



CITY OF BLACK DIAMOND
December 5, 2013 Workstudy Agenda
25510 Lawson St., Black Diamond, Washington

Workstudies are meetings for Council to review upcoming and pertinent business of the City. Public testimony is only accepted at the discretion of the Council.

6:00 P.M. – CALL TO ORDER, ROLL CALL

- 1.) Proposed 2014 Budget – Mayor Olness, Mr. Hoppen, Ms. Miller
- 2.) Adjournment



CITY OF BLACK DIAMOND

Interoffice Memorandum

TO: MAYOR OLNESS, CITY COUNCIL

FROM: MARK HOPPEN *MH*

SUBJECT: 2014 PRELIMINARY BUDGET

DATE: DECEMBER 5, 2013 WORKSTUDY MEETING 6:00 PM

The Mayor has presented a balanced 2014 Preliminary Budget Document that has been presented at the November 21, 2013 and December 2, 2013 Public Hearings.

Council has requested financial information regarding some options for potential changes to the Preliminary 2014 Budget.

They include:

An option to Transfer of \$50,000 from REET II to the Street Fund.

Costs options to increase the City Administrator Position from 80% to full-time.

Cost options to change the Information Technology Function to a contracted function currently funded by the Funding Agreement while maintaining the Funding Agreement Revenue total.

In addition, Finance Director, May Miller is requesting a change to the Water Capital and Reserve Beginning Cash & Investment 2014 Balance due to the CBDG Grant funding that will be received in 2014 and not 2013 and the proposed 2013 Budget adjustment that will use \$20,000 of 2013 Water Capital Fund Balance to replace four utility poles by the Springs that have been damaged by bugs and woodpeckers.

City of Black Diamond, Washington

Councilman Craig Goodwin and Carol Benson
2014 Budget Change Options

#1

Changes to Street fund	Revenue-add	Expenditures-Add
Transfer in \$50,000 REET II	50,000	
Inc Street End Bal from 73,682 to 126,682		50,000
Total change to Street Fund	50,000	50,000
Changes to REET II Fund		
Transfer \$50,000 to Street Fund		50,000
Reduce REET II End Bal from 263,418 to 213,418		(50,000)
	0	0

#2

increase City Adm to 100%		
	Revenue-add	Expenditures-Add
General Fund Addition-75%		20,317
Street Fund Addition-2.5%		678
Water Fund Addition-7.5%		2,032
Sewer Fund Addition-t.5%		2,032
Stormwater Fund Addition-7.5%		2,032
Sub total Adm Option		27,091
Reduce Fund Balances in Each fund		
General fund-from 641,373 to 621,056		(20,317)
Street Fund-from 126,682 to 126,004		(678)
Water Fund-from 132,898		(2,032)
Sewer Fund-from 142,475		(2,032)
Stormwater Fund-from 100,702		(2,032)
Total Fund Bal Reduction		(27,091)
Total City Administration fund Changes	0	0

City of Black Diamond, Washington

2014 Budget Change Options

Councilman Taylor Option

#1

Changes to Contracted Information Technology Services General fund-Funding Agreement		
	Revenue-	Expenditures-
Delete I/T Salaries & Benefits		(138,127)
Add Auburn Contract amendment for General Govt Call-in dial-up maint, plus one day a week on site. Coverage for town hall, Hearing Examiner, Evaluation, configuration & set-up, and up-grades billable @ \$100 per hour		75,220
Add software Contract for Vision software system upgrades, such as, Installation of Cashiering Sys, Upgrade to New Credit Card Payment Receipting System for Utilities, Permitting and other systems		12,000
Information Technology Savings		(50,907)
Reinstate Finance Director to 100%		28,466
Reinstate Natural Resources Director to 100%		21,795
Reinstate Facilities coord to 100% at Lower pay level-saves \$13,567		646
Leave funding Agreement Revenue at \$1,511,140	0	0

City of Black Diamond, Washington
Funding Agreement Budget Reductions 2013-2014
 With possible Options-11/26/2013

	Original	2013 Funding Cuts	2014 Funding Cuts
General Fund	2013 Budget		
MDRT Staff 3.75	\$440,237	(\$50,000) 1/2 yr planner	(\$94,460) Vacant MDRT Sr. Plan
MDRT Other Exp	\$85,950		
Total MDrt Budget	\$526,187	(\$50,000)	(\$94,460)
Core Staff 7.25	\$894,514	(\$16,500) Absorb Code	(\$16,500) Absorb code (\$50,907) Contract Technology (\$9,032) Red Asst CA to Clerk (\$13,567) Red Fac Pay to Util Worker
FF&E MDRT & Core	\$180,000		(\$6,549) Red Fac Mtc FF&E Costs
Total General Fund	\$1,600,701	(\$66,500)	(\$191,015) General Fund Red.
Public Work funds			
Core Staff 2.0	\$243,604	(\$53,500) 1/2 Yr Adm Ass	(\$94,365) Util Abs.PW Adm Ast. (\$74,620) Util Abs 1/2 PW Dir
Total Public Works	\$243,604	(\$53,500)	(\$168,985) Public Works Red
Total Funding Budget 9.0	\$1,844,305	(\$120,000)	(\$360,000) Total 2014 Red
Recap			
Original Funding Agreement	\$1,844,305	(See page 34 in 2013 Budget Document)	
2014 Reduction	(\$360,000)		
Base 2013 Funding Budget	\$1,484,305		
Yarrow Bay added			
Construction Inspector	\$123,745		
Less MDRT Costs 2014	(\$22,290)		
Net 2014 addition	\$101,455		
Total 2014 Funding Budge	\$1,585,760		
General Fund	\$1,511,140		
Public Works Funds	\$74,620		
Total Funding Revenue	\$1,585,760		

16	404 Water Capital Fund	Actual 2012	2013 Amended Budget	2013 Actual	2014 Budget	13 to 14 Budget Change	% Budget Change
17	REVENUE	Revised 11/25/2013					
18	In From REET II		30,000	30,000	25,000		
19	LGIP Investment Interest	742		508	900		
20	Water Connection Charges	17,929	20,000	5,976	20,000		
21	CDBG Grant 5th Ave Water Main	9,143	187,150	27,857	225,000		
22	Downtown Water Line Replacement - Grant				225,000		
23	Paint Reservoir - Interfund Loan				214,000		
24	Transfer reimb from Developer Contribution	281,115					
25	Subtotal Water Capital Fund Revenue	308,930	237,150	64,341	709,900		
26	Beg Cash & Investment Unreserved	392,225	504,125	504,126	146,527		
27	Total Water Capital Fund Sources	701,155	741,275	568,466	856,427	115,152	15.5%
28	EXPENDITURES						
29	5th Ave Water Main Replacement	36,293	175,000	72,380			
30	New Water Meters	541	5,519		5,000		
31	Reservoir Painting & Mtc.		15,000		214,000		
32	Transfer out to Water Fund 401-for debt	150,000	150,000	150,000	80,000		
33	Professional Services - Water	3,719	1,281	2,185	3,000		
34	Downtown Water Line Replacement				250,000		
35	Previous year WSFFA Transfer	6,476					
36	Subtotal Water Capital Fund Expenditures	197,030	346,800	224,565	552,000		
37	Ending Cash & Investments	504,126	394,475	343,901	304,427		
38	Total Water Capital Fund Uses	701,156	741,275	568,466	856,427	115,152	15.5%

City of Black Diamond, Washington
Water Utility Fund
Six Year Cash Forecast

NO MPD Growth

Revised Nov 25, 2013

Water Fund	2013 Budget	2013 Est Act	2014 Budget	2015 Budget	2016 Budget	2017 Budget	2018 Budget	2019 Budget	
Possible Rate Increase	Adj	12/31/2013	01/14 15%	01/15 15%					
1 Operating Begin Cash Bal	107,982	107,982	137,772	118,396	122,677	127,105	131,771	136,740	
2 Capital & Reserve Cash Bal	504,125	504,125	146,527	318,929	166,241	145,798	117,386	80,871	
3 Total Beg Cash & Inv.	612,107	612,107	284,299	437,325	288,918	272,903	249,157	217,611	
4									
5 Operating Revenue	430,000	468,700	580,300	650,000	650,000	650,000	650,000	650,000	
6 Operating possible Rate Inc.									
7 Misc Revenue-Wtr Op	18,775	25,542	19,130	19,704	20,295	20,904	21,531	22,177	3%
8 Misc Revenue-Wtr Res		716	900	927	955	983	1,013	1,043	3%
9 Funding Reimbursement	47,550	47,000	18,655	0	0	0	0	0	
10 Connection Charges	20,000	11,953	20,000	20,000	20,000	20,000	20,000	20,000	
11 Trf fr REET II Capt Proj	30,000	30,000	25,000						
12 CBDG Grant 4th Ave Wtr Main	187,150	0	225,000						
13 Interfund Loan Paint res			214,000						
14 Downtown Wtr Main Repl			225,000						
15 Total Water Fund Sources	733,475	583,911	1,327,985	690,631	691,250	691,887	692,544	693,220	
16 Water Fund Expenditures									
17 Salaries & Bene	116,816	123,286	129,286	131,872	134,509	137,199	139,943	142,742	2%
18 Benefits	52,777	53,859	54,952	57,150	59,436	61,814	64,286	66,858	4%
19 Proj Mgmt Credit		(12,000)	(15,000)	(15,300)	(15,606)	(15,918)	(16,236)	(16,561)	2%
20 Supplies	31,050	24,850	32,893	34,209	35,577	37,000	38,480	40,019	4%
21 Services & Charges	136,626	126,519	136,651	140,067	143,569	147,158	150,837	154,608	2.50%
22 B&O & Util Tax	49,500	49,500	66,000	75,000	75,000	75,000	75,000	75,000	
23 Transfers to Equip Repl/Comp	10,000	10,000	15,000	10,000	10,000	10,000	10,000	10,000	
24 Sub Total Operating Uses	396,769	376,014	419,782	432,998	442,485	452,253	462,310	472,666	
25									
26 PWTF Net Debt Svs	237,446	237,444	236,257	230,500	217,700	216,300	214,700	203,200	
27 Water Meters- Sewer Loan	47,994	47,994	46,920	46,460					
28 New Debt Ser-Paint Res.				47,080	47,080	47,080	47,080	47,080	
29 Sub total Debt Service	285,440	285,438	283,177	324,040	264,780	263,380	261,780	250,280	
30 5th Ave Water Main	175,000	225,000	0						
31 Paint Res	15,000	2,500	214,000						
32 Down Town Wtr Line Repl			250,000						
33 Misc Prof Svs & Meters	6,800	2,767	8,000						
34 Water Comp Plan update				82,000					
35 Replace 4 Utility Poles at Springs		20,000							
36 Total Water Fund Uses	879,009	911,719	1,174,959	839,038	707,265	715,633	724,090	722,946	
37									
38 Change in Cash & Inv	(145,534)	(327,808)	153,026	(148,407)	(16,015)	(23,746)	(31,546)	(29,726)	
39									
40 Ending Cash & Invest Bal	466,573	284,299	437,325	288,918	272,903	249,157	217,611	187,885	

Cash & Investment Balance needs to cover three months of operating expenditures per city resolutions No. #08-850 & 13-866.
Note Beginning Cash & Investment Balance

Capital and Reserve Cash & Investment Balance should be maintained to cover next years debt payment per best practices and fiscal responsibility. Note Beginning cash & Investment Balance.

If growth or future rate increases are added, funds will be available to begin replacing old water lines at a faster pace. Current plan is to fund replacement with Grants.