



CITY OF BLACK DIAMOND
February 15, 2016 Special Meeting and Budget/Finance/Administration
Council Committee Agenda – REVISED 02/12/16
25510 Lawson St., Black Diamond, Washington

6:30 P.M. – CALL TO ORDER, FLAG SALUTE, ROLL CALL

This committee's work scope includes: financial issues of the City, including the annual and long term and capital budgets and plans including but not limited to revenues and expenditures, sales of bonds, general fiscal and financial conditions, voucher approval, rates and fees, audit and operations of the City, including but not limited to, facilities and properties computerization, periodic budget and financial reports.

Approval of Minutes: February 8, 2016

ITEMS OF DISCUSSION:

- 1) Public Comment and discussion related to any of the topics in this committee's scope are welcome.
- 2) Public Comment and discussion on financial policies.
- 3) Public Comment and discussion on Vouchers.
- 4) Confirm next meeting and discuss possible agenda items of this Council Committee.

ADJOURNMENT:

MEETING MINUTES: BUDGET/FINANCE/ADMINISTRATION COUNCIL COMMITTEE
6:30 pm Monday, February 8, 2016 Council Chambers

SPECIAL MEETING

Pursuant to RULES AND PROCEDURE OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON as amended by Resolution 16-1069 January 21, 2006; Section 18. This Budget/Finance/Administration Council Committee is also noticed as a Black Diamond City Council Special Meeting whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to the full council meetings. No final action will be taken.

Scope of this Committee is:

Discussion of the financial issues of the City, including the annual and long term and capital budgets and plans including but not limited to revenues and expenditures, sales of bonds, general fiscal and financial conditions, voucher approval, rates and fees, audit and operations of the City, including but not limited to, facilities and properties computerization, periodic budget and financial reports. Discussion of any ordinances or resolutions that are referred to this Council Committee. No final action will be taken.

Call to Order: 6:30 pm

Flag Salute:

Roll Call:

Chair Brian Weber here

Erika Morgan here, accepted vice Chair for this meeting, also taking notes

Janie Edelman absent

Approve Minutes: None. This is our first meeting
 No staff present
 Chair Weber read out several emails as to process see end of minutes

Agenda:

1) Public Comment and discussion related to any of the topics in this committee's scope are welcome.

Cindy Wheeler: She likes the process of these council committee meetings, more public input opportunities, more openness, at a time and place more available to the public. Her specific points of interest for this meeting:

- a. A fiscal analysis is needed for our city.
- b. Wants the city Attorney present for legal review of city actions. She sees the Att. as the risk assessor for the city, as well as for describing the legal impacts of city actions, and thus thinks actual presents at council meetings is financially prudent.
- c. Water quality improvement for Ginder Creek's engineering, was a granted project by DOE . Will there be additional DOE Grants paying for the actual project itself. Is the City accepting the Ginder Creek improvement as a developer contribution and mitigation for the impact their development will have upon the natural hydrologic systems of the BD land scape?

Robbin Taylor: Talked about the new Professional Union Contract and unknown but possible time constraints that there may be on when City Staff can be available to interact with the public and Council after the regular business hours.

2) Public input on financial policies by:

Brian Derdowski Budget analyzer, Government degree

Pete Kellerman citizen

Documents presented:

- a. Stormwater Capital Fund 410 from the 2016 prelim. budget one page
- b. City of BD Financial Management Policies per Resolution 08-560, updated for long term planning per Resolution 13-866 from the 2016 preliminary budget document.
- c. WHEREAS page Resolution 08-560
- d. WHEREAS page Resolution 13-866

They presented the above documents which are included and explained their impact. They explained how the Annual Expenditure must be consistent with the City Capital Improvement Plan, and how the CIP must then be consistent with the City Comprehensive Plan.

There is need to establish a Level Of Service for each department and include the parameters for expansion that will be required by forthcoming development.

Additional documents presented for comparison:

- e. Budget Calendar and development process, City Maple Valley
- f. Budget Calendar and procedure policy document City Enumclaw

Cindy Wheeler: financial management expects public involvement, to deal with real facts, transparency in the financial realm is a State mandate.

Robbin Taylor: past practice, CIP priority list is conducted at a workstudy, MDRT expenses are paid for by pass through of funds from the developer. These funds do however pass through the City Accounting.

Councilmember Morgan: Noted that there were detailed materials being handed out, and that citizens seeing these materials might have further comment upon reviewing them. Additional written comment will be accepted for this meeting and will become part of these minutes until the packet for the next meeting of the Finance Committee is being prepared and at that time will become packet material for that next meeting of this Committee.

3) Review of Vouchers,

As an informational exercise, we went through the voucher page from the Consent agenda of the January 21, 2016 meeting. Observations made:

1. What budget item did expenditure come from
2. Department number
3. Fund number
4. Transmit as a data base / so could a sort be performed within the system that would allow tracking of expenditures and income to particular departments? line items?
5. Council may prefer a different listing to understand flow of money

MEETING MINUTES -

BLACK DIAMOND CITY COUNCIL BUDGET/FINANCE/ADMINISTRATION COUNCIL COMMITTEE

Council members on committee: Brian Weber, Chair; Erika Morgan; Janie Edelman

6. Vouchers will be approved as a part of the consent agenda, we do not know if they were approved by any Public representative since our Mayor discontinued the old Council Committees

7. Public will prepare a draft of what we will need to have in information to approve the spending and allocation of city funds in the future.

4) Set next meeting and agenda of this Council Committee.

Per email from Mayor, vouchers are available the Wednesday of the week before the next Council meeting, the mayor also said vouchers are online. (This would be Feb 10 for the Feb 18th meeting.)

Our next Finance Meeting will be Monday, February 15, 2016 at 6:30 in the Council Chambers.

List of possible future agenda items:

Review of vouchers

City Financial Policy discussion

Review of prior meeting minutes

Animal Control Contract

Review Recycle agreement

Salary Schedule - Seth Boettcher

update fiscal analysis of MPD, assumption ordinance financial impact on BD and its water fund

Budget Control feedback mechanism communication with council

Mayor and Departments held accountable with the line-item

Format and timing of the voucher pages

Tasks assigned :

Public will be reviewing the materials presented at this meeting.

list of questions for Mayor Benson :

1. Are the vouchers approved by a public representative outside of a budget committee meeting?

2. Is the City accepting the Ginder Creek improvement as a developer contribution and mitigation for the impact their development will have upon the natural hydrologic systems of the BD land scape?

Meeting closed 8:00 pm

emails received from Mayor Benson today regarding finance committee and staff contact.:

MEETING MINUTES -

BLACK DIAMOND CITY COUNCIL BUDGET/FINANCE/ADMINISTRATION COUNCIL COMMITTEE

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Stormwater Capital Fund 410

Stormwater capital funds provide the City with stormwater improvement projects. The City has been fortunate to receive Department of Ecology grants in recent years.

410 Stormwater Capital Projects Fund	Actual 2013	Actual 2014	Budget 2015	Thru July 2015	Budget 2016	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
REVENUE							
1 Grant Matching		60,000					
2 Stormwater DOE Grants			30,000	143,791	50,000	20,000	67%
3 Department of Ecology Grant	113,171						
4 Subtotal Revenue	113,171	60,000	30,000	143,791	50,000	20,000	67%
5 Beg Cash & Investments	(53,014)			20,528			
6 Total Storm Capital Sources	60,156	60,000	30,000	164,319	50,000	20,000	67%

410 Stormwater Capital Projects Fund	Actual 2013	Actual 2014	Budget 2015	Thru July 2015	Budget 2016	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
7 EXPENDITURES							
8 Stormwtr Pond Design & Misc		34,446		59,714			
9 Stormwater Improvements	36,805		30,000	44,974	50,000	20,000	67%
10 Street Sweeping	23,351						
11 Subtotal Expenditures	60,156	34,446	30,000	104,688	50,000	20,000	67%
12 Ending Cash & Investments		25,554		59,631		-	
13 Total Storm Capital Uses	60,156	60,000	30,000	164,319	50,000	20,000	67%



Contech Training - Storm Filter Maintenance



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*what is being done*

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*full 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*- Ending fund balance*

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 separate fund = Rainy day 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.

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 - *this is diff then a contingency fund.*

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 -

List of debt Summary

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.

complete list of all cash accounts - where deposited.
Cash Sufficiency - *management - cash flow*

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 - *Is Budget consistent to CIP*

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 - Annual Expenditure consistent w CIP &

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

CIP must be consistent w Comp Plan

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.

get a handle on the Grants & use of them

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

Cash accounting - (fund level - dept. - line items)

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.

Cash - accrual

// moving money from fund to fund

RESOLUTION NO. 08-560

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BLACK DIAMOND, KING COUNTY, WASHINGTON
ADOPTING A SET OF FISCAL MANAGEMENT POLICIES FOR
2009 TO ENSURE THE MOST EFFICIENT USE OF
RESOURCES AND TO MEET ACCOUNTING AND AUDITING
RULES


WHEREAS, written financial guidelines contribute to sound decision-making that safeguards core services and helps the City withstand economic fluctuations, maintain focus on the entire financial picture, and adjust to the changing needs of the community; and

WHEREAS, the 2009 Financial Management Policies define practices that will be used by the City to meet its obligations and operate in a financially prudent manner; and

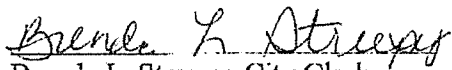
WHEREAS, adoption of these Guidelines will assist City staff and elected officials in evaluating whether individual budget decisions accurately reflect overall goals of the City Council and the community at large. Now, therefore,

BE IT RESOLVED that the City of Black Diamond hereby adopts the 2009 Fiscal Management Policies, a copy of which is adopted by reference to this Resolution.

ADOPTED by the City Council at an open public meeting held on the 4th day of December, 2008.


Howard Botts, Mayor

Attest:


Brenda L. Streepy, City Clerk

SPONSORED BY: Council Member Taylor and Council Member Benson

**CITY OF BLACK DIAMOND
WASHINGTON**

RESOLUTION NO. 13-866

**A RESOLUTION OF THE CITY OF BLACK DIAMOND,
WASHINGTON, AMENDING THE FINANCIAL
MANAGEMENT POLICIES, PROVIDING FOR LONG-
TERM FINANCIAL PLANNING**

WHEREAS, the City Council has, pursuant to Resolution No. 08-560, adopted written financial management policies to define the practices that will be used by the City to meet its financial obligations and operate in a financially prudent manner; and

WHEREAS, the Financial Management Policies assist City staff and elected officials in evaluating whether individual budget decisions reflect the overall goals of the City Council and community at large; and

WHEREAS, the City Council desires to amend the current Financial Management Policies to include long-term financial planning focusing on financial sustainability and resiliency by supporting a financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets, financial policies, and service policies, including emergency services, utility service, and land use services;

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

Section 1. Amendment of Financial Management Policies. The City of Black Diamond Financial Management Policies adopted pursuant to Resolution No. 08-560 are hereby amended by the addition of the following, to be inserted in to the "Operating Budget Policies" section following the paragraph entitled "Conservative Budgeting":

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.

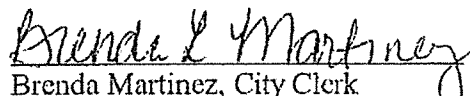
*Note: See, Government Finance Officers Association, Long-Term Financial Planning for Governments, www.gfoa.org/lftp - lftp@gfoa.org.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE
18 DAY OF April, 2013.

CITY OF BLACK DIAMOND


Rebecca Olness, Mayor

ATTEST/AUTHENTICATED:


Brenda Martinez, City Clerk

Approved as to form:

Chris Bacha,
Kenyōn Disend, PLLC
City Attorney

2016 Budget Calendar

<u>Dates</u>	<u>Council</u>	
5/11/2015	Study	Adoption of Six Year Transportation Improvement Program
7/17/2015		Funding Notification Letters to Community Service Agencies
8/3/2015		Distribution of Budget Worksheets to Departments
8/17-9/7/2015		Department Budget Presentations to City Manager
8/28/2015		Receipt of Funding Requests from Community Service Agencies
9/7/2015		Return of Budget Worksheets from Departments
9/7-18/2015		Finance Department Presents Preliminary Budget to City Manager
9/14/2015	Regular	Presentation of 2015 2nd Quarter Financial Report
9/28/2015	Regular	Presentation of 2016 Revenue Projections and Budget Drivers
10/12/2015	Regular	Discussion of Six-Year Capital Improvement Program
10/26/2015		Delivery of 2016 Preliminary Budget to Council
11/2/2015	Special	Presentation of 2015 3rd Quarter Financial Report Review of the 2016 Preliminary Budget Review of 2016 Preliminary Property Tax Levy
11/9/2015	Regular	Public Hearing on 2016 Revenue Sources & Budget Continued Review of 2016 Preliminary Budget
11/16/2015	Special	Continued Review of 2016 Preliminary Budget
11/23/2015	Regular	Adoption of 2016 Property Tax Levy Continued Review of 2016 Preliminary Budget
12/7/2015	Special	Finalization of Changes to and Adoption of 2016 Preliminary Budget
12/14/2015	Regular	(if needed) Adoption of 2016 Budget
3/14/2016	Regular	Presentation of 2015 Year-End Financial Report
4/11/2016	Regular	Adoption of 2015 Fund Balance and Carryforward Budget Amendment

How the Budget is Organized

The budget document is organized into three major chapters, supplemented with three supporting chapters including the appendices. The major chapters are:

Revenue Budget provides historical and budgeted information on all City revenue identified both by source (e.g. taxes, fees, etc.) and by fund (e.g. General Fund, Special Revenue Funds, etc.). An explanation of how each revenue source is derived and the basis upon which it is calculated is provided in the Revenue Narrative Descriptions section.

Operating Budget provides historical and budgeted information on the cost of providing daily services by budgetary department: City Council, City Manager, Community Development, Finance, Human Services, Parks and Recreation, Public Safety, and Public Works. Operating expenses are also incurred in the Drug Seizure, Transportation Benefit District and Bond Proceeds funds. The Proprietary Funds also are part of the Operating Budget section. The Proprietary Funds include expenditures for two Enterprise Funds: the Surface Water Management Fund and the Lake Wilderness Golf Course Fund and three Internal Service Funds: the Vehicle Rental Fund, the Central Service Fund, and the Unemployment Trust fund.

In the Operating Budget chapter, the information about each department begins with an overview. A narrative description of the department and its responsibilities is provided (including major accomplishments for the current year and goals and objectives for the budget year), followed in most cases by an organizational responsibility chart and a one-or two-page “snapshot” of the department. The snapshot provides a four-year picture of the department’s staffing, expenditures (summarized), changes to the budget from the previous year, workload indicators, and performance indicators. Following these overviews, detailed expenditure budget data organized according to the Washington State Auditor’s Office “object codes” is provided.

Capital Budget details the City’s budget for capital improvements, not only for the budget year but also for the six-year period that begins with the budget year. The Capital Improvement Plan (CIP) is organized into five program areas: transportation, surface water management, parks and recreation, community facilities, and debt service. Each program includes one or more projects. For each project, a description or map is included along with historical costs and a six-year cost estimates. Also shown are the funding sources for each project that includes identified grants and any borrowing required to fund the project. The entire capital budget is funded with the sources identified.

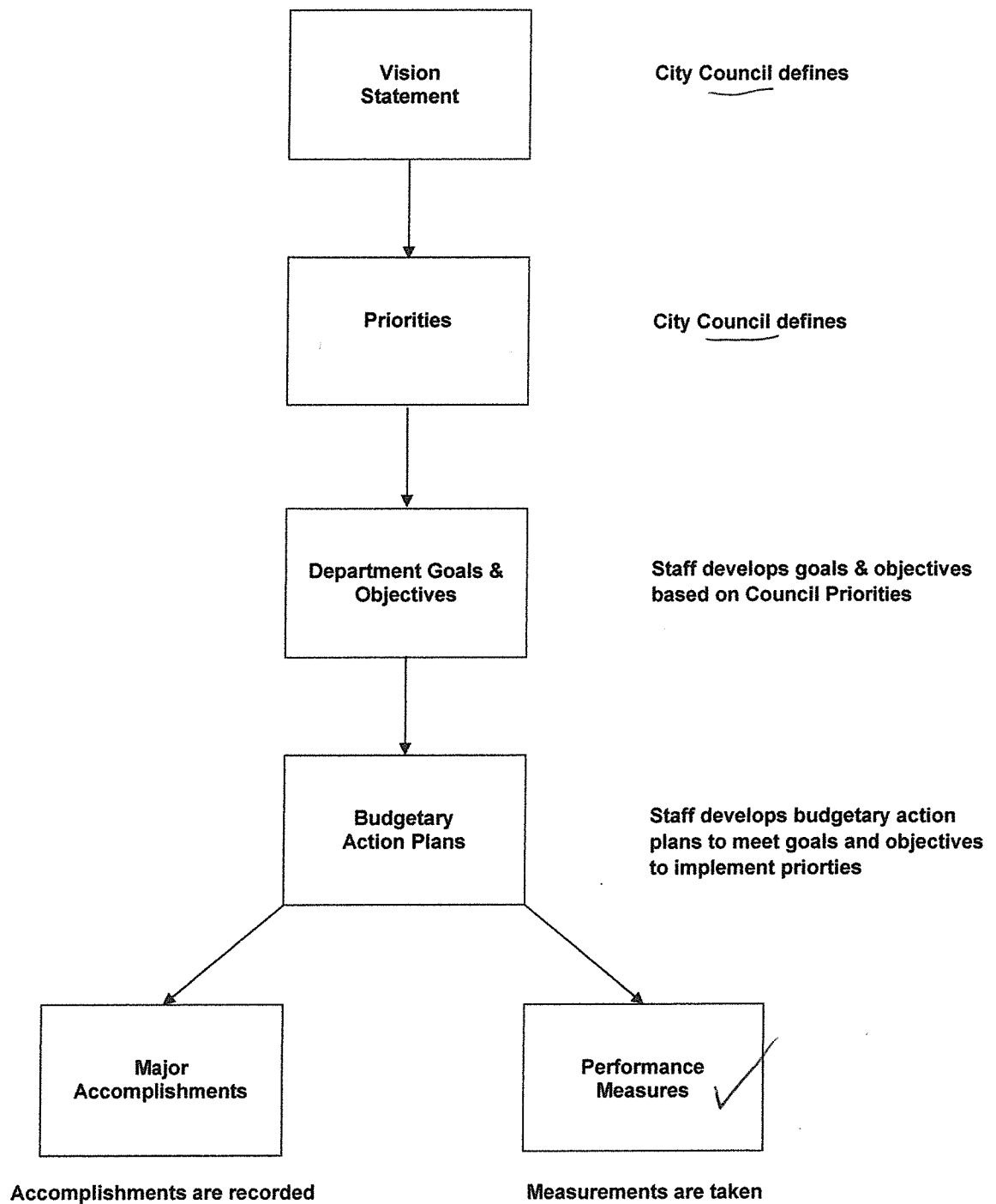
To augment the information in the three major chapters highlighted above, the document also contains these supporting chapters:

The **Introduction** provides general information about the City and the budget development process. It also includes financial policies, budget summaries, program changes, city-wide performance measures, six-year forecasts, a debt forecast, and information on potential additional revenue sources.

The **Fund Summaries** chapter provides consolidated revenue, expenditure and fund balance information about the individual City’s funds. The Fund Summaries provide summary financial information by fund. In some funds the fund balances provide a cushion for financial stability. In other funds the fund balances provide funding for future capital projects expenditures or for vehicle and computer equipment replacement.

The **Appendices** provide 10 years of information about City finances, property and sales taxes, private development activity, potential debt service and capacity, statistics, employee data, salaries and benefits, and a glossary.

Budgetary Planning Process



How the Budget is Developed

Developing the annual budget is an on-going process that begins almost as soon as the Final Budget for the prior year is printed.

ACTUAL PRIOR YEAR FINANCIAL INFORMATION IN CURRENT YEAR BUDGET

For practical and budgetary purposes both governmental and proprietary funds use the modified accrual basis of accounting, with year-end adjustments for debt and capital outlay to convert the proprietary funds to full accrual. Because the City accrues revenues and expenditures, actual revenues and expenditures related to the preceding year are not available until almost two months after year-end. When the books for the preceding year are closed, the information is entered into the prior year column of the budget for the current year. The Final Budget includes adjusted beginning fund balances and any carry forward budget amounts from the preceding year as approved by City Council. These primarily relate to unspent capital projects.

REGULAR PERFORMANCE MONITORING AND BUDGET AMENDMENTS

Throughout the year, budget performance is monitored to evaluate whether both revenues and expenses are on track with what the budget anticipated. The Finance Director provides monthly updates to the City Manager and the City Council, and makes quarterly presentations to the City Council. Amendments to the current year budget, if any, occur in conjunction with the quarterly updates to the City Council.

FUTURE YEAR PRIORITIES

Each summer, the City Council holds an annual retreat at which performance against established goals and objectives is discussed, as well as identification of emerging priorities. The Council reaffirms or modifies its priorities. From those priorities, each department compiles updated goals and objectives.

LONG-TERM PLANNING

The City periodically updates its Comprehensive Plan, which guides long-term investment in facilities and services. The Comprehensive Plan references the Transportation Improvement Plan (TIP) and the capital portion of the Parks, Recreation, Cultural and Human Services Plan which define the capital facility planning processes. The individual plans are updated each year, usually by September 1.

REVENUE FORECAST UPDATE

Because the Finance Department is monitoring revenues and expenses on an on-going basis, minor adjustments to the financial forecast are made throughout the year. However, a concentrated effort is made in August of each year to fully update current year actual financial information together with projections for the coming six years. The update is done in consultation with the department directors, who assist with trend projections.

INITIAL PUBLIC HEARING

Though by State law the City is required to conduct only one public hearing on the budget for the coming fiscal year, the City of Maple Valley conducts an additional hearing early in the budget process to solicit comments from the community service agencies that request funding about their priorities or needs.

How the Budget is Developed, continued

REVIEW OF PROGRAM CHANGES WITH CITY MANAGER

During August and September, the department directors draft program change proposals. The baseline forecast is projected by the Finance Department. The department directors review their current budget and analyze what adjustments may be needed in the coming year. Proposed changes are based either upon the priorities established by the City Council at its annual retreat or upon changes in workload. The department directors have individual meetings with the City Manager to review their proposals for the coming year. The City Manager then communicates his decisions on the requests to the Finance Department as to what to include in each department's budget. The City Manager may also add other program changes.

REVIEW OF INITIAL RECOMMENDATIONS

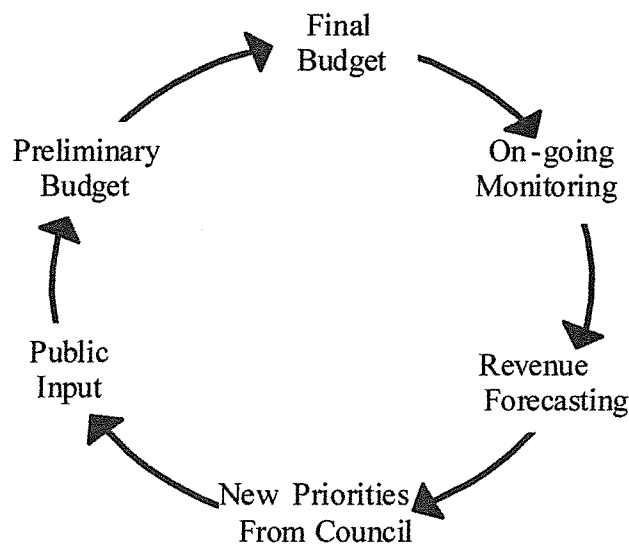
The City Manager reviews with the City Council the proposed changes to the baseline budget and proposed program changes for the coming year. The discussions involve both the coming year's operating budget and the six-year capital plan. Operating costs for each future capital project are identified by project in the "Capital Budget" section and included in the six year General Fund Forecast.

PRESENTATION OF PRELIMINARY BUDGET

By November 1 of each year, the City Manager's Preliminary Budget is delivered to the City Council. By the time the budget is delivered, the contents have already been substantially reviewed by the City Council via study sessions held in the preceding months including: quarterly budget updates, TIP development, revenue forecast update, and the initial review of program change recommendations for the coming fiscal year.

COUNCIL ACTION

The Council reviews the Preliminary Budget in November and holds a public hearing. By law, the Council is obligated to adopt a budget for the coming fiscal year by December 31 of the current year.



**The Annual
Budget Cycle**

Financial Policies

1.0 Financial Stability Policies

1.1 *Operating Fund Reserves (Balanced Budget)*

The Fund Balance of operating funds will be budgeted at least at 16.7% of anticipated operating expenditures for the year. This policy is designed to meet seasonal cash flow, provide a financial cushion, meet emergency needs and provide funds for unforeseen opportunities. A balanced budget is obtained when this criterion is met in both the current budget and the six year forecast.

1.2 *Equipment Replacement Funds*

The City will maintain an adequately funded Vehicle Rental Fund and a Central Service Fund to replace vehicles and computer equipment at their scheduled replacement time. This policy is designed to provide funds to replace equipment as it wears out without creating financial stress or incurring debt.

1.3 *Insurance Programs*

The City will maintain an actuarially sound self insurance program for unemployment, will cover worker's compensation claims through the State's Department of Labor & Industries program, and will insure liability, automobile, and property risks through the Washington Cities Insurance Authority.

2.0 Operating Budget Policies

2.1 *Council Priorities and Department Goals and Objectives*

The City Council will update its priorities at its annual retreat each year. The staff will use these priorities to develop the following year's goals, objectives, and budget proposals.

2.2 *Conservative Budgeting*

The City will maintain a conservative budgeting philosophy. All new full time positions will be budgeted for a full year with no lapse factor recognized in the budget. It is a goal of the City Council to move towards a balanced budget, with expenses less than or equal to revenue, in order to live within our means.

2.3 *Employee Compensation*

The City will maintain a fair and equitable employee compensation program. The program will be competitive with the market to ensure the ability to attract well-qualified applicants for available positions and retain a competent level of staff.

2.4 *Self Supporting Proprietary Funds*

The City will maintain self supporting Proprietary Funds. Self-supporting means that user charges will be set to cover all operating costs plus provide sufficient funds to replace depreciable assets as needed.

Drumclaw

2016 Budget Calendar

Preliminary Budget Presentation

Scheduled	Tasks	Legal Deadlines,
Week of Aug 24th City Admin./Finance Dir.	Meetings with Department Heads to review budget status and make required adjustments.	
Monday September 28 Finance Director	Estimated revenues to Council	1 st Monday in October
Wednesday, Sept 23 City Clerk	Send notice to newspaper of Public Hearing on revenue sources on October 26.	Prior to voting on ordinance
	Send notice to newspaper of Property Tax Levy (<i>with estimated amount</i>) Public Hearing dates (10/26, 11/9, 11/23), publish Wednesday October 7 & 14	
	Send notice to newspaper of Budget Workshop meeting dates, publish September 30 & October 7	
	Send notice to newspaper that Preliminary Budget is in Clerk's office, publish October 7 & 14	Publish 1/week, 2 consec wks no later than 1 st 2 weeks in Nov
Monday October 5 City Administrator	Preliminary Budget, including the Budget Message, filed with City Clerk	1 st Monday in October
Monday October 5 Finance Director	Preliminary Budget published and available to the public in Clerk's Office by 5:00 PM	1 st Monday in October
Monday October 19 City Clerk	Send notice to newspaper for Preliminary Budget Hearings (11/9, 11/23), publish October 28 & November 4	Publish 1/week, 2 consec weeks
Monday October 26 Council Meeting	<u>First</u> Public Hearing on revenue sources, including setting Property Tax Levy	Prior to voting on ordinance
	<u>First Reading of the Property Tax Levy Ordinance</u>	
Wednesday October 14 1 st Council Workshop 7pm	<u>Budget Review</u> Proposed Agenda: City-wide Overview, Council, Administration, Finance, Legal, Police, Municipal Court, Parks, Community Development.	
Wednesday October 21 2 nd Council Workshop 7pm	<u>Budget Review</u> Proposed Agenda: Senior/Youth Center, Pool, Debt Funds, General Fund Subsidies, Special Revenue Funds, Public Works	
Wednesday October 28 3 rd Council Workshop 7pm	<u>Budget Review –</u> Proposed Agenda: Public Works Cont'd, Internal Service Funds, Capital & Significant Expenditures	
Wednesday November 4 4 th Council Workshop 7pm	<u>Budget Review</u> - Proposed Agenda; Citywide Summary, Review & Council Discussion	

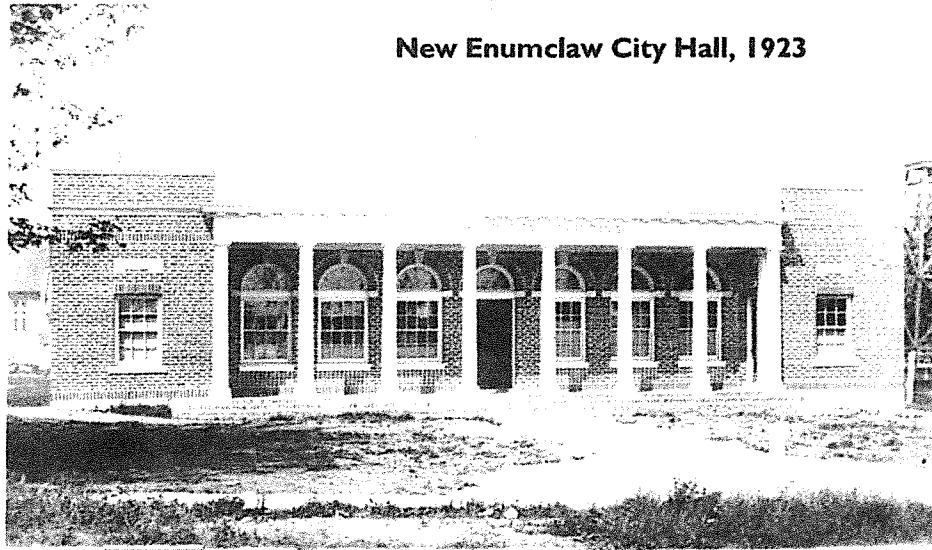
Formal Budget Adoption

Scheduled	Tasks	Legal Deadlines, Requirements
Monday November 9 Council Meeting	<u>First</u> Public Hearing on Preliminary Budget	1 st Monday in December
	<u>Second</u> Public Hearing on Property Tax Levy <u>Second Reading of Property Tax Levy Ordinance</u>	
Monday November 23 Council Meeting	<u>First Reading of Budget Ordinance</u> <u>Second & Final Public Hearing on Preliminary Budget</u> <u>Third & Final Public Hearing on Property Tax Levy</u> <u>Third Reading/Adoption of Property Tax Levy Ordinance</u> (Due to King County Council & Assessor by November 30)	November 30+ November 30
Monday December 14 Council Meeting	<u>Second Reading/Adoption of Budget Ordinance</u>	Prior to Year End

Procedures for Adopting the Original Budget - The City's budget process and the time limits under which the budget must be prepared are defined by the Revised Code of Washington (RCW) 35A.33.

Amending the Budget - The City Administrator has authorized the Finance Director to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of a fund must be approved by the City Council. When the City Council determines that it is in the best interest of the City to increase or decrease the appropriation for a particular fund, it may do so by ordinance approved by a simple majority.

New Enumclaw City Hall, 1923



Accounting and Budgeting Procedures

Accounting

Accounting records for the City are maintained in accordance with methods prescribed by the State Auditor under the authority of Washington state law, RCW Chapter 43.09.

Basis of Presentation - Fund Accounting

The accounts of the City are organized on the basis of funds and departments. Each fund is a separate accounting entity with a self-balancing group of accounts. There are three broad fund categories. The preceding pages identify funds by departmental responsibility. The funds are identified by category on the following page.

Basis of Accounting

Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of measurements made, regardless of the nature of the measurement.

The **accrual basis** of accounting recognizes transactions when they occur, regardless of the timing of related cash receipts and disbursements. Revenues are recognized when earned, if measurable and expenses are recognized when incurred, if measurable. "Expenses" are defined as "outflows or other using up of assets or incurrence of liabilities during the period that constitute the entity's ongoing major and central operations."

The **modified accrual** basis of accounting is the accrual basis adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments are recognized when they become susceptible to accrual, i.e., when the related funds become both "measurable" and "available" to finance expenditures of the current period. To be considered "available", revenue must be collected during the current period or soon enough thereafter to pay current liabilities.

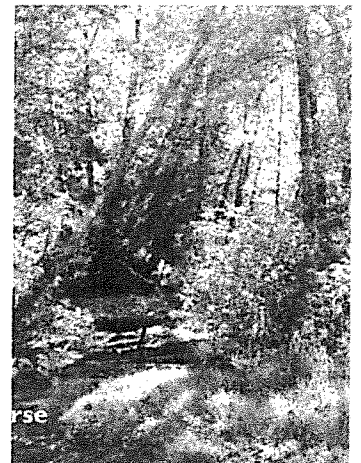
Expenditures are recognized on an accrual basis because they are measurable when they are incurred, that is, when a fund incurs the related liability. Since the recognition of depreciation does not reduce net financial resources, it is not considered to be an expenditure.

Governmental and permanent funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting.

Budgets and Budgetary Accounting

Scope of Budget - Annual appropriated budgets are currently adopted for the general, special revenue, debt service, capital project, enterprise, internal service and fiduciary funds on the modified accrual basis of accounting. Construction funds are budgeted on a multi-year basis. For governmental funds, there are no differences between the budgetary basis and generally accepted accounting principles. Budgetary accounts are integrated in fund ledgers for all budgeted funds. Budgets for certain special revenue, debt service, capital project and enterprise funds are adopted at the level of the individual project and for fiscal periods that correspond to the lives of projects.

Legal budgetary control is established at the fund level, i.e., expenditures for a fund may not exceed that fund's total appropriation amount. The City Administrator may authorize transfers of appropriations within a fund, but the City Council must approve, by ordinance, any increase in total fund appropriations. Any unexpended appropriation balances for annually budgeted funds lapse at the end of the year. Appropriations for construction funds are adopted on a "project-length" basis and are carried forward from year to year without re-appropriation, until authorized amounts are fully expended or the designated purpose of the fund has been accomplished.



Finance and Budget Related Policies

1. **Coordinate the Comprehensive Plan, budget, capital and long-range planning processes.**
 - i. Capital asset policy #6100
 1. Monitor capital asset transactions
 2. Internal control of major assets
 3. Schedule funding of significant assets
 - ii. Unclaimed property policy #6400
 1. Accurate reporting of receivables
 - iii. The 2013 Budget includes a section summarizing capital facilities and staffing projections for a six year horizon.
2. **Prioritize services and projects that benefit the community.**
 - iv. Purchasing policy #5100
 1. Promote efficient use of City funds
 2. Ensure accountability
 3. Comply with legal requirements
 - v. Purchasing card policy #5200
 1. Promote efficient use of City credit cards
 2. Ensure accountability for purchases
 - vi. Prioritizing City expenditures policy #8300
 1. Categorize significant expenditures with appropriate sources
 2. On going expenditures shall not be funded by one-time revenues
 3. Use of funds is prioritized, the highest use being protection of the public
3. **Leverage resources with other agencies and private interests.**
 - vii. Accounts receivable policy #3200
 1. Track all receivables
 2. Establish reasonable collection periods and procedures
 3. Charge appropriate interest and penalties on past due accounts
 4. Take preemptive action to minimize past due accounts
 - viii. Investment policy #4100
 1. Provide highest return with maximum security
 2. Meet daily cash flow demands
4. **Maintain fiscally responsible fund reserve balances.**
 - ix. Reserve fund policy #8200
 1. Establish minimum recommended reserve levels
 2. Establish allowable uses of reserves
 3. Establish approval process for use of reserves
 4. Establish replacement process for reserves when used
 5. Assign administrative responsibilities
 6. The General Fund maintains an 8% of operating expenditures reserve for unanticipated needs. The Contingency Fund maintains a reserve for general use in case of catastrophic uninsured loss.
5. **Provide understandable and timely budget, financial and analytical reports.**
 - x. The Finance Director provides quarterly reports to administration and council comparing current expenditures with the prior year and budget.



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Contact with City Staff

Carol Benson

Sent: Monday, February 08, 2016 1:24 PM**To:** Tamie Deady; Erika Morgan; Janie Edelman; Brian Weber; Pat Pepper**Cc:** Brenda Martinez; Andy Williamson; Jamey Kiblinger; Barbara Kincaid; Seth Boettcher; May Miller; carol@carolmorrislaw.com

Council Members do not have the ability to direct staff. Please contact me with any questions you have for City Staff. This includes phone calls and email. You have the my permission to have the City Clerk notice meetings but you must cc me on all requests.

Carol Benson

Mayor, City of Black Diamond

“Be kind, for everyone you meet is fighting a battle you know nothing about.”

- Wendy Mass, *The Candymakers*



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Finance Committee

Carol Benson

Sent: Monday, February 08, 2016 1:34 PM**To:** Tamie Deady; Erika Morgan; Janie Edelman; Brian Weber; Pat Pepper**Cc:** carol@carolmorrislaw.com

The City of Black Diamond Financial Management Policies is part of the Budget and can be viewed online. The vouchers can also be viewed on line. Vouchers are available on Wednesday the week before the first Council Meeting and the last Wednesday of the month. If you have any questions on the vouchers, you can direct them to me. You can also direct any policy issues to me.

Carol Benson

Mayor, City of Black Diamond

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RE: Finance Committee

Carol Benson

Sent: Monday, February 08, 2016 2:39 PM**To:** Tamie Deady; Erika Morgan; Janie Edelman; Brian Weber; Pat Pepper**Cc:** 'carol@carolmorrislaw.com'

Please do not reply all. Contact me individually.

Correction: Vouchers are available on Wednesday the week before the second Council Meeting and the last Wednesday of the month.

From: Carol Benson**Sent:** Monday, February 08, 2016 1:35 PM**To:** Tamie Deady; Erika Morgan; Janie Edelman; Brian Weber; Pat Pepper**Cc:** carol@carolmorrislaw.com**Subject:** Finance Committee

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RE: Contact with City Staff

Carol Benson

Sent: Monday, February 08, 2016 2:41 PM**To:** Tamie Deady; Erika Morgan; Janie Edelman; Brian Weber; Pat Pepper**Cc:** Brenda Martinez; Andy Williamson; Jamey Kiblinger; Barbara Kincaid; Seth Boettcher; May Miller; 'carol@carolmorrislaw.com'

DO NOT REPLY ALL. CONTACT ME INDIVIDUALLY. THANK YOU.

From: Carol Benson**Sent:** Monday, February 08, 2016 1:24 PM**To:** Tamie Deady; Erika Morgan; Janie Edelman; Brian Weber; Pat Pepper**Cc:** Brenda Martinez; Andy Williamson; Jamey Kiblinger; Barbara Kincaid; Seth Boettcher; May Miller; carol@carolmorrislaw.com**Subject:** Contact with City Staff

Council Members do not have the ability to direct staff. Please contact me with any questions you have for City Staff. This includes phone calls and email. You have the my permission to have the City Clerk notice meetings but you must cc me on all requests.

Carol Benson

Mayor, City of Black Diamond

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No Net Increase Compensation Projects

Cindy Wheeler [cincity63@comcast.net]

Sent: Monday, February 08, 2016 9:32 PM
To: Erika Morgan; Brian Weber

Council members -

This is the condition from the Development Agreement that spells out that "extra" effort I spoke of. Again, I want to know if one of the projects that Yarrow Bay will receive 'credit' for performance is Ginder Creek and the project that Dept of Ecology has already granted engineering funds for and city staff felt confident in receiving actual project funds from Dept of Ecology for as well.

Thank you for holding these meetings at a time that allows the public to participate. It is most unfortunate that Council Member Edelman ignored her duty and sworn oath to serve the public and boycotted this committee meeting.

Best - Cindy Wheeler

Below is the paragraph from the Villages DA which includes the requirement for no net increase and allows for compensatory projects elsewhere in the watershed. (The identical paragraph is also in the Lawson Hills DA.)

7.4.3 Stormwater Management

The Master Developer shall comply with the stormwater management provisions provided below. In the event of a conflict between these provisions and the Stormwater Management Design Standards set forth in Section 7.4.4 of this Agreement, the Stormwater Management Design Standards shall prevail.

A. Minimize impacts to water quality in Lake Sawyer by assuring no net increase in phosphorus to Lake Sawyer occurs associated with MPD development within basins that drain to Lake Sawyer. No net increase can be accomplished by on-site or off-site source or mechanical controls, control of phosphorus from off-site compensating projects, or other methods approved by the Designated Official.

A more specific plan for baseline monitoring of offsite potential compensatory projects is shown on page 2, 2nd paragraph, in Exhibit O of the DAs (which is the No Net Phosphorous Implementation Plan).

Page 2 of 3
City of Black Diamond
No Net Phosphorous Implementation Plan
September 19, 2011

1. Monitor pre-development phosphorous levels at pre-determined locations within the project drainage basins. Monitoring is to occur consistently over the course of at least one water year (October to September) in accordance with the procedures and criteria outlined in Chapters 6 through 12 of the QAPP (see Attachment 1). Use data collected over the water year to establish a baseline phosphorous load from the project. This load should be factored to an average year rainfall volume for future comparisons of phosphorous loads for years where the rainfall is more or less than the average.
2. Select one or two possible compensation projects. Offsite compensation projects will be on land not being actively developed for the MPD but that includes features that currently contribute phosphorus to Lake Sawyer that are amenable to reductions of phosphorus, such as roadway segments or intersections, pastures with farm animals, or existing developed property all lacking modern stormwater controls, or erosive slopes or streams. Monitor pre-mitigation phosphorous levels at pre-determined locations within the compensating project drainage basin. Monitoring is to occur consistently over the course of at least one water year (October to September) in accordance with the procedures and criteria outlined in Chapters 6 through 12 of the QAPP (see Attachment 1). Use data collected over the water year to establish a baseline phosphorous load from the compensating project. This load should be factored to an average year rainfall volume for future comparisons of phosphorous loads for years where the rainfall is more or less than the average.

And from the 2013 Annual Water Quality Report I see that one of the eight locations where water has been sampled is to be for potential use as a compensatory project (see below).

SW-3. In a catch basin located on the west side of SR169, which discharges near the outfall of the Mud Lake Creek culvert under SR169.

This location was selected and is being monitored pursuant to the Villages MPD Condition of Approval No. 84 [LH-84] and Exhibit O as a possible compensating phosphorus reduction project and opportunity for the City to reduce phosphorus sources or improve phosphorus treatment for existing City maintained stormwater facilities. Samples from this location will be collected at the culvert discharge pipe when water is flowing, or from the catch basin collector vault when water is not flowing.

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FW: 2/8 Budget Committee Meeting

Brian Weber

Sent: Tuesday, February 09, 2016 7:20 AM**To:** Erika Morgan

Erika,

Here is the email that I read into the record last night at the Budget/Finance/Administration Committee meeting for the minutes. The other 2 emails I read in to the record from Mayor Benson are titled below and will be in your email:

"Finance Committee"

"Contact with City Staff"

Please let me know if you need anything else.

Thanks,

Brian Weber
Black Diamond City Council
Position 4
253-508-0397

"If everyone is thinking alike, then somebody isn't thinking."
George S. Patton

From: Brenda Martinez
Sent: Monday, February 08, 2016 11:02 AM
To: Brian Weber
Cc: May Miller
Subject: RE: 2/8 Budget Committee Meeting

Hi Brian,

I am cc'ing May on your response.

Kind regards,

Brenda L. Martinez, CMC | City Clerk / HR Manager
City of Black Diamond

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disclosure pursuant to RCW 42.56, regardless of any claim of confidentiality or privilege asserted by an external party.

From: Brian Weber
Sent: Monday, February 08, 2016 10:51 AM
To: Brenda Martinez
Subject: RE: 2/8 Budget Committee Meeting

Thanks Brenda...apologies for not being more specific. My request is for any input or background she would like to share with regard to the city's financial policy (if/when it's periodically reviewed, any suggested improvements, etc). Also, it would be helpful if she would be willing to explain the voucher process (how it has worked in the past, is it documented anywhere, etc.).

And Happy Monday to you as well!

Brian Weber
Black Diamond City Council
Position 4
253-508-0397

"If everyone is thinking alike, then somebody isn't thinking."
George S. Patton

From: Brenda Martinez
Sent: Monday, February 08, 2016 8:41 AM
To: Brian Weber
Subject: RE: 2/8 Budget Committee Meeting

Hi Brian,

I'm happy to assist. It is my understanding that a Police Officer will be unlocking and the locking the doors at the Council Chambers for this meeting. I will have the recorder all ready for you to use up in the Chambers. Please make sure to leave it and I will retrieve it in the morning.

I will ask May regarding budget/financial information, however if you could be a little more specific as to what you are asking for that would be great - it would give her an idea of what to provide.

I look forward to hearing back from you and happy Monday!

Brenda L. Martinez, CMC | City Clerk / HR Manager
City of Black Diamond

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From: Brian Weber
Sent: Monday, February 08, 2016 7:17 AM
To: Brenda Martinez
Subject: 2/8 Budget Committee Meeting

Hi Brenda,

Just a couple things if you can help me out....

With regard to council chamber access tonight, is there a key or code I need? Also, Mayor Benson mentioned the use of a recording device. Will I be able to stop in and pick that up?

Regarding the City Attorney, there are no recommendations anticipated so her presence is not requested per Council Rule 15.2.

While it would be beneficial for Ms. Miller to attend, it is my understanding that she is not required to. Any budget/finance information that she can send ahead of time for consideration or review would be helpful.

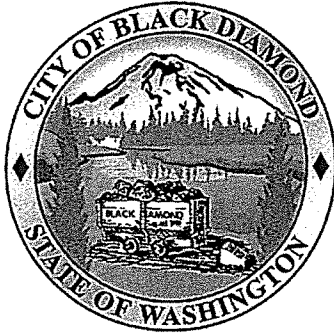
Thank You,

Brian Weber
Black Diamond City Council Position 4
Budget, Finance & Administration Committee Chair
253-508-0397

"If everyone is thinking alike, then somebody isn't thinking."
George S. Patton



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CERTIFICATION

Date: February 18, 2016

Check No.'s/EFT	Batch Name	Amount
Early Release Chks 43187-43189	Feb-2nd Council-02/18/16	\$ 4,216.97
43190-43228	Feb-2nd Council-02/18/16	\$ 205,603.68
EFT's	Feb-Month End Cks-02/29/16	\$ 2,489.90
	Total Vouchers	\$ 212,310.55

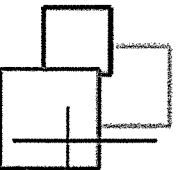
I, THE UNDERSIGNED DO HEREBY CERTIFY UNDER THE PENALTY OF PERJURY, THAT THE MATERIALS HAVE BEEN FURNISHED, THE SERVICES RENDERED AND OR THE LABOR PERFORMED AS DESCRIBED HEREIN AND THAT THE CLAIM IS A JUST, DUE AND UNPAID OBLIGATION AGAINST THE CITY OF BLACK DIAMOND, AND THAT I AM AUTHORIZED TO AUTHENTICATE AND CERTIFY TO SAID CLAIM.

May Miller 2-19-2016
MAY MILLER, FINANCE DIRECTOR

COUNCILMEMBERS

_____	_____
_____	_____
_____	_____

Voucher Directory



Vendor	Number	Reference	Account Number	Description	Amount
ADT Security Services (PA)	43190	021416 ADT 202512470		2016 - February - 2nd Council	
		Feb 12 to Mar 11, 2016 Service			
		001-000-248-518-20-49-02		MDRT Bldg Security Costs	\$19.00
		001-000-254-518-20-49-00		Facilities Security	\$28.49
		Total 021416 ADT 202512470			\$47.49
Total ADT Security Services (PA)	Total 43190				\$47.49
Alliance 2020. Inc	43191	54622		2016 - February - 2nd Council	
		001-000-180-518-50-41-04		Unexpected Costs	\$30.00
		Background Check-Vacancy Position			
		Total 54622			\$30.00
Total Alliance 2020. Inc	Total 43191				\$30.00
AWC-Risk Management Service Agency	43192	40613		2016 - February - 2nd Council	
		Annual Renewal			
		633-000-000-586-20-00-00		Due to AWC RMSA Insurance	\$138,805.00
		Total 40613			\$138,805.00
Total AWC-Risk Management Service Agency	Total 43192				\$138,805.00
Brat Wear, Inc	43193	17762		2016 - February - 2nd Council	
		001-000-210-521-10-31-04		Uniforms	\$644.68
		Uniform And Applications for Macdonald			
		Total 17762			\$644.68
Total Brat Wear, Inc	Total 43193				\$644.68

Vendor	Number	Reference	Account Number	Description	Amount
Brown's Automotive Inc.	43194	5499	2016 - February - 2nd Council		
			January Services		
			001-000-210-521-10-48-01	Vehicle Maintenance & Repair	\$3,847.62
			Police-2009 Dodge Charger Engine Repair Charge		
		Total 5499			\$3,847.62
		5550	January Services		
			001-000-210-521-10-48-01	Vehicle Maintenance & Repair	\$134.15
			Police-Replaced Headlamp and Socket 2012 Chev Tahoe		
		Total 5550			\$134.15
Total 43194					\$134.15
Total Brown's Automotive Inc.					\$3,981.77
CenturyLink (WA)					\$3,981.77
43187					
	012816 CL		2016 - February - 2nd Council		
			Jan 20 to Feb 20 Services		
			001-000-120-512-50-42-00	Telephone/DSL	\$44.96
			PD/CT Security Line		
			001-000-214-521-20-42-00	Police Telephone/DSL/Air Cards	\$61.25
			Police Fax		
			001-000-214-521-20-42-00	Police Telephone/DSL/Air Cards	\$62.63
			Police		
			001-000-270-576-80-42-00	Telephone/DSL/Radios	\$4.81
			Parks		
			001-000-280-536-20-42-00	Telephone, DSL & Radios	\$2.40
			Cemetery		
			101-000-000-542-90-42-01	Telephone/DSL/Radios	\$26.44
			Street		
			401-000-000-534-80-42-00	Telephone/DSL/Radios	\$264.00
			Water Reservior		
			401-000-000-534-80-42-00	Telephone/DSL/Radios	\$28.84
			Water		
			407-000-000-535-80-42-00	Telephone/DSL/Radios	\$44.96
			Diamond Glen Sewer		
			407-000-000-535-80-42-00	Telephone/DSL/Radios	\$40.63
			Ridge Sewer Pump Station		
			407-000-000-535-80-42-00	Telephone/DSL/Radios	\$28.84
			Sewer		
			407-000-000-535-80-42-00	Telephone/DSL/Radios	\$53.19
			Old Lawson Pump Station		
			407-000-000-535-80-42-00	Telephone/DSL/Radios	\$49.39
			Morgnville Pump Station		

Vendor	Number	Reference	Account Number	Description	Amount
			410-000-000-531-10-42-00	Telephone/DSL/Radios	\$28.84
			Drainage		
	Total 012816 CL				\$741.18
	Total 43187				\$741.18
	43195				
		012316 206-T51-3585 584B			
		Jan 23 to Feb 2, 2016 Service			
		001-000-214-521-20-42-00		Police Telephone/DSL/Air Cards	\$140.13
					\$140.13
		Total 012316 206-T51-3585 584B			\$140.13
					\$881.31
Total CenturyLink (WA)	Total 43195				
CHS/Cenex	43196				
		013116 CHS			
		2016 - February - 2nd Council			
		January Fuel			
		001-000-180-518-50-32-01		Fuel-Central Services	\$18.00
		Central Services			
		001-000-181-518-30-32-00		Fuel	\$105.00
		Facilities Clearing			
		001-000-210-521-10-32-00		Fuel	\$10.00
		Police			
		001-000-240-558-51-32-00		Fuel	\$50.00
		Permit			
		001-000-246-558-70-32-00		Fuel	\$61.16
		MDRT			
		001-000-270-576-80-32-00		Fuel	\$24.90
		Parks			
		001-000-280-536-20-32-00		Fuel	\$12.45
		Cemetery			
		101-000-000-543-50-32-00		Fuel	\$136.97
		Street			
		101-000-000-543-50-32-00		Fuel	\$47.09
		Streets			
		401-000-000-534-80-32-00		Fuel	\$149.42
		Water			
		407-000-000-535-80-32-00		Fuel	\$149.42
		Sewer			
		410-000-000-531-10-32-00		Fuel	\$149.42
		Storm Water			
		Total 013116 CHS			\$913.83
					\$913.83
Total CHS/Cenex	Total 43196				\$913.83
City of Black Diamond					

Execution Time: 3 minute(s), 7 second(s)

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Voucher Directory

Vendor	Number	Reference	Account Number	Description	Amount
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43197

013116 COB Utility

2016 - February - 2nd Council

January Statement				
001-000-212-521-50-47-01	Police-Water	Water		\$89.43
001-000-212-521-50-47-02	Police-Sewer	Sewer		\$62.26
001-000-212-521-50-47-03	Police-Storm	Stormwater		\$80.00
001-000-248-518-20-47-01	City Hall - MDRT	MDRT BD Wtr, Swr, Storm		\$51.57
001-000-254-518-20-47-00	City Hall	Facilities-Utilities		\$77.34
001-000-270-575-30-47-01	Museum-Storm	Museum Water/Sewer/Storm		\$32.00
001-000-270-575-51-47-01	Gym-Water	Gym-Stormwater		\$62.26
001-000-270-575-51-47-02	Gym-Sewer	Gym-Sewer		\$44.97
001-000-270-575-51-47-03	Gym-Storm	Gym-Water		\$32.00
001-000-270-576-80-47-01	Parks	Water		\$3.29
001-000-270-576-80-47-01	Eagle Creek-Water	Water		\$35.63
001-000-270-576-80-47-01	Coal Car-Water	Water		\$35.63
001-000-270-576-80-47-02	Parks	Sewer		\$4.98
001-000-270-576-80-47-03	Parks	Stormwater		\$11.52
001-000-270-576-80-47-03	Boat Launch-Storm	Stormwater		\$96.00
001-000-280-536-20-47-01	Cemetery-Water	Water		\$35.63
001-000-280-536-20-47-01	Cemetery	Water		\$0.82
001-000-280-536-20-47-02	Cemetery	Sewer		\$1.25
001-000-280-536-20-47-03	Cemetery	Stormwater		\$2.88
001-000-530-522-10-47-01	Fire Dept-Water	Water		\$37.09

Vendor	Number	Reference	Account Number	Description	Amount
			001-000-530-522-10-47-02	Fire Dept-Sewer Sewer	\$62.26
			001-000-530-522-10-47-03	Fire Dept-Sewer Stormwater	\$40.00
			101-000-000-543-31-47-01	Fire Dept-Storm Water	\$6.17
			101-000-000-543-31-47-01	Street Water	\$35.63
			101-000-000-543-31-47-02	Railroad Ave Irr. Sewer	\$9.34
			101-000-000-543-31-47-03	Street Stormwater	\$21.60
			401-000-000-534-80-47-01	Street Water	\$10.29
			401-000-000-534-80-47-02	Water Sewer	\$15.57
			401-000-000-534-80-47-03	Water Stormwater	\$36.00
			407-000-000-535-80-47-01	Sewer Water	\$10.29
			407-000-000-535-80-47-02	Sewer Sewer	\$15.57
			407-000-000-535-80-47-03	Sewer Stormwater	\$96.00
			407-000-000-535-80-47-03	Sewer Lagoon-Storm Stormwater	\$36.00
			410-000-000-531-10-47-01	Sewer Water	\$10.29
			410-000-000-531-10-47-02	Drainage Sewer	\$15.57
			410-000-000-531-10-47-03	Drainage Stormwater	\$36.00
			Total 013116 COB Utility		\$1,253.13
					\$1,253.13
			Total 43197		\$1,253.13
			Total City of Black Diamond		\$1,253.13
			City of Issaquah		\$1,253.13
			43198		
			04-50008111	2016 - February - 2nd Council	
			December 2015 Services		
			001-000-211-523-60-49-00	Jail Costs	\$194.00
			Total 04-50008111		\$194.00
			Total 43198		\$194.00
			Total City of Issaquah		\$194.00

Vendor	Number	Reference	Account Number	Description	Amount
Comcast (34744)	43199	8498 34 014 0125628 020516		2016 - February - 2nd Council	
		Feb 05 to Mar 04, 2016 Service			\$231.14
		001-000-254-518-20-42-00		Facilities-Communication	
		City Hall Internet			\$231.14
	Total 43199	Total 8498 34 014 0125628 020516			\$231.14
Total Comcast (34744)					\$231.14
Dept of Licensing-Firearms Online					\$231.14
EFT Payment 2/8/2016 9:38:10 AM - 1			2016 - February - Month End Cks 2/29/16		
BD00000047		January CPL			
		633-000-000-386-11-00-00		Gun Permits to DOL	\$18.00
Total BD00000047					\$18.00
BD00000048		January CPL			
		633-000-000-386-11-00-00		Gun Permits to DOL	\$18.00
Total BD00000048					\$18.00
BD00000049-52		February CPL			
		633-000-000-386-11-00-00		Gun Permits to DOL	\$72.00
Total BD00000049-52					\$72.00
BD00000053		February CPL			
		633-000-000-386-11-00-00		Gun Permits to DOL	\$18.00
Total BD00000053					\$18.00
Total EFT Payment 2/8/2016 9:38:10 AM - 1					\$126.00
Total Dept of Licensing-Firearms Online					\$126.00
First Bankcard					
EFT Payment 2/9/2016 8:40:10 AM - 1			2016 - February - 2nd Council		
9871-Del Santo					
		January Purchases			
		401-000-000-534-80-31-01		Operating Supplies	\$170.20
		Icon-Cold Patch			
		401-000-000-534-80-35-00		Small Tools & Safety Equip	\$38.61
		Home Depot-Screwdrivers, Plier, Wrench, Hex Set			
		410-000-000-531-10-35-00		Small Tools and Safety Equipment	\$391.12
		DDK Designs-Hard Surface Puller			
Total 9871-Del Santo					\$599.93
1117-Esping					
		January Purchases			
		001-000-180-518-50-32-01		Fuel-Central Services	\$34.00
		Cenex-Fuel			

Execution Time: 3 minute(s), 8 second(s)

Vendor	Number	Reference	Account Number	Description	Amount
			001-000-180-518-50-48-03	Vehicle Repairs & Maintenance	(\$3.72)
			Harbor Freight-Discount On Trunk Organizer		
			001-000-180-518-50-48-03	Vehicle Repairs & Maintenance	\$25.60
			Harbor Freight-Trunk Organizer		
			001-000-191-525-60-49-01	Emergency Management Training	\$177.98
			Crickit Ventures-EOC Training Digital Ham Radio		
			001-000-210-521-10-31-00	Operating Supplies	\$97.48
			Walmart-Cell Phone Accessories		
			001-000-270-576-80-31-01	Parks Office Supplies	\$3.24
			Office Depot-Office Supplies		
			001-000-270-576-80-35-00	Small Tools & Safety Equip	\$6.35
			Harbor Freight-Latex Gloves,Folding Knives, Battery Cleaner		
			001-000-270-576-80-35-00	Small Tools & Safety Equip	\$3.15
			Harbour Frieght-Small Tools		
			001-000-280-536-20-31-00	Cemetery Office Supplies	\$1.62
			Office Depot-Office Supplies		
			001-000-280-536-20-35-00	Small Tools & Safety Equip	\$1.59
			Harbor Freight-Latex Gloves,Folding Knives, Battery Cleaner		
			001-000-280-536-20-35-00	Small Tools & Safety Equip	\$0.79
			Harbour Frieght-Small Tools		
			101-000-000-542-90-31-00	Office Supplies	\$32.38
			Office Depot-Labels and Pens		
			101-000-000-542-90-31-00	Office Supplies	\$17.80
			Office Depot-Office Supplies		
			101-000-000-543-50-35-00	Small Tools & Equipment	\$11.91
			Harbor Freight-Latex Gloves,Folding Knives, Battery Cleaner		
			101-000-000-543-50-35-00	Small Tools & Equipment	\$5.90
			Harbour Frieght-Small Tools		
			401-000-000-534-80-31-02	Office Supplies	\$19.41
			Office Depot-Office Supplies		
			401-000-000-534-80-35-00	Small Tools & Safety Equip	\$19.84
			Harbor Freight-Latex Gloves,Folding Knives, Battery Cleaner		
			401-000-000-534-80-35-00	Small Tools & Safety Equip	\$9.83
			Harbour Frieght-Small Tools		
			407-000-000-535-80-31-02	Office Supplies	\$53.58
			Walmart-Office Supplies		
			407-000-000-535-80-31-02	Office Supplies	\$19.41
			Office Depot-Office Supplies		
			407-000-000-535-80-35-00	Small Tools & Safety Equipment	\$38.30
			Harbor Freight-Cordless Drill, Making Crayons, Screwdriver Set		
			407-000-000-535-80-35-00	Small Tools & Safety Equipment	\$9.84
			Harbour Frieght-Small Tools		
			410-000-000-531-10-31-00	Office Supplies	\$19.42
			Office Depot-Office Supplies		

Vendor	Number	Reference	Account Number	Description	Amount
			410-000-000-531-10-35-00	Small Tools and Safety Equipment	\$9.84
				Harbour Freight-Small Tools	
			410-000-000-531-10-35-00	Small Tools and Safety Equipment	\$19.84
				Harbor Freight-Latex Gloves,Folding Knives, Battery Cleaner	
			410-000-000-531-10-35-00	Small Tools and Safety Equipment	\$19.84
				Harbor Freight-Latex Gloves,Folding Knives, Battery Cleaner	
			510-000-300-594-21-31-00	Surplus Costs Police	\$114.47
				Car Quest-Battery	
		Total 1117-Esping			\$769.69
		4013-Court			
			January Purchases		
			001-000-120-512-50-31-00	Operating Supplies	\$30.39
				Acco Brands Direct-Wall Calendars	
			001-000-120-512-50-31-00	Operating Supplies	\$29.85
				Office Depot-Binder, File Totes	
			001-000-120-512-50-42-00	Telephone/DSL	\$15.56
				Accessline*Phone Svc-Conference Calls	
			001-000-120-512-50-42-03	Postage	\$49.00
				US Post Office-Postage	
		Total 4013-Court			\$124.80
		4360-City Clerk			
			January Purchases		
			001-000-137-514-21-43-00	Lodging, Meals & Mileage	\$186.20
				Alaska Airlines-Airfare toi WMCA Conference. Spokane	
			001-000-180-518-50-41-04	Unexpected Costs	\$38.30
				Martin Yale-Folding Machine Part	
		Total 4360-City Clerk			\$224.50
		5176-Redd			
			January Purchases		
			001-000-246-558-70-31-00	Office Supplies	\$41.27
				4 Corners Cleaners-Sew On Patches	
			001-000-246-558-70-31-00	Office Supplies	\$59.39
				Amazon.com-Dust Pan, Coat Rack	
		Total 5176-Redd			\$100.66
		7567-MacdonaId			
			January Purchases		
			001-000-210-621-10-31-04	Uniforms	\$141.51
				Blade Tech Ind-Tech Radio Holder, Magazine Pouch	
		Total 7567-MacdonaId			\$141.51
		8227-Tapac			
			January Purchases		
			001-000-210-521-10-31-04	Uniforms	\$4.95
				LA Police Gear, Inc-Hat From Backorder	
		Total 8227-Tapac			\$4.95

Vendor	Number	Reference	Account Number	Description	Amount
8513-Williamson					
January Purchases					
			001-000-246-558-70-31-00	Office Supplies	\$30.39
			Johnson's Home & Garden-MDRT Job Trailer Supplies		
			001-000-246-558-70-32-00	Fuel	\$42.83
			Centex-Fuel		
			001-000-246-558-70-43-00	Lodging, Meals & Mileage	\$30.64
			Ivars-Lunch Meeting in Shoreline		
			001-000-246-558-70-43-00	Lodging, Meals & Mileage	\$94.00
			Big Fish Grill-Lunch Meeting , Ecology Follow Up		
Total 8513-Williamson					\$197.86
Total EFT Payment 2/9/2016 8:40:10 AM - 1					\$2,163.90
Total First Bankcard					
Ginger Wang	43200				\$2,163.90
2016 - February - 2nd Council					
	013116	GW			
January Services					
			001-000-120-512-50-41-04	Court Interpreter	\$135.64
			Case #5Z1089319 Jin		
Total 013116 GW					\$135.64
Total 43200					
Total Ginger Wang					\$135.64
Hach Company	43201				\$135.64
2016 - February - 2nd Council					
	9753481				
January Services					
			401-000-000-534-80-31-01	Operating Supplies	\$63.36
			Water Funds-Testing Kits		
Total 9753481					\$63.36
Total 43201					
Total Hach Company					\$63.36
Home Depot Credit Service	43202				\$63.36
2016 - February - 2nd Council					
	3012774				
January Purchases					
			001-000-180-518-90-31-00	Office Supplies City Hall	\$97.64
			Shelves for IT Server Room		
Total 3012774					\$97.64
8583232					
January Purchases					
			001-000-270-575-51-48-00	Gym Facility Repair & Maintenance	\$97.09

Vendor	Number	Reference	Account Number	Description	Amount
				Gym Lights	
	Total 43202	Total 8583232			\$97.09
Total Home Depot Credit Service					\$194.73
Johnsons Home & Garden	43203				\$194.73
	402127			2016 - February - 2nd Council	
				February Purchase	
				101-000-000-542-90-31-01	\$27.14
				Locking Cord	\$27.14
				Operating Supplies	\$27.14
	Total 402127				\$27.14
Total Johnsons Home & Garden					\$27.14
King Co Radio Comm Services	43204				\$27.14
	10643			2016 - February - 2nd Council	
				January Services	
				001-000-214-521-20-41-03	\$1,366.19
				K/C 800 Mhz Radio Costs	\$1,366.19
	Total 10643				\$1,366.19
Total King Co Radio Comm Services					\$1,366.19
KING COUNTY FINANCE	43205				\$1,366.19
	2066717			2016 - February - 2nd Council	
				2015 General Election	
				001-000-137-514-40-51-00	\$136.35
				Elections Costs	\$136.35
				Voter's Pamphlets	\$136.35
	Total 2066717				\$136.35
	61372 KCF 3			3rd Trimester of 2015	
				410-000-000-531-10-49-09	\$1,365.33
				WRJA 9	\$1,365.33
	Total 61372 KCF 3			Award 114454	\$1,365.33
	72249			2015 Services	
				410-000-000-531-10-41-03	\$8,500.00
				KC Water Quality - Testing and Lab	\$8,500.00
				Monitoring-Lake Sawyer	\$8,500.00
	Total 72249				\$8,500.00
Total KING COUNTY FINANCE					\$10,001.68
	Total 43205				\$10,001.68
					\$10,001.68

Vendor	Number	Reference	Account Number	Description	Amount
LEIRA	43206	013116 LEIRA		2016 - February - 2nd Council	
		Annual Memberships			\$100.00
		001-000-210-521-10-49-02		Memberships	
		Police-McGraw and Humphreys			\$100.00
		Total 013116 LEIRA			\$100.00
Total LEIRA	Total 43206				\$100.00
Les Schwab Tire Ctr - MV	43207	39800181855		2016 - February - 2nd Council	
		January Services			\$28.24
		510-000-300-594-21-31-00		Surplus Costs Police	
		PD-Tire Rotation			\$28.24
		Total 39800181855			\$28.24
		39800181856			
		January Services			\$28.24
		510-000-300-594-21-31-00		Surplus Costs Police	
		PD-Tire Rotation			\$28.24
		Total 39800181856			\$28.24
Total 43207					\$56.48
Total Les Schwab Tire Ctr - MV					\$56.48
Modular Space Corp	43208	501474321		2016 - February - 2nd Council	
		February Rental			\$1,958.06
		001-000-248-518-20-45-01		MDRT-Bldg Rental-Modspace	
		MDRT			\$1,958.06
		Total 501474321			\$1,958.06
		501474328			
		February Rental			\$3,454.57
		001-000-254-518-20-45-01		Facilities-Bldg Rental/Modspace	
		City Hall			\$3,454.57
		Total 501474328			\$5,412.63
Total 43208					\$5,412.63
Total Modular Space Corp					\$5,412.63
Morris Law PC	43209	013116 ML		2016 - February - 2nd Council	
		January Services			\$4,791.60
		001-000-150-515-30-41-01		Legal Services-General Govt	
		001-000-150-515-30-41-17		Legal Costs-Public Disclosure	
		001-000-257-558-70-41-00		MDRT Legal Services	
					\$44.00

Vendor	Number	Reference	Account Number	Description	Amount
Total Morris Law PC O'Brien, Barton, & Hopkins, PLLP 43210	Total 43209	Total 013116 ML	101-000-000-543-30-41-05	Legal Costs	\$1,064.80
			101-000-000-543-30-41-05	Legal Costs	\$44.00
			310-000-025-558-60-41-01	Legal Svs & Other Costs-Comp Plan Update	\$44.00
			401-000-000-534-80-41-04	Legal Svcs	\$1,597.20
			401-000-000-534-80-41-04	Legal Svcs	\$44.00
			407-000-000-535-80-41-09	Legal Costs	\$44.00
			407-000-000-535-80-41-09	Legal Costs	\$1,597.20
			410-000-000-531-10-41-01	Legal Costs	\$1,597.20
			410-000-000-531-10-41-01	Legal Costs	\$44.00
			410-000-010-531-10-41-00	King County Grant-Culvert Replacement	\$110.00
					\$11,242.00
					\$11,242.00
					\$11,242.00
					\$11,242.00
Total O'Brien, Barton, & Hopkins, PLLP Office Products Nationwide 43211	Total 49075	2016 - February - 2nd Council	January Service		\$2,500.00
			001-000-151-515-91-41-00	Court Legal-Public Defender	\$2,500.00
					\$2,500.00
					\$2,500.00
Total Office Products Nationwide Puguet Sound Finance Officers Assoc 43212	Total 822264	2016 - February - 2nd Council	January Purchase		\$6.72
			001-000-180-518-90-31-00	Office Supplies City Hall	\$6.72
			Pens		\$6.72
					\$6.72
Total Office Products Nationwide Puguet Sound Finance Officers Assoc 43212	Total 013116 PSFOA	2016 - February - 2nd Council	Annual Membership		\$25.00
			001-000-140-514-23-49-02	Membership	\$25.00
			Finance-Miller		\$25.00
					\$25.00
Total Puguet Sound Finance Officers Assoc					
Total 43212					
Total 013116 PSFOA					
Total 43212					
Total Puguet Sound Finance Officers Assoc					

Vendor	Number	Reference	Account Number	Description	Amount
Puget Sound Regional Council	43213				
	2016014			2016 - February - 2nd Council	
				2016 Annual Membership	\$579.00
				001-000-180-518-50-49-06	\$579.00
	Total 2016014			PS Regional C Membership	\$579.00
Total 43213					\$579.00
Total Puget Sound Regional Council					
Regional Animal Services of King County	43214				
	013116 RAS of KC			2016 - February - 2nd Council	
				January 2016	
				633-000-000-589-00-00-01	\$30.00
	Total 013116 RAS of KC			King County Animal License	\$30.00
Total 43214					\$30.00
Total Regional Animal Services of King County					
RH2 Engineering Inc.	43215				
	64353			2016 - February - 2nd Council	
				January Services	
				001-000-257-558-70-41-02	\$13,180.07
				Project 112061 MDRT	
	Total 64353			MDRT Civil Engineering-RH2 Engineering	\$13,180.07
Total 43215					\$13,180.07
Total RH2 Engineering Inc.					
Severson's Building Maint	43216				
	581259			2016 - February - 2nd Council	
				January Services	
				001-000-254-518-20-49-01	\$150.00
	Total 581259			Facilities Building Custodial	\$150.00
	581260				
				January Services	
				001-000-212-521-50-41-03	\$500.00
	Total 581260			Police Custodial Cost	\$500.00
	581261				
				January Services	
				001-000-248-518-20-49-01	\$360.00
				MDRT Bldg Custodial Costs	\$540.00
				001-000-254-518-20-49-01	\$900.00
	Total 581261			Facilities Building Custodial	\$1,550.00
Total 43216					\$1,550.00
Total Severson's Building Maint					

Execution Time: 3 minute(s), 8 second(s)

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Voucher Directory

Vendor	Number	Reference	Account Number	Description	Amount
Signs By Tomorrow	43217	INV-24085		2016 - February - 2nd Council	
			January Service		\$90.65
			001-000-248-518-20-45-01	MDRT-Bldg Rental-Modspace	
			Signs For MDRT Job Shack		
					\$90.65
					\$90.65
					\$90.65
Total Signs By Tomorrow	Total 43217				
Spillman Northwest Users Group	43218	013116 SNUG		2016 - February - 2nd Council	
			001-000-210-521-10-49-02	Memberships	\$100.00
			Police-McGraw		
					\$100.00
					\$100.00
					\$100.00
Total Spillman Northwest Users Group	Total 43218				
Summit Financial Resources, L.P.	43219	ML-16011810948		2016 - February - 2nd Council	
			January Services		\$1,440.00
			001-000-210-521-10-31-00	Operating Supplies	
			Police-Radar Calibrations		
					\$1,440.00
					\$1,440.00
					\$1,440.00
Total Summit Financial Resources, L.P.	Total 43219				
The UPS Store #3987	43220			2016 - February - 2nd Council	
			001-000-180-518-90-42-00	Postage	\$13.12
			Police-Return of Pagers		
					\$13.12
					\$13.12
					\$13.12
Total The UPS Store #3987	Total 43220				
Triad Machinery	43221	C53747		2016 - February - 2nd Council	
			January Service		\$5.54
			001-000-270-576-80-48-03	Vehicle Mtc. & Repair	
			Parks-Belt		
			001-000-280-536-20-48-03	Vehicle Maintenance & Repair	\$2.77
			Cemetery-Belt		
			101-000-000-543-33-48-03	Street Share-Vehicle & Eq Mtc Costs	\$30.44
			Street-Belt		

Execution Time: 3 minute(s), 8 second(s)

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Voucher Directory

Vendor	Number	Reference	Account Number	Description	Amount
				City Hall	
	Total 43222				\$1,471.37
Total US Bank Equipment Finance					\$1,471.37
Verizon Wireless					\$1,471.37
43188					
	9758640034				
				2016 - February - 2nd Council	
				Dec 11 to Jan 10	
				001-000-214-521-20-42-00	
				Police Cellular	
				Police Telephone/DSL/Air Cards	\$760.79
	Total 43188				\$760.79
Total Verizon Wireless					\$760.79
Vision Municipal Solutions, LLC					\$760.79
43189					
	09-4061				
				2016 - February - 2nd Council	
				Vision Electronic Bill Payment and Presentation	
				310-000-011-594-18-64-00	
				General Government Technology	\$2,715.00
				Capital Projects-Technology	\$2,715.00
	Total 09-4061				\$2,715.00
Total Vision Municipal Solutions, LLC					\$2,715.00
Voice of The Valley					\$2,715.00
43223					
	17764				
				2016 - February - 2nd Council	
				Classified Ads	
				001-000-210-521-10-41-75	
				Advertising	\$42.75
				Police-Traffic Safety Fee Notice	
				001-000-240-558-60-41-75	
				Advertising	\$42.75
				CD Planning-Planning Commission Qualifications	
	Total 17764				\$85.50
Total Voice of The Valley					\$85.50
Washington State Treasurer					\$85.50
43224					
	013116 WST				
				2016 - February - 2nd Council	
				January Court Remittance	
				633-000-000-386-83-00-00	
				State Remit-Trauma Care	\$350.84
				633-000-000-386-83-31-00	
				State Remit-Auto Theft	\$692.22
				633-000-000-386-83-32-00	
				State Remit-Trauma Brain Injury	\$130.56
				633-000-000-386-88-00-00	
				State Remit-PSEA 3	\$8.30

Execution Time: 3 minute(s), 8 second(s)

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Vendor	Number	Reference	Account Number	Description	Amount
Total Washington State Treasurer Washington Translation Bureau 43225	Total 43224	Total 013116 WST	633-000-000-386-89-09-00	State Remit-Va State Patrol Highway Account	\$56.65
			633-000-000-386-89-14-00	State Remit-Highway Safety Account	\$15.77
			633-000-000-386-89-15-00	State Remit-Death Investigation Acct(Toxic Lab)	\$9.93
			633-000-000-386-91-00-00	State Remit-60% PSEA 1	\$3,680.35
			633-000-000-386-92-00-00	State Remit-PSEA 2	\$2,080.12
			633-000-000-386-97-00-00	State Remit-JIS	\$1,654.72
					\$8,679.46
					\$8,679.46
					\$8,679.46
					\$8,679.46
Total Washington Translation Bureau Water Management Laboratories, Inc. 43226	Total 43225	Total 2015-1304	January Service		\$107.56
			001-000-120-512-50-41-04	Court Interpreter	\$107.56
			Case #BD0035005 1/27/16		\$107.56
					\$107.56
					\$107.56
					\$107.56
					\$107.56
					\$107.56
					\$107.56
					\$107.56
Total Water Management Laboratories, Inc. West Coast Awards 43227	Total 43226	Total 146814	January Service		\$47.00
			401-000-000-534-80-41-02	Water Testing and Sampling	\$47.00
			Total Coliform MMO-MUG		\$47.00
					\$47.00
					\$47.00
					\$47.00
					\$47.00
					\$47.00
					\$47.00
					\$47.00
Total West Coast Awards WFOA 43228	Total 43227	Total 25901	001-000-240-558-60-31-00	Plan Office & Operating Supplies	\$4.93
			CD Planning Commissioner Name Plate-Ambur		\$4.93
					\$4.93
					\$4.93
					\$4.93
					\$4.93
					\$4.93
					\$4.93
					\$4.93
					\$4.93
Total Washington Translation Bureau Washington Translation Bureau 43225	Total 43224	Total 013116 WFOA	Annual Memberships		\$150.00
			001-000-140-514-23-49-02	Membership	\$150.00
					\$150.00
					\$150.00
					\$150.00
					\$150.00
					\$150.00
					\$150.00
					\$150.00
					\$150.00

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Voucher Directory

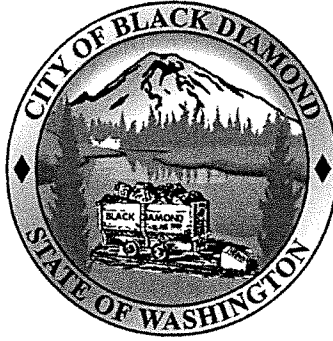
Vendor	Number	Reference	Account Number	Description	Amount
				Finance-Miller, King, and Oosterhof	
	Total 43228	Total 013116 WFOA			\$150.00
Total WFOA					\$150.00
Grand Total		Vendor Count	44		\$150.00
					\$212,310.55

Register

Fiscal: 2016
 Deposit Period: 2016 - February
 Check Period: 2016 - February - Month End Cks 2/29/16, 2016 - February - Month End, 2016 - February - 2nd Council, 2016 - February - 1st Council

Number	Name	Print Date	Clearing Date	Amount
Columbia Bank				
43187	CenturyLink (WA)	1/31/2016		\$741.18
43188	Verizon Wireless	1/31/2016		\$760.79
43189	Vision Municipal Solutions, LLC	1/31/2016		\$2,715.00
43190	ADT Security Services (PA)	2/18/2016		\$47.49
43191	Alliance 2020, Inc	2/18/2016		\$30.00
43192	AWC-Risk Management Service Agency	2/18/2016		\$138,805.00
43193	Brat Wear, Inc	2/18/2016		\$644.68
43194	Brown's Automotive Inc.	2/18/2016		\$3,981.77
43195	CenturyLink (WA)	2/18/2016		\$140.13
43196	CHS/Cenex	2/18/2016		\$913.83
43197	City of Black Diamond	2/18/2016		\$1,253.13
43198	City of Issaquah	2/18/2016		\$194.00
43199	Comcast (34744)	2/18/2016		\$231.14
43200	Ginger Wang	2/18/2016		\$135.64
43201	Hach Company	2/18/2016		\$63.36
43202	Home Depot Credit Service	2/18/2016		\$194.73
43203	Johnsons Home & Garden	2/18/2016		\$27.14
43204	King Co Radio Comm Services	2/18/2016		\$1,366.19
43205	KING COUNTY FINANCE	2/18/2016		\$10,001.68
43206	LEIRA	2/18/2016		\$100.00
43207	Les Schwab Tire Ctr - MV	2/18/2016		\$56.48
43208	Modular Space Corp	2/18/2016		\$5,412.63
43209	Morris Law PC	2/18/2016		\$11,242.00
43210	O'Brien, Barton, & Hopkins, PLLP	2/18/2016		\$2,500.00
43211	Office Products Nationwide	2/18/2016		\$6.72
43212	Puget Sound Finance Officers Assoc	2/18/2016		\$25.00
43213	Puget Sound Regional Council	2/18/2016		\$579.00
43214	Regional Animal Services of King County	2/18/2016		\$30.00
43215	RH2 Engineering Inc.	2/18/2016		\$13,180.07
43216	Severson's Building Maint	2/18/2016		\$1,550.00
43217	Signs By Tomorrow	2/18/2016		\$90.65
43218	Spillman Northwest Users Group	2/18/2016		\$100.00
43219	Summit Financial Resources, L.P.	2/18/2016		\$1,440.00
43220	The UPS Store #3987	2/18/2016		\$13.12
43221	Triad Machinery	2/18/2016		\$702.28

Number	Name	Print Date	Clearing Date	Amount
43222	US Bank Equipment Finance	2/18/2016		\$1,471.37
43223	Voice of The Valley	2/18/2016		\$85.50
43224	Washington State Treasurer	2/18/2016		\$8,679.46
43225	Washington Translation Bureau	2/18/2016		\$107.56
43226	Water Management Laboratories, Inc.	2/18/2016		\$47.00
43227	West Coast Awards	2/18/2016		\$4.93
43228	WFOA	2/18/2016		\$150.00
EFT Payment 2/8/2016 9:38:10 AM -1	Dept of Licensing-Firearms Online	2/29/2016		\$126.00
EFT Payment 2/8/2016 9:38:10 AM -2	U.S. Postal Service (CMRS-FP)	2/29/2016		\$200.00
EFT Payment 2/9/2016 8:40:10 AM -1	First Bankcard	2/18/2016		\$2,163.90
	Total		Check	\$212,310.55
	Total			\$212,310.55
	Grand Total			\$212,310.55



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/lftp - lftp@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.