



CITY OF BLACK DIAMOND
October 16, 2014 Special Meeting Agenda
25510 Lawson St., Black Diamond, Washington

6:00 P.M. – CALL TO ORDER, FLAG SALUTE, ROLL CALL

1) Work Session – 2015 Preliminary Budget – General Fund

Mayor Gordon, Ms. Miller

ADJOURNMENT:

CITY OF BLACK DIAMOND



October 16, 2014 Budget Workshop
2015 Preliminary Budget Workpapers

City of Black Diamond
2015 Preliminary Budget Proposal
October 16, 2014
Public Hearing

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CITY OF BLACK DIAMOND INTEROFFICE MEMO

October 8, 2014. 2014

To: City Council

From: May Miller, Finance Director

Re: 2015 Proposed Preliminary Budget-General Fund Review

October 16, 2014 is the second Council workstudy meeting on the 2015 Proposed Preliminary General Fund Budget. During the last meeting at the October 2, 2014 workstudy a brief review was made of the 2015 Revenues, Expenditures and Funding Agreement Limited wind-down funding for 2015. During the October 16, 2014 meeting we will spend more time reviewing the details of the 2015 General Fund Revenues and Expenditures. Additionally we will spend additional time reviewing the impacts of the Funding Agreement Limited Wind-down funding through March 19, 2015 and possible future effects on the 2016 budget.

Just a reminder about the Funding Agreement Limited Wind-down, this agreement provided a continuation of Funding for the funding of all the current core funded positions at the 2014 level through March 19, 2015. This amounted to Funding Agreement revenue for 2015 of \$350,462 for non-MDRT costs. The Limited Wind-down funded the City Clerk/Human Resources Manager and her FF&E for a total of \$163,117 for January through December 2015 plus \$187,345 to continue Current Funded of Core staff. This reduced for 2015 somewhat deferred until next year the more severe cuts that would have been needed had the reduction not been limited.

The Funding Agreement Revenue was reduced from \$1,585,760 in 2014 to \$1,064,843 in 2015. The reduction was still \$520,917, a significant reduction to achieve in one year. The \$520,917 reduction of Revenue is split at \$501,173 for the General Fund and \$19,774 for the Public Works Funds.

Mayor Gordon focused on balancing the 2015 General Fund Budget with the least impacts on level of service. To balance the 2015 budget, a great variety of sources were used. Some of the balancing examples include utilizing the additional \$76,000 in General fund Revenue, plus using the savings from the current vacant Natural Resource Director, City Administrator and Permit Supervisor (now filled by Part time Permit Technician) positions. In addition the technology budget was reduced by another \$37,820 to the current 2014 level of the Auburn Technology ILA and the Vision System costs. Savings were also achieved by the increase of Furlough days from 2 to 8 in 2015, not including Step increases or COLA's and from vacating the current City Hall building by March 31, 2015 when funding of the FF&E for the City Hall building ends. City Hall staff will move into the two leased modules. Many line item department budgets were cut as well as reducing the Hearing Examiner costs to \$10,000 (the 2013 expenditures were \$2,791).

Also a portion of Finance Staff costs were allocated to the Utility Funds to cover the costs of Finance utility related costs for Payroll, taxes & benefit and Voucher processing and payments, Annual and month-end processing and Reporting, Budgeting and preparation of the CIP. The Utility Funds were able to absorb a portion of the finance allocation with the 2015 savings from not re-budgeting the vacant City Administrator Position. The Utility portion of saving is \$41,877. The balance of the Finance allocation will be offset by allocation of Public Works staff to the Capital projects. Project management budgets were included in the 2015-2020 CIP budgets. A portion of the Public Works Director will also be covered by the Capital Budget for the Water Comp Plan update in 2015 and 2016. A portion of the Public Works Adm. Assistant will be allocated to the CIP for CIP Preparation and Grant Application and billing.

Finally the 20a5 Budget for Legal Services was reduced to the trend level of the last few years of \$70,000. This Legal budget includes: \$50,000 for the General Government Portion of the General Legal Services (Street, Water, Sewer and Stormwater also have a portion of these costs in their respective budgets); \$8,000 for Employment and Union contract issues (The re-negotiation of the Police contract and Initial negotiation of the Teamsters contracts should be nearly complete in 2014); \$4,000 for Public Disclosure reviews; and \$4,000 for other miscellaneous legal services. The extraordinary one time only 2014 Legal expenditures for Investigation, extra funds for the 2014 Police contract re-negotiations and Teamsters initial contract negotiations (which should be nearly completed in 2014); legal for Cannabis ordinances, & woodlands legal services were not re-budgeted in 2015, which saved \$146,365. If extraordinary legal expenditures above the 2015 Budget of \$70,000 occur, they would need to be brought to council for a Budget change in 2015. Fund balances per city policy are available for cash flow and for unexpected one-time only budget items.

After a great deal of effort, the combination of the revenues increases and expenditures reduction mentioned above resulted in the Mayor's proposed balanced General Fund Budget for 2015. The Proposed 2015 General Fund Budget is in balance with an increase to the 2014 Ending Fund Balance of \$565,453 to \$645,080 in 2015, an increase of \$79,627. This is \$822 more than the actual 2013 Ending Fund Balance

This process would have been much more difficult if the Funding Agreement reduction had not been limited. The limited funding through March 19, 2015 and the funding of the City Clerk/Human Resources Manager resulted in Funding Revenue for 2015 and deferred a more critical reduction until 2016. We need to look long-term and plan for next year's reduction, which will be the additional core \$187,345 reduction and the possible additional reduction of the other \$163,117.

Additional General Fund analysis and long term projections will be handed out at the meeting. I personally invite all councilmembers to stop by my office any time to go over any questions you make have regarding the 2015 Budget or just to review in detail each budget item. During this complex process a hands-on view and discussion can help answer question and bring about ideas for future year cuts. If you have any questions, please give me a call at 360-886-5700.

2015 Proposed General Fund Budget with Funding Agreement-Limited wind-down					DRAFT	
Adjusted					Budget	
	Budget	2013 Actuals	2014 Adj Budget	2014 Est Dec. Actual	2015 Budget	Budget %
					Inc/Dec	Inc/Dec
1 REVENUE						
2 Property Tax	1,400,391	1,421,983	1,386,433	1,436,203	14,220	1.00%
3 Sales Tax	290,796	280,000	272,000	280,000	0	0.00%
4 Utility & Gambling Tax	546,510	579,100	576,700	581,400	2,300	0.40%
5 Business & Other Licenses & Fees	23,070	23,700	22,000	23,500	(200)	-0.84%
6 Cable Franchise Fees	61,563	55,000	61,000	61,000	6,000	10.91%
7 Land Use and Permitting Fees	80,068	66,295	80,000	86,970	20,675	31.19%
8 Liquor Tax & Profits	40,278	37,500	40,000	35,700	(1,800)	-4.80%
9 State Sales Tax Assistance	61,645	49,000	59,000	60,000	11,000	22.45%
10 KC EMS Levy, Recycle Grants & misc	70,630	70,625	70,625	70,125	(500)	-0.71%
11 Chrgs for Svs, Passport	88,393	93,560	95,000	114,430	20,870	22.31%
12 Parks Parking Fees & other Parks Chg	16,313	12,700	21,000	21,000	8,300	65.35%
13 Cemetery Fees & Charges	9,128	13,500	10,000	12,700	(800)	-5.93%
14 Police Grants, Crim Justice & Misc	162,180	153,310	132,000	131,850	(21,460)	-14.00%
15 Court Fines and Fees	104,826	106,500	116,000	125,000	18,500	17.37%
16 Miscellaneous Revenue	8,676	2,650	2,200	1,975	(675)	-25.47%
17 Subtotal Operating Revenue	2,964,467	2,965,423	2,943,958	3,041,853	76,430	2.58%
18 Funding Agreement-MDRT		632,570		714,381	81,811	12.93%
19 Funding Agreement-Core		878,570		330,688	(547,882)	-62.36%
20 Funding Agreement Contribution	1,412,069		1,274,140		0	
21 Total General Fund Op Revenue	4,376,536	4,476,563	4,218,098	4,086,922	(389,641)	-8.70%
22 Developer Reimb-SEPA legal	51,420	84,000	15,000	10,000	(74,000)	-88.10%
23 Developer Reimb-MDRT Consultants	270,325	485,000	230,000	470,000	(15,000)	-3.09%
24 Developer Reimb-Makers Consulting	79,400	100,000	71,376		(100,000)	-100.00%
25 Developer-Dup Plat & Land Use Fees				0		
26 Grand Total Revenue	4,777,681	5,145,563	4,534,474	4,566,922	(578,641)	-11.25%
27 Beg Cash & Inv Bal General Govt	397,817	644,198	644,198	601,492	(42,706)	(686,904)
28 Beg Cash & Investment Ba Deve	261,219	299,129	299,129	278,000	(21,129)	(320,258)
29 Total Sources	5,436,717	6,088,890	5,477,801	5,446,414	(642,476)	-10.55%
30 EXPENDITURES						
31 Legislative	3,876	14,709	14,709	14,702	(7)	-0.05%
32 Executive	13,924	14,876	14,876	14,450	(426)	-2.86%
33 Administration	105,545	125,031	113,000		(125,031)	-100.00%
34 Asst City Administrator/City Clerk/HR	238,595	228,749	225,749	220,309	(8,440)	-3.69%
35 Finance	243,879	271,891	264,813	173,477	(98,414)	-36.20%
36 Information Services	143,454	87,520	40,000	49,700	(37,820)	-43.21%
37 Legal Service	66,564	70,000	70,000	70,000	0	0.00%
38 Legal Services-3014 Investigation/Other		157,950	160,000		(157,950)	-100.00%
39 Legal-Pros Atty & Pub Defender	24,000	60,000	60,000	61,250	1,250	2.08%
40 Municipal Court	151,901	147,399	140,445	164,908	17,509	11.88%
41 Police Department	1,553,562	1,632,382	1,601,385	1,638,516	6,134	0.38%
42 Fire Department	448,264	474,711	453,000	485,526	10,815	2.28%
43 Natural Resources-Recycle & Air Quali	168,077	94,901	91,300	17,300	(77,601)	-81.77%
44 Master Development Review Team	451,226	632,571	480,000	714,381	81,810	12.93%
45 Hearing Examiner-SEPA	2,791	30,000	10,000	10,000	(20,000)	-66.67%
46 Community Development	168,143	197,180	185,000	202,072	4,892	2.48%
47 Economic Development	1,084	1,550	1,200	1,500	(50)	-3.23%
48 Facilities-staff & Misc	98,239	87,894	87,894	82,322	(5,572)	-6.34%
49 Facilities Bldg Mtc-FA-Core	112,222	112,322	109,322	75,236	(37,086)	-33.02%
50 Animal Control	8,659	9,293	9,293	10,000	707	7.61%
51 Emergency Management	3,714	2,500	2,500	2,500	0	0.00%
52 Parks	46,394	56,225	53,225	57,365	1,140	2.03%
53 Cemetery	15,768	14,428	13,000	15,285	857	5.94%
54 Central Svs Reimb-Paper, Post, Print C	27,073	31,226	40,000	30,535	(691)	0.00%
55 Three month Insurance -all depts			27,000		0	0.00%
56 Total General Fund Op Exp	4,096,955	4,555,308	4,267,711	4,111,334	(443,974)	-9.75%
57 Developer Exp-GFC-Makers	106,705	100,000	75,598		(100,000)	0.00%
58 Developer MDRT-Consultants	245,220	485,000	250,000	470,000	(15,000)	0.00%
59 Developer Legal SEPA Reimb	44,511	84,000	5,000	10,000	(74,000)	0.00%
60 Developer Refunds						
61 Total Expenditures	4,493,390	5,224,308	4,598,309	4,591,334	(632,974)	-12.12%
62 Ending Cash & Inv Bal Gen Govt	644,198	565,453	601,492	645,080	79,627	14.08%
63 Ending Cash & Inv Bal Developer	299,129	299,129	278,000	210,000	(89,129)	-29.80%
64 Total Uses	5,436,717	6,088,890	5,477,801	5,446,414	(642,476)	-10.55%

10/8/2014

2015 Preliminary Budget					DRAFT	
Funding Agreement-Limited Wind-down-with proposed 10 days Furlough						
	2015 Funded FTE	2014 Adjusted Budget	2015 Request w/no 2015 reduction	2015 Target Core @2.65 months	2015 Budget- MDRT & Core Funding w/Limited wind-down	2016 senerio with possible full core wind down
MDRT						
1 MDRT & Ec Deve Dir	1.00	143,563	146,509	146,509	146,509	146,509
2 Comm Dev Director-FT -Jan-June 2014		58,270				
3 Comm Dev/Nat Res Dir-.50% -July-Dec 2014	0.50	37,308	75,842	75,842	75,842	75,842
4 Utilities/Const Sup-	1.00	123,745	143,681	143,681	143,681	143,681
5 Add MDRT Sr Planner-75% position	0.75	71,160	95,226	95,226	95,226	95,226
6 MDRT Senior Accountant/Adm Asst	0.75	73,736	75,419	75,419	75,419	75,419
7 Subtotal MDRT Staff	4.00	507,782	536,677	536,677	536,677	536,677
8 MDRT-Expenses		33,659	32,500	32,500	32,500	32,500
9 MDRT-Alloc PW Dir, Asst CA, Finance			30,000	30,000	30,000	30,000
10 MDRT one Vehicle		30,000	50,000	50,000	50,000	50,000
11 FF&E-4 MDRT Emp @ \$16,301= \$65,204		61,129	65,204	65,204	65,204	65,204
12 Total MDRT	4.00	632,570	714,381	714,381	714,381	714,381
Core-Limited Wind down funded position-w 10 Day Furlough						
14 City Clerk/Resources Manager	1.00	148,117	146,816	146,816	146,816	0
15 City Clerk/Res Mgr-FF&E-one employee			16,301	16,301	16,301	0
16 Sub total MDRT & one Funded Position	5.00	780,687	877,498	877,498	877,498	714,381
Balance of Core Agreement (254)						
Core positions w 10 day furlough						
20 Public Works Director		74,620	74,620		19,774	
21 Natural ResParks Dir-Jan-June 2014		74,616				
22 Comm Dev/Hr Director-50% July-Dec 2014		37,308	73,540		19,488	
23 Information Svs-Contracted		92,176	49,000		12,985	
24 Finance Director		123,725	119,477		31,661	
25 Deputy Finance Director		111,990	109,674		29,064	
26 Permit Center Supervisor 2014 Budget		103,041				
27 Re-allocate vacant Permit Center Supervisor		(94,977)				
28 Core Planner -Contract thru 3/19/14		52,200	80,168		21,246	
29 Add Permit Center Tech-Feb-Dec 2014		37,636	41,978		11,123	
30 Facilities Equipment Coordinator		80,418	93,605		24,805	
31 Sub Total Core balance @ 2.65 months		692,753	642,062	170,146	170,146	0
32 Core 2015 FF&E-limited wind-down @ 2.65 Months		112,320	64,899	17,199	17,199	
33 Total Core balance @ 2.65 months		805,073	706,961	187,345	187,345	0
34 Total Funding Agree Op Costs-Funding Revenue		1,585,760	1,584,459	1,064,843	1,064,843	714,381
35 MDRT Legal & Consulant Reimb		485,000	470,000	470,000	470,000	470,000
36 Grand Total Funding Agreement	5.00	2,070,760	2,054,459	1,534,843	1,534,843	1,184,381
* RECAP:						
38 2013 City Budget		1,844,306				
39 YB Feb 2013 Cost Inspec		123,745				
40 2013 Base Budget		1,968,051				
41 less 2014 reduction		-360,000				
42 Change in MDRT Exp Red		-22,291				
43 Total Funding wo Consultants		1,585,760				
44 General Fund MDRT		632,753			714,381	714,383
45 General Fund-Core		878,387			330,688	0
46 Public Works funds		74,620			19,774	0
47 Total Funding Budget-wo contulants		1,585,760			1,064,843	714,383
recap						
Base Funding Revenue					1,585,760	1,064,843
Less 2015 Funding Revenue Total with Limited Wind-down-2016 Possible Full Core wind-down					(1,064,843)	(714,383)
Total 2015 limited wind-down reduction /2016 possible Core additional reduction					520,917	350,460

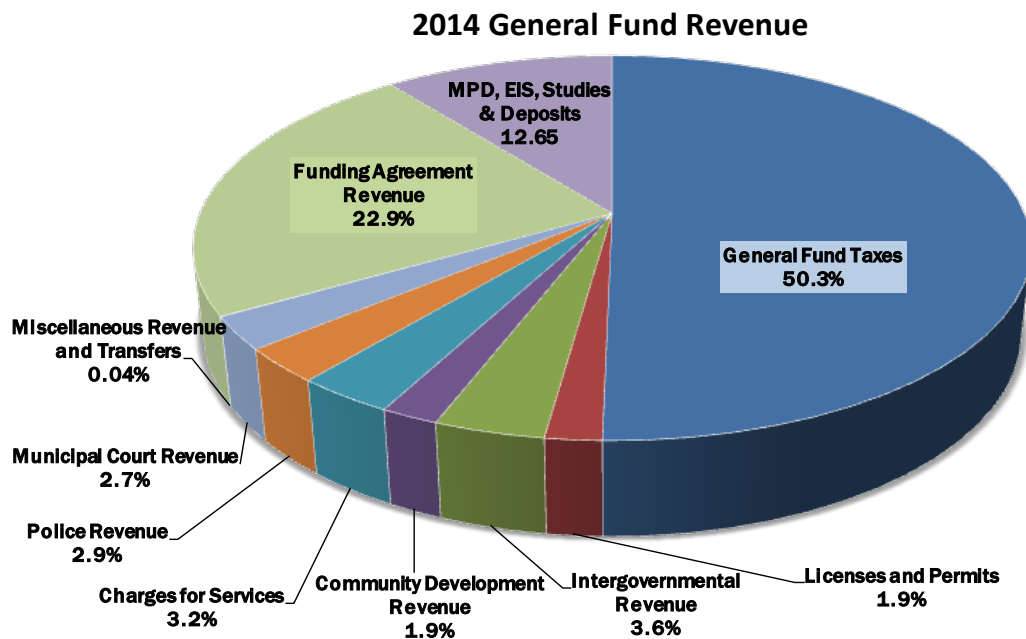
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General Fund Summary - Preliminary					2015 Detail by Category			
DRAFT	2014 Budget	2015 Budget	Chg \$ 2014- 2015	Change %	Public Safety	General Govt	Yarrow Bay to Gen Govt	YB MDRT
REVENUE					DRAFT			
Public Safety Revenue support								
Property Taxes	1,421,983	1,436,423	14,440	1.0%	1,436,423			
Utility & Gambling Taxes	579,100	581,400	2,300	0.4%	581,400			
Criminal Justice Sales Tax	95,800	97,100	1,300	1.4%	97,100			
Liquor Tax	0	0	0	0.0%	0			
Liquor Profits	37,500	35,700	-1,800	-4.8%	35,700			
Court Fines and Fees	106,500	125,000	18,500	17.4%	125,000			
Fire EMS Taxes	54,700	54,200	-500	-0.9%	54,200			
Police Grants & Charges for Service & Misc.	57,610	34,750	-22,860	-39.7%	34,750			
Subtotal Public Safety Revenue	2,353,193	2,364,573	11,380	0.5%	2,364,573			
General Government Support								
Sales Tax	280,000	280,000	0	0.0%	280,000			
Land Use and Permitting Fees	66,295	86,970	20,675		86,970			
State Assistance	49,000	60,000	11,000	22.4%	60,000			
Recycle Grants & Misc. Grants	15,925	15,925	0		15,925			
Cable Franchise Fee	55,000	61,000	6,000		61,000			
Parks & Cemetary Fees	26,200	33,700	7,500	28.6%	33,700			
Passport Fees	14,600	20,300	5,700	39.0%	20,300			
Alloc for software Mtc, Cr Card Fees, TR/AP post-prin	24,930	24,130	-800	-3.2%	24,130			
Alloc for code update. It, Fin, Permit Mtc-non YB	51,930	70,000	18,070	34.8%	70,000			
Other Misc Revenue	28,350	25,255	-3,095	-10.9%	25,255			
Subtotal General Government Revenue	612,230	677,280	65,050	10.6%	677,280			
Subtotal Operating Revenue	2,965,423	3,041,853	76,430	2.6%				
YarrowBay Funding Agreement - MDRT	632,570	714,381	81,811	12.9%	714,381			
YarrowBay Funding Agreement - Core	878,570	330,716	-547,854	-62.4%	330,688			
Total General Fund Operating Revenue	4,476,563	4,086,950	-389,613	-8.7%	2,364,573	677,280	330,688	714,381
EXPENDITURES								
Public Safety Expenditures								
Police Department	1,632,382	1,638,516	6,134	0.4%	1,638,516			
Fire Department	474,711	485,526	10,815	2.3%	485,526			
Municipal Court	147,399	164,908	17,509	11.9%	164,908			
Court Public defender	36,000	37,250	1,250	3.5%	37,250			
Court Prosecution	24,000	24,000	0	0.0%	24,000			
Animal Control	9,293	10,000	707	7.6%	10,000			
Emergency Management	2,500	2,500	0	0.0%	2,500			
Subtotal Public Safety Expenditures	2,326,285	2,362,700	36,415	1.6%	2,362,700			
Executive	14,876	14,450	-426	-2.9%	14,450			
Legislative	14,709	14,702	-7	0.0%	14,702			
Administration	125,031	0	-125,031	-100.0%	0			
City Clerk	228,749	220,309	-8,440	-3.7%	73,493		146,816	
Finance	271,891	173,477	-98,414	-36.2%	112,752		60,725	
Information Services	87,520	49,700	-37,820	-43.2%	36,715		12,985	
Legal	227,950	70,000	-157,950	-69.3%	70,000			
Natural Resources/Parks	94,901	17,300	-77,601	-81.8%	17,300			
Master Development Review Team	632,571	714,381	81,810	12.9%				714,381
Community Development	197,180	202,072	4,892	2.5%	150,215		51,857	
Hearing Examiner(including SEPA Appeal)	30,000	10,000	-20,000	-66.7%	10,000			
Economic Development	1,550	1,500	-50	-3.2%	1,500			
Facilities-staff & Misc	87,894	82,322	-5,572	-6.3%	57,517		24,805	
Facilities Bldg Mtc-Funding agreement	112,322	75,236	-37,086	-33.0%	41,736		33,500	
Parks	56,225	57,365	1,140	2.0%	57,365			
Cemetery	14,428	15,285	857	5.9%	15,285			
Central Services and Employee Recognition	31,226	30,535	-691	-2.2%	30,535			
Subtotal General Government	2,229,023	1,748,634	-480,389	-21.6%	703,565		330,688	
Total General Fund Operating Expenditures	4,555,308	4,111,334	-443,974	-9.7%	2,362,700	703,565	330,688	714,381
Surplus/Decrease	-78,745	-24,384			1,873	-26,285	0	0

2015 Employee Allocations by Funding Source

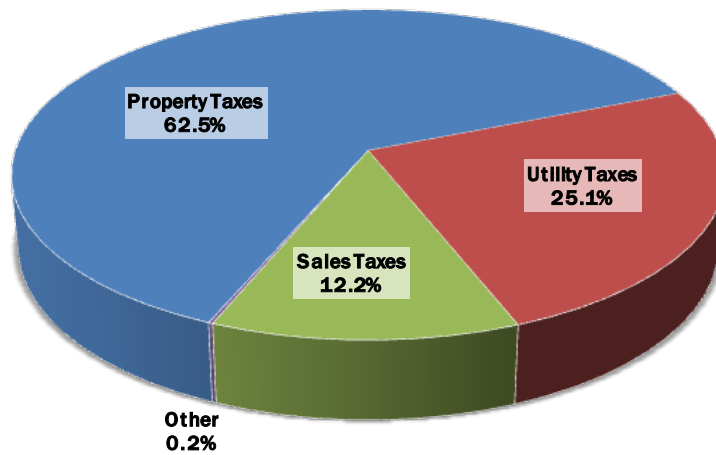
Positions	Full Time Equivalent (FTE)	Funding Agreement	General Fund	Street Fund	Water Fund	Sewer Fund	Storm water Fund
Municipal Court							
Court Administrator	1.00		1.00				
Court Clerk	0.29		0.29				
Total Court	1.29		1.29	0.0	0.0	0.0	0.0
Administration							
City Administrator (Vacant)							
Admin Assistant I	1.00		0.10		0.30	0.30	0.30
Total Administration	1.00		0.10	0.00	0.30	0.30	0.30
City Clerk							
City Clerk/Assistant City Administrator	1.00	1.00					
Deputy City Clerk	1.00		0.60	0.04	0.12	0.12	0.12
Total City Clerk	2.00	1.00	0.60	0.04	0.12	0.12	0.12
Finance Department							
Finance Director	1.00		0.60	0	0.15	0.13	0.12
Deputy Finance Director	1.00		0.60	0	0.15	0.13	0.12
Accounts Payable Clerk	0.73		0.45	0.04	0.08	0.08	0.08
Total Finance	2.73		1.65	0.04	0.38	0.34	0.32
Information Services							
Information Services Manager (Vacant)	0.00						
Total Information Services	0.00		0.0	0.0	0.0	0.0	0.0
Police Department							
Police Chief	1.00		1.00				
Police Commander	1.00		1.00				
Sergeant	2.00		2.00				
Police Officers	4.00		4.00				
Police Records Coordinator	1.00		1.00				
Police Clerk	0.63		0.63				
Total Police Department	9.63		9.63	0.00	0.00	0.00	0.00
Community Development							
Permit Technician Supervisor (Vacant)							
Permit Technician	0.60		0.60				
Total Community Development	0.60		0.60				
Master Development Review Team (MDRT)							
MDRT Exconomic Development Director	1.00	1.00					
Community Devel./Natural Resource Director	1.00	0.50	0.50				
Utilities Construction Supervisor	1.00	1.00					
Senior Planner	0.75	0.75					
Senior Accountant	0.75	0.75					
Total Economic Development	4.50	4.00	0.50	0.00	0.00	0.00	0.00
Facilities Department							
Facilities Equipment Coordinator	1.00		0.80	0.05	0.05	0.05	0.05
Total Facilities	1.00		0.80	0.05	0.05	0.05	0.05
Stewardship							
Stewardship Director (Vacant)							
Total Stewardship	0.00		0.00	0.00	0.00	0.00	0.00
Public Works							
Public Works Director	1.00			0.25	0.25	0.25	0.25
Admin Assistant III	1.00			0.25	0.25	0.25	0.25
Total Funding	2.00		0.00	0.5	0.5	0.5	0.5
Utilities Supervisor	1.00		0.04	0.3	0.22	0.22	0.22
Utility Worker	1.00		0.10	0.15	0.25	0.25	0.25
Utilities Operator	1.00		0.10	0.15	0.25	0.25	0.25
Seasonal Help for Parks	0.12		0.06	0.02	0.02	0.00	0.02
Total Public Works	3.12		0.30	0.62	0.74	0.72	0.74
Grand Total Budget Positions (FTE's)	27.87	5.00	15.47	1.25	2.09	2.03	2.03

General Fund Revenue Summary		2013 Actual	2014 Amended Budget	2014 August Actual	2015 Final Budget	14 to 15 Budget Change	% Budget Change
1	General Fund Taxes	2,237,697	2,281,083	1,355,699	2,297,603	16,520	0.7%
2	Licenses and Permits	84,633	80,000	67,932	84,500	4,500	5.6%
3	Intergovernmental Revenue	172,552	157,125	124,981	165,825	8,700	5.5%
4	Community Development Revenue	85,068	64,295	63,212	86,970	22,675	35.3%
5	Charges for Services	113,835	119,760	95,382	148,130	28,370	23.7%
6	Police Revenue	162,180	153,310	97,632	131,850	(21,460)	-14.0%
7	Municipal Court Revenue	104,826	106,500	79,973	125,000	18,500	17.4%
8	Miscellaneous Revenue and Transfers	8,676	3,350	7,749	1,975	(1,375)	-41.0%
9	Subtotal Operating Revenue	2,969,467	2,965,423	1,892,560	3,041,853	76,430	2.58%
10	Funding Agreement Revenue	1,412,070	1,511,141	812,051	1,045,069	(466,072)	-30.84%
11	Total Operating Revenue	4,381,537	4,476,564	2,704,611	4,086,922	(389,642)	-8.70%
12	MPD, EIS, Studies and Deposits	396,145	669,000	277,190	480,000	(189,000)	-28.3%
13	General Fund Total Revenue	4,777,682	5,145,564	2,981,801	4,566,922	(578,642)	-11.2%
14	Beginning Fund Cash & Investments (City)	398,217	644,598	644,598	645,080	482	0.1%
15	Beginning Fund Cash & Investments (Funding)	261,219	299,129	299,129	278,000	(21,129)	-7.1%
16	Total Beginning Fund Cash and Investments	659,436	943,727	943,727	923,080	(20,647)	-7.1%
17	Total Sources	5,437,119	6,089,291	3,925,529	5,490,002	(599,289)	-9.8%

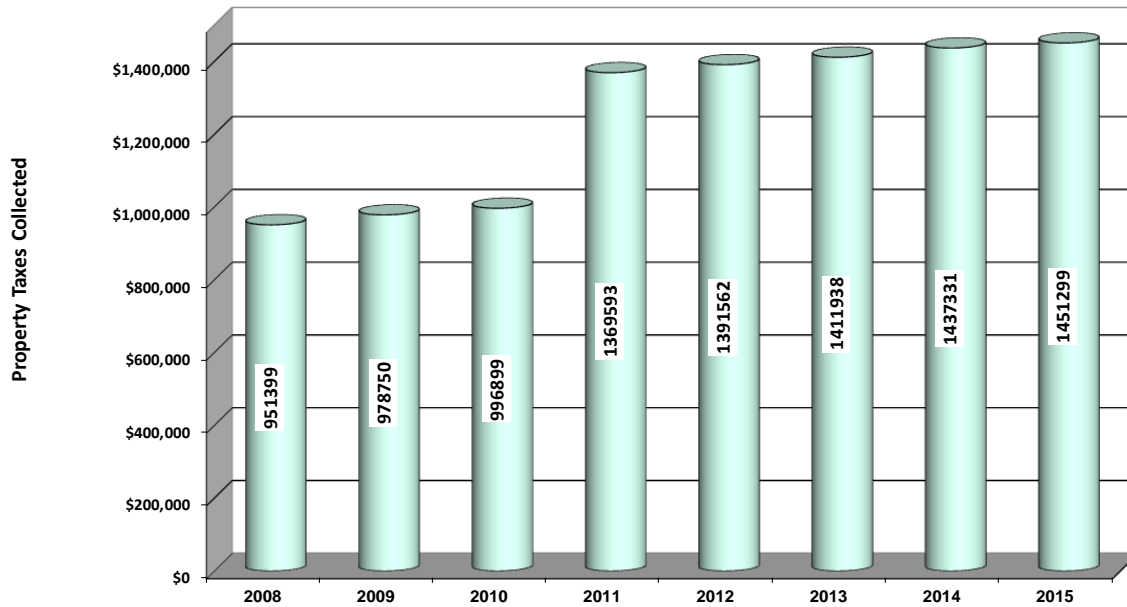


Tax Revenue - General Fund		2013 Actual	2014 Amended Budget	2014 August Actual	2015 Final Budget	14 to 15 Budget Change	% Budget Change
1	General Property Taxes	1,400,391	1,421,983	763,078	1,436,203	14,220	1.0%
2	Sales Taxes	290,796	280,000	186,203	280,000		
3	B & O Tax						
4	Solid Waste Utility Tax	35,624	30,600	18,972	32,500	1,900	6.2%
5	Cable TV Utility Tax	56,580	72,600	47,555	70,500	(2,100)	-2.9%
6	Telephone Utility Tax	114,818	115,000	73,044	105,000	(10,000)	-8.7%
7	Gas Utility Tax	337	500	286	500		
8	Electrical Utility Tax	217,881	215,000	168,232	225,000	10,000	4.7%
9	Water Utility Tax	31,603	35,000	24,780	39,000	4,000	11.4%
10	Stormwater Utility Tax	40,764	61,700	41,977	60,000	(1,700)	-2.8%
11	Wastewater Utility Tax	44,329	44,300	28,857	44,900	600	1.4%
12	Pull Tabs and Punch Board Tax	4,573	4,400	2,715	4,000	(400)	-9.1%
13	Total General Fund Taxes	2,237,697	2,281,083	1,355,699	2,297,603	16,520	0.7%

2014 General Fund Tax Revenue



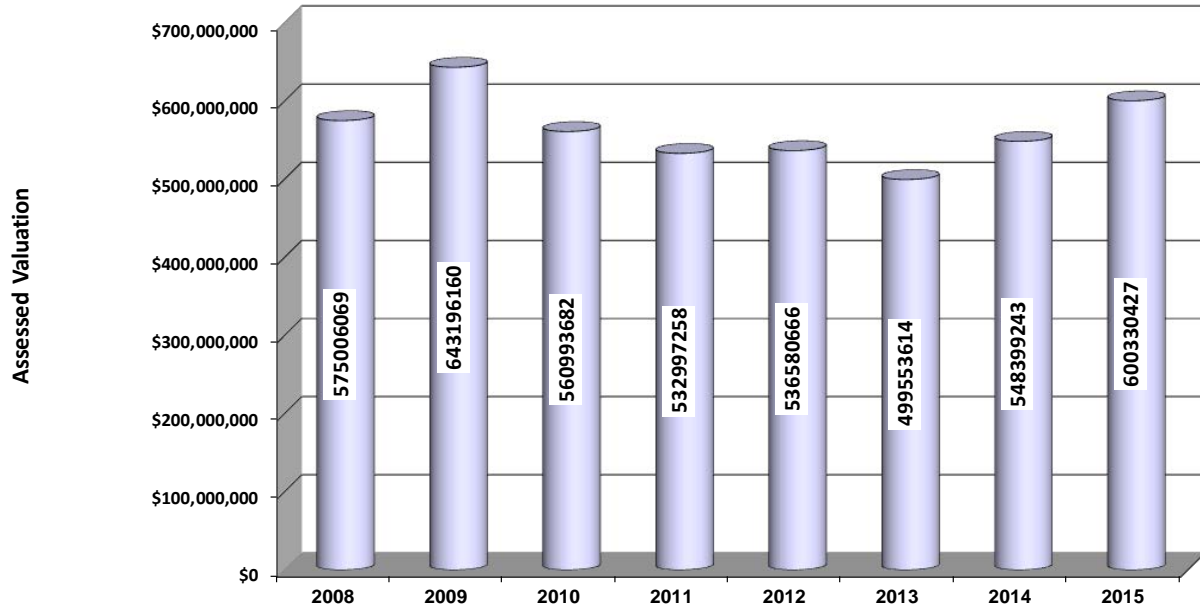
Property Tax Collection History and 2015 Budget



Regular Levy Base	926,593	951,399	978,750	1,360,227	1,369,593	1,389,750	1,407,904	1,433,816
1% Increase	9,266	9,514	9,788	0	13,696	13,898	14,079	14,338
New Construction	13,451	17,837	4,167	3,147	6,461	4,256	11,833	3,145
Annexations	0		1,163	0				
Adjustments	2,089	0	3,031	6,219	1,812	4,034	3,515	0
Total Property Taxes	\$951,399	\$978,750	\$996,899	\$1,369,593	\$1,391,562	\$1,411,938	\$1,437,331	\$1,451,299
Levy Rate	1.65059	1.52072	1.77702	2.57000	2.59339	2.82640	2.62096	2.41750
Allowable Levy				3.10	3.10	3.10	3.10	3.15
		505393337		643196160				
Assessed Valuation	\$575,006,069	\$643,196,160	\$560,993,682	\$532,997,258	\$536,580,666	\$499,553,614	\$548,399,243	\$600,330,427

* The City budget adopted property tax at \$1,383,500 in 2012.

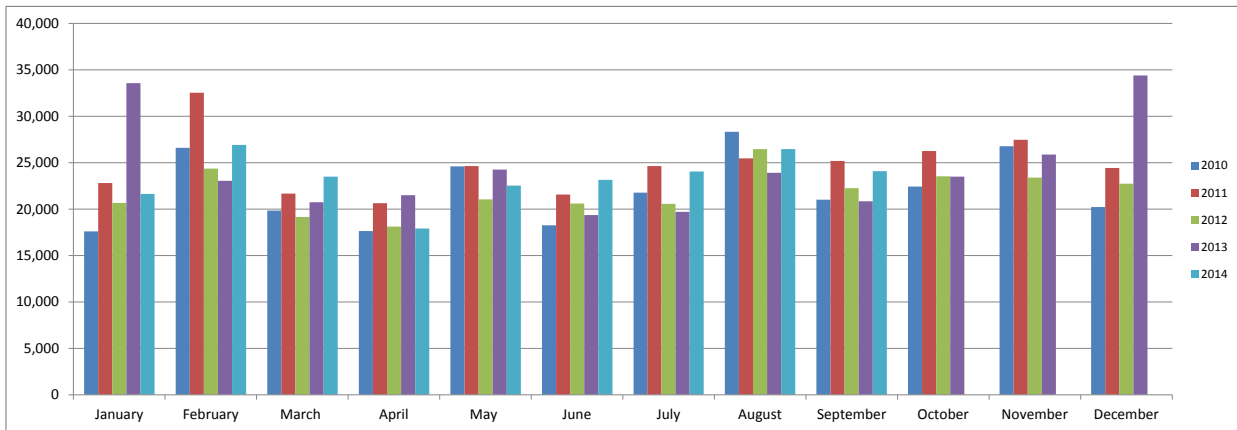
Assessed Valuation History



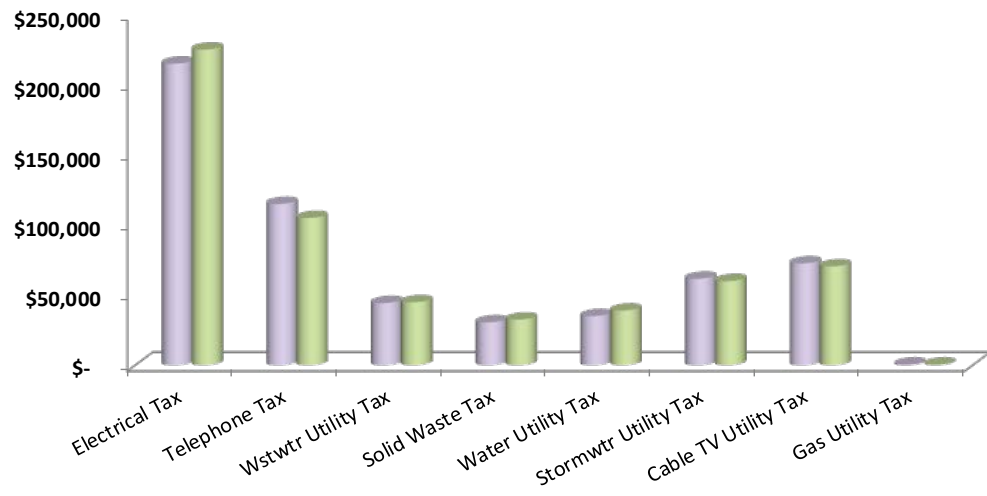
Base Assessed Valuation	427,240,702	446,214,893	497,642,229	560,299,568	626,088,991	552,382,312	529,857,064
New Construction	4,372,118	3,578,995	2,397,737	7,314,478	10,806,265	8,611,370	3,058,528
Final Assessed Valuation	\$ 575,006,069	\$ 643,196,160	\$ 560,993,682	\$ 532,997,258	\$ 536,580,666	\$ 499,553,614	\$ 548,399,243
% change from prior year		11.9%	-12.8%	-5.0%	0.7%	-6.9%	9.8%
Population	4,085	4,120	4,155	4,180	4,190	4,160	4,170

**City of Black Diamond
Sales Tax Remittance Analysis**

	2010		2011		2012		2013		2014		Change from prior
Month of Remittance	Monthly	YTD	Monthly	YTD	Monthly	YTD	Monthly	YTD	Monthly	YTD	YTD 2013 to 2014
January	17,598	17,598	22,813	22,813	20,661	20,661	33,586	33,586	21,648	21,648	-35.5%
February	26,606	44,205	32,555	55,369	24,377	45,038	23,046	56,732	26,907	48,555	-14.4%
March	19,848	64,053	21,669	77,037	19,165	64,203	20,752	77,484	23,494	72,049	-7.0%
April	17,656	81,709	20,641	97,678	18,111	82,314	21,506	98,990	17,926	89,975	-9.1%
May	24,606	106,315	24,654	122,333	21,061	103,375	24,270	123,260	22,527	112,502	-8.7%
June	18,274	124,589	21,566	143,899	20,597	123,972	19,367	142,627	23,171	135,673	-4.9%
July	21,786	146,374	24,640	168,540	20,584	144,556	19,696	162,323	24,052	159,725	-1.6%
August	28,347	174,722	25,458	193,997	26,483	171,039	23,921	186,244	26,478	186,203	0.0%
September	21,019	195,741	25,179	219,176	22,253	193,291	20,849	207,093	24,086	210,289	1.5%
October	22,446	218,187	26,251	245,427	23,552	216,843	23,520	230,613		210,289	
November	26,777	244,964	27,458	272,885	23,386	240,229	25,880	256,493		210,289	
December	20,213	265,177	24,448	297,333	22,744	262,974	34,402	290,895		210,289	
TOTAL		265,177		297,333		262,974		290,795		210,289	



Utility Taxes	2013 Actual	2014 Amended Budget	2014 August Actual	2015 Final Budget	14 to 15 Budget Change	% Budget Change
Electrical Tax	217,881	215,000	168,232	225,000	10,000	4.7%
Telephone Tax	114,818	115,000	73,044	105,000	(10,000)	-8.7%
Sewer Utility Tax	44,329	44,300	28,857	44,900	600	1.4%
Solid Waste Tax	35,624	30,600	18,972	32,500	1,900	6.2%
Water Utility Tax	31,603	35,000	24,780	39,000	4,000	11.4%
Stormwater Utility Tax	40,764	61,700	41,977	60,000	(1,700)	0%
Cable TV Utility Tax	56,580	72,600	47,555	70,500	(2,100)	-2.9%
Gas Utility Tax	337	500	286	500		
Total Utility Revenue	541,936	574,700	403,703	577,400	2,700	0.5%



Business License and Cable Franchise Fee Revenue	2013 Actual	2014 Amended Budget	2014 August Actual	2015 Final Budget	14 to 15 Budget Change	% Budget Change
Business Licenses	23,070	23,000	21,590	23,000		
Cable Franchise Fees	61,563	55,000	46,342	61,000	6,000	10.9%
Tree Permit Inspection Fee		2,000		500	(1,500)	100.0%
Total Gen Fund Bus. License & Cable Fee Revenue	84,633	80,000	67,932	84,500	4,500	5.6%

Intergovernmental Revenue (non-police)	2013 Actual	2014 Amended Budget	2014 August Actual	2015 Final Budget	14 to 15 Budget Change	% Budget Change
Sales Tax Assistance from State	61,645	49,000	30,515	60,000	11,000	22.4%
Recycle Grants, King County and State	15,926	15,925	15,944	15,925		
Liquor Excise Tax	2,794		5,793			
Liquor Board Profits	37,484	37,500	18,542	35,700	(1,800)	-4.8%
KC EMS VLS Contract	54,704	54,700	54,187	54,200	(500)	0%
Total Intergovernmental Rev	172,552	157,125	124,981	165,825	8,700	5.5%

Charges for Services (non-police) - General Fund	2013 Actual	2014 Amended Budget	2014 August Actual	2015 Final Budget	14 to 15 Budget Change	% Budget Change
Misc Charges for Services	1,387	2,100	17		(2,100)	-100.0%
Passport Fee	15,200	14,600	15,974	20,300	5,700	0%
Grant Reimbursements and Other						
Lake Sawyer Parking Fee	15,186	11,000	18,330	19,200	8,200	74.5%
Parks Special Events	1,127	1,700	1,045	1,800	100	100.0%
Cemetery Revenue	9,128	13,500	9,321	12,700	(800)	-5.9%
Central Service & GF Allocations	71,807	76,860	50,696	94,130	17,270	22.5%
Total Charges for Service (non-police)	113,835	119,760	95,382	148,130	28,370	23.7%

Municipal Court Revenue - General Fund	2013 Actual	2014 Amended Budget	2014 August Actual	2015 Final Budget	14 to 15 Budget Change	% Budget Change
Court Mand. Insurance Costs	2,887	3,000	1,222	3,000		
Court Traffic Infractions	64,089	62,000	40,929	70,000	8,000	12.9%
Court Other Non Traffic Infr.	8					0%
Court Parking Fines	2,580	2,100	5,475	6,400	4,300	204.8%
Court DUI Fines	2,372	3,200	3,010	4,500	1,300	40.6%
Court Criminal Traffic Misd.	4,431	5,500	6,051	9,100	3,600	65.5%
Nontraffic Fees and Infractions	9,043	10,200	5,363	7,700	(2,500)	-24.5%
Administration/Correction Fees	14,929	16,800	13,717	18,000	1,200	7.1%
Court Interest and Miscellaneous Fees	4,486	3,700	4,206	6,300	2,600	70.3%
Total Municipal Court Revenue	104,826	106,500	79,973	125,000	18,500	17.4%

Miscellaneous Revenue & Transfers Revenue	2013 Actual	2014 Amended Budget	2014 August Actual	2015 Final Budget	14 to 15 Budget Change	% Budget Change
LGIP Investment and Misc. Interest	1,876	2,300	569	1,075	(1,225)	-53.3%
Surplus GF Equipment	600					0%
Animal Control	2,061					0%
Misc Revenue	4,140	1,050	7,180	900	(150)	-14.3%
Total Miscellaneous Revenue	8,676	3,350	7,749	1,975	(1,375)	-41.0%

Police Revenue	2013 Actual	2014 Amended Budget	2014 August Actual	2015 Final Budget	14 to 15 Budget Change	% Budget Change
Police Intergovernmental Revenue						
Marine Grant-USCG 97-012/Wa Parks	26,839					0%
WTSC- X52 Speeding						
St. training CJ Grant	3,080	2,500	440	500	(2,000)	
WASPC Traffic Safety Equip-Radar	1,275	1,000	526	2,000	1,000	100.0%
WTSC- X52DUI/DHGN	744	1,000			(1,000)	-100.0%
WTSC- Nighttime Seat Belt Enforce	698	1,000	625	1,000		
Police CETED ST EQ Grant						0%
Vessel Registration Boat Safety	11,260	11,260	12,391	12,000	740	0%
WASPC/DOJ Bulletproof Vest Grant (CFDA16.607)	382					
Vessel Reg. Boat Safety Carryover		10,000			(10,000)	100%
Total Police Intergovernmental Revenue	44,278	26,760	13,981	15,500	(11,260)	-0.42
Police Charges for Service						
Police Traffic School Fee	11,800	15,000	8,018	10,000	(5,000)	0%
Police Overtime Reimb	1	2,000	2,740	2,600	600	23%
Police Traffic Reimb	1,463	2,500			(2,500)	
Police Finger Print Fee	200	200	145	150	(50)	
Police Records and Services	530	700	324	500	(200)	-40%
Police-DUI Cost Recovery	3,737	4,100	1,823	3,000	(1,100)	-26.8%
DRE-Drug Recognition Expert Services						-100%
Electronic Home Monitoring	200	250	507	800	550	220.0%
Work Crew Screening and per Day State Fee	610	900	55	200	(700)	-77.8%
Reimbursement from Labor & Industries						
Total Police Charges for Service	18,540	25,650	13,612	17,250	(8,400)	-32.7%
Police Confiscated, Donation, DARE, etc.						
Donation for Marine						
Gun Permits and Fingerprinting	2,042	2,600	899	1,400	(1,200)	-46.2%
DARE Donations from Private Sources	663	2,500	605	600	(1,900)	-76.0%
K-9 Donation	(1,561)					
Unclaimed/ Found Property	136					
Total Police Confiscated, Donated Revenue	1,280	5,100	1,504	2,000	(3,100)	-60.8%
Police Criminal Justice Revenue						
Local Criminal Justice Funds	92,567	90,500	64,185	92,000	1,500	1.7%
Criminal Justice - Violent Crimes/Population	1,025	1,000	824	1,000		
Criminal Justice Dcd 1		200			(200)	-100.0%
Criminal Justice - Special Programs	3,733	3,500	2,960	3,500		
DUI and Other Criminal Justice Assistance	758	600	565	600		
Total Criminal Justice Revenue	98,083	95,800	68,534	97,100	1,300	1.4%
Total Police General Fund Revenue	162,180	153,310	97,632	131,850	(21,460)	-14.0%

Community Development Revenue	2013 Actual	2014 Amended Budget	2014 August Actual	2015 Final Budget	14 to 15 Budget Change	% Budget Change
Permitting Revenue						
Building Permit Fees	31,979	25,000	19,155	32,000	7,000	0%
Special Events Permits	1,723	600	5,400	2,000	1,400	233.3%
Grading & Clearing Permits	3,915	5,000	55	5,000		
Mechanic Permits	3,301	2,500	2,760	4,000	1,500	60.0%
Plumbing Permits	2,215	2,000	2,464	3,000	1,000	50.0%
Demolition Permits	720	360	120	360		
Sprinkle/Alarm, Firework Permit	835	500	415	600	100	20.0%
Permit Fee Cost Recovery Increase	1,767	850	2,376	2,600	1,750	205.9%
Sign Permits	240	500	145	300	(200)	-40.0%
Total Permitting Revenue	46,695	37,310	32,890	49,860	12,550	0.34
Land Use Fees						
TDR Application/Credit		300		300		
Various Land Use Fees	1,051	2,000	1,996	2,000		
Various Shoreline Fees	625	525	630	1,000	475	90.5%
Watchperson Fees	210	210	105	210		
SEPA Fees and Appeals	788	750	1,733	2,000	1,250	63%
Total Land Use Fees	2,674	3,785	4,464	5,510	1,725	45.6%
Plan Check Fees						
Plan Check Review Fees	15,904	16,500	18,328	25,000	8,500	0%
Fire Plan Check Fees	1,535	1,500	650	1,500		
Total Plan Check Fees	17,438	18,000	18,978	26,500	8,500	47.2%
Other Community Dev. Revenue						
King County Rec. fees & code fines, etc.	70		40			
Copying Services	238	200	49	100	(100)	-50.0%
CD Reimbursement Revenue		4,000	3,055	4,000		0%
Community Development Deposits	17,953		3,044			
Hearing Examiner Fees		1,000	692	1,000		0%
Total Other Community Dev	18,261	5,200	6,880	5,100	(100)	-1.9%
Total Community Development Rev	85,068	64,295	63,212	86,970	22,675	35.3%

Funding Agreement Revenue - General Fund	2013 Actual	2014 Amended Budget	2014 August Actual	2015 Final Budget	14 to 15 Budget Change	% Budget Change
Partner-Funding Agreement	1,412,069	1,511,140	812,050	1,045,069	(466,071)	-30.84%
Total Operating General Fund Revenue	2,969,467	2,965,423	1,892,560	3,041,853	76,430	2.58%

Funding Agreement-SEPA	2013 Actual	2014 Amended Budget	2014 August Actual	2015 Final Budget	14 to 15 Budget Change	% Budget Change
MPD/Dev Agree-Misc Reimbursements	46,420	84,000	2,908	10,000	(74,000)	-88.1%
Gen Facility-Makers Reimbursement	79,400	100,000	92,233		(100,000)	-100.0%
Total Operating General Fund Revenue	125,820	184,000	95,141	10,000	(174,000)	-94.57%

Funding Agreement-Consultants	2013 Actual	2014 Amended Budget	2014 August Actual	2015 Final Budget	14 to 15 Budget Change	% Budget Change
MDRT-Consultant Deposit						
MDRT-Fiscal Reimbursements	31,089	60,000	24,553	10,000	(50,000)	-83.3%
MDRT-Civil Engineering Reimbursements	177,510	200,000	127,527	250,000	50,000	25.0%
MDRT-Traffic Reimbursements	11,044	50,000	9,763	30,000	(20,000)	-40.0%
MDRT-Legal Reimbursements	16,823	60,000	6,833	50,000	(10,000)	-16.7%
MDRT-Environmental Reimbursements	18,357	55,000	7,042	30,000	(25,000)	-45.5%
MDRT-Geotech Reimbursements		30,000	6,331	50,000	20,000	66.7%
MDRT-Surveyor Reimbursements		30,000		20,000	(10,000)	-33.3%
MDRT-GFC Reimbursement						
MDRT-Hearing Examiner Reimbursement	15,502			30,000	30,000	
Misc Reimbursements						
Total MPD & EIS/SEPA Dev Reimbursements	270,325	485,000	182,049	470,000	(15,000)	-3.1%

Beginning Fund Balance - General Fund	2013 Actual	2014 Amended Budget	2014 August Actual	2015 Final Budget	14 to 15 Budget Change	% Budget Change
Beginning Cash & Investments (City)	397,817	644,198	644,198	645,080	882	0.1%
Beginning Cash & Investments (Developer)	261,219	299,129	299,129	278,000	(21,129)	-7.1%
Total Beginning Cash and Investments	659,036	943,327	943,327	923,080	(20,247)	-2.1%
Grand Total General Fund Revenue	5,436,718	6,088,890	3,925,128	5,490,002	(132,817)	-2.2%

City of Black Diamond							
2015 Budget							
Legislative (110)							
	Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %
1 Wages	0	2,080	10,080	5,040	10,080	0	0%
2 Benefits ¹	0	169	828	415	822	-6	-1%
3 Wages & Benefits Subtotal	0	2,249	10,908	5,455	10,902	-6	0%
4 Services ⁴	2,500	1,628	3,800	866	3,800	0	0%
5 Legislative Total	2,500	3,876	14,708	6,320	14,702	-6	0%
¹ The only change in 2015 is a reduction in the City's Industrial Insurance Premium rate.							
² Includes \$3,500 for training related costs.							

City of Black Diamond							
2015 Budget							
Municipal Court (120)							
	Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %
1 Wages ¹	61,783	61,223	72,039	48,971	87,136	15,097	17%
2 Benefits ²	19,058	18,946	21,442	14,118	24,427	2,985	12%
3 Total Wage & Benefits	80,841	80,169	93,481	63,089	111,563	18,082	16%
4 Supplies ³	1,600	1,579	1,470	746	1,600	130	8%
5 Services ⁴	42,881	40,161	42,448	21,875	41,745	-703	-2%
6 Police Security Overtime ⁵	6,806	7,943	10,000	4,887	10,000	0	0%
7 Total Municipal Court	132,128	129,851	147,399	90,597	164,908	17,509	11%
8 ¹ Wages includes increase from 85% to 100% less reduction due to furlough days increase from 2 - 10 days. Court							
9 Revenue covers increased cost.							
10 ² Benefit increase from Medical premium and Department of Retirement contribution increases.							
11 ³ Operating Supplies.							
12 ⁴ Includes \$24,000 for judge, \$2,000 Court Interpreter, printing forms, postage, advertising, insurance & training.							
13 ⁵ Police Security Overtime.							

City of Black Diamond							
2015 Budget							
Executive (130)							
	Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %
1 Wages	12,000	12,000	12,000	8,000	12,000	0	0%
2 Benefits ¹	986	957	986	662	980	-6	-1%
3 Wages & Benefits Subtotal	12,986	12,957	12,986	8,662	12,980	-6	0%
4 Supplies	100	0	100	8	100	0	0%
5 Services ²	600	967	1,790	1,076	1,370	-420	-31%
6 Executive Total	13,686	13,924	14,876	9,746	14,450	-426	-3%
¹ The only change in 2015 is a reduction in the City's Industrial Insurance Premium rate.							
² Includes telephone & \$600 subsistence for meetings. Training cut from budget.							

City of Black Diamond							
2015 Budget							
Administration (135)							
	Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %
1 Wages	112,528	145,088	98,974	95,359	0	-98,974	NoBudget
2 Benefits	44,689	43,573	15,099	14,754	0	-15,099	NoBudget
3 Wages & Benefits Subtotal	157,217	188,661	114,073	110,112	0	-114,073	NoBudget
4 Supplies	200	220	200	87	0	-200	NoBudget
5 Services	102,928	38,355	10,758	1,801	0	-10,758	NoBudget
6 Administration Total	260,345	227,236	125,031	112,000	0	-125,031	NoBudget
7 Executive Administration position has been left vacant for 2015 and Executive Administrative costs eliminated.							

City of Black Diamond							
2015 Budget							
City Clerk (137)							
	Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %
1 Wages ¹	36,275	62,160	140,278	93,513	125,921	-14,357	-11%
2 Benefits ²	19,248	30,008	64,177	42,003	66,830	2,653	4%
3 Wage & Benefit Subtotal	55,523	92,168	204,455	135,516	192,751	-11,704	-6%
4 Supplies	250	28	250	70	200	-50	-25%
5 Services ³	25,605	24,708	24,044	14,597	27,358	3,314	12%
6 City Clerk Total	81,378	116,904	228,749	150,184	220,309	-8,440	-4%
¹ Wage reduction due to increased furlough days (2 to 10) and \$10,000 MDRT Allocation. Position is 100% reimbursed by the Funding Agreement.							
² Benefit increase from Medical premium and Department of Retirement contribution increases.							
³ Services includes \$15,000 election costs, \$4,000 code updates, advertising, \$1,200 passport postage and \$2,910 membership and training.							

City of Black Diamond							
2015 Budget							
Finance (140)							
	Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %
1 Wages ¹	198,817	198,798	219,193	143,432	128,243	-90,950	-71%
2 Benefits ²	42,965	33,155	37,252	24,070	24,827	-12,425	-50%
3 Wage & Benefit Subtotal	241,782	231,953	256,445	167,502	153,070	-103,375	-68%
4 Supplies ³	400	213	300	50	300	0	0%
5 Services ²	16,155	11,714	15,146	8,153	20,107	4,961	25%
6 Finance Total	258,337	243,879	271,891	175,704	173,477	-98,414	-57%
¹ Wage reduction due to increased furlough days from 2 - 10 and \$10,000 allocation to MDRT. Also includes allocation of a percent of Finance to Water, Sewer, and Stormwater to cover utility fund costs of budgeting, CIP, Annual Reporting, Payroll, Accounts Payable and monthly reporting. Finance positions reimbursable in Funding Agreement through 3/19/2015.							
² Benefits related to salaries.							
³ Office Supplies.							
⁴ Includes \$10,590 audit costs (every other year), advertising, insurance advertising, tax service and training.							

City of Black Diamond

2015 Budget

Information Services (145)		Budget	Actual	Budget	Actual thru	Budget	Budget	Budget
		2013	2013	2014	August	Request	Increase/	Increase/
					2014	2015	(Decrease)	(Decrease)
							\$	%
1	Wages	101,025	104,556	0	0	0	0	NoBudget
2	Benefits	34,790	33,561	0	-99	0	0	NoBudget
3	Wage & Benefit Subtotal	135,815	138,117	0	-99	0	0	NoBudget
4	Supplies	300	291	50	39	200	150	75%
5	Services ¹	7,994	5,046	87,470	25,234	49,500	-37,970	-77%
6	Finance Total	144,109	143,454	87,520	25,175	49,700	-37,820	-76%
¹ Reductions resulting from lower IT Info-Tech services costs from the City of Auburn and Vision Software. Technology services reimbursed through the Funding Agreement through 3-19-2014.								

City of Black Diamond

2015 Budget

Legal (150)		Budget	Actual	Budget	Actual thru	Budget	Budget	Budget
		2013	2013	2014	August	Request	Increase/	Increase/
					2014	2015	(Decrease)	(Decrease)
							\$	%
1	Legal Services-All ¹	62,750	64,496	227,950	184,109	70,000	-157,950	-226%
2	Declaratory Judgement & Capital	0	0	0	0	0	0	NoBudget
3	Facilities	0	2,068	0	0	0	0	NoBudget
4	Legal Total	62,750	66,564	227,950	184,109	70,000	-157,950	-226%
The General Fund portion of Legal Services are a percentage of Legal Services, the balance of Legal Service costs are, as in the past, charged to the Street, Water, Sewer or Stormwater Funds. The 2015 Budget is proposed at a 9% increase over 2013 level. The 2015 Budget includes \$50,000 for General Services, \$12,000 for Union employment services, \$4,000 for public disclosure and \$4,000 for miscellaneous services. The decrease from 2014 Budget is a result of not rebudgeting the 2014 investigation and high level of negotiating for the Police and Teamsters contracts.								

City of Black Diamond

2015 Budget

Court Legal (151)		Budget	Actual	Budget	Actual thru	Budget	Budget	Budget
		2013	2013	2014	August	Request	Increase/	Increase/
					2014	2015	(Decrease)	(Decrease)
							\$	%
1	Prosecutor ¹	25,600	24,000	24,000	16,000	24,000	0	0%
2	Public Defender ²	15,000	22,050	36,000	21,000	37,250	1,250	3%
3	Legal Total	40,600	46,050	60,000	37,000	61,250	1,250	2%
¹ 2015 Budget for Court Prosecution charges.								
² 2015 Budget for state mandated Public Defense for indigent clients and \$1250 for interpreters and investigation assistance for indigent clients.								

City of Black Diamond

2015 Budget

Central Services (180)								
	Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %	
1	Supplies ¹	5,476	4,597	8,000	5,711	6,500	-1,500	-23%
2	Services	30,184	21,537	21,726	17,311	22,535	809	4%
3	KC Mental Health	1,300	939	1,500	398	1,500	0	0%
4	Central Services Total	36,960	27,073	31,226	23,420	30,535	-691	-2%
¹ Central Services costs for supplies includes copy machine paper, envelopes and other general office and building supplies that benefit all departments. Reduction due to trend and cost cutting.								
² Services includes printing of receipts, vouchers, checks and other forms, shredding service, merchant card fees, bank fees, advertising, postage for mailing voucher checks, W2's and other City mail, postage machine rental and ink, a portion of vision software maintenance, pool car maintenance and gas and insurance, council retreat and employee recognition as well as PS Regional Council membership, Sound Cities membership, MRSC Small works roster, AWC membership and other miscellaneous costs. 2015 decrease includes reduction of Council retreat training budget from \$3,000 to \$500 and elimination of \$500 employee summer picnic and Christmas party cost.								

City of Black Diamond

2015 Budget

Facilities (181)								
	Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %	
1	Wages ¹	69,236	69,221	56,373	40,065	54,205	-2,168	-4%
2	Benefits ¹	25,483	24,592	24,046	15,888	21,322	-2,724	-13%
3	Wage & Benefit Subtotal	94,719	93,812	80,419	55,953	75,527	-4,892	-6%
4	Supplies ²	3,100	1,105	3,000	1,133	1,780	-1,220	-69%
5	Services ³	4,284	3,321	4,475	3,208	5,015	540	11%
6	Finance Total	102,103	98,239	87,894	60,294	82,322	-5,572	-7%
7	¹ Reduction from furlough increase from 2 - 10 days, facilities salary & benefits are funded through the Funding Agreement							
8	through 3-19-2015.							
9	² Benefit increase from Medical premium and Department of Retirement contribution increases.							
10	³ Building supplies, fuel, uniforms and small tools. The 2015 budget is reduced due to budget cuts.							
11	⁴ Vehicle maintenance costs, telephone, insurance and training. 2015 increase for insurance increase.							

City of Black Diamond

2015 Budget

Animal Control (182)		Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %
1	Animal Control Prof Svcs	8,368	8,659	9,293	9,293	10,000	707	7%
2	Animal Control Total	8,368	8,659	9,293	9,293	10,000	707	7%
Increase cost represents possible King County pass through cost increase.								
Emergency Management (191)		Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %
1	Supplies ¹	0	0	0	184	1,000	1,000	100%
2	EMS MGMT Repeater	2,500	2,884	0	0	0	0	NoBudget
3	Training ²	2,500	830	2,500	0	1,500	-1,000	-67%
Emergency Management Total		5,000	3,714	2,500	184	2,500	0	0%
¹ Supplies are for emergency management supplies.								
² Training reduction for 2015 due to budget cuts.								

City of Black Diamond

2015 Budget Development

Police Department (210)		Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %
Operations								
2	Wages ¹	907,840	885,077	922,520	631,852	920,876	-1,644	0%
3	Benefits ²	338,129	315,062	353,619	221,584	343,930	-9,689	-3%
4	Wage & Benefits Subtotal	1,245,969	1,200,139	1,276,139	853,436	1,264,806	-11,333	-1%
5	Supplies ³	57,650	46,687	51,100	35,653	47,750	-3,350	-7%
6	Services	88,690	61,857	75,163	18,814	76,220	1,057	1%
7	Operating Total	1,392,309	1,308,683	1,402,402	907,903	1,388,776	-13,626	-1%
Police Safety Equipment								
9	Police Safety Equipment	1,000	998	1,000	17	9,000	8,000	800%
Jail Expenses								
11	Jail Costs	29,300	48,565	33,800	18,138	33,800	0	0%
Police Facilities								
13	Police Bldg Mtc Sup	23,298	21,616	22,880	13,367	22,990	110	0%
Civil Service								
15	Civil Service Test Supplies	2,550	3,776	2,950	503	1,900	-1,050	-36%
Communication								
17	Communication ⁴	122,100	135,283	123,100	68,676	144,000	20,900	17%
Marine Policing								
19	Marine Staff Reimbursement VRF ⁴	36,000	14,951	17,800	14,562	13,750	-4,050	-23%
Criminal Justice								
21	CJ Education Supplies ⁵	23,850	19,691	28,450	17,057	24,300	-4,150	-15%
22	Police Department Total	1,630,407	1,553,562	1,632,382	1,040,223	1,638,516	6,134	0%
¹ Wage reduction due to Support Staff furlough day expansion from 2 to 10.								
² Benefits reduction a result of lower estimated unfilled 2014 position medical costs and actual known personnel in the 2015 Budget.								
³ Police uniforms, fuel, firearms. Reductions due to 2015 budget cuts.								
⁴ Communication cost increase a result of higher ValleyCom Dispatch rates and growth in dispatcher.								
⁵ Reductions in Marine Overtime & Training costs.								
⁵ Spillman maintenance costs \$11,800, proficiency training \$7,500, lexipole \$3,000 and miscellaneous.Reductions due to cuts and elimination of Tiberon system maintenance.								

City of Black Diamond

2015 Budget

Natural Resources (230)		Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %
1	Wages ¹	102,719	110,849	56,000	56,000	0	-56,000	NoBudget
2	Benefits ¹	44,735	36,271	18,609	18,748	0	-18,609	NoBudget
3	Total Wage & Benefits	147,454	147,120	74,609	74,748	0	-74,609	NoBudget
4	Supplies	100	142	50	9	0	-50	NoBudget
5	Services ²	6,103	5,889	3,771	1,697	2,300	-1,471	-64%
6	Recycle Grant ³	15,920	14,926	15,000	14,944	15,000	0	0%
	Total	169,577	168,077	93,430	91,398	17,300	-76,130	-81%

¹Natural Resources Director position remains vacant for 2015.

²Puget Sound Clean Air Assessment \$2,300.

³Recycle Cost \$15,000 are reimbursed by Grants.

City of Black Diamond

2015 Budget

Community Development (240)		Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %
	Planning	7,408	8,744	82,316	11,773	79,080	(3,236)	-4%
	Permitting	128,857	156,880	114,864	74,129	122,992	8,128	7%
	Code Enforcement	773	2,518	-	-	-	-	#DIV/0!
	Hearing Examiner	13,100	2,791	30,000	145	10,000	(20,000)	-67%
	Community Development Total	150,138	170,934	227,180	86,047	212,072	(15,108)	-7%
	Planning							
1	Wages ¹	-	-	18,207	6,069	35,285	17,078	48%
2	Benefits ²	-	-	7,909	2,624	16,124	8,215	51%
3	Wage & Benefits Subtotal	-	-	26,116	8,693	51,409	25,293	49%
4	Supplies	300	185	-	582	-	-	NoBudget
5	Services	7,108	8,560	56,200	2,498	27,669	(28,531)	-103%
6	Planning Total	7,408	8,744	82,316	11,773	79,078	(3,238)	-4%
	Permitting							
7	Wages	79,430	79,475	46,363	29,695	50,166	3,803	8%
8	Benefits	21,737	22,474	10,534	5,582	13,845	3,311	24%
9	Wage & Benefits Subtotal	101,167	101,949	56,897	35,277	64,011	7,114	11%
10	Supplies	2,050	2,079	1,700	426	1,250	(450)	-36%
11	Services ³	25,640	52,852	56,267	38,426	57,731	1,464	3%
12	Permitting Total	128,857	156,880	114,864	74,129	122,992	8,128	7%
	Code Enforcement							
13	Wages	-	-	-	-	-	-	NoBudget
14	Benefits	-	-	-	-	-	-	NoBudget
15	Wage & Benefits Subtotal	-	-	-	-	-	-	NoBudget
16	Supplies	50	15	-	-	-	-	NoBudget
17	Services	723	2,503	-	-	-	-	NoBudget
18	Code Enforcement Total	773	2,518	-	-	-	-	NoBudget
	Hearing Examiner							
19	Prof Serv-Hearing Examiner	13,100	2,791	30,000	145	10,000	(20,000)	-67%

¹Community Development includes 50% Community Development/Natural Resources Director and 60% Part-Time Permit Technician. Funding agreement reimburses both through 3-19-2015. The Community Development/Natural Resources Director savings from furlough from 2 - 5 days.

²Benefit increase from Medical premium and Department of Retirement contribution increases.

³Permitting includes \$44,000 for ILA with the City of Covington for plan checking and permitting. Also includes \$9,000 permit software maintenance, merchant card fees, insurance and training.

City of Black Diamond							
2015 Budget							
Economic Development (245)							
	Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %
1 Wages	0	0	0	0	0	0	NoBudget
2 Benefits	0	84	300	9	300	0	0%
3 Total Wage & Benefits	0	84	300	9	300	0	0%
4 Supplies	500	0	200	0	200	0	0%
5 Services ¹	550	1,000	1,050	999	1,000	-50	-5%
6 Total	1,050	1,084	1,550	1,008	1,500	-50	-3%
¹ Service costs are for the Maple Valley/Black Diamond Chamber of Commerce brochure advertising.							

City of Black Diamond							
2015 Budget							
MDRT (246)							
	Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %
1 Wages ¹	284,891	276,799	307,941	156,149	361,639	53,698	15%
2 Benefits ²	97,409	97,298	128,682	59,649	175,038	46,356	26%
3 Total Wage & Benefits	382,300	374,097	436,623	215,798	536,677	100,054	19%
4 Supplies ³	2,400	3,496	4,400	1,108	5,000	600	12%
5 Services ⁴	26,050	16,841	101,890	6,212	57,500	-44,390	-77%
6 FF&E Allocation ⁵	57,857	56,027	61,129	0	65,204	4,075	6%
7 Capital ⁶	45,000	765	30,000	0	50,000	20,000	40%
8 Total	513,607	451,226	634,042	223,118	714,381	80,339	11%
¹ Includes removal of all furlough days for MDRT team, upgrade to Level 4 Utilities Construction Supervisor wage \$19,936 and increase for Senior Planner to 75% for full year, 2014 Budget only included July - December.							
² Benefits related to above changes, plus increase in medical costs due to 5% rate increase and for employees with full family coverages.							
³ Office and operating supplies, fuel.							
⁴ MDRT allocation of \$10,000 each for City Clerk/HR, Finance Director and Public Works Director. Postage and advertising of \$15,000, vehicle repairs and maintenance \$1,000, vehicle and City liability insurance \$12,000, training related costs of \$7,500.00							
⁵ FF&E allocation increase due to .25% employee addition.							
⁶ Vehicle cost increased from \$30,000 to \$50,000.							

City of Black Diamond							
2015 Budget							
Capital Facilities (254)							
	Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %
1 Supplies	4,333	0	1,031	0	1,000	-31	-3%
2 Services ¹	113,810	108,274	106,291	105,779	70,836	-35,455	-33%
3 Capital Outlay	4,000	3,948	5,000	0	3,400	-1,600	-32%
4 Central Services Total	122,143	112,222	112,322	105,779	75,236	-37,086	-1
¹ Service cost reductions related to City Hall core employees moving into modules by 3-31-2015. Savings on City Hall lease, utilities and custodial costs.							

	City of Black Diamond							
	2015 Budget							
	Funding Agreement SEPA (255)	Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %
1	Funding Agreement SEPA Costs	59,000	41,452	84,000	4,784	10,000	-74,000	-740%
2	Capital Facilities District	25,000	3,059	0	0	0	0	NoBudget
3	General Facilities Costs-Makers¹	200,000	106,705	100,000	75,598	0	-100,000	NoBudget
4	Deposit Refunds	0	0	0	5,000	0	0	NoBudget
5	Funding Agreement SEPA Total	284,000	151,217	184,000	85,381	10,000	-174,000	-1740%
	¹Reduction due to completion of projects.							

	City of Black Diamond							
	2015 Budget							
	MDRT Consultants (257)							
		Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %
1	Legal Services	60,000	12,214	60,000	7,513	50,000	-10,000	-20%
2	Fiscal Analysis-Henderson & Young	50,000	31,283	60,000	29,520	10,000	-50,000	-500%
3	Civil Engineering-RH2	200,000	184,930	200,000	121,887	250,000	50,000	20%
4	Traffic Engineering-Parametrix	55,000	3,808	50,000	12,430	30,000	-20,000	-67%
5	Environmental Consulting-Perteet	30,000	11,365	55,000	10,282	30,000	-25,000	-83%
6	Geotech-Sub Terra	30,000	0	30,000	6,331	50,000	20,000	40%
7	Surveyor Parametrix	50,000	1,620	30,000	0	20,000	-10,000	-50%
8	Hearing Examiner	0	0	0	0	30,000	30,000	100%
	MDRT Consultant Cost	475,000	245,219	485,000	187,962	470,000	-5,000	-1%
	All MDRT consultant costs are 100% reimbursed under Funding Agreement.							

City of Black Diamond								
2015 Budget								
Parks (270)								
	Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %	
1	Wages ¹	14,901	11,397	15,049	10,761	15,940	891	6%
2	Benefits ²	5,919	4,873	6,054	3,549	6,259	205	3%
3	Total Wage & Benefits	20,820	16,270	21,103	14,310	22,199	1,096	5%
4	Supplies ³	5,378	6,641	7,829	3,653	7,653	-176	-2%
5	Services ⁴	20,741	23,484	27,293	8,824	27,513	220	1%
6	Total	46,939	46,394	56,225	26,787	57,365	1,140	2%
¹ Wage & Benefits increase resulting from increased summer help hours budgeted to 4 months.								
² Related to wages.								
³ Community event supplies reduced \$200 due to budget cuts. Parks supplies, fuel, uniforms and tools.								
⁴ Portable restrooms \$3,265, Lake Sawyer Pay Station \$3,200, balance utilities, waste disposal, Parks share of vehicle maintenance and shop costs, insurance, training and miscellaneous.								

City of Black Diamond

2015 Budget

Cemetery (280)

		Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %
1	Wages ¹	8,410	9,265	7,464	6,825	7,541	77	1%
2	Benefits ¹	3,983	4,195	3,633	2,877	3,774	141	4%
3	Total Wage & Benefits	12,393	13,460	11,097	9,702	11,315	218	2%
4	Supplies ²	1,270	1,190	1,420	1,600	1,822	402	22%
5	Services ³	1,294	935	1,611	746	1,948	337	17%
6	Taxes/Transfers/Other ⁴	400	183	300	125	200	-100	-50%
7	Total	15,357	15,768	14,428	12,173	15,285	857	6%
	¹ Wage & Benefit Increase due to increased Summer Help hours and Retirement system contribution increase.							
	² Vaults-liners \$750 are billed and reimbursed, fuel, tools, uniforms, supplies.							
	³ Utilities, waste disposal, Cemetery share vehicle and shop costs, insurance, training and miscellaneous.							
	⁴ Cemetery excise tax.							

City of Black Diamond - City Clerk

2015 Budget

Fire (530)

		Budget 2013	Actual 2013	Budget 2014	Actual thru August 2014	Budget Request 2015	Budget Increase/ (Decrease) \$	Budget Increase/ (Decrease) %
1	Fire Dist 44 Prof Svcs ¹	455,569	442,300	469,236	224,956	478,621	9,385	2%
2	PR Svcs KC Fire Investigation ²	1,503	3,620	2,800	0	4,000	1,200	30%
3	Other Operating Costs ³	1,657	2,344	2,675	1,633	2,905	230	8%
4	Fire Total	458,729	448,264	474,711	226,589	485,526	10,815	2%
5	¹ Fire District contract 2% increase due to CPI.							
6	² King County Fire Investigation.							
7	³ King County Property tax \$1200, City utilities at old Station 99.							



City of Black Diamond
Financial Management Policies
Per Resolution 08-560
Updated for Long Term Planning Per Resolution 13-866

Background and Purpose

Financial policies provide guidelines for City of Black Diamond's leaders to ensure sound decision-making that safeguards core services while moving the community forward to achieve its vision. Good financial management ensures the City is able to withstand economic fluctuations, maintain focus on the entire financial picture, and adjust to the changing service needs of the community of Black Diamond.

This policy incorporates past financial practices in defining the current policies to be used by the City to meet its obligations and operate in a financially prudent manner. These policies have been established to provide general fiscal guidelines and are intended to provide sound direction in the management of the City's financial affairs.

Operating Budget Policies

General budget policies ensure service levels are reasonable and attainable and that budget documents detailing revenues and expenditures accurately reflect Council and community goals. The City of Black Diamond budget procedures are in compliance with the Revised Code of Washington, Chapter 35A.33. The City budgets annually on the calendar year beginning January 1st and Ending December 31st. The City Council shall adopt the budget by Ordinance at the fund level. Amendments to the budget that change fund totals will be adopted by the Council through an Ordinance, which is usually done mid-year and year-end.

Citizen Involvement

Citizen involvement shall be encouraged in the budget decision-making process through public hearings and study sessions.

Service Level Determinations

The City Council will establish municipal service levels and priorities for the upcoming year to guide staff in developing goals, objectives and budget proposals.

Conservative Budgeting

The City will use a conservative budgeting approach and accepted analytical techniques including trending, per capita estimates of intergovernmental revenue and sales and property tax estimates based on prior year revenues adjusted for reasonable known growth factors. All positions will be budgeted for a full year.

Long Term Financial Planning

Long-term financial planning is the process of aligning financial capacity with long-term service objectives. Financial forecasting is the process of projecting revenues and expenditures over a long-term period, using assumptions about economic conditions, future spending scenarios, and other salient variables.

The City shall, utilizing best available, cost-effective practices, engage in collaborative long-term financial planning as part of its overall budget process. To provide insight into future financial planning, such long-term financial planning should combine financial forecasting and analysis with a strategic operational perspective. The overall goals of long-term financial planning* are to:

1. Balance-Budgets: Recognize the long-term impacts of today's decisions, setting the stage for balanced budgets in successive years by avoiding temporary solutions.
2. Reduce Conflict During Budgeting: Organize financial planning around a consensus-based set of service and financial goals, which sets boundaries on the budget process and creates an understanding of budget priorities.
3. Manage Growth: Optimize the City's ability to sustain operations and support service levels through a financial strategy that balances the needs of new and existing residents.
4. Stabilize Rates: Identify potential peaks and valleys in future revenues and expenses, allowing the City to take countervailing action ahead of time.
5. Provide Planned Services: Provide a process for making decisions about the level of service that government will provide over a multi-year period.

*Note: See, Government Finance Officers Association, Long-Term Financial Planning for Governments, www.gfoa.org/ltfp - ltfp@gfoa.org.

Maintenance of Facilities and Equipment

Adequate maintenance and replacement of the City's facilities, equipment and technology will be provided for in either the operating or capital budget. As practicable, these expenses will be forecasted in an equipment replacement fund in the operating budget.

Sustainable Revenue Sources

Ongoing operating program costs will not exceed the amount of ongoing revenue to finance those costs. The ongoing revenue will be identified along with new program costs. Cash balances in excess of the amount required to maintain strategic reserves will be used to fund one-time or non-recurring costs. In the event a fund has an emergency or economic downturn, resources from reserves may be used provided that they are replaced within the next five years.

Cost Recovery

All taxpayers should not pay for a service that benefits only certain individuals. Therefore, fees will be established where possible to recover costs of such services or programs. Fees for services will be reviewed and adjusted as necessary and at least once a year. Based on Council direction, general taxpayer revenues may be used to subsidize all or a portion of the cost of services.

Fund Balance Reserve Policies

Adequate fund balance and reserve levels help mitigate short-term emergencies and the effect of fluctuations in the economy, as well as assist in the financial strength of the City's bond ratings.

Operating Fund Balance Reserves

The City's goal is to achieve a 10% reserve of anticipated expenditures in the General Fund Balance over the next five years or more. The reserve will be used to meet seasonal cash flow demands, provide a financial cushion in an economic downturn and meet emergency needs. In the event that the fund balance falls below that amount, the City will work to restore the balance with cost reductions, rate increases and other measures within five fiscal years.

Contingency Reserve Fund

A Contingency Reserve Fund may also be maintained in accordance with state law (RCW 35.A.33.145) to meet any municipal extent that could have not been reasonably known at the time of adopting the annual budget. The target balance may be consistent with state law at \$.375 per \$1,000 of assessed valuation, or approximately \$201,866 for Black Diamond in 2012.

Utility Operating Policies

City utilities are enterprise funds and therefore need to maintain a revenue and expense structure that allows them to be self-supporting with adequate revenue that pays for maintenance, operations, debt service and capital costs. Adequate reserves, rate analyses and budgetary policies steer the utilities toward ongoing self-sufficiency.

Utility Rates and Fees

As enterprise funds, all utilities will be self-supporting through rates, connection charges and other fees. Whenever practical, smaller utility increases will be considered more frequently, to avoid large jump in rate payer bills. Revenue will pay maintenance, operation, debt service and provide funds for capital repairs and improvements. Rates and fees will be reviewed at least biennially and adjusted to adequately reflect the cost of services. Every five years a detailed rate analysis will take place to ensure financial solvency of the utilities.

Utility Fund Reserves

All utilities will be operated in a manner to ensure an ending annual reserved fund balance in an amount equal to 90 days of annual operational appropriations. In the event that the fund balance falls below that amount or a new utility is formed, the City will work to restore the balance to that level with cost reductions, rate increases and other measures within five fiscal years. The City may use reserves to “smooth” rate increases over a period of years and avoid large jumps in ratepayer bills.

Debt Management Policies

The City will maintain adequate available debt capacity to ensure funding for major, high priority projects.

The City of Black Diamond is an infrequent issuer of debt. Debt is primarily used to finance large capital investments. Various state laws limit the City’s debt capacity. General obligation debt, backed by the full faith and credit of the City, is limited to 2.5% of the value of all taxable property within the City. That percentage includes councilmatic or non-voted debt (1.5% of property values) and Local Option Capital Asset Lending – a financing contract with the Office of the State Treasurer (39.94 RCW). Revenue bonds rely on a funding source, such as utility revenues, for debt repayment.

Interfund Loans

The City will use interfund borrowing when such borrowing is cost effective, thereby eliminating the administrative cost of borrowing when adequate funds are available internally within the City’s own resources. The City will not charge interest for such interfund loans that are repaid within six months. For loans beyond six months, the City will set a reasonable timeline for repayment of between one and five years and use the State’s Local Government Investment Pool (LGIP) rate.

Interfund loans are permitted to cover cash flow for capital projects, where federal or state grants are approved, but there is a timing issue between city expenditures and the actual reimbursement by the granting agencies. Interfund loans shall be approved by Council with a resolution.

Bond Rating

The City will strive to obtain the best bond rating possible to produce the lowest possible interest rate on each bond sale.

Cash Management and Investment Policies

At any one time the City may have several million dollars in various funds that are not needed until some point in the future for operations, capital purchases or the repayment of debt. By placing these revenues in State's Local Government Investment Pool (LGIP) until the funds are needed, the City is able to earn interest that in turn serves as a revenue source to reduce costs to the community. Cash and investment policies reduce the City's investment risk.

Cash Sufficiency

The City will at all times maintain sufficient cash on hand to meet reasonably expected expenditures for the operating period.

Investment Goals

The City's idle cash will be invested on a continuous basis to maximize income. Priority will be given to legality of investment practices, the safety of the asset, followed by liquidity in case a need arises where the City needs access to the funds, followed by yield or return.

Allocation of Investment Income

Where permitted, the City will pool its cash resources for investment purposes. Investment income will be re-allocated to the participating funds as much as practical.

Alternative Financing Schemes and Derivative Products

The City of Black Diamond shall not utilize alternative financing schemes or derivative products to avoid restrictions imposed by law or to utilize tax loop holes.

Capital Projects and Planning Policies

The City of Black Diamond owns considerable assets in roads, a sewer system, water system, storm water system, parks, buildings, equipment and other capital. The preservation, maintenance and future improvement of these facilities are a primary responsibility of the City. Capital items are defined as those projects and purchases costing more than \$5,000 and lasting three or more years.

Capital Improvement Plan

A Capital Improvement Program (CIP) is a flexible, multi-year plan containing the City's planned capital improvement projects and the recommended financing methods for funding projects. All funds and departments are brought together in a single consolidated plan for an overall view of the City's capital improvement needs. The plan includes the capital facilities element of the City of Black Diamond Comprehensive Plan required by the Growth Management Act and other capital projects that may not fit into the capital facilities category.

Capital projects typically apply to: 1) one-time costs for acquisition, construction, improvement, replacement or renovation of land, structures and major equipment; 2) expenditures which take place over two or more years; 3) funding with debt because of significant costs to be shared by current and future beneficiaries; and 4) systematic acquisition or repair and maintenance over an extended period of time.

Capital Improvement Plan (CIP) Participation

Citizen participation in the Capital Improvement Program is a priority for the City. Among the activities which shall be conducted to address the need are the following:

- a) The Capital Improvement Plan shall be provided to the City Council in a timely manner to allow time for the Council members to review the proposal with constituents before it is considered for adoption
- b) Council study sessions on the Capital Improvement Plan will occur during the budget deliberations and shall be open to the public and advertised sufficiently in advance of the meetings to allow for the attendance of interested citizens.
- c) Prior to the adoption of the budget and Capital Improvement Plan, the City Council shall hold noticed public hearings to provide opportunities for citizens to express their opinions on the proposed plan.

All projects included in the Capital Improvement Plan shall be consistent with the City's Comprehensive Plan.

Internal Consistency

The CIP will be consistent with the Capital Facilities Element of the Comprehensive Plan covering transportation, water, wastewater, stormwater, parks, recreation and general government facilities.

Funding Sources

City staff will analyze funding sources for all proposed capital improvement projects, including grant opportunities. Under Washington law, the City can only expend revenues from the Real Estate Excise Tax (REET) for capital items. Real estate excise tax of one-quarter of one percent on the sale of real property is currently dedicated to general government capital improvements and a second one-quarter of one percent is allocated to public works projects. Both allocations

may be changed by the Council. These designated revenues are collected in the Special Revenue Funds and then transferred to the appropriate funds for expenditures of debt service or capital projects as budgeted. Each REET fund has established a targeted reserve of \$200,000 to \$250,000 to cover an emergency or economic downturn.

Relationship between Operating Budget and Capital Improvement Plan

The Capital Improvement Plan, as distinguished from the Operating Budget, is a multi-year financial plan for the acquisition, expansion, or rehabilitation of infrastructure, capital assets, or productive capacity of City services. Only those projects scheduled during the first year of the plan are adopted as part of the City's annual budget. Additionally, projects to be funded by bonds or "alternative funding" are budgeted when the funding is secured.

Accounting, Financial Reporting and Auditing Policies

The City was incorporated in 1959, and operates under the laws of the State of Washington applicable to a Non-Charter code City classification adopted in 1990 with a Mayor-Council form of government. The City is a general-purpose governmental entity that provides general government services including law enforcement, fire, street improvement, parks and general administrative services. In addition the City owns and operates a water, sewer and drainage system.

Accounting and Budgeting System

The City of Black Diamond will establish and maintain a high standard of accounting practices. Accounting and budgeting systems will at all times conform to the State of Washington Budgeting Accounting Reporting System (BARS) and federal and state regulations. Cities with populations under 25,000 are classified as category 2 cities and use the allowed accounting. The accounting is single-entry, cash basis accounting, which is a departure from generally accepted accounting principles (GAAP). The city uses the revenue and expenditure classifications contained in the Budgeting, Accounting and Reporting System (BARS) manual. The manual is prescribed by the State Auditor's Office under the authority of Washington State Law, Chapter 43.09 RCW.

Financial Reporting

Reporting frequency –Monthly budget and actual reports are distributed to all departments. Quarterly reports, as a minimum frequency, are presented to the City Council.

Annual Report-Will be completed by May 30th and is distributed to the City Council, departments and the State Auditor's Office.

Reporting Improvements-The City will strive to continue to make improvements in its financial reporting so that information available to the public, the City's governing bodies and other city departments is clear and the best available for sound financial decisions.

Accounting System-A comprehensive accounting system is maintained to provide all financial information necessary to effectively operate the City.

Full Disclosure -All public reports are to contain full and complete disclosure of all material matters.

Audit Policy

The City will assist the State Auditor's Office in whatever way possible in conjunction with the preparation of the audit every two years and will implement modifications identified by the State Auditor to improve the City's internal controls and financial practices.



CITY OF BLACK DIAMOND

2014 Calendar for 2015 Budget

	Process	Internal Due Date	Committee Meeting	Workstudy Meeting	City Council Meeting	State Law Limitations
1	Budget requests and instructions go out to all departments	July 30				Sept 8
2	Finance prepares revenue sources and preliminary expenditures for salaries and benefits	Aug 15				N/A
3	Departments provide budget requests to City Administrator's Office	Aug 15				N/A
4	Estimates to be filed with the City Clerk and Administration	Sept 11				Sept 22
5	City Clerk submits to CAO the proposed preliminary budget setting forth the complete financial program	Sept 26				Oct 1
6	CAO provides Council with current info on Revenue from all sources as adopted in 2014 Budget, and provides the Clerk's proposed Preliminary budget Totals for 2015 at 6:00 pm	Sept 24		Oct 2		Oct 6
7	Finance Committee Meeting Special 4:00 pm		Oct 6			Oct 31
8	Community Development Comm. 4:00 Public Safety Committee Meeting 10:30 Parks and Cemetery Committee Meeting 10:00 Public Works Committee Meeting- noon Finance Committee Meeting 4:00 PM		Oct 14 Oct 15 Oct 16 Oct 17 Oct 30			Oct 31
9	Mayor and department heads review General Fund Revenue & expenditure budgets with Council 6:00 PM	Oct 2		Oct 16		Oct 31
10	Council workstudy - Public Works budgets for revenue and expenditures for all Public Works budgets including Street, Water, Sewer, Stormwater, REET 1 & 2 and Gen Govt, Utilities & Capital Projects. 6:00 PM			Oct 30		
11	City Clerk publishes notice of public hearing on 2014 Budget and filing of preliminary budget – once a week for two consecutive weeks – Draft budget submittal ready	Oct 24 and Nov 1				Nov 3-14
12	Copies of preliminary budget made available to public					Nov 20
13	Public Hearing of Property Tax for 2015				Nov 6	Nov 3-28
14	City Council holds 1 st public hearing on revenue sources and expenditures for the upcoming budget year including possible increases in property tax revenue/Adopt Property Tax 2014				Nov 20	Nov 3-28
15	City Council holds final public hearing on 2014 Budget – Special Meeting 7:00 PM				Dec 1	Dec 1
16	City Council adopts Final 2014 Budget and transmits to the State Auditor's Office (plus possible amendment to property taxes) –Special Meeting				Dec 11/18	Dec 31