vs 2024 | | |
| | | | | \$ | % | |
| Grant Revenues | 109,333 | - | - | - | - | |
| Intergovernmental | \$ 79,010 | \$ - | \$ 12,719 | \$ 12,719 | - | |
| Other Income | - | 157,393 | - | (157,393) | -100.0% | |
| Investment Earnings | - | - | - | - | - | |
| Total | \$ 188,343 | \$ 157,393 | \$ 12,719 | \$ (144,674) | -91.9% | |



Fund 301 Land Acq., Rec. & Park Development
Overview

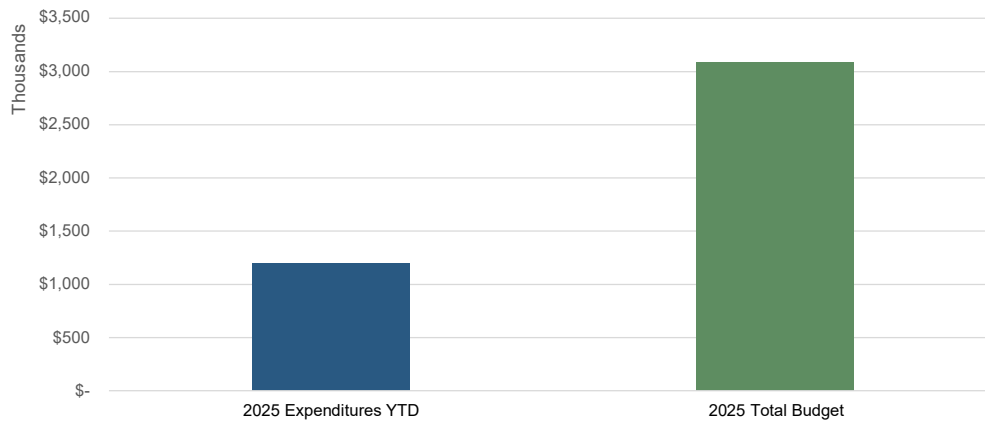
| | 2025 through October | | 2025 Total Budget | | Budget Variance % of Annual Budget |
|---------------------------------------|----------------------|----------------|-------------------|------------------|---------------------------------------|
| Revenues | \$ | 1,660,012 | \$ | 2,841,300 | 58.4% |
| Expenditures | | 1,203,935 | | 2,431,000 | 49.5% |
| Transfers Out | | - | | 652,605 | 0.0% |
| <hr/> | | | | | |
| Net Revenues Less Expenditures | \$ | 456,077 | \$ | (242,305) | |
| | | | | | % of Year Complete |
| | | | | | 83.3% |

Fund 301 Land Acq., Rec. & Park Development
Expenditures and Transfers Out by Category

| Category | 2025 Total Budget | 2025 Expenses through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|--|---------------------|-------------------------------|--|---------------------------------------|
| Supplies | \$ 30,000 | \$ 19,994 | \$ 10,006 | 66.6% |
| Services | 1,876,000 | 769,171 | 1,106,829 | 41.0% |
| Land, Structures, Machinery, Equipment | 525,000 | 414,769 | 110,231 | 79% |
| Transfers Out to Other Funds | 652,605 | - | 652,605 | 0% |
| Total | \$ 3,083,605 | \$ 1,203,934 | \$ 1,879,671 | 39.0% |

Fund 301 Expenditures

% of Year Complete
83.3%

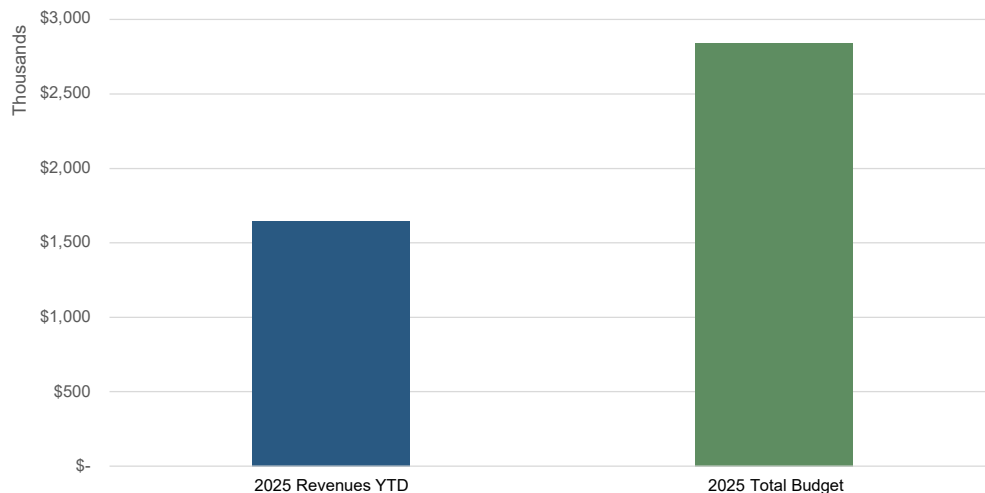


Revenues and Transfers In by Category

| Category | 2025 Total Budget | 2025 Revenues through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|-------------------------------|---------------------|-------------------------------|--|---------------------------------------|
| Property Tax | \$ 207,800 | \$ 176,628 | \$ (31,172) | 85.0% |
| Real Estate Excise Tax (REET) | 500,000 | - | (500,000) | 0.0% |
| Grant Revenues | 1,976,000 | 1,249,810 | (726,190) | 63.2% |
| Park Impact Fees | 100,000 | 59,576 | (40,424) | 59.6% |
| Investment Earnings | 57,500 | 160,998 | 103,498 | 280.0% |
| Total | \$ 2,841,300 | \$ 1,647,012 | \$ (1,194,288) | 58.0% |

Fund 301 Revenues

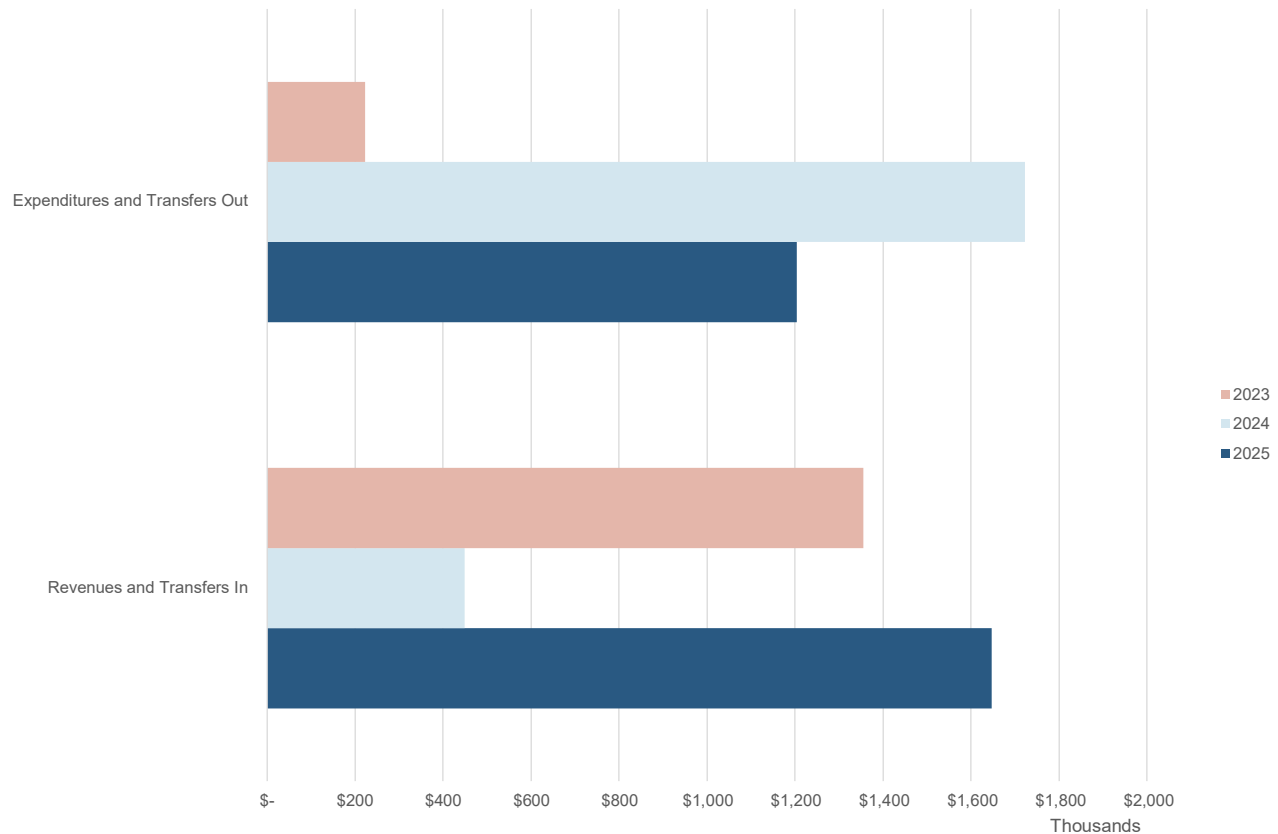
% of Year Complete
83.3%



| Fund 301 Land Acq., Rec. & Park Development Year-to-Year Expenditures & Transfers Out by Category | | | | | | |
|--|----------------------------------|----------------------------------|----------------------------------|---------------------|---------------|--|
| Category | 2023 Expenses through October | 2024 Expenses through October | 2025 Expenses through October | 2025 vs 2024 | | |
| | | | | \$ | % | |
| Supplies | 74,565 | 10,371 | 19,994 | 9,623 | +92.8% | |
| Services | \$ 148,007 | \$ 1,712,384 | \$ 769,171 | \$ (943,213) | -55.1% | |
| Land, Structures, Machinery, Equipment | - | - | 414,769 | 414,769 | - | |
| Total | \$ 222,572 | \$ 1,722,755 | \$ 1,203,934 | \$ (518,821) | -30.1% | |

| Fund 301 Land Acq., Rec. & Park Development Year-to-Year Revenues and Transfers In by Category | | | | | | |
|---|----------------------------------|----------------------------------|----------------------------------|---------------------|----------------|--|
| Category | 2023 Revenues through October | 2024 Revenues through October | 2025 Revenues through October | 2025 vs 2024 | | |
| | | | | \$ | % | |
| Property Tax | \$ 129,956 | \$ 135,937 | \$ 176,628 | \$ 40,691 | +30% | |
| Real Estate Excise Tax (REET) | 36,224 | - | - | - | - | |
| Grant Revenues | - | - | 1,249,810 | 1,249,810 | - | |
| Park Impact Fees | 983,847 | 101,656 | 59,576 | (42,080) | -41.4% | |
| Investment Earnings | 140,959 | 180,361 | 160,998 | (19,363) | -11% | |
| Transfers In | 64,250 | 31,000 | - | (31,000) | -100% | |
| Total | \$ 1,355,236 | \$ 448,954 | \$ 1,647,012 | \$ 1,198,058 | +266.9% | |

Fund 301 Prior Year Comparisons YTD



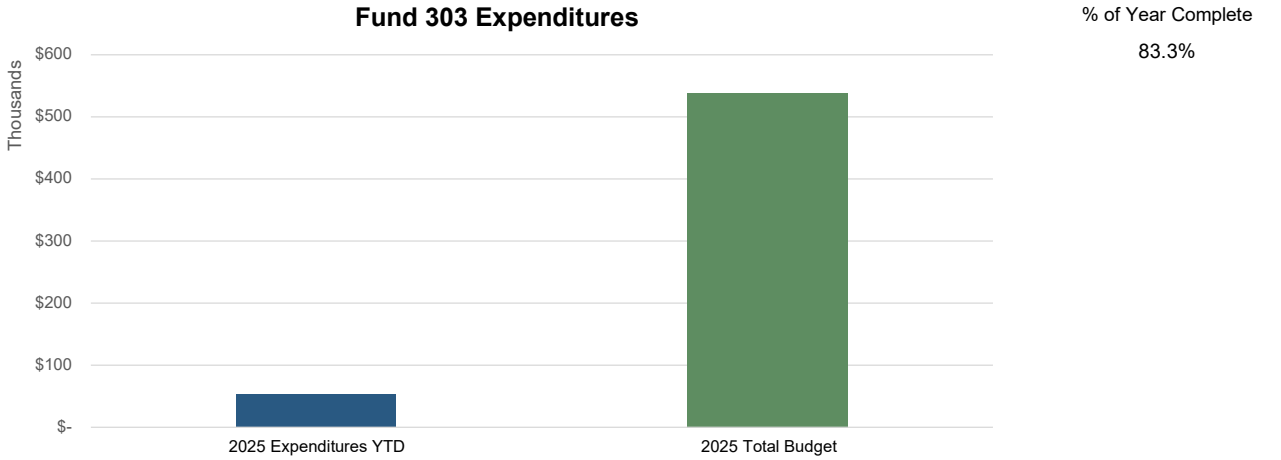
Fund 303 General Government Improvements

Overview

| | 2025 through October | | 2025 Total Budget | | Budget Variance % of Annual Budget |
|---------------------------------------|----------------------|----------------|-------------------|-----------------|---------------------------------------|
| Revenues | \$ | 50,853 | \$ | 1,000 | 5085.3% |
| Transfers In | | 328,500 | | 438,000 | 75.0% |
| Expenditures | | 53,136 | | 538,000 | 9.9% |
| <hr/> | | | | | |
| Net Revenues Less Expenditures | \$ | 326,217 | \$ | (99,000) | |
| | | | | | % of Year Complete |
| | | | | | 83.3% |

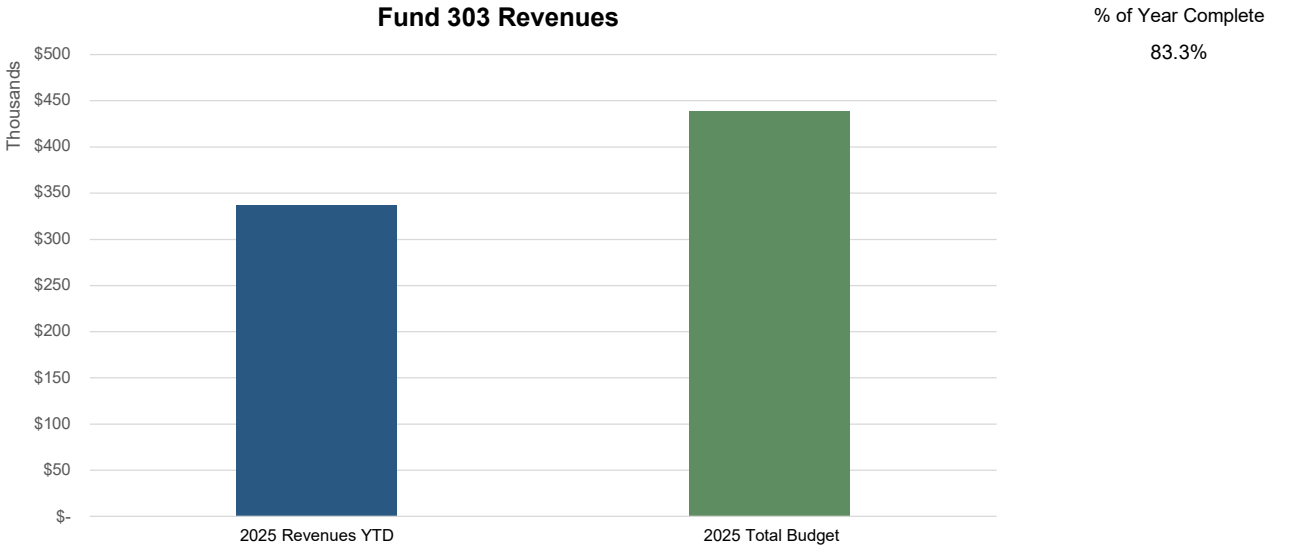
Fund 303 General Government Improvements
Expenditures and Transfers Out by Category

| Category | 2025 Total Budget | 2025 Expenses through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|--------------|-------------------|-------------------------------|--|---------------------------------------|
| Services | \$ 538,000 | 53,136 | \$ 484,864 | 9.9% |
| Total | \$ 538,000 | 53,136 | \$ 484,864 | 9.9% |



Revenues and Transfers In by Category

| Category | 2025 Total Budget | 2025 Revenues through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|-------------------------------|-------------------|-------------------------------|--|---------------------------------------|
| Investment Earnings | \$ 1,000 | \$ 8,849 | \$ 7,849 | 884.9% |
| Transfer In From General Fund | 438,000 | 328,500 | (109,500) | 75% |
| Total | \$ 439,000 | \$ 337,349 | \$ (101,651) | 76.8% |



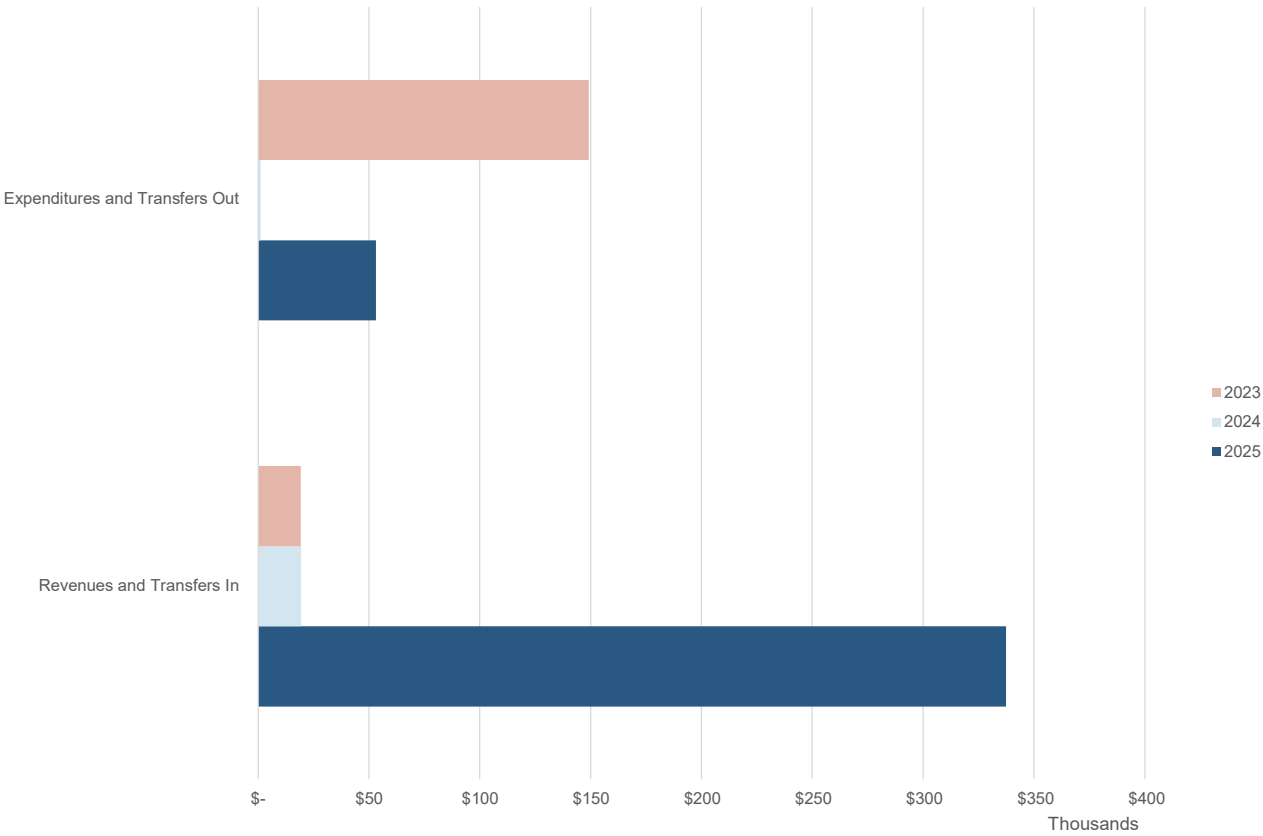
Fund 303 General Government Improvements
Year-to-Year Expenditures & Transfers Out by Category

| Category | 2023 Expenses through October | | 2024 Expenses through October | | 2025 Expenses through October | | 2025 vs 2024 | |
|--------------|-------------------------------|----------------|-------------------------------|--------------|-------------------------------|---------------|--------------|------------------------|
| | \$ | | \$ | | \$ | | \$ | % |
| Services | \$ | 149,185 | \$ | 1,146 | \$ | 53,136 | \$ | 51,990 +4536.6% |
| Total | \$ | 149,185 | \$ | 1,146 | \$ | 53,136 | \$ | 51,990 +4536.6% |

Fund 303 General Government Improvements
Year-to-Year Revenues and Transfers In by Category

| Category | 2023 Revenues through October | | 2024 Revenues through October | | 2025 Revenues through October | | 2025 vs 2024 | |
|-------------------------------|-------------------------------|---------------|-------------------------------|---------------|-------------------------------|----------------|--------------|-------------------------|
| | \$ | | \$ | | \$ | | \$ | % |
| Investment Earnings | \$ | 19,237 | \$ | 19,430 | \$ | 8,849 | \$ | (10,581) -54% |
| Transfer In From General Fund | | - | | - | | 328,500 | | 328,500 - |
| Total | \$ | 19,237 | \$ | 19,430 | \$ | 337,349 | \$ | 317,919 +1636.2% |

Fund 303 Prior Year Comparisons YTD

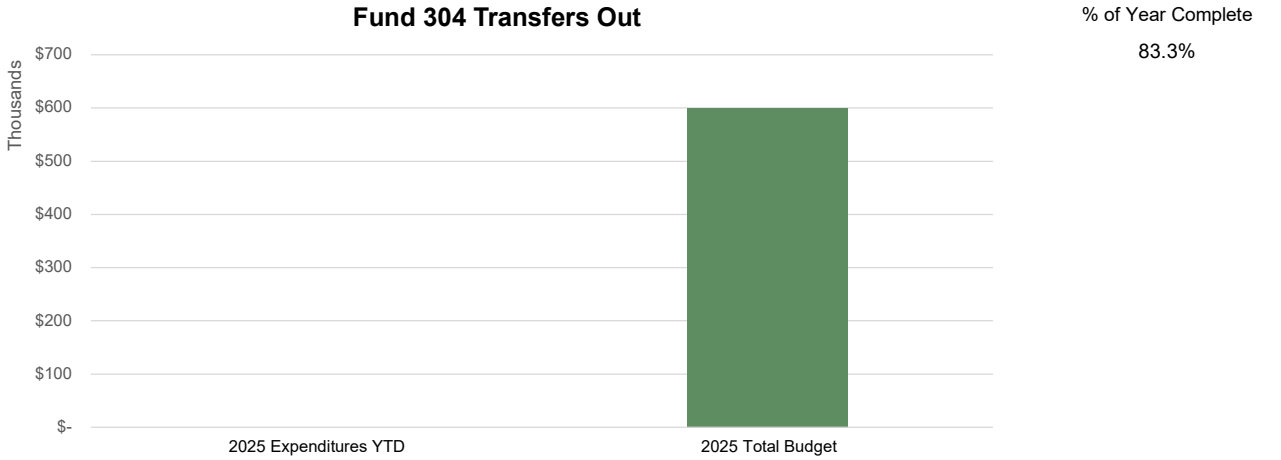


Fund 304 Fire Improvements
Overview

| | 2025 through October | | 2025 Total Budget | | Budget Variance % of Annual Budget |
|---------------------------------------|----------------------|---------------|-------------------|----------|---------------------------------------|
| Revenues | \$ | 43,343 | \$ | 600,000 | 7.2% |
| Transfers Out | | - | | 600,000 | 0.0% |
| Net Revenues Less Expenditures | \$ | 43,343 | \$ | - | % of Year Complete 83.3% |

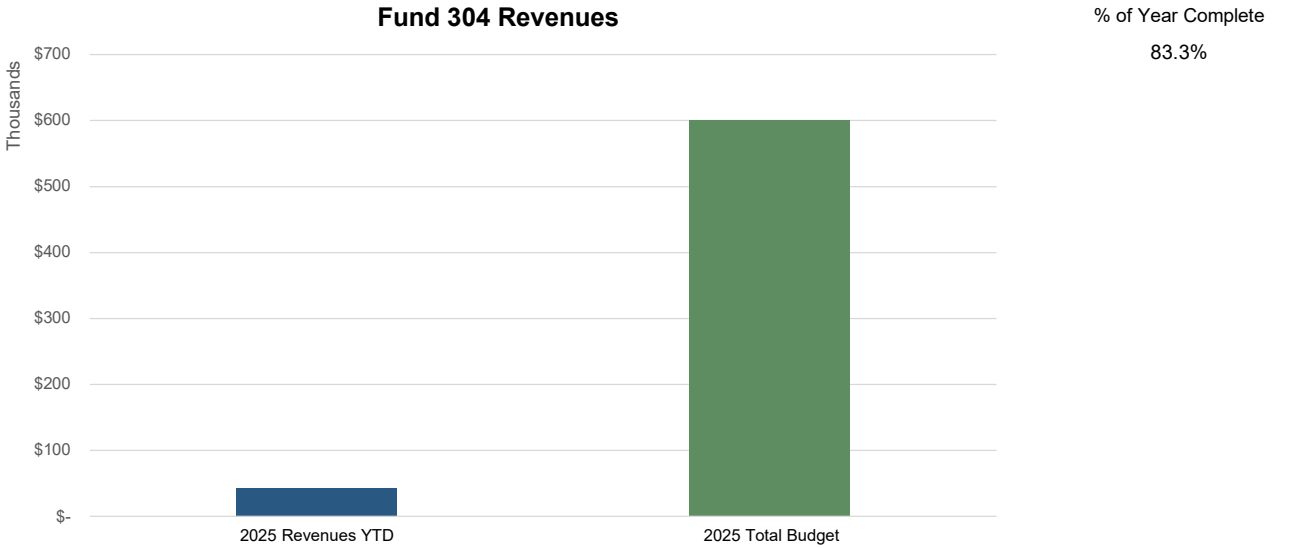
Fund 304 Fire Improvements Transfers Out

| Category | 2025 Total Budget | 2025 Transfers Out through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|------------------------------|-------------------|------------------------------------|---|------------------------------------|
| Transfers Out to Other Funds | \$ 600,000 | \$ - | \$ 600,000 | 0% |
| Total | \$ 600,000 | \$ - | \$ 600,000 | 0.0% |



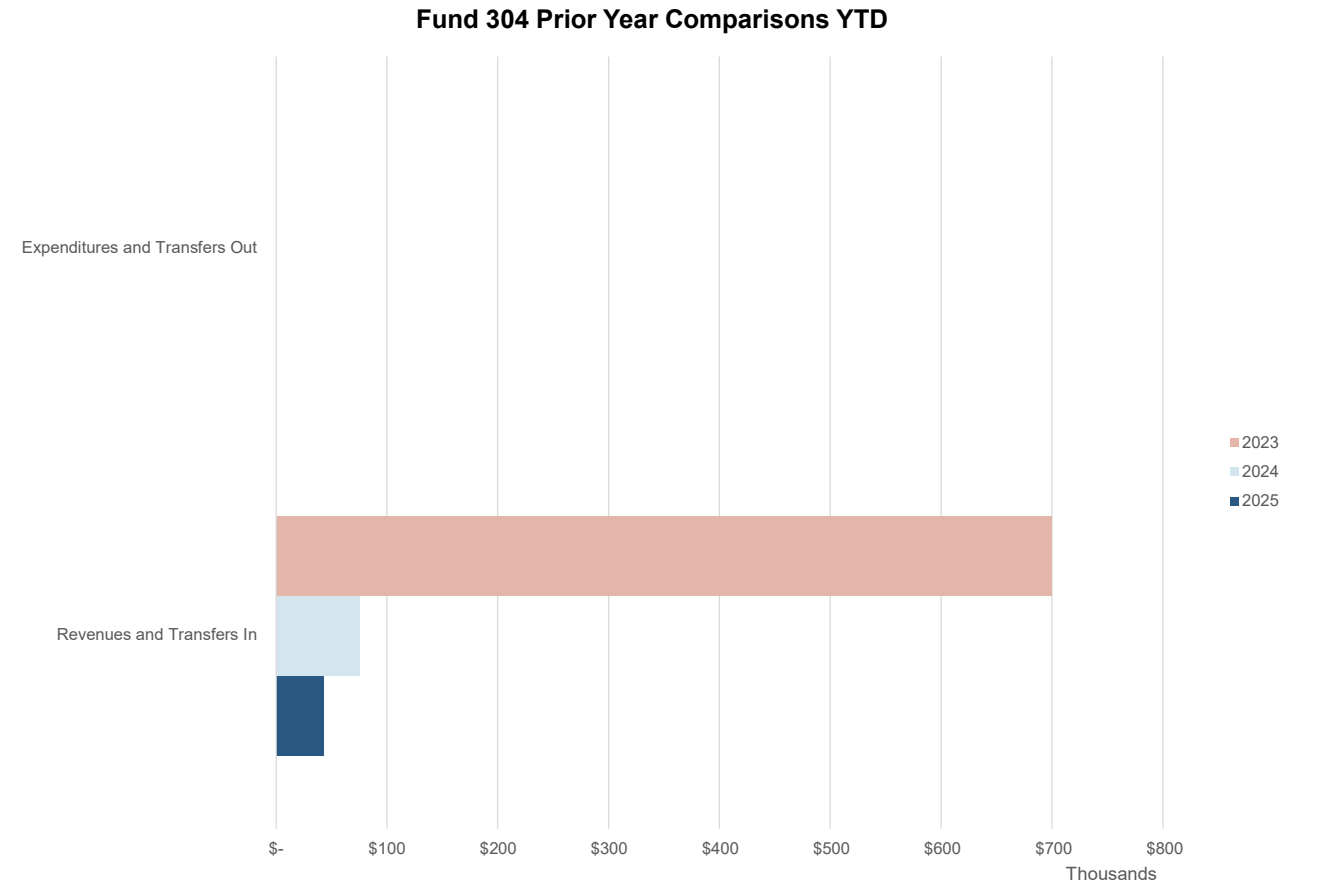
Revenues and Transfers In by Category

| Category | 2025 Total Budget | 2025 Revenues through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|---------------------|-------------------|-------------------------------|---|------------------------------------|
| Fire Impact Fees | \$ 600,000 | \$ 42,936 | \$ (557,064) | 7.2% |
| Investment Earnings | - | 407 | 407 | - |
| Total | \$ 600,000 | \$ 43,343 | \$ (556,657) | 7.2% |



| Fund 304 Fire Improvements | | | | | | | | |
|---|-------------------------------|----------|-------------------------------|----------|-------------------------------|----------|--------------|----------|
| Year-to-Year Expenditures & Transfers Out by Category | | | | | | | | |
| Category | 2023 Expenses through October | | 2024 Expenses through October | | 2025 Expenses through October | | 2025 vs 2024 | |
| | \$ | | \$ | | \$ | | \$ | % |
| Transfers Out to Other Funds | \$ | - | \$ | - | \$ | - | \$ | - |
| Total | \$ | - | \$ | - | \$ | - | \$ | - |

| Fund 304 Fire Improvements | | | | | | | | |
|--|-------------------------------|----------------|-------------------------------|---------------|-------------------------------|---------------|--------------|------------------------|
| Year-to-Year Revenues and Transfers In by Category | | | | | | | | |
| Category | 2023 Revenues through October | | 2024 Revenues through October | | 2025 Revenues through October | | 2025 vs 2024 | |
| | \$ | | \$ | | \$ | | \$ | % |
| Fire Impact Fees | \$ | 699,274 | \$ | 75,013 | \$ | 42,936 | \$ | (32,077) -42.8% |
| Total | \$ | 699,274 | \$ | 75,013 | \$ | 42,936 | \$ | (32,077) -42.8% |

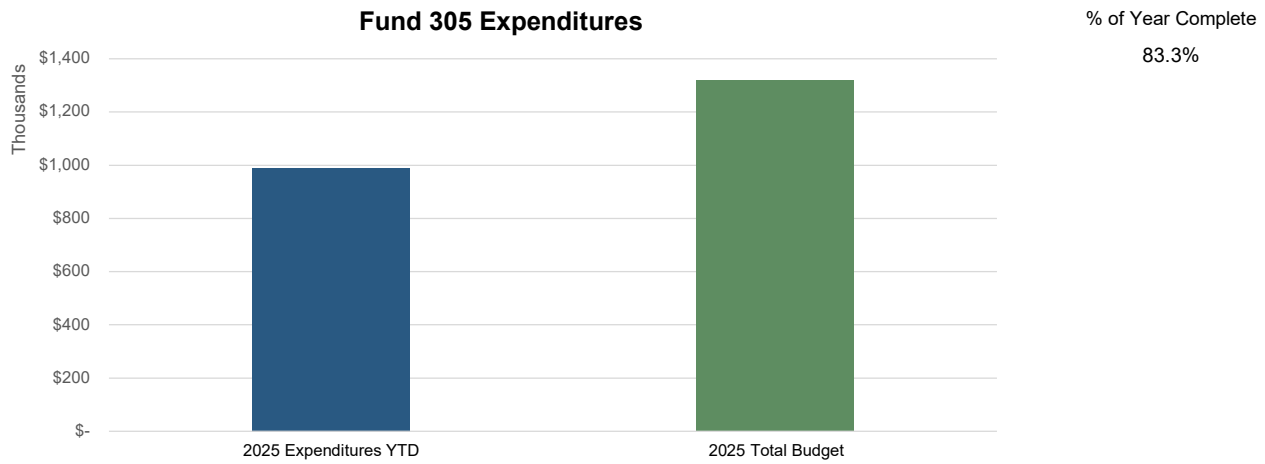


Fund 305 Public Safety Plan Overview

| | 2025 through October | | 2025 Total Budget | | Budget Variance % of Annual Budget |
|---------------------------------------|----------------------|------------------|-------------------|------------------|---------------------------------------|
| Revenues | \$ | 399,377 | \$ | 15,000 | 2662.5% |
| Transfers In | | - | | 1,100,000 | 0.0% |
| Transfers Out | | 989,118 | | 1,318,824 | 75.0% |
| <hr/> | | | | | |
| Net Revenues Less Expenditures | \$ | (589,741) | \$ | (203,824) | |
| | | | | | % of Year Complete 83.3% |

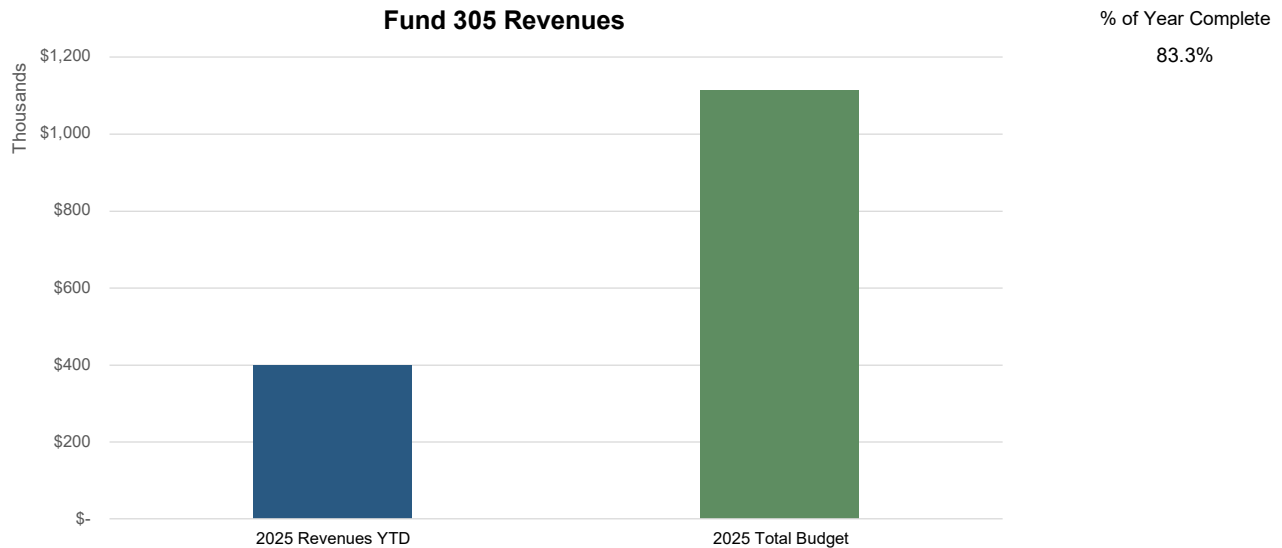
Fund 305 Public Safety Plan
Expenditures and Transfers Out by Category

| Category | 2025 Total Budget | 2025 Expenses through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|------------------------------|---------------------|-------------------------------|---|------------------------------------|
| Transfers Out to Other Funds | \$ 1,318,824 | \$ 989,118 | \$ 329,706 | 75% |
| Total | \$ 1,318,824 | \$ 989,118 | \$ 329,706 | 75.0% |



Revenues and Transfers In by Category

| Category | 2025 Total Budget | 2025 Revenues through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|-------------------------------|---------------------|-------------------------------|---|------------------------------------|
| Real Estate Excise Tax (REET) | \$ - | \$ 356,359 | \$ 356,359 | - |
| Investment Earnings | 15,000 | 43,017 | 28,017 | 286.8% |
| Transfers In | 1,100,000 | - | (1,100,000) | 0% |
| Total | \$ 1,115,000 | \$ 399,376 | \$ (715,624) | 35.8% |



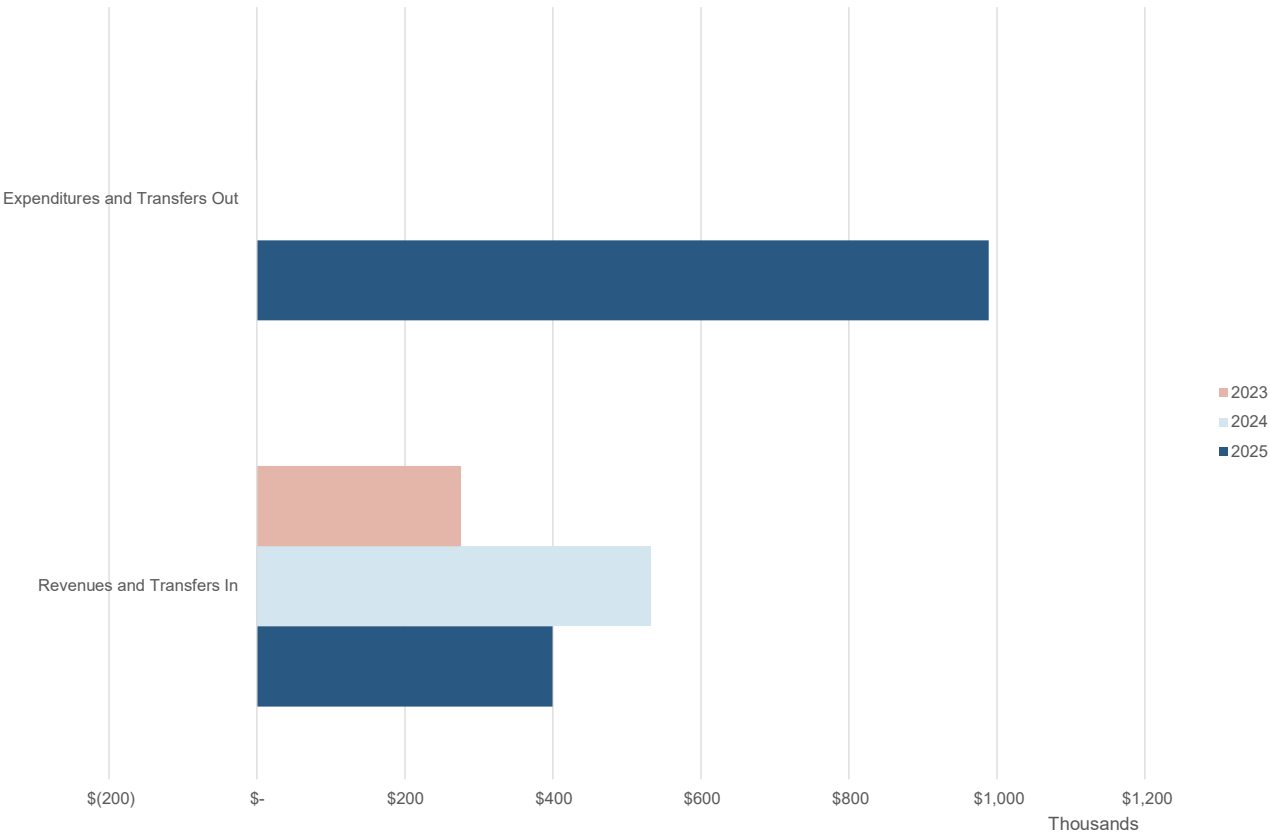
Fund 305 Public Safety Plan
Year-to-Year Expenditures & Transfers Out by Category

| Category | 2023 Expenses through October | | 2024 Expenses through October | | 2025 Expenses through October | | 2025 vs 2024 | |
|------------------------------|-------------------------------|---------|-------------------------------|---|-------------------------------|---------|--------------|---|
| | \$ | | \$ | | \$ | | \$ | % |
| Transfers Out to Other Funds | \$ | - | \$ | - | \$ | 989,118 | 989,118 | - |
| Total | \$ | (1,700) | \$ | - | \$ | 989,118 | 989,118 | - |

Fund 305 Public Safety Plan
Year-to-Year Revenues and Transfers In by Category

| Category | 2023 Revenues through October | | 2024 Revenues through October | | 2025 Revenues through October | | 2025 vs 2024 | |
|-------------------------------|-------------------------------|---------|-------------------------------|---------|-------------------------------|---------|--------------|--------|
| | \$ | | \$ | | \$ | | \$ | % |
| Real Estate Excise Tax (REET) | \$ | 234,850 | \$ | 479,362 | \$ | 356,359 | \$ (123,003) | -25.7% |
| Investment Earnings | | 41,163 | | 53,104 | | 43,017 | (10,087) | -19% |
| Total | \$ | 276,013 | \$ | 532,466 | \$ | 399,376 | \$ (133,090) | -25.0% |

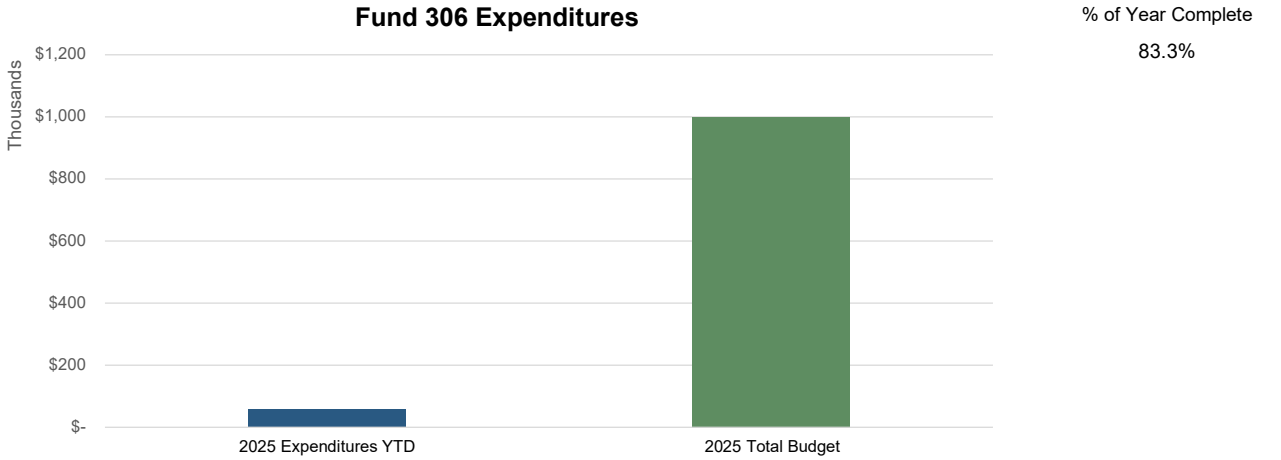
Fund 305 Prior Year Comparisons YTD



| Fund 306 City Facilities | | | | |
|--------------------------------|----------------------|---------|-------------------|---------------------------------------|
| Overview | | | | |
| | 2025 through October | | 2025 Total Budget | Budget Variance % of Annual Budget |
| Revenues | \$ | 20,369 | \$ 846,937 | 2.4% |
| Transfers In | | 750,000 | 1,000,000 | 75.0% |
| Expenditures | | 57,147 | 1,000,000 | 5.7% |
| Net Revenues Less Expenditures | \$ | 713,222 | \$ 846,937 | % of Year Complete 83.3% |

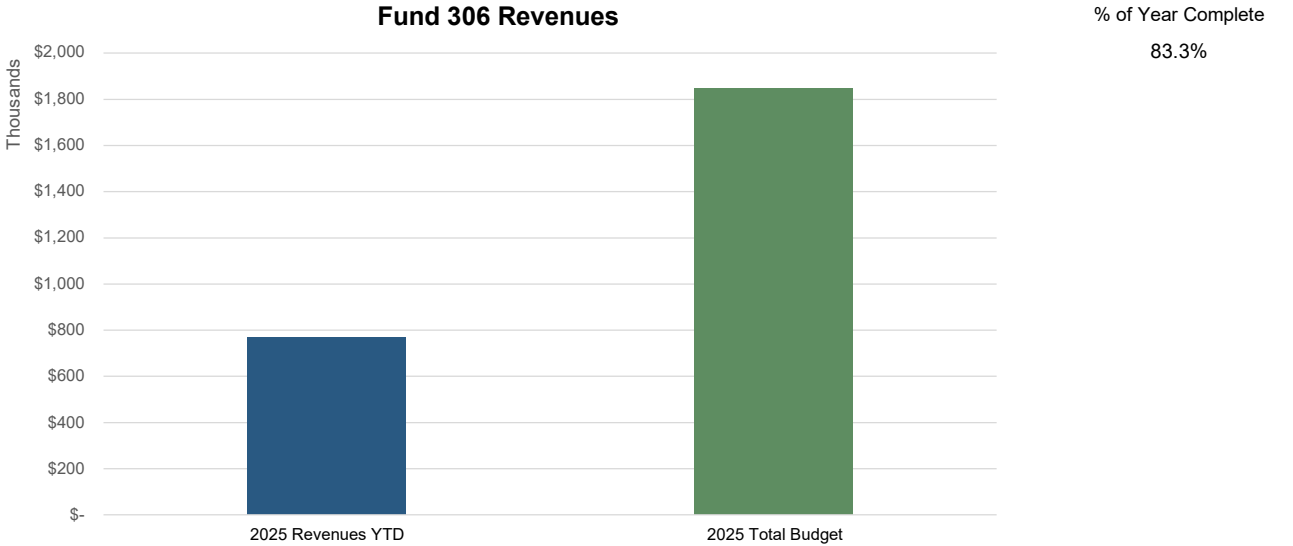
Fund 306 City Facilities Expenditures and Transfers Out by Category

| Category | 2025 Total Budget | 2025 Expenses through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|--------------|---------------------|-------------------------------|---|------------------------------------|
| Services | \$ 1,000,000 | \$ 57,147 | \$ 942,853 | 5.7% |
| Total | \$ 1,000,000 | \$ 57,147 | \$ 942,853 | 5.7% |



Revenues and Transfers In by Category

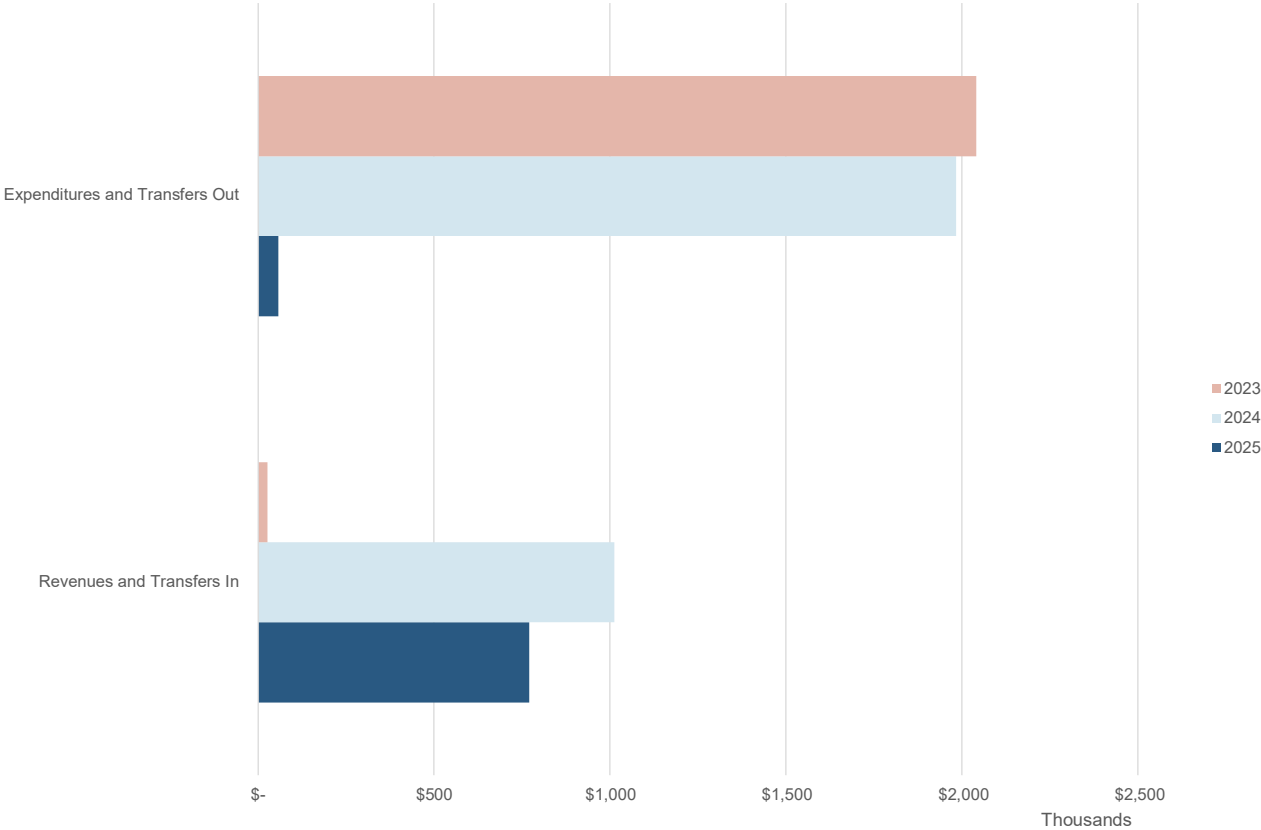
| Category | 2025 Total Budget | 2025 Revenues through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|---------------------|---------------------|-------------------------------|---|------------------------------------|
| Investment Earnings | \$ 5,000 | \$ 20,369 | \$ 15,369 | 407.4% |
| Rent & Concessions | 841,937 | - | (841,937) | 0.0% |
| Transfers In | 1,000,000 | 750,000 | (250,000) | 75% |
| Total | \$ 1,846,937 | \$ 770,369 | \$ (1,076,568) | 41.7% |



| Fund 306 City Facilities | | | | | | | | | |
|---|-------------------------------|-----------|-------------------------------|-----------|-------------------------------|--------|--------------|-------------|---------|
| Year-to-Year Expenditures & Transfers Out by Category | | | | | | | | | |
| Category | 2023 Expenses through October | | 2024 Expenses through October | | 2025 Expenses through October | | 2025 vs 2024 | | |
| | \$ | | \$ | | \$ | | % | | |
| Services | \$ | 601,126 | \$ | 1,982,401 | \$ | 57,147 | \$ | (1,925,254) | -97.1% |
| Land, Structures, Machinery, Equipment | | 1,431,735 | | 808 | | - | | (808) | -100.0% |
| Total | \$ | 2,040,771 | \$ | 1,983,209 | \$ | 57,147 | \$ | (1,926,062) | -97.1% |

| Fund 306 City Facilities Year-to-Year Revenues and Transfers In by Category | | | | | | | | |
|--|----------------------------------|--------|----------------------------------|-----------|----------------------------------|---------|--------------|---------|
| Category | 2023 Revenues through October | | 2024 Revenues through October | | 2025 Revenues through October | | 2025 vs 2024 | |
| | \$ | | \$ | | \$ | | \$ | % |
| Grant Revenues | | - | | 246,870 | | - | (246,870) | -100.0% |
| Investment Earnings | \$ | 26,597 | \$ | 15,764 | \$ | 20,369 | \$ 4,605 | +29.2% |
| Transfers In | | - | | 750,000 | | 750,000 | - | 0% |
| Total | \$ | 26,597 | \$ | 1,012,634 | \$ | 770,369 | \$ (242,265) | -23.9% |

Fund 306 Prior Year Comparisons YTD



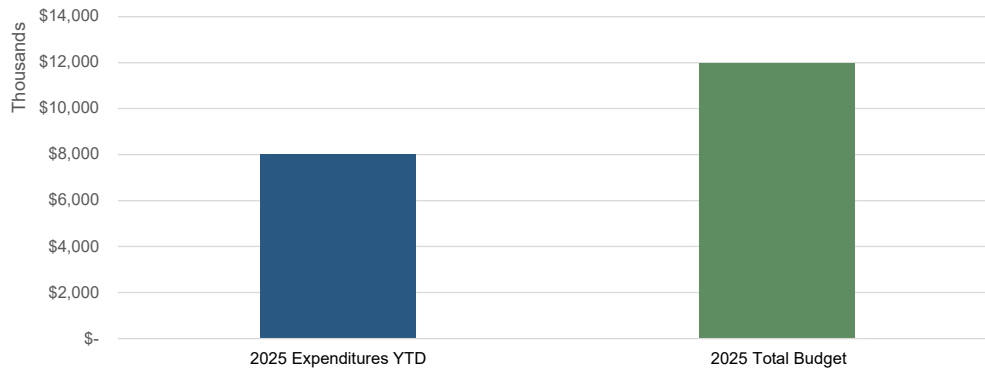
Fund 401 Water Utility Fund
Overview

| | 2025 through October | | 2025 Total Budget | | Budget Variance % of Annual Budget |
|---------------------------------------|----------------------|---------------|-------------------|------------------|---------------------------------------|
| Revenues | \$ | 8,108,843 | \$ | 11,341,356 | 71.5% |
| Expenditures | | 6,838,400 | | 10,493,596 | 65.2% |
| Transfers Out | | 1,198,731 | | 1,507,615 | 79.5% |
| Net Revenues Less Expenditures | \$ | 71,712 | \$ | (659,855) | % of Year Complete 83.3% |

Fund 401 Water Utility Fund
Expenditures and Transfers Out by Category

| Category | 2025 Total Budget | 2025 Expenses through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|--|----------------------|-------------------------------|--|---------------------------------------|
| Salaries, Wages, & Overtime | \$ 957,112 | \$ 742,596 | \$ 214,516 | 78% |
| Benefits | 538,827 | 303,731 | 235,096 | 56% |
| Supplies | 3,105,196 | 2,866,677 | 238,519 | 92.3% |
| Services | 5,677,288 | 1,758,799 | 3,918,489 | 31.0% |
| Land, Structures, Machinery, Equipment | - | 1,165,539 | (1,165,539) | - |
| Other Expenditures | 215,173 | 1,058 | 214,115 | 0.5% |
| Transfers Out - Internal Cost Allocation | 816,232 | 680,194 | 136,038 | 83% |
| Transfers Out - Debt Service | 358,050 | 268,537 | 89,513 | 75% |
| Transfers Out to Other Funds | 333,333 | 250,000 | 83,333 | 75% |
| Total | \$ 12,001,211 | \$ 8,037,131 | \$ 3,964,080 | 67.0% |

Fund 401 Expenditures and Transfers Out

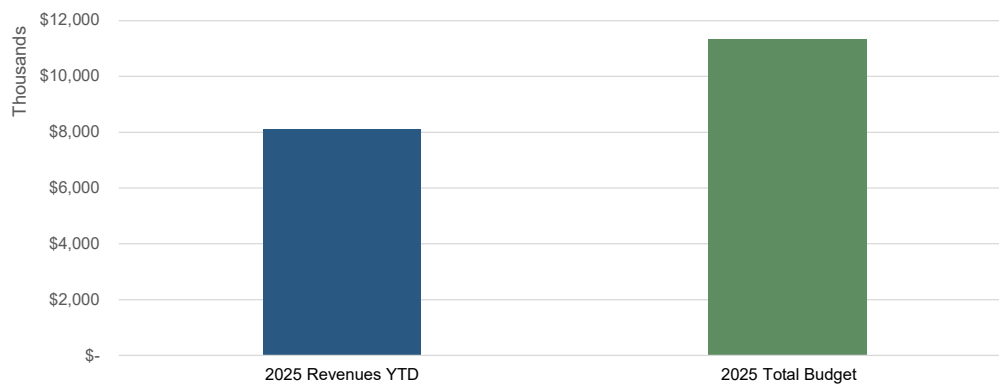


% of Year Complete
83.3%

Revenues and Transfers In by Category

| Category | 2025 Total Budget | 2025 Revenues through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|---------------------|----------------------|-------------------------------|--|---------------------------------------|
| Water Sales | \$ 9,239,856 | \$ 7,999,992 | \$ (1,239,864) | 86.6% |
| Security Revenue | - | 4,010 | 4,010 | - |
| Other Income | 1,500 | 28,340 | 26,840 | 1889.3% |
| Investment Earnings | 100,000 | 76,500 | (23,500) | 76.5% |
| Bond Proceeds | 2,000,000 | - | (2,000,000) | 0% |
| Total | \$ 11,341,356 | \$ 8,108,842 | \$ (3,232,514) | 71.5% |

Fund 401 Revenues

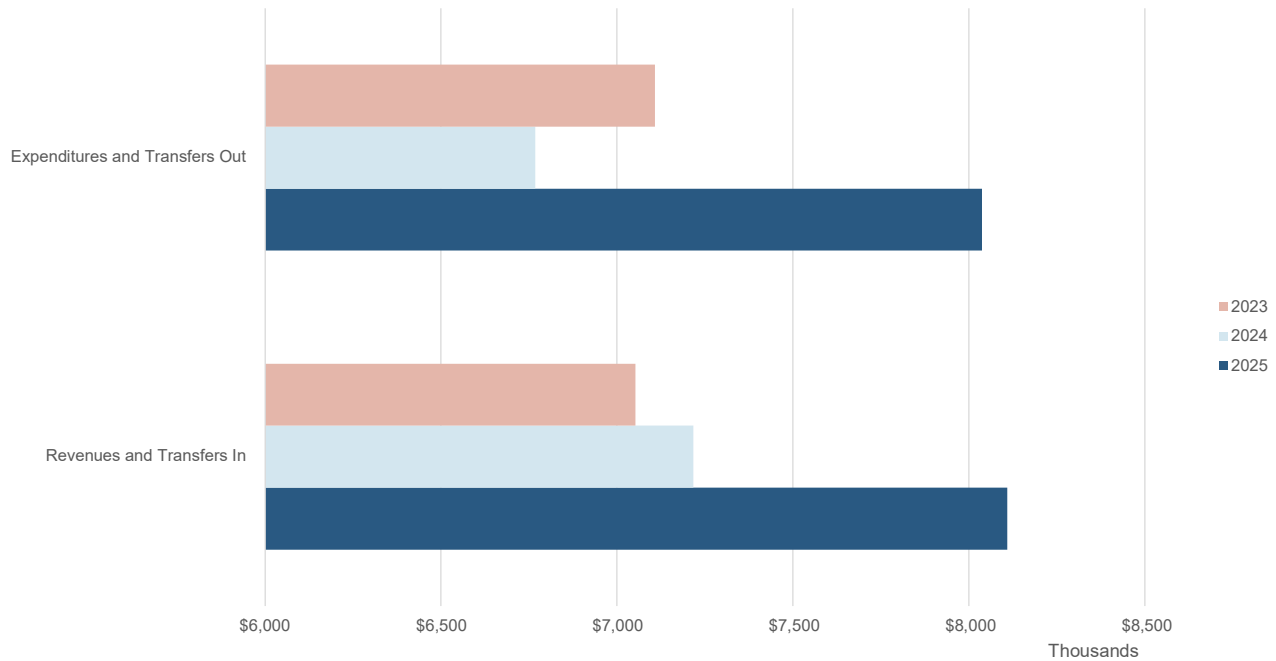


% of Year Complete
83.3%

| Fund 401 Water Utility Fund Year-to-Year Expenditures & Transfers Out by Category | | | | | | |
|--|----------------------------------|----------------------------------|----------------------------------|---------------------|---------------|--|
| Category | 2023 Expenses through October | 2024 Expenses through October | 2025 Expenses through October | 2025 vs 2024 | | |
| | | | | \$ | % | |
| Salaries, Wages, & Overtime | \$ 608,243 | \$ 741,110 | \$ 742,596 | \$ 1,486 | +0.2% | |
| Benefits | 280,869 | 327,063 | 303,731 | (23,332) | -7.1% | |
| Supplies | 2,703,810 | 2,748,748 | 2,866,677 | 117,929 | +4.3% | |
| Services | 1,701,252 | 1,640,669 | 1,758,799 | 118,130 | +7.2% | |
| Land, Structures, Machinery, Equipment | 829,662 | 56,065 | 1,165,539 | 1,109,474 | +1978.9% | |
| Other Expenditures | 83,493 | 82,596 | 1,058 | (81,538) | -99% | |
| Transfers Out - Internal Cost Allocation | 616,960 | 647,804 | 680,194 | 32,390 | +5% | |
| Transfers Out - Debt Service | 268,534 | 268,534 | 268,537 | 3 | +0% | |
| Transfers Out to Other Funds | 14,819 | 255,000 | 250,000 | (5,000) | -2% | |
| Total | \$ 7,107,642 | \$ 6,767,589 | \$ 8,037,131 | \$ 1,269,542 | +18.8% | |

| Fund 401 Water Utility Fund Year-to-Year Revenues and Transfers In by Category | | | | | | |
|---|----------------------------------|----------------------------------|----------------------------------|-------------------|---------------|--|
| Category | 2023 Revenues through October | 2024 Revenues through October | 2025 Revenues through October | 2025 vs 2024 | | |
| | | | | \$ | % | |
| Water Sales | \$ 6,845,659 | \$ 7,073,323 | \$ 7,999,992 | \$ 926,669 | +13% | |
| Security Revenue | 8,747 | 6,626 | 4,010 | (2,616) | -39.5% | |
| Other Income | 34,405 | 1,303 | 28,340 | 27,037 | +2075.0% | |
| Investment Earnings | 163,743 | 135,645 | 76,500 | (59,145) | -44% | |
| Total | \$ 7,052,554 | \$ 7,216,897 | \$ 8,108,842 | \$ 891,945 | +12.4% | |

Fund 401 Prior Year Comparisons YTD



Fund 402 Sewer Utility Fund

Overview

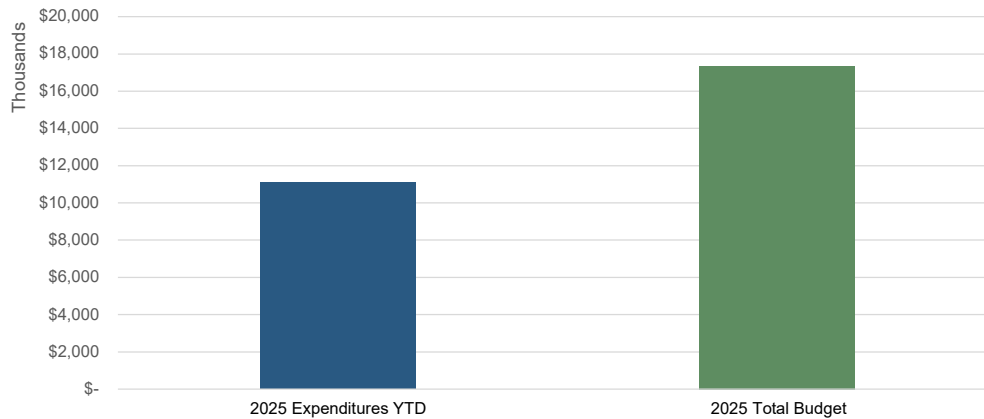
| | 2025 through October | | 2025 Total Budget | | Budget Variance % of Annual Budget |
|---------------------------------------|----------------------|--------------------|-------------------|--------------------|---------------------------------------|
| Revenues | \$ | 9,981,229 | \$ | 12,527,105 | 79.7% |
| Expenditures | | 10,112,246 | | 16,129,584 | 62.7% |
| Transfers Out | | 973,120 | | 1,221,086 | 79.7% |
| Net Revenues Less Expenditures | \$ | (1,104,137) | \$ | (4,823,565) | |
| | | | | | % of Year Complete 83.3% |

Fund 402 Sewer Utility Fund
Expenditures and Transfers Out by Category

| Category | 2025 Total Budget | 2025 Expenses through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|--|----------------------|-------------------------------|--|---------------------------------------|
| Salaries, Wages, & Overtime | \$ 666,584 | \$ 610,813 | \$ 55,771 | 92% |
| Benefits | 482,884 | 259,688 | 223,196 | 54% |
| Supplies | 6,214,355 | 4,727,018 | 1,487,337 | 76.1% |
| Services | 8,611,358 | 1,895,696 | 6,715,662 | 22.0% |
| Land, Structures, Machinery, Equipment | - | 2,573,685 | (2,573,685) | - |
| Other Expenditures | 154,403 | 45,345 | 109,058 | 29% |
| Transfers Out - Internal Cost Allocation | 687,666 | 573,054 | 114,612 | 83% |
| Transfers Out - Debt Service | 200,087 | 150,066 | 50,021 | 75% |
| Transfers Out to Other Funds | 333,333 | 250,000 | 83,333 | 75% |
| Total | \$ 17,350,670 | \$ 11,085,365 | \$ 6,265,305 | 63.9% |

Fund 402 Expenditures and Transfers Out

% of Year Complete
83.3%

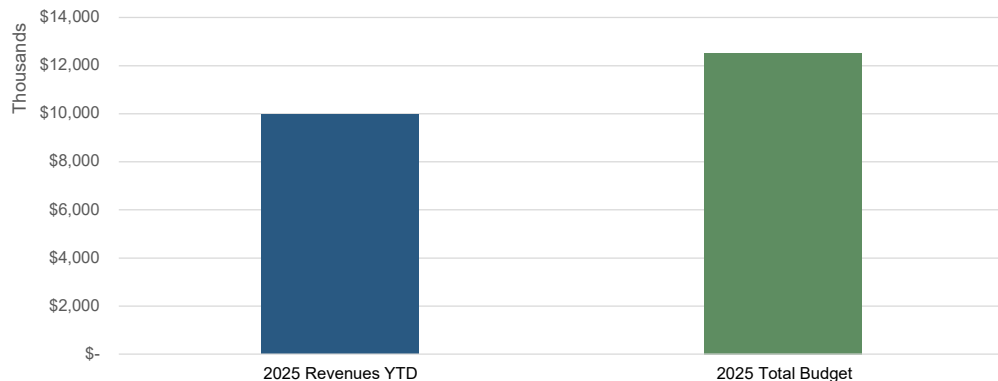


Revenues and Transfers In by Category

| Category | 2025 Total Budget | 2025 Revenues through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|---------------------|----------------------|-------------------------------|--|---------------------------------------|
| Sewer Sales | \$ 12,127,105 | \$ 9,600,117 | \$ (2,526,988) | 79.2% |
| Other Income | - | 87,158 | 87,158 | - |
| Investment Earnings | 400,000 | 293,954 | (106,046) | 73.5% |
| Total | \$ 12,527,105 | \$ 9,981,229 | \$ (2,545,876) | 79.7% |

Fund 402 Revenues

% of Year Complete
83.3%



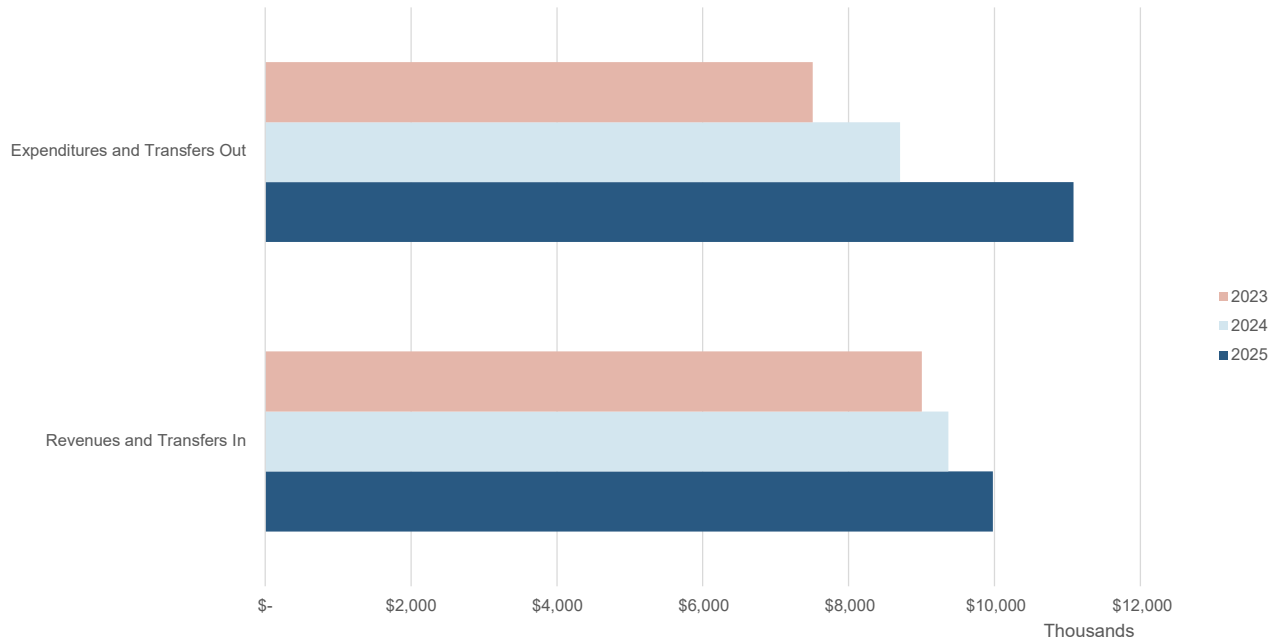
Fund 402 Sewer Utility Fund
Year-to-Year Expenditures & Transfers Out by Category

| Category | 2023 Expenses through October | | 2024 Expenses through October | | 2025 Expenses through October | | 2025 vs 2024 | |
|--|-------------------------------|------------------|-------------------------------|------------------|-------------------------------|-------------------|---------------------|---------------|
| | | | | | | | \$ | % |
| Salaries, Wages, & Overtime | \$ | 727,802 | \$ | 1,007,086 | \$ | 610,813 | \$ (396,273) | -39.3% |
| Benefits | | 318,067 | | 397,718 | | 259,688 | (138,030) | -34.7% |
| Supplies | | 3,656,731 | | 4,395,928 | | 4,727,018 | 331,090 | +7.5% |
| Services | | 1,864,935 | | 1,820,190 | | 1,895,696 | 75,506 | +4.1% |
| Land, Structures, Machinery, Equipment | | - | | - | | 2,573,685 | 2,573,685 | - |
| Other Expenditures | | 242,333 | | 239,987 | | 45,345 | (194,642) | -81% |
| Transfers Out - Internal Cost Allocation | | 519,780 | | 545,766 | | 573,054 | 27,288 | +5% |
| Transfers Out - Debt Service | | 150,063 | | 150,063 | | 150,066 | 3 | +0% |
| Transfers Out to Other Funds | | 25,899 | | 147,500 | | 250,000 | 102,500 | +69% |
| Total | \$ | 7,505,610 | \$ | 8,704,238 | \$ | 11,085,365 | \$ 2,381,127 | +27.4% |

Fund 402 Sewer Utility Fund
Year-to-Year Revenues and Transfers In by Category

| Category | 2023 Revenues through October | | 2024 Revenues through October | | 2025 Revenues through October | | 2025 vs 2024 | |
|---------------------|-------------------------------|------------------|-------------------------------|------------------|-------------------------------|------------------|-------------------|--------------|
| | | | | | | | \$ | % |
| Sewer Sales | \$ | 8,548,260 | \$ | 8,956,136 | \$ | 9,600,117 | \$ 643,981 | +7% |
| Other Income | | 46,433 | | 6,195 | | 87,158 | 80,963 | +1306.9% |
| Investment Earnings | | 408,933 | | 406,972 | | 293,954 | (113,018) | -27.8% |
| Total | \$ | 9,003,626 | \$ | 9,369,303 | \$ | 9,981,229 | \$ 611,926 | +6.5% |

Fund 402 Prior Year Comparisons YTD



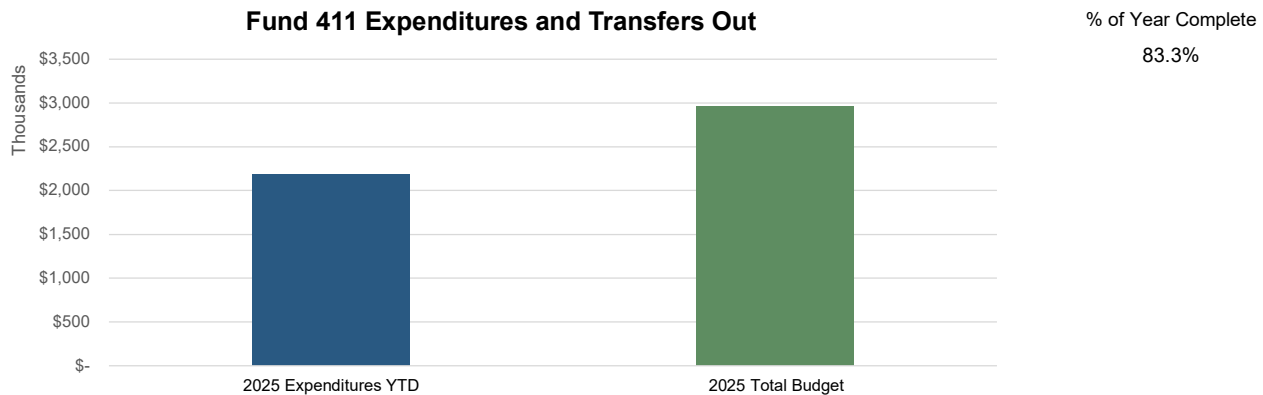
Fund 411 Foster Golf Course

Overview

| | 2025 through October | | 2025 Total Budget | | Budget Variance % of Annual Budget |
|---------------------------------------|----------------------|----------------|-------------------|------------------|---------------------------------------|
| Revenues | \$ | 2,624,096 | \$ | 2,487,500 | 105.5% |
| Transfers In | | 225,000 | | 300,000 | 75.0% |
| Expenditures | | 1,992,027 | | 2,719,666 | 73.2% |
| Transfers Out | | 201,490 | | 241,788 | 83.3% |
| Net Revenues Less Expenditures | \$ | 655,579 | \$ | (173,954) | |
| | | | | | % of Year Complete 83.3% |

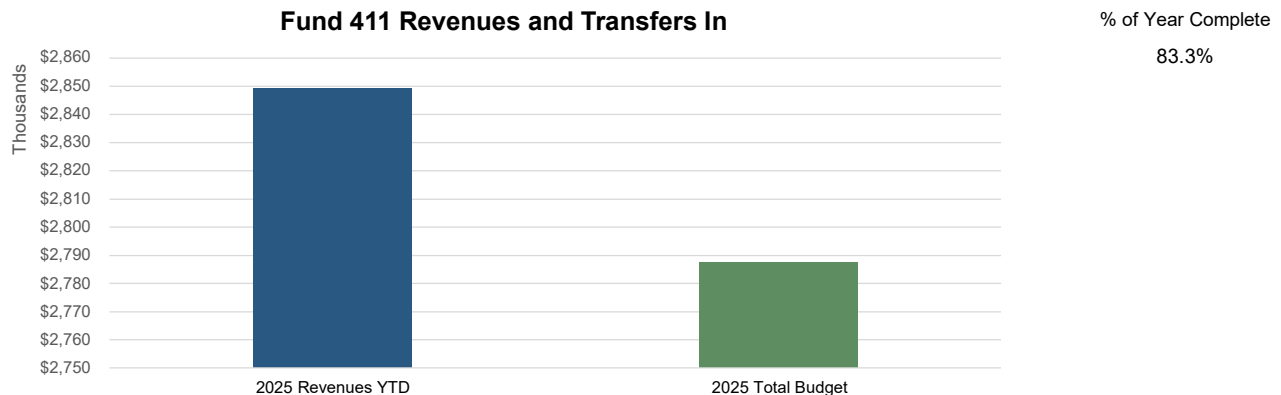
Fund 411 Foster Golf Course Expenditures and Transfers Out by Category

| Category | 2025 Total Budget | 2025 Expenses through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|--|---------------------|-------------------------------|--|---------------------------------------|
| Salaries, Wages, & Overtime | \$ 1,077,911 | \$ 887,962 | \$ 189,949 | 82% |
| Benefits | 395,385 | 333,979 | 61,406 | 84% |
| Supplies | 362,145 | 359,784 | 2,361 | 99.3% |
| Services | 360,225 | 356,348 | 3,877 | 98.9% |
| Land, Structures, Machinery, Equipment | 524,000 | 53,954 | 470,046 | 10% |
| Transfers Out - Internal Cost Allocation | 241,788 | 201,490 | 40,298 | 83% |
| Total | \$ 2,961,454 | \$ 2,193,517 | \$ 767,937 | 74.1% |



Revenues and Transfers In by Category

| Category | 2025 Total Budget | 2025 Revenues through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|-------------------------------|---------------------|-------------------------------|--|---------------------------------------|
| Gambling & Excise Taxes | \$ 3,000 | \$ - | \$ (3,000) | 0.0% |
| Greens Fees | 1,610,000 | 1,923,322 | 313,322 | 119.5% |
| General Government Revenue | 165,000 | 180,036 | 15,036 | 109.1% |
| Culture and Recreation Fees | 5,000 | 3,506 | (1,494) | 70.1% |
| Other Income | 11,000 | 27,294 | 16,294 | 248.1% |
| Investment Earnings | 60,000 | 56,350 | (3,650) | 93.9% |
| Rent & Concessions | 633,500 | 433,590 | (199,910) | 68.4% |
| Transfer In From General Fund | 300,000 | 225,000 | (75,000) | 75% |
| Total | \$ 2,787,500 | \$ 2,849,098 | \$ 61,598 | 102.2% |



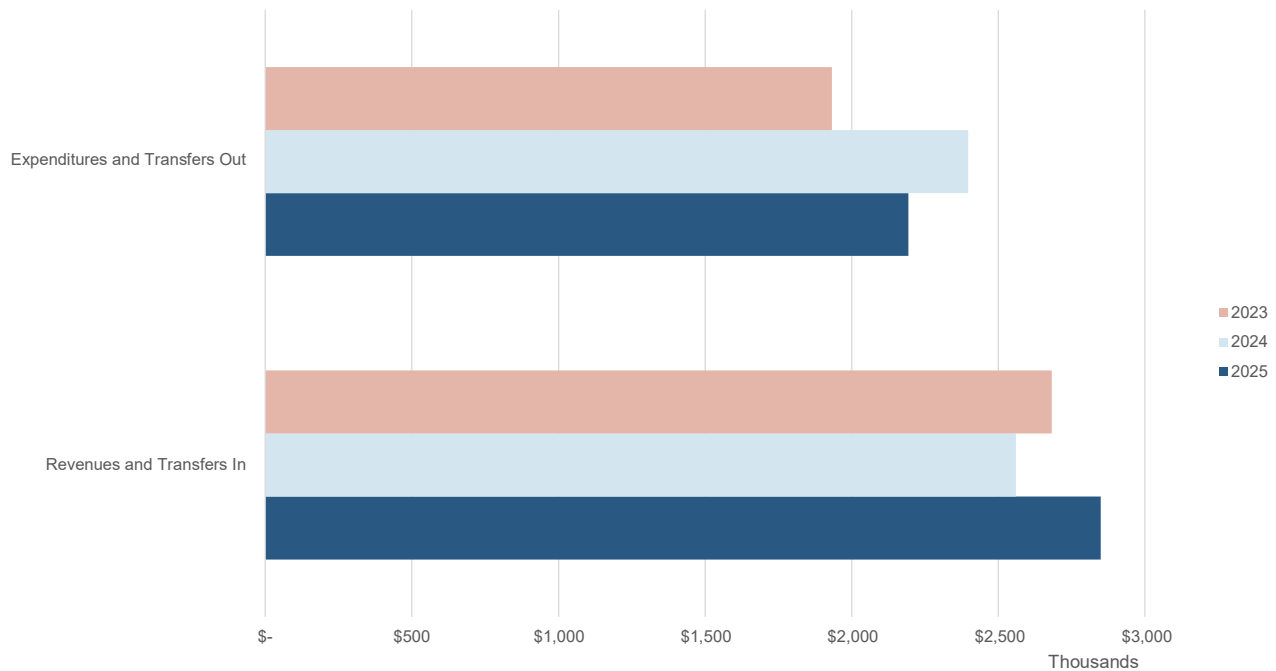
Fund 411 Foster Golf Course
Year-to-Year Expenditures & Transfers Out by Category

| Category | 2023 Expenses through October | | 2024 Expenses through October | | 2025 Expenses through October | | 2025 vs 2024 | |
|--|-------------------------------|------------------|-------------------------------|------------------|-------------------------------|------------------|---------------------|--------------|
| | | | | | | | \$ | % |
| Salaries, Wages, & Overtime | \$ | 679,705 | \$ | 874,433 | \$ | 887,962 | \$ 13,529 | +1.5% |
| Benefits | | 301,358 | | 322,948 | | 333,979 | 11,031 | +3.4% |
| Supplies | | 332,134 | | 257,278 | | 359,784 | 102,506 | +39.8% |
| Services | | 407,719 | | 463,990 | | 356,348 | (107,642) | -23.2% |
| Land, Structures, Machinery, Equipment | | 28,582 | | 287,174 | | 53,954 | (233,220) | -81.2% |
| Transfers Out - Internal Cost Allocation | | 182,760 | | 191,894 | | 201,490 | 9,596 | +5% |
| Total | \$ | 1,932,258 | \$ | 2,397,717 | \$ | 2,193,517 | \$ (204,200) | -8.5% |

Fund 411 Foster Golf Course
Year-to-Year Revenues and Transfers In by Category

| Category | 2023 Revenues through October | | 2024 Revenues through October | | 2025 Revenues through October | | 2025 vs 2024 | |
|-------------------------------|-------------------------------|------------------|-------------------------------|------------------|-------------------------------|------------------|-------------------|---------------|
| | | | | | | | \$ | % |
| Greens Fees | \$ | 1,733,511 | \$ | 1,677,068 | \$ | 1,923,322 | \$ 246,254 | +14.7% |
| General Government Revenue | | 159,863 | | 140,974 | | 180,036 | 39,062 | +27.7% |
| Culture and Recreation Fees | | 1,405 | | 4,731 | | 3,506 | (1,225) | -25.9% |
| Other Income | | 30,499 | | 14,665 | | 27,294 | 12,629 | +86% |
| Investment Earnings | | 57,751 | | 72,333 | | 56,350 | (15,983) | -22% |
| Rent & Concessions | | 461,595 | | 421,230 | | 433,590 | 12,360 | +3% |
| Sale of Capital Assets | | 12,800 | | 4,000 | | - | (4,000) | -100% |
| Transfer In From General Fund | | 225,000 | | 225,000 | | 225,000 | - | 0% |
| Total | \$ | 2,682,424 | \$ | 2,560,001 | \$ | 2,849,098 | \$ 289,097 | +11.3% |

Fund 411 Prior Year Comparisons YTD



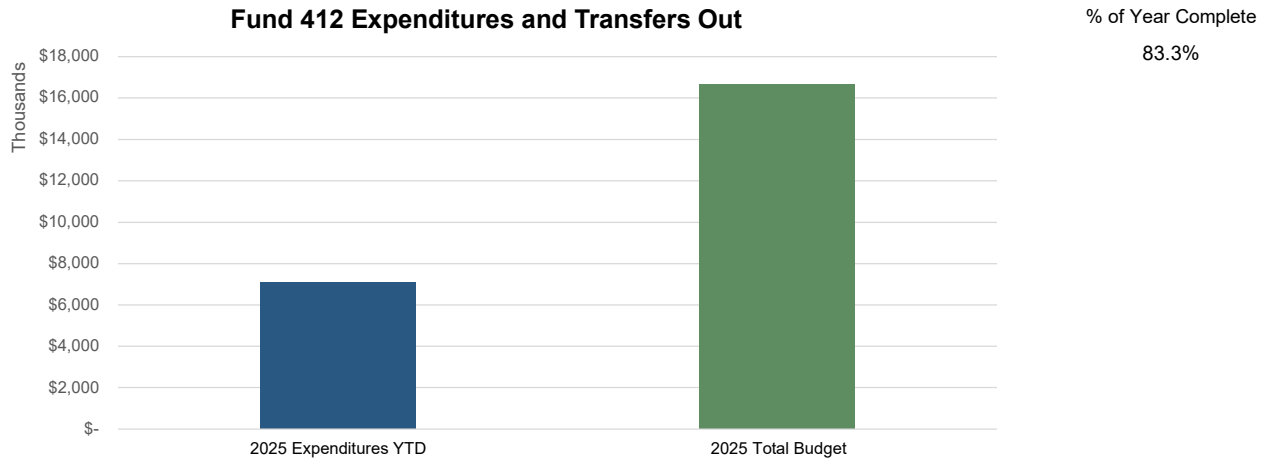
Fund 412 Surface Water Utility Fund

Overview

| | 2025 through October | | 2025 Total Budget | | Budget Variance % of Annual Budget |
|---------------------------------------|----------------------|------------------|-------------------|--------------------|---------------------------------------|
| Revenues | \$ | 10,477,327 | \$ | 14,742,267 | 71.1% |
| Expenditures | | 5,864,437 | | 15,103,982 | 38.8% |
| Transfers Out | | 1,227,443 | | 1,555,760 | 78.9% |
| Net Revenues Less Expenditures | \$ | 3,385,447 | \$ | (1,917,475) | |
| | | | | | % of Year Complete 83.3% |

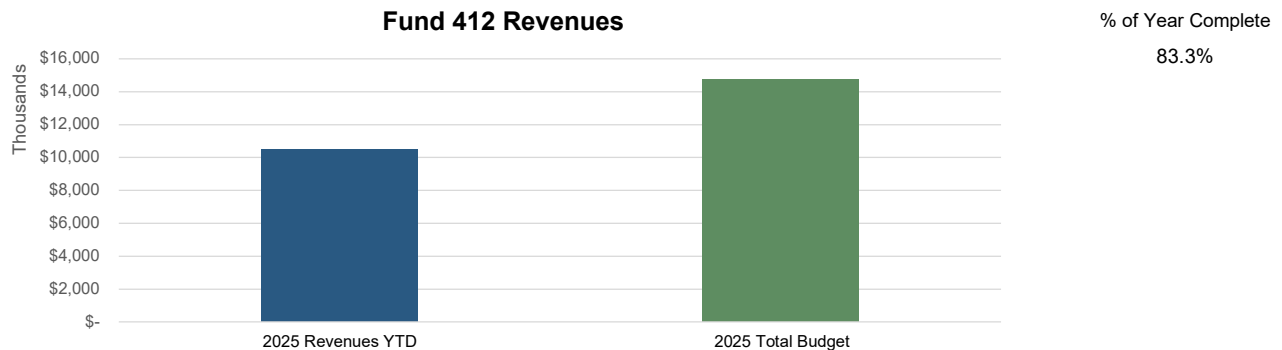
Fund 412 Surface Water Utility Fund
Expenditures and Transfers Out by Category

| Category | 2025 Total Budget | 2025 Expenses through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|--|----------------------|-------------------------------|--|---------------------------------------|
| Salaries, Wages, & Overtime | \$ 2,028,653 | \$ 1,426,489 | \$ 602,164 | 70% |
| Benefits | 1,023,526 | 540,573 | 482,953 | 53% |
| Supplies | 72,665 | 58,411 | 14,254 | 80.4% |
| Services | 11,957,541 | 3,405,185 | 8,552,356 | 28.5% |
| Land, Structures, Machinery, Equipment | - | 433,292 | (433,292) | - |
| Other Expenditures | 21,597 | 488 | 21,109 | 2% |
| Transfers Out - Internal Cost Allocation | 727,476 | 606,230 | 121,246 | 83% |
| Transfers Out - Debt Service | 494,951 | 371,213 | 123,738 | 75% |
| Transfers Out to Other Funds | 333,333 | 250,000 | 83,333 | 75% |
| Total | \$ 16,659,742 | \$ 7,091,881 | \$ 9,567,861 | 42.6% |



Revenues and Transfers In by Category

| Category | 2025 Total Budget | 2025 Revenues through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|---------------------|----------------------|-------------------------------|--|---------------------------------------|
| Surface Water Sales | \$ 8,477,267 | \$ 8,570,997 | \$ 93,730 | 101.1% |
| Permits | - | (17) | (17) | - |
| Grant Revenues | 3,322,000 | 748,083 | (2,573,917) | 22.5% |
| Other Income | 2,643,000 | 768,717 | (1,874,283) | 29.1% |
| Investment Earnings | 300,000 | 389,546 | 89,546 | 129.8% |
| Total | \$ 14,742,267 | \$ 10,477,326 | \$ (4,264,941) | 71.1% |



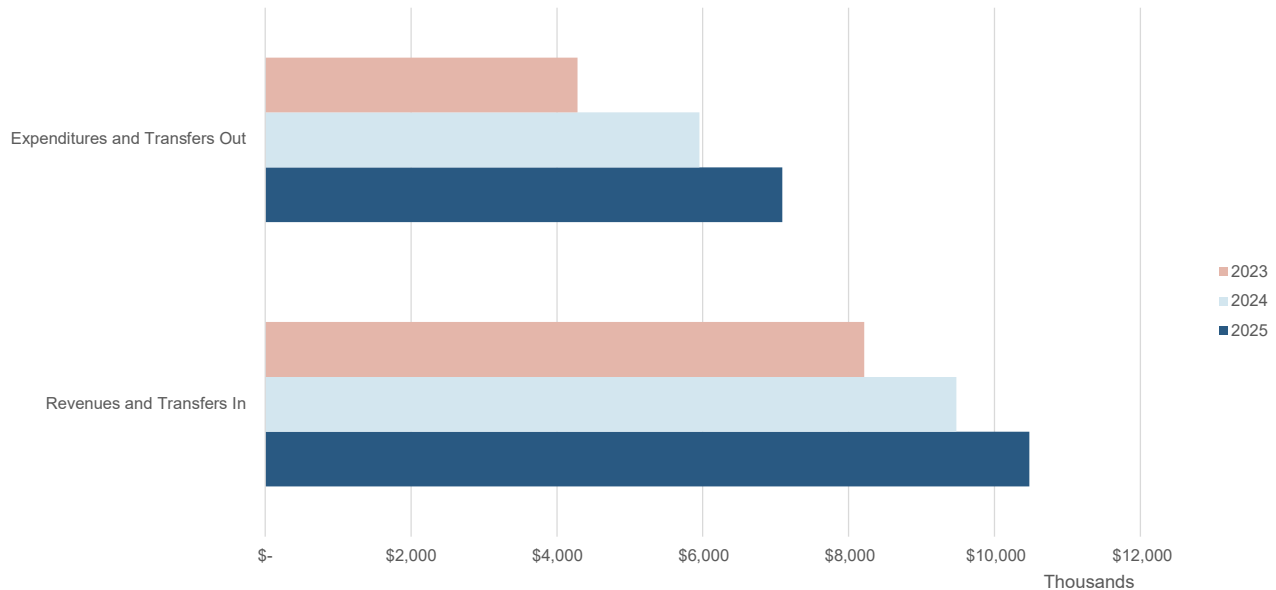
Fund 412 Surface Water Utility Fund
Year-to-Year Expenditures & Transfers Out by Category

| Category | 2023 Expenses through October | | 2024 Expenses through October | | 2025 Expenses through October | | 2025 vs 2024 | |
|--|-------------------------------|------------------|-------------------------------|------------------|-------------------------------|------------------|---------------------|---------------|
| | | | | | | | \$ | % |
| Salaries, Wages, & Overtime | \$ | 1,009,755 | \$ | 1,422,021 | \$ | 1,426,489 | \$ 4,468 | +0.3% |
| Benefits | | 460,025 | | 552,221 | | 540,573 | (11,648) | -2.1% |
| Supplies | | 42,285 | | 75,759 | | 58,411 | (17,348) | -22.9% |
| Services | | 1,580,507 | | 1,808,611 | | 3,405,185 | 1,596,574 | +88.3% |
| Land, Structures, Machinery, Equipment | | - | | 528,769 | | 433,292 | (95,477) | -18.1% |
| Other Expenditures | | 262,901 | | 261,376 | | 488 | (260,888) | -100% |
| Transfers Out - Internal Cost Allocation | | 549,870 | | 577,362 | | 606,230 | 28,868 | +5% |
| Transfers Out - Debt Service | | 371,209 | | 371,209 | | 371,213 | 4 | +0% |
| Transfers Out to Other Funds | | 6,750 | | 359,500 | | 250,000 | (109,500) | -30% |
| Total | \$ | 4,283,302 | \$ | 5,956,828 | \$ | 7,091,881 | \$ 1,135,053 | +19.1% |

Fund 412 Surface Water Utility Fund
Year-to-Year Revenues and Transfers In by Category

| Category | 2023 Revenues through October | | 2024 Revenues through October | | 2025 Revenues through October | | 2025 vs 2024 | |
|---------------------|-------------------------------|------------------|-------------------------------|------------------|-------------------------------|-------------------|-------------------|---------------|
| | | | | | | | \$ | % |
| Surface Water Sales | \$ | 7,767,059 | \$ | 8,090,765 | \$ | 8,570,997 | \$ 480,232 | +6% |
| Permits | | - | | - | | (17) | (17) | - |
| Grant Revenues | | 64,903 | | 149,011 | | 748,083 | 599,072 | +402.0% |
| Other Income | | 122,212 | | 810,324 | | 768,717 | (41,607) | -5.1% |
| Investment Earnings | | 260,036 | | 427,559 | | 389,546 | (38,013) | -9% |
| Total | \$ | 8,214,210 | \$ | 9,477,659 | \$ | 10,477,326 | \$ 999,667 | +10.5% |

Fund 412 Prior Year Comparisons YTD

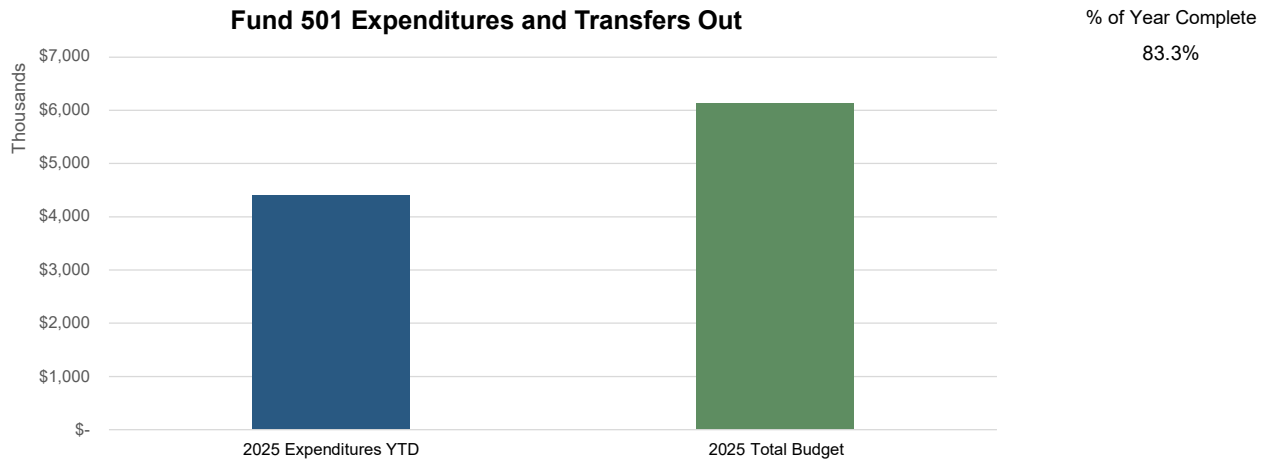


Fund 501 Equipment Rental
Overview

| | 2025 through October | | 2025 Total Budget | | Budget Variance % of Annual Budget |
|---------------------------------------|----------------------|----------------|-------------------|---------------|---------------------------------------|
| Revenues | \$ | 4,985,517 | \$ | 6,223,147 | 80.1% |
| Expenditures | | 4,091,434 | | 5,749,503 | 71.2% |
| Transfers Out | | 321,924 | | 386,308 | 83.3% |
| Net Revenues Less Expenditures | \$ | 572,159 | \$ | 87,336 | |
| | | | | | % of Year Complete 83.3% |

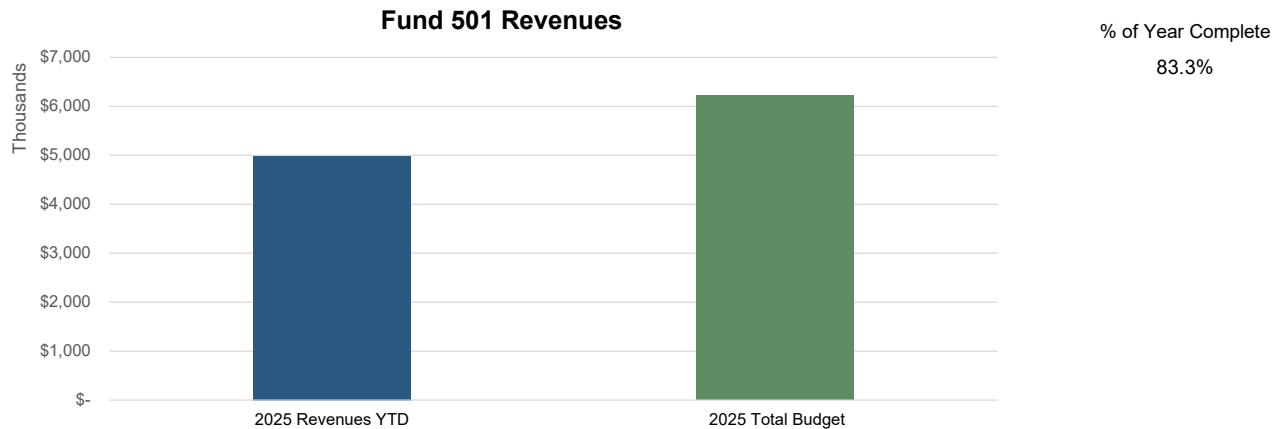
Fund 501 Equipment Rental
Expenditures and Transfers Out by Category

| Category | 2025 Total Budget | 2025 Expenses through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|--|---------------------|-------------------------------|--|---------------------------------------|
| Salaries, Wages, & Overtime | \$ 519,798 | \$ 426,651 | \$ 93,147 | 82% |
| Benefits | 237,888 | 187,704 | 50,184 | 79% |
| Supplies | 790,900 | 724,602 | 66,298 | 91.6% |
| Services | 1,903,717 | 1,525,095 | 378,622 | 80.1% |
| Land, Structures, Machinery, Equipment | 2,297,200 | 1,227,384 | 1,069,816 | 53% |
| Transfers Out - Internal Cost Allocation | 386,308 | 321,924 | 64,384 | 83% |
| Total | \$ 6,135,811 | \$ 4,413,360 | \$ 1,722,451 | 71.9% |



Revenues and Transfers In by Category

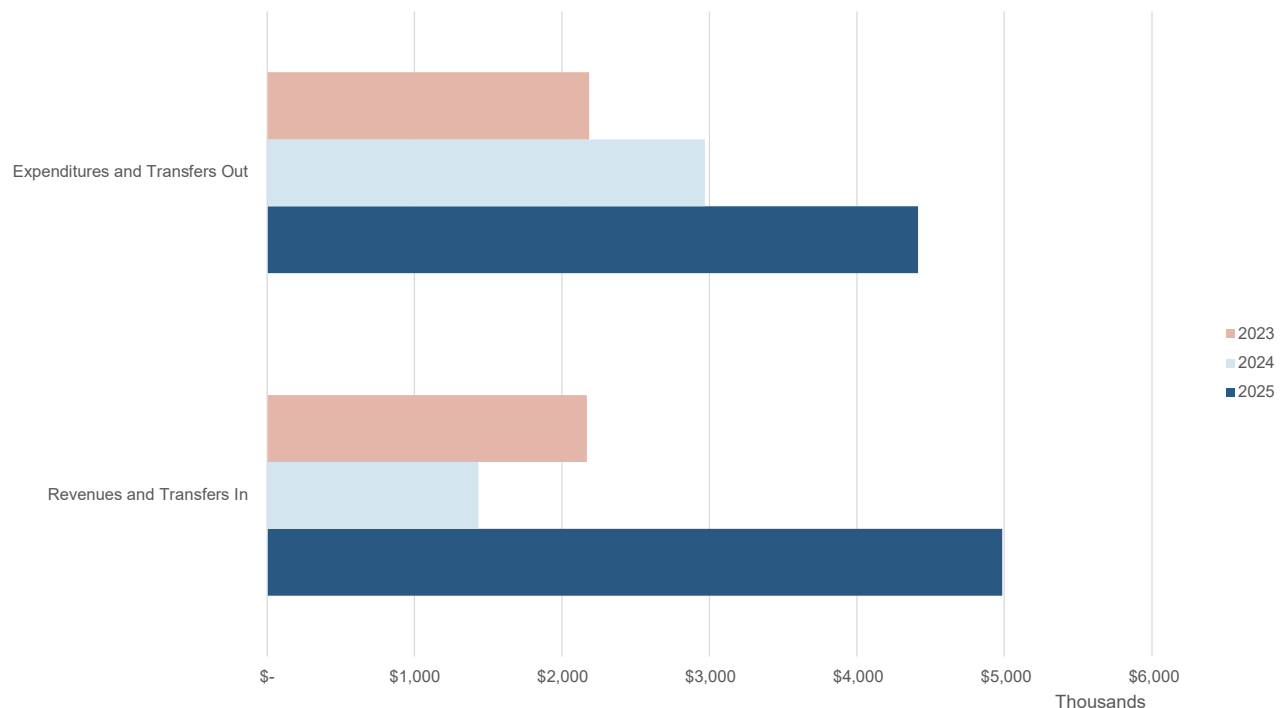
| Category | 2025 Total Budget | 2025 Revenues through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|---------------------------|---------------------|-------------------------------|--|---------------------------------------|
| Fleet Replacement Charges | \$ 2,294,324 | \$ 1,911,933 | \$ (382,391) | 83.3% |
| Fleet Lease Charges | 3,526,723 | 2,645,039 | (881,684) | 75.0% |
| Fleet Repair Charges | 200,000 | 156,895 | (43,105) | 78.4% |
| Other Income | 2,100 | 3,045 | 945 | 145.0% |
| Investment Earnings | 40,000 | 61,926 | 21,926 | 154.8% |
| Sale of Capital Assets | 160,000 | 206,680 | 46,680 | 129.2% |
| Total | \$ 6,223,147 | \$ 4,985,518 | \$ (1,237,629) | 80.1% |



| Fund 501 Equipment Rental | | | | | | | | | |
|---|-------------------------------|-----------|-------------------------------|-----------|-------------------------------|-----------|--------------|-----------|---------|
| Year-to-Year Expenditures & Transfers Out by Category | | | | | | | | | |
| Category | 2023 Expenses through October | | 2024 Expenses through October | | 2025 Expenses through October | | 2025 vs 2024 | | |
| | | | | | | | \$ | % | |
| Salaries, Wages, & Overtime | \$ | 286,351 | \$ | 406,163 | \$ | 426,651 | \$ | 20,488 | +5.0% |
| Benefits | | 145,560 | | 181,290 | | 187,704 | | 6,414 | +3.5% |
| Supplies | | 639,651 | | 625,297 | | 724,602 | | 99,305 | +15.9% |
| Services | | 677,747 | | 1,318,420 | | 1,525,095 | | 206,675 | +15.7% |
| Land, Structures, Machinery, Equipment | | 142,195 | | 130,376 | | 1,227,384 | | 1,097,008 | +841.4% |
| Transfers Out - Internal Cost Allocation | | 291,990 | | 306,594 | | 321,924 | | 15,330 | +5% |
| Total | \$ | 2,183,494 | \$ | 2,968,140 | \$ | 4,413,360 | \$ | 1,445,220 | +48.7% |

| Fund 501 Equipment Rental Year-to-Year Revenues and Transfers In by Category | | | | | | | | | |
|---|----------------------------------|-----------|----------------------------------|-----------|----------------------------------|-----------|--------------|-----------|---------|
| Category | 2023 Revenues through October | | 2024 Revenues through October | | 2025 Revenues through October | | 2025 vs 2024 | | |
| | | | | | | | \$ | % | |
| Fleet Replacement Charges | \$ | 875,432 | \$ | 1,033,956 | \$ | 1,911,933 | \$ | 877,977 | +85% |
| Fleet Lease Charges | | 754,289 | | - | | 2,645,039 | | 2,645,039 | - |
| Fleet Repair Charges | | 13,368 | | 193,780 | | 156,895 | | (36,885) | -19.0% |
| Other Income | | 85 | | 571 | | 3,045 | | 2,474 | +433.3% |
| Investment Earnings | | 172,254 | | 142,305 | | 61,926 | | (80,379) | -56% |
| Sale of Capital Assets | | 353,474 | | 61,587 | | 206,680 | | 145,093 | +236% |
| Total | \$ | 2,168,902 | \$ | 1,432,199 | \$ | 4,985,518 | \$ | 3,553,319 | +248.1% |

Fund 501 Prior Year Comparisons YTD



Fund 502 Insurance - Active Employees

Overview

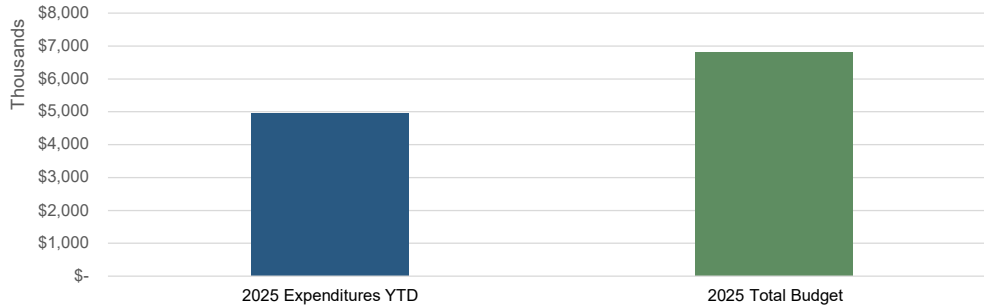
| | 2025 through October | | 2025 Total Budget | | Budget Variance % of Annual Budget |
|---------------------------------------|----------------------|----------------|-------------------|------------------|---------------------------------------|
| Revenues | \$ | 5,896,262 | \$ | 8,302,594 | 71.0% |
| Expenditures | | 4,783,784 | | 6,599,439 | 72.5% |
| Transfers Out | | 174,231 | | 209,077 | 83.3% |
| <hr/> | | | | | |
| Net Revenues Less Expenditures | \$ | 938,247 | \$ | 1,494,078 | |
| | | | | | % of Year Complete |
| | | | | | 83.3% |

Fund 502 Insurance - Active Employees
Expenditures and Transfers Out by Category

| Category | 2025 Total Budget | 2025 Expenses through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|--|---------------------|-------------------------------|--|---------------------------------------|
| Self Insurance Medical Claims | \$ 4,108,327 | \$ 2,902,688 | \$ 1,205,639 | 71% |
| Dental Claims | 413,306 | 356,396 | 56,910 | 86% |
| Prescription Claims | 1,158,759 | 1,127,396 | 31,363 | 97.3% |
| Vision Claims | 21,641 | 15,445 | 6,196 | 71.4% |
| Stop Loss Reimbursements | - | (333,717) | 333,717 | - |
| TPA Admin Fees | 155,034 | 144,612 | 10,422 | 93% |
| Excess Loss Prem | 621,372 | 526,027 | 95,345 | 85% |
| Contracted Services | 100,000 | 34,999 | 65,001 | 35% |
| Employee Wellness Services | 18,000 | 9,247 | 8,753 | 51% |
| Transfers Out - Internal Cost Allocation | 209,077 | 174,231 | 34,846 | 83% |
| Total | \$ 6,805,516 | \$ 4,957,324 | \$ 1,848,192 | 72.8% |

Fund 502 Expenditures and Transfers Out

% of Year Complete
83.3%

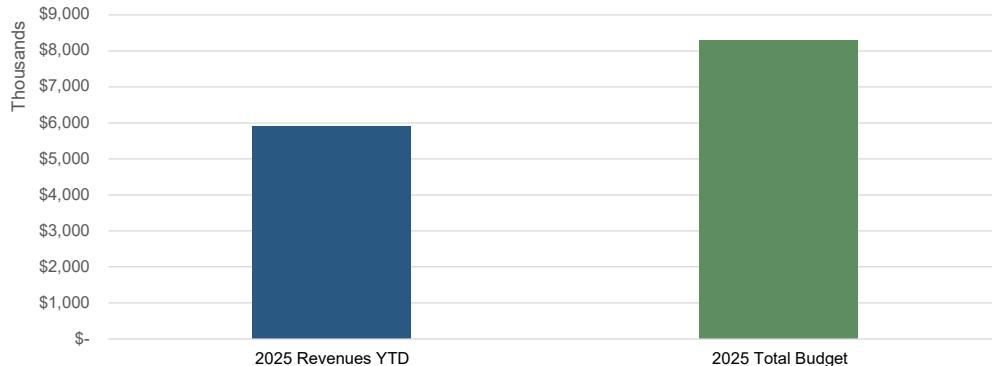


Revenues and Transfers In by Category

| Category | 2025 Total Budget | 2025 Revenues through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|-----------------------------------|---------------------|-------------------------------|--|---------------------------------------|
| Employer Trust Contributions | \$ 7,943,114 | \$ 5,378,201 | \$ (2,564,913) | 67.7% |
| Employee Voluntary Contributions | - | 55,911 | 55,911 | - |
| Employee Mandatory Contributions | 311,980 | 278,210 | (33,770) | 89.2% |
| Employee Benefit Program Services | - | 86 | 86 | - |
| Investment Earnings | 47,500 | 183,854 | 136,354 | 387.1% |
| Total | \$ 8,302,594 | \$ 5,896,262 | \$ (2,406,332) | 71.0% |

Fund 502 Revenues

% of Year Complete
83.3%



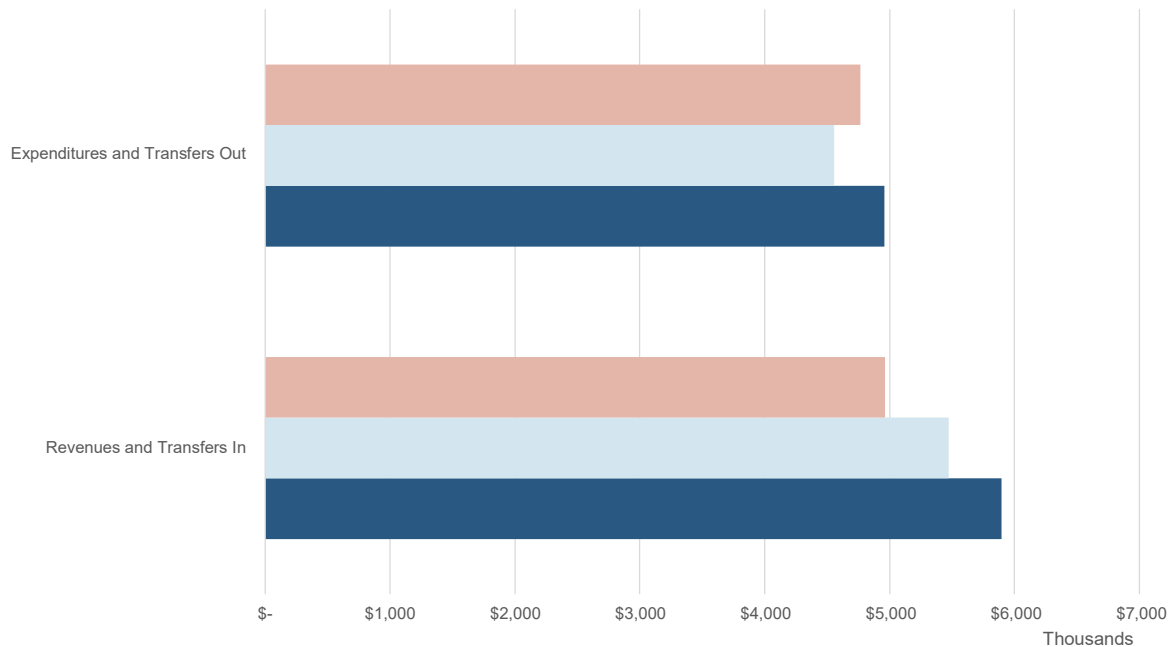
Fund 502 Insurance - Active Employees
Year-to-Year Expenditures & Transfers Out by Category

| Category | 2023 Expenses through October | | 2024 Expenses through October | | 2025 Expenses through October | | 2025 vs 2024 | | |
|--|-------------------------------|-----------|-------------------------------|-----------|-------------------------------|-----------|--------------|-----------|--------|
| | | | | | | | \$ | % | |
| Self Insurance Medical Claims | \$ | 3,157,715 | \$ | 3,033,729 | \$ | 2,902,688 | \$ | (131,041) | -4.3% |
| Dental Claims | | 335,772 | | 316,662 | | 356,396 | | 39,734 | +12.5% |
| Prescription Claims | | 739,669 | | 880,059 | | 1,127,396 | | 247,337 | +28.1% |
| Vision Claims | | 13,453 | | 14,645 | | 15,445 | | 800 | +5.5% |
| Stop Loss Reimbursements | | (44,611) | | (403,754) | | (333,717) | | 70,037 | -17.3% |
| TPA Admin Fees | | 116,335 | | 128,408 | | 144,612 | | 16,204 | +12.6% |
| Excess Loss Prem | | 235,105 | | 365,721 | | 526,027 | | 160,306 | +43.8% |
| Employee Wellness Supplies | | 628 | | 501 | | 691 | | 190 | +38% |
| Contracted Services | | 52,114 | | 52,111 | | 34,999 | | (17,112) | -33% |
| Employee Wellness Services | | 431 | | 3,355 | | 9,247 | | 5,892 | +176% |
| Transfers Out - Internal Cost Allocation | | 158,030 | | 165,935 | | 174,231 | | 8,296 | +5% |
| Total | \$ | 4,764,641 | \$ | 4,557,372 | \$ | 4,958,015 | \$ | 400,643 | +8.8% |

Fund 502 Insurance - Active Employees
Year-to-Year Revenues and Transfers In by Category

| Category | 2023 Revenues through October | | 2024 Revenues through October | | 2025 Revenues through October | | 2025 vs 2024 | | |
|-----------------------------------|-------------------------------|-----------|-------------------------------|-----------|-------------------------------|-----------|--------------|---------|---------|
| | | | | | | | \$ | % | |
| Employer Trust Contributions | \$ | 4,667,952 | \$ | 5,125,835 | \$ | 5,378,201 | \$ | 252,366 | +5% |
| Employee Voluntary Contributions | | 56,950 | | 30,916 | | 55,911 | | 24,995 | +80.8% |
| Employee Mandatory Contributions | | 71,110 | | 128,377 | | 278,210 | | 149,833 | +116.7% |
| Employee Benefit Program Services | | - | | - | | 86 | | 86 | - |
| Investment Earnings | | 167,630 | | 188,662 | | 183,854 | | (4,808) | -3% |
| Total | \$ | 4,963,642 | \$ | 5,473,790 | \$ | 5,896,262 | \$ | 422,472 | +7.7% |

Fund 502 Prior Year Comparisons YTD



Fund 503 Insurance - LEOFF I Retirees

Overview

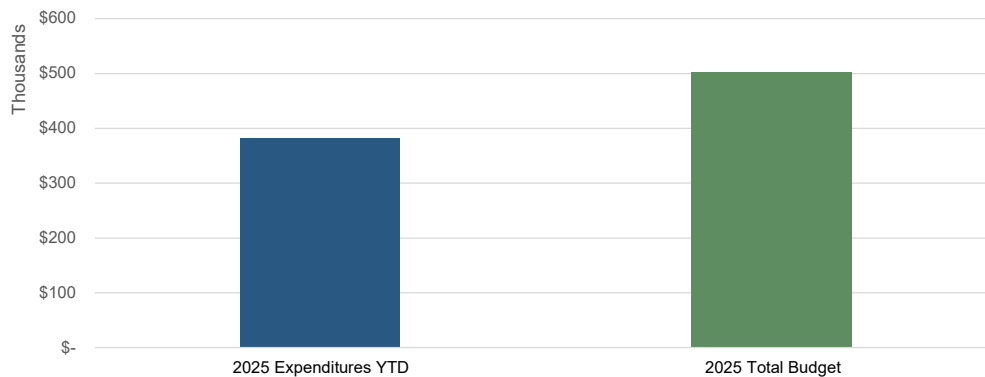
| | 2025 through October | | 2025 Total Budget | | Budget Variance % of Annual Budget |
|---------------------------------------|----------------------|----------------|-------------------|---------------|---------------------------------------|
| Revenues | \$ | 341,755 | \$ | 546,347 | 62.6% |
| Transfers In | | 300,000 | | - | - |
| Expenditures | | 371,489 | | 488,766 | 76.0% |
| Transfers Out | | 11,614 | | 13,938 | 83.3% |
| Net Revenues Less Expenditures | \$ | 258,652 | \$ | 43,643 | |
| | | | | | % of Year Complete 83.3% |

Fund 503 Insurance - LEOFF I Retirees
Expenditures and Transfers Out by Category

| Category | 2025 Total Budget | 2025 Expenses through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|--|-------------------|-------------------------------|--|---------------------------------------|
| Self Insurance Medical Claims | \$ 150,000 | \$ 60,123 | \$ 89,877 | 40% |
| Dental Claims | 32,931 | 36,786 | (3,855) | 112% |
| Prescription Claims | 169,644 | 134,806 | 34,838 | 79.5% |
| Vision Claims | 4,419 | 3,682 | 737 | 83.3% |
| TPA Admin Fees | 12,612 | 13,407 | (795) | 106% |
| Excess Loss Premium | 24,160 | 21,757 | 2,403 | 90% |
| Long Term Care | 15,000 | 80,420 | (65,420) | 536% |
| Out of Pocket | 75,000 | 2,620 | 72,380 | 3% |
| Medicare Plan B | - | 17,887 | (17,887) | - |
| Contracted Services | 5,000 | - | 5,000 | 0% |
| Transfers Out - Internal Cost Allocation | 13,938 | 11,614 | 2,324 | 83% |
| Total | \$ 502,704 | \$ 383,102 | \$ 119,602 | 76.2% |

Fund 503 Expenditures and Transfers Out

% of Year Complete
83.3%

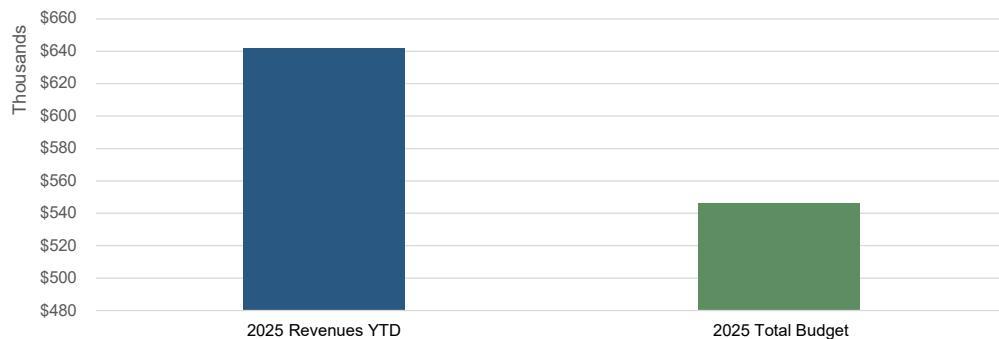


Revenues and Transfers In by Category

| Category | 2025 Total Budget | 2025 Revenues through October | Budget Variance (Unfavorable) / Favorable | Budget Variance % of Annual Budget |
|-------------------------------|-------------------|-------------------------------|--|---------------------------------------|
| Employer Trust Contributions | \$ 545,833 | \$ 341,561 | \$ (204,272) | 62.6% |
| Investment Earnings | 514 | 194 | (320) | 37.7% |
| Transfer In From General Fund | - | 300,000 | 300,000 | - |
| Total | \$ 546,347 | \$ 641,755 | \$ 95,408 | 117.5% |

Fund 503 Revenues

% of Year Complete
83.3%



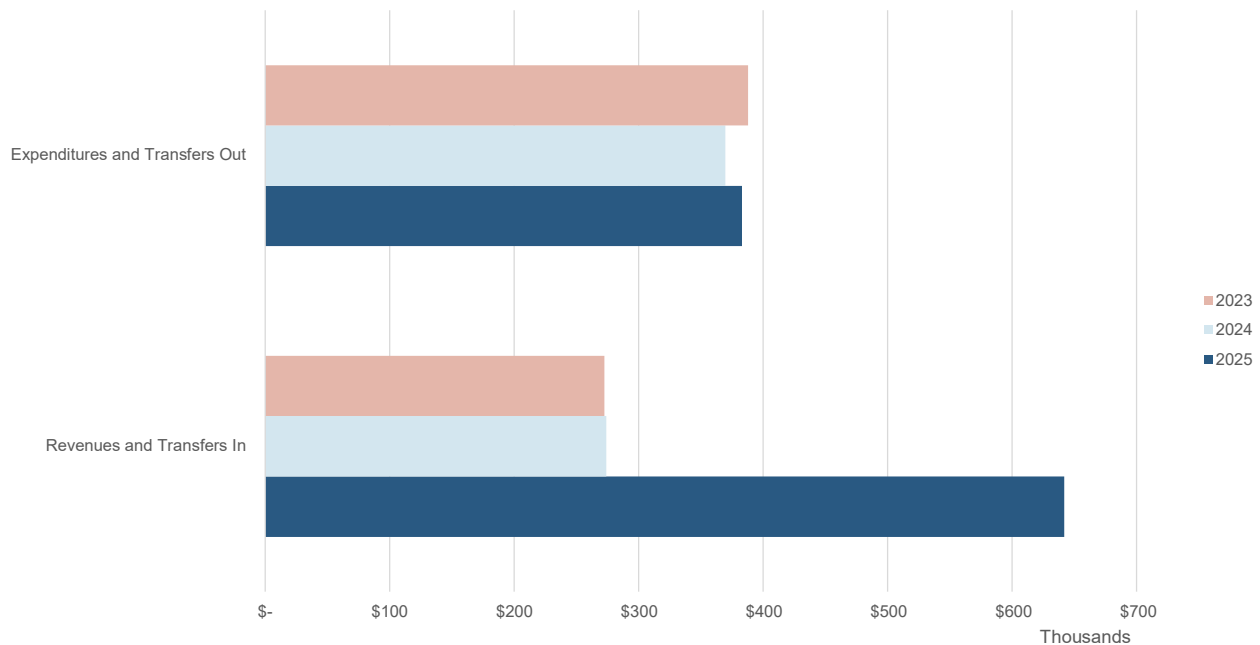
Fund 503 Insurance - LEOFF I Retirees
Year-to-Year Expenditures & Transfers Out by Category

| Category | 2023 Expenses through October | | 2024 Expenses through October | | 2025 Expenses through October | | 2025 vs 2024 | |
|--|-------------------------------|----------------|-------------------------------|----------------|-------------------------------|----------------|------------------|--------------|
| | | | | | | | \$ | % |
| Self Insurance Medical Claims | \$ | 64,008 | \$ | 47,621 | \$ | 60,123 | \$ 12,502 | +26.3% |
| Dental Claims | | 24,466 | | 24,479 | | 36,786 | 12,307 | +50.3% |
| Prescription Claims | | 130,582 | | 125,039 | | 134,806 | 9,767 | +7.8% |
| Vision Claims | | 2,241 | | 19,976 | | 3,682 | (16,294) | -81.6% |
| TPA Admin Fees | | 13,261 | | 13,318 | | 13,407 | 89 | +0.7% |
| Excess Loss Premium | | 46,577 | | 14,740 | | 21,757 | 7,017 | +47.6% |
| Long Term Care | | 62,880 | | 80,984 | | 80,420 | (564) | -0.7% |
| Out of Pocket | | 1,797 | | 8,111 | | 2,620 | (5,491) | -68% |
| Medicare Plan B | | 31,428 | | 22,365 | | 17,887 | (4,478) | -20% |
| Contracted Services | | - | | 2,000 | | - | (2,000) | -100% |
| Transfers Out - Internal Cost Allocation | | 10,540 | | 11,062 | | 11,614 | 552 | +5% |
| Total | \$ | 387,780 | \$ | 369,695 | \$ | 383,102 | \$ 13,407 | +3.6% |

Fund 503 Insurance - LEOFF I Retirees
Year-to-Year Revenues and Transfers In by Category

| Category | 2023 Revenues through October | | 2024 Revenues through October | | 2025 Revenues through October | | 2025 vs 2024 | |
|-------------------------------|-------------------------------|----------------|-------------------------------|----------------|-------------------------------|----------------|-------------------|----------------|
| | | | | | | | \$ | % |
| Employer Trust Contributions | \$ | 266,375 | \$ | 270,510 | \$ | 341,561 | \$ 71,051 | +26% |
| Investment Earnings | | 6,183 | | 3,497 | | 194 | (3,303) | -94.5% |
| Transfer In From General Fund | | - | | - | | 300,000 | 300,000 | - |
| Total | \$ | 272,558 | \$ | 274,007 | \$ | 641,755 | \$ 367,748 | +134.2% |

Fund 503 Prior Year Comparisons YTD



2025 Estimated Fund Balances
All Funds except Debt Service Funds

| Fund Name | 2025 Beginning Fund Balance | 2025 Actual & Estimated Revenues | Total Actual & Estimated Expenditures/ Expenses | 2025 Projected Ending Fund Balance |
|-------------------------------|--|---|--|---|
| General Fund* | \$ 24,722,225 | 80,773,458 | \$ 74,574,565 | \$ 30,921,118 |
| Special Revenue Funds | | | | |
| Hotel Motel Tax | 3,728,106 | 912,272 | 400,183 | 4,240,195 |
| Arterial Streets | 7,326,170 | 6,643,155 | 3,776,001 | 10,193,323 |
| Drug Seizure Fund | 436,912 | 24,849 | 73,000 | 388,761 |
| Capital Project Funds | | | | |
| Residential streets | 1,770,619 | 378,453 | 87,514 | 2,061,558 |
| Land Acq, Rec, & Parks Imps | 4,359,134 | 1,745,199 | 1,354,578 | 4,749,755 |
| General Gov't Imps | 41,694 | 341,620 | 95,459 | 287,856 |
| Fire Improvement | - | 89,570 | 89,570 | - |
| Public Safety | 1,617,834 | 499,848 | 1,190,993 | 926,690 |
| City Facilities | 989,887 | 906,616 | 657,462 | 1,239,041 |
| Enterprise Funds | | | | |
| Water Fund** | 4,548,131 | 8,769,676 | 9,386,564 | 3,931,244 |
| Sewer Fund** | 13,900,117 | 10,850,058 | 12,731,754 | 12,018,421 |
| Golf Course** | 1,695,891 | 3,076,826 | 2,618,606 | 2,154,112 |
| SSWM Fund** | 13,081,527 | 11,240,084 | 8,347,476 | 15,974,134 |
| Internal Service Funds | | | | |
| Equipment Rental** | 1,931,334 | 5,105,055 | 5,008,161 | 2,028,228 |
| Insurance - Active | 3,454,472 | 6,461,604 | 5,926,101 | 3,989,975 |
| LEOFF 1 Retirees | (58,262) | 669,865 | 457,032 | 154,571 |
| Total All Funds | \$ 83,545,791 | \$ 138,488,207 | \$ 126,775,017 | \$ 95,258,982 |

*Includes Contingency Fund 105

**Excludes net position restricted for net investment in capital assets and pension.

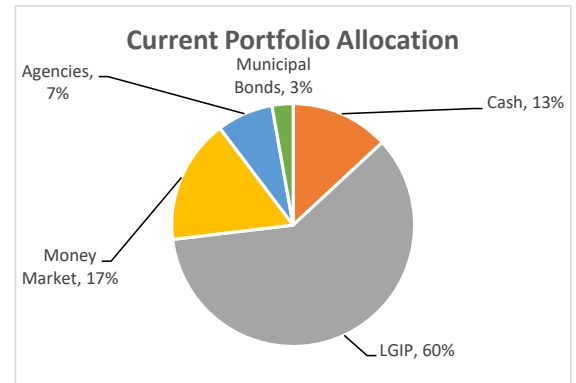
CITY OF TUKWILA
Cash and Investment Details
CASH & INVESTMENT REPORT
October 31, 2025

| Depository | Investment Type | Maturity Date | Balance | Current Rate | (d) Annualized Return |
|--|----------------------|---------------|-------------------|--------------|-----------------------|
| CASH & CASH EQUIVALENTS | | | | | |
| US Bank Operating Cash | Depository | (b) | 14,001,833 | 0.60% | 84,011 (e) |
| Washington State Treasurer | LGIP Investment Pool | (b) | 64,110,054 | 4.29% | 2,750,065 (f) |
| Columbia (Umpqua) Bank | Money Market | (b) | 17,731,463 | 4.55% | 806,782 (f) |
| Total Cash & Cash Equivalents | | | 95,843,351 | 3.80% | 3,640,857 (g) |

| Agency / Issuer | Rating | Investment Type | Purchase Date | Maturity Date | (a) Term Yrs. | Face Value | (c) Yield to Maturity | Annualized Return |
|---|--------|-----------------|---------------|---------------|---------------|-----------------------|-----------------------|---------------------|
| INVESTMENTS | | | | | | | | |
| Agencies | | | | | | | | |
| Federal Home Loan Bank | Aaa | US agency | 02/2021 | 02/2026 | 0.3 | 1,000,000 | 0.63% | 6,250 |
| Federal Farm Credit Bank | Aaa | US agency | 06/2021 | 06/2026 | 0.6 | 1,000,000 | 0.90% | 9,000 |
| Federal Home Loan Bank | Aaa | US agency | 11/2021 | 11/2026 | 1.0 | 2,000,000 | 1.46% | 29,200 |
| Federal Farm Credit Bank | Aaa | US agency | 03/2022 | 12/2025 | 0.1 | 1,000,000 | 2.00% | 20,000 |
| Federal Home Loan Bank | Aaa | US agency | 05/2022 | 05/2027 | 1.5 | 1,000,000 | 3.96% | 40,000 |
| Federal Home Loan Bank | Aaa | US agency | 05/2022 | 05/2026 | 0.5 | 1,000,000 | 3.38% | 33,750 |
| Federal Home Loan Bank | Aaa | US agency | 06/2022 | 06/2027 | 1.6 | 1,000,000 | 3.59% | 35,900 |
| TOTAL AGENCIES | | | | | | 8,000,000 | 2.18% | 174,100 |
| Taxable Municipal Bonds | | | | | | | | |
| Metro Oregon GO Taxable | AAA | LTGO | 06/2021 | 06/2026 | 0.6 | 1,000,000 | 0.83% | 32,500 |
| King County WA GO Taxable | | | 03/2022 | 12/2026 | 1.1 | 1,000,000 | 2.33% | 14,000 |
| Bellevue WA GO Taxable | | | 04/2022 | 12/2026 | 1.1 | 1,000,000 | 3.12% | 14,370 |
| TOTAL MUNICIPAL BONDS | | | | | | 3,000,000 | 2.03% | 60,870 |
| Total Investments | | | | | | 11,000,000 | 2.14% | 234,970 |
| TOTAL PROJECTED CASH, CASH EQUIVALENTS & INVESTMENTS | | | | | | \$ 106,843,351 | 3.63% | \$ 3,875,827 |

↑
Current Portfolio Yield

- (a) Term is calculated to final maturity or call date if bond has been called.
- (b) No fixed maturity, funds are available within one day.
- (c) Yield to Maturity represents average rate for the year for various investment vehicles.
- (d) Annualized return represents annual earnings at current rate.
- (e) Represents earning credit from US Bank. City earned interest up to the amount of fees.
- (f) Current rate reflects most recent interest rate for each depository account.
- (g) Represents annual earnings, assuming no changes in the Market. Actual earnings to date are \$2,237,506



CITY OF TUKWILA
Policy Compliance & Liquidity Analysis
CASH & INVESTMENT REPORT
October 31, 2025

| Cash & Investments | Portfolio Amount | As of Report Date | |
|--|-------------------------|--------------------------------|---------------------------------|
| | | Available Within 1 Year | Available Within 5 Years |
| Funds immediately available - US Bank, State LGIP, Money market | \$ 95,843,351 | \$ 95,843,351 | \$ 95,843,351 |
| Fixed Maturity Investments, maturing in: | | | |
| 0-90 days after Report Date | 2,000,000 | | |
| 91-180 days after Report Date | 1,000,000 | | |
| 181-270 days after Report Date | 2,000,000 | | |
| 271-360 days after Report Date | 2,000,000 | | |
| Total Investments maturing in 1 year or less | 7,000,000 | 7,000,000 | 7,000,000 |
| Investments maturing in more than 1 year and less than 10 years. | 4,000,000 | | 4,000,000 |
| Total Cash & Investments | \$ 106,843,351 | \$102,843,351 | \$ 106,843,351 |
| | | 96% | 100% |

| Financial Institution Diversification | Portfolio Amount | % of Total | POLICY MAXIMUM | Policy Met? |
|---|-------------------------|-------------------|-----------------------|--------------------|
| US Bank | \$ 14,001,833 | 13.1% | insured by PDPC | Yes |
| Columbia (Umpquah) Bank | 17,731,463 | 16.6% | 20% | Yes |
| State LGIP | 64,110,054 | 60.0% | 100.0% | Yes |
| Investments in US Government and other non-financial institutions | 11,000,000 | 10.3% | varies see below | Yes |
| Total | \$ 106,843,351 | 100.0% | | |

| Investment Mix | Portfolio Amount | % of Total | POLICY MAXIMUM | Policy Met? |
|-----------------------|-------------------------|-------------------|-----------------------|--------------------|
| Depository (USBank) | 14,001,833 | 13.1% | insured by PDPC | Yes |
| State Investment Pool | 64,110,054 | 60.0% | 100% | Yes |
| Umpquah | 17,731,463 | 16.6% | insured by PDPC | Yes |
| US Agency | 8,000,000 | 7.5% | 100% | Yes |
| Municipal Bonds | 3,000,000 | 2.8% | 30% | Yes |
| Total | 106,843,351 | 100.0% | | |

| Weighted Average Maturities: | Years | Performance Analysis | |
|-------------------------------------|--------------|-----------------------------|--------|
| Funds Immediately Available | 0.0 | Current portfolio yield | 3.628% |
| Government Agency bonds | 0.8 | | |
| Municipal bonds | 0.9 | | |
| Total WAM | 0.1 | Benchmarks: | |
| | | 2 year treasury | 3.582% |
| | | 3 year treasury | 3.581% |
| | | 5 year treasury | 3.689% |
| POLICY MAXIMUM | 2.0 | | |
| Policy Met? | Yes | | |

Note: Funds immediately available are *not* factored into the Portfolio Investments weighted average maturity.