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## MEMORANDUM

TO: Mayor and City Council

FROM: Pete Butkus

RE: Budget Background and Decision Package Matrix- For 26 NOV Work Study

DATE: 16 NOV 12

### **Introduction**

This memorandum is in response to City Council-suggested changes to the Preliminary Budget. It provides several distinct sections as shown in the Table of Contents. Actions anticipated to be taken prior to acting on this memorandum are listed first, followed by several Tables making up a Decision Package and concludes with specific documentation in the several Attachments.

I propose that we proceed by reviewing the information provided and then use the decision package to construct the next level of the Budget. Those items having a Council majority for support will be entered into the budget and those not receiving a majority will be dropped from further consideration. Unless specifically requested, the Attachments will not be reviewed as they simply serve as background information.

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### **Actions taken**

Since the Council provided budget input on Monday, 29 OCT, the following actions have been taken:

- Legal development of a proposed Ordinance to increase the utility tax on Cable services by 5%. Added to this was a staff-generated Ordinance for Council consideration to increase the utility tax on the city stormwater utility. These proposals are presented for your consideration at this meeting after review by the Finance Committee on 20 NOV.

- Legal drafting of an Ordinance that provided the legal basis for members of the Council to “decline” their annual compensation. This proposal will be presented for your consideration at the Council meeting of 20 DEC.
- An examination of our permit system tracking software and options for some cost reductions. Covered in [Tables 1 and 2](#) of this memo.
- Follow-up on other Council-initiated Budget options and direction. Covered later in this memo.

## **Assumption testing**

Major assumptions were tested and where necessary, updated or explained. A summary of those items tested are below, followed by specific details.

- Clarification has been provided regarding savings from elimination of the drug dog and cost-sharing for the DARE program in the Police Department.
- Updated information has been provided on the YarrowBay fiscal analysis.
- Permit fee increases presented for Council consideration have been focused on reimbursement for General Fund employees or contractors other than YB-supported employees.
- The approximate \$200,000 income from YarrowBay in late 2011 was revenue that was based on a second application for a Preliminary Plat. This revenue was not accounted for in the General Fund, but in the Funding Agreement Cash Reserve. This revenue was later offset by a refund of these fees a few months later in early 2012. [See Attachment A.](#)
- The possibility of charging to YarrowBay certain costs - like general liability insurance - has been explored. Based on the complexity of the issue and the need to obtain consent from YarrowBay to make changes, this item is deferred for a few weeks. Note: Early discussions on the \$15K per month (\$180K per year) being invoiced to YB led to a close examination of this accounting practice. Those examinations indicate that we are expected to close this year VERY close to the \$180K allowed.
- Permit tracking costs have been compared to other jurisdictions and an option for cost reduction presented for Council consideration.
- Cost of the SEPA Appeal before the Hearing Examiner

Police K-9 and the DARE Program. Further review of the figures reveals that there are limited dollar savings to be had by elimination of the K-9 service. There IS an increase in service to the public for no additional cost with program elimination. Here is why: What was listed as “costs” are only so in that these activities “cost” time from regular police activities. For example, the police officer provides “kennel services” and this is a reduction in regular time spent on preventative or reactive patrol services. Proposed consideration for DARE funding source(s) would provide a modest GF savings, while maintaining the activity. [See Attachment B.](#)

YarrowBay fiscal analysis. Updated information is attached and has been placed on the city web site. [See Attachment C.](#)

Permit fees. The Development Agreement with YarrowBay (YB) notes that certain fee revenue in excess of a specific amount will be credited back to YB when the fee activity is related to staff funded under YB agreements. Staff has carefully examined the proposed activities and generated permit fee increases for Council consideration that focus on the time investment of General Fund employees, consultants and the Council. See the information in [Attachment D](#) and the fee schedule proposal for Council consideration, [Table 5](#).

SEPA appeal costs. See [Attachment E](#) from the \*\*\* *now-annotated* \*\*\* Council packet of Monday, 29 OCT.

Permit tracking costs. This is a several part response which consists of:

- A survey of other jurisdictions software, costs and notes see [Table 1](#).
- A breakout of our costs, comments and potential cost reductions see [Table 2](#). While this is potentially a part of the later Decision Package it is presented here to provide continuity with other permit information.
- A longer-range look at permit tracking.

[Table 1](#) Permit tracking software survey results

Jurisdiction	Software	2012 Cost (does not include taxes)	Notes
<b>Black Diamond</b>	<b>Permit Trax</b>	<b>\$8300 (the \$9000 budgeted includes tax)</b>	<b>Permit Trax</b>
Covington	Accella	\$12,700	Changing to <b>Permit Trax</b> in 2013 at same cost
Maple Valley	Trakit	\$11,000	Budgeted for \$10,500 in 2013
Enumclaw	Code	Purchased for \$40,000 in 2008.	City not satisfied with performance – low functionally. They are running an Excel spreadsheet in tandem to get tracing information needed.
Auburn	Trakit	\$19,200	Adding a GIS module in 2013, cost will then be \$24,000
eCityGov.net		Sammamish is now undergoing a major upgrade with total (5yr) cost in the neighborhood of \$500,000+.	Snoqualmie, the smallest partner, is on hold for their upgrades which may reach \$350,000 (5 yr.). This is provided as an FYI - these systems are not cheap!



**Table 2 Breakout of Black Diamond permit tracking system costs – 2013 Budget proposal**

Software element	Cost (not Including tax)	Comments	Recommendation
Main console	\$5000	Vital support for the City - includes all software updates. The provider, Bitco, has provided multiple updates, adding on-line inspections and permitting; report development and moved screens to more of an icon-based system. Fee schedule was updated and software modification that allow adding features by staff without having to go through the company. Under this fee, only new modules or a large scale update or extraction are charged extra.	Good value with great service. It is <u>strongly recommend</u> keeping this portion of the program.
Citizen connect	\$1200	Allows all permits to be tracked on-line by the public with a permit number or an address. Allows on-line scheduling of inspections. Allows for future on-line permitting with the addition of a payment gateway. Applicants with multiple permits can set up accounts to group their permits together.  This function serves as an on-line portal that is a historical document useful for PDR response. Covington's planned change to this software in 2013 will allow the Covington inspectors retained by Interlocal Agreement to use their newly-issued iPad tools to document field inspections and then post the information on our system (in 2013).	Good public service features. This portion of the program is offered up <u>with reluctance</u> for consideration of a future cost reduction.
Annual escrow maintenance	\$1100	Allows quarterly database backup and storage with an archiving company. We then would have access for backup and restoration in the event of data loss. Also, the basic software codes are stored here and if a major loss or death of a principal occurred at our software provider, we would have access to development codes.	Provides basic security, redundancy and is in effect an "insurance" policy. It is <u>strongly recommend</u> keeping this portion of the program.
Contingency	\$1000	Contingency for any special needs unique to BD that may come up during the year.  Example: Two now-planned contingency uses are integration of the Fire Impact Fee recently implemented by the City Council and integration of a cashier feature to reduce financial tracking costs.	If eliminated, eliminates ability to make any needed or desired changes. It is <u>strongly recommend</u> keeping this this portion of the program.
<b>TOTAL</b>	<b>\$8300 (no tax); \$9014 (w/ tax)</b>		

A longer-range look at permit management/tracking is the consideration of joining with [eCityGov.net](http://eCityGov.net) as their on-line programs expand and various software options are vetted – allowing other local governments to proof the system for us as to ease of use, reliability and cost. This local government group, with 10 core members and 31 contracted local governments, serves over 1.5 million people in the central Puget Sound. For example, in about 3 years this group plans to do building plan submittals electronically, eliminating paper filing. Given the future needs of the City and *after determining the potential for development activity*, this may be an option to explore and then cost out all the alternatives. This exploration is not suggested for 2013, but could take place in future years.

## **Decision Package**

This package is three parts: Executive actions already taken to further reduce the proposed 2013 Budget as illustrated in [Table 3](#), potential cost reductions for consideration and decision by the Council as illustrated in [Table 4](#) and new fees or fee increases for consideration and decision by the Council in [Table 5](#).

**Table 3** Executive actions

Action	2013 Cost saving	Notes
Do not fill the Senior Accountant position	Salary & Benefits  <u>\$40,811</u> GF  \$2720 Street  \$1870 Water, sewer and storm, each  Total \$68,041	Assumes reducing other City Hall front office time, MDRT and Permit Center staff for accounting functions (all will share the work, but not enough to require re-classification of positions). Some YB financial management activity related to the MDRT function will be performed by MDRT-funded staff. Some activities (like the bi-monthly newsletter change) will free up staff time.  CAUTION: Not filling this position generates work load risks and is undertaken as an experiment. It may need to be adjusted in 2013.
Move the City Connection newsletter, published 6 times per year to a web-based newsletter	Staff time re-directed = 192 hrs./year  Reduced copy and paper costs of <u>\$624</u>	A necessary step (with others) to not filling the Senior Accountant position. Assumes a very modest paper printing of 100 each issue for front counter, KC Library and Community Center distribution for those citizens not using the Internet. Assumptions used to generate savings: <ul style="list-style-type: none"> <li>• Staff time based on 32 hours/issue x 6 issues = 192 hours/year</li> <li>• Copy costs @ 1540 customers – 100 customers = 1350 customers @ 3 pages (assumed) per issue using double-sided printing = 4050 pages x 6/year = 24,300 pages @ \$0.011 per copy = \$ <u>267</u></li> <li>• Paper cost saving of 2 pieces of paper x 1350 x 6 = 16,200 pieces of paper = <u>\$357</u></li> </ul>

Review 2012 work and then re-allocate staff time away from Parks and Cemetery. Includes the cost reduction for portable restrooms and parking fee revenue increase	Included in the latest GF proposed Budget  \$30,000	Examination was already underway as a part of the 2013 Budget process. A study of actual time spent JAN thru OCT of 2012 shows that the assumptions need to be adjusted to properly reflect actual time spent. Coupled with an adjustment of management time, the new figure represents the best available data upon which to base budget decisions. See <u>Attachment F</u> .
Charge fees for credit card transactions at City Hall/Permit Center and the Court.	Would benefit the GF as well as other Funds  Approx. credit card charges per year: Court: 520 City Hall + Building: not provided  \$ Not determined	Consider a "customer convenience fee" for each credit card transaction and an additional fee for each transaction in excess of \$1000 to help defer the percentage of the gross amount charge from the financial institution. This may be a 2-part process – one would be contracting with "Invoice Cloud" or "Ncourt" or a similar system for web-based water, sewer, storm utility payments and court payments. The second part would be on-site fees for credit card charges.  <u>Research and recommendation in 2013.</u>
<b>TOTAL documented GF savings</b>	<b>\$71,435</b>	NOTE: this amount exceeds the Council-suggested savings generation for the General Fund.

Table 4 Cost reductions for Council consideration

Title	2013 Savings	Decision
Police K-9, eliminate program. May need to examine return of 2012 fundraiser proceeds.	\$1100	
Police DARE – maintain program staffing as a regular time activity (No OT) but utilize fundraising activities to cover all extra-ordinary costs like materials and training. 2013 Budget has \$600 for materials and \$400 for training. This is partially offset by \$500 PTA support, thus a potential GF savings of \$500. Note: K-9 and DARE both are directed at drug issues with some ancillary benefits. If the decision is to drop K-9 and keep DARE, the potential to use previous K-9 fundraising funds for DARE should be examined. ACTION NEEDED: increase fundraising to \$1000/yr.	\$500	
Eliminate SEPA appeal costs in HE category for the second of two anticipated hearings in 2013. There are two options. <ul style="list-style-type: none"> <li>Have the appellant(s) pay for the HE cost. This option has some legal qualifications of caution.</li> <li>Eliminate the HE appeal process and move any appeal directly to Superior Court. If chosen, this option requires Planning Commission and state review before finalizing.</li> </ul>	\$12,500       See again <u>Attachment E</u> for	

Note: Neither of these options eliminates the current appeal that is in process. Only the anticipated second appeal in 2013 is considered for cost reductions here. NOTE: The OCT 2012 invoice for SEPA appeal work was \$6700. Based on the recently-concluded hearing, anticipated document review time and decision writing the anticipated cost of \$12,500 may be low. This may also involve a 2012 Budget adjustment and an offsetting reduction for the first hearing of two that are now included in the 2013 Budget.	how this \$ amount was determined.	
Basic park maintenance by contract – freeing city staff for other duties. This would involve partnering with Covington under an existing Black Diamond – Covington – Maple Valley Interlocal Agreement.  Savings for 2013 realized by accounting changes. Parks maintenance is now at a reduced level that will be examined for efficiencies in service delivery, including but not limited to contracting out the work, if such contracting delivers actual savings.	N/A	
Reduce the number of portable restrooms at selected parks/recreation facilities. Retention of the restroom at the Boat Launch is strongly suggested. This would be a continuing cost of \$1278 annually. Savings for removing restroom facilities at the Skate Park and the Regional Park parking lot total \$3710/yr. See <u>Attachment G</u> .	\$3710 * Included in item 3, Table 3	
<b>TOTAL potential cost reductions</b>	<b>\$14,100</b>	

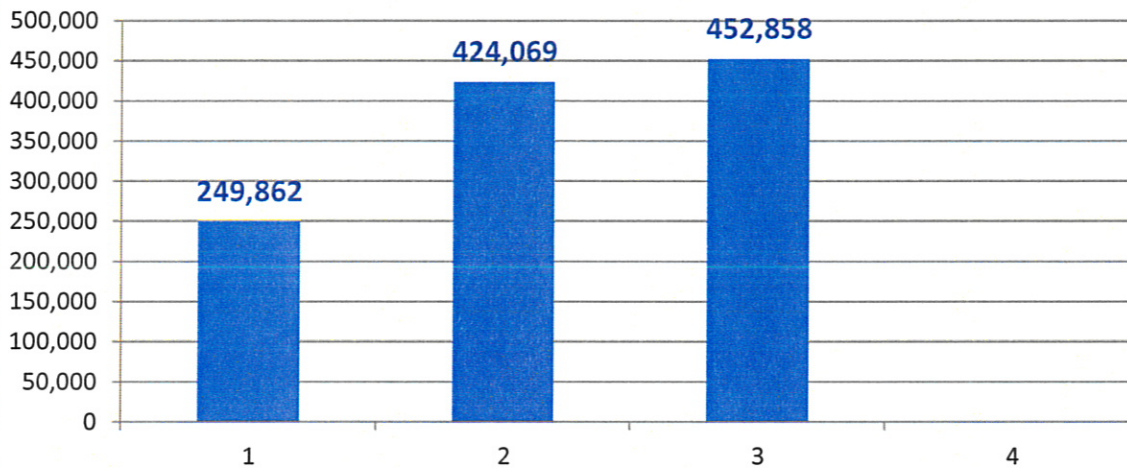
**Table 5** Fee imposition or increases for Council consideration

Existing fee	New Fee or Fee Increase	Notes	Estimated Revenue	Decision
Special events permits – currently no fee	\$200 for multi-day events requiring Council approval; \$400 for those events charging an entry fee  Note: an alternative to the later fee would be to impose an Admission Tax in the city.	These fees are to cover the City Administrator, City Attorney, fire and police review time and City Council hearing time - it is NOT for permit center staff. Assumptions: July 4 - Lake Sawyer, \$200; Xterra & Tough Mudder \$800.	\$1000	
Technology fee - currently no fee	Flat fee of \$25 per building permit application + \$2 for each \$10,000 in project value. In this case, a \$350,000 house would have a fee of \$95 for technology.  Based on 2011 permit activity, with 90 eligible permit actions, a flat fee would generate	Helps pay for annual permit software maintenance. This would not apply to: business licenses, over-the-counter permits, lower cost –planning permits (Shoreline Exemptions as an example) or special event permits.		

	<u>\$2250</u> ; building permit by value would generate <u>\$575</u> .		\$2825	
Training fee – currently no fee	Flat fee of \$1/permit, assumption of 100 permits issued under I-codes.	Pays for some permit center training costs	\$100	
Code text amendment – currently no fee	\$2000 (same as Comp Plan amendment fee). Assume 1/year.	Pays for legal notice advertising, staff time, attorney drafting & eventual update of code.	\$2000 *	
General COLA to ALL Permit fees	Add 1% for 2013	2011 fees totaled \$52,500 - anticipated to yield \$525.	\$525	
Pre-Application Meeting (1 hour mtg. & staff review) No charge.	Keep the first hour for free with any meeting beyond that at \$200 per meeting. Likely to occur 1-2 times per year, thus assumed low level of \$200		\$200 *	
Tree permit exemptions	\$100 (same as Shorelines permit exemption)	Aaron performs up to 20 site inspections/annually, assume 20	\$2000	
Parking fees for vehicles w/o trailers @ Lake Sawyer Boat Launch.	People coming to picnic or having extra vehicles with boat launch activity would be expected to pay a parking fee of \$2.50 x 12 stalls x 150 days = \$4500. <u>See Attachment H</u> .	Use existing boat trailer parking fee kiosk. Could be used to help finance park maintenance. NOTE: undefined but modest cost for additional sign posting and potential kiosk upgrade.	\$4500*  Included In item3, Table 3	
Cemetery fees	Increase fees to reflect current time and material costs of obtaining liners and vaults	Assumption: 2 each /year. New Fee would be actual costs + \$100 for each for pickup & delivery.	\$400	
<b>TOTAL Potential GF Fee Increase – does not include *</b>		NOTE: Fee amounts with an * are not thought to be likely every year OR other wise accounted for in the budget process, thus they are not included in the total to the right.	<b>\$6850</b>	



### Ending General Fund Reserve



### Black Diamond General Fund Budget History

	2010	2011	2012 (Est.)	2013 (Budget)
<u>General Fund Revenue</u>				
Property Tax	998,553	1,360,491	1,374,000	1,397,335
Other Taxes	736,600	771,492	741,150	740,950
Other Revenue	798,916	1,076,035	713,593	680,282
Subtotal GF Revenue	2,534,069	3,208,018	2,828,743	2,818,567
Yarrow Bay Revenue	1,349,968	1,404,173	1,526,680	1,574,230
Total GF Operating Revenue	3,884,037	4,612,191	4,355,423	4,392,797
Yarrow Bay 1 Time Revenue	642,894	652,224	809,000	759,000
Total General Fund Revenue	4,526,931	5,264,415	5,164,423	5,151,797
<u>General Fund Spending</u>				
Public Safety	2,061,062	2,064,197	2,190,197	2,313,008
Other General Fund	1,957,640	2,017,798	2,136,437	2,328,572
Total Operating Expenditures	4,018,702	4,081,995	4,326,634	4,641,580
Reimbursable Yarrow Bay Expenses	724,014	603,557	1,060,458	759,000
Total Expenditures	4,742,716	4,685,552	5,387,092	5,400,580
Ending General Fund Reserve	249,862	424,069	452,858	
Ending Funding Agreement Reserve	163,790	497,145	245,687	
Total Ending Cash & Investment	413,652	921,214	698,545	0

\* Includes Refund of App 2 MPD



**Black Diamond Police Department**  
**Jamey Kiblinger, Chief**

25510 Lawson Street / PO Box 309  
 Black Diamond, WA 98010  
 (253) 631-1012 ~ Fax (360) 886-2901

### **K-9 allocation and summary:**

The 2012 K9 budget is broken into several separate line items;

- overtime allocation                 \$500.00
- supplies                                 \$300.00
- misc. expenses                     \$100.00
- training                                 \$200.00
- grooming expense                 \$400.00

**Revenue** 2011 \$1814.50, 2012 \$1801.00 (community fundraising)

The real (in-direct) cost of the K9 unit comes from kennel time and training time. This issue is addressed in several cases under the Fair Labor Standards Act. It basically states that time spent in the at-home care of police dogs is compensable time and that, to the extent that these hours exceed 40 in one week, time and one-half compensation must be paid. Instead of paying overtime, our K9 officer works 4- 9 hour days instead of 4 -10 hour days. In addition to kennel time, state law requires an additional 16 hours of training per month. In a small department, this is time off of the street which affects staffing and response to calls for service. As we anticipate lay-offs, we have to address these issues and prioritize any specialty units. The cost of kennel time at straight time is \$12,672 per year (in-direct cost). The cost of training per year (16 hours a month) is \$12,672 (in-direct). As requested, here are a few pros and cons to having a K9 unit.

#### **PROS**

- To support the preventative patrol
- To support the delivery of warrants
- To search for narcotics
- Deterrence
- Public relations

#### **CONS**

- The Fair Labor Standards requirement for handler care and overtime generated for at-home maintenance
- Loss of unit for continued maintenance training, which is sixteen hours a month
- Scheduling challenges
- Overtime during field training

## DARE

The DARE budget is allocated into two line items;

- Supplies (notebooks, t-shirts, DARE lion) \$600.00
- Training (every other year) \$1000.00

REVENUE     **\$500.00 from the PTA**

The real (in-direct) cost of the DARE program involves the officer's time in the classroom. He spends two hours a week for 10 weeks. He is not paid overtime as this is part of his normal patrol day. This cost (at straight time) is approximately \$1400.00.

## PROS

- "humanizes" the police: that is, young people can begin to relate to officers as people
- permits students to see officers in a helping role, not just an enforcement role
- opens lines of communication between law enforcement and youth
- Officers can serve as conduits to provide information beyond drug-related topics
- opens dialogue between the school, police, and parents to deal with other issues
- education beyond traditional drug abuse and violence prevention programs. It gives children the skills needed to recognize and resist the subtle and overt pressures that cause them to experiment with drugs or become involved in gangs or violent activities

## CONS

- Scheduling challenges



**FISCAL IMPACT ANALYSIS FOR PHASE 1A  
OF THE VILLAGES AND LAWSON HILLS  
MASTER PLANNED DEVELOPMENT  
September 20, 2012**

**Prepared for:  
BD VILLAGE PARTNERS, LP  
BD LAWSON PARTNERS, LP**

**Prepared By:**



**4380 AUBURN BOULEVARD  
SACRAMENTO, CALIFORNIA 95841**

## Won't The Planned Yarrow Bay MPD's Solve this General Fund Structural Deficit Problem?

**No** – Based on the Fiscal Analysis submitted as part of the Preliminary Plat for Phase 1-A, the General Fund problem will get worse, not better, at least in the short term! Following is a summary of the forecast General Fund annual fiscal deficits attributable to Phase 1-A based on Yarrow Bay's fiscal consultant report.

2014	\$66,838
2015	(\$347,500)
2016	(\$569,712)
2017	(\$439,084)
2018	(\$292,068)
2019	(\$288,315)
2020	(\$279,367)
2021	(\$272,289)
Cumulative	(\$2,421,496)

Please note, the report concludes that the overall fiscal impact of Phase 1-A including one time sales tax revenues, REET revenues etc. will be positive, but given current budget silos as prescribed by law and the limited level of commercial development in Phase 1-A, this will not help us with the General Fund.

**Pete Butkus**

---

**From:** Steve Pilcher  
**Sent:** Wednesday, October 31, 2012 10:59 AM  
**To:** Pete Butkus  
**Subject:** Funding Agreement & fee limitations

Pete:

Section 8 of the Funding Agreement states the following:

“.....the City shall account for any non-Villages MPD and non-Lawson Hills MPD related permit revenue over five hundred dollars (\$500.00) that was received by the City as a result of City staff positions listed on Exhibit C. The Quarterly Accounting shall show the City providing the Developer a credit towards the following month's Monthly Fixed Amount by that amount of non-Villages MPD and non-Lawson Hills MPD related permit revenue received by the City, provided City staff positions funded by this Agreement worked on that non-Villages MPD and non-Lawson Hills MPD permit.”

As you know, the Community Development and Public Works staff are funded by Yarrow Bay. Therefore, other than building permits, we typically cannot exceed the \$500 cap without giving YB a credit for the collected fee. This limits our ability to raise significant revenues from Special Events, land use permits, etc.

**Steve**

## MEMORANDUM

*Annotated – see page 2*

TO: Mayor and City Council

FROM: Pete Butkus

RE: Council question on payment for Hearing Examiner costs

DATE: 23 OCT 2012

Question:

Why does the Mayor's proposed 2013 General Fund Budget show a planned expenditure of \$30,000 for the Hearing Examiner?

Response:

This amount is suggested to cover our normal GF budget allocation for Hearing Examiner costs of \$5000 as well as an anticipated cost of \$25,000 for the appeal before the Hearing Examiner related to the SEPA determination for the Phase 1 Preliminary Plat of the Villages AND one other such appeal in 2013. Further, it is estimated that the SEPA Appeal will incur 80 hours of the Hearing Examiner's time at \$145/hr. equals \$11,600. It is likely that a second preliminary plat application (and its SEPA determination) will be completed in 2013. Given the history of proposed YB projects in Black Diamond it is reasonable that this second SEPA determination will also be appealed.  $\$11,600 \times 2 = \$23,200$  which is then rounded up to \$25,000. NOTE: the anticipated hours for the SEPA hearing are the only parts calculated here, the costs of the Hearing Examiner process related to the Preliminary Plat hearing are not paid for by the City.

Second Question (paraphrased):

Why does Yarrow Bay (YB) not pay for this?

Research & response:

On or about 30 NOV 2007 the City entered into a "SEPA Processing Agreement" with Yarrow Bay. This was established for preparation of the two Environmental Impact Statements for the two MPDs. At that time, Blumen Consulting Group was being retained to prepare the EIS documents. However, the City retained the right to substitute a new consultant, which it did the following April when Parametrix was hired. The key language relating to the budget question for the MPD's is found in that agreement, Section 4.D, which states:

*"Yarrow Bay shall pay for Blumen's services, as well as those of City staff and consultants involved in the SEPA review process. Go to last sentence: City costs associated with the SEPA review process that are not already funded by the Funding Agreement shall be paid by Yarrow Bay in advance."* Full text of this Section is attached

The term "SEPA review process" was interpreted by staff (and agreed by YB) to include the entire SEPA process, including the (on-going) appeal process related to the MPD.

The City has no similar agreement for other YB permit activities, such as the Phase 1A Preliminary Plat. Through the new Funding Agreement (FA), YB has agreed to pay for the MDRT staff, plus all MDRT consultants. This includes the City Attorney.

However, the Hearing Examiner is not listed in the FA as a consultant. YB is obligated to pay for the Examiner's time as it relates to the plat application. But they are not obligated to pay for the Examiner's time spent on considering the SEPA appeal, which is an appeal of a decision made by the City's "responsible official" charged with providing SEPA analysis and decisions.

Finally, the existing fee for filing a SEPA appeal is \$250. Considerably less than the time expected to be invested in the hearing process and charged to the City by the Hearing Examiner. There is no development account to charge the "hearing" activity to, thus it is appropriate to have this as GF expenditure.

I trust the forgoing will be of assistance as we move through the 2013 Budget processes.

Attachment

\*\*\* ANNOTATION - made on 08 NOV 201 \*\*\*

*The City has just received an invoice from the Hearing Examiner for \$6700 relating to work in October (pre-hearing work). Given this fee amount and the fact that the 22 hours of hearings in early NOV were largely related to SEPA, not the Preliminary Plat, it appears that the earlier estimate ("Response" on page one of this memo) may be lower than actual expenditures. Further, the \$12,500 suggested for the 2013 Budget for the first of two hearings in 2013 may instead be the subject of a budget amendment for the 2012 Budget.*

*This all in a state of flux and moving rapidly given the schedule of the HE. The only firm number to work on for potential 2013 Budget reductions is the second assumed hearing, as set forth in Table 3 of the Budget Background and Decision Package Matrix Package (memorandum) of which this entire Addendum is a part.*

CITY OF BLACK DIAMOND – YARROW BAY  
SEPA PROCESSING AGREEMENT

**1. Date and Parties.**

This SEPA Processing Agreement is dated the 30th day of November, 2007 and is entered into by and between BD Lawson Partners, LP and BD Village Partners, LP and the City of Black Diamond, a Washington municipal corporation.

**2. Definitions.**

“Agreement” shall mean this SEPA Processing Agreement.

“BDMC” shall mean the Black Diamond Municipal Code.

“Blumen” shall mean Blumen Consulting Group, Inc.

“City” shall mean the City of Black Diamond, a Washington municipal corporation.

“DS” shall mean a SEPA Determination of Significance.

“EIS” shall mean Environmental Impact Statement.

“DEIS” shall mean Draft EIS.

“FEIS” shall mean Final EIS.

“Funding Agreement” shall mean the City of Black Diamond Staff and Facilities Funding Agreement.

“MPD” shall mean Master Plan Development.

“MPD Projects” shall mean the proposed Lawson Hills MPD and Villages MPD.

“Parties” shall mean Yarrow Bay and the City, collectively.

“SEPA” shall mean the State Environmental Policy Act, codified at chapter 43.21 RCW and chapter 197-11 WAC.

“Vision” shall mean the City’s vision of economically viable smart urban growth, creating a sense of community through wise land use planning and implementation, while, at the same time preserving and enhancing integrated open space and riparian

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corridors that protect the Lake Sawyer watershed and provide wildlife and pedestrian corridors throughout the City.

“Yarrow Bay” shall mean BD Lawson Partners, LP and BD Village Partners, LP, collectively.

### **3. General Recitals.**

A. Yarrow Bay owns approximately 1,580 acres of property in the City that it wishes to develop consistent with the City’s Vision using the MPD entitlement process.

B. Yarrow Bay acknowledges that development of the MPD Projects may have both beneficial and adverse impacts on the environment, and wishes to assess the potential environmental impact through EISs for the MPD Projects.

C. Accordingly, on or about October 17, 2007, Yarrow Bay sent a letter to the City requesting that the City issue DSs requiring preparation of EISs for the anticipated MPD Projects in advance of Yarrow Bay’s MPD application. In the interests of efficiency, Yarrow Bay and the City agreed that Blumen be permitted to prepare preliminary EISs for review by the City.

D. On October 18, 2007, the City’s attorney presented Yarrow Bay’s request to the City Council. The City Council unanimously approved Yarrow Bay’s request to (1) begin the SEPA review process in advance of MPD application; and (2) use Blumen to prepare preliminary EISs for review by the City. The City Council’s approval was contingent upon the City and Yarrow Bay entering into the present Agreement.

E. The purpose of this Agreement is to outline the Parties’ understandings and obligations with respect to SEPA processing, so that such processing may begin upon execution of this Agreement.

### **4. City Control of SEPA Process**

#### **A. Preparation of SEPA Documents**

Yarrow Bay has requested that Blumen be authorized to prepare the DEISs and FEISs. The City has agreed that Blumen can do so. However, the City, in its sole discretion, reserves the right to cease using Blumen for SEPA document preparation and to substitute a consultant of its choosing, or to use other consultants to advise the City regarding the documents being prepared by Blumen.

#### **B. SEPA Process in General**

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The City shall control the SEPA process, including, but not limited to, setting the agenda for, scheduling, and conducting all meetings with the public regardless of whether or not the meetings are public hearings, informational meetings, or any other form of informal gathering related to the SEPA preparation process. Such meetings shall be advertised by the City.

C. Communication with Blumen

The SEPA documents are documents that will be issued by the City. Thus, the City shall have unfettered contact with Blumen, and all documents prepared by Blumen, or consultants working with Blumen, shall be made available for inspection and copying by the City at all reasonable times.

**5. SEPA Processing**

A. Determination of Significance

Yarrow Bay has requested the City to issue DSs for the MPD Projects and the City has agreed to do so after this Agreement is executed by all Parties. The DSs will direct the commencement of early environmental review as authorized by the SEPA Rules, WAC 197-11-055, and the BDMC, Section 18.98.070. The DSs will also direct preparation of two EISs to study conceptual plans for the MPD Projects.

B. Preliminary EIS Preparation

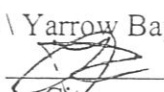
Pursuant to authority in the SEPA Rules, WAC 197-11-420, and the BDMC, Section 19.04.150(B), the DSs will direct Blumen to prepare preliminary DEISs for the MPD Projects. Blumen shall meet and confer with the City's consultants working on the City's comprehensive plan and ordinances, including Berk & Associates and Mirai Associates, Inc., to ensure consistency between the preliminary EISs and the City's municipal code and ordinances. Those meetings shall be coordinated through the City and the City may choose to have a City representative present at the meetings.

C. City Review of EIS Work

Blumen will submit the preliminary DEISs to the City for review by City staff and consultants. Yarrow Bay commits to provide Blumen, the City, and the City's environmental consultants with all information, data, and studies necessary to complete the SEPA process. Blumen will attend all meetings requested by the City, including meetings on the scope of the EISs and meetings to receive comments on the DEISs. Blumen will submit preliminary FEISs to the City for review by City staff and consultants. The City will make final decisions on the content of the DEISs and FEISs for the MPD Projects.

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D. Funding

Yarrow Bay shall pay for Blumen's services, as well as those of City staff and consultants involved in the SEPA review process. This shall include time spent on the SEPA review process by the City Administrator, who is the SEPA Responsible Official for the Yarrow Bay projects, as well as time spent on the SEPA review process by the City Attorney, who is serving as the City's principal contact for the SEPA process as well as advising the SEPA official with regards to said process. Yarrow Bay shall not be separately charged for work by City staff that is already funded under the Funding Agreement. City costs associated with the SEPA review process that are not already funded by the Funding Agreement shall be paid by Yarrow Bay in advance.

E. Anticipated Schedule

The Parties agree to use good faith efforts to meet or exceed the following anticipated schedule for SEPA review of the MPD Projects. Provided, however, all Parties acknowledge that this time line is only an expression of the Parties' desire to allow the SEPA process to proceed in an expeditious, yet thorough manner, allowing for sufficient time for adequate review and public input. This timeline notwithstanding, the City reserves the right to modify the timeline as it deems necessary and appropriate to assure that the SEPA documents are comprehensive and unbiased, and that the public has had sufficient time to consider the documents and to have meaningful and timely input. If the City determines that a new consultant should be used to prepare the SEPA documents, or that the time line is not allowing sufficient time for adequate review and/or public input, then a new timeline will be prepared.

October 2007	City approves early SEPA review for MPD Projects City approves preparation of EISs by Blumen
November 2007	City and Yarrow Bay meet to discuss EIS scoping
December 10, 2007	City provides Yarrow Bay transportation consultants with information requested from City transportation consultant for EIS purposes
January , 2008	City and Yarrow Bay agree on EIS alternatives for MPD Projects
January 2008	City issues DSs to Yarrow Bay


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February 2008	Public EIS scoping meeting
April 2008	Blumen submits preliminary DEIS on Lawson Hills MPD to City
May-June 2008	City staff and consultants review preliminary DEIS on Lawson Hills MPD
June 2008	Blumen submits preliminary DEIS on Villages MPD to City
July-August 2008	City staff and consultants review preliminary DEIS for Villages MPD
	Blumen revises preliminary DEIS on Lawson Hills MPD in response to City comments
August-September 2008	Blumen revises preliminary DEIS on Villages MPD in response to City comments.
September 2008	City publishes DEISs
October-December 2008	Comment period and public meeting for published DEISs
Dec. 2008 – Jan. 2009	Blumen incorporates public, agency, and other comments into preliminary FEISs.
February 2008	City staff and consultants review preliminary FEISs
March 2009	Blumen revises preliminary FEISs in response to City comments. City publishes FEISs.

In the interests of efficient SEPA review and scheduling, the Parties acknowledge and agree that Blumen's work on the preliminary DEISs for the two MPD Projects may be submitted to the City separately and reviewed separately by the City. However, in an effort to avoid confusion, and to assure that cumulative impacts are adequately considered, the DEISs for the MPD Projects must be published on or around the same date, and the two DEISs must share a common comment period. Although the City may choose to hold one public meeting for comments on both DEISs or separate meetings for each DEIS, in order to avoid public confusion and to assure that cumulative impacts are adequately considered, the City intends to hold the meeting or meetings on or around the same date. Preparation and publication of the two FEISs after the public comment

  
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meeting or meetings need not occur at the same time, but may be staggered for efficiency and scheduling purposes.

6. **Miscellaneous.**

A. Amendments

Any Party may request changes to this Agreement. Proposed changes that are agreed upon by all Parties will be incorporated by written amendments to this Agreement.

B. Integration

The Parties agree that this Agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated herein are excluded. Waiver of any default will not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of the Agreement will not be deemed to be a waiver of any other or subsequent breach and will not be construed to be a modification of the terms of the Agreement unless stated to be such through written approval by the Party charged with so waiving or modifying the terms of the Agreement, which written approval will be attached to the original Agreement.

C. Negotiation and Drafting

The Parties hereby acknowledge that this Agreement has been reached as a result of arms length negotiations with each Party represented by counsel, and thus no presumption of draftsmanship shall be used in interpreting this Agreement.

D. Severability

If any section, sentence, clause, or portion of this Agreement is declared unlawful or unconstitutional for any reason, the remainder of this Agreement shall continue in full force and effect.

F. Authority to Sign

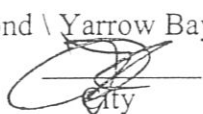
Each Party represents and warrants to the others that the individuals signing below have full power, authority and legal right to execute and deliver this Agreement and thereby to legally bind the Party on whose behalf such person signed.

G. Binding Effect on Subsequent Parties

This Agreement shall bind and inure to the benefit of the Parties and their respective receivers, trustees, insurers, successors, subrogees, transferees and assigns.

H. Notice

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Any demand, request or notice which either party hereto desires or may be required to make or deliver to the other shall be in writing and shall be deemed given when personally delivered, or successfully transmitted by facsimile transmission, or when actually received after being deposited in the United States Mail in registered or certified form, return receipt requested, addressed as follows

To the City: Gwendolyn Voelpel, City Administrator  
City of Black Diamond  
25510 Lawson St.  
PO Box 599  
Black Diamond, WA 98010  
Facsimile: (360) 886-2592

Loren Combs  
McGavick Graves  
1102 Broadway, Suite 500  
Tacoma, WA 98401  
Facsimile: (253) 627-2247

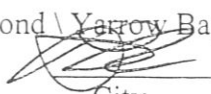
To Yarrow Bay: Brian Ross  
David MacDuff  
Yarrow Bay Group  
825 5<sup>th</sup> Ave., Suite 202  
Kirkland, WA 98033  
Facsimile: (425) 202-3694

John Hempelmann  
Cairncross & Hempelmann, P.S.  
524 Second Avenue, Suite 500  
Seattle, Washington 98104-2323  
Facsimile: (206) 587-2308

I. Choice of Law, Jurisdiction, and Venue.

This Agreement shall be interpreted, construed, and enforced according to the laws of the State of Washington. If any action is brought by any of the Parties to enforce provisions of this Agreement, the Parties agree that the exclusive jurisdiction and venue of any lawsuit arising from such action will be the Superior Court of Washington for King County.

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J. Mediation, Attorneys' Fees and Costs

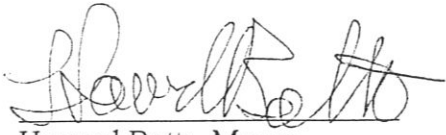
In the event of any dispute concerning this Agreement, the Parties agree to submit their dispute to a mutually-agreed mediator before seeking recourse from any court. In the event that mediation fails to resolve the dispute, the substantially prevailing Party shall be entitled to receive its attorneys' fees and costs at trial, at any alternative dispute resolution proceeding, and on appeal.

K. No Vesting

This document shall not be construed to vest Yarrow Bay to any rights relative to its proposed MPD submittals. The Parties acknowledge that the City's Comprehensive Plan, development regulations and other significant City documents are being modified, and there is a moratorium in place regarding the submittal of development applications. Yarrow Bay shall not vest as to any City enacted codes, ordinances and regulations until such time as the moratorium is lifted, and Yarrow Bay submits a complete MPD application.

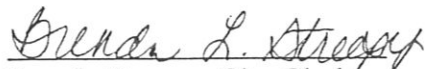
CITY OF BLACK DIAMOND

YARROW BAY DEVELOPMENT  
For BD Lawson Partners, LP and  
BD Village Partners, LP

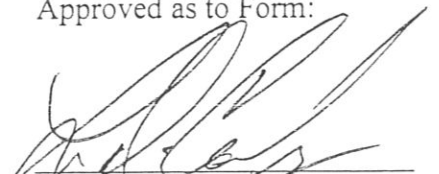
  
Howard Botts, Mayor

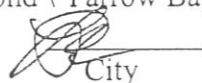
  
By: Brian Ross  
Title: Managing Partner

Attest:

  
Brenda Streepy, City Clerk

Approved as to Form:

  
Loren D. Combs, City Attorney

  
City

  
Yarrow Bay

Parks Department 2013 Preliminary Budget Changes				11/15/2012
	Current Budget	Proposed changes	Proposed New Budget	
Sal & Benefits	37,517	(16,683)	20,834	Reallocation
Supplies	5,460	(1,424)	4,036	Reallocation & Reduce
Sanicans	5,000	(3,710)	1,290	Remove all but one
Util, Ins, Repair	10,875	(3,683)	7,192	Reallocation
Pay Station	2,000		2,000	Parking Fees Collection
<b>Parks Expenditures</b>	<b>60,852</b>	<b>(25,500)</b>	<b>35,352</b>	
<b>Parking Fees Rev</b>	<b>(13,000)</b>	<b>(4,500)</b>	<b>(17,500)</b>	Increase Parking Fees
<b>Net Parks cost</b>	<b>47,852</b>	<b>(30,000)</b>	<b>17,852</b>	
Gym Insurance	1,665		1,665	
Museum Ins.	1,582		1,582	
Museum Util	6,051		6,051	
Comm Center Ins.	2,042		2,042	
Other Costs	11,340		11,340	
<b>Tot Net Park &amp; Comm</b>	<b>59,192</b>	<b>(30,000)</b>	<b>29,192</b>	30,000 net Savings

**Pete Butkus**

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**From:** Andy Williamson  
**Sent:** Wednesday, October 31, 2012 9:56 AM  
**To:** Rebecca Olness; Pete Butkus  
**Subject:** Sani- Cans

Here is a list of the Sani-cans the city pays for

Skate park	124.50 per month	1484.00 per year
Boat launch	106.50	1278.00
Regional park	185.50	2226.00

Please advise what you want me to cut.

Andrew Williamson  
Director  
Engineering Services/Economic Development  
City of Black Diamond  
(360)886-2560  
[awilliamson@ci.blackdiamond.wa.us](mailto:awilliamson@ci.blackdiamond.wa.us)

1484  
2226  
-----  
\$ 3710

**Pete Butkus**

**From:** Steve Pilcher  
**Sent:** Friday, November 09, 2012 2:39 PM  
**To:** Pete Butkus  
**Subject:** Boat Launch Parking Revenue

Aaron provided the following information on boat launch parking:

Lake Sawyer Boat Launch Parking Fees Collected by Years:

(4 single car parking stalls, west of 6 trailer parking stalls near launching area). 10 total, official parking stalls at the facility

Everyone that parked at the launch assumed the fee was required.

2007 \$21,219  
 2008 \$18,943  
 2009 \$21,586

In August of 2009, the pervious pavement parking stalls were constructed (managed and funded by the Stewardship Department) This added 15 single car parking stalls west of the trailer parking area, resulting in 25 total, official parking stalls

In February 2010, Ordinance 10-934 established free, single car parking. Boat/Trailers were required to pay \$5.00 parking fee (Again, only 6 boat/trailer parking stalls exist at the facility). This ordinance removed the potential of collecting fees on the 19, newly installed, single car parking stalls. Revenue since that time has declined:

2010 \$10,501  
 2011 \$11,573

Based on staff's observations in summertime, the single-car parking area is at capacity. Heavy use begins in June and runs through September. If only one car parked at the single car parking area per day, per stall, the City could generate \$2,850 of revenue in 30 days (assumes \$5.00 fee). Based on the usage patterns observed by staff and the recent addition of a swim area at this facility, this number is at the very low end and revenue generation potential as multiple car usage, per stall, per day would be expected.

Revenue generation also exists at the Lake Sawyer Park Trailhead as approximately 13 stalls exist at the facility. Demand at the facility is significant throughout the entire year, with 3-4 cars at the facility continuously. More obviously in the summertime. Parking revenue could also be generated here, but power and a new pay station would have to be installed. Our understanding is the capital costs of doing so may take several years to recuperate. Also, since Lake Sawyer Park is basically undeveloped at this point, charging to park here could be difficult to justify, in comparison to the Boat Launch.

Amend ORDINANCE 2010-934  
 LEAVE VEHICLE/ TRAILER @ \$5.00  
 ADD VEHICLE (AREATON) @ \$2.50 \*  
 Assume \* 12 STALLS / DAY AT 5 MONTHS  
 EQUALS \$4500.00



ORDINANCE NO. 10- 934

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY  
OF BLACK DIAMOND, KING COUNTY, WASHINGTON,  
UPDATING SECTION 10.04.100 OF THE BLACK  
DIAMOND MUNICIPAL CODE REGARDING PARKING  
FEES

WHEREAS, city parks perform a vital social function by providing a place for individuals and families to enjoy a natural setting and escape many of the sounds and activities that are otherwise part of city life; and

WHEREAS, this social function shall become even more important in the future as population growth brings increased density and commercial development occurs within our city; and

WHEREAS, the City is authorized to impose user fees to regulate the use of parks and parking facilities and to provide funding for maintenance and capital improvement costs associated with such use; and

WHEREAS, the City wishes to update and revise the existing city code regarding parking fees at Lake Sawyer Boat Launch Park,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. The existing Black Diamond Municipal Code 10.04.100 is hereby repealed and replaced with the following:

**10.04.100 Payment of parking fee or annual pass required.**

A. A vehicle with a boat trailer may park in the City of Black Diamond at Lake Sawyer Boat Launch Park on SE 296th Street only if the required parking fee is paid in advance or the vehicle prominently displays, in the manner directed by the city, a current, valid annual parking pass that has been issued for that vehicle. Failure to pay the vehicle with boat trailer parking fee as required herein or clearly display a current, valid annual parking pass issued for that vehicle is a civil infraction subject to a one hundred dollar civil penalty.

B. Parking fee: A daily fee shall be paid in advance for each vehicle with a boat trailer parking at Lake Sawyer Boat Launch Park. The fee shall be five dollars.  
Future daily parking fee rates will be established by a resolution of the city council.

The city will provide a pay station in which the fee shall be deposited. Payment of the fee will entitle the vehicle to be parked for a continuous twelve hour period in a single calendar day, subject to such park hours of operation and closure as are prescribed by the city. If a vehicle leaves the parking area and then returns, another parking fee shall be paid in full.

#### C. Annual Pass.

1. In lieu of paying the daily parking fee set forth above, an annual parking pass may be purchased from the city for a specific vehicle with a boat trailer and prominently displayed on such vehicle, in the manner directed by the city, while the vehicle is parked at Lake Sawyer Boat Launch Park.

2. Duration. An annual pass will be valid until December 31st of the year in which it is issued.

3. Fee. An annual pass for vehicle with boat trailer parking will be issued for a vehicle upon payment of the appropriate annual pass fee. The fee shall be sixty dollars per vehicle year, thirty-five dollars per vehicle per year for senior citizens sixty-five years of age and older, and thirty-five dollars per vehicle per year for persons with a valid state of Washington disabled vehicle permit. A ten dollar replacement fee will be charged to replace a lost or stolen pass or to change the vehicle to which it will apply. Future fee rates for the annual pass will be established by a resolution of the city council.

4. Proof of Identity. A person must prove they are the registered or legal owner of the vehicle by showing identification and registration at the time of purchase of the annual pass. (Ord. 783 § 1, 2005; Ord. 766 § 1, 2004; Ord. 762 § 1, 2004).

**Section 2. Severability.** Each and every provision of this Ordinance shall be deemed severable. In the event that any portion of this Ordinance is determined by final order of a court of competent jurisdiction to be void or unenforceable, such determination shall not affect the validity of the remaining provisions thereof, provided the intent of this Ordinance can still be furthered without the invalid provision.


**Section 3. Effective date.** This Ordinance shall be in full force and effect five (5) days after publication as required by law. A summary of this Ordinance may be published in lieu of the entire Ordinance, as authorized by State law.

Introduced on the 4<sup>th</sup> day of February, 2010.

Ordinance No.10-934

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Passed by the City Council on the 4<sup>th</sup> day of February, 2010.

  
\_\_\_\_\_  
Mayor Rebecca Olness

ATTEST:

  
\_\_\_\_\_  
Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Noel Treat, City Attorney

Posted: 2-5-2010  
Published: 2-9-2010  
Effective Date: 2-14-2010

# CITY COUNCIL AGENDA BILL

City of Black Diamond  
Post Office Box 599  
Black Diamond, WA 98010

ITEM INFORMATION		
<b>SUBJECT:</b>  <b>Ordinance to increase the existing utility tax on cable services.</b>	<b>Agenda Date:</b> AB12-	
	Department/Committee/Individual	
	Mayor Rebecca Olness	
	City Administrator –	X
	City Attorney –Chris Bacha	X
	City Clerk – Brenda L. Martinez	
	Finance – May Miller	
	Public Works – Seth Boettcher	
	Economic Devel. – Andy Williamson	
	Police – Jamey Kiblinger	
Cost Impact: Up to \$ 46,900 in 2013	Court – Stephanie Metcalf	
Fund Source:	Comm. Dev. – Steve Pilcher	
Timeline: Effective 01 JAN 2013		
<b>Attachments: Memo with attachment and the draft Ordinance</b>		
<b>SUMMARY STATEMENT:</b>  <p>At the Council meeting on 29 OCT there was a Council-initiated proposal to consider in increase in the utility tax on cable services by 5% making the rate go from 1% to 6%.</p> <p>Please see the attached memorandum.</p>		
<b>COMMITTEE REVIEW AND RECOMMENDATION:</b>  <p>Finance Committee Review on 08 and 20 NOV</p>		
<b>RECOMMENDED ACTION:</b> If the Council agrees with the concept: <b>A Motion to adopt Ordinance No. 12-___ increasing the Utility Tax on cable services.</b>		
RECORD OF COUNCIL ACTION		
Meeting Date	Action	Vote

## MEMORANDUM

TO: Mayor and City Council

FROM: Pete Butkus

RE: Utility Tax increase for cable services

Date: 16 NOV 12

Based on Council direction at the work study meeting on Monday, 29 OCT, the attached Ordinance is submitted for your consideration. The direction was to submit a 5% increase of the Utility Tax on cable services, changing the rate from 1% to 6%. This is in addition to the existing franchise fee of 5% which is not changed.

Assuming passage of this Ordinance by the Council at the Regular meeting of 20 DEC 12, the Ordinance will become effective 01 JAN 13. Please note that the draft Ordinance has a referendum clause in Section 2. This is not the Initiative and Referendum Ordinance the Council passed at its Regular Meeting on 01 NOV, but a specific provision of state law pertaining to Business and Occupation (B & O) taxes. It is arguable that the referendum provisions of this state law apply to the proposed increase in the City utility tax. The City Attorney has applied a conservative application in Section 2 of the draft Ordinance to avoid a potential future claim that this Ordinance falls under the state B & O tax referendum requirement. If such claim was made and upheld, there is the potential of not only losing the revenue, but also having to refund taxes collected. See attachment.

### If passed, what happens next?

Staff will inform the cable service provider of the increase. While a 60-day notification period is mandated for certain utilities, this is not the case with cable service providers. However, it is reasonable to give the provider a 60-day notice. Assuming that such notice was provided on or before 01 JAN 12, we could expect the cable provider to implement this increase by 01 MAR 13. The city could then expect to begin receiving increased revenues by 25 APR 13. Thus, 9 months of revenue.

Assuming that no petition is filed within the statutory time period set forth in Section 2 of the draft Ordinance staff will proceed with implementation. The filing of a referendum petition will delay imposition of the Ordinance and revenue collection.

### At the specified tax rate, what is the anticipated revenue to the City?

Based on past cable tax revenue, the City can reasonably expect the nine months of 2013 revenue will yield: \$46,950. This amount has been included in the 2013 draft Budget. The full 12 months of 2014 estimated revenue is \$56,340. Neither of these calculations account for possible customer shift to other service providers.

Attachment

## CITY OF BLACK DIAMOND

### MEMORANDUM

TO: Pete Butkus,  
Interim City Administrator

FROM: Chris Bacha,  
Kenyon Disend, PLLC

DATE: November 16, 2012

RE: Utility Tax Increase - Referendum

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You have asked that I provide a memorandum explaining the reason for inclusion of the referendum clause in the utility tax increase ordinance. This memorandum is responsive to that request.

#### DISCUSSION:

The authority to impose a municipal utility tax is derived from the authority of the City to license for revenue. *Fleetwood v Reed*, 21 Wash. 547 (Oct. 1899); and, *Pacific Tel. & Tel. Co. v. Seattle*, 172 Wash. 649 (1933). See also, RCW 35A.11.020. The utility tax is accordingly an excise tax levied upon the right of a utility to do business in the City (i.e. a business and occupation tax). *Pacific Tel. & Tel. Co. v. Seattle* at 654.<sup>1</sup>

In 1982, the State Legislature enacted Engrossed Senate Bill (“ESB”) No. 4972 (Local Government – Taxing Powers). This bill was significant in that the intent was to grant additional taxing authority to local governments to pay for vital services, but at the same time it also restrained local government authority to impose taxes, fees and charges. This bill consisted of 25 sections which have been codified within various chapters of the Washington Revised Code. Three of the sections are important to this discussion.

Section 7 imposed new limits upon business and occupation taxes imposed upon the making of retail sales of tangible personal property. This section was followed in section 8 by a provision allowing the qualified voters to approve an increase above the maximum limit set forth in section 7. It should be noted, however, that Section 8 specifically made

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<sup>1</sup> Although the utility tax is a business and occupation tax, such taxes were specifically exempted by the state legislature from the requirements of the model business and occupation tax statute. See, RCW 35.102.020.

reference to the limitations imposed pursuant to Section 7. Section 9, on the other hand, did not. This section is the source of the referendum requirement.<sup>2</sup>

Section 9 required that before a city or town may increase the rate of a business and occupation tax, it must provide for a special initiative procedure within the ordinance providing for approval of the voters. The drafting of this section is curious because it did not refer back to business and occupation taxes subject to the limitations of Section 7 as Section 8 did. It simply refers to “a business and occupation tax.” Thus, the language in this new provision is not linked to a specific business and occupation tax. Further, in Section 12 and again in Section 19, the legislature created special initiative procedures applicable to specific tax limitations imposed under this bill. Thus, it is clear that where the legislature intended to apply a special procedure to a particular tax, it did so. The logical inference is that, in the absence of such a specific limitation upon the application of the initiative procedure to business and occupation taxes, the legislature intended that the initiative procedure required pursuant to Section 9 would apply to all business and occupation taxes, including utility taxes.

The following year (1983) the legislature amended RCW 35.21.706. This amendment was significant in that it replaced the initiative requirement with a referendum requirement. Thus, a public vote on a business and occupation tax increase was no longer required unless the requirements for a referendum petition were met. However, in amending the statute the legislature did not narrow the application of this requirement to business and occupation taxes levied pursuant to Section 7 of the ESB No. 4972. In construing a statute, the courts will generally find that, if there are subsequent amendments to a statute wherein the legislature had the opportunity to narrow its construction and did not do so, there was no legislative intent to narrowly apply the statute in question.

There are no Washington cases interpreting the requirements of Section 9 (codified at RCW 35.21.706). Thus, if the City were to enact an ordinance increasing the utility tax without a referendum provision, is it unknown whether or not a court would find that the referendum procedures are applicable. If the City does not make provision for a referendum requirement as set forth in RCW 35.21.706 and the tax increase is implemented, the City would take the risk of a future challenge to the additional tax increase and the possibility of a judgment awarding a tax refund to the utility taxpayer. Given the legislative history as outlined above, without more evidence of the legislative intent to the contrary, it is likely a court would broadly construe the referendum requirement of RCW 35.21.706 as applying to all municipal business and occupation taxes, including utility taxes. Thus, there is a significant risk of a legal challenge and an adverse judgment.

The City Council may also be curious about the application of the new referendum and initiative procedures recently adopted by the council. Ordinarily, the levy of taxes is not subject to initiative and referendum powers granted to the electorate. See, RCW

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<sup>2</sup> The legislature amended this statute the following year changing the initiative process to a referendum process.

35A.11.090(7). Thus, the new referendum and initiative authority of BDMC Ch. 1.28 is inapplicable to the imposition of a utility tax increase. However, RCW 35.21.76 creates exclusive procedures for a referendum petition to be filed in this instance. These procedures must be set forth in the enabling ordinance and must be strictly followed. Thus, the proposed ordinance increasing the utility taxes has been drafted with reference to these requirements.

I hope that the foregoing is responsive to your request. Please let me know if you have further questions.



# CITY COUNCIL AGENDA BILL

City of Black Diamond  
Post Office Box 599  
Black Diamond, WA 98010

ITEM INFORMATION		
<b>SUBJECT:</b>  <b>Ordinance to increase the existing utility tax on the City stormwater utility.</b>	<b>Agenda Date:</b> AB12-	
	Department/Committee/Individual	
	Mayor Rebecca Olness	
	City Administrator –	X
	City Attorney –Chris Bacha	X
	City Clerk – Brenda L. Martinez	
	Finance – May Miller	
	Public Works – Seth Boettcher	
	Economic Devel. – Andy Williamson	
	Police – Jamey Kiblinger	
Cost Impact: Up to \$11,500 in 2013	Court – Stephanie Metcalf	
Fund Source: N/A	Comm. Dev. – Steve Pilcher	
Timeline: Effective 01 JAN 2013		
<b>Attachments: Memo and the draft Ordinance</b>		
<b>SUMMARY STATEMENT:</b>  <p>This is staff generated proposal for consideration. It is in addition to the Council-directed draft Ordinance on an adjustment to Utility Taxes on Cable service.</p> <p>Please see the attached memorandum.</p> <p>Estimated revenue: \$11,500 in 2013, \$13,800 in 2014.</p> <p>This action would likely trigger a stormwater utility rate review in early 2013.</p> <p>Options: 14%      2013 \$18,400             16%      2013 \$23,000</p>		
<b>RECOMMENDED ACTION:</b> If the Council agrees with the concept: <b>A Motion to adopt Ordinance No. 12-___ increasing the existing Utility Tax the City Stormwater Utility.</b>		
RECORD OF COUNCIL ACTION		
Meeting Date	Action	Vote

## MEMORANDUM

TO: Mayor and City Council

FROM: Pete Butkus

RE: Utility Tax increase for City Stormwater Utility

Date: 16 NOV 12

Based on Council direction at the work study meeting on Monday, 29 OCT, a draft Ordinance was prepared that would raise the Utility Tax on cable services from 1% to 6%. Staff considered this action and reviewed the three City utilities and asked what a revenue enhancement might look like if the Utility Tax rate was increased by 1% to a new rate of 7% for water, sewer and stormwater utilities. The Finance Committee reviewed this proposal on 08 NOV and recommended that it be presented instead as an increase solely on the Stormwater Utility with the rate going from 6% to 12%.

As time is of the essence in completing the work on a 2013 Budget, staff has put forth this concept in the form of an Ordinance for the Council's consideration.

Solely as a point of discussion, assuming passage of this Ordinance by the Council at the Regular meeting on 20 DEC 12, the Ordinance would become effective 01 JAN 13. Please note that the draft Ordinance has a referendum clause in Section 2. This is not the Initiative and Referendum Ordinance the Council passed at its Regular Meeting on 01 NOV, but a specific provision of state law pertaining to Business and Occupation (B & O) taxes. It is arguable that the referendum provisions of this state law apply to the proposed increase in the City utility tax. The City Attorney has applied a conservative application in Section 2 of the draft Ordinance to avoid a potential future claim that this Ordinance falls under the state B & O tax referendum requirement. If such claim was made and upheld, there is the potential of not only losing the revenue, but also having to refund taxes collected. Please refer to the City Attorney memo with the cable utility increase package.

### If passed, what happens next?

Staff would immediately prepare to place this tax on the city-owned utilities. Therefore, the increase would take place on 01 JAN 2013. Thus, 11 months of revenue.

Assuming that no petition is filed within the statutory time period set forth in Section 2 of the draft Ordinance staff will proceed with implementation. The filing of a referendum petition would delay imposition of the Ordinance and revenue collection.

### At the specified tax rate, what is the anticipated revenue to the City?

Based on past stormwater utility tax revenue, the City can reasonably expect the 11 months of 2013 revenue will yield \$11,500. This figure has been incorporated in the Budget draft. Budget year 2014 would equate to \$13,800.

Attachment

City of Black Diamond  
Utility Tax increase analysis

Nov-12

Fund	Inc %	Annual \$	Monthly \$	alloc per customer	# Customers
Water	1%	4,428	\$369	38 cents per month	960
Wastewater	1%	6,936	\$578	60 cents per month	960
Stormwater	1%	2,761	\$230	15 cents per month	1500
Total		14,125			

**Option**

Stormwater	6%	13,800	\$1,150	77 cents a month	1500
------------	----	--------	---------	------------------	------

Water and Wastewater may be able to absorb the increase with out a rate increase.

Stormwater would probably need a rate increase from \$13.00 a month to \$13.77 or \$14.00 a month.

**Employee vs Contracted Service @ Full Time & 80% Time**

<u>Position Cost</u>	<u>Employee</u>		<u>Contractor</u>	
	Full Time	80 % Time	Full Time	80 % Time
Salary/Fee*	126,210	100,968	159,421	127,527
Benefits	46,189	36,951		
<b>Total Salary/Fee &amp; Benefits (Dir)</b>	<b>172,399</b>	<b>137,919</b>	<b>159,421</b>	<b>127,527</b>
Supplies	200	200	200	200
Train/Trav/Memb.	2,100	2,100	2,100	2,100
Employee/Contractor Insurance	2,500	2,500	2,500	2,500
Employment Search Cost	5,000	5,000		
<b>Total Cost</b>	<b>182,199</b>	<b>147,719</b>	<b>164,221</b>	<b>132,327</b>
 <u><b>Direct Cost By Fund</b></u>				
General	129,299	103,439	119,565	95,652
Street	4,310	3,448	3,986	3,189
Water	12,930	10,344	11,957	9,562
Sewer	12,930	10,344	11,957	9,562
Stormwater	12,930	10,344	11,957	9,562
<b>Total All Funds</b>	<b>172,399</b>	<b>137,919</b>	<b>159,421</b>	<b>127,527</b>

**Critical Assumptions:**

\* Model (f): Exempt Employees zero cost of living increase & furlough days.

**Note:**

Shaded Column is the currently embedded cost in the proposed preliminary budget (Version f).

**Conclusion:**

Contracted service is about 10 percent less than employee cost for either full time or 80% time position comparison.

## MEMORANDUM

TO: Mayor Olness  
FROM: Pete Butkus  
RE: Potential 4-day work week  
DATE: 13 NOV 12

As a part of the development of the 2013 Budget, the Council has raised the possibility of putting City Hall on a 4-day work week. This move assumes that utility savings in the range of up to 20% could be obtained.

In considering this, I came up with a list of issues explore:

- The experience of other organizations with a 4-day/10-hour work week
  - Which departments
  - How is this organized – everyone or just some departments - is this a 4-day coverage with 4 days of service or 5 days of service with staggered days off
- Examples of it working well - or - not
- Citizen access issues
- Documented energy savings
- Specific issues to Black Diamond

I used my professional link through the Washington City/County Management Association (WCMA) to make a state-wide inquiry and also contacted the State's Office of Financial Management to inquire about documented cost savings. The state has several small departments on a 4-day/10-hour day work week schedule. I have received an acknowledgement of my request to the state but to date no response. Responses received are summarized in the table below:

Jurisdiction	Work week	Documented energy savings	Comments
Black Diamond	4-10 plan for police only	None – remains a 24/7 use	Used by commissioned staff only
Connell	4-10	None	Last year during the summer we allowed the front office to do 4-10's. There are four of us (utility clerk, cashier, payroll clerk, Clerk Treasurer) in the front office and we split it so that every week two of us were able to do 4-10's, they just were not allowed to take the same day off. Although I was included in the schedule I never took my "early week". It seemed like there was always someone gone and staff was not getting their own work done because they were

			covering for the person that was gone. Also, they still had their vacation time accumulating so they still had vacation time to use up. I had to keep track of everyone's work weeks and I didn't really know how much work got accomplished prior to 8:00 or after 5:00. It did not happen this last summer nor do I plan on allowing this to happen in the future. The others really liked it but it was a nightmare for me as their supervisor.
Lake Forest Park	4-10 for PW crew in summer only	None	Noted that there was movement a few years ago to go away from 4-10 due to lack of coverage and OT expenses. Noted further that there is now enough staff to provide for coverage and reduce OT.
Lakewood	See Comments	None	I agree that it works well in selected positions. We've had to review our schedules to ensure that customer service response and coverage continue to be operational priorities. Currently we have only one position outside the Police Department that works a 4-10's work week and that is our Work Crew Supervisor (Wednesday through Saturday). The other positions are Police Officer, Sergeant or Lieutenant as well as a support position to officers, Evidence Technician. During the summer months, we have allowed our Building Inspectors to work the 4-10's work schedule. Works well on job sites.
Longview	4-10 for City Hall, Parks & Rec and PW only	Yes, attached	Pros and cons noted in the Summary. It was noted that there has been no follow-up analysis since June 2011.
Normandy Park	4-10 for all staff except police and PW	None	This schedule was implemented due to staffing shortages rather than cost savings. Customers adjusted to the change and indicated appreciation for having City Hall open an hour earlier and an hour later 4 days a week. City Manager comment: I personally found Fridays to be a great day to get a lot of work done without interruptions.
North Bend	All staff 4-9 hr. days and Fridays at a half-day	None	
Sammamish	4-10 for PW/Parks field staff APR thru SEP	None	Note: this was implemented to cover the intense summer-time use of parks. Staff is scheduled to ensure 7-day week coverage.
Tukwila	Only some employees on 4-10	None	



## Summation

The number of government agencies responding that utilize the 4-day work week is limited. Only one, Longview, was found to have documented energy and other cost savings as a result of the 4-10 implementation. Much of this was field force fuel savings. Based on my personal observations over the years it is a common practice to have public works functions at the city and county level go to 4-day work during the summer. This is a season of heightened road maintenance activity and travel time is a frequent issue – especially for counties. An added benefit is that Friday am and pm commute hour conflicts are avoided.

## A Black Diamond Focus

Public Service: The proposal is to have City Hall go to a 4-10 schedule, leaving police on their schedule, the court on its anticipated 4-day/32-hr per week schedule and Community Development and PW on a 5-day/8-hr. day schedule. When the idea was first presented to City Hall staff in a neutral way, the first comment was: (paraphrased) we have a lot of people who come in here asking for directions in general and to Community Development and PW in particular. This factor might be overcome by additional signing (at a cost).

Energy savings: Only one local government offered up documented savings. For Black Diamond this might be a slight reduction in energy costs by having City Hall open one day less per week. However, the same # of hours weekly are worked – thus reducing potential savings. If energy savings are a key reason for this proposal an idea that may merit implementation is thermostat-setting standards for both heating and cooling in all city buildings. A caution: based on my personal observations in state and local government, thermostat standards are difficult to maintain without frequent reminders and enforcement.

General Fund savings: None in staff time, actually none in the Budget. The entire cost of City Hall rental and utilities is covered by YarrowBay. This is NOT to say: they pay so why should we care? It is to say that the proposal is at best a limited savings that does nothing to make a difference in our cash-strapped General Fund.

Employee issues: Employees were not surveyed but based on experiences of others such a change might require some (undesired) schedule changes as they apply to child or elder care issues.

## Recommendation:

There is no compelling argument to change from a 5-day, 40 hr. work week to a 4-day, 40 hr. work week. The documented savings of other governments are limited, anticipated savings for Black Diamond is minimal and the potential for reduced customer service has to be considered. This is an idea whose time has not come.

## Alternative 4-10 Work Schedule Report

June, 2011



## Overview

In February 2010, the City of Longview launched the alternative 4-10 work schedule to provide extended services in City Hall, Parks and Recreation, and Public Works. The purpose of the initiative was to make a positive impact in the areas of energy consumption, extended customer service, reduced absenteeism, and reduced environmental impact of city government operations. This report provides an update on the alternative work schedule.

## Energy Impact

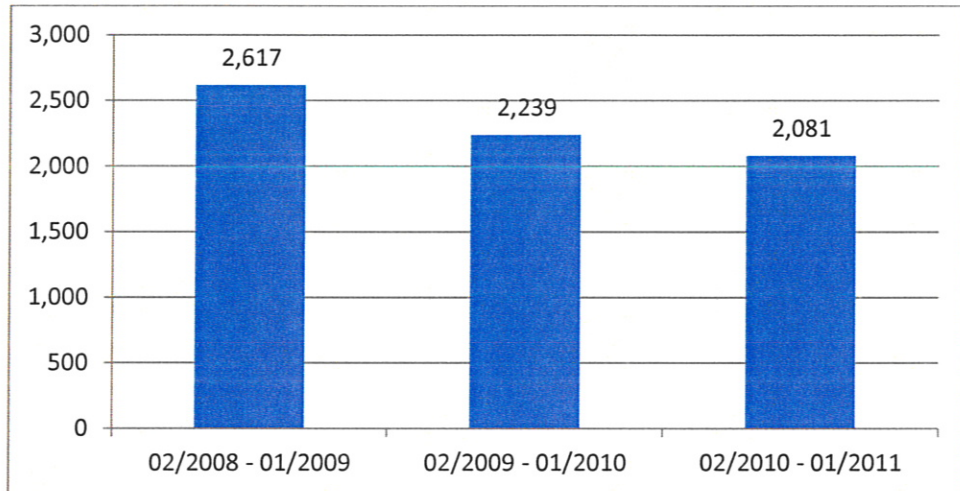
- Electricity Usage

### June - May Annual Electricity Usage Comparison

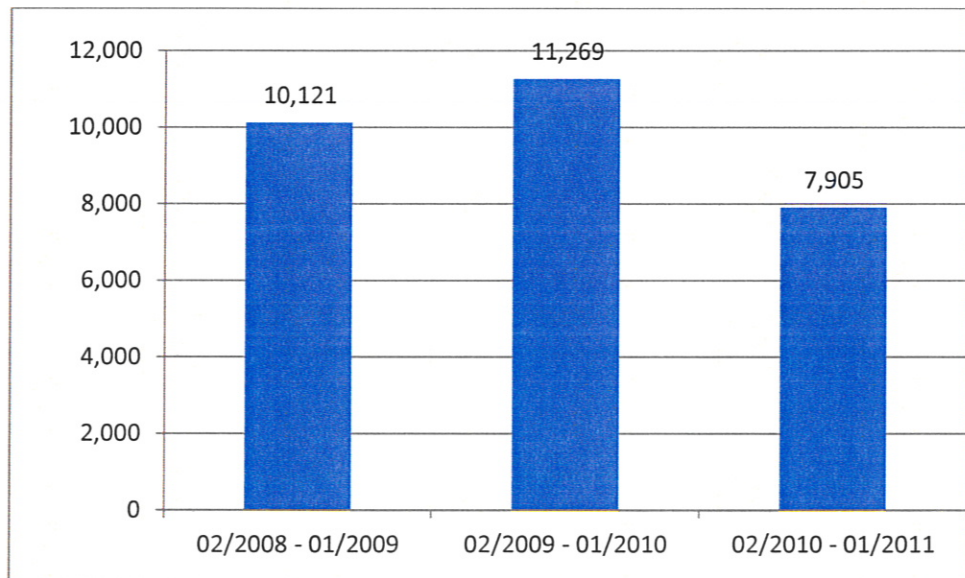
Building	Annual Electricity Usage		Cost/KWH	Change in Cost
Water Sewer	Current (06/10 - 05/11)	255,440	\$0.057	(\$2,601.48)
	2006 - 2010 Avg.	301,080		
	Difference	(45,640)		
City Shop	Current (06/10 - 05/11)	381,704	\$0.067	(\$141.10)
	2006 - 2010 Avg.	383,810		
	Difference	(2,106)		
StormWater	Current (06/10 - 05/11)	7,032	\$0.096	(\$16.90)
	2006 - 2010 Avg.	7,208		
	Difference	(176)		
City Hall	Current (06/10 - 05/11)	901,600	\$0.062	(\$4,594.20)
	2006- 2010 Avg.	975,700		
	Difference	(74,100)		
Total Savings				(\$7,353.68)

- Natural Gas Usage

City Shop Natural Gas Usage Comparison



Water Sewer Natural Gas Usage Comparison



## Cleaning Service Reductions

According to Facility Management, the City has seen reductions in cleaning services at City Hall and City Shop since changing to 4-10 work week. Specifically, City Hall saves \$357 per month in cleaning services and City Shop saves \$153 per month in cleaning services which totals \$6,120 in annual savings. However, due to staff reduction, Facility Management had to increase cleaning services at other City sites.

## Employee Productivity Impact

- Sick Leave Usage

Annual sick leave usage (Feb. 2010 – Jan. 2011) = 9,523 hours

Annual sick leave usage (Feb. 2009 – Jan. 2010) = 11,469 hours

Reduction = 1,946 hours/ year = 16.9% decrease in sick leave usage

*Note: decrease in sick leave usage might also be due to the incentive offered to EBA and PTA employees due to furloughs in 2010 which states "employees who take 40 hours or less of sick leave in the 2010 calendar year will receive the right to convert 8 hours of sick leave to vacation time for use in calendar year 2011."*

- Vacation Leave Usage

Annual vacation usage (Feb. 2010 – Jan. 2011) = 22,460 hours

Annual vacation usage (Feb. 2009 – Jan. 2010) = 22,907 hours

Reduction = 447 hours/ year = 2% decrease in vacation usage

## Carbon Emissions Reduction

- Fuel Transactions (# of trips to the pump)

	Unleaded Fuel	Diesel	Total
2008 & 2009 Avg.	1,786	1,034	2,820
2010 Annual Usage	1,404	990	2,394
Difference	(382)	(44)	(426)
Savings	15% reduction		

- Distance Traveled

	Unleaded Fuel	Diesel	Total
2008 & 2009 Avg.	356,291	50,335	406,625
2010 Annual Usage	301,134	40,829	341,963
Difference	(55,157)	(9,506)	(64,663)
Savings	16% reduction		

- Fuel Gallons Usage

	Unleaded Fuel	Diesel	Total
2008 & 2009 Avg.	34,409	20,207	54,616
2010 Annual Usage	27,655	20,425	48,080
Difference	(6,754)	218	(6,536)
Savings	12% reduction = \$18,137 (\$2.78/gallon)		

Carbon foot print is reduced by 6,536 gallons per year which equals approximately 11 cars off the road.

## Summary

The City has achieved its original goals of reduced operational costs; reduced employee absenteeism; and reduced greenhouse gas emissions through implementing the alternative 4-10 work schedule. Furthermore, the City has been able to offer extended service hours to our citizens and the schedule does not have any negative impact on customer service. Although a majority of employees who worked the alternate work week favored the new schedule, there are negatives associated with the 4-10 work schedule. For example, a number of employees reported difficulty for child and elder care as well as the longer work hours affect employees' eating patterns and therefore their health negatively. Despite the negatives, the City believes that the benefits achieved through the alternative schedule outweighs the negatives and should continue implementing the alternative work schedule with a high level of commitment to service to the community.

## Yarrow Bay Funding Agreement M&O Budget

Description	Monthly	2013 Pre Budget
Land Rental	1,545	18,540
Rental Two Modules	5,833	70,000
City Hall/Old Lib Bldg rental	2,000	24,000
Custodial & Alarm at 3 bldg	1,080	12,960
Ele, Wtr, Swr, Drg & Garb-3 bldgs	1,400	16,800
Internet & Phones Systems 3 bldgs	1,667	20,000
Copiers, Computer sup, & Ins. on Bldgs content	1,475	17,700
<b>Total Funding M&amp;O</b>	<b>15,000</b>	<b>180,000</b>



## Mayor's Proposed 2013 Budget

### Model A-

Mayor's **Corrected 11/26/2012**

### Preliminary Budget

### Council Options

#### Out of Balance

(248,783)

(248,783)

#### Revenue Changes

Increase Cable Utility Tax from 1% to 6%  
 Increase Stormwater Util Tax from 6% to 12%  
 Increase Parks Parking Fees  
 Increase Parks Special Event Fees  
 Increase Cemetery Fees  
 New Tree Permit Fees  
 Increase Permit Fees  
 Increase Donations for Dare from 500 to 1000  
 Misc. Revenue Increases & Decreases

46,900  
 13,800  
 4,500  
 1,000  
 400  
 2,000  
 3,450  
 500  
 (11,348)

23,750  
  
  
  
  
  
 5,500  
 2,500

#### Total Revenue Increase

61,202 (187,581)

31,750 (217,033)

#### Expenditure

##### Police

Freeze and layoff one officer  
 Freeze and layoff 2nd officer Dec. 31, 2013  
 Reduce Police overtime for Court  
 Add back Court Security Officer Costs  
 Add Legal for Police Contract  
 Add to Jail budget -rate & Add'l Jail time  
 Police L&I Rate Increase

108,574  
 114,205  
 15,000  
 (6,807)  
 (6,000)  
 (6,000)  
 (1,274)

108,574

##### Parks & Cemetery

Reallocate and cut Parks Expenditures  
 See also Revenue Increase of \$4,500

25,500

35,000

##### General Government

Increase Furlough Days, remove 1% COLA or other savings  
 Freeze and take out budget for Sr. Accountant  
 Decrease furlough Days from 4 to 2 days  
 Leave 1% COLA for non Management, non union  
 Paper cost saving w/online Newsletter-no mailing  
 Council Salaries & Benefit elimination (2013 only)  
 City Administrator @ 4 days a week Contract  
 Reduce City Attorney Budget to 2012 level  
 Take out or reduce Hearing Examiner Costs  
 Reallocate costs to Yarrow Bay  
 Misc. Expenditure Changes

40,811  
 (3,754)  
 0  
 624  
 10,908  
 0  
 5,250  
 12,500  
 0  
 7,124

10,000  
  
  
  
  
  
  
 10,408  
  
 25,000  
 15,000

#### Total Expenditure Changes

316,661

203,982

Add to Fund Balance for Next years increases

129,080

16,949

Out of Balance

0

0

Correction: Mayor did not include elimination of K-9 Program in her proposed 2013 Budget and the \$1,100 savings has been corrected and removed from this worksheet.

## General Fund Ending Fund Balance Forecast

## Model A Mayor's Proposed 2013 Budget

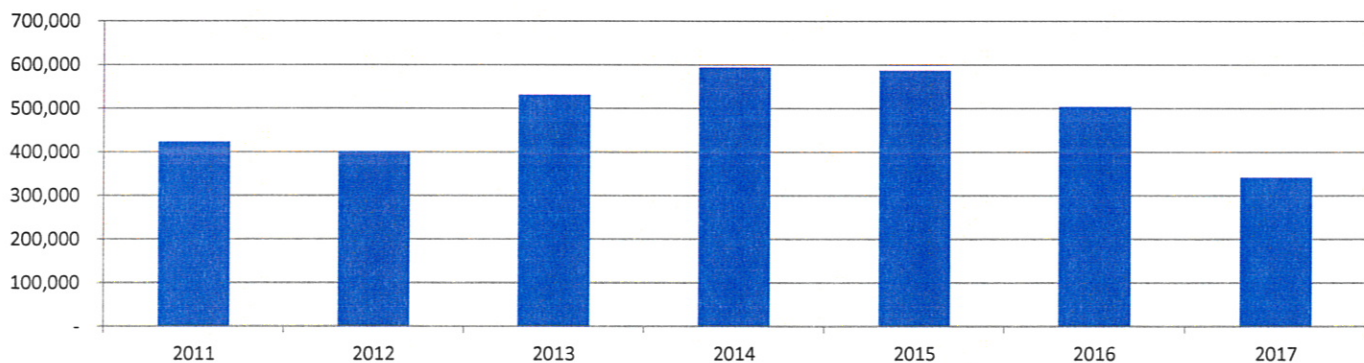
	2011	2012	2013	2014	2015	2016	2017	*
General Fund Revenue	Actual	Budget	Budget	Budget	Budget	Budget	Budget	
Property Tax	1,360,491	1,383,500	1,403,648	1,417,684	1,431,861	1,446,180	1,460,642	1%
Other Taxes	771,492	738,350	741,450	763,694	786,604	810,202	834,509	3%
New Cable Utility Tax			46,900	58,030	59,771	61,564	63,411	3%
Stormwater Utility Tax			13,800	14,214	14,640	15,080	15,532	3%
Other Revenue	776,035	779,937	680,154	700,559	721,575	743,223	765,519	3%
MPD Funding Agreement	1,404,173	1,526,680	1,568,044	1,615,085	1,663,538	1,713,444	1,764,847	3%
<b>Total Operating Revenue</b>	<b>4,312,191</b>	<b>4,428,467</b>	<b>4,453,996</b>	<b>4,569,266</b>	<b>4,677,990</b>	<b>4,789,693</b>	<b>4,904,460</b>	

## General Fund Spending

Public Safety	2,064,197	2,315,936	2,216,446	2,327,268	2,443,632	2,565,813	2,694,104	5%
Public Safety 2nd Officer			(114,205)	(119,915)	(125,911)	(132,207)	(138,817)	5%
City Council Salary & Benefit				10,908	10,908	10,908	10,908	0%
Other General Fund	2,017,798	2,135,197	2,221,575	2,288,222	2,356,869	2,427,575	2,500,402	3%
<b>Total Operating Spending</b>	<b>4,081,995</b>	<b>4,451,133</b>	<b>4,323,816</b>	<b>4,506,483</b>	<b>4,685,498</b>	<b>4,872,090</b>	<b>5,066,597</b>	

Change in Reserves	230,196	(22,666)	130,180	62,783	(7,507)	(82,397)	(162,137)	
Ending Reserves	<b>424,069</b>	<b>401,895</b>	<b>532,075</b>	<b>594,858</b>	<b>587,351</b>	<b>504,954</b>	<b>342,817</b>	
	10.4%	9.0%	12.3%	13.2%	12.5%	10.4%	6.8%	

Ending Reserves



\* Percentages used from Councils 2013 Budget Suggestions.

# General Fund Ending Fund Balance Forecast

## Model B

Without Utility Tax Increase, No second officer cut.

	2011	2012	2013	2014	2015	2016	2017	
<b>General Fund Revenue</b>	Actual	Budget	Budget	Budget	Budget	Budget	Budget	*
Property Tax	1,360,491	1,383,500	1,403,648	1,417,684	1,431,861	1,446,180	1,460,642	1%
Other Taxes	771,492	738,350	741,450	763,694	786,604	810,202	834,509	3%
Other Revenue	776,035	779,937	680,154	700,559	721,575	743,223	765,519	3%
MPD Funding Agreement	1,404,173	1,526,680	1,568,044	1,615,085	1,663,538	1,713,444	1,764,847	3%
<b>Total Operating Revenue</b>	<b>4,312,191</b>	<b>4,428,467</b>	<b>4,393,296</b>	<b>4,497,022</b>	<b>4,603,579</b>	<b>4,713,049</b>	<b>4,825,517</b>	

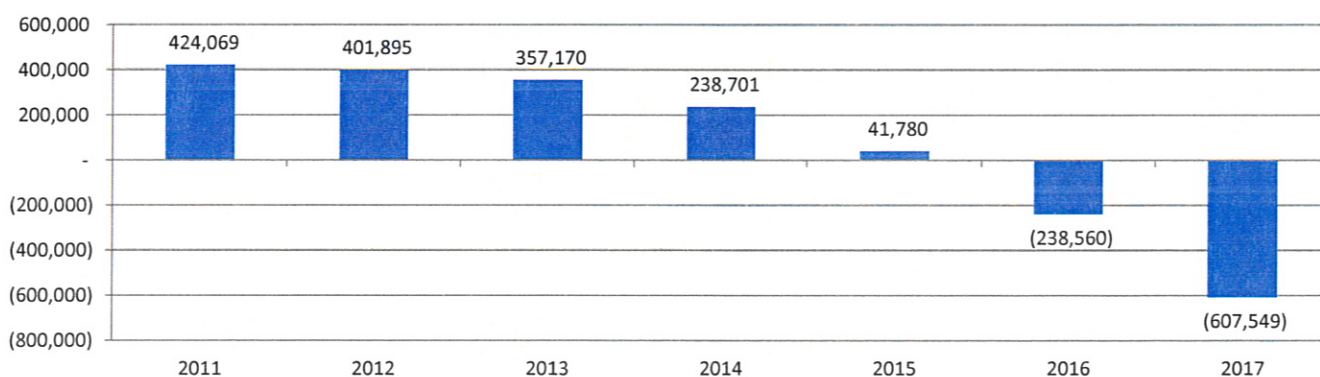
## General Fund Spending

Public Safety	2,064,197	2,315,936	2,216,446	2,327,268	2,443,632	2,565,813	2,694,104	5%
Other General Fund	2,017,798	2,135,197	2,221,575	2,288,222	2,356,869	2,427,575	2,500,402	3%
<b>Total Operating Spending</b>	<b>4,081,995</b>	<b>4,451,133</b>	<b>4,438,021</b>	<b>4,615,491</b>	<b>4,800,501</b>	<b>4,993,388</b>	<b>5,194,506</b>	

Change in Reserves      230,196      (22,666)      (44,725)      (118,469)      (196,922)      (280,339)      (368,989)

Ending Reserves      **424,069**      **401,895**      **357,170**      **238,701**      **41,780**      **(238,560)**      **(607,549)**  
                                  10.4%      9.0%      8.0%      5.2%      0.9%      -4.8%      -11.7%

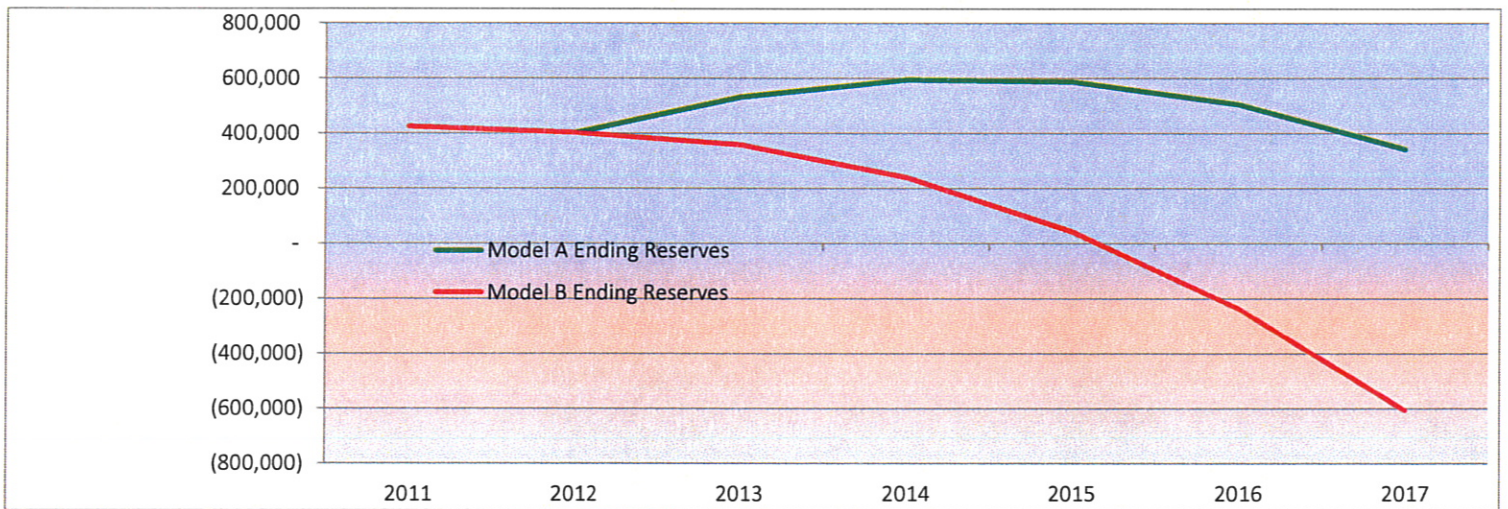
## Ending Reserves



\* Percentages used from Councils 2013 Budget Suggestions.



**Model A vs. Model B Ending Reserves Profile**



Model A Ending Reserves	424,069	401,895	532,075	594,858	587,351	504,954	342,817
Model B Ending Reserves	424,069	401,895	357,170	238,701	41,780	(238,560)	(607,549)
Council Page 3 Ending Reserves	151,889	111,065	(9,765)	(215,832)	(512,657)		

# **Proposed Changes to 2013 Capital Budget**

	Current Budget	Add	Delete	New Budget
<u>Remove</u>				
Police Vehicles (d006 Black & White Vin 20)	\$45,000		\$45,000	\$0
<u>Add</u>				
Police Radio Replacement (3 years @ 10,000)	\$0	\$10,000		\$10,000
<u>Carry-Over</u>				
Morganville Wastewater Lift Station from 2012 to 2013 Way Finding Signs	\$0	\$80,000 \$24,000		\$80,000 \$24,000
<u>Leave Only as Placemaker</u>				
Roberts Drive/SR 169 Roundabout Intersection at Morgan Street	\$550,000 \$40,000		\$550,000 \$40,000	\$0 \$0
	<u>\$635,000</u>	<u>\$114,000</u>	<u>\$635,000</u>	<u>\$114,000</u>



# CITY OF BLACK DIAMOND

## 2012 Calendar for 2013 Budget

	Process	Workstudy	City Council Meetings	State Law Limitations
1	Budget Requests and instructions go out to all Departments			Sep 10
2	Finance prepares revenue sources and preliminary expenditures for salaries and benefits			N/A
3	Introduction to the 2013 Budget Process	Aug 16		
4	Departments provide budget requests to City Administrator's office			N/A
5	Estimates to be filed with the City Clerk and Administration			Sep 24
6	City Clerk submits to CAO the proposed preliminary budget setting forth the complete financial program			Oct 1
7	CAO provides Council with current info on revenue from all sources as adopted in 2012 budget, and provides the Clerk's proposed preliminary budget setting forth the proposed General Fund Revenues	Oct 18		Nov 2
8	Mayor and department heads review General Fund Expenditure budgets with Council	Oct 18		Nov 2
9	Council reviews Public Works budgets for Revenues And Expenditures for all Public Works budgets, including Street, Water, Sewer, drainage and all Associated funds. 4:30 PM	Oct 29		Nov 2
10	Council Work Study - REET 1 & 2 and Gen Govt, Utilities & Capital Projects. 5:30 PM	Nov 1		
11	City Clerk publishes Notice of Public Hearing on 2013 Budget for two weeks out & filing of preliminary budget – once a week for two consecutive weeks – Draft budget submittal ready			Nov 2-15
12	Copies of Preliminary Budget made available to Public			Nov 19
13	City Council holds 1 <sup>st</sup> public hearing on revenue sources and expenditures for the upcoming budget year including possible increases in property tax revenue		Nov 15	Nov 19
14	Public Hearing and adoption of Property Tax for 2013		Nov 15	Nov 30
15	Council Works Study-2013 Budget Council Framework 4:30 PM	Nov 26		
16	City Council holds 2 <sup>nd</sup> final public hearing on 2013 Budget Special Meeting-7:00 PM		Dec 3	Dec 3
17	City Council adopts Final 2013 Budget and transmits to the State Auditor's Office (plus possible amendment to property taxes)		Dec 20	Dec 31

Bold = Regular or Special Council Meeting Night

# CITY COUNCIL AGENDA BILL

City of Black Diamond  
Post Office Box 599  
Black Diamond, WA 98010

ITEM INFORMATION		
<b>SUBJECT:</b>	<b>Agenda Date: AB12-</b>	
<b>Proposed amended procedure for filling Planning Commission vacancies</b>	Council Members Deady and Benson	X X
	Mayor Rebecca Olness	
	City Administrator –	
	City Attorney –Chris Bacha	
	City Clerk – Brenda L. Martinez	
	Finance – May Miller	
	Public Works – Seth Boettcher	
	Economic Devel. – Andy Williamson	
	Police – Jamey Kiblinger	
Cost Impact: \$45-50 each	Court – Stephanie Metcalf	
Fund Source: 001-000-137-514-30-44-00	Comm. Dev. – Steve Pilcher	
Timeline: N/A		
<b>Attachments: Resolution and the proposed Bill of Sale.</b>		
<b>SUMMARY STATEMENT:</b>  <p>Council Members Deady and Benson asked that this matter be brought to the Council’s attention. The current agreed procedure does not include publication of the notice of vacancy in the official newspaper. The proposed action is to add the publication of the Planning Commission vacancy and seeking of applicants.</p> <p>If it is agreed, the procedure will be amended. Since the procedure is not part of a Resolution or Ordinance, but was adopted by consensus, a consensus of the Council is all that is needed.</p>		
<b>COMMITTEE REVIEW AND RECOMMENDATION:</b> N/A		
<b>RECOMMENDED ACTION:</b>		
RECORD OF COUNCIL ACTION		
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>

## PROCEDURE FOR FILLING PLANNING COMMISSION VACANCIES

1. Vacancies are created either by expiration of a term, resignation of a Commission member or removal of a member by the Mayor.
2. It is the goal of the appointment process to maintain a full seven-member Commission. No more than one meeting should elapse without a vacancy being filled.
3. All vacancies will be advertised on the City's website for a minimum two week period and published once in the official newspaper. The Mayor will also announce vacancies at a City Council meeting. Time permitting, vacancies will also be announced at Planning Commission meetings.
4. Individuals interested in serving on the Commission will be required to submit a written application to the City Clerk by a specified date. The application shall include questions that address the criteria for Commission membership as outlined in Municipal Code.
5. A committee consisting of the Mayor, one City Councilmember, one Planning Commission member and one City staff member will review the applications and determine which individuals to invite for a formal interview.
6. The same committee will also conduct candidate interviews. The same questions will be asked of each candidate. Follow-up questions may also be asked. Each committee member will score each candidate on a common scale.
7. The committee will discuss qualifications and scoring to determine which candidate should be recommended for appointment.
8. All candidate materials and committee score sheets shall be retained by the City Clerk.
9. The Mayor will recommend the selected candidate for appointment. Confirmation by the City Council is required per Municipal Code.