



CITY OF BLACK DIAMOND
November 17, 2016 Regular Business Meeting Agenda
25510 Lawson St., Black Diamond, Washington

7:00 P.M. – CALL TO ORDER, FLAG SALUTE, ROLL CALL

APPOINTMENTS, ANNOUNCEMENTS, PROCLAMATIONS AND PRESENTATIONS:

PUBLIC COMMENTS: Persons wishing to address the City Council regarding items of new business are encouraged to do so at this time. When recognized by the Mayor, please come to the podium and clearly state your name. Please limit your comments to 3 minutes. If you desire a formal agenda placement, please contact the City Clerk at 360-886-5700. Thank you for attending.

CONSENT AGENDA:

- 1) Claim Checks** – November 17, 2016 - No. 44093 through No. 44125 and EFTs in the amount of \$83,444.74
- 2) Payroll** – October 31, 2016 No. 19222 – No. 19240 (voids 19223, 19227) and EFTs in the amount of \$260,775.35
- 3) Minutes** – Special Meeting of October 18, 2016, Special Meeting of October 27, 2016 and Council meeting of November 3, 2016

PUBLIC HEARINGS:

- | | |
|--|------------|
| 4) AB16-073 – Continuation – Proposed Ordinances Regarding the Property Tax Increases | Ms. Miller |
| 5) AB16-067 – Proposed 2017 Preliminary Budget | Ms. Miller |

UNFINISHED BUSINESS:

- | | |
|---|----------------|
| 6) Postponed Minutes – Council meetings of July 21, 2016 and August 18, 2016, Council/Planning Commission Joint Meeting of August 23, 2016, Special Meeting of August 25, 2016, and Council meeting of September 1, 2016 | Councilmembers |
| 7) AB16-063A – Ordinance Granting Franchise Agreement with CCD Black Diamond Partners, LLC | Mr. Williamson |
| 8) AB16-064A – Ordinance Granting Franchise Agreement with Astound Broadband, LLC | Mr. Williamson |
| 9) AB16-065A – Resolution Authorizing Interlocal Agreement with AWC RMSA | Mayor Benson |

NEW BUSINESS:

- | | |
|--|------------|
| 10) AB16-068 – Ordinance Setting the Property Tax Dollar Amount for 2017 | Ms. Miller |
| 11) AB16-069 – Ordinance Setting the 2017 Property Tax Percentage Increase and Dollar Amount | Ms. Miller |
| 12) AB16-070 – Ordinance Amending the 2016 Budget | Ms. Miller |
| 13) AB16-071 – Ordinance Approving an Interfund Loan from the Sewer Capital and Reserve Fund to the Equipment Replacement for Replacement of Four Police Vehicles in 2017 | Ms. Miller |

14) AB16-072 – Resolution Adopting the 2017-2022 Capital Improvement Plan

Ms. Miller

DEPARTMENT REPORTS:

MAYOR'S REPORT:

- Black Diamond Community Center Budget Request of \$10,000

COUNCIL REPORT:

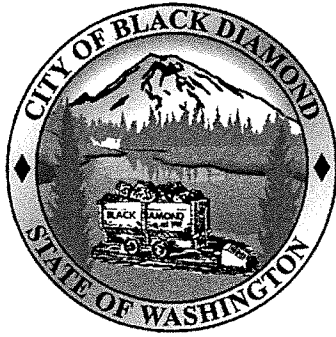
- Councilmember Deady
- Councilmember Morgan
- Councilmember Edelman
- Councilmember Weber
- Councilmember Pepper

ATTORNEY REPORT:

PUBLIC COMMENTS:

EXECUTIVE SESSION:

ADJOURNMENT:



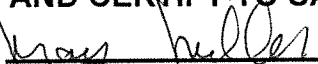
CERTIFICATION

Date: November 17, 2016 Council Meeting

Check No.'s/EFT Batch Name Check/EFT Date Amount

EFT's	November – Pre-Council EFT's Nov 2 nd Council	11/10/16	\$ 5,362.64
44093	November – Pre-Council Nov 2 nd Council	11/4/2016	\$ 750.00
44094-44125	November – 2 nd Nov Batch for 11/17 Council	11/18/2016	\$ 77,332.10
		TOTAL	\$ 83,444.74

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, FINANCE DIRECTOR / CAROL BENSON, MAYOR

DATE

DATE

COUNCILMEMBERS

DATE



Register

Fiscal: 2016

Deposit Period: 2016 - November

Check Period: 2016 - November - Pre-Council Nov 2nd Council , 2016 - November - Pre-Council EFT Nov 2nd Council , 2016 - November - 2nd Nov Batch for 11/17 Council

Number	Name	Print Date	Clearing Date	Amount
Columbia Bank	390562401			
Check				
<u>44094</u>	ADT Security Services (PA)	11/18/2016		\$133.72
<u>44095</u>	Alliance 2020. Inc	11/18/2016		\$30.00
<u>44096</u>	BHC Consultants, LLC	11/18/2016		\$6,983.08
<u>44097</u>	CenturyLink (WA)	11/18/2016		\$1,062.71
<u>44098</u>	City of Black Diamond	11/18/2016		\$1,331.52
<u>44099</u>	Clark Chamberlin	11/18/2016		\$67.39
<u>44100</u>	Dept of Labor & Industry	11/18/2016		\$96.90
<u>44101</u>	Gary S. Babick	11/18/2016		\$16.00
<u>44102</u>	GOS Printing	11/18/2016		\$545.47
<u>44103</u>	Granite Telecommunications	11/18/2016		\$44.72
<u>44104</u>	Gunner Bridges	11/18/2016		\$16.00
<u>44105</u>	Home Depot Credit Service	11/18/2016		\$145.36
<u>44106</u>	Honey Bucket/Northwest Cascade Inc.	11/18/2016		\$87.00
<u>44107</u>	Jason Anderson	11/18/2016		\$1,000.00
<u>44108</u>	Kenneth Willaims	11/18/2016		\$7.00
<u>44109</u>	King Co. Finance- Wastewater Treat Div.	11/18/2016		\$44,131.50
<u>44110</u>	King County Prosecuting Attorney	11/18/2016		\$86.64
<u>44111</u>	Modular Space Corp	11/18/2016		\$5,412.63
<u>44112</u>	MRSC	11/18/2016		\$120.00
<u>44113</u>	O'Brien, Barton, & Hopkins, PLLP	11/18/2016		\$2,500.00
<u>44114</u>	Office Products Nationwide	11/18/2016		\$646.32
<u>44115</u>	Parametrix, Inc.	11/18/2016		\$3,037.74
<u>44116</u>	Public Safety Testing, Inc	11/18/2016		\$193.00
<u>44117</u>	Reber Ranch, Inc.	11/18/2016		\$260.59
<u>44118</u>	Regional Animal Services of King County	11/18/2016		\$105.00
<u>44119</u>	RH2 Engineering Inc.	11/18/2016		\$463.28
<u>44120</u>	Secure Pacific Corporation	11/18/2016		\$182.55
<u>44121</u>	Severson's Building Maint	11/18/2016		\$1,550.00
<u>44122</u>	Shake N Bake, LLC	11/18/2016		\$105.40
<u>44123</u>	Valley Automotive Repair & Electric	11/18/2016		\$281.78
<u>44124</u>	Voice of The Valley	11/18/2016		\$486.00
<u>44125</u>	Washington State Treasurer	11/18/2016		\$6,202.80
		Total	Check	\$77,332.10
Deposit				
<u>CM Deposit - 11/1/2016 3:02:31 PM</u>		11/1/2016		\$218.00

Number	Name	Print Date	Clearing Date	Amount
<u>CM Deposit - 11/10/2016 12:19:36 PM</u>		11/10/2016		\$5,964.38
<u>CM Deposit - 11/10/2016 12:20:09 PM</u>		11/10/2016		\$1,072.95
<u>CM Deposit - 11/2/2016 11:16:57 AM</u>		11/2/2016		\$3,527.97
<u>CM Deposit - 11/2/2016 11:49:34 AM</u>		11/2/2016		\$17,313.13
<u>CM Deposit - 11/4/2016 12:53:27 PM</u>		11/4/2016		\$5,793.92
<u>CM Deposit - 11/7/2016 2:50:59 PM</u>		11/7/2016		\$5,747.50
<u>CM Deposit - 11/7/2016 3:14:19 PM</u>		11/7/2016		\$926.25
<u>CM Deposit - 11/7/2016 3:47:58 PM</u>		11/7/2016		\$0.00
<u>CM Deposit - 11/9/2016 12:02:45 PM</u>		11/9/2016		\$7,962.39
<u>CM Deposit - 11/9/2016 12:03:24 PM</u>		11/9/2016		\$6,636.14
<u>CM Deposit - 11/9/2016 12:03:44 PM</u>		11/9/2016		\$313.00
<u>CM Deposit - CC PD 11/4/2016 4:17:49 PM</u>		11/4/2016		\$168.00
<u>CM Deposit - CC PD 11/9/2016 9:27:15 AM</u>		11/9/2016		\$214.00
<u>IC - (Nov 1 2016 9:09PM</u>	Receipting Vendor	11/1/2016		\$1,436.37
<u>Visa/MC/EFT/DSC)</u>				
<u>IC - (Nov 2 2016 9:04PM</u>	Receipting Vendor	11/2/2016		\$237.20
<u>Visa/MC/EFT/DSC)</u>				
<u>IC - (Nov 2 2016 9:04PM</u>	Receipting Vendor	11/2/2016		\$1,212.45
<u>Visa/MC/EFT/DSC 2)</u>				
<u>IC - (Nov 3 2016 9:06PM</u>	Receipting Vendor	11/3/2016		\$602.70
<u>Visa/MC/EFT/DSC)</u>				
<u>IC - (Nov 4 2016 9:04PM</u>	Receipting Vendor	11/4/2016		\$666.01
<u>Visa/MC/EFT/DSC)</u>				
<u>IC - (Nov 5 2016 8:56PM</u>	Receipting Vendor	11/5/2016		\$16,980.23
<u>Visa/MC/EFT/DSC)</u>				
<u>IC - (Nov 6 2016 8:59PM</u>	Receipting Vendor	11/6/2016		\$449.23
<u>Visa/MC/EFT/DSC)</u>				
<u>IC - (Nov 7 2016 9:05PM</u>	Receipting Vendor	11/7/2016		\$421.08
<u>Visa/MC/EFT/DSC)</u>				
<u>IC - (Nov 8 2016 9:02PM</u>	Receipting Vendor	11/8/2016		\$294.81
<u>Visa/MC/EFT/DSC)</u>				
<u>IC - (Nov 9 2016 9:06PM</u>	Receipting Vendor	11/9/2016		\$275.16
<u>Visa/MC/EFT/DSC)</u>				
		Total	Deposit	\$78,432.87
		Total	390562401	\$155,764.97
		Grand Total		\$155,764.97



Voucher Directory

Vendor	Number	Reference	Account Number	Description	Amount
ADT Security Services (PA)					
	44094		2016 - November - 2nd Nov Batch for 11/17 Council		
		604347656			
			001-000-248-518-20-49-02	MDRT Bldg Security Costs	\$19.43
			001-000-254-518-20-49-00	Facilities Security	\$29.15
		Total 604347656			\$48.58
		604689002			
			001-000-270-576-80-49-02	Security	\$1.71
			001-000-280-536-20-49-02	Security	\$3.41
			101-000-000-542-90-49-03	Security	\$18.73
			401-000-000-534-80-49-07	Security	\$20.43
			407-000-000-535-80-49-05	Security	\$20.43
			410-000-000-531-10-49-04	Security	\$20.43
		Total 604689002			\$85.14
	Total 44094				\$133.72
Total ADT Security Services (PA)					\$133.72
Alliance 2020. Inc					
	44095		2016 - November - 2nd Nov Batch for 11/17 Council		
		25880			
			001-000-140-514-23-49-00	Miscellaneous	\$30.00
		Total 25880			\$30.00
	Total 44095				\$30.00
Total Alliance 2020. Inc					\$30.00
BHC Consultants, LLC					
	44096		2016 - November - 2nd Nov Batch for 11/17 Council		
		0008206			
			001-000-240-558-51-41-06	Plans Examiner Costs	\$350.00
		Total 0008206			\$350.00
		0008207			
			310-000-025-558-60-41-00	Comp Plan Update-Prof Svs	\$4,183.08
		Total 0008207			\$4,183.08
		0008208			
			001-000-246-558-70-41-00	MDRT Planning Prof. Services	\$2,450.00
		Total 0008208			\$2,450.00
	Total 44096				\$6,983.08
Total BHC Consultants, LLC					\$6,983.08

Vendor	Number	Reference	Account Number	Description	Amount
CenturyLink (WA)	44097		2016 - November - 2nd Nov Batch for 11/17 Council		
		102416 CL			
			001-000-120-512-50-42-00	Telephone/DSL Court/PD Security Line 360-886-2456 160B	\$48.45
			001-000-214-521-20-42-00	Police Telephone/DSL/Air Cards Police T1 Line-KC Inet 2096-T51-3585 584B	\$140.13
			001-000-214-521-20-42-00	Police Telephone/DSL/Air Cards Police Fax 360-886-2901 325B	\$50.72
			001-000-214-521-20-42-00	Police Telephone/DSL/Air Cards Police Main Line 253-631-1012 182B	\$175.15
			001-000-214-521-20-42-00	Police Telephone/DSL/Air Cards Police Line 2 360-886-2862 596B	\$48.45
			001-000-254-518-20-42-00	Facilities-Communication Facilities 360-886-2560 (Old City Hall Main Line)	\$30.77
			001-000-270-576-80-42-00	Telephone/DSL/Radios Parks 360-886-2523 656B	\$4.51
			001-000-280-536-20-42-00	Telephone, DSL & Radios Cemetery 360-886-2523 656B	\$2.25
			101-000-000-542-90-42-01	Telephone/DSL/Radios Streets 360-886-2523 656B	\$24.80
			401-000-000-534-80-42-00	Telephone/DSL/Radios Water Reservoir 360-886-7235 830B	\$254.31
			401-000-000-534-80-42-00	Telephone/DSL/Radios Water 360-886-2523 656B	\$27.05
			407-000-000-535-80-42-00	Telephone/DSL/Radios Diamond Glen Sewer 360-886-0537 580B	\$48.45
			407-000-000-535-80-42-00	Telephone/DSL/Radios Morganville Pump Station 360-886-2835 784B	\$53.21
			407-000-000-535-80-42-00	Telephone/DSL/Radios Sewer 360-886-2523 656B	\$27.05
			407-000-000-535-80-42-00	Telephone/DSL/Radios Old Lawson Pump Station 360-886-8146 712B	\$57.34
			407-000-000-535-80-42-00	Telephone/DSL/Radios Ridge Sewer Pump Station 360-886-0474 006B	\$43.02
			410-000-000-531-10-42-00	Telephone/DSL/Radios Drainage 360-886-2523 656B	\$27.05
		Total 102416 CL			\$1,062.71
	Total 44097				\$1,062.71
Total CenturyLink (WA)					\$1,062.71
City of Black Diamond					

Vendor	Number	Reference	Account Number	Description	Amount
	44098		2016 - November - 2nd Nov Batch for 11/17 Council		
		10272016 COBD			
			October Services		
			001-000-212-521-50-47-01	Water	\$59.57
				2470.0 Police - Water	
			001-000-212-521-50-47-02	Sewer	\$62.26
				2470.0 Police - Sewer	
			001-000-212-521-50-47-03	Stormwater	\$80.00
				2470.0 Police - Storm	
			001-000-248-518-20-47-01	MDRT BD Wtr, Swr, Storm	\$46.94
				2498.0 City Hall - MDRT	
			001-000-254-518-20-47-00	Facilities-Utilities	\$70.40
				2498.0 City Hall	
			001-000-270-575-30-47-01	Museum Water/Sewer/Storm	\$32.00
				1399.5 Museum - Storm	
			001-000-270-575-30-47-01	Museum Water/Sewer/Storm	\$112.08
				2070.0 Museum - Water, Sewer	
			001-000-270-575-51-47-01	Gym-Stormwater	\$32.00
				1399.1 Gym - Storm	
			001-000-270-575-51-47-02	Gym-Sewer	\$62.26
				1399.0 Gym - Sewer	
			001-000-270-575-51-47-03	Gym-Water	\$44.97
				1399.0 Gym - Water	
			001-000-270-576-80-47-01	Water	\$3.25
				1045.0 PW Shops - Water	
			001-000-270-576-80-47-01	Water	\$35.63
				1582.0 Eagle Creek - Water	
			001-000-270-576-80-47-01	Water	\$35.63
				2306.0 Coal Car - Water	
			001-000-270-576-80-47-02	Sewer	\$4.98
				1045.0 PW Shops - Sewer	
			001-000-270-576-80-47-03	Stormwater	\$11.52
				1045.0 PW Shops - Stormwater	
			001-000-270-576-80-47-03	Stormwater	\$96.00
				1399.2 Boat Launch - Storm	
			001-000-280-536-20-47-01	Water	\$0.81
				1045.0 PW Shops - Water	
			001-000-280-536-20-47-01	Water	\$35.69
				1457.0 Cemetery - Water	
			001-000-280-536-20-47-02	Sewer	\$1.23
				1045.0 PW Shops - Sewer	
			001-000-280-536-20-47-03	Stormwater	\$2.88
				1045.0 PW Shops - Stormwater	

Vendor	Number	Reference	Account Number	Description	Amount
			001-000-530-522-10-47-01	Water	\$36.54
			2200.0 Fire Dept. - Water		
			001-000-530-522-10-47-02	Sewer	\$62.26
			2200.0 Fire Dept. - Sewer		
			001-000-530-522-10-47-03	Stormwater	\$40.00
			1399.4 Fire Dept. - Storm		
			101-000-000-543-31-47-01	Water	\$6.09
			1045.0 PW Shops - Water		
			101-000-000-543-31-47-01	Water	\$44.46
			Railroad Ave Irrig		
			101-000-000-543-31-47-02	Sewer	\$9.34
			1045.0 PW Shops - Sewer		
			101-000-000-543-31-47-03	Stormwater	\$21.60
			1045.0 PW Shops - Stowmwater		
			401-000-000-534-80-47-01	Water	\$10.14
			1045.0 PW Shops - Water		
			401-000-000-534-80-47-02	Sewer	\$15.57
			1045.0 PW Shops - Sewer		
			401-000-000-534-80-47-03	Stormwater	\$36.00
			1045.0 PW Shops - Stowmwater		
			407-000-000-535-80-47-01	Water	\$10.14
			1045.0 PW Shops - Water		
			407-000-000-535-80-47-02	Sewer	\$15.57
			1045.0 PW Shops - Sewer		
			407-000-000-535-80-47-03	Stormwater	\$96.00
			1399.3 Sewer Lagoon - Storm		
			407-000-000-535-80-47-03	Stormwater	\$36.00
			1045.0 PW Shops - Stowmwater		
			410-000-000-531-10-47-01	Water	\$10.14
			1045.0 PW Shops - Water		
			410-000-000-531-10-47-02	Sewer	\$15.57
			1045.0 PW Shops - Sewer		
			410-000-000-531-10-47-03	Stormwater	\$36.00
			1045.0 PW Shops - Stowmwater		
		Total 10272016 COBD			\$1,331.52
	Total 44098				\$1,331.52
Total City of Black Diamond					\$1,331.52
Clark Chamberlin					
	44099			2016 - November - 2nd Nov Batch for 11/17 Council	
		2871.0			
			410-000-000-343-83-00-00	Stormwater Charges	\$67.39

Vendor	Number	Reference	Account Number	Description	Amount
				Refund of Storm, New Owner	
		Total 2871.0			\$67.39
	Total 44099				\$67.39
Total Clark Chamberlin					\$67.39
Dept of Labor & Industry					
	44100			2016 - November - 2nd Nov Batch for 11/17 Council	
		276845			
			001-000-181-518-30-48-00	Facility-Vehicle Mtc. & Repair	\$22.40
			001-000-270-575-51-48-00	Gym Facility Repair & Maintenance	\$74.50
		Total 276845			\$96.90
	Total 44100				\$96.90
Total Dept of Labor & Industry					\$96.90
First Bankcard					
	EFT Payment 11/7/2016 1:16:25 PM - 1			2016 - November - Pre-Council EFT Nov 2nd Council	
		Boettcher 4444 101416			
			October Charges		
			410-000-000-531-10-49-13	Prof Svs-Low Impact Implementation	\$1,595.81
				PW-Printing of Stormwater Manuals for 2016 Public Hearing	
		Total Boettcher 4444 101416			\$1,595.81
		Brenda Martinez 4360 101416			
			October Charges		
			001-000-180-518-90-49-03	Bank Analysis Fee/Merch CC Fees	\$36.75
		Total Brenda Martinez 4360 101416			\$36.75
		Brian Martinez 8183 101416			
			October Charges		
			001-000-180-518-90-49-03	Bank Analysis Fee/Merch CC Fees	\$45.20
			001-000-210-521-10-31-00	Operating Supplies	\$77.95
				Police-Patrol Radio Batteries	
			001-000-210-521-10-35-00	Firearms Program	\$175.00
				Police-Range Fee	
			001-000-210-521-10-35-00	Firearms Program	\$85.00
				Police-Annual Membership	
		Total Brian Martinez 8183 101416			\$383.15
		Chatterson 4096 101416			
			October Charges		
			001-000-180-518-90-49-03	Bank Analysis Fee/Merch CC Fees	\$46.07
			001-000-210-521-10-32-00	Fuel	\$33.88
				Police-Fuel For PORTSD Training	
			001-000-210-521-10-32-00	Fuel	\$40.92
				Police-Fuel For PORTSD Training	

Vendor	Number	Reference	Account Number	Description	Amount
			001-000-210-521-10-43-00	Lodging, Meals & Mileage	\$10.16
				Police-Meal For PORTSD Training	
			001-000-210-521-10-43-00	Lodging, Meals & Mileage	\$13.04
				Police-Meal For PORTSD Training	
			001-000-210-521-10-43-00	Lodging, Meals & Mileage	\$4.93
				Police-Meal For PORTSD Training	
			Total Chatterson 4096 101416		\$149.00
			Dal Santo 9871 101416		
			October Charges		
			001-000-180-518-90-49-03	Bank Analysis Fee/Merch CC Fees	\$42.22
			001-000-270-576-80-32-00	Fuel	\$2.74
				PW-Fual for APWA Conference	
			001-000-270-576-80-43-00	Meals, Mileage & Lodging	\$29.17
				PW_Lodging for APWA Conference Dal Santo	
			001-000-270-576-80-43-00	Meals, Mileage & Lodging	\$7.29
				PW-Lodging for APWA Conferance Hanis	
			001-000-280-536-20-32-00	Fuel	\$0.67
				PW-Fual for APWA Conference	
			001-000-280-536-20-43-00	Meals, Miles & Lodging	\$29.17
				PW-Lodging for APWA Conferance Hanis	
			001-000-280-536-20-43-00	Meals, Miles & Lodging	\$7.29
				PW_Lodging for APWA Conference Dal Santo	
			101-000-000-542-90-43-00	Meals, Mileage & Lodging	\$54.70
				PW_Lodging for APWA Conference Dal Santo	
			101-000-000-542-90-43-00	Meals, Mileage & Lodging	\$54.70
				PW-Lodging for APWA Conferance Hanis	
			101-000-000-543-50-32-00	Fuel	\$5.14
				PW-Fual for APWA Conference	
			101-000-000-543-50-35-00	Small Tools & Equipment	\$32.56
				PW-3/4" Socket Expansion	
			401-000-000-534-80-32-00	Fuel	\$8.57
				PW-Fual for APWA Conference	
			401-000-000-534-80-43-00	Lodging, Meals & Mileage	\$91.16
				PW-Lodging for APWA Conferance Hanis	
			401-000-000-534-80-43-00	Lodging, Meals & Mileage	\$91.16
				PW_Lodging for APWA Conference Dal Santo	
			407-000-000-535-80-32-00	Fuel	\$8.57
				PW-Fual for APWA Conference	
			407-000-000-535-80-43-00	Lodging, Meals & Mileage	\$91.16
				PW_Lodging for APWA Conference Dal Santo	
			407-000-000-535-80-43-00	Lodging, Meals & Mileage	\$91.16
				PW-Lodging for APWA Conferance Hanis	
			410-000-000-531-10-32-00	Fuel	\$8.57
				PW-Fual for APWA Conference	

Vendor	Number	Reference	Account Number	Description	Amount
			410-000-000-531-10-43-00	Lodging, Meals & Mileage	\$91.16
				PW-Lodging for APWA Conference Hanis	
			410-000-000-531-10-43-00	Lodging, Meals & Mileage	\$91.16
				PW_Lodging for APWA Conference Dal Santo	
		Total Dal Santo 9871 101416			\$838.32
		Esping 1117 101416			
		October Charges			
			001-000-180-518-10-31-00	Wellness supplies	\$7.88
				Wellness Supplies for BBQ	
			001-000-180-518-10-31-00	Wellness supplies	\$63.51
				Wellness Supplies for BBQ	
			001-000-180-518-90-49-03	Bank Analysis Fee/Merch CC Fees	\$49.54
			001-000-181-518-30-31-00	Office & Operating Supplies	\$24.99
				Facilities-Office Supplies	
			001-000-191-525-60-43-00	Emergency Mgmt Lodging, Meals & Mileage	\$299.46
				EOC-Lodging for Conference	
			001-000-191-525-60-43-00	Emergency Mgmt Lodging, Meals & Mileage	\$16.95
				EOC-Meal for Conference	
			001-000-191-525-60-43-00	Emergency Mgmt Lodging, Meals & Mileage	\$7.00
				EOC-Meal for Conference	
			001-000-191-525-60-43-00	Emergency Mgmt Lodging, Meals & Mileage	\$14.75
				EOC-Meal for Conference	
			001-000-191-525-60-49-01	Emergency Management Training	\$45.00
				EOC-Fuel for Conference	
			001-000-191-525-60-49-01	Emergency Management Training	\$73.00
				EOC-Fuel for Conference	
			001-000-191-525-60-49-01	Emergency Management Training	\$51.00
				EOC-Fuel for Conference	
			001-000-191-525-60-49-01	Emergency Management Training	\$3.00
				EOC-Meal for Conference	
			001-000-270-576-80-31-03	Operating Supplies	\$3.29
				PW Office & Operating Split	
			001-000-270-576-80-35-00	Small Tools & Safety Equip	\$21.60
				PW Small Tool Split	
			001-000-270-576-80-35-00	Small Tools & Safety Equip	\$5.43
				PW Small Tool Split	
			001-000-270-576-80-35-00	Small Tools & Safety Equip	\$6.66
				PW Small Tool Split	
			001-000-280-536-20-31-00	Cemetery Office Supplies	\$1.65
				PW Office & Operating Split	
			001-000-280-536-20-35-00	Small Tools & Safety Equip	\$5.39
				PW Small Tool Split	
			001-000-280-536-20-35-00	Small Tools & Safety Equip	\$1.35
				PW Small Tool Split	

Vendor	Number	Reference	Account Number	Description	Amount
			001-000-280-536-20-35-00	Small Tools & Safety Equip	\$1.65
			PW Small Tool Split		
			101-000-000-542-90-31-01	Operating Supplies	\$18.10
			PW Office & Operating Split		
			101-000-000-543-50-35-00	Small Tools & Equipment	\$10.18
			PW Small Tool Split		
			101-000-000-543-50-35-00	Small Tools & Equipment	\$12.48
			PW Small Tool Split		
			101-000-000-543-50-35-00	Small Tools & Equipment	\$40.50
			PW Small Tool Split		
			310-000-002-594-18-62-00	Council Chamber & Police & Court Bldg	\$15.56
			Capital Projects-HDMI Cords		
			310-000-002-594-18-62-00	Council Chamber & Police & Court Bldg	\$13.66
			Capital Projects-HDMI Cords		
			310-000-002-594-18-62-00	Council Chamber & Police & Court Bldg	\$12.57
			Capital Projects-HDMI Cords		
			401-000-000-534-80-31-01	Operating Supplies	\$19.74
			PW Office & Operating Split		
			401-000-000-534-80-35-00	Small Tools & Safety Equip	\$16.97
			PW Small Tool Split		
			401-000-000-534-80-35-00	Small Tools & Safety Equip	\$20.80
			PW Small Tool Split		
			401-000-000-534-80-35-00	Small Tools & Safety Equip	\$67.50
			PW Small Tool Split		
			407-000-000-535-80-31-01	Operating Supplies	\$19.74
			PW Office & Operating Split		
			407-000-000-535-80-35-00	Small Tools & Safety Equipment	\$16.97
			PW Small Tool Split		
			407-000-000-535-80-35-00	Small Tools & Safety Equipment	\$20.80
			PW Small Tool Split		
			407-000-000-535-80-35-00	Small Tools & Safety Equipment	\$67.50
			PW Small Tool Split		
			410-000-000-531-10-31-00	Office Supplies	\$19.74
			PW Office & Operating Split		
			410-000-000-531-10-35-00	Small Tools and Safety Equipment	\$67.50
			PW Small Tool Split		
			410-000-000-531-10-35-00	Small Tools and Safety Equipment	\$20.80
			PW Small Tool Split		
			410-000-000-531-10-35-00	Small Tools and Safety Equipment	\$16.97
			PW Small Tool Split		
Total Esping 1117 101416					\$1,201.18

Vendor	Number	Reference	Account Number	Description	Amount
		Goebel 5135 101416			
		October Charges			
		001-000-180-518-90-49-03		Bank Analysis Fee/Merch CC Fees	\$36.75
		Total Goebel 5135 101416			\$36.75
		Hanis 7970 101416			
		October Charges			
		001-000-246-558-70-43-00		Lodging, Meals & Mileage	\$10.82
				PW-Meal for APWA Conference Williamson (MDRT)	
		101-000-000-542-90-43-00		Meals, Mileage & Lodging	\$10.80
				PW-Meal for APWA Conference Hanis, Dal Santo	
		401-000-000-534-80-43-00		Lodging, Meals & Mileage	\$10.81
				PW-Meal for APWA Conference Hanis, Dal Santo	
		407-000-000-535-80-43-00		Lodging, Meals & Mileage	\$10.82
				PW-Meal for APWA Conference Hanis, Dal Santo	
		410-000-000-531-10-43-00		Lodging, Meals & Mileage	\$10.82
				PW-Meal for APWA Conference Hanis, Dal Santo	
		Total Hanis 7970 101416			\$54.07
		Kiblinger 4329 101416			
		October Charges			
		001-000-210-521-10-31-04		Uniforms	\$147.83
				Police-Boots for Officer Reipl	
		Total Kiblinger 4329 101416			\$147.83
		Lynch 4138 101416			
		October Charges			
		001-000-180-518-90-49-03		Bank Analysis Fee/Merch CC Fees	\$1.75
		Total Lynch 4138 101416			\$1.75
		McGraw 9074 101416			
		October Charges			
		001-000-214-521-20-42-03		Police Postage	\$25.27
				Police-Postage	
		Total McGraw 9074 101416			\$25.27
		Metcalf 4013 101416			
		October Charges			
		001-000-180-518-90-49-03		Bank Analysis Fee/Merch CC Fees	\$1.75
		Total Metcalf 4013 101416			\$1.75
		Miller 9913 101416			
		October Charges			
		001-000-140-514-23-43-00		Lodging, Meals & Mileage	\$384.33
				Finance-Vision Conference	
		Total Miller 9913 101416			\$384.33
		Redd 5176 101416			
		October Charges			
		001-000-180-518-90-49-03		Bank Analysis Fee/Merch CC Fees	\$1.75
		Total Redd 5176 101416			\$1.75

Vendor	Number	Reference	Account Number	Description	Amount
Tapec 8227 101416					
October Charges					
			001-000-215-521-10-43-00	Lodging, Meals & Mileage VRF	\$248.86
				Police Lodging for Maritime Security Training	
			001-000-215-521-10-43-00	Lodging, Meals & Mileage VRF	\$11.67
				Police-Meal for Maritime Security Training	
			001-000-215-521-10-43-00	Lodging, Meals & Mileage VRF	\$10.59
				Police-Meal for Maritime Security Training	
			001-000-215-521-10-43-00	Lodging, Meals & Mileage VRF	\$9.67
				Police-Meal for Maritime Security Training	
Total Tapec 8227 101416					\$280.79
Williamson 8513 101416					
October Charges					
			001-000-180-518-90-49-03	Bank Analysis Fee/Merch CC Fees	\$47.98
			001-000-246-558-70-32-00	Fuel	\$39.48
				Fuel	
			001-000-246-558-70-32-00	Fuel	\$20.39
				Fuel	
			001-000-246-558-70-43-00	Lodging, Meals & Mileage	(\$5.43)
				Parking	
			001-000-246-558-70-43-00	Lodging, Meals & Mileage	\$47.82
				Parking	
			001-000-246-558-70-48-00	Vehicle Repair & Maintenance	\$29.29
				Cleaning Supplies	
			001-000-246-558-70-49-00	Miscellaneous	\$17.90
				Batteries-Camera	
			001-000-246-558-70-49-00	Miscellaneous	\$26.71
				MDRT Meeting	
Total Williamson 8513 101416					\$224.14
Total EFT Payment 11/7/2016 1:16:25 PM - 1					\$5,362.64
Total First Bankcard					\$5,362.64
Gary S. Babick					
	44101		2016 - November - 2nd Nov Batch for 11/17 Council		
		3164.0			
			410-000-000-343-83-00-00	Stormwater Charges	\$16.00
				Refund of Storm, New Owner	
			Total 3164.0		\$16.00
Total 44101					\$16.00
Total Gary S. Babick					\$16.00
GOS Printing					
	44102		2016 - November - 2nd Nov Batch for 11/17 Council		
		86879			
			001-000-210-521-10-49-03	Printing	\$490.93
				Police-Receipt Books	

Vendor	Number	Reference	Account Number	Description	Amount
			001-000-270-576-80-31-03	Operating Supplies	\$54.54
				Parks-Receipt Books	
		Total 86879			\$545.47
	Total 44102				\$545.47
Total GOS Printing					\$545.47
Granite Telecommunications					
	44103			2016 - November - 2nd Nov Batch for 11/17 Council	
		377114305			
			001-000-248-518-20-42-00	MDRT Telephone, Fax, Internet costs	\$11.18
			001-000-254-518-20-42-00	Facilities-Communication	\$33.54
		Total 377114305			\$44.72
	Total 44103				\$44.72
Total Granite Telecommunications					\$44.72
Gunner Bridges					
	44104			2016 - November - 2nd Nov Batch for 11/17 Council	
		3766.0			
			410-000-000-343-83-00-00	Stormwater Charges	\$16.00
				Refund of Storm, New Owner	
		Total 3766.0			\$16.00
	Total 44104				\$16.00
Total Gunner Bridges					\$16.00
Home Depot Credit Service					
	44105			2016 - November - 2nd Nov Batch for 11/17 Council	
		953707			
			October Charge		
			001-000-248-518-20-48-12	Bldg Maintance Alloc	\$145.36
				BLDG Maint - Filters	
		Total 953707			\$145.36
	Total 44105				\$145.36
Total Home Depot Credit Service					\$145.36
Honey Bucket/Northwest Cascade Inc.					
	44106			2016 - November - 2nd Nov Batch for 11/17 Council	
		0550150093			
			001-000-270-576-80-31-00	Portable Restroom Facility	\$87.00
				Parks-Boat Launch Rental	
		Total 0550150093			\$87.00
	Total 44106				\$87.00
Total Honey Bucket/Northwest Cascade Inc.					\$87.00
Jason Anderson					
	44107			2016 - November - 2nd Nov Batch for 11/17 Council	
		BLD16-0054			
			001-000-240-345-89-99-10	Demo-Deposit	\$1,000.00

Vendor	Number	Reference	Account Number	Description	Amount
				Refund of Demo Deposit	
		Total BLD16-0054			\$1,000.00
	Total 44107				\$1,000.00
Total Jason Anderson					\$1,000.00
Judy Baxley					
	44093			2016 - November - Pre-Council Nov 2nd Council	
		PLN16-0031, PLN16-0032, PLN16-0040			
		001-000-240-345-89-00-09		Planning Appeals Fees	\$750.00
				Refund of SEPA Appeal Fees	
		Total PLN16-0031, PLN16-0032, PLN16-0040			\$750.00
	Total 44093				\$750.00
Total Judy Baxley					\$750.00
Kenneth Willaims					
	44108			2016 - November - 2nd Nov Batch for 11/17 Council	
		3793.0			
			410-000-000-343-83-00-00	Stormwater Charges	\$7.00
				Refund of Storm, New Owner	
		Total 3793.0			\$7.00
	Total 44108				\$7.00
Total Kenneth Willaims					\$7.00
King Co. Finance- Wastewater Treat Div.					
	44109			2016 - November - 2nd Nov Batch for 11/17 Council	
		30015513			
			407-000-000-535-80-41-04	Metro Sewer Charges	\$44,131.50
		Total 30015513			\$44,131.50
	Total 44109				\$44,131.50
Total King Co. Finance- Wastewater Treat Div.					\$44,131.50
King County Prosecuting Attorney					
	44110			2016 - November - 2nd Nov Batch for 11/17 Council	
		10312016 KCPA			
			633-000-000-586-00-00-01	Treasurers Trust Court	\$86.64
		Total 10312016 KCPA			\$86.64
	Total 44110				\$86.64
Total King County Prosecuting Attorney					\$86.64
Modular Space Corp					
	44111			2016 - November - 2nd Nov Batch for 11/17 Council	
		196942			
			001-000-248-518-20-45-01	MDRT-Bldg Rental-Modspace	\$1,958.06
		Total 196942			\$1,958.06

Vendor	Number	Reference	Account Number	Description	Amount
		501795628			
			001-000-254-518-20-45-01	Facilities-Bldg Rental/Modspace	\$3,454.57
		Total 501795628			\$3,454.57
	Total 44111				\$5,412.63
Total Modular Space Corp					\$5,412.63
MRSC	44112			2016 - November - 2nd Nov Batch for 11/17 Council	
		35579			
			Small Works Roster		
			401-000-000-534-80-49-02	Memberships	\$40.00
			407-000-000-535-80-49-04	Miscellaneous	\$40.00
			410-000-000-531-10-49-00	Miscellaneous	\$40.00
		Total 35579			\$120.00
	Total 44112				\$120.00
Total MRSC					\$120.00
O'Brien, Barton, & Hopkins, PLLP	44113			2016 - November - 2nd Nov Batch for 11/17 Council	
		52346			
			001-000-151-515-91-41-00	Court Legal-Public Defender	\$2,500.00
		Total 52346			\$2,500.00
	Total 44113				\$2,500.00
Total O'Brien, Barton, & Hopkins, PLLP					\$2,500.00
Office Products Nationwide	44114			2016 - November - 2nd Nov Batch for 11/17 Council	
		873665-0			
			001-000-210-521-10-31-00	Operating Supplies	\$459.42
		Total 873665-0			\$459.42
		874303-0			
			001-000-180-518-90-31-00	Office Supplies City Hall	\$97.24
		Total 874303-0			\$97.24
		874304-0			
			001-000-254-518-20-31-00	Facilities Operating Supplies	\$89.66
		Total 874304-0			\$89.66
	Total 44114				\$646.32
Total Office Products Nationwide					\$646.32

Vendor	Number	Reference	Account Number	Description	Amount
Parametrix, Inc.	44115			2016 - November - 2nd Nov Batch for 11/17 Council	
		01-77458			
				April-August Services - Not Previously Billed	
			001-000-257-558-70-41-03	MDRT Traffic Engineering-Parametrix	\$1,907.85
		Total 01-77458			\$1,907.85
		01-77459			
				July Services	
			001-000-257-558-70-41-03	MDRT Traffic Engineering-Parametrix	\$1,129.89
		Total 01-77459			\$1,129.89
	Total 44115				\$3,037.74
Total Parametrix, Inc.					\$3,037.74
Public Safety Testing, Inc	44116			2016 - November - 2nd Nov Batch for 11/17 Council	
		2016-6990			
			001-000-213-521-10-41-00	Civil Service Testing	\$193.00
		Total 2016-6990			\$193.00
	Total 44116				\$193.00
Total Public Safety Testing, Inc					\$193.00
Reber Ranch, Inc.	44117			2016 - November - 2nd Nov Batch for 11/17 Council	
		129332			
			001-000-270-576-80-31-03	Operating Supplies	\$260.59
				Parks-Grass Seed	
		Total 129332			\$260.59
	Total 44117				\$260.59
Total Reber Ranch, Inc.					\$260.59
Regional Animal Services of King County	44118			2016 - November - 2nd Nov Batch for 11/17 Council	
		10312016 RAS			
			633-000-000-589-00-00-01	King County Animal License	\$105.00
		Total 10312016 RAS			\$105.00
	Total 44118				\$105.00
Total Regional Animal Services of King County					\$105.00
RH2 Engineering Inc.	44119			2016 - November - 2nd Nov Batch for 11/17 Council	
		66305			
				October Services	
			402-000-003-594-34-63-06	Springs/Task 3	\$463.28
		Total 66305			\$463.28
	Total 44119				\$463.28
Total RH2 Engineering Inc.					\$463.28

Vendor	Number	Reference	Account Number	Description	Amount
Secure Pacific Corporation					
	44120		2016 - November - 2nd Nov Batch for 11/17 Council		
		97522			
			001-000-120-512-50-49-05	Security	\$60.85
			001-000-212-521-50-49-05	Security	\$121.70
		Total 97522			\$182.55
	Total 44120				\$182.55
Total Secure Pacific Corporation					
Severson's Building Maint					
	44121		2016 - November - 2nd Nov Batch for 11/17 Council		
		715958			
			001-000-248-518-20-49-01	MDRT Bldg Custodial Costs	\$360.00
			001-000-254-518-20-49-01	Facilities Building Custodial	\$540.00
		Total 715958			\$900.00
		715959			
			001-000-270-575-51-48-00	Gym Facility Repair & Maintenance	\$150.00
		Total 715959			\$150.00
		715960			
			001-000-212-521-50-41-03	Police Custodial Cost	\$500.00
		Total 715960			\$500.00
	Total 44121				\$1,550.00
Total Severson's Building Maint					
Shake N Bake, LLC					
	44122		2016 - November - 2nd Nov Batch for 11/17 Council		
		2845.2			
			410-000-000-343-83-00-00	Stormwater Charges	\$105.40
				Refund of Storm, New Owner	
		Total 2845.2			\$105.40
	Total 44122				\$105.40
Total Shake N Bake, LLC					
Valley Automotive Repair & Electric					
	44123		2016 - November - 2nd Nov Batch for 11/17 Council		
		0024942			
			001-000-210-521-10-48-01	Vehicle Maintenance & Repair	\$281.78
		Total 0024942			\$281.78
	Total 44123				\$281.78
Total Valley Automotive Repair & Electric					
Voice of The Valley					
	44124		2016 - November - 2nd Nov Batch for 11/17 Council		
		18802			
			320-000-020-595-10-63-00	Roberts Dr Rehab-Eng.	\$486.00
		Total 18802			\$486.00
	Total 44124				\$486.00
Total Voice of The Valley					

Vendor	Number	Reference	Account Number	Description	Amount
Washington State Treasurer	44125			2016 - November - 2nd Nov Batch for 11/17 Council	
		10312016 WST			
			633-000-000-586-00-00-01	Treasurers Trust Court	\$6,202.80
		Total 10312016 WST			\$6,202.80
	Total 44125				\$6,202.80
Total Washington State Treasurer					\$6,202.80
Grand Total		Vendor Count	34		\$83,444.74

City of Black Diamond

October 2016 Payroll Register

Number	Name	Fiscal Description	Amount
<u>19222</u>	Paper Paycheck	2016 - October - Month End	\$692.00
<u>19223</u>	VOID	2016 - October - Month End	\$0.00
<u>19224</u>	Paper Paycheck	2016 - October - Month End	\$656.76
<u>19225</u>	Paper Paycheck	2016 - October - Month End	\$5,244.87
<u>19226</u>	Paper Paycheck	2016 - October - Month End	\$862.10
<u>19227</u>	VOID	2016 - October - Month End	\$0.00
<u>19228</u>	Paper Paycheck	2016 - October - Month End	\$3,665.89
<u>19229</u>	Paper Paycheck	2016 - October - Month End	\$743.63
<u>19230</u>	Paper Paycheck	2016 - October - Month End	\$3,980.49
<u>19231</u>	Paper Paycheck	2016 - October - Month End	\$2,412.03
<u>19232</u>	AWC Sup Life	2016 - October - Month End	\$48.00
<u>19233</u>	BD Police Officers Association	2016 - October - Month End	\$720.00
<u>19234</u>	City of Black Diamond Flex	2016 - October - Month End	\$80.00
<u>19235</u>	Dept of Labor and Industries	2016 - October - Month End	\$3,050.69
<u>19236</u>	Employment Security Dept	2016 - October - Month End	\$754.20
<u>19237</u>	Joseph Kaufman	2016 - October - Month End	\$115.40
<u>19238</u>	King County Superior Court Clerk	2016 - October - Month End	\$1,871.10
<u>19239</u>	Teamsters Local 117	2016 - October - Month End	\$1,036.90
<u>19240</u>	Trusteed Plans Service CP LTD	2016 - October - Month End	\$823.44
<u>ACH Aflac Oct</u>	Aflac	2016 - October - Month End	\$128.44
<u>ACH AWC2 Oct</u>	AWC Employee Benefit Trust	2016 - October - Month End	\$38,167.34
<u>ACH Def C. Oct</u>	Washington State Treasurer	2016 - October - Month End	\$3,205.00
<u>ACH Oct 16 awc</u>	AWC Employee Benefit Trust	2016 - October - Month End	\$3,850.21
<u>ACH Ret Oct</u>	Dept of Retirement Systems	2016 - October - Month End	\$27,277.62
<u>ACH Taxes Oct</u>	City of Black Diamond Taxes	2016 - October - Month End	\$50,050.57
<u>October 2016</u>	Direct Deposit - Draw	2016 - October - Month End	\$33,550.00
<u>October 2016</u>	Direct Deposit - Payroll	2016 - October - Month End	\$77,788.67
			\$260,775.35

**BLACK DIAMOND CITY COUNCIL
SPECIAL MEETING MINUTES
October 18, 2016**

Council Chamber, 25510 Lawson Street, Black Diamond, Washington

CALL TO ORDER, FLAG SALUTE:

Mayor Benson called the special meeting to order at 6:00 p.m. and led us all in the Flag Salute.

ROLL CALL:

PRESENT: Councilmembers Deady, Morgan, Edelman, and Weber. (Councilmember Morgan was not present for roll call and entered the meeting at 6:01 p.m.)

ABSENT: None

Staff present: May Miller, Finance Director; Jamey Kiblinger, Police Chief; Rob Reed, IT Services; Andrew Williamson, MDRT/Ec Dev/Interim Community Development Director; Seth Boettcher, Public Works Director; Melanie Dane, Municipal Court Judge; Stephanie Metcalf, Court Administrator, and Brenda L. Martinez, City Clerk.

WORK SESSION:

PRELIMINARY DRAFT 2017 GENERAL FUND BUDGET

Mayor Benson read into the record a memo on the 2017 preliminary draft 2017 General Fund Budget. This memo is attached and incorporated into the minutes. Mayor Benson then turned the meeting over to Finance Director Miller.

Councilmember Weber entered the meeting at 6:01 p.m.

Finance Director Miller noted this is third work session Council has had on the budget. She recapped prior work sessions and reported that tonight's work session will be to go over the preliminary draft 2017 General Fund budget and on October 27th will be a work session to go over the public works budgets, special revenue funds, and the capital budgets.

Ms. Miller reviewed with Council the staffing levels and funding sources; draft preliminary combined 2017 preliminary budget for all funds and explained the 2017 general fund sources and uses; she referred to the Funding Agreement page 31 and noted that developer funding is decreasing which is good as the City needs to cover costs of the city. She discussed the general fund revenues and their sources (i.e. property tax, sales tax, utility taxes, etc.) and what those dollars cover. She reviewed the general fund tax trends with Council and reviewed department budgets along with staff members where they

highlighted areas that have either decreased, increased or new increases that are being asked for and why.

In closing Finance Director Miller reviewed the budget calendar and reminded Council the next meeting on the budget is scheduled for October 27th.

ADJOURNMENT:

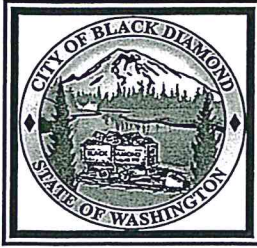
A **motion** was made by Councilmember Deady and **seconded** by Councilmember Edelman to adjourn the meeting. Motion **passed** with all voting in favor (5-0).

Meeting ended at 7:39 p.m.

ATTEST:

Carol Benson, Mayor

Brenda L. Martinez, City Clerk



CITY OF BLACK DIAMOND

Interoffice Memorandum

TO: BLACK DIAMOND CITY COUNCILMEMBERS

FROM: CAROL BENSON, MAYOR

SUBJECT: 2017 PRELIMINARY/DRAFT BUDGET

DATE: OCTOBER 13, 2016

I am pleased to present the Draft 2017 Preliminary General Fund Budget, which is not only balanced, it is also sustainable without having to withdraw any funds from the ending fund balance.

Fortunately our economy is slowly improving with an increase in revenue from the construction of the infrastructure for the Villages, the new Elementary School and several home building projects within the city. We expect this trend to continue throughout the next year along with the expectation that new home construction will begin in the Villages before the end of 2017.

This budget reflects our priorities for achieving our desired vision for the future of Black Diamond. Our priorities included maintaining a high quality of life for those who work, live and visit the City of Black Diamond. This is achieved through supporting public safety; both fire and police. We were voted the 9th safest city in the State of Washington by SafeWise, which was released in their report of May 23, 2016. With no additional population within the city limits, our calls for service have increased every year. Our calls for service last year were 2989 and we anticipate those calls for service to increase by nearly 1,000 by the end of 2016.

With our limited resources we must also ensure that our roads and infrastructure are maintained and provide regular upgrades to projects and facilities through grants and REET.

I truly appreciate the hard work and dedication of City Staff in providing the City and Council with a balanced budget. I am proud that the City has maintained a level of service which makes Black Diamond a better place to live, work, play and do business.

**BLACK DIAMOND CITY COUNCIL
SPECIAL MEETING MINUTES**

October 27, 2016

Council Chamber, 25510 Lawson Street, Black Diamond, Washington

CALL TO ORDER, FLAG SALUTE:

Mayor Benson called the special meeting to order at 6:01 p.m. and led us all in the Flag Salute.

ROLL CALL:

PRESENT: Councilmembers Deady, Morgan, Edelman, Weber and Pepper.

ABSENT: None

Staff present: May Miller, Finance Director and Brenda L. Martinez, City Clerk.

WORK SESSION:

PRELIMINARY DRAFT 2017 PUBLIC WORKS BUDGETS, SPECIAL REVENUE FUNDS, AND CAPITAL FUNDS

Mayor Benson announced this special meeting is a work session on the proposed 2017 preliminary budget for the public works budgets, special revenue funds, and capital projects. She then turned the meeting over to Finance Director Miller.

Finance Director Miller reported this is the second work session on the 2017 budget and is also an overview of the public works budgets, special revenue funds, and capital funds. She explained this is another chance for Council to go over the document and ask questions so all the information can get out to the public.

She reviewed with Council the following Special Revenue Funds which are restricted and can only be used for allowable expenses:

- Street Fund
- Fire Impact Fee Fund
- Transportation Benefit District Fund (TBD)
- Traffic Mitigation Fund
- Internal Service Funds – These funds have a common purpose and all funds contribute.
- Equipment Replacement Funds

Ms. Miller reviewed with Council the following Utility Fund and noted these funds are more like business funds where Council raises the rates to support the expenditures.

- Water Operating Fund 401
- Water Debt
- Sewer Operating Fund 407
- Stormwater Operating Fund 410

The following Capital Funds were reviewed with Council.

- Real Estate Excise Tax 1 – 311 (REET 1)
- General Government Capital Projects Fund 310
- Real Estate Excise Tax 2 - 321 (REET 2)
- Public Works Capital Projects Fund 320
- Water, Supply Facility Funding Agreement (WSFFA) – Partners pay 100% of the costs for projects in this fund.
- Water Capital Fund 404

At 6:59 p.m. Mayor Benson recessed the work session portion of the meeting for a public hearing regarding proposed revenue sources for the 2017 budget including possible increases in property tax levy.

PUBLIC HEARING:

PROPOSED REVENUE SOURCES FOR THE 2017 BUDGET INCLUDING POSSIBLE INCREASE IN PROPERTY TAX LEVY

Finance Director Miller noted that the City is required to have a public hearing before the end of the month. She explained this hearing has been noticed in the paper and on the City's website. She discussed the ordinances that are associated with the adoption of the 1% increase in property tax. She also discussed these ordinances will be back before Council at the November 17th meeting for action as state law requires property tax certifications to be filed with the County by November 30th.

Mayor Benson opened the public hearing at 7:01 p.m. No public commented and Mayor Benson announced the public hearing will remain open until November 17, 2016.

CONTINUATION OF WORK SESSION:

Mayor Benson announced we will now continue with the work session that was recessed for the public hearing.

Finance Director Miller continued to review with Council the following Utility Funds.

- Continuation of Water Capital Fund 404
- Sewer Capital Fund 408
- Stormwater Capital Fund 410

In closing Finance Director Miller reviewed the budget calendar and noted we are currently at number 9 on the calendar tonight. She commented that the preliminary budget will be posted November 1 and the next budget hearing is scheduled for November 17, 2016.

Mayor Benson asked if Councilmembers have any questions on the budget or items they would like to see in the budget.

ADJOURNMENT:

A **motion** was made by Councilmember Deady and **seconded** by Councilmember Edelman to adjourn the meeting. Motion **passed** with all voting in favor (5-0).

Meeting ended at 7:24:22 p.m.

ATTEST:

Carol Benson, Mayor

Brenda L. Martinez, City Clerk

BLACK DIAMOND CITY COUNCIL MINUTES

November 3, 2016

Council Chamber, 25510 Lawson Street, Black Diamond, Washington

CALL TO ORDER, FLAG SALUTE:

Mayor Benson called the regular meeting to order at 7:00 p.m. and led us all in the Flag Salute.

ROLL CALL:

PRESENT: Councilmembers Deady, Morgan, Edelman, Weber and Pepper.

ABSENT: None

Staff present: Jamey Kiblinger, Police Chief; David Linehan, City Attorney; Scott Hanis, Capital Project/Program Manager; Kevin Esping, Facilities Equipment Coordinator; Brian Lynch, Sergeant; Andy Williamson, MDRT/Ec Dev/Interim Community Development Director, and Brenda L. Martinez, City Clerk.

APPOINTMENTS, ANNOUNCEMENTS, PROCLAMATIONS AND PRESENTATIONS:

Mayor Benson announced that Cheryl Hanson from the Black Diamond Community Center is here tonight to do a presentation on the Center.

Black Diamond Community Center Director Cheryl Hanson discussed with Council the funding the Community Center is losing and the effect this would have on the programs the Center runs. She asked them to consider being a partner and set aside \$10,000 in the City's 2017 Budget to help with the purchase of an insurance policy for the Center.

Mayor Benson commented that the work session next week is on the budget and Council can have a discussion at that time on this funding request.

PUBLIC COMMENTS:

Mitch Neary, Black Diamond spoke to Council.

Robbin Taylor, Black Diamond spoke to Council.

Judy Goodwin, Black Diamond spoke to Council.

CONSENT AGENDA:

1) Claim Checks – November 3, 2016 - No. 44041 through No. 44092 (Voids, 43927, 43928, 44012) and EFTs in the amount of \$227,491.74

A **motion** was made by Councilmember Edelman and **seconded** by Councilmember Morgan to adopt the Consent Agenda. Motion **passed** with all voting in favor (5-0). The Consent Agenda was approved as presented.

PUBLIC HEARINGS:

2) AB16-061A – Continuation - Proposed Resolution Regarding 2017 Stormwater Management Program

Councilmember Pepper spoke on this item and noted the committee assignment by Councilmember Morgan is to the Council Growth Management Committee.

Mayor Benson opened the public hearing at 7:25 p.m.

MDRT/Ec Dev/Interim Community Development Director Williamson noted that no public comments have been received and no comments have been received from Councilmembers.

A **motion** was made by Councilmember Morgan and **seconded** by Councilmember Pepper to keep the public hearing open until the Growth Management Committee has had an opportunity to discuss this. Following discussion Councilmember Morgan **withdrew** her motion.

There were no public comments heard and Mayor Benson closed the public hearing at 7:33 p.m.

A **motion** was made by Councilmember Pepper and **seconded** by Councilmember Weber to refer this item to the Growth Management Committee for further discussion.

There was discussion between Councilmembers.

Vote: Motion **passed** 3-2 (Deady, Edelman).

UNFINISHED BUSINESS:

3) Postponed Minutes – Council/Planning Commission Joint Meeting of July 12, 2016, Council meetings of July 21, 2016 and August 18, 2016, Council/Planning Commission Joint Meeting of August 23, 2016, Special Meeting of August 25, 2016, and Council meeting of September 1, 2016

A **motion** was made by Councilmember Pepper and **seconded** by Councilmember Morgan to approve the amended July 12 joint meeting minutes as presented in the packet.

There was discussion between Councilmembers.

Vote: Motion **passed** 4-1 (Edelman).

A **motion** was made by Councilmember Weber and **seconded** by Councilmember Morgan to postpone the other remaining minutes to the next regular Council meeting. Motion **passed** 3-2 (Deady, Edelman).

4) AB16-062A – Resolution Authorizing a Collective Bargaining Agreement with the Black Diamond Police Officers Association

Councilmember Morgan presented this item and there was discussion on it between Councilmembers.

A **motion** was made by Councilmember Morgan and **seconded** by Councilmember Edelman to adopt a resolution authorizing the Mayor to execute the Black Diamond Police Officers Association Collective Bargaining Agreement.

Council discussion continued on this item.

Vote: Motion **passed** with all voting in favor (5-0).

NEW BUSINESS:

5) AB16-060A – First Reading - Resolution Authorizing a PSA with RH2 to serve as Civil Engineering Consultant to Water and Sewer Utilities

A **motion** was made by Councilmember Edelman and **seconded** by Councilmember Deady to suspend the rules to vote on this item tonight.

There was Council discussion and staff clarification on this item.

Roll call vote: Councilmember Deady responded aye, Councilmember Morgan responded no, Councilmember Edelman responded aye, Councilmember Weber responded no, Councilmember Pepper responded no. Motion **failed** 2-3 (Morgan, Weber, Pepper).

A **motion** was made by Councilmember Pepper and **seconded** by Councilmember Morgan to refer this item to the Government Operations Committee.

Discussion between Councilmembers continued on this item.

Vote: Motion **passed** 3-2 (Deady, Edelman).

6) AB16-063 – First Reading - Ordinance Granting Franchise Agreement with CCD Black Diamond Partners, LLC

MDRT/Ec Dev/Interim Community Development Director Williamson introduced this item and gave background information on it.

There was Council discussion and staff clarification on this item.

A **motion** was made by Councilmember Edelman and **seconded** by Councilmember Deady to postpone this item to the next regular meeting on November 17th.

Roll call vote: Councilmember Deady responded aye, Councilmember Morgan responded aye, Councilmember Edelman responded aye, Councilmember Weber responded aye, Councilmember Pepper responded aye. Motion **passed** with all voting in favor (5-0).

A **motion** was made by Councilmember Pepper and **seconded** by Councilmember Morgan to refer AB16-063 the ordinance granting a franchise agreement with CCD Black Diamond Partners, LLC to the Government Operations Committee. Motion **passed** 3-2 (Deady, Edelman).

7) AB16-064 – First Reading - Ordinance Granting Franchise Agreement with Astound Broadband, LLC

MDRT/Ec Dev/Interim Community Development Director Williamson introduced this item and gave background information on it. Fred Miller from WAVE addressed Council questions.

A **motion** was made by Councilmember Weber and **seconded** by Councilmember Edelman to postpone this item to the next regular meeting on November 17th. Motion **passed** with all voting in favor (5-0).

A **motion** was made by Councilmember Pepper and **seconded** by Councilmember Morgan to refer AB16-064 an ordinance granting a franchise agreement with Astound Broadband, LLC to the Government Operations Committee. Motion **passed** 3-2 (Deady, Edelman).

8) AB16-065 – First Reading – Resolution Authorizing Interlocal Agreement with AWC RMSA

Mayor Benson presented this item to Council and recommended approval.

A **motion** was made by Councilmember Pepper and **seconded** by Councilmember Morgan to refer this item to the Government Operations Committee.

There was Council discussion on this item.

A **motion** was made by Councilmember Edelman and **seconded** by Councilmember Deady to amend the motion to suspend the rules to vote on this item tonight. Following discussion Councilmember Edelman **rescinded** the amended motion.

Discussion continued on this item.

Vote: Motion passed 3-2 (Edelman, Deady).

A **motion** was made by Councilmember Pepper and **seconded** by Councilmember Morgan to postpone this item AB16-065 a resolution authorizing an Interlocal Agreement with AWC RMSA to the November 17th meeting. Motion **passed** with all voting in favor (5-0).

9) AB16-066 – First Reading – Resolution Regarding Contracting Policies

A **motion** was made by Councilmember Morgan and **seconded** by Councilmember Weber that this item be referred to the Budget Committee.

There was Council discussion on this item.

Motion **passed** 4-1 (Deady).

A **motion** was made by Councilmember Weber which is attached and incorporated into the minutes. Following discussion Councilmember Weber **withdrew** his motion.

DEPARTMENT REPORTS: None

MAYOR'S REPORT:

Mayor Benson reported attending the Lake Sawyer Regional Park clean up; visited Mr. Boettcher and noted he is expected to be back at work part time December 1; attended Ken Ward memorial service, Mayor's luncheon with the cities of Maple Valley and Covington; made a statement on why she accepted their agenda and stressed she does not believe in the rules or committees and stated the proper process for committee assignment.

COUNCIL REPORTS:

Councilmember Deady reported attending Ken Ward's memorial service; CERT class update; attended Halloween Party at Community Center and Make a Difference Day.

Councilmember Morgan commented on the disagreement about committees and legal rulings by a judge. She also commented on the items that were sent to the Government Ops Committee tonight and is proposing holding a meeting of that committee on Monday of next week November 7th.

Councilmember Edelman reported attending Make a Difference Day, Black Diamond Historical Society meeting, public safety issues meeting, Ken Ward memorial service and thanked Ginger Passerelli for her participation, and attended the CERT class. Discussed email sent by Deputy City Clerk regarding a citizen phone message where they were expressing their displeasure about the Council; referred to excerpts in the Talmadge opinion.

Councilmember Weber reported attending committee meetings and gave a shout out to the Enumclaw Hornets varsity football team for their victory and wished them good luck at their first playoff game.

Councilmember Pepper reported attending the Government Ops Committee meeting and noted what was discussed; a special meeting on October 27 and on October 29th attended a Washington State Parliamentarian meeting. She also added attending the CERT class and noted the topics and schedule.

ATTORNEY REPORT:

City Attorney Linehan recommended having an executive session regarding the Bonneville Power Administration's offer to acquire certain city property.

PUBLIC COMMENTS:

Bob Edelman, Black Diamond commented.

Brock Deady, Black Diamond commented.

Pam McCain, Black Diamond commented.

Leslie Cooley, Black Diamond commented.

Robbin Taylor, Black Diamond commented.

EXECUTIVE SESSION:

At 9:23 p.m. Mayor Benson announced an executive session as authorized under RCW 42.30.110(c) regarding offers for acquisition of real estate. The executive session is anticipated to last for 10 minutes with no action to follow. Councilmember Morgan recused herself from the executive session due to a conflict of interest.

Before going into executive session a five minute break was added.

Mayor Benson called the meeting back to order at 9:37 p.m.

ADJOURNMENT:

A **motion** was made by Councilmember Weber and **seconded** by Councilmember Deady to adjourn the meeting. Motion **passed** with all voting in favor (5-0).

The meeting ended at 9:38:08 p.m.

ATTEST:

Carol Benson, Mayor

Brenda L. Martinez, City Clerk

I Move for the following Black Diamond City Council meeting changes:

- First, the November 10 council work session agenda will include a discussion on the Ordinances on property taxes on the agenda.
- Second, the November 17 regular council meeting is cancelled and the public hearing on the Ordinances previously scheduled for November 17th is cancelled.
- Third, a special Council meeting will be called for Monday, November 28th and the agenda will include the re-scheduled public hearing on the two property tax ordinances as well as other items submitted prior to November 11th for inclusion.
- Fourth, the city will advertise the public hearing on the property tax ordinances for the meeting on November 28th.
- Fifth, the city will include on the December 8th work session agenda budget review and public comment on the budget.

RECEIVED
CLERK OFFICE

NOV 03 2016

BY: BKM

From: Council member
Welber

Comments by Robbin Taylor on Nov 3, 2016

The contract for RH2 Engineering is on the Agenda for the First Reading. This contract was first presented in packet material for the Oct 6th Council meeting. Morgan, Weber and Pepper succeeded in removing the RH2 contract from the Council business. During Department Reports Mr. Williamson requested this contract be passed to help cover potential liability as he was sending work their way because by Law he was required to process permits. The Council majority refused to revisit the contract at that meeting.

This contract was discussed at the Gov't Ops committee meeting on October 25th. Councilmember Morgan spoke to the need for this contract now that the Public Works Director is out for an unspecified length of time. Councilmember Morgan even addressed Mr. Williamson, who attended as a citizen, by stating "this is now an emergency" to which Mr. Williamson answered in the affirmative. Councilmembers Morgan and Pepper decided to move this contract to the full Council without recommendation.

Now you want a First Reading, after you already discussed it in Committee and moved it to the full Council tonight for a vote. You will probably claim that you need to follow the Council process. With Councilmember Morgan acknowledging "that this is now an emergency", isn't this the prime opportunity to waive the Council process and show that you can be responsive to an acknowledged emergency situation within the City?

I hope you will do the right thing and pass this contract tonight, and not send it back to the committee that decided on Oct 25th to send it to the full Council tonight for a vote.

On a personal note, I do not attend your committee meetings because I am in awe of your legislative prowess. I attend because I take the task of governmental oversight seriously. Believe me, there are other things I would rather do.

I always tell myself that I will not participate in discussions, yet I am unable to hold back at times. I do not participate to help you. I always hope that perhaps what I say may cause questions to arise in the minds of your few supporters who periodically show up.

This is what I see at the committee meetings:

1. Failed attempts to look like you are doing critical work
2. None of the 2-4 citizens who have attended have proffered up any legislative ideas
3. Proposed legislation is brought in already written up, and poorly done so at best

The only value of your meetings is to get a heads up on what you may be pulling next. Such as Councilmember Morgan stating with excitement on Oct 25th that the New Year is coming up which means new Council Rules. So I can only imagine that Derdowski and Bryant have been working hard on these new Rules. So get ready, new Rules will most likely get rammed through on January 5th, 2017 without a First Reading.

RECEIVED
CLERK OFFICE

NOV 03 2016

BY: B. M.

Comments By Robbin Taylor 11-3-16

Rec'd
11/3/16
BPM
2nd public
comment
period

When Stormwater Plan comes back with amendments then there should be new pub hearing

What is the cost of an RFQ? Good for citizens to know the cost.

- ~~Council Weber~~ - Re: RH2 - ~~sounds like~~
Weber wants Mayor to do rolling contracts - yet the Council Majority will end up voting in Contracting procedures and Policies that prohibit rolling contracts.

- What we have seen tonight is a Council majority that is completely unable to be responsive to a situation Erika Morgan already said on ~~the~~ Oct 25th was an emergency. If this is how you respond to emergencies - then God help us.

- When Councilmembers Deady & Edelman ask you questions and you do not respond you are not only disrespecting them, you are also disrespecting ~~the~~ the citizens. We, the citizens have a right to hear your answers, and you as elected representatives have an obligation to give answers to your ~~the~~ citizens.

None of the Council majority ever ~~talks~~
~~about~~ gives a report on work they are
doing for the City. Rather you usually
only talk about your own powers.

Get over yourselves. You are not here for your "power" - you are here to work for the citizens - get to work!

CITY COUNCIL AGENDA BILL

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

ITEM INFORMATION		
SUBJECT: Continued Public Hearing on Property Tax Ordinance No. 16-XXXX, setting the Property Tax Dollar amount for 2017	Agenda Date: November 17, 2016	
	AB16-073	
	Mayor Carol Benson	
	City Attorney David A Linehan	
	City Clerk – Brenda L. Martinez	
	Community Development/Natural Resource– Andy Williamson	
	Finance – May Miller	X
	MDRT & Economic Development – Andy Williamson	
Cost Impact (see also Fiscal Note):	Police – Chief Kiblinger	
Fund Source: Various	Public Works – Seth Boettcher	
Timeline:	Court Administrator – Stephanie Metcalf	
Agenda Placement: ☒ Mayor ☒ Two Councilmembers ☐ Committee Chair ☐ City Administrator		
Attachments: Ordinance No 16-XXXX, Levy certifications, Preliminary KC worksheet and Tax chart		
SUMMARY STATEMENT: Public Hearing for 2017 Property Tax Ordinance setting the Dollar amount.		
Per RCW 84.52.020 the property tax certifications must be filed with King County no later than November 30, 2016 for Property Taxes to be collected in 2017 to be used for Public Safety including Fire, Police and Emergency Services.		
This public hearing is on an ordinance to set the Property Tax Dollar amount for the 2017 Property Taxes to be collected in 2017. This ordinance includes the allowed 1% increase of \$14,810 over last year's levy which is allowed for cities under 10,000 population. A Public Hearing was held on October 27, 2016 and another on November 17, 2016 with Council action expected on November 17, 2016.		
King County has sent a preliminary Levy Limit worksheet showing last year's levy of \$1,481,033 and the allowed 1% increase of \$14,810 and refund of \$0 for total base levy of \$1,495,843, which does not include New Construction, State Assessed property and any adjustments. A preliminary estimate has also been included for the New Construction, Annexations, State Assessments and adjustments, but these amounts usually change in the final worksheet which is not expected until about December 5, 2016 after we have already adopted our levy. Since we will not know the final amount until after the adoption, I have included an estimate of \$30,000 to cover the possible additional tax items for a total potential levy of \$1,525,843. Our levy will be adjusted down by King County to the actual final amounts, but cannot be increased.		
King County estimates our total city Assessed Valuation at \$709,633,018 an increase of \$50,226,302 over last year or a 7.6 % increase. Each property tax bill is calculated by the county and they set the actual levy rate once they have finalized all assessments and individual valuations. For more information from King County, long into www.kingcountygov/financetreasury and click on common questions.		

All of Black Diamond's Property Tax funds are used for Public Safety and provide approximately 54.1% of the revenue needed to cover Public Safety costs.

FISCAL NOTE (Finance Department): The additional \$14,810 from the allowed one percent increase is included in the 2017 Preliminary Budget, pending Council approval on November 17, 2016

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:

RECOMMENDED ACTION: **Adopt Ordinance 16-XXXX, setting the Property Tax dollar amount for 2017 to be used for Public Safety, including Police, Fire and Emergency Services.**

RECORD OF COUNCIL ACTION

<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
October 27, 2016	Public Hearing continued to November 17 th meeting.	
November 17, 2016		

ORDINANCE NO. 16-XXX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, LEVYING THE GENERAL PROPERTY TAXES FOR THE CITY FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2017 ON ALL PROPERTY BOTH REAL AND PERSONAL, SUBJECT TO TAXATION, FOR THE PURPOSE OF PROVIDING REVENUE FOR PUBLIC SAFETY FOR THE CITY OF BLACK DIAMOND FOR THE ENSUING YEAR AS REQUIRED BY LAW AND ESTABLISHING THE EFFECTIVE DATE.

WHEREAS, the cities under 10,000 population may increase the regular property tax levy from the previous year by up to one percent, and

WHEREAS, the City Council has properly given notice of the Public Hearings held on October 27, 2016 and November 17, 2016 to consider the City's 2016 Property Tax Levy and the Preliminary Budget including the Revenue Sources, pursuant to RCW 84.55.120; and

WHEREAS, the City Council of Black Diamond, Washington has met and considered the Public Safety budgets for the year of 2017; and

WHEREAS, a public hearing was held on October 27, 2016 and November 17, 2016 regarding the 2017 Budget and the property tax levy, and

WHEREAS, King County requires that the 2017 Property Tax Levies be submitted by November 30, 2016; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. **Increased Amount.** The preliminary assessed valuation of \$709,633,018 is adopted. A regular property tax for 2017 is hereby levied in the amount \$1,525,843 which includes the allowed one percent increase of \$14,810 over last year's levy, a refund of \$0 from prior year and includes an estimated \$30,000 for any increases resulting from additional new construction, improvements to property, newly constructed wind turbines, and any increase in the value of state assessed property or any annexations that have occurred and adjustment made by the county. The final dollar amount of Property Taxes is determined by King County and reduced to the actual amount allowed.

Section 2. **Severability.** Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or

otherwise invalid for any reason, or should any portion of this ordinance be preempted by State or Federal law or regulations, such decisions or preemptions shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 3. **Effective Date** This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

PASSED by the Council and approved by the Mayor of the City of Black Diamond, Washington, this 17th day of November, 2016.

Carol Benson, Mayor

Attest:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

David A. Linehan, City Attorney

CITY COUNCIL AGENDA BILL

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

ITEM INFORMATION		
SUBJECT: Public Hearing on Property Tax Ordinance No. 16-XXXX, setting the base Property Tax Dollar increase and percentage increase as calculated by King County for 2017 Property Taxes.	Agenda Date: November 17, 2016	
	Mayor Carol Benson	
	City Attorney David A. Linehan	
	City Clerk – Brenda L. Martinez	
	Community Development/Natural Resource– Andy Williamson	
	Finance – May Miller	X
	MDRT & Economic Development – Andy Williamson	
Cost Impact (see also Fiscal Note):		
Fund Source: Various		
Timeline:		
	Police – Chief Kiblinger	
	Public Works – Seth Boettcher	
	Court Administrator – Stephanie Metcalf	
Agenda Placement: ☒ Mayor ☒ Two Councilmembers ☐ Committee Chair ☐ City Administrator		
Attachments: Ordinance No 16-XXXX, Levy certifications, Preliminary KC worksheet and Tax chart		
SUMMARY STATEMENT: Public Hearing for 2017 Property Tax Ordinance setting the base Dollar amount increase and percentage increase as calculated by King County.		
Per RCW 84.52.020 the property tax certifications must be filed with King County no later than November 30, 2016 for Property Taxes to be collected in 2017 to be used for Public Safety including Fire, Police and Emergency Services. This public hearing is on an ordinance to set the Property Tax Dollar and percentage increase as calculated by King County for the 2016 Property Taxes to be collected in 2017. This ordinance Includes the calculations prepared by King County. A Public Hearing is being help on October 27, 2016 and November 17, 2016 with council action expected on November 17, 2016.		
King County has sent a preliminary Levy Limit worksheet showing a base increased allowed dollar amount of \$14,810. This was calculated by King County with a revised actual 2016 levy which reduces the allowed 1% increase of \$14,810 to a net increase of \$13,746 or .93%. The base levy rate also decreased from \$2.25 per thousand of Property Value to \$2.13, a 5% decrease. This base rate does not include New Construction, State Assessed property, refunds and any adjustments.		
King County currently estimates our total city Assessed Valuation at 709,633,018 an increase of \$50,226,302 over 2016 or a 7.6 % increase. Each property tax bill is calculated by the county and they set the actual levy rate once they have finalized all assessments and individual valuations. To find out more about property tax log into www.kingcountygov/financetreasury and click common questions.		
All of Black Diamonds Property Taxes funds are used for Public Safety and provide approximately 54.1% of the revenue needed to cover Public Safety costs.		
FISCAL NOTE (Finance Department): The additional \$14,810 from the allowed one percent increase is included in the 2017 Preliminary Budget, pending Council approval on November 17, 2016.		

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:		
RECOMMENDED ACTION: Adopt Ordinance 16-XXXX, setting the base Property Tax dollar amount increase and increase percentage as calculated by King County for 2017 Property Taxes to be used for Public Safety, including Police, Fire and Emergency Services.		
RECORD OF COUNCIL ACTION		
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
November 17, 2 016		

ORDINANCE NO. 16-XXXX

AN ORDINANCE OF THE CITY OF BLACK DIAMOND, WASHINGTON, RELATING TO THE GENERAL PROPERTY TAX LEVY AND SPECIFYING THE INCREASE CALCULATED BY KING COUNTY BASED ON LAST YEARS ACTUAL LEVY COMMENCING ON JANUARY 1, 2017 WITH CERTAIN CHANGES REQUIRED BY KING COUNTY IN THE MANNER IN WHICH THE AMOUNTS ARE CALCULATED. SUCH PROPERTY TAX LEVY SHALL APPLY TO ALL PROPERTY BOTH REAL AND PERSONAL, SUBJECT TO TAXATION, FOR THE PURPOSE OF PROVIDING REVENUE FOR PUBLIC SAFETY FOR THE CITY OF BLACK DIAMOND, ALL AS REQUIRED BY LAW, AND ESTABLISHING THE EFFECTIVE DATE.

WHEREAS, the Council of the City of Black Diamond has met and considered its budget for the calendar year 2017; and

WHEREAS, the Council thereafter gave notice of public hearings and held public hearings on October 27, 2016, and November 17, 2016, and

WHEREAS, the City adopted the estimated Preliminary assessed valuation of \$709,633,018, and

WHEREAS, the City's actual King County levy amount from the previous year was \$1,481,033; and

WHEREAS, the population of the City is less than 10,000; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. Levy and Percentage of Increase. An increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2017 tax year. The dollar amount of the increase over the actual levy amount authorized from King County for the previous year shall be \$14,810.00, which is a percentage increase of .93% from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, and any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by State

or Federal law or regulations, such decisions or preemptions shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 3. **Effective Date.** This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

PASSED by the Council and approved by the Mayor of the City of Black Diamond, Washington, this 17th day of November, 2016

Carol Benson, Mayor

Attest:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

David A Linehan, City Attorney

Published:

Posted:

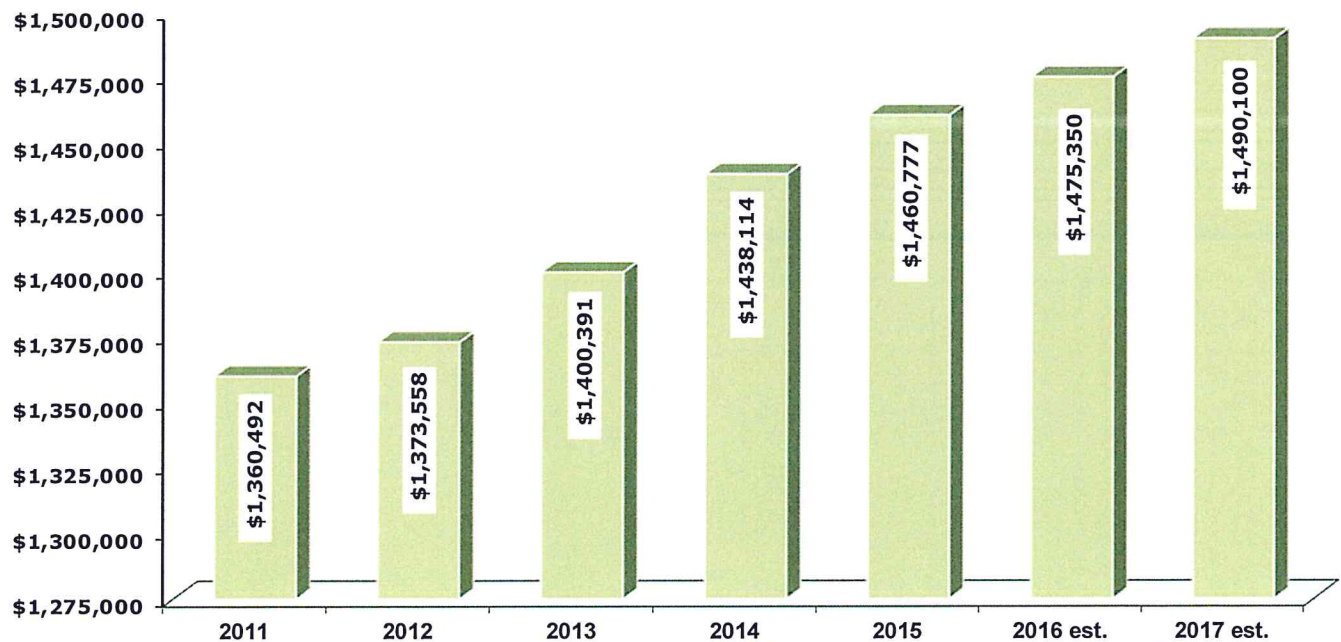
Effective Date:

	Functions Supported by Operating Revenue Sources	2016 Budget	2017 Budget	\$ Change	% Change	Public Safety	General Govt	MDRT
	Beginning Cash and Investments	1,072,660	1,301,462	228,802	21.3%		1,178,353	125,000
	REVENUE							
1	Public Safety Revenue Support							
2	Property Tax	1,465,908	1,490,100	24,192	1.7%	1,490,100		
3	Utility and Gambling Tax	563,500	603,250	39,750		603,250		
4	Criminal Justice Sales Tax	110,600	116,532	5,932	5.4%	116,532		
5	Liquor Tax & Profits	54,750	56,481	1,731	3.2%	56,481		
6	Court Fines and Fees	109,521	193,275	83,754	76.5%	193,275		
7	EMS Levy Taxes	56,000	56,000	0	0.0%	56,000		
8	Police Grants, Charges for Service, Misc	41,615	122,895	81,280	195.3%	122,895		
9	Subtotal Public Safety Revenue	2,401,894	2,638,533	236,639	9.9%	2,638,533		
10	General Government Support							
11	Sales Tax	326,250	385,000	58,750	18.0%		385,000	
12	Land Use and Permitting Fees	181,310	380,950	199,640	110.1%		380,950	
13	State Sales Tax Assistance	78,460	95,000	16,540	21.1%	95,000		
14	Recycle and Misc. Grants	15,991	10,000	(5,991)	-37.5%		10,000	
15	Cable Franchise Fees	66,000	76,000	10,000	15.2%		76,000	
16	Parks and Cemetery Fees	47,540	47,540	0	0.0%		47,540	
17	Passport Fees	21,900	22,150	250	1.1%		22,150	
18	Business License Fees	22,000	23,500	1,500	6.8%	23,500		
19	Alloc for Software, Maint & CC Fees	79,500					0	
20	Other Misc. Fees and Charges	2,500	8,870	6,370	254.8%		8,870	
21	Subtotal General Govt Revenue	841,451	1,049,010	207,559	24.7%	118,500	930,510	
22	Subtotal Operating Revenue	3,243,345	3,687,543	444,198	13.7%	2,757,033	2,108,863	
23	Developer Funding Agreement	822,497	739,372	(83,125)	-10.1%			739,372
24	Total General Fund Operating Sources	5,138,502	5,728,377	589,875	11.5%	2,757,033	2,108,863	864,372
25	EXPENDITURES							
26	Police Department	1,700,472	1,897,480	197,008	11.6%	1,897,480		
27	Fire Department	525,375	534,905	9,530	1.8%	534,905		
28	Recycle/Air Qual/Mntl Hlth/Animal Control	32,166	24,366	(7,800)	-24.2%	24,366		
29	Emergency Management	5,000	5,100	100	2.0%	5,100		
30	Municipal Court	168,769	232,041	63,272	37.5%	232,041		
31	Legal-Pros Atty & Pub Defender	61,250	61,250	0	0.0%	61,250		
32	Subtotal Public Safety Expenditures	2,493,032	2,755,142	262,110	10.5%	2,755,142		
33	Legislative-Council	15,711	15,814	103	0.7%		15,814	
34	Executive-Mayor	15,118	14,877	(241)	-1.6%		14,877	
35	City Clerk/Human Resources	227,588	190,428	(37,160)	-16.3%		109,928	80,500
36	Finance	181,014	212,773	31,759	17.5%		212,773	
37	Information Services	31,175	41,910	10,735	34.4%		41,910	
38	Legal Service	55,000	110,000	55,000	100.0%		110,000	
39	Master Dev Review Team & Econ Dev	586,130	582,005	(4,125)	-0.7%			582,005
40	MDRT-FF&E costs	71,195	76,867	5,672	8.0%			76,867
41	Hearing Examiner	5,000	5,000	0	0.0%		5,000	
42	Community Development-Permitting	174,681	302,145	127,464	73.0%		302,145	
43	Community Development-Planning	146,643	173,463	26,820	18.3%		173,463	
44	Facilities-Staff & Miscellaneous	47,876	51,572	3,696	7.7%		51,572	
45	Facilities Bldg Mtc-Supplies & Maint	73,200	73,021	(179)	-0.2%		73,021	
46	Parks	51,206	55,031	3,825	7.5%		55,031	
47	Park's Museum	7,551	7,826	275	3.6%		7,826	
48	Park's Gym	11,316	8,506	(2,810)	-24.8%		8,506	
49	Cemetery	18,598	18,951	353	1.9%		18,951	
50	Central Svcs -Paper, Post, Printing, Checks	32,353	13,646	(18,707)	-57.8%		13,646	
51	Subtotal Gen Govt Expenditures	1,751,355	1,953,835	202,480	11.6%			
52	Total Operating Expenditures	4,244,387	4,708,977	464,590	10.9%	2,755,142	1,214,463	739,372
53	Ending Cash and Investment Balance	894,115	1,021,291	125,285	14.0%	1,891	894,400	125,000
54	Total GF Operating Uses	5,138,502	5,730,268	591,766	11.5%			

Property taxes make up 60.1% of the General Fund's tax revenue and estimated to generate \$1,490,100 in revenue for the City in 2017. All revenues from property taxes go directly to the General Fund to support public safety for police, fire protection and emergency services. The City of Black Diamond depends heavily on property tax collections, as the City has a small commercial base to generate sales tax revenue.

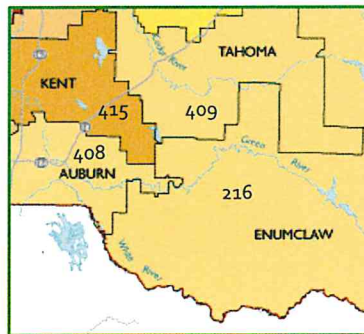
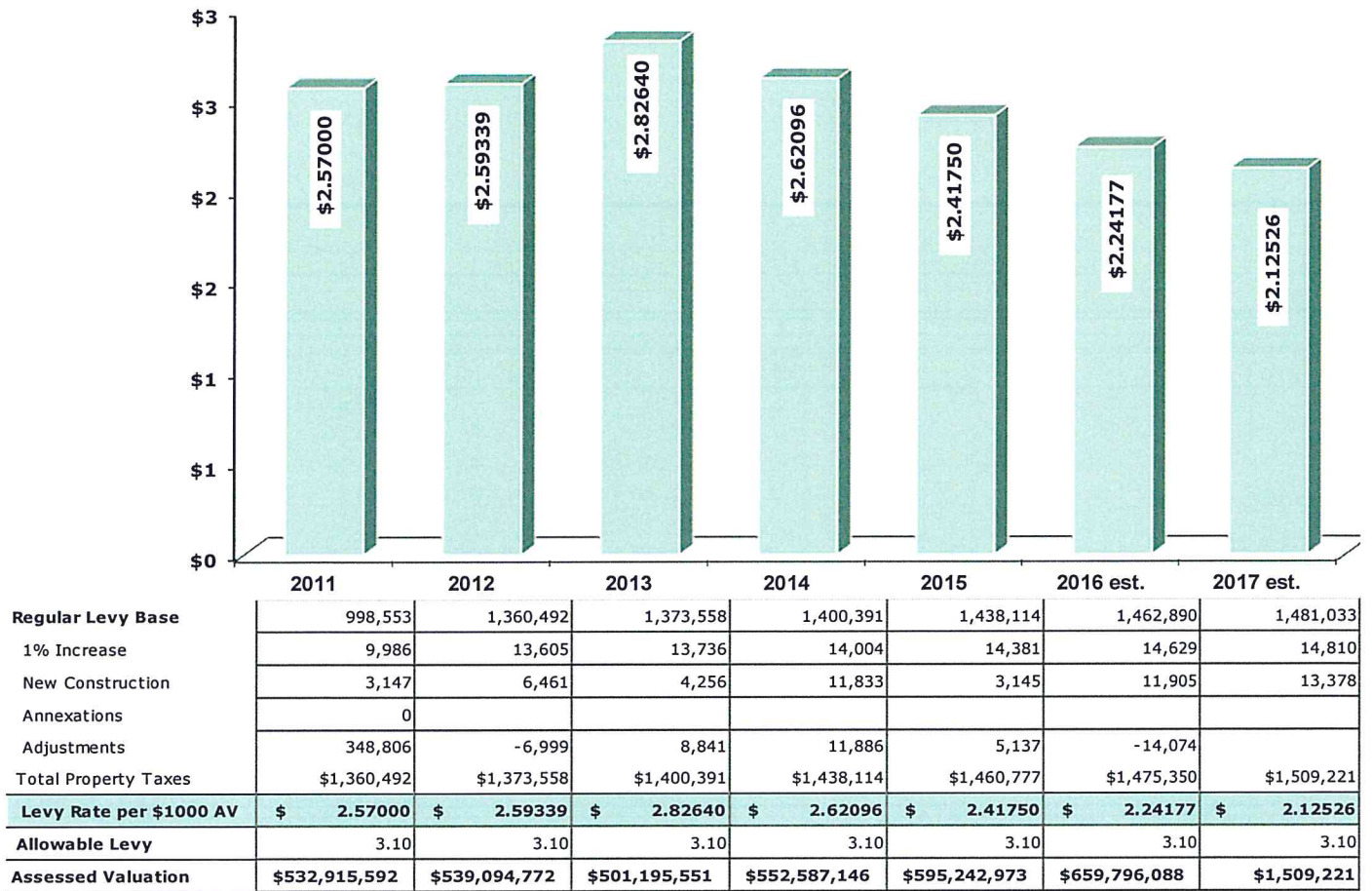
In Washington cities such as Black Diamond, property tax increases are limited to a 1% total dollar annual increase per year unless voters approve a lid-lift or larger percent increases. King County sets assessed valuation on property and calculates levy rates. Each taxing authority receives a portion of the tax amount, which King County collects and then passes on. In Black Diamond, there are three school districts with separate rates, so depending on which school district the property is in, the taxing amount will vary.

DRAFT Property Tax Collection and 2017 Preliminary Budget



	2011	2012	2013	2014	2015	2016 est.	2017 est.
Regular Levy Base	998,553	1,360,492	1,373,558	1,400,391	1,438,114	1,462,890	1,481,033
1% Increase	9,986	13,605	13,736	14,004	14,381	14,629	14,810
New Construction	3,147	6,461	4,256	11,833	3,145	11,905	13,378
Annexations	0						
Adjustments	348,806	-6,999	8,841	11,886	5,137	-14,074	
Total Property Taxes	\$1,360,492	\$1,373,558	\$1,400,391	\$1,438,114	\$1,460,777	\$1,475,350	\$1,509,221
Levy Rate	2.57000	2.59339	2.82640	2.62096	2.41750	2.24177	2.12526
Allowable Levy	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Assessed Valuation	\$532,915,592	\$539,094,772	\$501,195,551	\$552,587,146	\$595,242,973	\$659,796,088	\$709,633,018

DRAFT Property Tax Levy Rates and 2017 Preliminary Budget

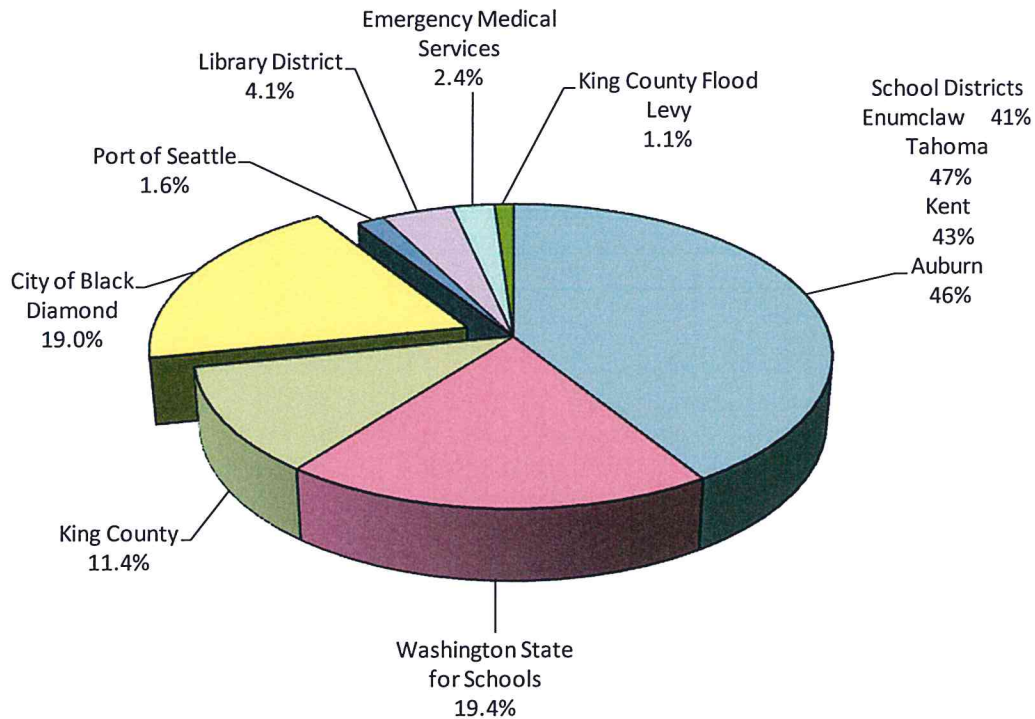


Black Diamond School Districts

The total property tax rates in Black Diamond vary because of the four different school districts within our city limits. The pie chart below shows the property tax distribution for the Enumclaw School District in 2016.

2016 Rates	Enumclaw	Tahoma	Kent	Auburn
Local School District	4.84	6.17	5.34	5.83
Washington State for Schools	2.29	2.29	2.29	2.29
King County	1.34	1.34	1.34	1.34
City of Black Diamond	2.24	2.24	2.24	2.24
Port of Seattle	.19	.19	.19	.19
Library District	.48	.48	.48	.48
Emergency Medical Services	.28	.28	.28	.28
King County Flood Levy	.13	.13	.13	.13
Total Levy Rate	\$11.79	\$13.13	\$12.30	\$12.79

Draft 2017 Levy Rates for Black Diamond (percent of total)



Black Diamond receives between 17% and 19% of the total property tax collected depending on which school district the property is in. In the Enumclaw district in 2016, if a home was appraised at \$350,000, the tax collected is \$11.79 X 350, or \$4,126.50, and the Black Diamond portion of that total is \$784 for the year. See Below.

King County Taxing District	Levy Rate per \$1000 in Value	Percent of Property Taxes Collected	2016 Annual Tax on a \$350,000 Home	Monthly Tax on a \$350,000 Home
Port of Seattle	.19	1.6%	\$66.02	\$5.50
State Schools	2.29	19.4%	\$800.54	\$66.71
EMS Levy	.28	2.4%	\$99.04	\$8.25
King County	1.34	11.4%	\$470.42	\$39.20
Floods and Ferries	.13	1.1%	\$45.39	\$4.04
School District	4.84	41%	\$1691.86	\$140.99
Library District	.48	4.1%	\$169.19	\$14.10
Subtotal	9.55			
Black Diamond	2.24	19%	\$784.04	\$65.34
Grand Total	11.79	100%	\$4126.50	\$343.88

City of Black Diamond

Property Tax History

	Assessed Valuation	New Construction	Final Assessed Valuation	Levy Rate
2000	294,620,050	8,162,011	302,782,061	2.206
2001	322,721,666	11,613,750	334,335,416	2.196
2002	353,992,917	4,667,520	358,660,437	2.097
2003	356,571,798	2,394,661	358,966,459	1.981
2004	401,497,572	1,943,946	403,441,518	1.904
2005	427,240,702	4,372,118	431,612,820	2.032
2006	446,214,893	3,578,995	449,793,888	2.003
2007	497,642,229	2,397,737	500,039,966	1.839
2008	560,299,568	7,314,478	567,614,046	1.651
2009	626,088,991	10,806,265	636,895,256	1.521
2010	552,382,312	2,739,869	555,122,181	1.777
2011	529,857,064	3,058,528	532,915,592	2.570
2012	536,580,666	2,514,106	539,094,772	2.593
2013	499,553,614	1,641,937	501,195,551	2.830
2014	548,399,243	4,187,903	552,587,146	2.620
2015	593,190,272	2,052,701	595,242,973	2.425
2016	660,150,221	4,916,109	659,796,088	2.242

PRELIMINARY

LEVY LIMIT WORKSHEET – 2017 Tax Roll

TAXING DISTRICT: **City of Black Diamond**

The following determination of your regular levy limit for 2017 property taxes is provided by the King County Assessor pursuant to RCW 84.55.100.

Annexed to Library District

(Note 1)

Estimated Library rate: 0.40205

Using Limit Factor For District	Calculation of Limit Factor Levy	Using Implicit Price Deflator
1,479,979	Levy basis for calculation: (2016 Limit Factor) (Note 2)	1,479,979
1.0100	x Limit Factor	1.0095
1,494,779	= Levy	1,494,083
5,959,915	Local new construction	5,959,915
0	+ Increase in utility value (Note 3)	0
5,959,915	= Total new construction	5,959,915
2.24468	x Last year's regular levy rate	2.24468
13,378	= New construction levy	13,378
1,508,157	Total Limit Factor Levy	1,507,461
Annexation Levy		
0	Omitted assessment levy (Note 4)	0
1,508,157	Total Limit Factor Levy + new lid lifts	1,507,461
709,633,018	÷ Regular levy assessed value less annexations	709,633,018
2.12526	= Annexation rate (cannot exceed statutory maximum rate)	2.12428
0	x Annexation assessed value	0
0	= Annexation Levy	0
Lid lifts, Refunds and Total		
0	+ First year lid lifts	0
1,508,157	+ Limit Factor Levy	1,507,461
1,508,157	= Total RCW 84.55 levy	1,507,461
0	+ Relevy for prior year refunds (Note 5)	0
1,508,157	= Total RCW 84.55 levy + refunds	1,507,461
	Levy Correction: Year of Error _____ (+or-)	
1,508,157	ALLOWABLE LEVY (Note 6)	1,507,461
Increase Information (Note 7)		
2.12526	Levy rate based on allowable levy	2.12428
1,481,033	Last year's ACTUAL regular levy	1,481,033
13,746	Dollar increase over last year other than N/C – Annex	13,050
0.93%	Percent increase over last year other than N/C – Annex	0.88%

Calculation of statutory levy		
	Regular levy assessed value (Note 8)	709,633,018
	x Maximum statutory rate	3.19795
	= Maximum statutory levy	2,269,371
	+Omitted assessments levy	0
	=Maximum statutory levy	2,269,371
	Limit factor needed for statutory levy	Not usable

ALL YEARS SHOWN ON THIS FORM ARE THE YEARS IN WHICH THE TAX IS PAYABLE.
Please read carefully the notes on the reverse side.

CITY COUNCIL AGENDA BILL

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

ITEM INFORMATION		
SUBJECT: Public Hearing on Preliminary 2017 Budget, including both Revenues and Expenditures	Agenda Date: November 17, 2016	
	AB16-067	
	Mayor Carol Benson	
	City Administrator	
	City Attorney David Linehan	
	City Clerk – Brenda L. Martinez	
	Com Dev/Nat Res –	
	Finance – May Miller	X
	MDRT/Ec Dev – Andy Williamson	
Cost Impact (see also Fiscal Note):	Police – Chief Kiblinger	
Fund Source: --	Public Works – Seth Boettcher	
Timeline:	Court – Stephanie Metcalf	
Agenda Placement: ☒ Mayor ☒ Two Councilmembers ☐ Committee Chair ☐ City Administrator		
Attachments: Preliminary 2017 Budget including Salary Schedule		
SUMMARY STATEMENT: Councilmembers Edelman and Deady have placed this item on the agenda. This is the first public hearing on the Preliminary 2017 Budget for both the Revenues and Expenditures for all funds. The Preliminary 2017 Budget is in balance for all Operating and Capital Funds. The 2017 Budget totals \$13,984,932, which is an increase of 1.7% over 2016. The General Fund Budget totals \$6,258,370, which includes the Budgeted Ending Cash and Investment Balance of \$1,021,291. This is an increase over last years Budgeted Ending Cash and Investment balance of \$127,176 for 22%. The State Auditor’s look at a cities ability to continue to increase the budgeted ending balance as a positive measure of cities fitness. Council has reviewed the details of the 2017 Preliminary Budget and Property Taxes at workstudy meetings on Sept. 29, Oct. 13, October 18, October 27 and November 10th. Public participation and input is encouraged throughout the process. The 2017 Preliminary Budget can be viewed at the city’s website and is also available for purchase at the front counter of City hall. No action is expected at the Public Hearing. FISCAL NOTE (Finance Department): The Mayor’s Preliminary 2017 Budget includes balanced sources and uses for each operating and capital Fund.		
COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:		
RECOMMENDED ACTION: MOTION to (Public Hearing)		

RECORD OF COUNCIL ACTION		
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
November 17, 2016		

Black Diamond DRAFT Preliminary Budget

2017

November 1, 2016



Black Diamond Railroad Depot during the period of 1910-1913 when rail travel was the norm. Photo Maude Shorey

*****Please Note: Many historical photos in this document are courtesy of
Washington State & the Black Diamond Historical Society*****

TABLE OF CONTENTS

Mayor's Letter	3
Elected Officials	5
About Black Diamond	6
Organization Chart	7
Employee Allocations by Fund	8
Combined Operating Statement	9
<u>General Fund</u>	10
General Fund Sources and Uses Graphs	11
General Fund Summary	12
Functions Supported by Revenue Sources	13
Functional Expenditures	14
Functional Expenditure Detail	15
MDRT Budget	16
<u>General Fund Revenue</u>	17-28
<u>General Fund Expenditures</u>	29
Legislative	29
Executive	29
City Clerk/HR	30
Finance	30
Information Services	31
Legal	31
Municipal Court	32
Police Department	33-34
Fire Department	35
Emergency Management	35
Special Programs	36
Community Development	36
Master Development Review Team & Consultants	38
Parks and Recreation	39
Cemetery	39
Facilities	40
Central Services	41

<u>Special Revenue Funds</u>	42
Street Fund	43
Fire Impact Fee Fund	44
Transportation Benefit District Fund	45
Traffic Mitigation Fund	46
<u>Internal Service Fund</u>	47
Equipment Replacement Funds	48-50
<u>Utility Funds</u>	51
Water Operating Fund	52
Water Debt Analysis	53
Sewer Operating Fund	54
Stormwater Operating Fund	55
<u>Capital Funds</u>	56
Real Estate Excise Tax 1 (REET 1)	57
General Government Capital Projects	58
Real Estate Excise Tax 2 (REET 2)	59
Public Works Capital Projects Fund	60
WSFFA Fund 402	61
Water Capital Fund 404	62
Sewer Capital Project Fund 408	63
Stormwater Capital Project Fund 410	64
Financial Management Policies	65-70
Salary Schedule	71
City Statistics	72
Budget Calendar	75

From the Mayor's Desk

October 29, 2016

City Council and Black Diamond Residents,

I am pleased to present the Draft 2017 Preliminary Budget for the City of Black Diamond. Following a series of meetings with staff, I am happy to report the 2017 Budget is in balance for all funds. The General Fund ending balance will be increasing by \$127,176 over the budgeted 2016 ending fund balance to a total of \$1,021,291. This is 21.7% of the General Fund operating expenditures and exceeds the recommendation of 10%. The total 2017 Preliminary Budget for Operating and Capital Funds is \$13,984,932 which is only 1.7% higher than the 2016 budget.

Fortunately, the economy is slowly improving with an increase in revenue from the construction of the infrastructure for the Villages, the new elementary school and several home building projects within the City. We expect this trend to continue throughout the next year along with the expectation that new home construction will begin in the Villages before the end of 2017.

This budget reflects our priorities for achieving our desired vision for the future of Black Diamond. Our priorities included maintaining a high quality of life for those who work, live and visit the City of Black Diamond. This is achieved through supporting public safety including both fire and police. We were voted the 9th safest city by SafeWise, which was released in their report of May 23, 2016. With no additional population within the city limits, our calls for service have increased every year. Our calls for service last year were 2,989, and we anticipate these calls for service to increase by nearly 1,000 by the end of 2016.

Due to budget issues over the last four years, the Police Department vehicle replacement program has not been funded. Due to the on-going and increasing costs of repairs to our aging fleet as well as officer safety, the Chief has recommended the replacement of 4 patrol cars next year, at the cost of \$179,000 (see Fund 510, vehicle replacement program for details.) The funds to finance these vehicles will come from a loan from the sewer fund, beginning cash reserves and sale of the surplus vehicles.

In accordance with ordinance 12-980, Fire Impact Fees are charged on new development and building expansions within the city limits. For a new residential home in Black Diamond, the fee is \$1,783.13. The Fire Impact Fund at the end of 2017 will be approximately \$255,490, which has collected almost enough funds to purchase the replacement fire engine that is scheduled for 2018 in our 2017-2022 Capital Improvement Plan. The 2017 Budget also includes Public Works Capital Projects that are funded by TIB Grants, including the Roberts Drive Reconstruction and the 224th Ave SE Asphalt Overlay for a total of approximately 1.5 million.

Sustaining the budget for maintenance and operation of the Street and Utility funds is of continuing importance. The Transportation Benefit District \$20 car tab fee will provide the first full year of funds in 2017 that support such activity as roadway striping, traffic signage, pothole repair, street lights, pavement, signals, sidewalks and road safety improvements.

The Water, Sewer and Stormwater operations 2017 budgets are also in balance with at least three months of budgeted ending cash and investment balance. The Sewer Operating 2017 budget includes

a King County Metro pass-through rate increase of \$2.19 per month for residents, along with an associated City Sewer increase needed to cover state and city utility taxes.

I truly appreciate the hard work and dedication of City Staff in providing the City and Council with a balanced budget. I am proud that the City has maintained a level of service which makes Black Diamond a better place to live, work, play and do business.

Sincerely,

Carol Benson

Mayor



Mayor Benson grew up on Queen Anne Hill in Seattle. She attended Bellevue Community College and the University of Washington. She was also an instructor for Renton Technical College, teaching Small Business Accounting for several years.

Her entire career has been working in Finance and Management, in many different industries. Before retiring, she spent the last 25 years as Chief Financial Officer in the Civil Engineering, Land Development and Underground Utilities construction industries.

Mayor Benson has lived in the Black Diamond area since 1979, where she raised her two sons. She enjoys gardening, hiking, boating and spending time with her grandchildren.

Black Diamond Elected Officials

Mayor
Carol Benson
Expires 12/31/2017

Position 3
Janie Edelman
Expires 12/31/2019

Position 1
Tamie Deady
Expires 12/31/2019

Position 4
Brian Weber
Expires 12/31/2017

Position 2
Erika Morgan
Mayor Pro-tem
Expires 12/31/17

Position 5
Pat Pepper
Expires 12/31/2019



1925 Float in the Black Diamond July 4th Parade

History of Black Diamond, Washington – Coal Town

Black Diamond incorporated in 1959, but has had a much longer history as a historic town in Washington. Black Diamond was first established as a community in the late 1880s for the mining of coal. At the turn of the century the town was a major exporter of coal in the region. The Pacific Coast Coal Company in Black Diamond became the largest coal mining operations on the West Coast. Some historic buildings retain their original locations. In 2010, Black Diamond's historic Railroad Avenue was updated and refurbished making a great improvement to the Historic Museum and Black Diamond Bakery area.

Black Diamond offers a warm and friendly small town atmosphere with spectacular mountain views. The city is nestled in the foothills within a few miles of the beautiful Green River Gorge and Flaming Geyser Park.

The City is on the verge of growth. At 4,305 citizens, population projections may reach above 20,000 in the next 20 years. Over past years, major annexations have increased the population and acreage of Black Diamond. The annexation of the Lake Sawyer area in 1998 doubled the number of citizens. More recent annexations in the city's urban growth area have increased the city's size by approximately 1,600 acres.

Form of Government

Black Diamond is a "Code City" as described under Title 35A in the Revised Code of Washington. The City operates under a strong mayor form of government with five elected council members serving staggered four-year terms. The Mayor serves as the chief administrative officer of the city. The Council acts as the legislative body. When the City reaches a population of 5,000 state law requires expansion to a seven-member council. The City is served by Congressional District 8 and Legislative District 5.

Budget Process

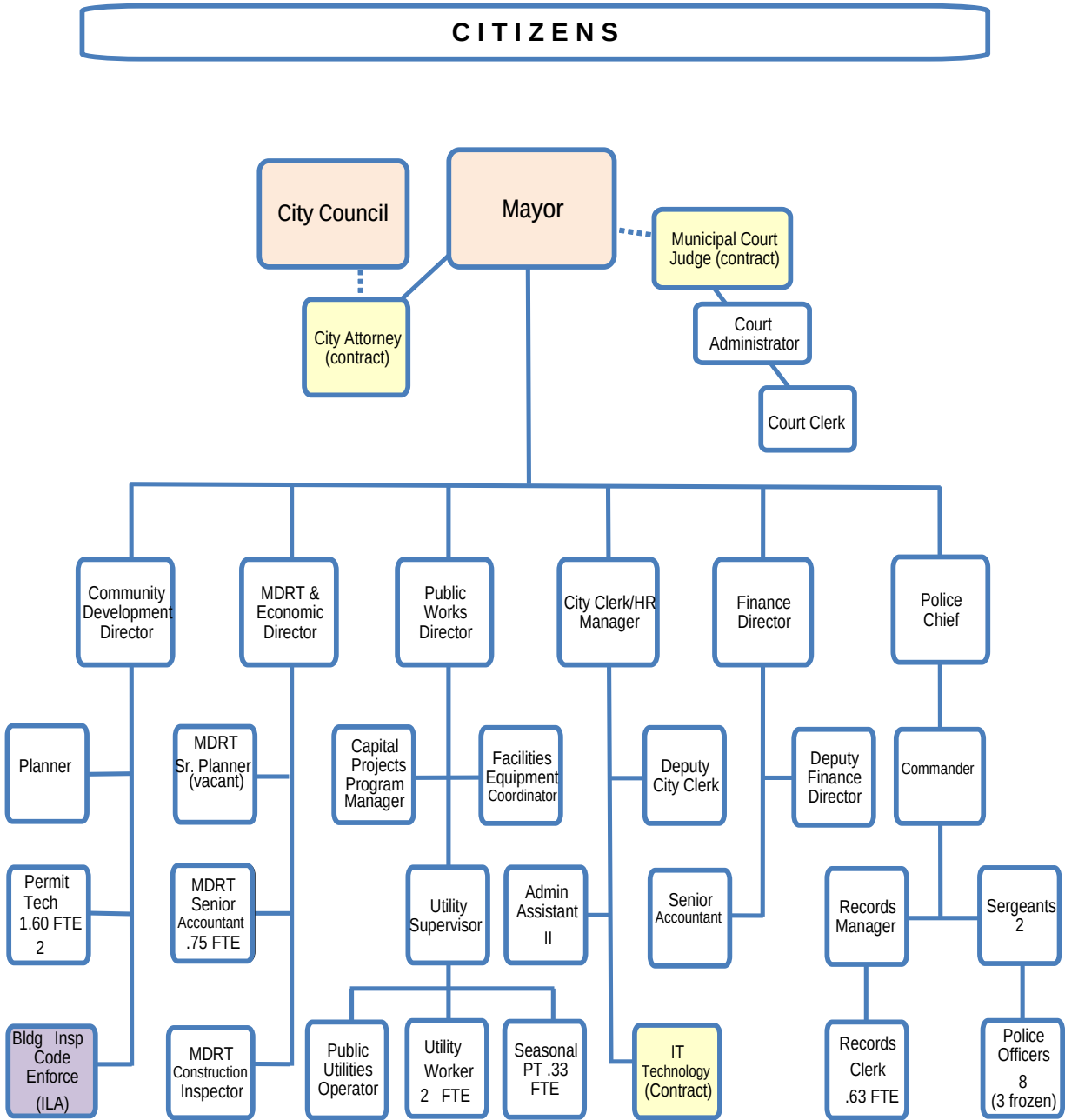
Budgeting is an essential element of the financial planning, control and evaluation process of government. The planning process involves determining the types and levels of services to be provided by the various departments, programs and functions.

The City of Black Diamond budgets annually on the calendar year beginning January 1 and ending December 31. Budget adjustments are limited by state law (35A.33.120). Allocations are made based on a fund structure, limiting uses outside of each fund. Funds are segregated to carry on specific objectives. Funds are budgeted on a cash basis in accordance with the Revised Code of Washington, RCW 35.33. Appropriations in the budget constitute maximum expenditure authorizations during the year and cannot be legally exceeded until subsequently amended by the City Council.

How Black Diamond Serves the Community

The City of Black Diamond strives to provide a safe and enjoyable environment for residents, businesses and visitors alike. Foremost, safety is a priority in Black Diamond. Our City's Police Department, Mountain View Fire and Rescue and emergency service employees are both dedicated and top notch. City employees provide other important services such as road maintenance, planning, permitting, code enforcement, a municipal court, water utility services, stormwater management and a sewer utility. Black Diamond maintenance workers also provide upkeep to city parks and the cemetery.

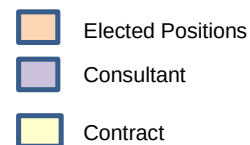
City of Black Diamond 2017 DRAFT Organization Chart



This Chart represents preliminary budgeted positions for 2017.

Each position is filled by 1 FTE, unless otherwise noted.

Black Diamond is served by Mountain View Fire and Rescue.



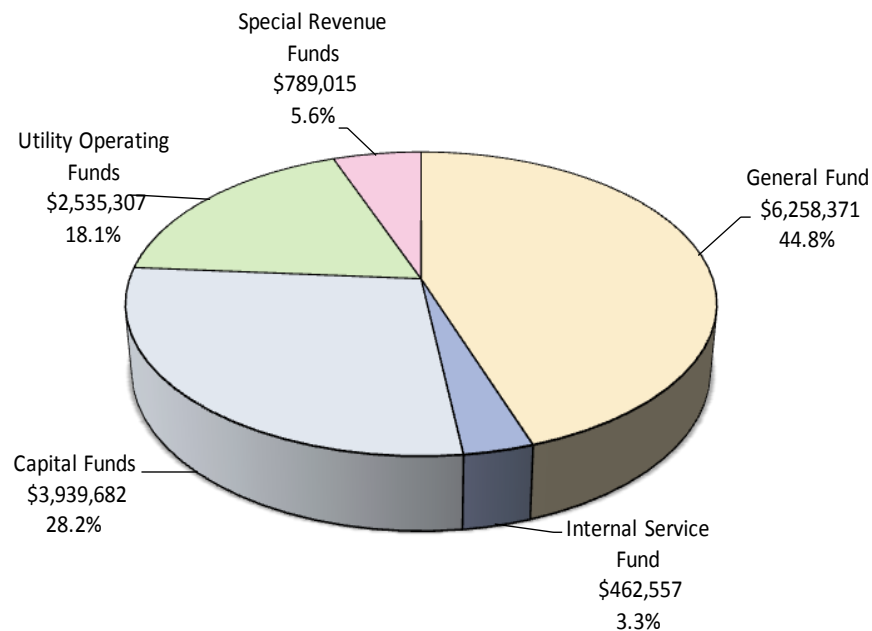
2017 DRAFT Proposed Employee Allocations by Funding Source							
Positions	Full Time Equivalent (FTE)	Funding Agreement	General Fund	Street Fund	Water Fund	Sewer Fund	Storm water Fund
Administration							
Administrative Assistant II	1.00		0.10		0.30	0.30	0.30
Total Administration	1.00	0.00	0.10	0.00	0.30	0.30	0.30
City Clerk							
City Clerk/HR Manager	1.00	0.50	0.20		0.10	0.10	0.10
Deputy City Clerk	1.00		0.50	0.04	0.15	0.15	0.16
Total City Clerk	2.00	0.50	0.70	0.04	0.25	0.25	0.26
Finance Department							
Finance Director	1.00		0.70		0.10	0.10	0.10
Deputy Finance Director	1.00		0.72		0.09	0.10	0.09
Senior Accountant	1.00		0.60	0.04	0.12	0.12	0.12
Total Finance	3.00	0.00	2.02	0.04	0.31	0.32	0.31
Police Department							
Police Chief	1.00		1.00				
Police Commander	1.00		1.00				
Sergeant	2.00		2.00				
Police Officers	5.00		5.00				
Police Records Coordinator	1.00		1.00				
Police Clerk	0.63		0.63				
Total Police Department	10.63	0.00	10.63	0.00	0.00	0.00	0.00
Municipal Court							
Court Administrator	1.00		1.00				
Court Clerk	1.00		1.00				
Total Court	2.00	0.00	2.00	0.0	0.0	0.0	0.0
Community Development							
Community Development Director	1.00	0.25	0.75				
Planner	1.00		1.00				
Permit Technician	1.60		1.60				
Total Community Development	3.60	0.25	3.35	0.0	0.0	0.0	0.0
Master Dev Review Team (MDRT)							
MDRT & Economic Dev Director	1.00	1.00					
Utilities Construction Supervisor	1.00	1.00					
Senior Planner	1.00	1.00					
Senior Accountant	0.75	0.75					
Total MDRT Review Team	3.75	3.75	0.00	0.00	0.00	0.00	0.00
Facilities Department							
Facilities Equipment Coordinator	1.00		0.80	0.05	0.05	0.05	0.05
Total Facilities	1.00	0.00	0.80	0.05	0.05	0.05	0.05
Public Works							
Public Works Director	1.00		0.06	0.26	0.23	0.23	0.22
Capital Project/Program Manager	1.00			0.25	0.25	0.25	0.25
Utilities Supervisor	1.00		0.05	0.23	0.24	0.24	0.24
Utility Worker	2.00		0.10	0.40	0.50	0.50	0.50
Utilities Operator	1.00		0.10	0.15	0.25	0.25	0.25
Seasonal Maintenance	0.33		0.16	0.06	0.06		0.05
Total Public Works	6.33		0.47	1.35	1.53	1.47	1.51
Total Budget Positions (FTE's)	33.31	4.50	20.07	1.48	2.44	2.39	2.43

Combined 2017 Preliminary Budget - All Funds

	Beginning Fund Balance	2017 Revenue	Total Sources	2017 Expenditures	Ending Fund Balance	Total Uses
1 General Fund 001	1,303,353	4,955,018	6,258,371	5,237,080	1,021,291	6,258,371
2 Special Revenue Funds						
3 101 Street Fund	132,546	216,993	349,539	238,210	111,329	349,539
4 107 Fire Impact Fees	183,770	71,720	255,490	255,490		255,490
5 108 Trans. Benefit District Fund	7,331	102,000	109,331	100,000	9,331	109,331
6 109 Traffic Mitigation Fees	74,255	400	74,655	74,655		74,655
7 Utility Operating Funds						
8 401 Water Fund	178,698	832,200	1,010,898	810,635	200,263	1,010,898
9 407 Sewer Fund	124,885	907,900	1,032,785	937,459	95,326	1,032,785
10 410 Stormwater Fund	101,824	389,800	491,624	413,830	77,794	491,624
11 Capital Funds						
12 310 Gen. Government CIP Fund	23,795	156,000	179,795	153,500	26,295	179,795
13 and REET 1	152,758	113,700	266,458	131,000	135,458	266,458
14 320 Street CIP Fund		1,528,108	1,528,108	1,528,108	-	1,528,108
15 and REET 2	152,411	113,700	266,111	135,226	130,885	266,111
16 402 Water Supply and Facility Fund	70,000	465,000	535,000	465,000	70,000	535,000
17 404 Water Capital Fund	177,147	125,500	302,647	136,000	166,647	302,647
18 408 Wastewater Capital Fund	601,874	131,500	733,374	448,000	285,374	733,374
19 410 Stormwater Capital Fund	56,189	72,000	128,189	92,000	36,189	128,189
20 Internal Service Fund 510						
21 1 - Fire Equipment Repl Fund	42,317	200	42,517	42,517	-	42,517
22 2 - Street Equipment Repl Fund	183,503	47,300	230,803	25,000	205,803	230,803
23 3 - Police Equipment Repl Fund	26,087	163,150	189,237	189,237	-	189,237
24 Total All Funds	3,592,743	10,392,189	13,984,932	11,412,947	2,571,985	13,984,932

Total Black Diamond 2017 Preliminary Budget

\$13,984,932



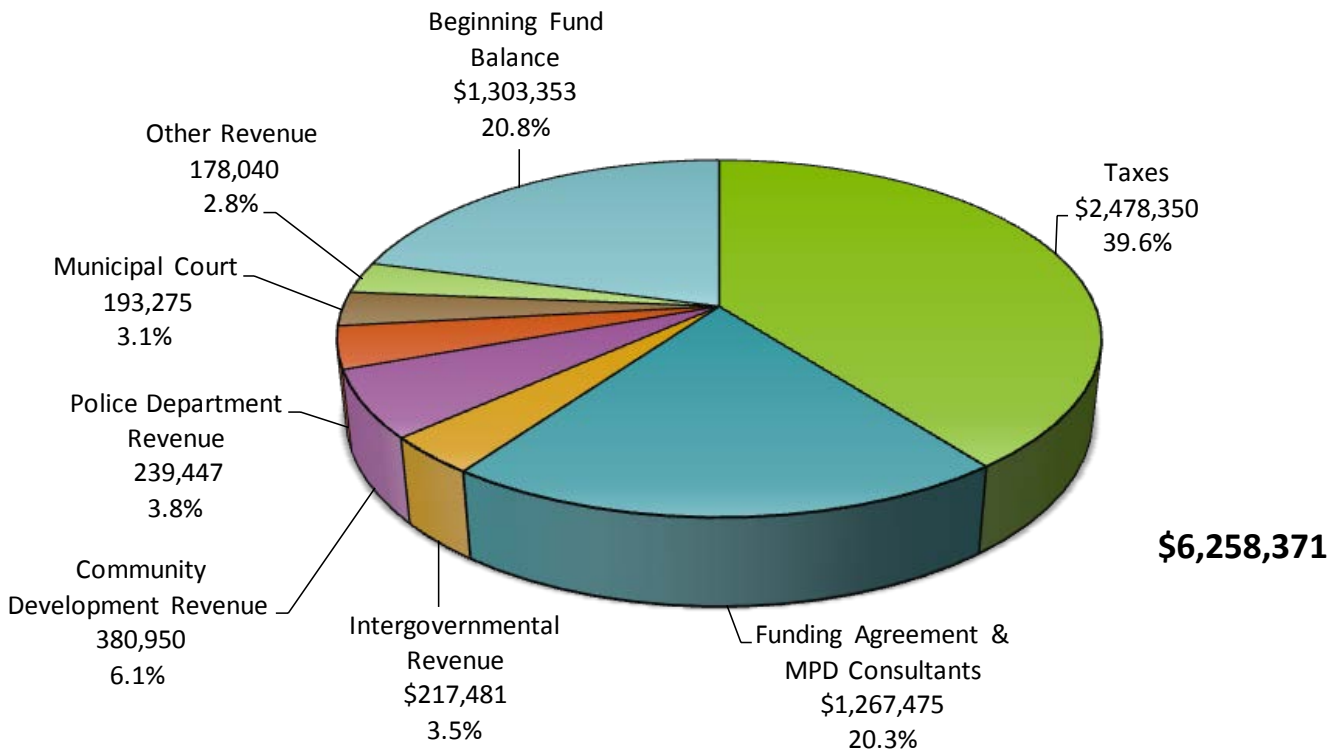
General Fund

The General Fund is the primary fund of the City. It is similar to a firm's general ledger account, and records all assets and liabilities of the entity that are not assigned to a special purpose fund. It provides the resources necessary to sustain the day-to-day activities and thus pays for administrative and operating expenses.

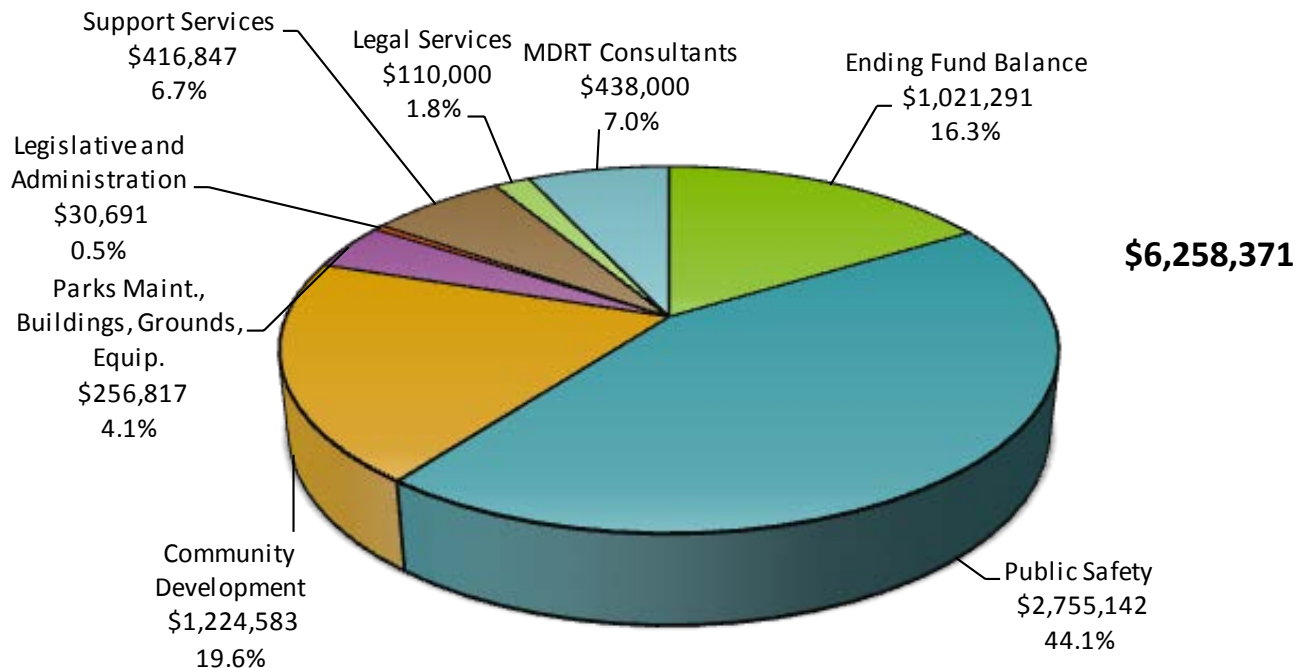


West side of Railroad Ave, looking south from the railroad depot, circa 1910

2017 DRAFT General Fund Sources



2017 DRAFT General Fund Uses



General Fund 2017 DRAFT Preliminary 2017 Budget

General Fund Revenue by Type					
	2016 Budget	2016 Thru August	Estimated Year End	2017 Prelim Budget	2016 to 2017 Budget Diff
1 Total Beginning Cash and Investments	1,072,660	1,238,076	1,205,376	1,303,353	230,693
2 REVENUE					
3 Property Tax	1,465,908	786,665	1,475,350	1,490,100	24,192
4 Sales Tax	326,250	269,747	350,000	385,000	58,750
5 Utility & Gambling Tax	563,500	415,579	594,800	603,250	39,750
6 Business & Other Licenses & Fees	22,000	22,695	23,000	23,500	1,500
7 Cable Franchise Fees	66,000	53,228	76,000	76,000	10,000
8 Land Use and Permit Fees (Comm. Dev)	181,310	159,488	315,000	380,950	199,640
9 Liquor Tax & Profits	54,750	32,558	55,150	56,481	1,731
10 State Sales Tax Assistance	78,460	40,806	90,000	95,000	16,540
11 KC EMS Levy, Recycle Grants	71,991	65,012	65,012	66,000	(5,991)
12 Police Grants, Crim Justice & Misc	152,215	176,827	239,688	239,447	87,232
13 Municipal Court Fines and Fees	109,521	87,521	122,305	193,275	83,754
14 Passports/(charge for services now cost alloc)	101,400	12,684	19,550	22,150	(79,250)
15 Parks, Cemetery & Misc Revenue	50,040	35,464	50,463	56,390	6,350
16 Subtotal Operating Revenue	3,243,345	2,158,274	3,476,318	3,687,543	444,198
17 Funding Agreement-MDRT	822,497	485,327	726,000	829,475	6,978
18 Total Operating Revenue	4,065,842	2,643,601	4,202,318	4,517,018	451,176
19 Developer Reimb-SEPA Legal	10,000				(10,000)
20 Developer Reimb-MDRT Consultants	438,000	197,180	438,000	438,000	0
21 Total General Fund Sources	5,586,502	4,078,857	5,845,694	6,258,371	441,176
22 EXPENDITURES					
23 Legislative-Council	15,711	7,108	15,400	15,814	103
24 Executive-Mayor	15,118	9,918	15,118	14,877	(241)
25 City Clerk/Human Resources	227,588	129,332	207,500	190,428	(37,160)
26 Finance*	181,014	133,340	195,000	212,773	31,759
27 Information Services	31,175	18,106	32,510	41,910	10,735
28 Legal Service	55,000	45,868	80,000	110,000	55,000
29 Legal-Pros Atty & Pub Defender	61,250	36,250	61,250	61,250	0
30 Municipal Court	168,769	107,650	165,400	232,041	63,272
31 Police Department	1,700,472	1,091,488	1,650,000	1,897,480	197,008
32 Fire Department	525,375	250,817	500,400	534,905	9,530
33 Recycle/Air Qual/Mntl Hlth/Anim Cont	32,166	13,437	32,166	24,366	(7,800)
34 Master Dev Review Team & Econ Dev	586,130	326,668	580,130	672,108	85,978
35 MDRT-FF&E costs	71,195	48,895	76,900	76,867	5,672
36 Hearing Examiner	5,000	615	2,000	5,000	0
37 Community Development	321,324	160,395	281,324	475,608	154,284
38 Facilities-Staff & Miscellaneous	47,876	32,466	48,350	51,572	3,696
39 Facilities Bldg Mtc-Lease & Maintenance	73,200	42,420	73,200	73,021	(179)
40 Emergency Management	5,000	402	2,000	5,100	100
41 Parks	51,206	30,284	51,200	55,131	3,925
42 Parks Museum	7,551	5,091	8,000	7,826	275
43 Parks Gym	11,316	6,514	10,716	8,406	(2,910)
44 Cemetery	18,598	10,292	16,740	18,951	353
45 Central Svcs -Paper, Post, Printing, Cks	32,353	7,802	9,000	13,646	(18,707)
46 Total Operating Expenditures	4,244,387	2,515,158	4,114,304	4,799,080	554,693
47 Developer SEPA	10,000			0	(10,000)
48 Developer MDRT-Consultants	438,000	192,477	438,000	438,000	0
49 Total Other Expenditures	448,000	192,477	438,000	438,000	(10,000)
50 Total Expenditures	4,692,387	2,707,635	4,552,304	5,237,080	544,693
51 Ending Cash & Inv Bal Gen Govt	734,115	1,211,222	1,178,353	896,291	162,176
52 Ending Cash & Inv Bal Developer	160,000	160,000	125,000	125,000	(35,000)
53 Total Ending Cash and Investments	894,115	1,371,222	1,303,353	1,021,291	127,176
54 Total General Fund Uses	5,586,502	4,078,857	5,855,657	6,258,371	671,869

55 * Includes audit costs budgeted in 2015 and billed in 2016.

Ending Fund Balance at 21.7%

Functions Supported by Operating Revenue Sources		2016 Budget	2017 Budget	\$ Change	% Change	Public Safety	General Govt	MDRT
Beginning Cash and Investments		1,072,660	1,303,353	230,693	21.5 %		1,178,353	125,000
REVENUE								
1	Public Safety Revenue Support							
2	Property Tax	1,465,908	1,490,100	24,192	1.7 %	1,490,100		
3	Utility and Gambling Tax	563,500	603,250	39,750		603,250		
4	Criminal Justice Sales Tax	110,600	116,532	5,932	5.4 %	116,532		
5	Liquor Tax & Profits	54,750	56,481	1,731	3.2 %	56,481		
6	Court Fines and Fees	109,521	193,275	83,754	76.5 %	193,275		
7	EMS Levy Taxes	56,000	56,000	0	0.0 %	56,000		
8	Police Grants, Charges for Service, Misc	41,615	122,895	81,280	195.3 %	122,895		
9	Subtotal Public Safety Revenue	2,401,894	2,638,533	236,639	9.9 %	2,638,533		
10	General Government Support							
11	Sales Tax	326,250	385,000	58,750	18.0 %		385,000	
12	Land Use and Permitting Fees	181,310	380,950	199,640	110.1 %		380,950	
13	State Sales Tax Assistance	78,460	95,000	16,540	21.1 %	95,000		
14	Recycle and Misc. Grants	15,991	10,000	(5,991)	-37.5 %		10,000	
15	Cable Franchise Fees	66,000	76,000	10,000	15.2 %		76,000	
16	Parks and Cemetery Fees	47,540	47,540	0	0.0 %		47,540	
17	Passport Fees	21,900	22,150	250	1.1 %		22,150	
18	Business License Fees	22,000	23,500	1,500	6.8 %	23,500		
19	Alloc for Software, Maint & CC Fees	79,500					0	
20	Other Misc. Fees and Charges	2,500	8,870	6,370	254.8 %		8,870	
21	Subtotal General Govt Revenue	841,451	1,049,010	207,559	24.7 %	118,500	930,510	
22	Subtotal Operating Revenue	3,243,345	3,687,543	444,198	13.7 %	2,757,033	2,108,863	
23	Developer Funding Agreement	822,497	829,475	6,978	0.8 %			829,475
24	Total General Fund Operating Sources	5,138,502	5,820,371	681,869	13.3 %	2,757,033	2,108,863	954,475
25	EXPENDITURES							
26	Police Department	1,700,472	1,897,480	197,008	11.6 %	1,897,480		
27	Fire Department	525,375	534,905	9,530	1.8 %	534,905		
28	Recycle/Air Qual/Mntl Hlth/Animal Control	32,166	24,366	(7,800)	-24.2 %	24,366		
29	Emergency Management	5,000	5,100	100	2.0 %	5,100		
30	Municipal Court	168,769	232,041	63,272	37.5 %	232,041		
31	Legal-Pros Atty & Pub Defender	61,250	61,250	0	0.0 %	61,250		
32	Subtotal Public Safety Expenditures	2,493,032	2,755,142	262,110	10.5 %	2,755,142		
33	Legislative-Council	15,711	15,814	103	0.7 %		15,814	
34	Executive-Mayor	15,118	14,877	(241)	-1.6 %		14,877	
35	City Clerk/Human Resources	227,588	190,428	(37,160)	-16.3 %		109,928	80,500
36	Finance	181,014	212,773	31,759	17.5 %		212,773	
37	Information Services	31,175	41,910	10,735	34.4 %		41,910	
38	Legal Service	55,000	110,000	55,000	100.0 %		110,000	
39	Master Dev Review Team & Econ Dev	586,130	672,108	85,978	14.7 %			672,108
40	MDRT-FF&E costs	71,195	76,867	5,672	8.0 %			76,867
41	Hearing Examiner	5,000	5,000	0	0.0 %		5,000	
42	Community Development-Permitting	174,681	302,145	127,464	73.0 %		302,145	
43	Community Development-Planning	146,643	173,463	26,820	18.3 %		173,463	
44	Facilities-Staff & Miscellaneous	47,876	51,572	3,696	7.7 %		51,572	
45	Facilities Bldg Mtc-Supplies & Maint	73,200	73,021	(179)	-0.2 %		73,021	
46	Parks	51,206	55,031	3,825	7.5 %		55,031	
47	Park's Museum	7,551	7,826	275	3.6 %		7,826	
48	Park's Gym	11,316	8,506	(2,810)	-24.8 %		8,506	
49	Cemetery	18,598	18,951	353	1.9 %		18,951	
50	Central Svcs -Paper, Post, Printing, Checks	32,353	13,646	(18,707)	-57.8 %		13,646	
51	Subtotal Gen Govt Expenditures	1,751,355	2,043,938	292,583	16.7 %			
52	Total Operating Expenditures	4,244,387	4,799,080	554,693	13.1 %	2,755,142	1,214,463	829,475
53	Ending Cash and Investment Balance	894,115	1,021,291	127,176	14.2 %	1,891	894,400	125,000
54	Total GF Operating Uses	5,138,502	5,820,371	681,869	13.3 %			

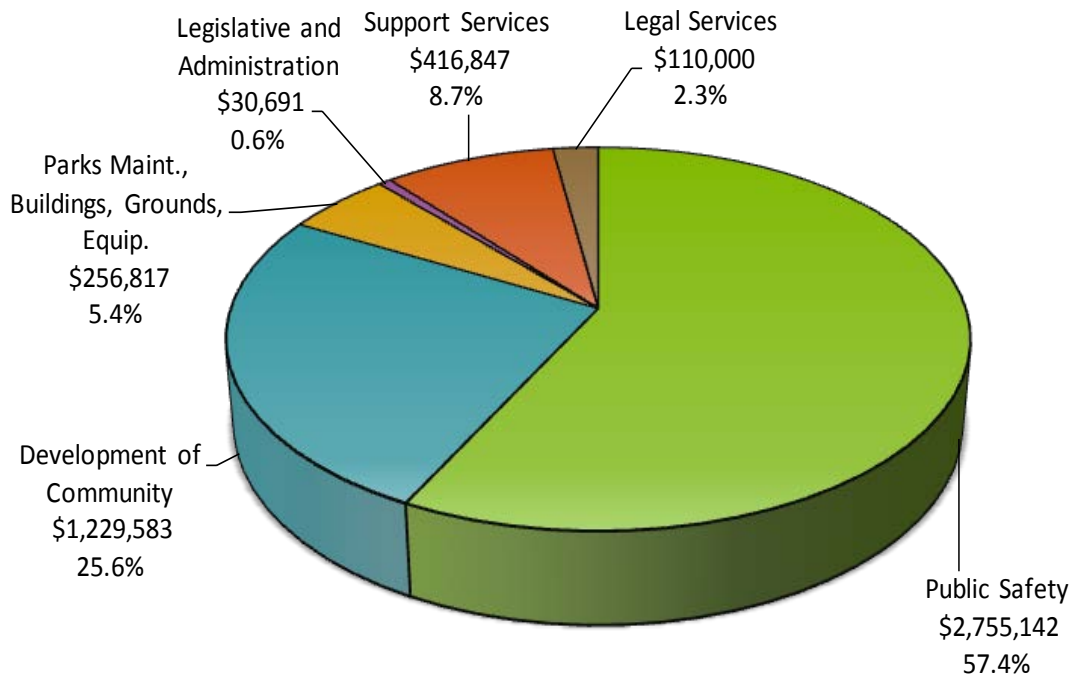
Note, Analysis does not include \$438,000 in Consultant Revenues and Expenses related to MDRT

General Fund Expenditures Functional Summary

Functional Comparisons for 2015 - 2017

	2015 Actual	2016 Budget	2017 Prelim Budget	% of Total
1 Public Safety	2,300,154	2,470,886	2,755,142	57.4%
2 Development of Community	797,290	983,649	1,229,583	25.6%
3 Parks Maint., Buildings, Grounds, Equip.	251,663	263,088	256,817	5.4%
4 Legislative and Administration	27,002	30,829	30,691	0.6%
5 Support Services	400,647	440,995	416,847	8.7%
6 Legal Services	47,991	55,000	110,000	2.3%
7 Total General Fund Operations	3,824,747	4,244,447	4,799,080	100.0%

2017: \$4,799,080



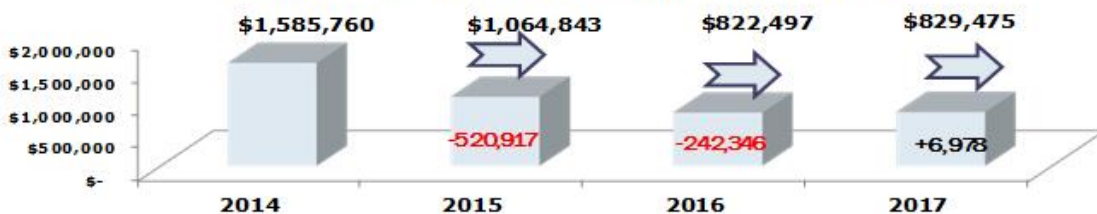
2017 General Fund Preliminary Budget - Expenditures

General Fund Expenditures by Type		2016 Budget	2016 Thru August	2016 Estimated Year End	2017 Budget	2016 to 2017 Budget Change
Public Safety						
1	Police Department	1,700,472	1,091,488	1,650,000	1,897,480	197,008
2	Fire Department	525,375	250,817	500,400	534,905	9,530
3	Municipal Court	168,769	107,650	165,400	232,041	63,272
4	Court Public Defender	37,250	20,250	37,250	37,250	0
5	Prosecuting Attorney	24,000	16,000	24,000	24,000	0
6	Recycle/Air Qual/Ment Health/Anim Contrl	32,166	13,437	32,166	24,366	(7,800)
7	Emergency Management	5,000	402	2,000	5,100	100
8	Total Public Safety	2,493,032	1,500,044	2,411,216	2,755,142	262,110
Community Development						
9	Com Development/Permitting	201,688	96,169	174,681	302,145	100,457
10	Com Development/Planning	119,636	64,226	106,643	173,463	53,827
11	Com Development-Hearing Examiner	5,000	615	2,000	5,000	0
12	Master Development Review Team	657,325	374,962	657,030	748,975	91,650
13	Total Dev of Community	983,649	535,972	940,354	1,229,583	245,934
Parks Mtc (Bldg, Grounds & Equipment)						
14	Buildings & Grounds Maintenance	139,943	86,491	117,066	140,825	882
15	Parks Maintenance	51,206	30,284	51,200	55,131	3,925
16	Cemetery Maintenance	18,598	10,292	16,740	18,951	353
17	Information Technology Mtc.	31,175	18,106	32,510	41,910	10,735
18	Total Mtc of Bld, Grd, Eq	240,922	145,173	217,516	256,817	15,895
Legislative & Administration						
19	Legislative-Council	15,711	7,108	15,400	15,814	103
20	Executive-Mayor	15,118	9,918	15,118	14,877	(241)
21	Total Legislative & Administration	30,829	17,026	30,518	30,691	(138)
Support Services						
22	City Clerk/Human Resources	227,588	129,332	207,500	190,428	(37,160)
23	Finance	181,014	133,340	195,000	212,773	31,759
24	Central Services	32,353	7,802	9,000	13,646	(18,707)
25	Total Support Services	440,955	270,474	411,500	416,847	(24,108)
Legal Services						
26	General Legal Services	30,000	30,131	50,000	60,000	30,000
27	Public Disclosure Legal Review	5,000	4,061	10,000	5,000	0
28	Labor Contract & Employee Legal	10,000	9,037	12,000	25,000	15,000
29	Lawsuits and Other	10,000	2,640	8,000	20,000	10,000
30	Total Legal Services	55,000	45,868	80,000	110,000	55,000
31	Subtotal General Fund Operating Exp.	4,244,387	2,514,557	4,091,104	4,799,080	554,693
32	SEPA (State Environmental Policy Act)	10,000				(10,000)
33	Developer MDRT Consultants	438,000	192,477	438,000	438,000	0
34	Total General Fund Expenditures	4,692,387	2,707,034	4,529,104	5,237,080	544,693
35	Ending Cash and Investments	734,115	1,206,699	1,166,553	861,291	127,176
36	Ending Cash and Investments Developer	160,000	160,000	160,000	160,000	-
37	Total General Fund Uses	5,586,502	4,073,733	5,855,657	6,258,371	671,869

Funding Agreement

MDRT Management Development Review Team		2017 Funded FTE	2014 Adjusted Budget	2015 Budget	2016 Budget	2017 Budget
1	MDRT & Economic Development Director	1.00	143,563	146,509	148,362	194,841
2	Comm Dev Director-FT -Jan-June 2014		58,270			
3	Comm Dev/Nat Res Dir.	0.25	37,308	75,842	67,520	38,000
4	Construction Support	1.00	123,745	143,681	135,800	178,824
5	MDRT Sr Planner-	0.75	71,160	95,226	97,800	122,795
6	MDRT Senior Accountant/Adm Asst	1.00	73,736	75,419	77,974	75,958
7	Pub Works, Finance					20,000
8	Pub Works Labor Allocation					
9	City Clerk/Resources Manager	0.50	148,117	146,816	153,256	80,500
10	Subtotal MDRT Staff	4.50	655,899	683,493	680,712	710,918
11	MDRT-Expenses		33,659	32,500	38,673	41,690
12	MDRT-Alloc PW Dir, Finance			30,000	20,000	
13	MDRT One Vehicle/Computers		30,000	50,000	0	0
14	FF&E- MDRT		61,129	81,505	83,112	76,867
15	Total MDRT	4.50	780,687	877,498	822,497	829,475
16	Balance of Core Agreement (254)					
17	Public Works Director		74,620	19,774		
18	Natural Res Parks Dir-Jan-June 2014		74,616			
19	Comm Dev/Hr Director-50% July-Dec 2014		37,308	19,488		
21	Information Svs-Contracted		92,176	12,985		
22	Finance Director		123,725	31,661		
23	Deputy Finance Director		111,990	29,064		
24	Permit Center Supervisor 2014 Budget		103,041			
25	Re-allocate vacant Permit Center Supervisor		(94,977)			
26	Core Planner -Contract thru 3/19/14		52,200	21,246		
27	Add Permit Center Tech-Feb-Dec 2014		37,636	11,123		
28	Facilities Equipment Coordinator		80,418	24,805		
29	Subtotal Core Balance @ 2.65 months		692,753	170,146	0	0
30	Core 2015 FF&E-limited wind-down @ 2.65 Months		112,320	17,199		
31	Total Core balance @ 2.65 months		805,073	187,345	0	0
32	Total Funding Agree Op Costs-Funding Revenue		1,585,760	1,064,843	822,497	829,475
33	MDRT Legal & Consultant Reimb		485,000	470,000	438,000	438,000
34	Grand Total Funding Agreement		2,070,760	1,534,843	1,260,497	1,267,475
35	2015 - 2017 Budget Reduction			(520,917)	(242,346)	6,978

Funding Agreement Operating Budget Reduction 2014 - 2017



Since 2014, the Funding Agreement has been reduced by \$756,285, or 47.7%.

General Fund Beginning Balance

Beginning General Fund Balance		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
1	Beginning Cash and Invest. City	644,198	842,524	912,660	1,045,376	1,178,353	265,693	29.1%
2	Beginning Cash and Invest. Dev	299,129	190,103	160,000	160,000	125,000	(35,000)	
3	Total Beginning Cash & Investments	943,327	1,032,627	1,072,660	1,205,376	1,303,353	230,693	21.5%

General Fund Revenue

The General Fund budget refers to the expenditures and revenues associated with the delivery of City services in Black Diamond that are funded with property, sales, and utility taxes, charges & fees, and state shared revenues. Services provided under the General Fund include police and fire, municipal court, parks maintenance, building permits, development review and administrative functions in the City. The General Fund includes close to one half of Black Diamond's total budget.

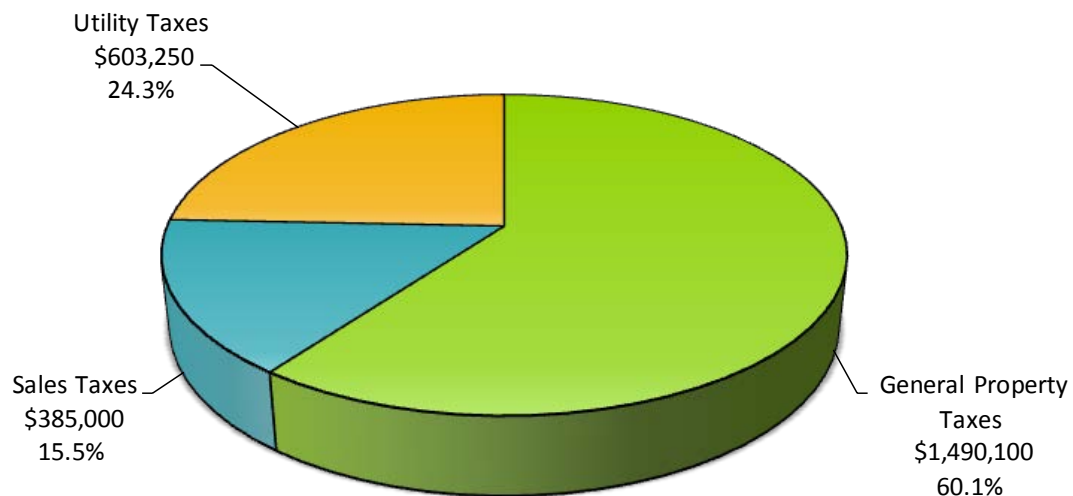
Top Twenty General Fund Revenue Sources		Budget 2017
1	General Property Taxes	1,490,100
2	Sales Taxes	385,000
3	Electrical Utility Tax	235,000
4	Municipal Court Fines and Fees	193,275
5	Plan Check and Land Use Fees	191,300
6	Building Permits	189,650
7	Local Criminal Justice Tax	116,532
8	Sales Tax Assistance from State	95,000
9	Police Traffic School	95,000
10	Telephone Utility Tax	82,000
11	Cable TV Utility Tax	80,000
12	Cable Franchise Fees	76,000
13	Stormwater Utility Tax	66,600
14	Liquor Board Tax & Profits	56,481
15	KC EMS VLS Contract	56,000
16	Sewer Utility Tax	50,400
17	Water Utility Tax	43,400
18	Solid Waste Utility Tax	42,000
19	Parks: Parking & Gym Fees	34,940
20	Business Licenses	23,500

General Fund Taxes

Locally levied taxes represent Black Diamond's largest portion of revenues of \$2,478,350 or 56% of the City's General Fund operating revenue. Taxes include real and personal property tax, local sales tax, utility taxes on utility services (water, sewer, stormwater, electric, gas, cable and telephone) and gambling taxes. A 5.2% increase of \$122,692 is estimated in 2017. The sales tax estimation increase of 18% is due to trend, as increased development and remodeling is picking up. Property taxes have increased slightly, due to +1% and new construction. Estimates for electrical and utility taxes have been budgeted according to trend.

General Fund Tax Revenue	2014	2015	2016	2016	2017	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
	Actual Audited			Estimated Year End	Prelim Budget		
1 General Property Taxes	1,438,113	1,460,777	1,465,908	1,475,350	1,490,100	24,192	1.7%
2 Sales Taxes	302,927	311,926	326,250	350,000	385,000	58,750	18.0%
3 Electrical Tax	220,845	214,323	211,000	232,100	235,000	24,000	11.4%
4 Water Utility Tax	39,520	45,137	40,900	42,150	43,400	2,500	6.1%
5 Stormwater Utility Tax	63,798	64,348	64,000	65,900	66,600	2,600	4.1%
6 Sewer Utility Tax	43,683	45,400	44,900	45,800	50,400	5,500	12.2%
7 Solid Waste Tax	32,834	36,716	32,800	40,000	42,000	9,200	28.0%
8 Cable TV Utility Tax	72,109	78,378	76,000	79,000	80,000	4,000	5.3%
9 Telephone Tax	106,162	96,506	90,000	86,000	82,000	(8,000)	-8.9%
10 Gas Utility Tax	366	289	300	250	250	(50)	-16.7%
11 Pull Tabs and Punch Board Tax	3,604	2,866	3,600	3,600	3,600	-	0.0%
12 Total General Fund Taxes	2,323,960	2,356,665	2,355,658	2,420,150	2,478,350	122,692	5.2%

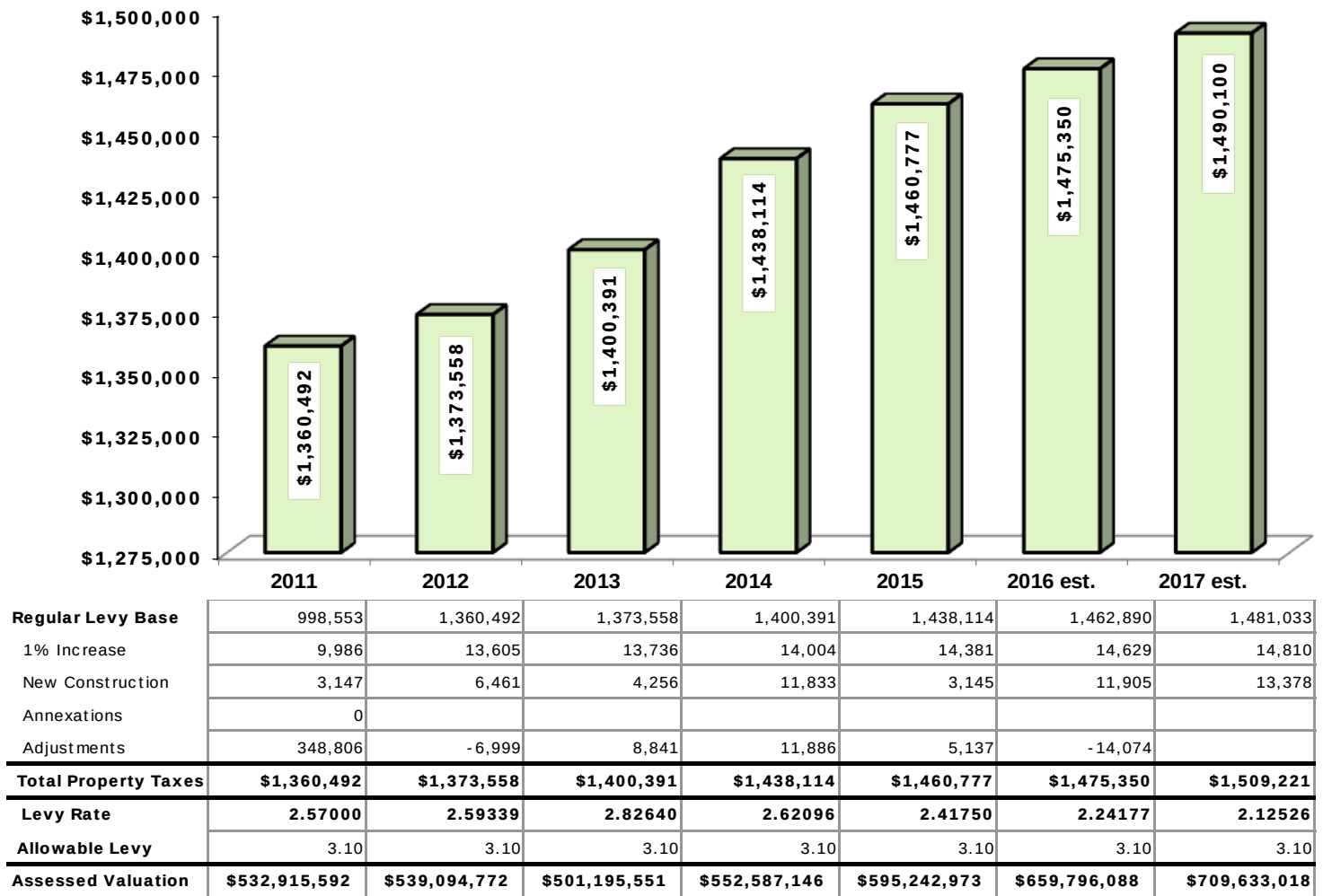
2017 General Fund Tax Revenue \$2,478,350



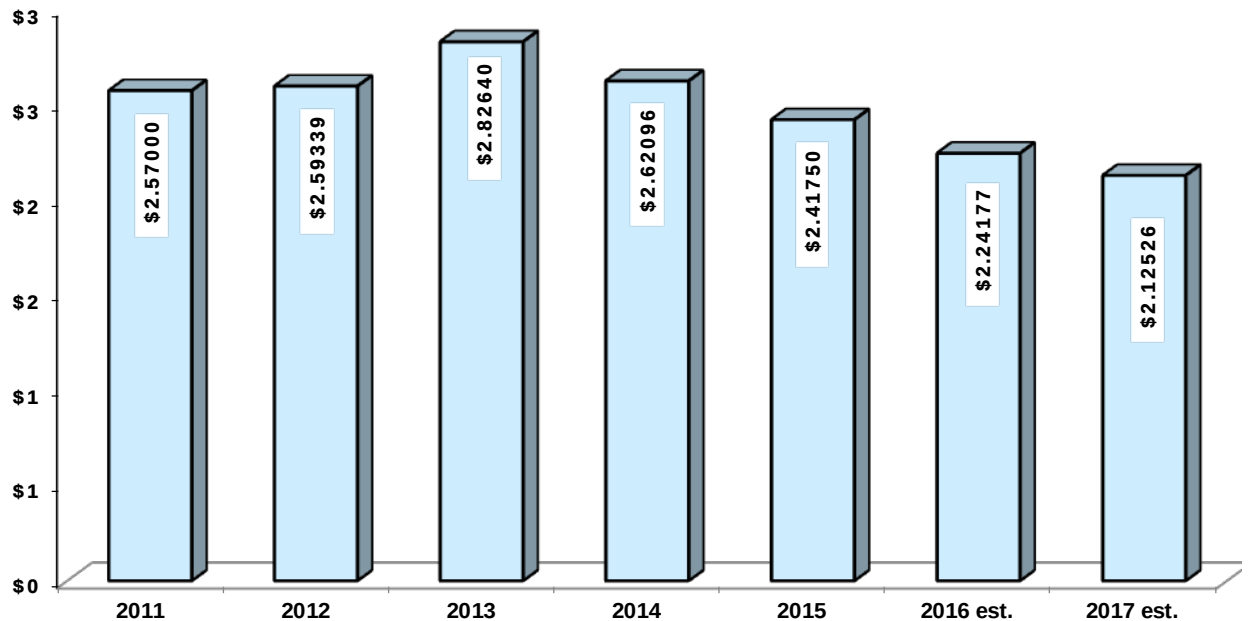
Property taxes make up 60.1% of the General Fund's tax revenue and estimated to generate \$1,490,100 in revenue for the City in 2017. All revenues from property taxes go directly to the General Fund to support public safety for police, fire protection and emergency services. The City of Black Diamond depends heavily on property tax collections, as the City has a small commercial base to generate sales tax revenue.

In Washington cities such as Black Diamond, property tax increases are limited to a 1% total dollar annual increase per year unless voters approve a lid-lift or larger percent increases. King County sets assessed valuation on property and calculates levy rates. Each taxing authority receives a portion of the tax amount, which King County collects and then passes on. In Black Diamond, there are three school districts with separate rates, so depending on which school district the property is in, the taxing amount will vary.

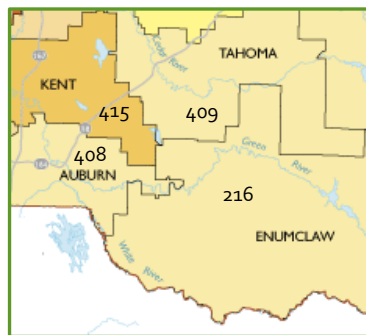
Property Tax Collection, Levy Rates and 2017 Budget



DRAFT Property Tax Levy Rates and 2017 Preliminary Budget



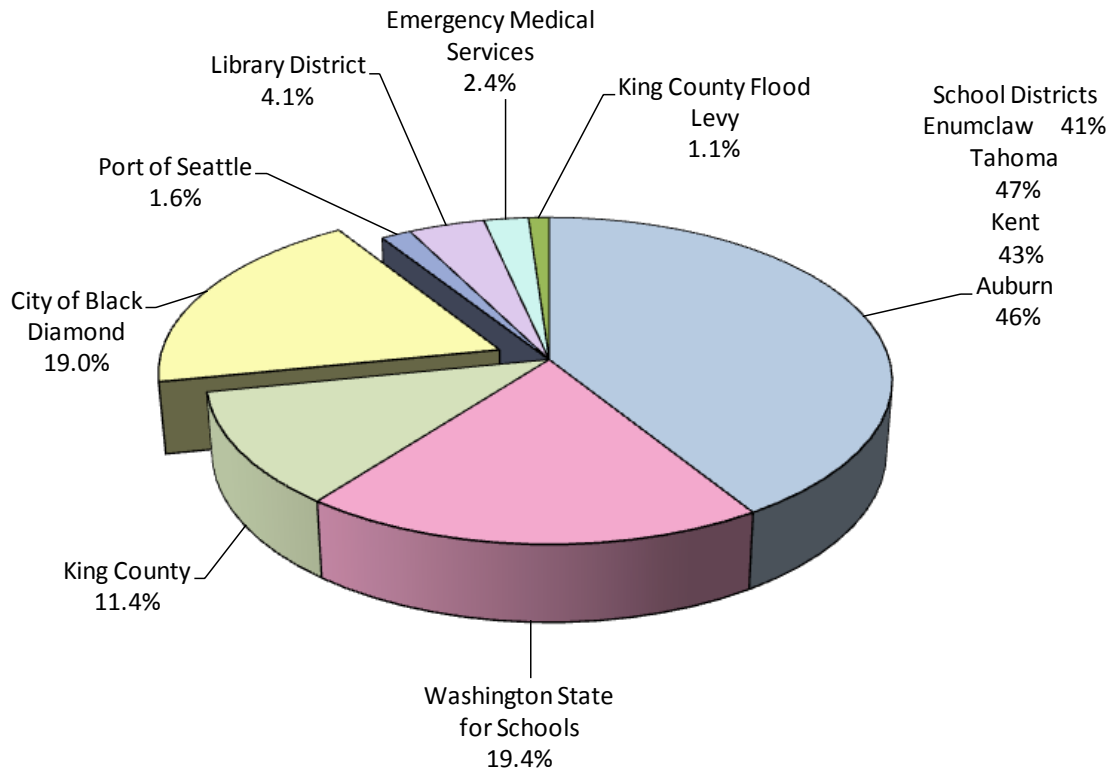
	2011	2012	2013	2014	2015	2016 est.	2017 est.
Regular Levy Base	998,553	1,360,492	1,373,558	1,400,391	1,438,114	1,462,890	1,481,033
1% Increase	9,986	13,605	13,736	14,004	14,381	14,629	14,810
New Construction	3,147	6,461	4,256	11,833	3,145	11,905	13,378
Annexations	0						
Adjustments	348,806	-6,999	8,841	11,886	5,137	-14,074	
Total Property Taxes	\$1,360,492	\$1,373,558	\$1,400,391	\$1,438,114	\$1,460,777	\$1,475,350	\$1,509,221
Levy Rate per \$1000 AV	\$ 2.57000	\$ 2.59339	\$ 2.82640	\$ 2.62096	\$ 2.41750	\$ 2.24177	\$ 2.12526
Allowable Levy	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Assessed Valuation	\$532,915,592	\$539,094,772	\$501,195,551	\$552,587,146	\$595,242,973	\$659,796,088	\$709,633,018



Black Diamond School Districts

The total property tax rates in Black Diamond vary because of the four different school districts within our city limits.				
2016 Rates				
Local School District	4.84	6.17	5.34	5.83
Washington State for Schools	2.29	2.29	2.29	2.29
King County	1.34	1.34	1.34	1.34
City of Black Diamond	2.24	2.24	2.24	2.24
Port of Seattle	.19	.19	.19	.19
Library District	.48	.48	.48	.48
Emergency Medical Services	.28	.28	.28	.28
King County Flood Levy	.13	.13	.13	.13
Total Levy Rate	\$11.79	\$13.13	\$12.30	\$12.79

2016 Property Tax - Total Distribution



Black Diamond receives between 17% and 19% of the total property tax collected depending on which school district the property is in. In the Enumclaw district in 2016, if a home was appraised at \$350,000, the tax collected is \$11.79 X 350, or \$4,126.50, and the Black Diamond portion of that total is \$784 for the year. See below.

King County Taxing District	Levy Rate per \$1000 in Value	Percent of Property Taxes Collected	2016 Annual Tax on a \$350,000 Home	Monthly Tax on a \$350,000 Home
Port of Seattle	.19	1.6%	\$66.02	\$5.50
State Schools	2.29	19.4%	\$800.54	\$66.71
EMS Levy	.28	2.4%	\$99.04	\$8.25
King County	1.34	11.4%	\$470.42	\$39.20
Floods and Ferries	.13	1.1%	\$45.39	\$3.78
School District - Enumclaw	4.84	41%	\$1691.86	\$140.99
Library District	.48	4.1%	\$169.19	\$14.10
Subtotal	9.55		\$3342.46	\$278.54
Black Diamond	2.24	19%	\$784.04	\$65.34
Grand Total	11.79	100%	\$4126.50	\$343.88

Sales Tax revenue for the 2017 budget is forecast to be \$385,000 or 15.6% of General Fund tax revenue. For every \$100 spent in Black Diamond, \$8.60 is collected by the State and is shared by various jurisdictions. These jurisdictions include our city, Washington State, King County and Criminal Justice programs. Black Diamond receives a bit less than 10% of the total.

Black Diamond's sales tax revenues are dependent on retail sales of products and services sold or delivered to Black Diamond, as well as tax on new construction material. In fact, a considerable portion of our sales taxes are collected for construction services such as installing, repairing, cleaning, improving and other home services.

Sales taxes are higher in Washington than many other states, and are our State's largest revenue source, but because there are no income taxes collected in Washington State, the sales tax is necessarily higher, so the impacts of taxation should be looked at collectively.

There are exemptions to sales tax collection in Washington. Common exemptions include:

- Food
- Prescription Drugs
- Sales to Nonresidents
- Federal Government Sales
- Sales to Indians or Indian Tribes

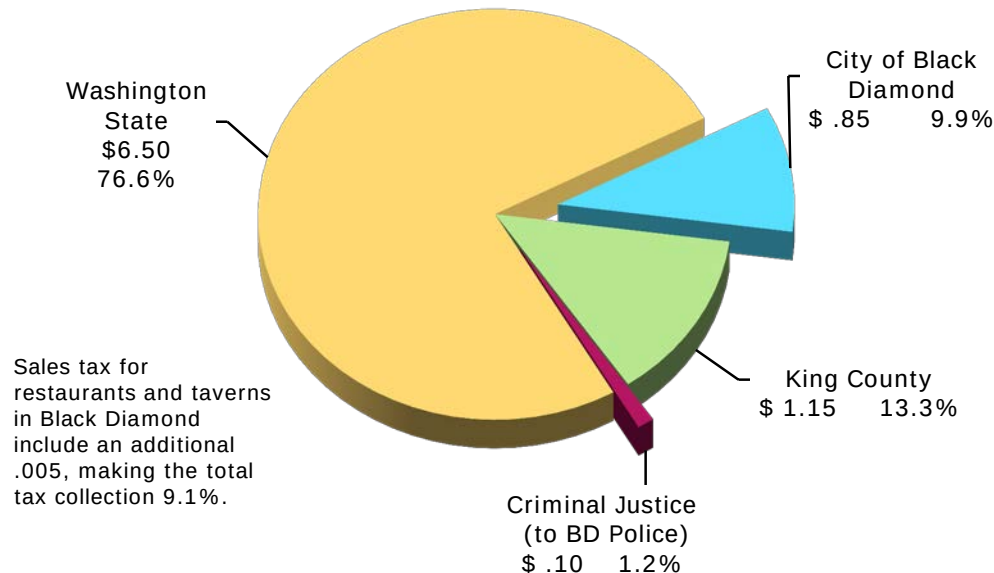
Black Diamond Sales Tax Revenue

2011	2012	2013	2014	2015	2016 est	2017 Budget
\$297,333	\$262,974	\$290,795	\$302,927	\$311,927	\$350,000	\$385,000

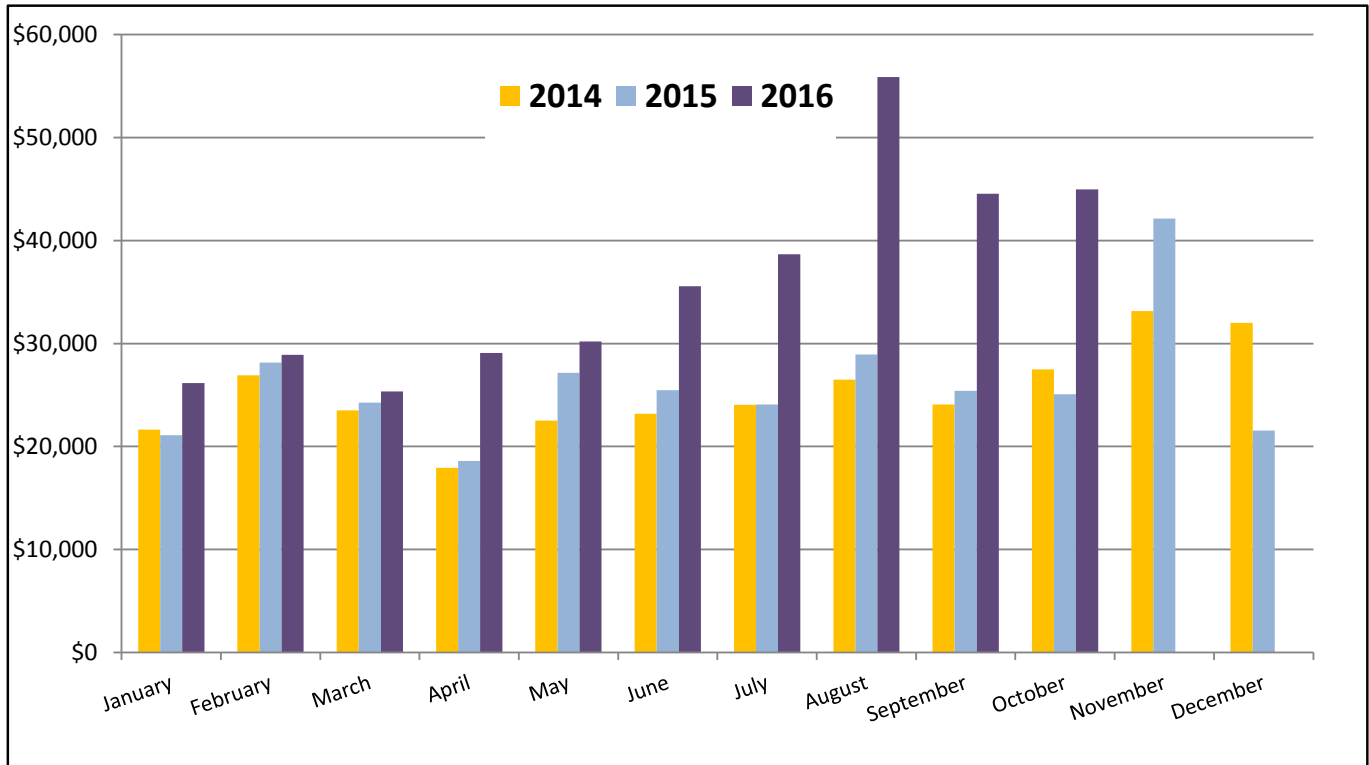
City of Black Diamond 2016 Sales Taxes

Taxed amount is 8.6% of retail sales

Based on a \$100 sale, retail sales tax collected is \$8.60, and is distributed the following way:



Black Diamond Historical Sales Tax Collection by Month



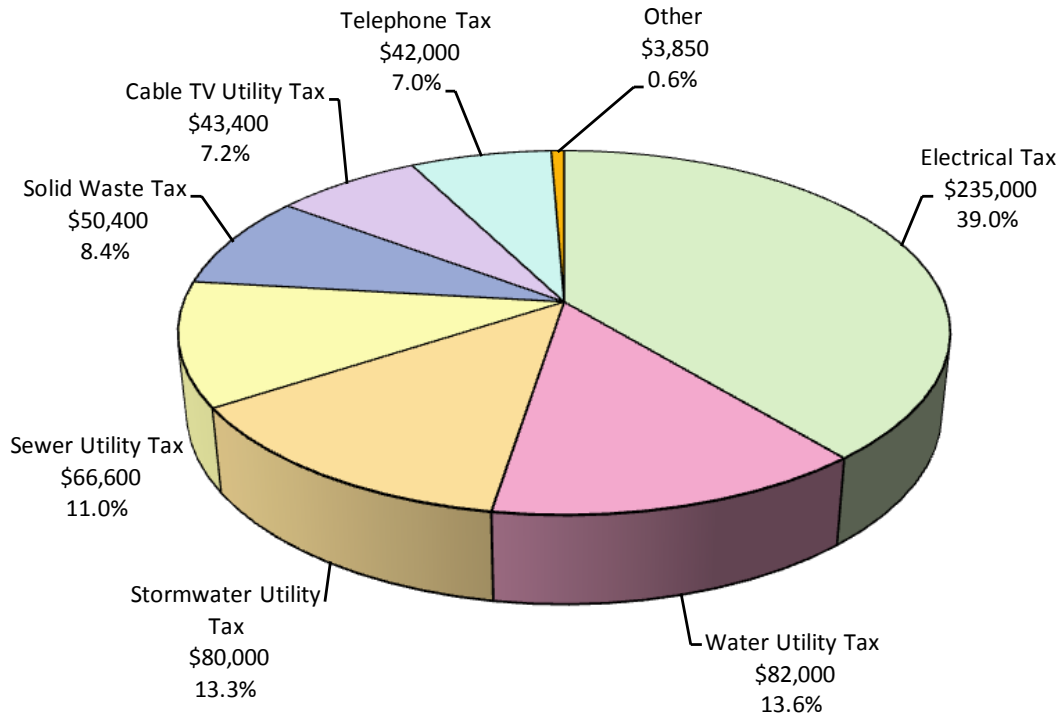
Criminal Justice taxes are an additional local sales/use tax of 0.1 percent to be used for criminal justice programs. This tax is levied by the county and is imposed countywide, but the receipts are shared with King County cities, based on population. Of the revenues collected for criminal justice, 1 percent is retained for administration, 10 percent is distributed to the county and 90 percent goes to cities on a per-capita basis based on their official April 1 populations. Black Diamond's population is currently 4,305.

Utility Taxes are collected for the City at the rate of 6% for electrical, telephone, cable TV, sewer, water and gas utilities. The stormwater utility tax is 18%. Overall in 2017, utility taxes have been estimated to reflect recent trend.

Utility Tax Revenue		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
1	Electrical Tax	220,845	214,323	211,000	232,100	235,000	24,000	11.4%
2	Water Utility Tax	39,520	45,137	40,900	42,150	43,400	2,500	6.1%
3	Stormwater Utility Tax	63,798	64,348	64,000	65,900	66,600	2,600	4.1%
4	Sewer Utility Tax	43,683	45,400	44,900	45,800	50,400	5,500	12.2%
5	Solid Waste Tax	32,834	36,716	32,800	40,000	42,000	9,200	28.0%
6	Cable TV Utility Tax	72,109	78,378	76,000	79,000	80,000	4,000	5.3%
7	Telephone Tax	106,162	96,506	90,000	86,000	82,000	(8,000)	-8.9%
8	Gas Utility Tax	366	289	300	250	250	(50)	-16.7%
9	Pull Tabs and Punch Board Tax	3,604	2,866	3,600	3,600	3,600	-	
10	Total Utility Taxes	582,921	583,962	563,500	594,800	603,250	39,750	7.1%

2017 Utility Tax Revenue

\$603,250



Intergovernmental Revenue includes grants, entitlements, shared revenues and payments for goods and services provided to the City from the State or other governmental entities. They include per capita distributed revenues such as liquor excise and profit taxes and state and federal grants.

The City receives State assistance funds approved by the passage of ESSB 6050. This legislation was intended to provide ongoing financial assistance to cities and counties that have a low sales tax base and are having difficulty providing basic services. These funds were created by diverting a small portion of the Washington State real estate excise tax from the Public Works Trust Fund. As State taxes increase, they can share more with cities.

Intergovernmental Revenue	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
1 Sales Tax Assistance from State	72,192	89,563	78,460	90,000	95,000	16,540	21.1%
2 Liquor Excise Tax	7,836	11,380	18,600	19,000	20,104	1,504	8.1%
3 Liquor Board Profits	37,052	36,626	36,150	36,150	36,377	227	0.6%
4 Recycle Grant-KC WRR Grant	10,000	10,000	10,000	9,018	10,000	-	0.0%
5 KC Recycle Grant D37318D	5,944	5,991	5,991	9,963		(5,991)	-100.0%
6 KC EMS VLS Contract	54,704	55,302	56,000	55,994	56,000	-	0.0%
7 Total Intergovernmental Rev	187,728	208,862	205,201	220,125	217,481	12,280	6.0%

Community Development Revenue includes fees related to land use and construction activities such as plan checks and land use fees, building, mechanical and plumbing permits. This revenue does not include revenues from the Master Plan Development staff reviews. Estimates next year are promising, as this office's indications show significant increases in building activity.

Community Development Revenue		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
1	Building Permits	43,609	71,224	80,000	188,000	164,750	84,750	105.9%
2	Mechanic Permits	5,048	7,313	12,000	12,000	12,000	-	0.0%
3	Plumbing Permits	4,268	4,439	10,000	5,000	7,000	(3,000)	-30.0%
4	Other Permits	1,946	3,883	3,500	16,900	5,900	2,400	68.6%
5	Total Permits	54,871	86,858	105,500	221,900	189,650	84,150	79.8%
6	Plan Check Fees	30,493	45,616	60,000	50,000	110,000	50,000	83.3%
7	Fire Plan Check Fees	773	2,005	2,000	2,000	3,000	1,000	50.0%
8	Land Use Fees	7,484	9,460	4,500	15,000	30,000	25,500	566.7%
9	Shoreline Fees	840	4,069	2,000	15,000	20,000	18,000	900.0%
10	Other Misc. Fees	4,525	7,711	1,210	4,000	11,500	10,290	850.4%
11	Total Land Use and Misc. Fees	44,115	68,860	69,710	86,000	174,500	104,790	150.3%
12	Hearing Examiner	692	880	1,000	1,000	1,000	-	-
13	Cost Recovery & Other Fees	4,084	7,437	5,000	6,000	15,700	10,700	214.0%
14	Copying Services, Map Sales	280	143	100	100	100	-	0.0%
15	Deposits and Pass Through	8,674	14,669	-	-	-	-	-
16	Total Community Development Rev	112,715	178,847	181,310	315,000	380,950	199,640	110.1%

Police Department Revenue includes largely intergovernmental funding including grants, criminal justice funds and payments for police services provided by the City to other governmental entities. Other revenue includes traffic school, gun permits and fingerprinting revenue as well as donations and other minor sources. An increase in the criminal justice distribution is expected next year.

Police Department Revenue		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
1	Criminal Justice Distribution	104,811	112,697	110,600	116,100	116,532	5,932	5.4%
2	Police Traffic School Fee	13,018	23,672	15,000	85,000	95,000	80,000	533.3%
3	Vessel Registration Boat Safety	12,391	12,515	12,515	12,073	12,515	-	0.0%
4	Overtime and Off Duty Reimb	12,040	23,953	6,000	-	3,000	(3,000)	-50.0%
5	Grants	4,509	5,154	3,900	17,587	5,200	1,300	33.3%
6	Gun Permits and Fingerprinting	1,405	1,357	1,300	2,300	2,300	1,000	76.9%
7	Work Crew/Electronic Monitoring	1,305	1,245	1,500	900	1,200	(300)	-20.0%
8	DUI Cost Recovery	1,493	3,370	-	2,600	2,700	2,700	-
9	Donations	2,166	500	600	500	500	(100)	-16.7%
10	Records and Services	795	676	800	2,628	500	(300)	-37.5%
11	Total Police Department Revenue	153,934	185,139	152,215	239,688	239,447	87,232	57.3%

Municipal Court Revenue has been estimated upward in 2017 due to the hiring of a new traffic officer. This revenue comes from the City's portion of fines and forfeits collected on citations and fees. Traffic citations contribute close to 67% of this department's revenue. In 2016, the Court saw a significant increase in cases filed. As of August, there have been 1,470 filings with a projected total of over 2,200. This includes both criminal and noncriminal cases.

Municipal Court Revenue	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
1 Court Traffic Infractions	58,176	62,561	60,000	66,000	130,000	70,000	116.7%
2 Administration/Correction Fees	21,176	21,425	18,400	22,500	25,000	6,600	35.9%
3 Court Criminal Traffic Misdemeanors	8,620	4,070	7,000	6,480	7,000	-	0.0%
4 Court Parking Fines	7,155	9,294	7,046	5,500	6,000	(1,046)	-14.8%
5 Court DUI Fines	3,793	3,168	5,000	2,600	3,000	(2,000)	-40.0%
6 Court Interest	5,967	4,540	5,000	5,000	6,000	1,000	20.0%
7 Court Cost Recoopment	4,501	4,302	4,000	4,000	5,000	1,000	25.0%
8 Court Mand. Insurance Costs	1,872	2,544	2,400	9,000	9,000	6,600	275.0%
9 Court Other Fees	3,518	659	675	1,225	2,275	1,600	237.0%
10 Total Municipal Court Revenue	114,777	112,563	109,521	122,305	193,275	83,754	176.5%

Cable Franchise Fees and Business Licenses are collected from a 5% cable franchise fee. Business license revenue helps cover the cost of public safety.

Cable Franchise & Bus. License Revenue	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
1 Cable Franchise Fees	62,438	67,171	66,000	76,000	76,000	10,000	15.2%
2 Business License	21,995	23,090	22,000	23,000	23,500	1,500	6.8%
3 Total Cable Fran/Busin. License	84,433	90,261	88,000	99,000	99,500	11,500	13.1%



Historical Destination Restaurant – The Black Diamond Bakery

Other General Fund Revenue sources include parking fees at Lake Sawyer, passport revenue, gym rental, the cemetery, and allocation of revenue from other city funds, for General Fund services and supplies. The State has changed the accounting of allocations to credit the expenditure side of the budget, and is the reason for the decrease.

Other General Fund Revenue		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
1	Passport Revenue	20,534	19,319	21,900	19,550	22,150	250	1.1%
2	Lake Sawyer Parking Fees	21,536	24,214	25,000	22,500	25,000	-	0.0%
3	Gym Rental -Teen Programs	-	4,627	7,500	6,800	7,500	-	0.0%
4	Gym Rental- Jazzercise Contract	-	2,203	2,440	2,200	2,440	-	0.0%
5	Cemetery Revenue	10,371	6,267	12,600	9,000	12,600	-	0.0%
6	Other Charges for Service	784	6,755	4,000	3,263	1,400	(2,600)	-65.0%
7	Central Service Allocation			20,500			(20,500)	-100.0%
8	General Fund Allocation			55,000			(55,000)	-100.0%
9	Animal Control Refund						-	
10	Interest and Other Reimbursements	7,108	37,382	2,500	6,700	7,450	4,950	198.0%
11	Total Other Gen Fund Revenue	60,332	100,765	151,440	70,013	78,540	(72,900)	-48.1%

Funding Agreement revenue includes the General Fund portion of the Funding Agreement of ongoing costs in 2017.

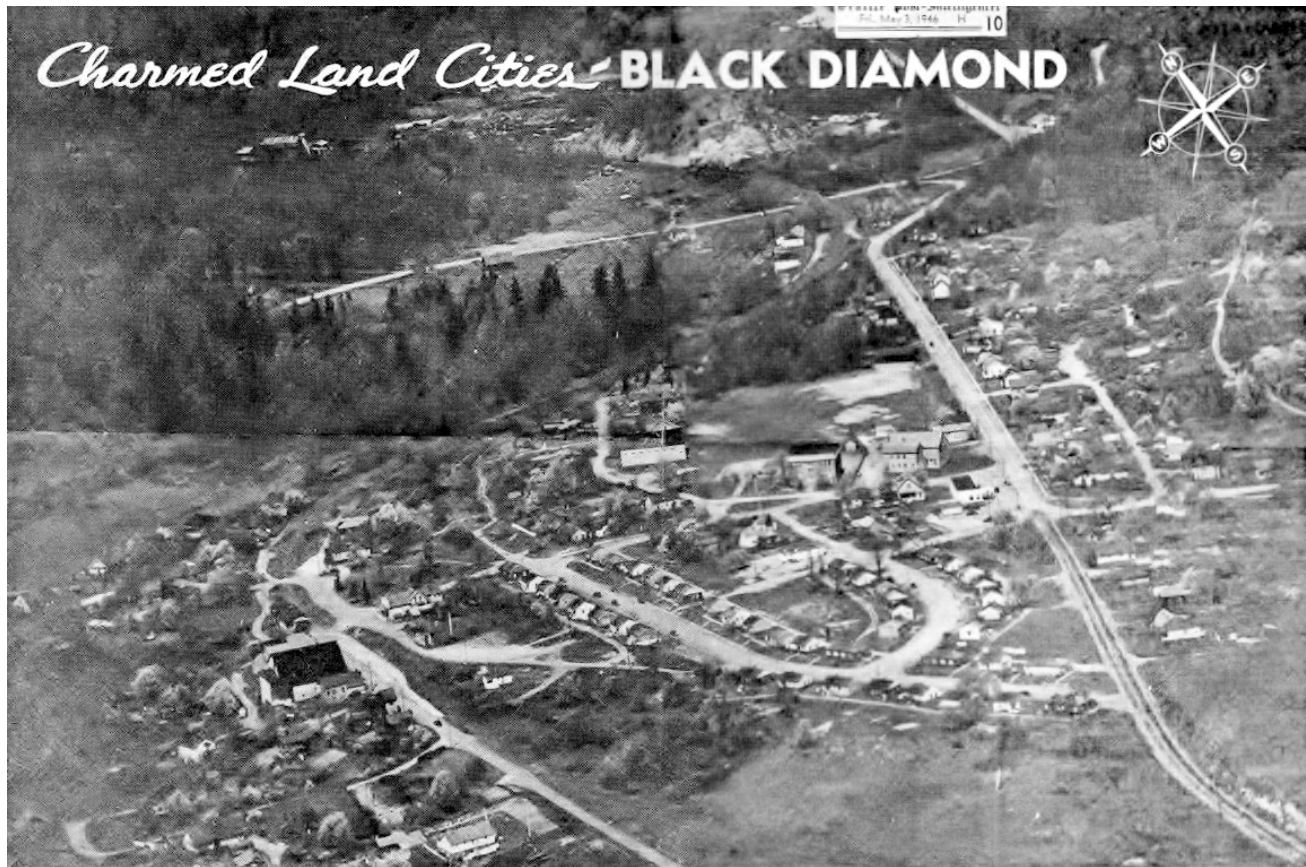
Funding Agreement Revenue		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
1	Partner - Funding Agreement	1,328,939	764,250	822,497	726,000	829,475	6,978	0.8%
2	Total General Fund Oper REV	4,366,819	3,997,352	4,065,842	4,212,281	4,517,018	451,176	11.1%

MPD SEPA Revenue		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
3	Miscellaneous Reimbursement	96,496	198	10,000			(10,000)	-100.0%
Funding Agreement Consultant REV		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
4	MDRT-Civil Engineering Reimburse	243,827	310,115	250,000	250,000	250,000		
5	MDRT-Legal Reimbursement	20,001	47,937	50,000	50,000	50,000		
6	MDRT-Traffic Reimbursements	14,050	(11,400)	30,000	30,000	30,000		
7	MDRT- Environmental Reimbursement	13,507	22,733	30,000	30,000	30,000		
8	MDRT-Hearing Exam-Pim Plat	377	16,724	30,000	30,000	30,000		
9	MRDT-Geotech Reimbursement	6,331	3,660	25,000	25,000	25,000		
10	MDRT-CH2M Hill	-	70,695					
11	MRDT-Surveyor Reimbursement	-	7,385	20,000	20,000	20,000		
12	MDRT-Fiscal Reimbursements	26,037	731	3,000	3,000	3,000		
13	Total MDRT Consultants/SEPA Rev	420,626	468,780	448,000	438,000	438,000	(10,000)	-2.2%

The MDRT Consultant costs are 100% reimbursed by the MDRT Developer.

Total General Fund Sources

	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
Grand Total General Fund Revenue	5,730,772	5,498,759	5,586,502	5,855,657	6,258,371	671,869	12.0%



General Fund Expenditures by Department

Legislative – City Council

This department budget supports the five Councilmembers who are elected to serve four-year terms at large, and represent all Black Diamond residents.

The City Council accomplishes City business during regular meetings and work studies each month. Council duties include approving the annual budget, authorizing inter-local agreements and contracts and deliberating on and passing ordinances and resolutions to set City policies. Four Councilmembers receive a stipend of \$160 per month, and the Mayor Pro Tem receives \$200 per month.

Legislative - City Council	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Bdgt \$ Chg inc / (dec)	Bdgt % Chg inc / (dec)
Wages	9,880	10,080	10,080	10,080	10,080	-	
Benefits	821	830	831	835	835	4	0.5 %
Subtotal Salaries and Benefits	10,701	10,910	10,911	10,915	10,915	4	0 %
Services	1,081	1,076	4,800	4,485	4,900	100	2.1 %
Total Department	11,782	11,986	15,711	15,400	15,815	104	0.7 %

The budget for the Council increased \$104 in 2017.

Executive – Mayor's Office

The Mayor is the Chief Executive Officer of Black Diamond and is directly elected by popular vote by the citizens of Black Diamond for a four-year term. Mayoral duties include overseeing City administration, presiding over all meetings of the Council, signing and enforcing all ordinances, appointing and removing appointed officials, signing contracts entered into by the City, and representing the City in meetings and events held outside of Black Diamond.

The Mayor is paid a stipend of \$1,000 per month. Other costs include travel and fees for the Association of Washington Cities Annual Conference and Mayor's Exchange.

Executive	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Bdgt \$ Chg inc / (dec)	Bdgt % Chg inc / (dec)
Wages	12,000	12,000	12,000	12,000	12,000	-	
Benefits	1,001	1,055	1,068	1,068	1,077	9	0.8 %
Subtotal Salaries and Benefits	13,001	13,055	13,068	13,068	13,077	9	0.1 %
Supplies	8	-	-				
Services	1,497	1,961	2,050	2,050	1,800	(250)	-12.2 %
Total Department	14,507	15,016	15,118	15,118	14,877	(241)	-1.6 %

City Clerk/Human Resources

The City Clerk and Human Resource office is responsible for managing the City's official records, including retention, archival and destruction, and processing all requests for public records; oversight of Council meetings, including agenda development and transcribing the official minutes; providing legal notices to the public regarding City business; coordinating elections; maintaining personnel files, interpretation of personnel policies and procedures, supporting the recruiting process, business licensing and also maintaining and developing the City's website.

This department includes the City Clerk/Human Resources Manager, Deputy City Clerk and a 5% allocation of the Administrative Assistant 2. Also reflected in this budget are service expenses for voter costs of \$26,800, code updates at \$3,500, postage for passports, insurance, training, advertising and other Clerk related expenditures.

The City Clerk/HR position is 50% reimbursed per the funding agreement.

City Clerk / Human Resources	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/ (dec)	Bdgt % Chg inc/ (dec)
Wages	140,270	124,197	133,602	133,602	106,594	(27,008)	-20.2%
Benefits	63,176	64,043	65,924	57,289	48,431	(17,493)	-26.5%
Subtotal Salaries and Benefits	203,445	188,239	199,526	190,891	155,025	199,526	100%
Supplies	70	255	200	200	200	-	
Services	16,603	26,657	27,862	16,409	35,203	7,341	26.3%
Total Department	220,119	215,151	227,588	207,500	190,428	(37,160)	-16.3%

The City Clerk/HR's budget declined by 16.3% due to the City Clerk allocation of 30% of Salaries and Benefits to Street, Water, Sewer and Stormwater Funds.

Finance

The Finance Department is responsible for safeguarding the City's assets by insuring maximum utilization of revenues, providing financial support to City departments and recording and reporting accurate and timely financial information to the State, elected officials and to the citizens of Black Diamond.

This Department provides the services of financial planning and reporting, accounting, accounts receivable, accounts payable, payroll processing, cost accounting, utility tax collections, cash and investment management and debt service. Finance prepares the Annual Budget, the Comprehensive Annual Financial Report, Capital Improvement Plan, reports and monthly financial updates.

The Finance Director leads the department. There is also a Deputy Finance Director and a Senior Accountant. The Finance staff is allocated partially to the Utility Funds.

Finance	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/ (dec)	Bdgt % Chg inc/ (dec)
Wages	216,760	171,634	173,466	173,466	186,291	12,825	7.4%
Benefits	36,560	30,565	32,652	36,200	44,729	12,077	37.0%
Allocations	-	(35,769)	(35,000)	(35,000)	(30,000)	5,000	-14.3%
Subtotal Salaries & Benefit:	253,321	166,430	171,118	174,666	201,020	29,902	17.5%
Supplies	272	111	300	300	300	-	0%
Services	14,559	9,460	9,596	20,034	11,453	1,857	19.4%
Total Department	268,152	176,002	181,014	195,000	212,773	31,759	17.5%

The increase in salaries and benefits is primarily due to the part time Senior Accountant position conversion to full time. The Funding Agreement reimburses Finance \$10,000 for the support the department provides the MDRT team. The Finance Director and Deputy Director are allocated \$20,000 for capital projects, CIP management and WSFFA.

Information Services

The City contracts for technology services with the City of Milton at a significant cost savings from prior years. Tech support is budgeted for \$41,900 in 2017, an increase of \$10,735 from the 2016 budget. This increase is due to one additional day per week needed to implement CIP Technology upgrades.

Information Technology	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
Wages							
Benefits	(99)						
Subtotal Salaries and Benefits	(99)	-	-				
Supplies	39						
Services	45,718	27,739	31,175	32,510	41,910	10,735	34.4%
Total Department	45,659	27,739	31,175	32,510	41,910	10,735	34.4%

The Information Technology specialist is putting in extra time at the City. There are some major server project change outs and upgrades scheduled for 2017, as was identified in the Capital Improvement Program this year.

Legal Department

The City Attorney provides civil legal service, preparing and review of ordinances and other legal documents to which the City is a party, maintaining up-to-date legal research materials including pending and adopted state legislation with municipal impact and personnel matters. A percentage of legal costs are shared with the MDRT, Street and Utility Fund budgets. The Legal Department's budget has gone up in 2017 largely due to legal rate increases, union contract costs and an increase in public disclosure requests.

Legal	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
General Government	41,442	17,889	30,000	44,500	60,000	30,000	100%
Employment	15,538	2,135	5,000		5,000	-	0%
Union Negotiation	46,270	25,543	5,000	15,000	25,000	20,000	400%
Public Disclosure	7,344	2,380	5,000	7,500	10,000	5,000	100%
Other Legal	122,263	44	10,000	13,000	10,000	-	0%
Total Department	232,857	47,992	55,000	80,000	110,000	55,000	100%

Municipal Court

The Black Diamond Municipal Court operates adjacent to the Police Department on Lawson Street, and is a court of limited jurisdiction. From 2011 to 2015, the Court has averaged 1,064 filings per year. In 2016, the Court has seen a significant increase in cases filed. As of August, there have been 1,470 filings with a projected total of over 2,200. This includes both criminal and noncriminal cases. These cases involve infractions, misdemeanors and gross misdemeanors. Other matters such as felony cases are filed and disposed of in King County Superior Court.

Court is in session, and is open to the public the 2nd and 4th Wednesday of each month. Budget for the Court includes contracted services provided by a Judge, one full time Court Administrator and an increase in budget from a part time on-call Court Clerk to a full time position to support the increased volume of filings. Budget is also provided for security and other miscellaneous expenses such as interpreters, office supplies and training.

Municipal Court	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/ (dec)	Bdgt % Chg inc/ (dec)
Wages	72,532	86,355	87,939	87,930	128,544	40,605	46.2%
Benefits	21,100	24,547	26,202	25,820	47,105	20,903	79.8%
Subtotal Salaries and Benefits	93,632	110,902	114,141	113,750	175,649	61,508	53.9%
Supplies	1,525	1,579	2,600	2,600	2,600	-	0%
Services	13,659	18,016	18,028	19,050	19,792	1,764	9.8%
Protem Judge	24,000	24,000	24,000	20,000	24,000	-	0%
Police Security OT	7,128	8,966	10,000	10,000	10,000	-	0%
Total Department	139,944	163,463	168,769	165,400	232,041	63,272	37.5 %

Court Legal	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/ (dec)	Bdgt % Chg inc/ (dec)
Court Legal-Pros Attorney	24,000	24,000	24,000	24,000	24,000	-	
Court Legal-Public Defender	37,000	30,250	36,000	36,000	36,000	-	
Public Defender-Interpreters	-	-	500	500	500	-	
Public Defender - Investig.	-	-	750	750	750	-	
Total Department	61,000	54,250	61,250	61,250	61,250	-	



Mine Rescue Team

Police Department

Black Diamond Police Vision

With our values at the forefront, the Black Diamond Police Department will be an open, friendly, and community-minded organization devoted to quality public service. We aspire to be a model of character and service. We will emphasize the development of professional knowledge and leadership skills at every level of our organization. We will promote an atmosphere of public trust and confidence through professional conduct, being responsive to community needs, and accountable to those we serve.

Black Diamond Police Mission Statement

The Black Diamond Police Department will strive to maintain the trust and confidence of our citizens through proactive policing and demonstration of our core values.

In May of 2016, Safe Wise listed Black Diamond as the 9th safest city in Washington State; up from 22nd from 2015. A key component of how we keep our crime rate low is taking a proactive approach to crime prevention and being highly visible within the community.

Other responsibilities in our department include proactive crime prevention tactics, problem-solving in a collaborative manner with community groups, crime reduction action plans, criminal investigations, traffic enforcement, accident investigations, traffic school education, reserve officer program, and instruction of the DARE program.

The 2017 budget request includes filling one frozen officer position. This new position will serve primarily as a commercial vehicle enforcement/traffic officer.

Police Department	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/ (dec)	Bdgt % Chg inc/ (dec)
Wages	954,202	874,826	928,973	848,842	1,011,189	82,216	8.9%
Benefits	332,946	316,796	339,944	360,000	423,124	83,180	24.5%
Subtotal Salaries and Benefits	1,287,148	1,191,622	1,268,917	1,208,842	1,434,313	165,396	13.0%
Supplies	50,726	36,890	51,000	45,000	45,700	(5,300)	-10.4%
Services	79,165	86,381	79,469	89,000	88,823	9,354	11.8%
Safety Equipment	17	7,760	1,500	1,000	2,500	1,000	66.7%
Jail Costs	39,324	64,295	53,500	46,000	43,000	(10,500)	-19.6%
Building Maintenance	22,588	20,653	23,485	24,500	23,460	(25)	-0.1%
Civil Service	1,129	1,036	3,100	10,158	7,000	3,900	125.8%
Communications	134,570	164,478	179,301	185,000	207,784	28,483	15.9%
Marine	19,540	11,485	14,500	14,700	15,400	900	6.2%
Criminal Justice	18,584	21,620	25,700	25,800	29,500	3,800	14.8%
Total Department	1,652,792	1,606,221	1,700,472	1,650,000	1,897,480	197,008	11.6%

Police Calls for Service

2011	2012	2013	2014	2015	2016 thru July
2095	2220	2466	2503	2989	2042

Communications

Communications is broken down into several categories including, Valley Communications costs (dispatch, MDC, net motion, access charges), King County 800 MHz radio cost, Auburn's monitoring of after-hours WSP access, telephone, cell phone, DSL, King County I-Net, WSP Access (this is going from \$178.00 to \$200.00, effective Jan. 1st, 2017), postage, and King County Maintenance and Repair (which covers both in-car radios and portables), cell phones (which now serve as our "hot spot" connectivity to MDC-Internet). I estimate 2-3 antennas (\$31.00/each) and 2-3 batteries (\$34.00/each) and clips. The 2017 costs are estimated to be \$40.79 and 2018 increasing to \$42.75.

Jail Services-Prisoners and Detention

The Jail Service budget covers the cost of confinement, electronic home monitoring, work crew, and medical costs associated with offenders serving time through Black Diamond Municipal Court. Our primary booking facilities are the Enumclaw Jail (daily rate of \$60.00), Issaquah (daily rate of \$97.00/no booking fee) and the SCORE Jail. SCORE Jail charges daily rates of \$157 per prisoner. The King County Correctional Facility (KCCF) is used as a back-up facility. In addition, prisoners who have certain medical conditions, such as mental health concerns or who pose an unusual danger to themselves or others are booked into the KCCF (2017 rates are \$188.33 daily fee plus booking fee of \$193.90). Yakima County is currently used for long term sentences only. Yakima's current contract rate is a daily rate of \$54.75.

The Court continues to utilize alternatives to incarceration where appropriate. The City currently has a contract with King County work crew. The City also utilizes several home monitoring companies for those who are sentenced to those conditions. The City will continue working with the courts to insure that these alternatives are being used for any eligible offenders.



1910 Black Diamond Jail - restored and displayed at the Black Diamond Museum

Fire Department

The City of Black Diamond contracts with Mountain View Fire and Rescue, formerly King County Fire District No. 44, for fire services. The department's responsibilities include providing a minimum of two personnel on duty 24 hours a day, seven days a week in Black Diamond and providing rescue, fire suppression, fire prevention, fire marshal services, emergency medical services, disaster services, hazardous materials response, dispatch services, administrative services and public education activities to citizens. Fire investigation services are contracted through the King County Sheriff's Department. The 4 percent increase in the 2017 budget recognizes cost of living increases agreed to in the 2008 Interlocal Agreement between the City and Fire District.

Fire Department	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/ (dec)	Bdgt % Chg inc/ (dec)
Fire District 44 Services	449,912	460,710	495,011	495,011	514,825	19,814	4.0%
KC Fire Investigation	1,715	1,214	2,000	2,000	2,000	-	0%
Fire Annexation Study			25,000			(25,000)	-100%
Other Operating Costs	2,869	3,224	3,364	3,389	18,080	14,716	437.5%
Total Department	454,496	465,148	525,375	500,400	534,905	9,530	1.8%



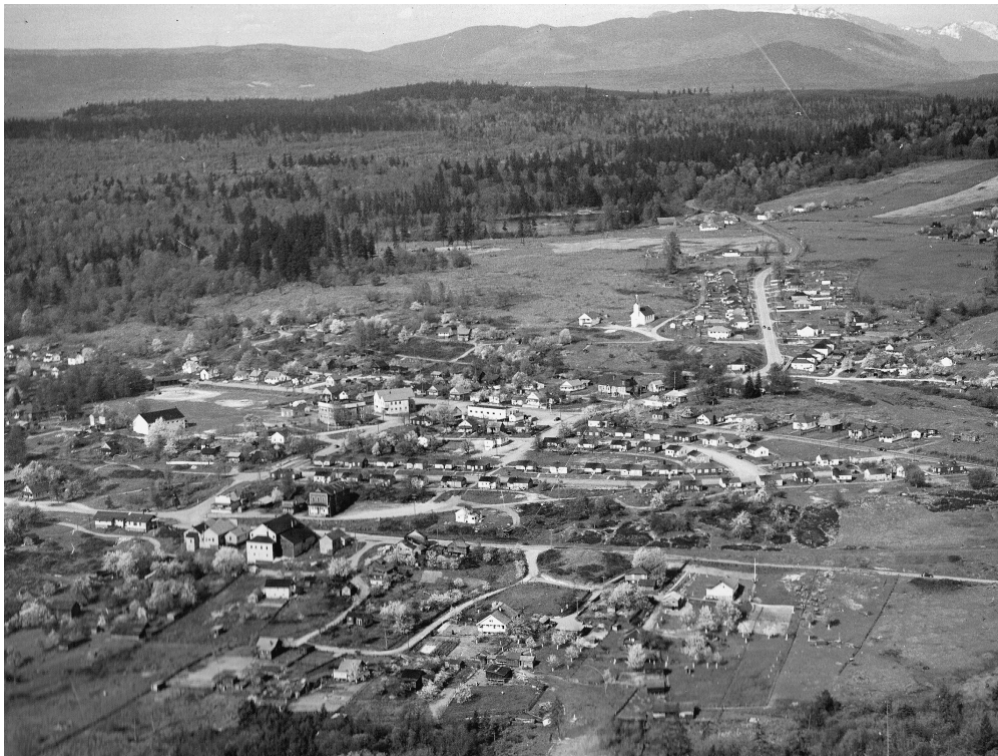
The Franklin Hotel burned down in 1919

Emergency Management includes the purchase of emergency supplies and emergency training for employees.

Emergency Management	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/ (dec)	Bdgt % Chg inc/ (dec)
Supplies	184	277	2,500		2,500	-	
Training	-	-	2,500	2,000	2,600	100	4.0%
Total Department	184	277	5,000	2,000	5,100	100	2.0%

Special Programs Animal Control costs are paid to King County for services to Black Diamond. The King County Mental Health program includes chemical abuse and dependency services that are partially funded with a 2% portion of quarterly liquor profits, and liquor excise tax revenue from cities in the county. The Puget Sound Clean Air Assessment is a per capita fee paid to this agency for the protection of air quality in the area. The Recycle Program is 100% funded through King County's Solid Waste Division, and includes a grant for recycling events and educational materials.

Special Programs	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/ (dec)	Bdgt % Chg inc/ (dec)
Animal Control	9,293	10,795	10,000	10,000	7,000	(3,000)	-30.0%
Puget Sound Clean Air Assess	2,262	2,910	3,111	3,111	3,111	-	0.0%
KC Mental Health	845	962	1,000	1,000	1,200	200	20.0%
Recycling Program	14,944	14,991	18,055	18,055	13,055	(5,000)	-27.7%
Total Department	27,344	29,658	32,166	32,166	24,366	(7,800)	-24.2%



1946 Aerial Photo of Black Diamond

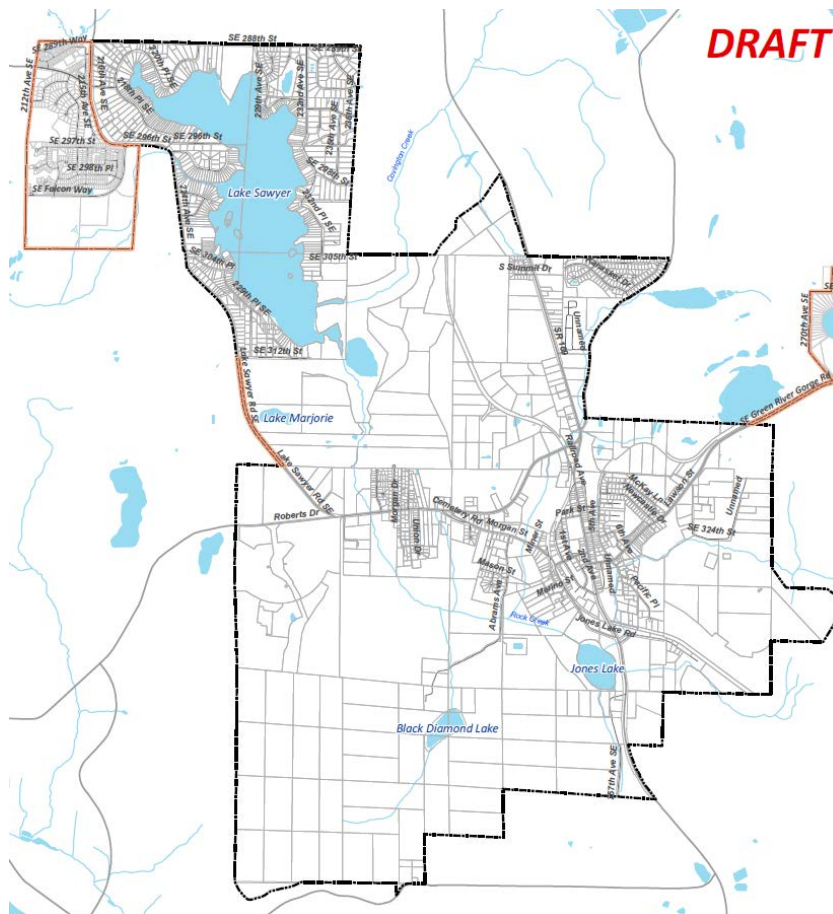
Community Development

This department provides for the City's long-range planning, and land use and building permitting functions. The department also provides staffing to the City Planning Commission and performs code enforcement activities to address nuisances, code violations, and other issues. The department consists of a Director and a part-time Permit Technician. The City entered into a cost-saving interlocal (ILA) agreement with Maple Valley for building and planning services. Our City's share of the budget in 2017 is \$100,000 for the Building Official and \$10,000 for a shared Plans Examiner.

The 2017 budget increased with a full time onsite Planner, as well as another full time Permit Technician. Increased building activity as well as inspections for the Black Diamond Elementary School requires the increased budget.

Community Development	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/ (dec)	Bdgt % Chg inc/ (dec)
Permitting							
Wages	46,824	48,310	53,477	41,000	151,904	98,427	184.1%
Benefits	9,974	11,182	12,870	12,000	48,966	36,096	280.5%
Allocations					(30,000)		
Subtotal Salaries and Benefit	56,798	59,491	66,347	53,000	170,870	134,523	202.8%
Supplies	1,341	776	1,450	1,450	1,650	200	13.8%
Services	17,324	15,340	18,884	17,397	32,625	13,741	72.8%
Building Official (ILA)	28,208	33,800	48,000	48,000	100,000	52,000	108.3%
Plans Examiner (ILA)	17,615	12,333	40,000	38,000	10,000	(30,000)	-75.0%
Total Permitting	121,286	121,740	174,681	157,847	315,145	35,941	20.6%
Planning							
Wages	18,207	29,356	35,166	26,000	95,678	60,512	172.1%
Benefits	7,937	10,151	12,097	12,097	51,929	39,832	329.3%
Subtotal Salaries & Benefits	26,145	39,507	47,263	38,097	147,607	100,344	212.3%
Supplies	809	749	800	800	800	-	
Services	11,991	7,351	3,580	3,580	12,056	8,476	236.8%
General Govt Planner	52,233	91,415	95,000	81,000		(95,000)	-100.0%
Total Planning	91,177	139,021	146,643	123,477	160,463	(86,524)	-59.0%
Hearing Examiner	709	-	5,000	2,000	5,000	-	
Total Department	213,172	260,762	326,324	283,324	480,608	154,284	47.3 %

Black Diamond Planning Area



Master Development Review Team

This department was established to provide specific focus on the Master Planned Developments. There are two developments, The Villages (Ten Trails) and Lawson Hills. The Review Team is 100% funded by the Developer to remove the financial burden from the City and to provide staff to review and process applications and permits for the developments.

The Master Development Team also works closely with consultants hired to assist with financial analysis, civil and traffic engineering, environmental, surveying and geotechnical services. Their services are used to provide consulting and review of the Master Plan Developments according to the Development Agreements. The budget increased in 2017 due to the Senior Planner vacancy going from 75% full time to full time. The budget also includes overtime for the Building Inspector and for the MDRT Director. Not included in this budget is \$80,500 for the Clerk/HR position (tier 2).

MDRT Team	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
Wages	224,141	296,690	349,817	363,817	455,514	105,697	30.2%
Benefits	89,548	123,987	177,640	177,640	174,904	(2,736)	-1.5%
Subtotal Salaries and Benefits	313,689	420,677	527,457	541,457	630,418	102,961	19.5%
Supplies	2,943	2,439	5,500	5,500	5,500	-	
Services	66,867	26,577	53,173	33,173	36,190	(16,983)	-31.9%
Computers/Vehicles	-	33,483	-			-	
Building Maintenance	59,432	53,354	71,195	76,900	76,867	5,672	8.0%
Total Department	442,931	536,530	657,325	657,030	748,975	91,650	13.9%
MDRT Consultants	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
Planning Services		55,233				-	
Legal Services	26,289	44,811	50,000	50,000	50,000	-	
Henderson & Young	25,757	-	3,000	3,000	3,000	-	
RH2 Engineering	278,325	266,740	250,000	250,000	250,000	-	
Parametrix	13,943	5,929	30,000	30,000	30,000	-	
Perteet	19,168	19,563	30,000	30,000	30,000	-	
SubTerra	6,331	4,740	25,000	25,000	25,000	-	
Survey Parmetrix	1,051	6,620	20,000	20,000	20,000	-	
CH2M Hill UTRC	53,530	17,165		-	-	-	
MDRT Environmental Consultant-	2,210	14,892	30,000	30,000	30,000	-	
Total Department	426,603	435,693	438,000	438,000	438,000	-	
Funding Agreement SEPA	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
EIS SEPA Legal	-	-	10,000			(10,000)	-100%
MPD Villages & Lawson	4,938	44	-				
Gen Govt Facility Study-Makers	55,168	-	-				
Prof. Planning Services	5,000	-	-				
Total Department	65,105	44	10,000	-	-	(10,000)	-100.0%
Total MDRT Budget	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
Total MDRT	934,639	972,267	1,105,325	1,095,030	1,186,975	81,650	7.4%

Parks Department

The Parks Department operates and maintains the following amenities: a basketball court, tennis court, skate park, 3 picnic areas, a boat launch, 5 coal car City entry monuments, BMX bike track, swimming area, 143 acres of passive lake front park with trails, City center viewing park, Historical monument park, 2 playground facilities and landscaping around the police building. The Park Department provides the insurance, utilities and maintenance for the Recreation Center (gym) and utilities plus insurance coverage for the local museum. Costs associated with the ownership of resource lands also falls to the Park Department. The Public Works staff provides the administration and planning functions for the Park Department. Small increases in supplies and services, with a reduction in Gym costs resulted in a 1.8% overall increase to the Parks Budget in 2017.

Parks	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/ (dec)	Bdgt % Chg inc/ (dec)
Wages	14,606	15,848	24,104	24,104	24,360	256	1.1%
Benefits	5,134	6,249	8,172	8,172	8,699	527	6.4%
Subtotal Salaries and Benefits	19,740	22,097	32,276	32,276	33,059	783	2.4%
Supplies	5,985	4,026	5,868	5,868	7,153	1,285	21.9%
Services	14,672	14,694	13,062	13,056	14,819	1,757	13.5%
Gym Costs	2,502	9,109	11,316	10,716	8,506	(2,810)	-24.8%
Museum Costs	7,394	7,315	7,551	8,000	7,826	275	3.6%
Total Department	50,293	57,241	70,073	69,916	71,363	1,290	1.8%

Black Diamond Cemetery

Black Diamond Historical Cemetery is located in Black Diamond. The cemetery was founded in 1884. It sits on Cemetery Hill Road, off Roberts Drive, hidden by a row of trees.

The earliest gravestone dates back to 1880 and now contains over 1100 graves. The tombstones show cultural diversity and tragedy that existed in town when coal mining was at its peak. At least half a dozen graves belong to those of mine workers who died in explosions in 1902, 1910 and 1915. Graves mark residents who came from countries such as Italy, Australia, Russia and Germany. A Civil War veteran was laid to rest there, as well as children who died in the early 1900s due to epidemics of small pox and influenza.

The City operates and maintains the historic Black Diamond Cemetery. This involves coordinating burials, sale of plots, providing physical burial, and maintaining the grounds. The burial fees are set to cover the costs associated with the services. The cemetery is supported by the General Fund. The Public Works crew mows and trims the cemetery once a week during the heavy grass growing months and once every two weeks or so for the drier months during the growing season. Public Works staff provides the planning and administration services for the Cemetery Department.

Cemetery	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/ (dec)	Bdgt % Chg inc/ (dec)
Wages	9,913	8,792	9,829	9,739	10,292	463	4.7%
Benefits	4,266	4,718	4,333	4,333	4,548	215	5.0%
Subtotal Salaries and Benefits	14,179	13,510	14,162	14,072	14,840	678	4.8%
Supplies	1,819	951	1,932	752	1,845	(87)	-4.5%
Services	1,681	1,805	2,504	1,916	2,266	(238)	-9.5%
Total Department	17,680	16,266	18,598	16,740	18,951	353	1.9%

Facilities and Grounds Department

The City of Black Diamond's Facilities Department is responsible for the long term planning of the City's building and equipment needs and to handle the daily needs of all departments in repair, replacement and installation of fixtures, furniture, equipment and two vehicles.

Facility Department 181	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
Wages	58,856	57,108	57,114	57,114	57,236	122	0.2%
Benefits	23,732	20,898	21,971	21,971	18,600	(3,371)	-15.3%
Subtotal Salaries and Benefits	82,588	78,006	79,085	79,085	75,836	(3,249)	-4.1%
Supplies	1,432	1,362	1,785	2,285	2,016	231	12.9%
Services	5,760	9,515	5,414	5,888	8,100	2,686	49.6%
Allocation (staff & vehicle)		(2,603)	(38,408)	(38,408)	(34,380)	4,028	-10.5%
Total Department	89,780	86,280	47,876	48,850	51,572	3,696	7.7%

Facility Buildings & Equipment 254	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/(dec)	Bdgt % Chg inc/(dec)
Building Rental	107,491	27,998	76,625	76,625	77,600	975	1.3%
Other Leases & Maintenance	53,973	35,597	36,412	35,912	35,141	(1,271)	-3.5%
Communications	8,340	47,329	6,963	6,963	6,963	-	
FF&E Allocation Credit	(111,344)	(65,650)	(46,800)	(46,800)	(46,683)	117	-0.3%
Total Department	58,461	45,273	73,200	72,700	73,021	(179)	-0.2%



Black Diamond Show Hall

Central Services

Central Services provide the budget that captures shared costs for General Fund departments, including office and operating supplies, software maintenance costs, copier costs, postage, advertising, utilities, custodial services, building insurance, credit card and banking fees. Costs that benefit a variety of departments are paid from Central Services and then allocated through cost allocations.

Central Services	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/ (dec)	Bdgt % Chg inc/ (dec)
Supplies	7,017	7,026	7,700	5,602	7,600	(100)	-1.3%
Services	21,241	13,123	14,489	12,517	15,393	904	6.2%
Allocations & Misc.	(17,797)	(11,605)	9,164	(10,119)	(10,597)	(19,761)	-215.6%
Economic Development	1,008	950	1,000	1,000	1,250	250	25.0%
Total Department	11,469	9,493	32,353	9,000	13,646	(18,707)	-57.8%

Former Departments	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/ (dec)	Bdgt % Chg inc/ (dec)
Natural Resources	76,382						
Administration (city manager)	117,435						
Total Department	193,817						

The budget for Natural Resources and for a City Administrator was eliminated in 2015 and 2016. The actual costs for 2014 included only a partial year of those positions.

Gen Fund Totals & Ending Balances	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimated Year End	2017 Prelim Budget	Bdgt \$ Chg inc/ (dec)	Bdgt % Chg inc/ (dec)
Total GF Operating Exp	4,698,145	4,260,485	4,692,387	4,552,304	5,237,080	544,693	11.6%
End Cash & Invest Gen Govt	842,526	1,045,376	734,115	1,178,353	896,291	162,176	22.1%
End Cash & Invest Developer	190,103	192,700	160,000	125,000	125,000	(35,000)	-21.9%
Grand Total GF Uses	5,730,774	5,498,561	5,586,502	5,855,657	6,258,371	671,869	12.0%



Black Diamond School and Children 1909

Special Revenue Funds

These are funds established by governments to collect money that must be used for a specific project. Special Revenue Funds provide an extra level of accountability and transparency to taxpayers that their tax dollars will go toward an intended purpose.



WASHINGTON STATE HISTORICAL SOCIETY
Recognize this Historic Building?

Street Fund

Street Department responsibilities include maintaining, planning and upgrading public streets and sidewalks. Major maintenance activities include maintaining the street signs, pavement stripes and markings, roadside brush, trees and vegetation control, street lights, pavement, signals, sidewalks and shoulder grading. Other activities include managing the right of way, street capital planning, seeking grant funds and addressing traffic safety issues.

Revenues from gas tax and Transportation Benefit district (TBD) car tab fees are the primary sources of funds for the Street Department. All cities struggle to pay for street maintenance costs, as shared gas tax revenue does not keep pace with the costs. In recent years, including 2016, the Street Fund had required a transfer of Real Estate Excise Tax (funds for street improvement projects) to maintain the city's roads and sidewalks. Beginning in mid-2015, the city created a Transportation Benefit District (TBD), which receives \$20 per car registered to Black Diamond residents or businesses. This money is required to be used exclusively for road maintenance and operations and has eliminated the need for REET subsistence.

The 2017 budget increased primarily due to increased maintenance costs and a reduction in allocations to capital projects.

Revenue - Street Fund 101		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
1	Beginning Cash and Inv - Reserved	186,952	153,589	111,645	118,374	132,546	20,901	18.7%
3	Gas Tax	86,017	88,081	90,594	90,672	94,193	3,599	4.0%
4	Right of Way Permits	8,416	15,237	15,000	7,500	15,000	0	0.0%
5	Other Permits and Misc. Revenue	2,562	3,119	1,740	7,000	7,800	6,060	348.3%
6	Subtotal Operating Revenue	96,995	106,437	107,334	105,172	116,993	9,659	9.0%
7	Transfer in-REET 2	50,000	50,000	50,000	50,000	0	(50,000)	-100.0%
8	Transfer in- Trans Benefit Dist. - Car Tab Fee			60,000	60,000	100,000	40,000	66.7%
9	Subtotal Other Revenue	68,660	68,654	110,000	110,000	100,000	(10,000)	-9.1%
10	Total Revenue	165,655	175,091	217,334	215,172	216,993	(341)	-0.2%
11	Total Street Fund Sources	352,607	328,681	328,979	333,546	349,539	20,560	6.2%

Expenditures - Street Fund 101		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
12	Wages and Benefits	112,700	124,269	102,040	114,419	119,676	17,636	17.3%
13	Supplies	4,939	5,493	10,347	2,500	12,155	2,459	23.8%
14	Services and Charges	71,378	70,545	92,904	74,525	96,379	3,475	3.7%
15	Subtotal Operating Expenditures	189,017	200,307	205,291	191,444	228,210	22,919	11.2%
16	Transfer for Equipment CIP	10,000	10,000	10,000	10,000	10,000	0	0.0%
17	Subtotal Expenditures	199,017	210,307	215,291	201,444	238,210	22,919	10.6%
18	Three Months Cash and Investments	49,754	52,577	53,823	50,361	59,553	5,730	10.6%
19	Unreserved C & I Balance	103,835	65,797	59,865	81,741	51,777	(8,089)	-13.5%
20	Ending Cash and Inv - Reserved	153,589	118,373	113,688	132,102	111,329	(2,359)	-2.1%
21	Total Street Fund Uses	352,607	328,681	328,979	333,546	349,539	20,560	6.2%

Fire Impact Fee Fund

Per City Ordinance 12-980, Fire Impact Fees are charged to new development and building expansions within the city limits. For a new residential home in Black Diamond, the fee is \$1,783.13.

The implementation of the fee came after a 2011 Fire Impact Fee Study, which developed the methodology and to ensure compliance with Washington laws and city code. Future capital costs will be funded with a combination of impact fees and city funds.

Revenue - Fire Impact Fees 107		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
1	Beg Cash and Inv. - Reserved	10,366	13,616	43,575	48,570	183,770	140,195	321.7%
2	Fire Impact Fees	18,616	19,282	17,830	135,000	71,320	53,490	300.0%
3	Fire Impact Fee Interest Income		306	200	200	400	200	100.0%
4	Transfer In from Fire Eq Repl Fund		15,366					
5	Subtotal fire Impact Fee Revenue	18,616	34,954	18,030	135,200	71,720	53,690	297.8%
6	Total Fire Impact Fee Sources	28,982	48,570	61,605	183,770	255,490	193,885	314.7%

Expenditures - Fire Impact Fees 107		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
7	Transfer out to Fire Equip Fd	15,366	-	-		255,490	255,490	
8	Ending Cash & Inv - Reserved	13,616	48,570	61,605	183,770		(61,605)	-100.0%
9	Total Fire Impact Fee Uses	28,982	48,570	61,605	183,770	255,490	193,885	314.7%



1947 Fire Truck at Saint Barbara's Church

Transportation Benefit District Fund

In order to address declining revenues that support the Street Department, the City established a Transportation Benefit District. The City collects a twenty dollar vehicle license fee pursuant to RCW 36.73.065 and RCW 82.80.140. Currently there are more than 75 TBD districts in Washington State. This revenue supports roadway striping, traffic signage, pothole repair, vegetation removal, street lights, pavement, signals, sidewalks and shoulders among other transportation issues such as safety concerns.

Revenue - Transportation Benefit District Fees 108		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
1	Beginning Cash and Inv - Reserved					7,331	7,331	
2	TBD Car Tab Fees			60,000	67,331	102,000	42,000	70.0%
3	Total TBD Sources	-	-	60,000	67,331	109,331	49,331	82.2%

Expenditures - Transportation Benefit District Fees 108		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
4	TBD Transfer to Street Fund		-	60,000	60,000	100,000	40,000	66.7%
5	Ending Cash and Inv - Reserved				7,331	9,331		
6	Total TBD Uses	-	-	60,000	67,331	109,331	49,331	82.2%



John Davies and his Candy Store at Baker Street and First Ave

Traffic Mitigation Fund

The Traffic Mitigation Fund was created in August 2016 by Resolution 16-1118 for the purpose of receiving funds from the Enumclaw School District, an agreement with the city to contribute a portion of improving four intersections from the impact of a new school in Black Diamond. These improvement projects include intersections at Highway 169 and Roberts Drive, Baker Street, Third Ave and Park Street.

	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
Revenue - Traffic Mitigation Fees 109							
1 Beginning Cash and Inv - Reserved					74,255	74,255	
2 Traffic Mitigation Fees				74,055			
3 Interest on Investments				200	400	400	
4 Total Traffic Mitigation Sources				74,255	74,655	400	

	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
Expenditures - Traffic Mitigation Fees 109							
5 Intersection Improvements					74,655	74,655	
6 Ending Cash and Inv - Reserved				74,255		-	
7 Total Traffic Mitigation Uses				74,255	74,655	74,655	



Black Diamond Garage

Internal Service Funds

This fund is used for operations serving other funds or departments within the city.

Black Diamond has one such fund, Equipment Replacement that collects money from other departments to build up resources to replace capital equipment, such as Police and Fire vehicles as well as Public Works equipment.



Lombardinis Shurfine Market and 76 Gas Station on Roberts Drive

Equipment Replacement Funds

Equipment Replacement Funds include Fire, Public Works and Police equipment replacements. Some examples of equipment are police and fire vehicles, and equipment for parks, street and utility operations.

Fire Equipment

Revenue - FIRE Equipment Replacement 100		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
1	Beginning Cash and Investments	3,507	68,596	48,876	48,117	42,317	(6,559)	-13.4%
2	Interest on Investments	11	95	50	200	200	150	300%
3	Transfer in Fire Impact Fund	15,366	15,366					
4	Transfer in REET 1	69,219		25,000			(25,000)	-100%
5	Subtotal Revenue	84,596	15,461	25,050	200	200	(24,850)	-99.2%
6	Total Fire Equipment Replace Sources	88,103	84,057	73,926	48,317	42,517	(31,409)	-42.5%

Expenditures - FIRE Equipment Replacement 100		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
7	Fire Truck Repairs and Maintenance	4,141	22,573	38,926	6,000	42,517	3,591	9.2%
8	Capital Facility Study			25,000			(25,000)	-100%
9	Fire SCBA air Bottles			10,000			(10,000)	-100%
10	Transfer to Fire Impact Fund		15,366					
11	Subtotal Expenditures	4,141	37,939	73,926	6,000	42,517	(31,409)	-42.5%
12	Ending Cash and Investments	83,962	46,118		42,317		-	
13	Total Fire Equipment Replace Uses	88,103	84,057	73,926	48,317	42,517	(31,409)	-42.5%

The Fire Department equipment budget includes \$42,517 for Fire Truck Repairs and maintenance in 2017.



1947 Fire Truck

Public Works Equipment

Revenue - Public Works Equipment Replacement 200		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
1	Beginning Cash and Investments	153,793	183,501	253,096	208,403	183,503	(69,593)	-27.5%
2	Transfer in Street Fund	10,000	10,000	10,000	10,000	10,000		
3	Transfer in Water Operating	10,000	10,000	10,000	10,000	10,000	-	-
4	Transfer in Sewer Operating	10,000	10,000	10,000	10,000	10,000	-	-
5	Transfer in Stormwater Operating	10,000	10,000	10,000	10,000	10,000	-	-
6	Transfer in REET 2		7,000	7,000	7,000	7,000	-	-
7	Interest on Investments	200	308	200	200	300	100	50%
8	Public Works Surplus	5,600						
9	Subtotal Revenue	45,800	47,308	47,200	47,200	47,300	100	0.2%
10	Total PW Equipment Replace Sources	199,593	230,809	300,296	255,603	230,803	(69,493)	-23.1%

Expenditures - Equipment Replacement 510 200 Public Works		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
11	Mowers - CIP Sewer 6	10,537	6,151	6,000	6,000	15,000	9,000	150.0%
12	Back Hoe Repair- CIP Sewer 6					10,000	10,000	
13	PW Sander/Snowplow			20,000	20,000		(20,000)	-100.0%
14	4 Wheel Drive Truck			50,000	46,100		(50,000)	-100.0%
15	Previous Purchases	5,555	16,255				-	
16	Subtotal Expenditures	16,092	22,406	76,000	72,100	25,000	(51,000)	-67.1%
17	Ending Cash and Investments	183,501	208,403	224,296	183,503	205,803	(18,493)	-8.2%
18	Total PW Equipment Replace Uses	199,593	230,809	300,296	255,603	230,803	(69,493)	-23.1%

The Public Works equipment replacement includes money for mowers and for back hoe repairs.



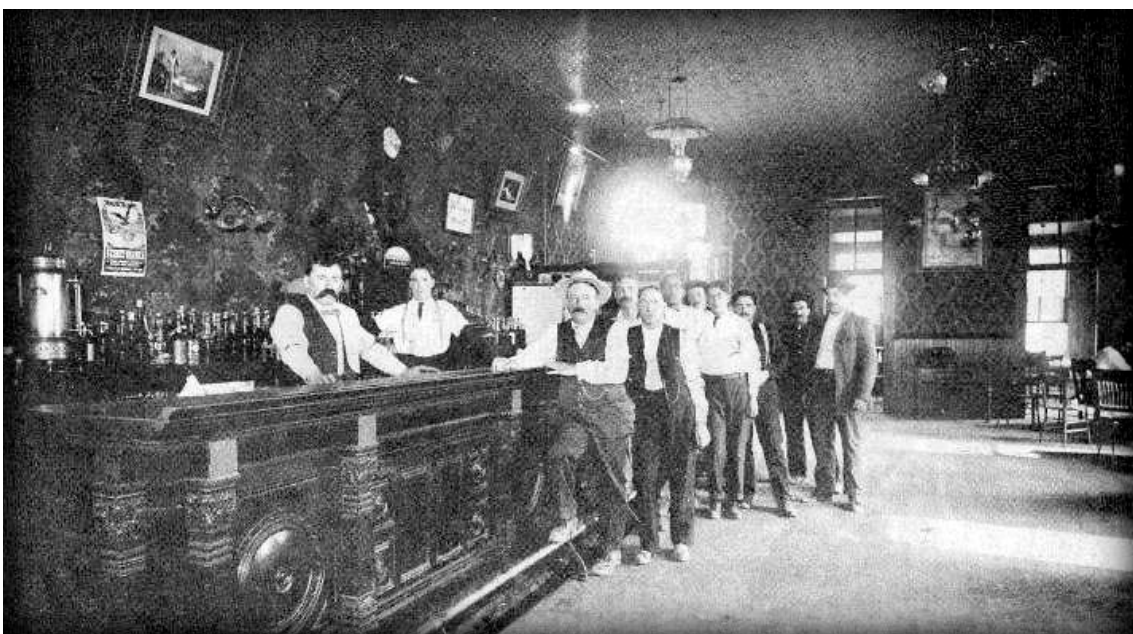
Lake Sawyer log dump, 1928. Courtesy of University of Washington Libraries, Special Collections, C. Kinsey

Police Equipment

Revenue - POLICE Equipment Replacement 300		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
1	Beginning Cash and Investments	21,993	28,296	9,800	26,487	26,087	16,287	166.2%
2	Transfer in REET 1	20,000						
3	Vehicle Conversion Grant - Radar	1,000						
4	Loan from Sewer					160,000		
5	Police Sale of Surplus	1,275				3,000		
6	Interest on Investments	11	41	20	100	150	130	650%
7	Subtotal Revenue	22,286	41	20	100	163,150	163,130	815650%
8	Total Police Equip Replace Sources	44,279	28,337	9,820	26,587	189,237	179,417	1827.1%

Expenditures - POLICE Equipment Replacement 300		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
9	Replace 4 Patrol Cars - CIP L2					179,000	179,000	
10	Surplus Costs Police	50	995	500	500	500	-	0.0%
11	Police Radios	5872		9,320		9,737	417	4.5%
12	Police Vehicle Conversion Costs	10061	855				-	
13	Subtotal Expenditures	15,983	1,850	9,820	500	189,237	179,417	1827.1%
14	Ending Cash and Investments	28,296	26,487		26,087		-	
15	Total Police Equip Replace Uses	44,279	28,337	9,820	26,587	189,237	179,417	1827.1%

The Police Department will replace four aged patrol vehicles in 2017, and money is set aside in 2017 for the Police radio 750 MegaHertz conversion requirement.

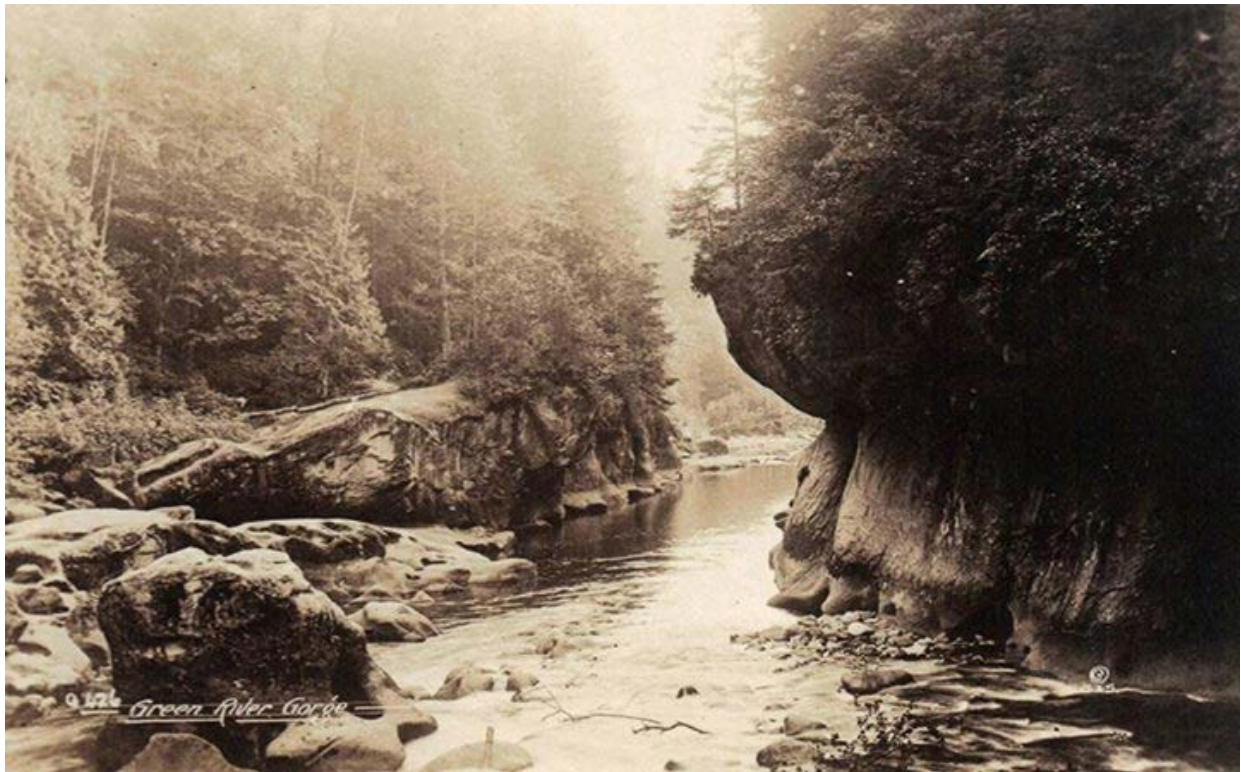


Joe Krause stands behind ornate bar in the turn-of-century Black Diamond.

Utility Funds

Utility funds are used for services provided to the public on a user charge basis, similar to the operation of a commercial enterprise.

Black Diamond has Water, Sewer and Stormwater utilities.



Green River Gorge near Franklin

Water Operating Fund 401

The Water Department provides safe high quality reliable drinking water to the residents of Black Diamond except for the residents on the Covington Water District around Lake Sawyer. The water utility is responsible for the operation and maintenance of the city's springs, fences, access roads, power lines, backup power, control systems, water storage tanks, water treatment systems, pump stations, water main, water quality testing, fire hydrants, meter reading and maintenance, and billing. The average Black Diamond household receives very high quality drinking water delivered to their house under pressure to drink, wash dishes, wash clothes, shower and bathe, brush teeth, cook, water plants and landscape, mop and clean, flush toilets and provide fire protection.

Building activity and the new elementary school construction project has increased water sales (miscellaneous) revenue in 2016, and is expected to increase in 2017. The 2017 wages and benefits primarily increased due to a 10% allocation of the City Clerk cost, and an increase in maintenance and finance costs.

Revenue - Water Fund 401		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	Prelim Budget 2017	Budget \$ Change	Budget % Change
1	Total Beginning Cash and Investments	125,340	160,302	161,635	99,727	178,698	17,063	10.6%
2	Water Charges	615,634	728,812	660,000	685,000	685,000	25,000	3.8%
3	Water Late Fees and Name Changes	18,409	23,623	19,000	21,000	22,000	3,000	15.8%
4	Subtotal Operating Revenue	634,043	752,435	679,000	706,000	707,000	28,000	4.1%
5	Interest, Refunds and Misc.	24,633	126	6,400	17,200	27,200	17,200	268.8%
6	Transfer in from Water Reserve	80,000	20,000	10,000	10,000		(10,000)	-100%
7	Palmer Coking Coal Contribution	99,362	98,499	102,848	98,420	98,000	(4,848)	-4.7%
8	Subtotal Other Revenue	203,995	118,625	119,248	125,620	125,200	5,952	5.0%
9	Total Revenue	838,039	871,061	798,248	831,620	832,200	33,952	4.3%
10	Total Water Fund Sources	963,379	1,031,363	959,883	931,347	1,010,898	51,015	5.3%

Expenditures - Water Fund 401		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	Prelim Budget 2017	Budget \$ Change	Budget % Change
11	Wages and Benefits	166,579	183,095	185,066	186,400	219,175	34,109	18.4%
12	Supplies	22,950	24,326	33,846	30,954	28,630	(5,216)	-15.4%
13	Services and Charges	216,877	212,941	241,601	204,866	233,933	(7,668)	-3.2%
14	Subtotal Operating Expenditures	406,405	420,363	460,513	422,220	481,738	21,225	4.6%
15	Debt Service - Water	381,672	378,292	320,430	320,429	318,897	(1,533)	-0.5%
16	Update	5,000						
17	Transfer - Capital Equipment Reserve	10,000	10,000	10,000	10,000	10,000	-	0.0%
18	Subtotal Other Expenditures	396,672	388,292	330,430	330,429	328,897	(1,533)	-0.5%
19	Total Expenditures	803,077	808,655	790,943	752,649	810,635	19,692	2.5%
20	Three Months Cash and Investments	101,601	105,066	115,128	105,555	119,426	4,298	3.7%
21	Unreserved C & I Balance	58,701	117,642	53,812	73,143	80,837	27,025	50.2%
22	Total Ending Cash and Investments	160,302	222,708	168,940	178,698	200,263	31,323	18.5%
23	Total Water Fund Uses	963,379	1,031,363	959,883	931,347	1,010,898	51,015	5.3%

City of Black Diamond, Washington

2017

Water Debt

Issue Date	Issue Amount	Type	Maturity Purpose	Date	12/31/2016 debt owed	2017 Principal	2017 Interest	2017 Debt Svs	2017				Total Debt Service
									Water Operating	Water Capt Res	Total Water	Developer Reimb	
2006	180,000	PWTF	Cor Contrl	2022	67,250	11,250	338	11,588	11,588		11,588	0	11644
2005	3,407,063	PWTF	Tac 500mg	2024	1,572,184	197,070	8,274	205,344	205,344		205,344		205,344
	256,064	PWTF	Tac city 1st	2024									
	1,784,693	PWTF	Pump Fac, Res & lines	2024	791,724	98,419	3,546	101,965				101,965	101,965
	5,447,820	PWTF			2,363,908	295,489	11,820	307,309	205,344	0	205,344	101,965	307,309
Totals	5,627,820				2,431,158	306,739	12,158	318,897	216,932	0	216,932	101,965	318,953
Total net Water fund 2016 Debt Service									\$216,932	\$0	\$216,932	101,965	318,953

Less Developer Responsibility Palmer

\$791,724

Net City Liability 1,639,434

*Black Diamond holds a letter of credit from Palmer Coking for their balance owing of \$791,724 of PWTF Loan. included 2016 Est Interest.



Jones Lake Ice-skaters

Sewer Operating Fund 407

The Sewer Department collects sewage from the homes and businesses in the old section of town for treatment and discharge. The area around Lake Sawyer is primarily served by individual on-site waste water disposal septic system and a small area at the Northwest end of the Lake served by the Soos Creek Sewer system. The sewer utility provides for the planning, operation and maintenance of 17.5 miles of sewer lines and manholes, and 4 pump stations and provides local customer service and billing. This sewer utility also contracts with the King County for transmission and sewage treatment plant in Renton for treatment, discharge and bio-solids handling.

Of note is that even with rate increases, the revenue collected by the sewer utility has not been covering the cost of the operations, maintenance and administration. At some point the city will need to raise the local charges to bring the fund into balance. The 2017 Budget includes both a pass through 5.2% Metro Sewer Rate increase and the related city portion increase effective January 1, 2017.

Revenue - Sewer Fund 407		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
1	Beginning Cash and Investments	126,682	141,294	117,641	131,917	124,885	7,244	6.2%
3	Sewer User Charges	708,966	756,155	742,000	777,000	815,000	73,000	9.8%
4	Miscellaneous Revenue	19,095	600	4,260	8,700	12,900	8,640	202.8%
5	Subtotal Operating Revenue	728,061	756,755	746,260	785,700	827,900	81,640	10.9%
6	Transfer in from Sewer Reserves	80,000	80,000	100,000	70,000	80,000	(20,000)	-20.0%
8	Total Revenue	808,061	836,755	846,260	855,700	907,900	61,640	7.3%
9	Total Sewer Fund Sources	934,743	978,049	963,901	987,617	1,032,785	68,884	7.1%

Expenditures - Sewer Fund 407		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
10	Wages and Benefits	164,804	192,115	184,190	181,830	219,346	35,156	19.1%
11	Supplies	5,879	6,847	12,126	10,529	10,390	(1,736)	-14.3%
12	Services and Charges	126,108	120,651	149,923	134,573	147,573	(2,350)	-1.6%
13	Subtotal Operating Expenditures	296,791	319,613	346,239	326,932	377,309	31,070	9.0%
14	Metro Sewer Charges	481,658	516,717	518,000	525,800	550,150	32,150	6.2%
15	Total Operating Expenditures	778,449	836,330	864,239	852,732	927,459	63,220	7.3%
16	Transfer-Sewer Portion Comp Plan Update	5,000						
17	Transfer to PW Equip Replacement Fund	10,000	10,000	10,000	10,000	10,000	-	0.0%
18	Subtotal Other Expenditures	15,000	10,000	10,000	10,000	10,000	-	0.0%
19	Total Expenditures	793,449	846,330	874,239	862,732	937,459	63,220	7.2%
20	Three Months Cash and Investments	74,198	79,903	86,560	81,733	95,326	8,766	10.1%
21	Cash and Investment Reserved	67,096	51,817	3,102	43,152		(3,102)	-100.0%
22	Total Ending Cash and Investments	141,294	131,720	89,662	124,885	95,326	5,664	6.3%
23	Total Sewer Fund Uses	934,743	978,049	963,901	987,617	1,032,785	68,884	7.1%

Stormwater Operating Fund 410

The Stormwater Utility maintains 9 storm ponds, 9 miles of storm pipe, 572 catch basins, two bio-infiltration systems, one stormwater filter system and approximately 20 miles of ditches and flow paths. These activities help preserve the public road system and protect the environment. The city is also in charge of various activities dealing with controlling stormwater quality including education, enforcing stormwater codes on construction and new development, monitoring private stormwater systems maintenance, monitoring the effectiveness of city programs, monitoring water quality, participation in WIRA 9 Water Quality Initiative, providing coverage for the Endangered Species Act claims and reporting to the Department of Ecology.

The Stormwater Utility mitigates the storm water impact of urban living on the environment for \$16 per month per household. The 2017 Budget primarily increased due to a 10% allocation of City Clerk/HR and maintenance costs.

Revenue - Stormwater Fund 410		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
1	Beginning Cash and Investments	81,656	90,498	105,818	102,303	101,824	(3,994)	(208,600)
2	Stormwater Charges	331,801	350,820	343,000	364,380	375,000	32,000	9.3%
3	Stormwater Protection Inspection Fee	3,515	4,408	6,000	6,000	8,000	2,000	33.3%
4	PW Perm- Insp, Eng Civil Allocation	534	2,079	800	4,300	6,000	5,200	650.0%
5	Total Operating Revenue	335,849	357,307	349,800	374,680	389,000	39,200	11.2%
6	Interest and Refunds	86	199	120	650	800	680	566.7%
7	Funding Agreement Reimb for PW Staff	18,505	-	-	-	-	-	-
8	Total Revenue	354,439	357,506	349,920	375,330	389,800	39,880	11.4%
9	Total Stormwater Fund Sources	436,096	448,004	455,738	477,633	491,624	35,886	7.9%

Expenditures - Stormwater Fund 410		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
10	Wages and Benefits	166,063	190,974	182,548	181,721	217,466	34,918	19.1%
11	Supplies	5,902	7,130	13,186	11,250	11,510	(1,676)	-12.7%
12	Total Services and Charges	160,709	129,861	165,062	172,838	174,854	9,792	5.9%
13	Transfer - Capital Equipment Reserve	10,000	10,000	10,000	10,000	10,000	-	0.0%
14	Total Expenditures	342,675	337,966	370,796	375,809	413,830	43,034	11.6%
15	Reserved Ending Cash and Investments	93,421	110,038	84,942	101,824	77,794	(7,148)	-8.4%
16	Total Stormwater Fund Uses	436,096	448,004	455,738	477,633	491,624	35,886	7.9%

Capital Funds

Capital Projects funds are used to account for the construction or acquisition of buildings, equipment and roads. Depending on its use, a fixed asset may instead be financed by a special revenue fund or a proprietary fund. A capital project fund exists only until completion of the project.



Early Black Diamond Band

Real Estate Excise Tax 1 – 311 (REET 1)

Washington State levies a real estate excise tax (REET) on all property sales of 1.28% of a property's full selling price. A locally-imposed tax is also authorized, though the rate and uses of the funds differ by population size and whether the city or county is planning under the Growth Management Act (GMA). All cities are allowed to levy a 0.25% tax on property sales (REET 1), cities and counties that are planning under the GMA may also levy a second quarter percent tax (REET 2).

Black Diamond levies both REET 1 and REET 2, combined to bring total Real Estate Excise Tax to 1.78%. Every city in King County levies both REET 1 and 2, with the exception of Skykomish, which collects .25%. This REET 1 fund, is specifically to be used for General Government Capital Projects, Fund 310, and General Government Capital Expenditures in the 510 Fund. After December 31, 2016, there are increasing limitations on REET monies used for maintenance.

Revenue - General Government REET Fund 311		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
1	Beginning Cash and Investments	229,144	186,508	133,341	130,258	152,758	19,417	14.6%
2	R1 1.4% REET-King County	65,059	85,855	95,000	150,000	113,000	18,000	18.9%
3	LGIP Investment Interest	178	172	150	500	700	550	366.7%
4	Subtotal REET 1 Revenue	65,237	86,027	95,150	150,500	113,700	18,550	19.5%
5	Total REET 1 Sources	294,381	272,535	228,491	280,758	266,458	37,967	16.6%

Expenditures - General Government REET Fund 311		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
6	Transfer to 310 General Govt Capital	62,873	135,277	96,000	96,000	123,500	27,500	28.6%
7	Transfer to 510 Police and Fire Equip.	45,000	7,000	32,000	32,000	7,500	(24,500)	-76.6%
8	Subtotal Gen Govt REET 1 Expenditures	107,873	142,277	128,000	128,000	131,000	3,000	2.3%
9	Ending Cash and Investments	186,508	130,258	100,491	152,758	135,458	34,967	34.8%
10	Total REET 1 Uses	294,381	272,535	228,491	280,758	266,458	37,967	16.6%

General Government Capital Projects Fund 310

The 310 General Government Capital Project Fund is primarily funded by REET 1 and grants. Projects planned include funds to acquire land for the Ginder Creek property rehab. Also money has been set aside for the Comp Plan Update, police and government technology, and signs for the gym and for way-finding.

Revenue - Gen Govt Capital Fund 310		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
Beginning Cash and Investments		280,382	201,200	170,819	136,942	23,795	(147,024)	-86.1%
1	Transfer in REET 1	62,873	135,277	91,000	96,000	123,500	32,500	35.7%
2	Transfer In-Sewer	15,000	-			15,000	15,000	
3	King Co Parks Tax Levy	9,202	9,804	9,000	9,000	9,000	-	0.0%
4	Seattle Port Alliance Sign Grant					6,000		
5	Grant Matching Funds	20,975		5,000	5,000	2,500	(2,500)	-50.0%
6	County Conservation Futures Grant		-	35,000	-	-	(35,000)	-100.0%
7	DOE Grant Lk Sawyer/AVMF-Weed Contr	6,635	-	16,424	-	-	(16,424)	-100.0%
8	Grant for Comp Plan	9,000	-	-	-	-		
9	Total Revenue	123,684	145,081	156,424	110,000	156,000	(424)	-0.3%
10	Total General Govt Capital Sources	404,066	346,281	327,243	246,942	179,795	(147,448)	-45.1%

Expenditures - Gen Govt Capital Fund 310		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
11	City Comprehensive Plan Update - CIP G4	15,978	142,948	96,000	96,000	35,000	(61,000)	-63.5%
12	E Ginder Creek Rehab & Trail Project - CIP P7	14,444	-	90,000	-	44,000	(46,000)	-51.1%
13	General Government Technology - CIP G1	28,684	7,153	40,653	40,653	35,000	(5,653)	-13.9%
14	Signs for Gym and Wayfinding - CIP G5					17,000	17,000	
15	Police Technology - CIP L1	11,059	5,097	30,532	30,532	15,000	(15,532)	-50.9%
16	City Campus Improvements - CIP G2	43,033	27,226	4,374	4,374	5,000	626	14.3%
17	Grant Matching - CIP P2	21,000		7,500	7,500	2,500	(5,000)	-66.7%
18	Capital Facility Allocation	18,119	9,522	25,000	25,000		(25,000)	-100.0%
19	In City -Forest Open Space Land	5,905	132	19,096	19,000		(19,096)	-100.0%
20	Transportaion Benefit District	-	838	14,000	-		(14,000)	-100.0%
21	Tree Mitigation	426	-	88	88		(88)	-100.0%
22	Prior Projects	44,219	16,423				-	
23	Subtotal Expenditures	202,866	209,339	327,243	223,147	153,500	(173,743)	-53.1%
24	Ending Cash and Investments	201,200	136,942		23,795	26,295	26,295	
25	Total General Govt Capital Uses	404,066	346,281	327,243	246,942	179,795	(147,448)	-45.1%

Real Estate Excise Tax 2

The collection of REET 2 is authorized by RCW 8245.010 and can be used for capital projects. This part of the real estate excise tax may only be levied by cities that plan under the Growth Management Act.

Specifically, one quarter percent of the real estate excise tax is to be used for public works projects for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.

Midyear in 2011 the Washington State Legislature authorized for five years the usage of up to \$100,000 of REET monies for the maintenance of capital assets, but after December 31, 2016, there are increasing limitations on REET monies used for maintenance. REET 2 monies in Black Diamond are transferred to Fund 320 for Street and Public Works capital projects. For detailed projects, see the 320 Fund section on the next page.

Revenue - Pub Works REET Fund 321		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
1	Beginning Cash and Investments	278,056	155,904	116,024	111,911	152,411	36,387	31.4%
2	R2 1/4% REET Tax-K/C	65,059	85,855	95,000	150,000	113,000	18,000	18.9%
3	LGIP Investment Interest	188	152	120	500	700	580	483.3%
4	Subtotal REET 2 Revenue	65,248	86,007	95,120	150,500	113,700	18,580	19.5%
5	Total REET 2 Sources	343,304	241,911	211,144	262,411	266,111	54,967	26.0%

Expenditures - Pub Works REET Fund 321		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
6	Transfer out to Street Fund	50,000	50,000	50,000	50,000	-	(50,000)	-100.0%
7	Transfer out 320 PW Capital	77,700	80,000	60,000	60,000	135,226	75,226	125.4%
8	Transfers to Prior Projects	59,700						
9	Subtotal REET 2 Revenue	187,400	130,000	110,000	110,000	135,226	25,226	22.9%
10	Ending Cash and Investments	155,904	111,911	101,144	152,411	130,885	29,741	29.4%
11	Total REET 2 Sources	343,304	241,911	211,144	262,411	266,111	54,967	26.0%

Public Works Capital Projects Fund 320

The Public Works Capital Projects Fund 320 receives funds largely from grants and REET 2, for street, sidewalk, trail and capital facilities projects. Projects in the budget for 2017 include Roberts Drive rehabilitation, citywide chip and seal, and asphalt overlay.

Street projects that are 100% developer funded, are planned for 2017 but are not included in the 2017 Budget. They are T3 – Annexation Road (now Villages Parkway SE, T4 – Lake Sawyer Road Extension (now Willow/Dogwood), T19 – Roberts Dr/Lake Sawyer Rd Extension, and T17 – Ravensdale/169 Interchange for a total of \$5,900,000. Project T9, 232nd Ave SE, was deferred by Public Works until 2018.

Revenue - Public Works Capital Fund 320		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
1	Beginning Cash and Investments	159,314	134,528	295,002	180,865			0.0%
2	Transfer in REET 2	137,400	80,000	60,000	25,000	135,226	75,226	125%
3	Robert Dr Rehab-TIB 6-P-800-002-1		65,154	1,225,903	167,805	1,079,867	(146,036)	-12%
4	Roberts Drive Developer Funded					52,250		
5	Jones Lake Grant TIB Grant			135,219	98,584		(135,219)	-100%
6	224th Ave SE Asphalt Overlay Grant					255,000	255,000	
7	Street Light Replacement Grant				58,300			
8	Grant Matching					5,765	5,765	
9	Chip Seal Grant			117,087			(117,087)	-100%
10	CDBG Grant			210,000			(210,000)	-100%
11	Prior Projects	355,383	37,890				-	
12	Subtotal Pub Works Cap. Fund	492,783	183,044	1,748,209	349,689	1,528,108	(220,101)	-12.6%
13	Total Pub Works Cap Fund Sources	652,097	317,572	2,043,211	530,554	1,528,108	(515,103)	-25.2%

Expenditures - Public Works Capital Fund 320		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
14	Roberts Drive Reconstruction - CIP T2	9,314	80,165	1,431,224	199,992	1,158,108	(273,116)	-19.1%
15	224th Ave SE Asphalt Overlay Grant - CIP T6					300,000	300,000	
16	Grant Matching - CIP T13	83,931	32,089	48,646	48,646	40,000	(8,646)	-17.8%
17	Street Overlays, Repairs and Signs - CIP T1	73,380	9,832	178,097	48,372	30,000	(148,097)	-83.2%
18	Jones Lake Project			165,244	165,244		(165,244)	-100.0%
19	Capital Project Updates		12,493	10,000	10,000		(10,000)	-100.0%
20	First Avenue Sidewalk			210,000			(210,000)	-100.0%
21	Street Light Replacement				58,300		-	
22	Prior Projects	345,143	7,636				-	
23	Subtotal Pub Works Cap. Project Revenue	511,768	142,214	2,043,211	530,554	1,528,108	(515,103)	-25.2%
24	Ending Cash and Investments	140,329	175,358					
25	Total Pub. Works Cap. Project Uses	652,097	317,572	2,043,211	530,554	1,528,108	(515,103)	-25.2%

WSFFA Fund 402

The Water Supply Facility Funding Agreement (WSFFA) holds the budget for implementation of various water sources, storage, springs rehabilitation and water transmission projects, funded by major property owners within the city according to the Water Supply and Facilities Funding Agreements.

The concept to rehabilitate the city's water source has shifted from trying to protect and rehabilitate the existing open springs, replacing pipes over the steep slope, and reconstructing the river crossing, to tapping an artesian spring on the north side of the river, changing the water right point of withdrawal, and securing an easement from State Parks.

This capacity and system reliability project includes a new pumping system, an updated chlorine system, and replacing the transmission main back to Black Diamond. The City's draft Capital Improvement Plan 2017 – 2022 describes this project in more detail.

Revenue - WSFFA Fund 402		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
1	Beginning Cash and Investments	59,851	157,283	70,000	75,680	70,000	-	0.0%
2	Developer Contribution	88,761	25,070	560,000	140,878	464,500	(95,500)	-17.1%
3	Investment Interest	63	153	150	600	500	350	233.3%
4	PCC Springs Contribution	29,059						
5	Subtotal WSFFA Revenue	117,883	25,223	560,150	141,478	465,000	(95,150)	-17.0%
6	Total WSFFA Sources	177,734	182,506	630,150	217,158	535,000	(95,150)	-15.1%

Expenditures - WSFFA Fund 402		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
7	Springs Permits, Wat Rights, Easements W2			300,000	131,158	150,000	(150,000)	-50%
8	Springs Chlorine - CIP W2	20,319	72,350	100,000	-	260,000	160,000	160%
9	Springs Legal, Management & Admin W2	132	34,477	90,000	10,000	-	(90,000)	-100%
10	Springs Staff Allocation - CIP W2			70,000	6,000	55,000	(15,000)	-21.4%
11	Subtotal WSFFA Expenditures	20,451	106,827	560,000	147,158	465,000	(95,000)	-17.0%
12	Ending Cash and Investments	157,283	75,679	70,150	70,000	70,000	(150)	0%
13	Total WSFFA Uses	177,734	182,506	630,150	217,158	535,000	(95,150)	-15.1%

Water Capital Fund 404

Capital Projects associated with the Water Utility are included here. The city collects capital facility charges from new customers when they connect to the water system to cover the cost of new capacity, adding project and upgrades to the existing water system, and to cover debt service for the acquisition of water supply. Very little capital facility funds have been collected in recent years because of very little growth. Net revenue from customer charges after paying for regular maintenance and operations are to cover the cost of system replacement projects in this fund. However the Water Operations fund has not been able to generate net revenue in order to set aside funds for repair or replacement projects. More detail on these and other projects can be found in the draft Capital Improvement Plan 2017 – 2022.

Revenue - Water Capital Fund 404		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
1	Beginning Cash and Investments	441,809	331,666	287,700	274,195	177,147	(110,553)	-38.4%
2	Water Connection Charges	26,439	22,389	41,830	60,000	60,000	18,170	43.4%
3	CDBG Grant		33,829	191,171	187,600		(191,171)	-100.0%
4	Internal Transfer In		19,000	56,000	102,000	65,000	9,000	16.1%
5	Loan from Drinking Water State Fund			140,000				
6	Misc. and Investment Interest	1,368	453		900	500	500	
7	Subtotal Water Capital Fund Revenue	27,807	75,671	429,001	350,500	125,500	(303,501)	-70.7%
8	Total Water Capital Fund Sources	469,616	407,337	716,701	624,695	302,647	(414,054)	-57.8%

Expenditures - Water Capital Fund 404		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
9	Downtown Water Replacement	44	62,318	356,171	305,548		(356,171)	-100.0%
10	Water Comprehensive Plan - CIP W3		1,848	111,000	30,000	30,000	(81,000)	-73.0%
11	Water Telemetry Project		11,902	13,000				
12	Water Rate Study			5,000			(5,000)	-100.0%
13	Asbestos Water Main Replace Survey W5					5,000	5,000	
14	Transfer to Internal Projects		19,000	56,000	102,000	65,000	9,000	16.1%
15	4.3 Mil Gal Reservoir Maint Project W1	31,796	18,074	9,600		36,000	26,400	275.0%
16	Transfer to Water Operating for Debt	80,000	20,000	10,000	10,000		(10,000)	-100.0%
17	Prior Projects	26,110						
18	Subtotal Water Capital Expenditures	137,950	133,142	560,771	447,548	136,000	(424,771)	-75.7%
19	Ending Cash & Invest Unreserved	331,666	274,195	155,930	177,147	166,647	10,717	6.9%
20	Total Water Capital Fund Uses	469,616	407,337	716,701	624,695	302,647	(414,054)	-57.8%

Sewer Capital Fund 408

Preliminary engineering for the Cedarbrook Sewer Main project is scheduled for 2017 in the Sewer Capital fund. The sewer fund is loaning \$160,000 to the Police Equipment Replacement fund to replace four patrol vehicles in 2017. More detail on these and other Sewer projects are in the Draft Capital Improvement Plan 2017 – 2022.

Revenue - Sewer Capital Fund 408		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
1	Beginning Cash and Investments	900,860	791,642	711,000	701,374	601,874	(109,126)	-15.3%
2	Connection Hookup Fees	7,871	9,550	16,540	10,000	10,000	(6,540)	-39.5%
3	Interest and Miscellaneous	1,556	1,250		2,500	2,500	2,500	
4	Debt Repayment	56,584	46,460					
5	Transfer in from Internal Project		9,791	10,000	13,000	89,000	79,000	790.0%
6	Transfers in from Other Funds					30,000	30,000	
7	Subtotal Sewer Capital Revenue	66,011	67,051	26,540	25,500	131,500	104,960	395.5%
8	Total Sewer Capital Fund Sources	966,871	858,693	737,540	726,874	733,374	(4,166)	-0.6%

Expenditures - Sewer Capital Fund 408		2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
9	Transfer out to Sewer Operating	80,000	80,000	100,000	100,000	80,000	(20,000)	-20.0%
10	Sewer Rate Study			3,000			(3,000)	-100.0%
11	Infiltration and Inflow - CIP S2		8,906	25,000		25,000	-	0.0%
12	Morganville Sewer Lift Station	30,830	31,543					
13	Preserve Sewer Treatment Plant	9,592	18,104					
14	Preserve Sewer Lagoon		8,975	15,000	15,000			
15	Prior Projects	40,017						
16	Loan for Police Cars - CIP L2					160,000	160,000	
17	Transfer out to Internal Projects		9,791	10,000	10,000	89,000	79,000	790.0%
18	Facility and Fencing Improvements - CIP S1					59,000	59,000	
19	Cedarbrook Sewer Main - CIP S3					35,000	35,000	
20	Subtotal Sewer Capital Fund Expenditures	160,439	157,319	153,000	125,000	448,000	295,000	192.8%
21	Ending Cash and Investments	806,432	701,374	584,540	601,874	285,374	(299,166)	-51.2%
22	Total Sewer Capital Fund Uses	966,871	858,693	737,540	726,874	733,374	(4,166)	-0.6%

Stormwater Capital Fund 410

The Stormwater Capital Fund provides for stormwater improvement projects in Black Diamond. The City has been fortunate to receive Department of Ecology grants in recent years for projects. Details on these and other projects scheduled over the next six years are found in the draft CIP.

	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
Revenue - Stormwater Capital 410							
1 Beginning Cash and Investments		20,528		59,189	56,189	56,189	
2 Opportunity Grant - N. Commerical Storm					25,000	25,000	
3 Grant Matching	60,000						
4 King County Culvert Grant				30,000			
5 Stormwater DOE Grants		143,791	50,000		47,000	(3,000)	-6.0%
6 Subtotal Stormwater Capital Revenue	60,000	143,791	50,000	30,000	72,000	22,000	44.0%
7 Total Stormwater Capital Sources	60,000	164,319	50,000	89,189	128,189	78,189	156.4%

	2014 Actual Audited	2015 Actual	2016 Budget	2016 Estimate Year End	2017 Prelim Budget	Budget \$ Change	Budget % Change
Expenditures - Stormwater Capital 410							
8 North Commercial Storm Pond - D3					25,000	25,000	
9 Stormwater DOE Grant Improvements		44,974	50,000		25,000	(25,000)	-50.0%
10 Replace Covington Creek Culverts - CIP D2					22,000	22,000	
11 Lawson Hills Strm Pnd Sediment Removal D1					10,000	10,000	
12 Shared Facility Upgrades - S1 Portion					10,000	10,000	
13 Stormwater Pond Design and Misc	34,446	59,714		3,000		-	
14 King County Culvert		442		30,000		-	
15 Subtotal Stormwater Capital Revenue	34,446	105,130	50,000	33,000	92,000	42,000	84.0%
16 Ending Cash and Investments	25,554	59,189		56,189	36,189	36,189	
17 Total Stormwater Capital Uses	60,000	164,319	50,000	89,189	128,189	78,189	156.4%



Soccer at Flaming Geyser



City of Black Diamond

Financial Management Policies

Per Resolution 08-560

Updated for Long Term Planning Per Resolution 13-866

Background and Purpose

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

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

Operating Budget Policies

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

Citizen Involvement

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

Service Level Determinations

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

Conservative Budgeting

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

Long Term Financial Planning

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

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

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

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

Maintenance of Facilities and Equipment

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

Sustainable Revenue Sources

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

Cost Recovery

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

Fund Balance Reserve Policies

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

Operating Fund Balance Reserves

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

Contingency Reserve Fund

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

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 councilmanic 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.



Property of Museum of History & Industry, Seattle

New Black Diamond Mine opening, 1927

2017 Proposed Salary Schedule	Step 1	Step 2	Step 3	Step 4	5 & On
City Administrator	9,345	9,649	10,112	10,478	10,848
Assistant City Administrator	8,033	8,435	8,837	9,238	9,640
Court Administrator	5,891	6,159	6,427	6,694	6,962
Court Clerk (hourly)	18.54	20.09	21.63	23.18	24.72
Court Clerk	3,213	3,482	3,749	4,017	4,284
Accounts Payable Clerk (hourly)	17.91	19.34	20.89	22.56	24.93
MDRT & Economic Director	7,498	7,899	8,301	8,703	9,104
City Attorney	8,161	8,569	8,997	9,447	9,919
City Clerk/HR Manager	7,498	7,899	8,301	8,703	9,104
Deputy City Clerk	4,499	4,814	5,128	5,443	5,757
Finance Director	7,498	7,899	8,301	8,703	9,104
Deputy Finance Director	6,631	7,013	7,396	7,778	8,161
Utility Clerk	3,213	3,481	3,749	4,017	4,284
Senior Accountant	4,499	4,814	5,128	5,443	5,757
Accountant 1 Journey (hourly)	16.61	17.43	18.30	19.22	20.18
Administrative Assistant 2	3,213	3,481	3,749	4,017	4,284
Administrative Assistant 1	2,356	2,544	2,731	2,919	3,106
Information Services Manager	6,962	7,364	7,766	8,167	8,569
Police Chief	10,236	10,585	11,008	11,287	11,692
Police Commander	9,194	9,514	9,794	10,074	10,398
Police Sergeant	8,292	8,757	-	-	-
Police Officer	5,037	5,645	6,255	6,863	7,440
Police Records Coordinator	4,499	4,814	5,128	5,443	5,757
Police Clerk 62.5% (hourly)	15.05	16.51	17.96	18.98	20.87
Facilities Equipment Coordinator	4,499	4,814	5,128	5,443	5,757
Human Resources Director	7,498	7,899	8,301	8,703	9,104
Community Dev/Nat Resources Director	7,498	7,899	8,301	8,703	9,104
Permit Center Supervisor	5,891	6,159	6,427	6,694	6,962
Permit Technician	4,499	4,814	5,128	5,443	5,757
Permit Technician 60% (hourly)	25.96	27.77	29.59	31.40	33.22
Compliance Officer	4,499	4,814	5,128	5,443	5,757
Senior Planner	5,355	5,622	5,903	6,198	6,508
Planner	4,499	4,814	5,128	5,443	5,757
MDRT Planner 75% (hourly)	25.95	27.77	29.59	31.40	33.22
Associate Planner	4,482	4,707	4,942	5,189	5,448
Assistant Planner	4,181	4,391	4,610	4,840	5,082
Building Official	6,962	7,364	7,766	8,167	8,569
Parks Department Director	7,498	7,899	8,301	8,703	9,104
Public Works Director	7,498	7,899	8,301	8,703	9,104
Utilities Superintendent	6,962	7,364	7,766	8,167	8,569
Capital Projects Program Manager	5,355	5,622	5,903	6,198	6,508
Construction Inspector	6,962	7,364	7,766	8,167	8,569
Public Utilities Operator	4,713	4,794	4,889	4,982	5,076
Public Works Administrative Asst 3	4,250	4,463	4,686	4,920	5,167
Utility Worker-Facility/Eq/Utility Worker	3,323	3,644	3,965	4,287	4,629
Utility Worker Seasonal (hourly)	13.24	13.90	-	-	-

City of Black Diamond Statistics**City Hall Address:**

24301 Roberts Drive
 PO Box 599
 Black Diamond, WA 98010
Phone: (360) 886-5700
Fax: (360) 886-2592
Class: Code

Form of Government: Mayor-Council

Model Traffic Ordinance: No

Wards: No

School Districts: Auburn School District No. 408, Enumclaw School District No. 216, Kent School District No. 415, Tahoma School District No. 409

Special Districts: Soos Creek Water and Sewer, Covington Water District, King County Ferry District, King County Flood Control Zone District, King County Public Hospital District No. 1, King County Rural Library District, Port of Seattle

Web Site: www.ci.blackdiamond.wa.us

Business Hours: 8:30am - 5:00pm

Council Meetings: 1st & 3rd Thu - 7:00pm

Work Sessions: On 2nd Thursdays – 6:00pm

County: King

Incorporation 1959: Although the City has been around for more than one hundred years as a coal mining town, the City of Black Diamond did not incorporate until 1959. It was determined by a favorable majority vote on January 20, 1959; and the first official meeting of the Black Diamond City Council was held on March 3, 1959.

Black Diamond location: on Hwy 169, south of Interstate 90, in southeast King County about 30 miles southeast of Seattle. It is near Renton (18 miles), and Enumclaw (8 miles). Black Diamond is positioned 47.31 degrees north of the equator and 122.00 degrees west of the prime meridian.

Population and land area: The population of Black Diamond is approximately 4,305 (2016). The amount of land area in Black Diamond is 5.207 sq. miles. The amount of surface water is 0.132 sq. miles. Black Diamond elevation is 628 feet above sea level.

Area Attractions: **Black Diamond Historical Business District**

Lake Sawyer Regional Park

Flaming Geyser State Park

Also Hiking, Biking, Golfing, Fishing and Country Drives

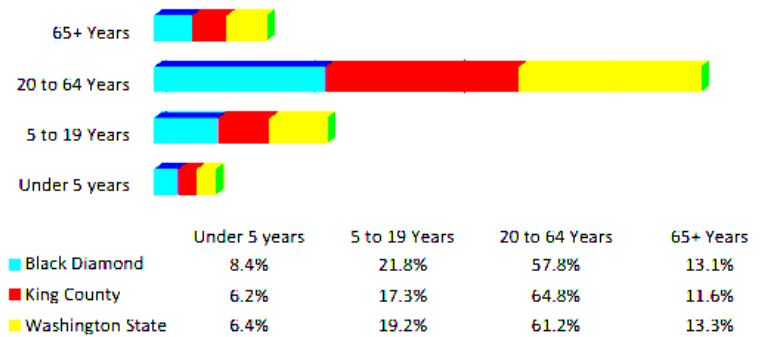
Black Diamond Historical Museum

PO Box 232
 32627 Railroad Ave at Baker Street
 Black Diamond WA 98010
 Phone: 360-886-2142

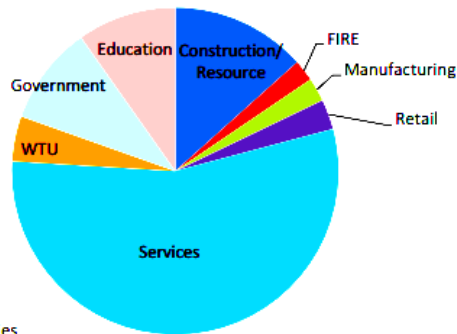
This museum in the old Railroad Depot has exhibits of 19th century machinery, coal mining, a jail and much more. Open on Thursdays and Saturdays - Call for hours - Free Admission

Major Businesses:

Anesthesia Supply Company
 Enumclaw School District
 City of Black Diamond
 Palmer Coking Coal Co.

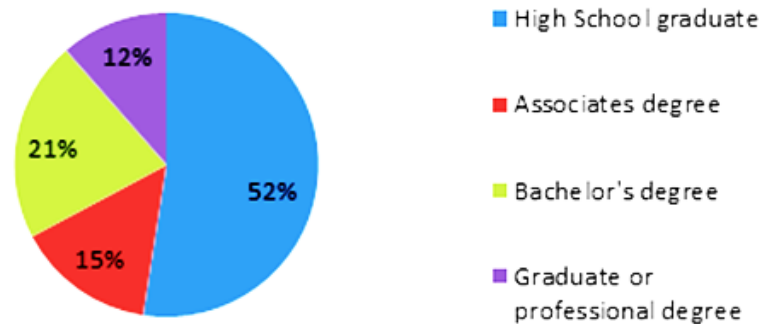
2014 Age Group Comparison

Source: US Census, ACS, 5-Year Estimates

2014 PSRC Black Diamond Employment Estimates

WTU: Wholesale Trade,
 Transportation and Utilities

Source: PSRC Covered Employment Estimates

Educational Attainment, Black Diamond

Source:

City-Data.com

Year	Sales Taxes		Assessed Valuation	New Construction	Final Assessed Valuation	Levy Rate
2000	178,553	2000	294,620,050	8,162,011	302,782,061	2.206
2001	171,913	2001	322,721,666	11,613,750	334,335,416	2.196
2002	202,713	2002	353,992,917	4,667,520	358,660,437	2.097
2003	178,703	2003	356,571,798	2,394,661	358,966,459	1.981
2004	230,263	2004	401,497,572	1,943,946	403,441,518	1.904
2005	227,760	2005	427,240,702	4,372,118	431,612,820	2.032
2006	289,613	2006	446,214,893	3,578,995	449,793,888	2.003
2007	305,497	2007	497,642,229	2,397,737	500,039,966	1.839
2008	286,610	2008	560,299,568	7,314,478	567,614,046	1.651
2009	249,526	2009	626,088,991	10,806,265	636,895,256	1.521
2010	265,177	2010	552,382,312	2,739,869	555,122,181	1.777
2011	297,333	2011	529,857,064	3,058,528	532,915,592	2.570
2012	262,974	2012	536,580,666	2,514,106	539,094,772	2.593
2013	290,795	2013	499,553,614	1,641,937	501,195,551	2.830
2014	302,927	2014	548,399,243	4,187,903	552,587,146	2.620
2015	311,929	2015	593,190,272	2,052,701	595,242,973	2.425
2016	350,000 est	2016	660,150,221	4,916,109	659,796,088	2.242



The Grove at Lake Sawyer – a Resort - 1925



CITY OF BLACK DIAMOND

2016 Calendar for 2017 Budget

	Process	Internal Due Date	Workstudy Meeting	City Council	State Law Limitations
1	Budget CALL: Budget requests and instructions go out to all departments	Aug 11			Sept 12
2	Finance & dept heads prepares revenue sources and preliminary expenditures for salaries and benefits	August 12			
3	Deadline for department head budget requests to Finance	Sept 8			
4	Estimates to be filed with the City Clerk	Sept 20			Sept 26
5	City Clerk Submits to CAO the proposed prelim budget setting forth the complete financial program	Sept 27			Oct 3
6	Special Meeting Workstudy 6pm - CAO provides Council with current info on Revenue from all sources as adopted in 2016 Budget, provides the Clerk's proposed Prelim 2017 Budget for General Fund and 2017 budget totals for all funds including debt service.	Sept 23	Sept 29		Oct 3
7	General Fund Revenue and Property Tax Review & Public Hearing		Oct 13	Oct 13	
8	Special Council Meeting 6pm Workstudy Budget on Parks, Public Safety, General Fund for 2017.	Oct 11	Oct 18		Oct 1 - 31
9	Special Council Meeting 6pm - Public Hearing on Revenue Sources including possible increases in Property Tax. Workstudy – Public Works Budgets for REV and EXP for Street, Water, Sewer, Stormwtr, REET 1&2 and Gen Govt, Utilities, Capital Projects and Debt Service.	Oct 7 Oct 20	Oct 27	Oct 27	Oct 1 - 31
10	Budget and Property Tax Workstudy		Nov 10		
11	City Clerk publishes notice of public hearing on 2017 Budget and filing of preliminary budget – once a week for 2 consecutive weeks – Draft Budget submittal ready	Nov 3 - 10			Nov 1 - 11
12	Copies of Preliminary Budget made available to the public	Nov 17			Nov 18
13	Preliminary 2017 Budget Document ready. City Council holds 1 st public hearing on 2017 Budget			Nov 17	Nov 2 - 29
14	Adopt Property Tax 2017, forward to King County by 11/30/2016			Nov 17	Nov 30
15	Final Budget Hearing on 2017 Budget			Dec 1	Dec 5
16	File Property tax worksheet and Ordinances with King County	Dec 2-5			Dec 5
17	City Council adopts Final 2017 Budget and transmits to the State Auditor's Office (plus possible amendment to property taxes)			Dec 1 or Dec 15	Dec 31

BLACK DIAMOND CITY COUNCIL MINUTES

July 21, 2016

Council Chamber, 25510 Lawson Street, Black Diamond, Washington

CALL TO ORDER, FLAG SALUTE:

Mayor Benson called the regular meeting to order at 7:00 p.m. and led us all in the Flag Salute.

ROLL CALL:

PRESENT: Councilmembers Deady, Morgan, Edelman, Weber and Pepper.

ABSENT: None

Staff present: Seth Boettcher, Public Works Director; Mayene Miller, Finance Director; Kevin Esping, Facilities Coordinator; Megan Ross, Police Officer; David Linehan, City Attorney, and Brenda L. Martinez, City Clerk.

APPOINTMENTS, ANNOUNCEMENTS, PROCLAMATIONS AND PRESENTATIONS:

Mayor Benson announced attending the Black Diamond/Maple Valley Chamber Wacky and Wild Golf Tournament along with Councilmember Deady and her husband. She reported they won first place for having the best decorated golf cart and were awarded a trophy. She also gave credit to Councilmember Deady's family for their help on the design.

Councilmember Pepper asked for the floor. A point of order was called and Mayor Benson ruled out of order. Councilmember Pepper appealed the decision asked the Chair what was the decision. Mayor Benson again called her out of order. Councilmember Pepper asked to please state the point of order and appealed the decision of the Chair. Councilmember Morgan seconded the appeal and Mayor Benson ruled out of order.

CONSENT AGENDA:

A **motion** was made by Councilmember Edelman and **seconded** by Councilmember Deady to approve the Consent Agenda.

A **motion** was made by Councilmember Morgan to not approve the Consent Agenda as we need to hear from the public first. Motion **died** due to lack of second.

Motion passed 3-2 (Morgan, Weber). The Consent Agenda was approved as follows:

- 1) **Claim Checks** – July 21, 2016 - No. 43712 through No.43759 and EFTs in the amount of \$161,913.56
- 2) **Minutes** – Tri-City Council Meeting of May 4, 2016

A **motion** was made by Councilmember Pepper to amend the motion to not approve the consent agenda until we have a substitute agenda as the agenda she distributed to the Council which was created in accordance with the Council rules and the Clerk and Mayor were notified of the needed changes and was emailed to the Council on Tuesday. Mayor Benson called her out of order. Motion died due to lack of second.

Mayor Benson noted the agenda is illegal and Council can add or remove items from the agenda, but not substitute an agenda.

Councilmember Pepper appealed the decision of the chair.

PUBLIC COMMENTS:

Ginger Passerelli, Black Diamond commented on the Soup Ladies representing Black Diamond in Dallas where the five police officers were killed in the line of duty. She noted they served close to 3,000 meals during the nine days they were there. While there she asked for a list of fire departments who responded to the tragedy. She noted the City's Fire Department District 44 overnighted a t-shirt and badges from their department and when she arrived at the first fire station she realized it was Station 44 and presented these to that department. She also commented that while she loves to represent this wonderful community the behavior at this meeting breaks her heart.

Councilmember Edelman thanked Mrs. Passerelli for all she is doing.

Angelina Taylor, Port Orchard discussed the pulling of the DKS and Yvonne Ward vouchers on both agendas. She noted these are services that have already been rendered. She also discussed the Talmadge bill.

Colin Lund, OakPointe briefed Council on the progress of the MPDs and where they are at. He noted Goodfellow Brothers is the primary contractor and they are doing a great job. He highlighted the projects that are currently being worked on and added they have a refreshed website www.inblackdiamond.com and on it is a place to sign up to receive their newsletter. He also added that if anyone has any issues or concerns to please give him a call and if any Councilmember would like a one on one tour he'd be happy to set one up.

Robbin Taylor, Black Diamond commented on the use of committees. She noted there being committee meetings on July 20 and wondered how those meeting were noticed. She stressed that no one knew there were committee meetings on the 20th where three councilmembers were present.

Brock Deady, Black Diamond commented on appreciating the update from OakPointe and as a citizen would like to hear more updates. He agreed with Robbin Taylor's comments and would have like to have been invited to the committee meetings on the 20th.

Darrell Bryant, Black Diamond urged Council to consider approving the Labor Days Special Event Permit tonight. He noted this event has been here for over 100 years and it would be a shame to have it go committee.

Judith Carrier, Auburn commented on what is happening in our country and what is happening in the Council Chambers and discussed certain items on the voucher registers.

Melissa Oglsbee, Black Diamond encouraged Council to keep the Labor Day celebration on the agenda as it is a timely matter. She noted the 12 committee members have worked really hard on this event for the last nine months. It takes approximately \$15,000 to run this event and so far they have raised \$9,000 in donations. They have spent \$2,500 on insurance for the parade which is non-refundable and again she encouraged Council to keep this item on the agenda and let the community come together and enjoy each other and have fun.

PUBLIC HEARINGS: None

UNFINISHED BUSINESS:

DKS Claim Voucher

Councilmember Pepper asked for the floor and called Point of Order. Mayor Benson called her out of order as she has not been recognized to speak. Councilmember Pepper appealed the decision of the Chair. Mayor Benson again ruled her out of order. Councilmember Morgan seconded Councilmember Pepper's appeal. Mayor Benson ruled her out of order. Point of Order was called for by Councilmember Edelman. Mayor Benson continued to call Councilmember Pepper out of order.

Mayor Benson called a five minute recess at 7:28 p.m. The meeting was called back to order at 7:34 p.m. and noted the next item on the agenda is the DKS Claim Voucher.

Councilmember Weber commented that this item was voted down at another meeting and doesn't understand why it is back on the agenda. He noted there not being a contract with DKS and would like to table this item.

Discussion began between Councilmembers on this item and Councilmember Weber noted being concerned that the city did not have a direct contract with DKS as the contract was with BergerABAM and the responsibility lies with BergerABAM.

City Attorney Linehan was asked if the City had a contract with BergerABAM would that constitute a contract with DKS who was a subconsultant. He stated he would need to review the contract with BergerABAM and did say that typically once the city has received the benefit of services provided, whether there is or is not an expressed contract, there is an unjust enrichment claim that can be made against the City for unjustly being enriched by being the recipient of services for which it has not paid.

Councilmember Weber asked Attorney Linehan how that works as far as the municipal code. Does one override the other? Attorney Linehan stated what's in the municipal code is an entirely separate matter from whether or not there is a liability to a third party resulting from the City's receipt of services without paying for them.

Discussion continued amongst Councilmembers on this item regarding postponing, contract with BergerABAM, supporting documentation and the work product the city received.

Councilmember Pepper read Council Rule 7.2.8 regarding tabling of an item.

A motion was made by Councilmember Weber and seconded by Councilmember Morgan to postpone this item to the August 4th regular Council meeting.

Discussion continued with the focus being on why this item needs to be postponed.

Vote: Motion passed 3-2 (Edelman, Deady).

Yvonne Ward Claim Voucher

Councilmember Weber discussed asking for some information from the City on this matter. He noted he did get most of the information he requested. He also noted his request for all correspondence with Ms. Ward was turned into a PDR which will take 20 or more business days for a response. He stated he would like to go through the invoice in detail to see if the City got what we paid for.

Council discussion continued on this item.

A motion was made by Councilmember Weber and seconded by Councilmember Morgan to postpone this item to the August 4th regular Council meeting. Motion passed 3-2 (Edelman, Deady).

Resolution adopting the 2017-2022 Six Year Transportation Improvement Plan (TIP) for the City

A motion was made by Councilmember Edelman and seconded by Councilmember Deady to adopt the resolution adopting the Six Year Transportation Improvement Plan (TIP).

There was Council discussion regarding not having specifics to the proposed projects and no connectors. Councilmember Weber noted there are still some questions out there that he has.

Vote: Motion failed 2-3 (Morgan, Weber, Pepper).

Community Development Director Kincaid cautioned Council not to confuse the maps from the incomplete work from DKS as the TIP is using current information from the current comprehensive plan and that is why you update the TIP and Comprehensive Plan yearly so they are consistent.

Resolution authorizing a contract with DKS Associates

Community Director Kincaid thanked Council for reconsidering this contract. She noted this resolution authorized the Mayor to enter into a not to exceed contract with DKS for the transportation element of the Comprehensive Plan. She highlighted the seven tasks associated with this contract and recommended that Council not spend the money on the last task regarding attendance at hearings.

There was Council discussion on this item.

A **motion** was made by Councilmember Edelman and seconded by Councilmember Deady to adopt the resolution authorizing the Mayor to execute a contract with DKS for the transportation element of the Comprehensive Plan and deleting task 7 from the scope of work as recommended by Ms. Kincaid.

Vote: Motion failed 2-3 (Morgan, Weber, Pepper).

NEW BUSINESS:

Resolution authorizing a services contract with Kenyon Disend, PLLC

Mayor Benson stated that by law the City is required to have a City Attorney. She added this item was voted down before, however the City needs to have an attorney and that attorney needs to be confirmed by the Council.

A **motion** was made by Councilmember Edelman and seconded by Councilmember Deady to adopt the resolution authorizing the Mayor to execute a services agreement with Kenyon Disend, PLLC.

There was discussion between Councilmembers on this item and an inquiry was made on where the legal services budget is at currently for 2016.

Vote: Motion failed 2-3 (Morgan, Weber, Pepper).

Resolution approving the Labor Days Special Event Permit

Community Development Director Kincaid reported Black Diamond Municipal Code states that a special event application for a multiple day event must be approved by Council. She noted this is a city sponsored event. The Labor Days committee has fulfilled all the responsibilities as provided for in code and the event will take place in the same area as in

the previous years. She invited Melissa Oglsbee to talk about this year's event and asked Council to support staff's recommendation of approval.

Ms. Oglsbee discussed the lineup for this year's event and urged Council to consider approving the permit tonight.

Discussion ensued between Councilmembers on the paperwork for this year's permit.

A motion was made by Councilmember Edelman and seconded by Councilmember Deady to approve the Labor Days special event permit.

Discussion continued between Councilmembers on why there is a need to wait to approve this item.

Point of order was called for and Mayor Benson ruled Councilmember Morgan out of order.

Mayor Benson called a five minute recess at 8:48 p.m. The meeting was called back to order at 8:53 p.m.

Vote: Motion failed 2-3 (Morgan, Weber, Pepper).

EXECUTIVE SESSION:

At 9:00 p.m. Mayor Benson announced a fifteen minute executive session to discuss with legal counsel eminent domain litigation as allowed under RCW 42.30.110(1)(c) and (1)(i) with no action to follow. Mayor Benson announced a five minute extension.

The meeting was called back to order at 9:20 p.m.

DEPARTMENT REPORTS: None

MAYOR'S REPORT:

Mayor Benson announced that she and Councilmember Deady attended the AWC Conference in Everett; attended SCA networking dinner, Chief for a Day fundraiser, Chamber's Wild and Wacky golf tournament; met with Les Burberry (new Maple Valley Councilmember) and he is looking into the future on SR169 projects and funding for these with King County.

COUNCIL REPORTS:

Councilmember Deady discussed the AWC Conference she and the Mayor attended; reported receiving her Certificate for Municipal Leadership Training Program; attended SCATBd meeting; met with Finance Director Miller on vouchers; attended Public Safety

meeting, Miners Day festival, and Chief for a Day fundraiser; noted running the free kids booth station at the Farmer's Market every Friday; served soup at Joint Base Lewis McCord as a Soup Lady.

Councilmember Morgan – no report.

Councilmember Edelman discussed the Chief for a Day fundraiser and noted that over \$1,800 was raised. She discussed the AWC Conference and the Councilmembers having a training budget and this budget was used for the Mayor's and Councilmember's Deady attendance.

Councilmember Weber commented on the Soup Ladies being an awesome group and appreciated that they are from Black Diamond; inquired about the new location of the Farmer's Market and wondered how it is working out.

Councilmember Pepper noted she would like to see a sign for the gym so people are aware the City has one and its location. She also noted participating in the 5K run on Miners Day.

ATTORNEY REPORT:

City Attorney Linehan reported working hard with the Public Works and Community Development departments on projects. He also reported working with the Police and Administration on public record requests. He discussed it being very helpful for Council to think about the kinds of legal issues that might come up on an item on the agenda and to ask the attorney prior to the meeting. He noted this helps legal counsel do a thorough analysis so he can give good legal advice rather than off the cuff at the meeting which will be vague. He also added he can respond with that communication having attorney-client privilege.

PUBLIC COMMENTS:

Angelina Taylor handed a public records request to the Clerk. She personally apologized to all the police and first responders in regards to a speaker comparing events here tonight with those happening in Texas and Baton Rouge. She discussed the Labor Days event not costing the city a dime; she questioned the hiring of an attorney from Bainbridge Island; she also noted the three councilmembers could be sued for voting the voucher items down.

Leslie Coulee, Black Diamond stated that she is on the Labor Days Committee and being here tonight regarding the special event permit. She also commented on how the room emptied after the action of Council voting that item down.

Robbin Taylor, Black Diamond commented on the insurance for the Labor Days parade being non-refundable and the city not paying anything for this event. She discussed the dismissal of the Edelman lawsuit, the firing of Carol Morris and the Talmadge contract being signed before there was Council action on it.

ADJOURNMENT:

A motion was made by Councilmember Deady and seconded by Councilmember Weber to adjourn the meeting. Motion passed with all voting in favor (5-0). Meeting ended at 9:49 p.m.

ATTEST:

Carol Benson, Mayor

Brenda L. Martinez, City Clerk

DRAFT

BLACK DIAMOND CITY COUNCIL MINUTES

August 18, 2016

Council Chamber, 25510 Lawson Street, Black Diamond, Washington

CALL TO ORDER, FLAG SALUTE:

Mayor Benson called the regular meeting to order at 7:00 p.m. and led us all in the Flag Salute.

ROLL CALL:

PRESENT: Councilmembers Deady, Morgan, Edelman, Weber and Pepper.

ABSENT: None

Staff present: Seth Boettcher, Public Works Director; Andy Williamson, Interim Community Development Director/MDRT/Ec Dev Director; Jamey Kiblinger, Police Chief; Mike Kenyon, City Attorney; Peter Altman, City Labor Attorney and Brenda L. Martinez, City Clerk.

At 7:00:39 p.m. Mayor Benson announced the Council would be going into an executive session as allowed by RCW 42.30.140(4) to discuss collective bargaining with City Labor Attorney Altman. The executive session was anticipated to last 30 minutes with no final action following the session.

At a ten minute extension was announced 7:30 p.m.

The meeting was called back to order at 7:40:07 p.m.

APPOINTMENTS, ANNOUNCEMENTS, PROCLAMATIONS AND PRESENTATIONS:

Mayor Benson announced she received a letter from Gomer Evan's sister and read an excerpt. The whole letter is attached and incorporated into the minutes. She instructed the City Clerk to email a copy of it to the Councilmembers.

A **motion** was made by Councilmember Deady and **seconded** by Councilmember Edelman to move the consent agenda to be after public comments. Motion **passed** with all voting in favor 5-0.

PUBLIC COMMENTS:

Peter French, Bonney Lake commented that he works for the Enumclaw School District and noted being one of the project managers for the Black Diamond Elementary School project. He read a statement from Superintendent Mike Nelson into the record as Mr. Nelson was unable to attend. This statement is attached and incorporated into the minutes.

Judy Goodwin, Black Diamond commented on the resolution before Council regarding the Traffic Mitigation Agreement with the Enumclaw School District. She noted supporting this resolution and urged Council to support the kids and pass it tonight.

Brock Deady, Black Diamond announced that his wife Councilmember Tamie Deady was named Civil Servant of the Year for Black Diamond. He highlighted the volunteer work she does around the Community.

Melody Mann, Black Diamond asked about the TBD fee and wondered if other money could be used to fund streets. She also asked if people had a say in this fee and inquired as to what projects the money will fund. She stated not being able to afford this fee and not being able to afford the front end alignments due to the shape of our roads and wondered where she could bill that to.

Robbin Taylor, Black Diamond discussed the Six Year Transportation Improvement Plan and the schedule of when it has been before Council and the actions taken on it. She also discussed the ramifications for not passing this plan and the need for Council to get work done for the City.

Kristen Bryant, Bellevue discussed making comments before Council on the Six Year Transportation Improvement Plan. She noted her comments were that there wasn't a clear and detailed breakdown of some of the projects that had multiple funding sources and it might be relevant to identify Transportation Benefit District money; there was not a lot of background information provided in an easy and accessible format to the public that led to how that TIP was put together. She also noted not seeing anything that has addressed that comment. She then read a prepared written statement into the record regarding the voluntary traffic mitigation agreement which is attached and incorporated into the minutes.

Judith Carrier, Auburn discussed enjoying the Labor Day celebration in Black Diamond for over 50 years. She noted attending the July 21 Council meeting and the Council needing to know that what they approve it best for the City. She commented on three Councilmembers expressing appreciation for the Labor Day Committee and volunteers. She discussed key documents not being available to Councilmembers on the 21st and noted that finally on July 29th a packet of information came to only one member of the Council for this event. She then discussed the schedule of approval for fire review, WSDOT review and the three separate permits that were issued on the 25th. She added these were not necessary and may be illegal. She discussed when things go to committee they are there for review and to ask questions so members know what they are approving. She asked how many times the Labor Day permit has come before Council and noted this permit has never come before Council, however it did come before Council on the 21st.

CONSENT AGENDA:

A **motion** was made by Councilmember Edelman and **seconded** by Councilmember Deady to adopt the Consent Agenda.

A **motion** was made by Councilmember Weber and **seconded** by Councilmember Morgan to amend the motion to pull out check number 43820 (Kenyon Disend claim voucher) and the meeting minutes of July 21 and August 7 and have them placed under new business for discussion.

There was discussion between Councilmembers as to why these items were being pulled from the consent agenda and placed under new business for discussion.

Vote: Amended motion **passed** 3-2 (Edelman, Deady). Main motion as amended **passed** 5-0. The Consent Agenda was approved as follows:

- 1) **Claim Checks** – August 18, 2016 - No. 43800 through No. 43849 and EFTs in the amount of \$107,019.69 (Excluding check number 43820 -Kenyon Disend voucher)
- 2) **Payroll** – July 31, 2016 – No. 19175 through No. 19193 (voids 18773, 18795, 18829, 19183, 19188) and EFTs in the amount of \$268,305.28

PUBLIC HEARINGS: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

Resolution regarding Voluntary Traffic Mitigation Agreement with Enumclaw School District

Public Works Director Boettcher discussed being very busy with this project and highlighted the actions that have taken place on the project. He stated now that we approved SEPA we need to resolve the traffic issue. The City has reviewed and accepted a proposed pro rata share traffic and safety mitigation contribution proposed by the school district and supported by their transportation technical report. He noted as the appointed professional engineer for the City and fulfilling authority of his role he has reviewed the methodology of the proposal, the equitability, the nexus to the affected intersections and the proportionality of what is proposed. He stated his role is to assess and determine that concurrency requirements have been met as well as in concert with the Planning Director and evaluation of the impacts through SEPA. He noted this being a common type of agreement to address traffic mitigation which allows the school district to move forward with their project and pay a pro rata share of the equitable fix of four intersections. He encouraged Council support so they could move forward on the school project.

Councilmember Edelman encouraged passage of this resolution tonight.

A **motion** was made by Councilmember Pepper and **seconded** by Councilmember Morgan to table this to the Growth Management Committee.

There was discussion among Councilmembers and staff on this issue with the focus being the information before Council, the role of staff, who determines concurrency, the action before Council, the project schedule, questions Councilmembers may have, timing of this issue coming before Council, and the use of committees for items before Council.

City Attorney Kenyon asked for a 10 minute executive session on potential litigation as authorized by RCW 42.30.110(1)(i).

At 8:36 p.m. the Mayor recessed the meeting for an executive session. Mayor Benson, Councilmember Deady and Councilmember Edelman attended the executive session. Councilmembers Morgan, Weber and Pepper declined to attend the executive session. City Attorney Kenyon re-entered the Chambers and individually asked Councilmembers Morgan, Weber and Pepper if they would like to participate in the executive session and again they declined.

Mayor Benson called the meeting back to order at 8:46 p.m.

A **motion** was made by Councilmember Deady and **seconded** by Councilmember Edelman to authorize the Mayor to execute an agreement with the Enumclaw School District for contribution to improvements at four intersections impacted by the new Black Diamond Elementary School Project.

Councilmember Pepper stated to the Chair that there is already a motion and second on the floor. City Attorney Kenyon confirmed that there was a pending motion to table before the executive session and there should be a vote on that motion unless that motion was ruled out of order which he hadn't heard. Mayor Benson ruled the previous motion to table out of order as there are no Council committees.

Councilmember Pepper appealed the decision of the Chair and was ruled out of order.

Councilmember Edelman called the question.

City Attorney Kenyon clarified for the record that the motion to table was ruled out of order by the presiding officer and given that, that motion is no longer on the floor. The motion on the floor is a motion to authorize the Mayor to execute the Traffic Mitigation Agreement and that's what Council is voting on now.

Vote: Motion **passed** 4-1 (Morgan).

Kenyon Disend Claim Voucher

Councilmember Weber discussed being concerned that the contracts being authorized by the Mayor under her \$15,000 authority are serial contracts and circumventing the hiring of a full time Attorney. Mayor Benson noted she has the authority to hire the City Attorney and state law requires the City to have an attorney and if Council won't approve the contract she can approve them over and over as it's required by law.

Councilmember Weber noted bringing this issue up before when discussing building permitting and noted the Mayor had the authority to do a contract and the Mayor's response back was to call a special meeting. He added if he understands correctly (needs to go back and look at the email) that according to the state auditor that's kind of a red flag when you are continually doing serial contracts. Mayor Benson commented that she had a conversation with the state auditor on this and it is ok as the City has to have an attorney.

A **motion** was made by Councilmember Weber and **seconded** by Councilmember Pepper to pay claim check #43820 for Kenyon Disend in the amount of \$15,126.54. Motion **passed** 4-1 (Morgan).

Minutes of July 21, 2016 and August 4, 2016

Councilmember Pepper discussed pulling the minutes of August 4th and July 21 as two citizens reached out concerned that their public comments were not reflected as accurately as they could be.

There was Council discussion on the August 4th minutes.

A **motion** was made by Councilmember Weber to postpone approval of these minutes until the next regularly scheduled meeting and give time to go back and listen to the audio.

There was Council discussion on the July 21st minutes.

Councilmember Weber **withdrew** his motion.

A **motion** was made by Councilmember Edelman and **seconded** by Councilmember Pepper to amend the August 4th minutes to include the two emails for those citizens. Motion **passed** with all voting in favor 5-0.

A **motion** was made by Councilmember Morgan and **seconded** by Councilmember Weber to postpone action on the July 21st minutes to the next regular Council meeting on September 1, 2016. Motion **passed** 3-2 (Edelman, Deady).

DEPARTMENT REPORTS:

Police - Chief Kiblinger distributed and reviewed with Council the Black Diamond Police Department Report/Update for August 2016.

Community Development – Interim Community Development Director Williamson reported on the Tough Mudder event that is coming to the City. He noted the special event permit will be coming before Council at their September 1st meeting and distributed information to Council regarding this event. He urged Council to call him with any questions they may have as there is a need for Council action at the meeting on September 1st.

In addition, Mr. Williamson distributed the DKS claim voucher along with the information requested during the last Council meeting by Councilmember Morgan and the agreement of Council if he brought the requested information forward, Council would approve the payment. He noted following Council's direction and stated he is hopeful that there will be Council action on this tonight.

Councilmember Weber noted appreciating taking Councilmember Morgan's and his suggestion and asked if this action needed to be done by resolution. City Attorney Kenyon stated there is no legal requirement to have it approved by resolution – it can be done by a motion.

Councilmember Morgan commented on wanting to make sure that the spending authority of the Mayor applies in the future.

A **motion** was made by Councilmember Weber and **seconded** by Councilmember Edelman to take the DKS Voucher off the table and approve payment. Motion **passed** with all voting in favor 5-0.

MAYOR'S REPORT:

Mayor Benson reported that Judge Dane will be attending the next Council meeting to give an update on the Court. She also reported attending the SCATBd meeting, one year celebration of life for Greg Goral. She discussed attending Chief for a Day and would like to bring them to a future Council meeting for introductions.

COUNCIL REPORTS:

Councilmember Deady discussed how she makes times to address issues with staff when working a full time job in November and December. She noted attending the Port of Seattle Tour, Chief for a Day, and the one year celebration of life for Greg Goral.

Councilmember Morgan reported on the budget and financial workshop she attended. She highlighted topics and points of discussion from this workshop.

Councilmember Edelman reported she attended a meeting on August 11 with the Mayor, Finance Director and Councilmember Deady to review the vouchers, the one year celebration of life for Greg Goral, Chamber Luncheon on August 17th, Port of Seattle Tour, and Chief for a Day.

Councilmember Weber commented that the children from Black Diamond Elementary School will be attending JJ Smith this school while the new school here in Black Diamond is being built. He also noted the School District has done a great job in getting that facility ready for the kids. He thanked the Boys Scouts who were in attendance at the meeting.

Councilmember Pepper commented on the need for a professional parliamentarian at the Council meetings. She noted having known parliamentary process in different settings and the need to have a registered parliamentarian so the roles and duties of all can be done. She also noted needing to work on points of order and other areas and believes it's exciting that Black Diamond is getting a new elementary school.

ATTORNEY REPORT: None

PUBLIC COMMENTS: None

ADJOURNMENT:

A **motion** was made by Councilmember Edelman and **seconded** by Councilmember Dedy to adjourn the meeting. Motion **passed** with all voting in favor (5-0). The meeting ended at 9:33 p.m.

ATTEST:

Carol Benson, Mayor

Brenda L. Martinez, City Clerk

**BLACK DIAMOND SPECIAL JOINT
CITY COUNCIL/PLANNING COMMISSION MEETING MINUTES
August 23, 2016**

CALL TO ORDER, FLAG SALUTE:

Mayor Benson called the special joint meeting of the Council and Planning Commission to order at 6:14 p.m. and led us all in the Flag Salute.

ROLL CALL:

PRESENT: Councilmembers Deady, Edelman, Morgan, Weber and Pepper.
Planning Commissioners McCain, Ambur, and Senegal

ABSENT: Commissioners LaConte, Ekberg, and Ammons

Staff present: Barbara Kincaid, BHC Consultant and Brenda L. Martinez, City Clerk.

WORK SESSION:

City's Comprehensive Plan Update – Parks, Recreation, Trails and Open Space

BHC Consultant Kincaid recapped what has been done, what is left and the goal for this meeting. She reported tonight's meeting is to go through the Parks, Recreation, Trails and Open Space element of the Comprehensive Plan update which is now its own chapter in the Comprehensive Plan. She discussed the elements to review will be utilities, economic development, and traffic.

Ms. Kincaid discussed the documents before Council and asked that all use the document she distributed at the meeting as significant changes were made. She noted that just like the other chapters a lot of the information is being put into an appendix as this is easier for people to understand what is being accomplished in the plan.

Existing Conditions

Ms. Kincaid explained this area includes both active and passive land in the City.

There was lengthy discussion regarding the Regional Park and amenities and whether those amenities transferred over on to the deed. Ms. Kincaid noted further research needs to be done to see if this transferred over to the deed for the property. She will work on getting the deed. It was further noted that this would be discussed at the next meeting on September 6th to see if we keep the language in regarding the amenities at the regional park.

Ms. Kincaid discussed the other parks the City owns which are reflected in Table 1. **Changes needed in the verbiage and table is to correct that the City owns the gym, not the Community Center, location of the BMX track. It was discussed the regional park does not have a picnic area and single track mountain bike; description needs to walking trail instead of hiking trail.**

Ms. Kincaid reported that page three and four of the document list other facilities and amenities that are not city owned. She noted this is a GMA requirement.

Discussion began on these amenities and where they are located. **It was suggested to add a definition on the location of the Henry's Ridge Mountain Bike Trails.**

PARK TYPES AND LEVEL OF SERVICE (LOS) STANDARDS

Ms. Kincaid reported the City's adopted LOS standards are "spatially based" which means they emphasize access to different types of park and recreational facilities to ensure all residents are adequately served. She noted page five of the document describes the park types and what we currently have. She also noted page six is the same as what the City has now in the Comprehensive Plan. She commented that Table 3 shows what our standards are per population units.

EXISTING NEED

Ms. Kincaid commented that this section is dated as it was taken out of the 2008 plan and doesn't meet the adopted standard. She referred to Table 4 which is an illustration of what types of parks, standard, and what the City actually has. She also referred to Table 5 which illustrates the existing recreational facility standards. It was discussed to change the basketball court number as the City's gym has a basketball court. The City also has three swimming areas and offers volleyball.

It was suggested to move the word "new" in the second sentence on page 8 to go in front of the word "additional".

FUTURE NEEDS

Ms. Kincaid noted that the previous pages reviewed were a snapshot in time of where are today and this section discusses what is projected for 2035. She also noted in the Development Agreement the Master Developer is obligated to provide recreational facilities based on the City's adopted LOS standards. She referred to Tables 7 and 8 where it shows the requirements for the MPDs recreational facilities. **It was suggested to add language to the last column in Table 7 that this is at the City's discretion.**

In addition, Ms. Kincaid reported that the MPDs are required to dedicate at least 50% of their total area to open space, except as modified by historic agreements as ash the Black Diamond UGA Agreement.

8.5.1 Parks, Recreation, and Open Space Concepts, Goal, Objectives, and Policies

Ms. Kincaid referred to the Goals and Policies that are currently in the Comprehensive Plan and discussed with Council if they are still relevant.

Goal Foster and support the stewardship of natural resources throughout the community in the form of parks, open space, and recreation to serve the needs of the City's residents. Need to add trails.

Ms. Kincaid noted needing to restate the objectives as policies to be consistent in the document.

Objective CF-6: Parks should include a variety of active, passive, developed, and natural parks and open space. Make a policy and change should to will.

Objective CF-7: Retention of the area's natural beauty and ecology should be represented in the park and open space system. Restate as policy "Area's natural beauty and ecology should be represented in the park and open space system. Use the word "retained" instead of "represented"

Policy CF-5: Provide the City with a system of recreation facilities that are attractive, safe, functional, and available to all segments of the population. Change "available" to "accessible".

Policy CF-6: Encourage development of a trail system which will connect the City's historic district, neighborhoods, Jones Lake, and Morganville with an integrated King County regional trail system, the new park sit at Lake Sawyer, and a state trail system along the Green River. Change "encourage" to "continue".

Policy CF-7: Repairing deficiencies and maintaining the existing park and recreation facilities should be a top priority. Need to add funding language. Suggested language "Repairing deficiencies and maintaining the existing park and recreation facilities shall be funded in the budget". Ms. Kincaid suggested "continue to fund at a minimal LOS".

Policy CF-8: Development of new parks within the City shall involve: a. (ok). b. suggested that types of parks be combined in this.

Policy CF-9: Current Parks, Recreation, and Open Space LOS guidelines include: Old LOS. It was discussed this will have language on the new standards.

Police CF-10: Maintain an up-to-date Parks Plan. OK.

Ms. Kincaid thanked everyone for their input and noted the next joint meeting on the Comp Plan update will be September 6, 2016 at approximately 6:10 p.m.

ADJOURNMENT:

There was a motion and a second to adjourn the meeting. Motion passed with all voting in favor.

The meeting was adjourned at 8:11:29 p.m.

ATTEST:

Carol Benson, Mayor

Brenda L. Martinez, City Clerk

DRAFT

**BLACK DIAMOND CITY COUNCIL
SPECIAL MEETING MINUTES**

August 25, 2016

Council Chamber, 25510 Lawson Street, Black Diamond, Washington

CALL TO ORDER, FLAG SALUTE:

Mayor Benson called the regular work session meeting to order at 6:00 p.m. and led us all in the Flag Salute.

ROLL CALL:

PRESENT: Councilmembers Deady, Morgan, Edelman, Weber and Pepper. (Councilmembers Deady and Weber were not present during roll call. Councilmember Weber entered the meeting at 6:10 p.m. and Councilmember Deady entered the meeting at 6:21 p.m.)

ABSENT: None

Staff present: Andy Williamson, MDRT/EC Dev Director and Interim Community Development Director; Jamey Kiblinger, Police Chief; May Miller, Finance Director; Rob Reed, Milton IS; Scott Hanis, Capital Projects/Program Manager; Chief Smith and Chief Barlow; Brenda L. Martinez, City Clerk.

DRAFT CAPITAL IMPROVEMENT PLAN – GENERAL GOVERNMENT CAPITAL PROJECTS

Mayor Benson welcomed everyone to the meeting and noted tonight's meeting is an overview of the General Government Capital Projects portion of the draft Capital Improvement Plan. She then turned the meeting over to the Finance Director Miller.

Finance Director Miller discussed the order for tonight's meeting and noted that following the presentation she would go over the financial aspect for balancing the plan along with the calendar outlining the steps for adoption of the plan. She noted directors are here tonight to go over their individual projects in respect to timeline and funding.

PARKS DEPARTMENT

Capital Projects/Program Manager Hanis reviewed and discussed with Council the following park projects:

P1 – Ginder Creek Trail and Site Restoration (Councilmember Weber entered the meeting at 6:10 p.m.)

- P2 – Grant Matching Funds
- P3 – Park Plan Update
- P4 – Pond to Park Improvement – Eagle Creek
- P5 – Boat Launch Park Shoreline Stabilization
- P6 – Cemetery -New Niche Wall (Councilmember Deady entered the meeting at 6:21 p.m.)
- P7 – Rehabilitate East Ginder Creek Property

Finance Director Miller reviewed with Council the Parks Department Capital Project Summary page of the plan.

FIRE DEPARTMENT

Fire Chief's Smith and Barlow reviewed and discussed with Council the following fire department projects:

- F1 – Replace Primary Fire Engine (2000)
- F2 – Replace Reserve Engine (1986)
- F3 – Replace Aid Car (1994)
- F4 – New Fire Station and Equipment

Finance Director Miller reviewed with Council the Fire Department Capital Project Summary page of the plan.

GENERAL GOVERNMENT

Staff reviewed and discussed with Council the following General Government projects:

- G1 – City Technology – Capital (excludes police technology) IS Technician Reed gave a general overview and discussed the critical issues facing the City with technology.
- G2 – General Government Facility Updates
- G3 – General Government Vehicle Replacement
- G4 – Comprehensive Plan Completion

Finance Director Miller reviewed with Council the General Government Projects Capital Project Summary page of the plan.

POLICE DEPARTMENT

Chief Kiblinger reviewed and discussed with Council the following police department projects:

- L1 – Police Technology
- L2 – Patrol Car Replacement Plan
- L3 – Police Radio Replacement

Finance Director Miller reviewed with Council the Police Department Capital Project Summary page of the plan.

In closing Finance Director Miller reviewed the General Government Departments Summary page for the 2017-2022 plan. She highlighted the percentages for each department and discussed the REET 1 analysis summary page along with the proposed calendar outlining the next steps for adoption of the plan.

MDRT/Ec Dev/Interim Community Development Director Williamson discussed with Council the fire impact fees the City will receive (i.e. Black Diamond Elementary School project) and noted this money is directly related to growth.

ADJOURNMENT:

A **motion** was made by Councilmember Edelman and seconded by Councilmember Pepper to adjourn the meeting. Motion passed with all voting in favor (5-0).

ATTEST

Carol Benson, Mayor

Brenda L. Martinez, City Clerk

BLACK DIAMOND CITY COUNCIL MINUTES

September 1, 2016

Council Chamber, 25510 Lawson Street, Black Diamond, Washington

CALL TO ORDER, FLAG SALUTE:

Mayor Benson called the regular meeting to order at 7:00 p.m. and led us all in the Flag Salute.

ROLL CALL:

PRESENT: Councilmembers Deady, Morgan, Weber and Pepper.

ABSENT: Councilmember Edelman (excused).

Staff present: Seth Boettcher, Public Works Director; Andy Williamson, Interim Community Development Director/MDRT/Env. Dev. Director; Kris Chatterson, Police Officer; David Linehan, City Attorney, and Brenda L. Martinez, City Clerk.

APPOINTMENTS, ANNOUNCEMENTS, PROCLAMATIONS AND PRESENTATIONS:

Mayor Benson read into the record the following proclamation.

WHEREAS, behavioral health is an essential part of health and one's overall wellness; and

WHEREAS, prevention of mental and/or substance use disorders works, treatment is effective, and people recover in our area and around the nation; and

WHEREAS, preventing and overcoming mental and/or substance use disorders is essential to achieving healthy lifestyle, both physically and emotionally; and

WHEREAS, we must encourage relatives and friends of people with mental and/or substance use disorders to implement preventive measures, recognize the signs of a problem and guide those in need to appropriate treatment and recovery support services; and

WHEREAS, an estimated 400,000 people in King County are affected by these conditions; and

WHEREAS, to help more people achieve and sustain long-term recovery, the U.S. Department of Health and Human Services (HHS), the Substance Abuse and Mental Health Services Administration (SAMHSA), the White House Office of National Drug Control Policy (ONDCP), the King County Behavioral and Recovery Division, and the City of Black Diamond invite all residents of Black Diamond to participate in National Recovery Month (Recovery Month);

NOW, THEREFORE, I, Carol Benson, Mayor of the City of Black Diamond, on behalf of the Black Diamond City Council, call upon Black Diamond residents to observe the month of September with appropriate programs, activities, and ceremonies supporting this year's Recovery Month and do hereby proclaim in the City of Black Diamond, the month of September 2016 as a month to recognize National Recovery Month.

Mayor Benson announced a reordering of the agenda. Under unfinished business the July 21 minutes will be item no. 3 and under new business items 3 - 10 will now be 4 - 11.

A motion was made by Councilmember Deady and seconded by Councilmember Morgan to move the consent agenda after public comments. Motion passed with all voting in favor 4-0.

PUBLIC COMMENTS:

Judy Goodwin, Black Diamond thanked Council for the opportunity to speak. She asked Council three questions 1) Where they are at on mediation?, 2) What's happening on the work sessions to develop new Council Rules?, and 3) Any idea of when the comprehensive plan will be ready for public hearing?

CONSENT AGENDA:

Item 2 - August 18, 2016 Council Minutes

Councilmember Pepper asked that the minutes from August 18 be pulled from the consent agenda and placed under new business.

Item 1 - Claim Checks – September 1, 2016 - No. 43850 through No. 43896 and EFTs in the amount of \$91,400.68

A motion was made by Councilmember Morgan and seconded by Councilmember Weber to move the claim checks from the consent agenda and place them at the end of the meeting. Motion passed 3-1 (Deady).

It was clarified that the August 18th minutes will be item no. 12 under new business and the claim checks will be item no. 13 under new business.

PUBLIC HEARINGS: None

UNFINISHED BUSINESS:

Item 3 - July 21, 2016 Minutes

A **motion** was made by Councilmember Pepper and **seconded** by Councilmember Morgan to table the July 21, 2016 minutes. Motion passed 3-1 (Deady).

NEW BUSINESS:

Item 4 – AB16-047, Resolution Accepting Jones Lake Road Overlay Project

Public Works Director Boettcher briefed Council on the completed project.

A **motion** was made by Councilmember Deady to adopt a resolution accepting the Jones Lake Road Overlay Project by Lakeridge Paving Company as complete according to the contract documents. (Motion died due to motion to table which takes precedence)

A **motion** was made by Councilmember Pepper and **seconded** by Councilmember Morgan to table this item. Motion passed 3-1 (Deady).

Item 5 – AB16-048, Resolution Approving Tough Mudder Special Event Permit SEP16-0014

MDRT/Interim Community Development Director Williamson discussed with Council the Tough Mudder Special Event Permit.

A **motion** was made by Councilmember Weber and **seconded** by Councilmember Deady to adopt a resolution authorizing the Mayor to execute an agreement with Tough Mudder, LLC approving Special Event Permit SEP16-0014. Motion passed 4-0.

City Attorney Linehan stated that in light of the fact that Council voted to table item #4 regarding the acceptance of the Jones Lake Overlay Project he recommended an executive session tonight so the Council can bring it off the table before we conclude. The executive session will be in accordance with RCW 42.30.110(1)(i) to discuss litigation risks associated with an indefinite delay in approval of the project. He noted this is just a recommendation for the Mayor and Council's consideration.

Item 6 – AB16-049, Resolution Authorizing an Agreement with Parametrix, Inc. – Surveying Services for MDRT

MDRT Director Williamson reported as the director of this team and per the contract which is a 15 year binding contract his department has special needs such as surveying, traffic, civil etc. He added the contracts before Council will allow him to fulfill his obligations on the Development Agreement.

There was Council discussion on the contract.

A motion was made by Councilmember Morgan and seconded by Councilmember Pepper to table this item.

MDRT Director Williamson stated he is playing by the Council rules and is here for a first reading; not for a table. Discussion continued with the focus being the process for a first reading.

MDRT Director Williamson stated for the record that he is fulfilling his obligation under the development agreement by bringing these contracts for a first reading to the Council in enough time to be passed so staff can continue their work and not be in violation of the development agreement, but if Council tables it and not knowing when it will come off the table that is not in the spirit of what the development agreements says that we will work in the spirit of collaboration to timely expedite their (OakPointe) things to meet the inspections on time. He again stressed he needs these consultants and added he is asking Council rather than to table it when we don't know when it will come back, if you would postpone to the next council meeting then Council and himself can engage and have a conversation over the next couple of weeks and work through any issues and he can fine tune the document and hopefully get passage. That seems to be in the spirit of cooperation with staff trying to work with Council. He stated he is asking if Council can set the next reading for the next Council meeting and between those two weeks he can discuss issues with Councilmembers as his door is open. He offered that as a suggestion and noted respecting the process of the Council.

Discussion continued on this item with Councilmember Morgan proposing to do an extension on the contracts. City Attorney Linehan noted that the contracts are essentially an extension of the existing contracts and is suggesting an extension is not a solution because of Council wanting first readings on items.

Vote: Motion passed 3-1 (Deady).

City Attorney Linehan again suggested an executive session to discuss imminent threat of litigation that will result if these contracts are not expeditiously approved.

Item 7 – AB16-050, Resolution Authorizing an Agreement with Parametrix, Inc. for Traffic Engineering Services for the MDRT

MDRT Director Williamson suggested to be expeditious tonight that Council do a blanket motion to table all the contracts related to the MDRT if that is what they want to do. Mr. Williamson went on the record to make very clear that the staff recommends that the Council accept this as their first reading on each one of these contracts and that staff has met Council's timely requirements and they are set for the second reading. So he as a staff member has met his legal obligation.

A **motion** was made by Councilmember Pepper to table the rest of these and taking into consideration what Mr. Williamson has expressed very clearly for the record.

Councilmember Pepper **withdrew** her motion.

MDRT Director Williamson clarified for the record that the items to be tabled are (AB16-049, Parametrix Surveying contract was previously tabled):

- AB16-050 – Resolution Authorizing an Agreement with Parametrix, Inc. - Traffic Eng. Svc. - MDRT
- AB16-051 – Resolution Authorizing an Agreement with RH2 - Civil – MDRT
- AB16-052 – Resolution Authorizing an Agreement with Perteet –Environment-MDRT
- AB16-053 – Resolution Authorizing an Agreement with HWA Geosciences – MDRT

A **motion** was made by Councilmember Pepper and **seconded** by Councilmember Morgan to table these items 049, 050, 051, 052, and 053. Motion passed 3-1 (Deady).

Item 11 – AB16-054, Resolution Authorizing an Agreement with DKS Associates

MDRT Director Williamson thanked Council for their guidance in helping him work through the last issue with DKS. He noted DKS is not under BergerABAM and would like to get this second item passed. He discussed the three key elements of the comprehensive plan with traffic being one of them. He stated he is here tonight to see if the contract can be finalized and moved forward. He asked Council to provide the guidance to move this forward and explained that traffic is not an easy concept to understand and we need to make sure our citizens have enough time to digest the information.

There was Council discussion on the traffic simulation modeling, the product belonging to the City, the need to let the City know if they are subcontracting anything out and who drives the two options in the contract.

A **motion** was made by Councilmember Deady to adopt a resolution authorizing the Mayor to sign a Professional Services Agreement with DKS Associates. (Motion died due to motion to table which takes precedence)

A **motion** was made by Councilmember Pepper and **seconded** by Councilmember Weber to table this item. Motion passed 3-1 (Deady).

At 8:22 p.m. Mayor Benson announced a 10 minute executive session in accordance with RCW 42.30.110(1)(i) to discuss potential litigation with legal counsel regarding the contracts and the Jones Lake Road Overlay Project. Councilmember Deady and Mayor Benson attended the executive session with City Attorney Linehan. Councilmembers Morgan, Weber and Pepper declined to attend.

Mayor Benson called the meeting back to order at 8:32 p.m.

Item 12 – Minutes - Council Meeting of August 18, 2016

Councilmember Pepper stated that they would like to table the minutes.

City Attorney Linehan stated that Council is required to have minutes and tabling them implies that they may never come back; this would be a legal violation to not have published minutes. He noted he is not saying they don't have the right to table them, but with the advanced warning that failing to bring them off the table creates a lack of minutes of a public meeting which are required under the law.

A **motion** was made by Councilmember Pepper and seconded by Councilmember Morgan to table this item. Motion passed 3-1 (Deady).

Item 13 – Claim Checks – September 1, 2016 – No. 43850 through No. 43896 and EFTs in the amount of \$91,400.68

Mayor Benson answered questions sent in by Councilmember Morgan regarding the claim checks on the agenda for approval.

A **motion** was made by Councilmember Morgan and seconded by Councilmember Weber to adopt the claim checks. Motion passed 4-0.

Councilmember Morgan noted having an item of unfinished business which is a resolution regarding professional services to hire a parliamentarian. There was a lengthy discussion between councilmembers on this item.

DEPARTMENT REPORTS: None

MAYOR'S REPORT:

Mayor Benson reported attending the Fire Ad Hoc committee meeting.

COUNCIL REPORTS:

Councilmember Deady reported attending the Fire Ad Hoc committee meeting and a meeting with Mayor Benson and Finance Director Miller to review the vouchers.

Councilmember Morgan – no report.

Councilmember Weber stated whether it is good, bad, or indifferent he appreciated citizens coming out and if business was being conducted the meetings would be a lot shorter. He commented on hoping the weather cooperates with Labor Days and stated at no time was there any intent not to support Labor Days.

Councilmember Pepper talked about the Council powers as referenced by the Association of Washington Cities (AWC) and Municipal Research and Services Center (MRSC) and thanked everyone for coming out tonight.

ATTORNEY REPORT: None

PUBLIC COMMENTS:

Leslie Coulee, Black Diamond asked Councilmembers Weber, Pepper and Morgan about a meeting the three convened at the Black Diamond Bakery Coffee Shop and what was the purpose.

Terry Yankovich, Black Diamond commented that she still can not understand why three Councilmembers believe what they are doing is correct while the other three believe they are correct. She wondered when can they all come to an understanding as it is ridiculous. She discussed asking Councilmember Pepper to be invited to committee meetings and so far she hasn't been.

Andrew Williamson, representing Teamsters Local 117 reported that additional employees at the City have signed cards to begin a new unit.

Judy Goodwin, Black Diamond discussed why she asked the questions at the beginning of the meeting. She noted there being another viable alternative option for how committee meetings can happen. She discussed how committee meetings worked in the past with previous Councils and understands that arrangement could be going on today and the public can attend. She also commented on Mr. Talmadge having concerns with the way the committees were operating as well as the other three.

Judy Baxley, Black Diamond commented that she is confused on the committees. She noted reading in the handbook Council is allowed to have committees.

Discussion began among Councilmembers regarding Council Committees and the meetings that have been held so far on the Council Rules of Procedure.

ADJOURNMENT:

A **motion** was made by Councilmember Weber and **seconded** by Councilmember Pepper to adjourn the meeting. Motion **passed** with all voting in favor (4-0). The meeting ended at 9:19 p.m.

ATTEST:

Carol Benson, Mayor

Brenda L. Martinez, City Clerk

CITY COUNCIL AGENDA BILL

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

ITEM INFORMATION		
SUBJECT: Ordinance regarding CCD Black Diamond Partners LLC and Ten Trails Residential Owners Associate a Non- Exclusive Franchise to use and occupy certain public right of ways	Agenda Date: November 17, 2016 AB16-063A	
Cost Impact - N/A Fund Source: Timeline: Immediately	Mayor Carol Benson	
	City Administrator	
	City Attorney David Linehan	
	City Clerk – Brenda L. Martinez	
	Com Dev/Nat Res – Andy Williamson	
	Finance – May Miller	
	MDRT/Ec Dev – Andy Williamson	X
	Police – Chief Kiblinger	
	Public Works – Seth Boettcher	
	Court – Stephanie Metcalf	
Agenda Placement: ☒ Mayor ☒ Two Councilmembers ☐ Committee Chair ☐ City Administrator		
Attachments: Ordinance 16-xxx		
SUMMARY STATEMENT: At the November 3rd meeting there was Council action to postpone this item to the November 17th meeting. Granting CCD Black Diamond and the Ten Trails Residential Owners Association, Non-Exclusive franchise to use and occupy certain public rights-of-way for the purpose of construction, maintaining, and operating private drainage systems, including rain gardens and systems; irrigation systems, including reclaimed water distribution; landscaping lighting; private sanitary sewer systems; and appurtenances. CCD Black Diamond and the Ten Trails Residential Owners Association meets the qualifications to operate within the City Right-of-Way per the Development Agreement, chapter 7.1.7 CCD Black Diamond and the Ten Trails Residential Owners Association will be required to obtain any and all regulatory permit required by the City prior to beginning work in the City’s Right-of-Way. Following any work within the Right-of-Way, CCD Black Diamond and the Ten Trails Residential Owners Association will be required to restore the area of construction to the reasonable satisfaction of the City. FISCAL NOTE: No Fiscal impact		
COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:		
RECOMMENDED ACTION: MOTION to adopt Ordinance No. 16-xxx (Clerk to assign number after adoption), authorizing the Mayor to execute an agreement with CCD Black Diamond Partners LLC and Ten Trails Residential Owners Associate a Non- Exclusive Franchise to use and occupy certain public right of ways.		
RECORD OF COUNCIL ACTION		
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
November 03, 2016	Postponed to November 17 th meeting.	5-0
November 17, 2016		

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF BLACK DIAMOND, WASHINGTON, GRANTING TO CCD BLACK DIAMOND PARTNERS LLC A NON-EXCLUSIVE FRANCHISE TO USE AND OCCUPY CERTAIN PUBLIC RIGHTS-OF-WAY FOR THE PURPOSE OF CONSTRUCTING, MAINTAINING, AND OPERATING PRIVATE STORM DRAINAGE SYSTEMS, INCLUDING RAIN GARDENS AND BIO RETENTION SYSTEMS; IRRIGATION SYSTEMS, INCLUDING RECLAIMED WATER DISTRIBUTION; LANDSCAPE LIGHTING; PRIVATE SANITARY SEWER SYSTEMS; AND APPURTENANCES.

WHEREAS, RCW 35A.47.040 authorizes code cities to issue non-exclusive franchises for use of public street and rights-of-way, and

WHEREAS, the City has determined that the improvements contemplated and regulated by this ordinance are appropriate and in the best interests of current and future residents of the City; and

WHEREAS, this ordinance has been introduced more than five (5) days prior to its passage by the City Council, and

WHEREAS, this ordinance has been submitted to the City Attorney and has received at least a majority vote of the entire City Council at a regular meeting, now, therefore

THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON,
DO ORDAIN AS FOLLOWS:

Section 1. Rights Granted. The right is hereby granted to CCD BLACK DIAMOND PARTNERS LLC and TEN TRAILS RESIDENTIAL OWNERS ASSOCIATION, its heirs, successors, legal representatives and assigns (collectively hereinafter referred to as the "Grantee") to lay, construct, extend, maintain, repair, renew, operate, and replace private storm drainage systems, including rain gardens and bio retention systems, irrigation systems, including reclaimed water distribution, landscape lighting, private sanitary sewer systems, and appurtenances in, on, under, over, though, along and/or across the public right-of-ways within The Villages Master Planned Development as legally described in Exhibit B to The Villages Master Planned Development Agreement dated December 12, 2011 recorded under King County recording no. 2012013000065 as amended (the "Development Agreement") located in the City of Black Diamond (hereinafter referred to as the "City") for the term of ten (10)-years from and after the effective date of this ordinance, except as hereinafter provided. At the end of the ten (10)-year period this franchise shall automatically renew on the anniversary date each year thereafter unless one party gives the other party written notice of intent to terminate the franchise at least six (6) months in advance of the anniversary date. The City of Black Diamond agrees to not unreasonably

withhold such franchise renewal provided the purpose of the franchise has not substantially changed. In the event that this franchise continues beyond the existence of the Master Development Review Team ("MDRT") as defined in the Development Agreement, the City Public Works Director shall succeed the MDRT with regard to all rights and obligations conferred by this franchise.

Section 2. City's Reservation of Rights. Nothing herein shall be deemed to direct or restrict the City's ability to adopt and enforce all necessary and appropriate ordinances, and permit requirements regulating the performance of the conditions of this franchise, including any valid ordinance made in the exercise of its police powers in the interest of public safety and for the welfare of the public. The City shall have the authority at all times to control by appropriate regulations the location, elevation, manner of construction and maintenance of any facilities of the Grantee, and the Grantee shall promptly conform with all such regulations, and permit requirements, unless compliance would cause the Grantee to violate other requirements of law.

Section 3. Franchise Fee. In consideration of the fact that i) the Development Agreement requires the recharge of groundwater with stormwater infiltrated using low impact development techniques and infiltration facilities, ii) the City requires adaptive management of detention and discharge rates and maintenance of hydrology for Black Diamond Lake and wetlands on the site through recharge, and iii) that the only feasible route to achieve these standards and conditions is by crossing and within the City right of way, the City will not impose a franchise fee. Further, in consideration for Grantee providing and paying for the cost of irrigation systems, reclaimed water systems, and water necessary for irrigation of landscape improvements on City-owned property, at no charge to the City, the City will not impose a franchise fee. In addition, in consideration of landscape lighting being provided where appropriate to enhance the character of the community while providing a higher level of security for all citizens of the community who may use the parks and trails at night and that the cost to operate the lights will be at no cost to the City, the City will not impose a franchise fee. Finally, in consideration of the fact that private side sewers are required by the City to be placed in City right of way because it is the most protected and practical route, the City will not impose a franchise fee.

Section 4. Approval of Plans. Prior to construction of any of the facilities in the area described in Section 1 herein, the Grantee shall submit to the City's MDRT, in triplicate, plans drawn to an accurate scale, showing the exact location, character, position, depth and height of the work to be done. The plans shall accurately depict the relative position and location of all lines, facilities and appurtenances to be constructed, hung, laid, re-laid, installed, replaced, repaired, connected or disconnected, in the existing street or public right-of-way. All streets and public right-of-way denoted thereon shall be designated by their name and number and any local improvements therein such as roadway pavement, shoulders, sidewalks, curbs, gutters, ditches, driveways, parking strips, telephone or electric distribution poles, conduits, storm, gas or water pipes as may exist on the ground or area above sought to be occupied shall be outlined.

In the construction proposed by the Grantee, all materials and equipment shall be of the first class type and kind. The exact class and type to be used shall be shown on the plans, as will the equipment to be used and the mode of safeguarding and facilitating the public traffic during

construction. The manner of excavation, construction installation, backfill and temporary structures (such as traffic turnouts, road obstructions, etc.) shall meet with the approval of, pass all requirements of, and be constructed under the supervision of the MDRT. Prior to approval of any work under this franchise, the MDRT may require such modifications or changes, deemed necessary to properly protect the public in the use of the public places, and may fix the time or times within and during which such work shall be done. The Grantee shall submit a Right-of-Way Use Permit and/or Utility Permit as required by the MDRT prior to work within the City's right-of-way.

Section 5. Requirement for Work in Public Rights-of-Way. Whenever the Grantee shall excavate in any public right-of-way for the purpose of installation, construction, repair, maintenance or relocation of its facilities, it shall apply to the City for a permit to do so and, in addition, shall give the City at least ten (10) working days' notice of intent to commence work on main lines in the right-of-way, unless such notice is waived by the MDRT. In no case shall any work commence within any public right-of-way without a permit, except as otherwise provided in this franchise ordinance.

During any period of relocation, installation, construction or maintenance, all surface structures, if any, shall be erected and used in such places and positions within said public right-of- ways and other public properties so as to interfere as little as possible with the free passage of traffic and the free use of adjoining property, and the Grantee shall at all times post and maintain proper barricades and comply with all applicable safety regulations during such period of construction as required by the ordinances of the City or the laws of the State of Washington, including RCW 39.04.180 for the construction of trench safety systems.

If the Grantee shall at any time plan to make excavations in any area covered by this franchise and as described in this Section, the Grantee shall afford the City, upon receipt of a written request to do so, an opportunity to share such excavation, PROVIDED THAT:

- A. Installation of any lines is compatible with all federal, state and local regulations and Grantee's construction standards;
- B. Such joint use shall not unreasonably delay the Grantee's work;
- C. Such joint use shall be arranged and accomplished on terms and conditions satisfactory to both parties;
- D. The Grantee may deny such request for safety reasons.

Section 6. Protection of the Public Health, Safety and Property. Whenever an accident, faulty operation, excavation, fill or other condition associated with the construction, installation, maintenance or repair of the facilities authorized under this franchise has caused or contributed to a condition that appears to substantially impair the lateral support of the adjoining street or public place, or endanger the public, and adjoining public place or street utilities or City

property, the MDRT may direct the Grantee, at its own expense, to take actions to protect the public, adjacent public places, City property and street utilities, and may require compliance within a prescribed time.

In the event that the Grantee fails or refuses to take the actions directed promptly, or fails to fully comply with such directions given by the MDRT, or if emergency conditions exist which require immediate action, the City may enter upon the property and take such actions necessary to protect the public, the adjacent streets, or streets, or street utilities, or to maintain the lateral support thereof, including placing of temporary shoring, backfilling, alteration of drainage patterns and any other actions reasonable necessary to decrease the possibility of earth movement, or actions regarded as necessary safety precautions; and the Grantee shall be liable to the City for the costs thereof.

Section 7. Records. Grantee shall at all times keep complete records showing the relative location and size of all facilities heretofore installed in public right-of-ways within the City. Such records shall be kept current by the Grantee, who shall provide as-builts to the City when this franchise is granted, and if the City permits additional installations, then immediately after construction is complete.

Upon the City's request for information on the location of Grantee's facilities prior to the designing of rights-of-way improvements or other City improvements, the Grantee shall respond with the information on both the horizontal and vertical depth location of the Grantee's facilities no later than two (2) business days after the receipt of the request, unless otherwise agreed by the parties in writing. The City, as excavator, shall have the right to receive compensation from the Grantee for all costs incurred if the Grantee does not accurately locate its facilities as required by this section and in accordance with RCW 19.122.030. Such compensation shall be paid by the Grantee to the City within thirty (30) days after receipt of an invoice

Section 8. Recovery of Costs. During the term of the Development Agreement, Grantee shall be responsible for all costs associated with activities undertaken through the authority granted in this franchise ordinance in accordance with the terms of the MPD Funding Agreement, Exhibit N to the Development Agreement. Thereafter, the Grantee shall be responsible for all permit fees associated with activities undertaken through the authority granted in this franchise ordinance or under the laws of the City. When the City incurs costs and expenses for review, inspection or supervision of activities undertaken through the authority granted in this franchise or any ordinances relating to the subject for which a fee is not established, the Grantee shall pay such costs and expenses directly to the City.

Section 9. Restoration. The Grantee shall, after installation, construction, relocation, maintenance or repair of its facilities within the franchise area, restore the surface of the right-of-way to at least the same condition the property was in immediately prior to any such installation, construction, relocation, maintenance or repair. The MDRT shall have final approval of the condition of such streets after restoration or repair. All concrete encased monuments which have been disturbed or displaced by such work shall be restored pursuant to all federal, state and local

standards and specifications. The Grantee agrees to promptly complete all restoration work and to promptly repair any damage caused by such work to the affected area at its sole cost and expense.

Section 10. Indemnification. The Grantee hereby releases, covenants not to bring suit and agrees to indemnify, defend and hold harmless the City, its officers, officials, employees, agents, volunteers, and representatives from any and all claims, injuries, damages, costs, judgments, awards or liability to any person, including claims by the Grantee's own employees to which the Grantee might otherwise be immune under Title 51 RCW, arising out of or related to any activities or operations performed by Grantee or on Grantee's behalf under or in connection with this franchise, except for injuries or damages to persons or property caused by the sole negligence of the City.

The Grantee further releases, covenants not to bring suit and agrees to indemnify, defend and hold harmless the City, its officers, officials, employees, agents, volunteers, and representatives from any and all claims, injuries, damages, costs, judgments, awards or liability to any person including claims by the Grantee's own employees, including those claims to which the Grantee might otherwise be immune under Title 51 RCW, arising against the City (1) solely by virtue of the City's ownership or control of the rights-of-way; (2) by virtue of the Grantee's exercise of the rights granted herein; or (3) by virtue of the City's permitting the Grantee's use of the City's rights-of-way; which claims are based upon the City's inspection or lack of inspection of work performed by the Grantee, its employees, agents, officers or representatives, in connection with the work authorized on the City's property or property over which the City has control, pursuant to this franchise or pursuant to any other permit or approval issued in connection with this franchise.

This covenant of indemnification shall include, but not be limited by this reference, claims against the City arising as a result of negligent acts or omissions of the Grantee, its employees, officers, representatives or agents in barricading, instituting trench safety systems or providing other adequate warnings of any excavation, construction or work in any public right-of-way in the performance of the work or services permitted under this franchise.

Inspection or acceptance by the City of any work performed by the Grantee at the time of completion of construction shall not be grounds for avoidance of any of these covenants of indemnification. Said indemnification obligations shall extend to claims which are not reduced to a suit and any claims which may be compromised prior to the culmination of any litigation or the institution of any litigation.

In the event that the Grantee refuses the tender of defense in any suit or claim, said tender having been made pursuant to the indemnification clauses contained herein, and said refusal is subsequently determined by a court having jurisdiction (or such other tribunal that the parties shall agree to decide the matter) to have been a wrongful refusal on the part of the Grantee, then the Grantee shall pay all of the City's costs of defense of the action, including all reasonable expert witness fees and reasonable attorneys' fees and the reasonable costs of the City, including reasonable attorneys' fee for recovering under this indemnification clause.

In the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Grantee and the City, its officers,

employees and agents, the Grantee's liability hereunder shall be only to the extent of the Grantee's negligence. It is further specifically and expressly understood that the indemnification provided herein covers claims by the Grantee's own employees from which the Grantee might otherwise be immune under Title 51 RCW, and this waiver has been mutually negotiated by the parties.

Section 11. Bond. Except for a street-restoration bond applicable to future repair and maintenance projects undertaken by the developer, the City will not require the Grantee to post bond for the faithful performance of the terms and conditions of this franchise.

Section 12. Relocation. Grantee agrees and covenants at its sole cost and expense, to protect, support, temporarily disconnect, or relocate any of its installations within City right-of-ways when so required by the City by reason of traffic conditions or public safety, dedications of new rights-of-way and the establishment and improvement thereof, widening and improvement of existing rights-of-way, street vacations, change or establishment of street grade, or the construction of any public improvement or structure by any governmental agency acting in a governmental capacity (any or all of which, individually or collectively, constitute a "Public Project").

Any condition or requirement (including, without limitation, any condition or requirement imposed pursuant to any contract or in conjunction with approvals for permit for zoning, land use, construction or development) imposed by the City upon any third party or agreed upon between the City and any third party that reasonably necessitates the relocation of Grantee's facilities within the franchise area shall be deemed to be at the request of and to accommodate such third party.

If the City determines that a Public Project necessitates the relocation of Grantee's then existing facilities, the City shall:

- A. At least sixty (60) days prior to the notice to proceed with the Public Project, provide Grantee with written notice requiring such relocation; and
- B. Provide Grantee with copies of pertinent portions of the plans and specifications for the Public Project and a proposed location for Grantee's facilities so that Grantee may relocate its facilities in other City right-of-way in order to accommodate the Public Project.
- C. After receipt of the notice to relocate and the plans and specifications for the Public Project, Grantee shall complete relocation of its facilities at least ten (10) days prior to commencement of the City's Public Project at no charge or expense to the City. Relocation shall be accomplished in such a manner as to accommodate the Public Project.

Grantee may, after receipt of written notice requesting a relocation of its facilities, submit to the City written alternatives to such relocation. The City shall evaluate such alternatives and advise Grantee in writing if one or more of the alternatives are suitable to accommodate the work which would otherwise necessitate relocation of the facilities. If so requested by the City, Grantee shall submit additional information to assist the City in making such evaluation. The City shall

give each alternative proposed by Grantee full and fair consideration. In the event the City ultimately determines that there is no other reasonable or feasible alternative, Grantee shall relocate its facilities as otherwise provided in this Section. The provisions of this Section shall survive the expiration or termination of this franchise agreement.

The provisions of this Section shall in no manner preclude or restrict Grantee from making any arrangements it may deem appropriate when responding to a request for relocation of its facilities by any person or entity other than the City, where the facilities to be constructed by said person or entity are not or will not become City-owned, operated or maintained facilities, provided that such arrangements do not unduly delay a City construction project.

Section 13. Non-Exclusive Franchise Grant. This franchise is granted upon the express condition that it shall not in any manner prevent the City from granting other or further franchises in, along, over, through, under, below or across any of said streets, avenues, alleys or public rights-of-way of every type and description. Such franchise shall in no way prevent or prohibit the City from using any of said roads, streets or public rights-of-way, or affect the City's jurisdiction over them or any part of them, and the City shall retain power to make all necessary changes, relocations, repairs, maintenance, establishment, improvement, dedication of same as the City may deem fit, including the dedication, establishment, maintenance, and improvement of all new rights-of-way of every type and description.

Section 14. Forfeiture and Revocation. If Grantee willfully violates or fails to comply with any of the provisions of this franchise, or through willful misconduct or gross negligence fails to heed or comply with any notice given the Grantee by the City under the provisions of this franchise, then the Grantee shall, at the election of the City Council, forfeit all rights conferred hereunder and this franchise may be revoked or annulled by the Council after a hearing held upon at least thirty (30) days notice to the Grantee. Prior to or at the hearing, the Grantee may request a reasonable time within which to remedy the default.

The City may elect, in lieu of the above and without any prejudice to any of its other legal rights and remedies, to obtain an order from the superior court having jurisdiction compelling the Grantee to comply with the provisions of this ordinance, and to recover damages and costs incurred by the City by reason of the Grantee's failure to comply.

In addition to any other remedy provided herein, the City reserves the right to pursue any legal remedy to compel or force the Grantee to comply with the terms of this franchise, and the pursuit of any right or remedy by the City shall not prevent the City from thereafter declaring a forfeiture or revocation for breach of the conditions herein.

Section 15. Insurance. Grantee shall procure and maintain for the duration of this franchise, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the exercise of the rights, privileges and authority granted hereunder to the Grantee, its officials, employees and representatives. Grantee shall provide a copy of its insurance policy(ies) to the City for its inspection prior to the adoption of this franchise ordinance.

Grantee shall obtain and maintain insurance of at least the following types of coverage and minimum coverage limits:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be at least as broad as Insurance Services Office (ISO) form CA 00 01, and shall have a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be at least as broad as Insurance Services Office (ISO) occurrence form CG 00 01 and shall cover liability arising from operations, products-completed operations, and stop-gap liability, and shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate, and a \$2,000,000 products- completed operations aggregate limit. There shall be no exclusion for liability arising from explosion, collapse, or underground property damage. The City shall be named as an additional insured under the Grantee's Commercial General Liability insurance policy using ISO Additional Insured-State or Political Subdivisions-Permits CG 20 12 or a substitute endorsement providing at least as broad coverage.

Any deductibles or self-insured retentions must be declared to and approved by the City. Payment of deductible or self-insured retentions shall be the sole responsibility of the Grantee. If the Grantee maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Grantee, irrespective of whether such limits maintained by the Grantee are greater than those required by this franchise or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Grantee.

The insurance policy obtained by Grantee shall name the City, its officers, officials, employees, and volunteers as additional insureds with regard to activities performed by or on behalf of the Grantee. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees, or volunteers. In addition, the insurance policy shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Grantee's insurance shall be primary insurance as respects the City, its officers, officials, employees or volunteers. Any insurance, self-insurance, or self-insured pool coverage maintained by the City, its officers, officials, employees, and volunteers shall be in excess of Grantee's insurance and shall not contribute with it. The insurance policy or policies required by this clause shall be endorsed to state that coverage shall not be suspended, voided, or canceled by either party, or reduced in coverage or in limits, except after thirty (30) days prior written notice, by certified mail, return receipt requested, has been given to the City. Any failure to comply with the reporting provisions of the policies required herein shall not affect coverage provided to the City, its officers, officials, employees or volunteers.

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII. Before beginning any work under this Agreement, Grantee shall provide evidence, in the form of an original Certificate of Insurance, and a copy of the amendatory endorsements, including the additional insured endorsement, of the insurance requirements specified above. Grantee's failure to maintain the insurance as required shall constitute a material breach of the franchise, upon which the City may, after giving five business days' notice to Grantee to correct the breach, immediately terminate the franchise or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand.

Grantee's maintenance of insurance as required by this franchise does not limit the liability of the Grantee to the coverage provided by such insurance, nor does it otherwise limit the City's recourse to any remedy available at law or in equity.

Section 16. Assignment. This agreement may not be assigned or transferred without the prior, written approval of the City. The Grantee shall provide prompt, written notice to the City of any such proposed assignment. All of the provisions, conditions, regulations and requirements contained in this franchise ordinance shall be binding upon the successors and assigns of the Grantee, and all privileges of the Grantee shall inure to the successors and assigns as if they were mentioned herein.

Section 17. Abandonment of Facilities. Any plan for abandonment of any of Grantee's facilities installed under this franchise or any of its predecessors must be submitted to the City for its written consent. The MDRT shall review the plan for abandonment prior to commencement of any work, and all necessary permits must be obtained prior to such work. The provisions of this Section shall survive the expiration, revocation or termination of this franchise ordinance.

Section 18. Modification. The City and Grantee hereby reserve the right to alter, amend or modify the terms and conditions of this franchise upon written agreement of both parties to such alteration, amendment or modification.

Section 19. Integration. The written provisions and terms of this franchise ordinance shall supersede all prior verbal statements of either party, and any prior franchise ordinance between the parties. Such statements or prior franchise ordinances shall not be effective or be construed as entering into, forming a part of, or altering in any manner whatsoever, this Agreement.

Section 20. Street Vacations. This section will only become operative in those instances where the street vacation is subject to the City's street vacation ordinance, and not in those situations where the street has been vacated by the lapse of time and operations of law. The City may have occasion to vacate certain streets, public ways or areas that have Grantee's facilities located thereon. City agrees to exert reasonable good faith efforts to reserve an easement for Grantee's facilities when a street, public way or area is vacated. If it is not feasible for City to reserve an easement for Grantee's facilities, the proponents of the vacation shall be required (by

City) as part of land use or other permitting approvals, to reimburse Grantee all costs to relocated said facilities, as allowed by law.

Section 21. Notice. Any notice or information required or permitted to be given to the parties under this franchise agreement may be sent to the following addresses unless otherwise specified:

City of Black Diamond
PO Box 599
Black Diamond, WA 98010
Attn: MDRT

Grantee c/o Oakpointe LLC
10220 NE Points Drive, Suite 310
Kirkland, WA 98033
Attn: Brian Ross

Section 22. Binding Effect. All of the provisions, conditions, regulations and requirements contained in this franchise ordinance shall further be binding upon the heirs, successors, executors, administrators, legal representatives and assigns of the Grantee and all privileges, as well as all obligations and liabilities of the Grantee shall inure to its heirs, successors and assigns equally as if they were specifically mentioned wherever the Grantee is mentioned herein.

Section 23. Compliance with Law. The Grantee, is subcontractors, employees and any person acting on behalf of the Grantee shall keep him/herself fully informed of all federal and state laws and regulations, and all municipal ordinances and regulations which in any manner affect the work or performance of the work authorized under this franchise ordinance, whether or not such laws, ordinances, or regulations are mentioned herein, and shall indemnify the City, its officers, agents, employees, volunteers, or representatives against any claim or liability arising from or based upon the violation of any such laws and regulations.

Section 24. Survival. All of the provisions, conditions, and requirements of Sections 6, 7, 9, 10, 17, and 22 shall survive the City's franchise to the Grantee for the use of the areas mentioned in Section 1 herein, and any renewals or extensions thereof.

Section 25. Severability. If any section, sentence, clause or phrase of this franchise ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this franchise ordinance. In the event that any of the provisions of this franchise are held to be invalid by a court of competent jurisdiction, the parties reserve the right to renegotiate the grant of franchise and may amend, repeal, add, replace or modify any other provision of this franchise, or may terminate this franchise.

Section 26. Acceptance. This franchise is granted upon the express condition that Grantee, within thirty (30) days after the adoption of this ordinance, shall file with the Clerk of the City a written acceptance of the same together with the other documentation required in this franchise, and when so accepted by the Grantee shall constitute a contract between the City and Grantee for all of the uses, services and purposes herein set forth.

Section 27. Emergency Work – Permit Waiver. In the event of any emergency in which any of Grantee's facilities located in or under any right-of-way breaks, becomes damaged, or if Grantee's construction area is otherwise in such a condition as to immediately endanger the property, life, health or safety of any individual, Grantee shall immediately take the proper emergency measures to repair its facilities, to cure or remedy the dangerous conditions for the protection of property, life, health or safety of individuals without first applying for and obtaining a permit as required by this franchise. However, this shall not relieve Grantee from the requirement of obtaining any permits necessary for this purpose, and Grantee shall apply for all such permits not later than the next succeeding day during which the Black Diamond City Hall is open for business.

Section 28. Effective Date. This Ordinance shall take effect on the date of its first publication in the City's official newspaper, or on the date the Grantee submits the written acceptance required by Section 26 above, whichever occurs later.

PASSED BY THE COUNCIL OF THE CITY OF BLACK DIAMOND,
WASHINGTON, AND APPROVED BY ITS MAYOR AT A REGULAR MEETING OF SAID
COUNCIL HELD ON THIS ____ DAY OF _____, 2016.

APPROVED:

ATTEST/AUTHENTICATED:

CITY CLERK,

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY:

BY _____

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO. _____

CITY COUNCIL AGENDA BILL

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

ITEM INFORMATION		
SUBJECT: Ordinance Regarding Astound Broadband, LLC, d/b/a “Wave” granting A Non-Exclusive Telecommunications Franchise to install, construct, maintain, repair, and operate a telecommunications system within the public rights of way	Agenda Date: November 17, 2016 AB16-064A	
Cost Impact - N/A Fund Source: -- Timeline: 10 year agreement	Mayor Carol Benson	
	City Administrator	
	City Attorney David Linehan	
	City Clerk – Brenda L. Martinez	
	Com Dev/Nat Res – Andy Williamson	
	Finance – May Miller	
	MDRT/Ec Dev – Andy Williamson	X
	Police – Chief Kiblinger	
	Public Works – Seth Boettcher	
	Court – Stephanie Metcalf	
Agenda Placement: ☒ Mayor ☒ Two Councilmembers ☐ Committee Chair ☐ City Administrator		
Attachments: Ordinance 16- xxx; Overview		
SUMMARY STATEMENT: There was Council action at the November 3rd meeting to postpone this item to the November 17th meeting. Granting, Astound Broadband, LLC, d/b/a “Wave” a Non-Exclusive Telecommunications Franchise to install, construct, maintain, repair, and operate a telecommunications system within the public rights of way. Astound Broadband meets the qualifications to operate within the City Right-of-Way as a wireless telephone business and a telecommunications company meeting RCW 80. Astound Broadband will be required to obtain any and all regulatory permit required by the City prior to beginning work in the City’s Right-of-Way. Following any work within the Right-of-Way, Astound Broadband will be required to restore the area of construction to the reasonable satisfaction of the City. FISCAL NOTE: No Fiscal Impact		
COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:		
RECOMMENDED ACTION: MOTION to adopt Ordinance No. xxx authorizing the Mayor to execute an agreement with Astound Broadband, LLC, d/b/a “Wave”, granting a Non- Exclusive Franchise to use and occupy certain public right of ways.		
RECORD OF COUNCIL ACTION		
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
November 3, 2016	Motion to postpone to Nov 17 mtg.	Passed 5-0
November 17, 2016		

CITY OF BLACK DIAMOND, WASHINGTON

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY OF BLACK DIAMOND, WASHINGTON, GRANTING TO ASTOUND BROADBAND, LLC, A LIMITED LIABILITY COMPANY, A NONEXCLUSIVE TELECOMMUNICATIONS FRANCHISE TO INSTALL, CONSTRUCT, MAINTAIN, REPAIR, AND OPERATE A TELECOMMUNICATIONS SYSTEM WITHIN THE PUBLIC RIGHTS OF WAY; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, Astound Broadband, LLC, a Washington limited liability company d/b/a Wave (hereinafter “Franchisee”) has made application to the City to construct, install, maintain, repair and operate a fiber optic-based telecommunications system with the public rights-of-way of the City; and

WHEREAS, Franchisee represents that it has the legal, technical and financial qualifications to operate in the rights-of-way of the City as a wireline telephone business and a telecommunications company within the meaning of Title 80 RCW; and

WHEREAS, based on representations and information provided by Franchisee, and in response to its request for the grant of a franchise, the City Council has determined that the grant of a nonexclusive franchise, on the terms and conditions herein and subject to applicable law, are consistent with the public interest; and

WHEREAS, the City is authorized by applicable law to grant such a nonexclusive franchises within the boundaries of the City;

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

Table of Contents.

ARTICLE 1. DEFINITIONS

ARTICLE 2. FRANCHISE GRANT

- 2.1 Public Right-of-Way Use Authorized
- 2.2 Authorized Services
- 2.3 No Rights Shall Pass to Franchisee by Implication
- 2.4 Interest in the Public Right-of-Way; Release; Indemnity
- 2.5 Rights Subordinate

- 2.6 Condition of Franchise Area
- 2.7 Franchise Nonexclusive
- 2.8 Transfer
- 2.9 Street Vacation
- 2.10 Reservation of City Use of Public Right-of-Way

ARTICLE 3. COMPLIANCE WITH LAWS/ORDER OF PRECEDENCE

- 3.1 Alteration of Material Terms and Conditions
- 3.2 Compliance with Laws
- 3.3 Reservation of Rights/Wavier
- 3.4 Change in Form of Government

ARTICLE 4. ACCEPTANCE

- 4.1 Acceptance
- 4.2 Failure to Timely File Acceptance
- 4.3 Effective Date; Term
- 4.4 Effect of Acceptance
- 4.5 Effect of Expiration/Termination

ARTICLE 5. PROTECTION OF THE CITY AND PUBLIC

- 5.1 Limitation of Liability
- 5.2 Insurance Requirements – Attached Exhibit D
- 5.3 Financial Security – Attached Exhibit E
- 5.4 Contractors/Subcontractors
- 5.5 Liens
- 5.6 Financial Conditions

ARTICLE 6. ENFORCEMENT AND REMEDIES

- 6.1 Communications and Discussion
- 6.2 Remedies
- 6.3 Right to Cure Default
- 6.4 Termination/Revocation
- 6.5 Receivership

ARTICLE 7. GENERAL CONDITIONS UPON USE OF PUBLIC RIGHTS-OF-WAY

- 7.1 Regulatory Permit
- 7.2 Submission; Approval of Design Documents
- 7.3 Compliance with Standards/Codes
- 7.4 Conditions Precedent to Work
- 7.5 Work in the Public Rights-of-Way
- 7.6 Alterations

- 7.7 General Conditions
- 7.8 Facility Relocation at Request of the City
- 7.9 Movement of Facilities for Others
- 7.10 Movement of Facilities During Emergencies
- 7.11 Record of Installations
- 7.12 Restoration of Public Rights-of-Way, Public and Private Property
- 7.13 Approvals
- 7.14 Abandonment of Facilities

ARTICLE 8. MISCELLANEOUS

- 8.1 Headings
- 8.2 Entire Agreement
- 8.3 Incorporation of Exhibits
- 8.4 Calculation of Time
- 8.5 Time Limits Strictly Construed
- 8.6 No Joint Venture
- 8.7 Approval Authority
- 8.8 Binding Effect upon Successors and Assigns
- 8.9 Waiver
- 8.10 Severability
- 8.11 Signs
- 8.12 Discriminatory Practices Prohibited
- 8.13 Notice
- 8.14 Survival of Terms
- 8.15 Force Majeure
- 8.16 Attorneys' Fees
- 8.17 Venue/Choice of Law
- 8.18 Publication

EXHIBITS:

- A. Form of Acceptance of Franchise
- B. Form of Transfer Agreement
- C. Description of Franchise Area
- D. Insurance Requirements
- E. Financial Security
- F. Contractor/Subcontractor Insurance Requirements

ARTICLE 1. DEFINITIONS.

For the purposes of this Franchise and the Exhibits attached hereto, the following terms, phrases, words and their derivations where capitalized shall have the meanings given herein. Words not defined herein shall have the meaning given pursuant to such federal statutes, rules, or regulations that apply to and regulate the services provided by the

Franchisee. Words not otherwise defined, shall be given their common and ordinary meaning. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. The word “shall” is always mandatory and not merely directory. References to governmental entities (whether persons or entities) refer to those entities or their successors in authority. If specific provisions of law, regulation or rule referred to herein be renumbered, then the reference shall be read to refer to the renumbered provision.

“Affiliate” when used in connection with Franchisee means any Person who owns or controls, is owned or controlled by, or is under common ownership or control with Franchisee.

“City” shall mean the City of Black Diamond, a municipal corporation organized as a non-charter code city, operating under the laws of the state of Washington.

“Construct” shall mean to construct, reconstruct, install, reinstall, align, realign, locate, relocate, adjust, affix, attach, remove, or support.

“Default” shall mean any failure of a Party to keep, observe, or perform any of its duties or obligations under this Franchise.

“Design Document(s)” shall mean the plans and specifications for the Construction of the Facilities meeting the minimum applicable general plan submittal requirements for engineering services plan review as set forth in the City’s Engineering Design and Construction Standards manual, illustrating and describing the refinement of the design of the Telecommunications System Facilities to be Constructed, establishing the scope, relationship, forms, size and appearance of the Facilities by means of plans, sections and elevations, typical construction details, location, alignment, materials, and equipment layouts. The Design Documents shall include specifications that identify utilities, major material and systems, Public Right-of-Way improvements, restoration and repair, and establish in general their quality levels.

“Direct Costs” shall mean and include all costs and expenses incurred by the City and directly related to a particular activity or activities, including by way of example:

- i. All costs and expenses of materials, equipment, supplies, utilities, consumables, goods and other items used or incorporated in connection with and in furtherance of such activity or activities and any taxes, insurance, and interest expenses related thereto, including costs for crews and equipment;

- ii. All costs and expenses of labor inclusive of payroll benefits, non-productive time and overhead for each of the labor classifications of the employees performing work for the activity and determined in accordance with the City’s ordinary governmental accounting procedures; and,

iii. All costs and expenses to the City for any work by consultants or contractors to the extent performing work for a particular activity or activities, including by way of example and not limitation, engineering and legal services.

“Dispute” shall mean a question or controversy that arises between the Parties concerning the observance, performance, interpretation or implementation of any of the terms, provisions, or conditions contained in this Franchise or the rights or obligations of either Party under this Franchise.

“Effective Date” shall mean and refer to that term as it is defined at Section 4.3 herein.

“Emergency” shall mean and refer to a sudden condition or set of circumstances that, (a) significantly disrupts or interrupts the operation of Facilities in the Public Rights-of-Way and Franchisee’s ability to continue to provide services if immediate action is not taken, or (b) presents an imminent threat of harm to persons or property if immediate action is not taken.

“Environmental Law(s)” means any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health or the environment, including without limitation, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Toxic Substances Control Act, and any similar or comparable state or local law.

“Facility” or “Facilities” means any part or all of the facilities, equipment and appurtenances of Franchisee whether underground or overhead and located within the Public Rights-of-Way as part of the Franchisee’s Telecommunications System, including but not limited to, conduit, case, pipe, line, fiber, cabling, equipment, equipment cabinets and shelters, vaults, generators, conductors, poles, carriers, drains, vents, guy wires, encasements, sleeves, valves, wires, supports, foundations, anchors, transmitters, receivers, antennas, and signage.

“Franchise” shall mean the grant, once accepted, giving general permission to the Franchisee to enter into and upon the Public Rights-of-Way to use and occupy the same for the purposes authorized herein, all pursuant and subject to the terms and conditions as set forth herein.

“Franchisee” shall mean Astound Broadband, LLC d/b/a Wave and any of its Affiliates.

“Franchise Area” shall mean collectively or individually the Public Rights-of-Way located within the area described in Exhibit “C”.

“Franchise Ordinance” shall mean the Ordinance authorizing the Franchise.

“Hazardous Substance” means those substances which have been recognized as dangerous or potentially dangerous to health, welfare, or to the environment by any federal, municipal, state, City, or other governmental or quasi-governmental authority, and/or any department or agency thereof; those substances which use, or have as its component thereof or therein, asbestos or lead-based paint; and petroleum oil and any of its fractions; and as such has been defined, listed or regulated under any Environmental Law.

“Law(s)” shall mean all present and future applicable laws, ordinances, rules, regulations, resolutions, environmental standards, orders, decrees and requirements of all federal, state, and local governments, the departments, bureaus or commissions thereof, or other governmental authorities, including the City acting in its governmental capacity. References to Laws shall be interpreted broadly to cover government actions, however nominated, and include laws, ordinances and regulations now in force or hereinafter enacted or amended.

“Noticed Party” shall mean the Party in receipt of notice that it is in Default.

“Person” means and includes any individual, corporation, partnership, association, joint-stock-company, limited liability company, political subdivision, public corporation, taxing districts, trust, or any other legal entity, but not the City or any Person under contract with the City to perform work in the Public Rights-of-Way.

“Party(ies)” shall mean either the City or the Franchisee or both.

“Private telecommunications system” means a telecommunications system controlled by a person or entity for the sole and exclusive use of such person, entity, or affiliate thereof, including the provision of private shared telecommunications services by such person or entity. “Private telecommunications system” does not include a system offered for hire, sale, or resale to the general public.

“Public Rights-of-Way” means the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, way, lane, public way, drive, circle or other public right-of-way, including, any easement now or hereafter held by the City within the corporate boundaries of the City as now or hereafter constituted for the purpose of public travel, and over which the City has authority to grant permits, licenses or franchises for use thereof, or has regulatory authority thereover, excluding railroad rights-of-way, airports, harbor areas, buildings, parks, poles, conduits, and excluding such similar facilities or property owned, maintained or leased by the City in its proprietary capacity or as an operator of a utility.

“Public Works Director” means and refers to the Public Works Director for the City or his or her designee or such officer or person who has been assigned the duties of public works director or his or her designee.

“Regulatory Permit” means a permit issued under the regulatory authority of the City that provides specific requirements and conditions for Work to Construct Facilities within the Public Rights-of-Way and includes by way of example and not limitation, a construction permit, building permit, street excavation permit, barricade permit, and clearing and grading permit.

“Remedy”, “Remediate” and “Remedial Action” shall have the same meaning as these are given under the Model Toxics Control Act (Chapter 70.105D RCW) and its implementing regulations at Chapter 173-340 WAC.

“Service” shall mean the service or services authorized to be provided by the Franchisee under the terms and conditions of this Franchise.

“Telecommunications Service” means the electronic transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points. Telecommunications Service includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code, or protocol of the content for purposes of transmission, conveyance, or routing without regard to whether such service is referred to as voice over internet protocol services or is classified by the federal communications commission as enhanced or value added. Telecommunications Service excludes, radio and television audio and video programming services, regardless of the medium, including the furnishing of transmission, conveyance, and routing of such services by the programming service provider. Radio and television audio and video programming services include but are not limited to cable service as defined in 47 U.S.C. Sec. 522(6) and audio and video programming services delivered by commercial mobile radio service providers, as defined in section 20.3, Title 47 C.F.R.

“Transfer” shall mean any transaction in which all or a portion of the Telecommunications System is sold, leased or assigned (except a sale or transfer that results in removal of a particular portion of the Telecommunications System from the Public Rights-of-Way); or the rights and/or obligations held by the Franchisee under the Franchise are transferred, sold, assigned, or leased, in whole or in part, directly or indirectly, to another Person. A transfer of control of an operator shall not constitute a transfer as long as the same person continues to hold the Franchise both before and after the transfer of control.

“Telecommunications System” shall mean collectively the Facilities that together with other facilities, appurtenances and equipment of Franchisee or other Persons are used to provide Telecommunications Services.

“Work” shall mean any and all activities of the Franchisee, or its officers, directors, employees, agents, contractors, subcontractors, volunteers, invitees, or licensees, within the Public Rights-of-Way to Construct the Facilities.

ARTICLE 2. FRANCHISE GRANT.

2.1 Public Right-of-Way Use Authorized. Subject to the terms and conditions of this Franchise, the City hereby grants to Franchisee a nonexclusive Franchise authorizing the Franchisee to Construct, maintain, repair and operate Facilities in, along, among, upon, across, above, over, and under the Public Rights-of-Ways located within the Franchise Area.

2.2 Authorized Services. The grant given herein expressly authorizes Franchisee to use the Public Rights-of-Way to Construct, maintain, repair and operate its Facilities as part of its Telecommunications System to provide Telecommunications Services. This authorization is limited and is not intended nor shall it be construed as granting Franchisee or any other Person the right, duty or privilege to use its Facilities or the Public Rights-of-Way to provide Services not specifically authorized herein. This Franchise shall not be interpreted to prevent the City from lawfully imposing additional conditions, including additional compensation conditions, if authorized by applicable law for use of the Public Rights-of-Way, should Franchisee provide Service other than Service specifically authorized herein. However, this Franchise shall not be read as a concession by the Franchisee that it needs authorization to provide any services not otherwise authorized herein.

2.3 No Rights Shall Pass to Franchisee by Implication. No rights shall pass to the Franchisee by implication. Without limiting the foregoing and by way of example, this Franchise shall not include or be a substitute for:

2.3.1 Any other authorization required for the privilege of transacting and carrying on a business within the City that may be lawfully required by the Laws of the City;

2.3.2 Any Regulatory Permit required by the City for Public Rights-of-Way users in connection with operations on or in Public Rights-of-Way or public property; or

2.3.3 Any licenses, leases, easements or other agreements for occupying any other property or infrastructure of the City or other Persons to which access is not specifically granted by this Franchise including, without limitation, agreements for placing devices on poles, light standards, in conduits, in vaults, in or on pipelines, or in or on other structures or public buildings.

2.3.4 Any permits or other authorizations that may be required under the land use code and development regulations of the City for the construction of Facilities within a particular zoning district in the City, including by way of example and not limitation, a conditional use permit or a variance.

2.4 Interest in the Public Right-of-Way/Release/Indemnity. This Franchise shall not operate or be construed to convey title, equitable or legal, in the Public Rights-of-Way. This Franchise shall be deemed to grant no more than those rights which the City may have the undisputed right and power to give. The grant given herein does not confer rights other than as expressly provided in the grant hereof and is subject to the

limitations in applicable Law. Such right may not be subdivided or subleased to a person other than the Franchisee except as set forth in Section 2.8 below.

CITY DOES NOT WARRANT ITS TITLE OR PROPERTY INTEREST IN OR TO ANY FRANCHISE AREA NOR UNDERTAKE TO DEFEND FRANCHISEE IN THE PEACEABLE POSSESSION OR USE THEREOF. NO COVENANT OF QUIET ENJOYMENT IS MADE.

Franchisee hereby releases City from any and all liability, cost, loss, damage or expense in connection with any claims that City lacked sufficient legal title or other authority to convey the rights described herein. In case of eviction of Franchisee or Franchisee's contractors by anyone owning or claiming title to, or any interest in the Franchise Area, City shall not be liable to Franchisee or Franchisee's contractors for any costs, losses or damages of any Party.

2.5 Rights Subordinate. Franchisee further acknowledges that Franchisee's rights under this Franchise to Construct Facilities in the Franchise Area, are subject and subordinate to all outstanding rights and encumbrances on the City's Public Rights-of-Way.

2.6 Condition of Franchise Area. Franchisee has inspected or will inspect the Franchise Area described on the attached Exhibit C, and enters upon each such Franchise Area with knowledge of its physical condition and the danger inherent in operations conducted in, on or near any Franchise Area. Franchisee acknowledges that Hazardous Substances or other adverse matters may affect the Franchise Area that were not revealed by Franchisee's inspection.

CITY HEREBY DISCLAIMS ANY REPRESENTATION OR WARRANTY, WHETHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF THE FRANCHISE AREA, INCLUDING THE ENVIRONMENTAL CONDITION OF THE FRANCHISE AREA, ITS MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE PUBLIC RIGHT-OF-WAY, OR THE CONFORMITY OF ANY PART OF THE PUBLIC RIGHT-OF-WAY TO ITS INTENDED USES. CITY SHALL NOT BE RESPONSIBLE TO FRANCHISEE OR ANY OF FRANCHISEE'S CONTRACTORS FOR ANY DAMAGES RELATING TO THE DESIGN, CONDITION, QUALITY, SAFETY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY PART OF THE PUBLIC RIGHT-OF-WAY PRESENT ON OR CONSTITUTING ANY FRANCHISE AREA, OR THE CONFORMITY OF ANY SUCH PROPERTY TO ITS INTENDED USES, EXCEPT TO THE EXTENT ANY DAMAGES RELATING TO THE CONDITION, QUALITY, OR SAFETY OF ANY PART OF THE PUBLIC RIGHT-OF-WAY ARISE FROM THE CITY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

2.7 Franchise Nonexclusive. This Franchise shall be nonexclusive. Subject to the terms and conditions herein, the City may at any time grant authorization to others to use

the Public Rights-of-Way for any lawful purpose on terms and conditions that are competitively neutral and nondiscriminatory among similarly situated franchisees; provided that, no other Person holding a valid franchise shall have superior rights to Franchisee to use and occupy the space within the Public Right-of-Way lawfully occupied by Franchisee Facilities, except as provided pursuant to Section 7.8 (Facility Relocation) hereof.

2.8 Transfer. Franchisee may Transfer this Franchise after prior written notice to the City and Transferee's written commitment, in substantially the form of the agreement attached hereto as Exhibit "B", delivered to the City, that transferee(s) shall thereafter be responsible for all obligations of Franchisee with respect to the Franchise and guaranteeing performance under the terms and conditions of the Franchise and that transferees will be bound by all the conditions of the Franchise and will assume all the obligations of its predecessor. Such a Transfer shall relieve the Franchisee of any further obligations under the Franchise, including any obligations not fulfilled by Franchisee's Transferee; provided that, the Transfer shall not in any respect relieve the Franchisee, or any of its successors in interest, of responsibility for acts or omissions, known or unknown, or the consequences thereof, which acts or omissions occur prior to the time of the Transfer. This Franchise may not be transferred without filing or establishing with the City the insurance certificates, security fund and performance bond as required pursuant to this Franchise and paying all Direct Costs to the City related to the Transfer.

Notwithstanding the foregoing, notice to the City shall not be required for a mortgage, hypothecation or an assignment of Franchisee's interest in the Franchise in order to secure indebtedness.

Franchisee may, without the prior written notice to or consent of the City: (i) lease the Telecommunications System, or any portion thereof, to another Person; (ii) grant an Indefeasible Right of User Interest in the Telecommunications System, or any portion thereof, to another Person; or (iii) offer or provide capacity or bandwidth in its Telecommunications System to another Person; provided that, Franchisee at all times retains exclusive control over its Telecommunications System and remains responsible for Constructing its Facilities pursuant to the terms and conditions of this Franchise, and provided further that, Franchisee may grant no rights to any such Person that are greater than any rights Franchisee has pursuant to this Franchise; such Persons shall not be construed to be a third-party beneficiary hereunder; and, no such Person may use the Telecommunications System for any purpose not authorized herein.

2.9 Street Vacation. If any Public Right-of-Way or portion thereof used by Franchisee is to be vacated during the term of this Franchise, unless as a condition of such vacation the Franchisee is granted the right to continue to occupy the vacated Public Right-of-Way, Franchisee shall, without delay or expense to City, remove its Facilities from such Public Right-of-Way, and restore, repair or reconstruct the Public Right-of-Way where such removal has occurred, and place the Public Right-of-Way in such condition as may be required by the City. Nothing herein is intended to operate as a waiver of Franchisee's right or entitlement under state law or City ordinance to receive notice of or to object to vacation of the Public Right-of-Way occupied by Franchisee Facilities.

2.10 Reservation of City Use of Public Right-of-Way. Nothing in this Franchise shall prevent the City from constructing sanitary or storm sewers; grading, changing grade, paving, repairing, widening or otherwise altering any Public Right-of-Way; laying down, repairing or removing water mains; or installing conduit or fiber optic cable.

ARTICLE 3. COMPLIANCE WITH LAWS/ORDER OF PRECEDENCE.

3.1 Alteration of Material Terms and Conditions. Subject to federal and State preemption, the material rights, benefits, obligations or duties as specified in this Franchise may not be unilaterally altered or impaired by the City through subsequent amendments to, or enactment of, any ordinance, regulation, resolution or other enactment of the City. Notwithstanding the foregoing, the City specifically reserves its right to make and enforce those laws that are within the lawful exercise of the City's police power.

3.2 Compliance with Laws. Except as provided herein pursuant to Section 3.1, the Franchisee agrees to comply with all applicable Laws as now or hereafter in effect, and any lawful orders from regulatory agencies or courts with jurisdiction over Franchisee and its Facilities, or over the City and the Public Rights-of-Way.

3.3 Reservation of Rights/Wavier. The City expressly reserves all of its rights, authority and control arising from any relevant provisions of federal, State or local Laws granting the City rights, authority or control over the Public Rights-of-way or the activities of the Franchisee.

3.4 Change in Form of Government. Any change in the form of government of the City shall not affect the validity of this Franchise. Any governmental unit succeeding the City shall, without the consent of Franchisee, succeed to all of the rights and obligations of the City provided in this Franchise.

ARTICLE 4. ACCEPTANCE.

4.1 Acceptance. Within thirty (30) days after the passage and approval of this Franchise by the City Council, this Franchise shall be accepted by Franchisee by filing with the City Clerk during regular business hours, or to the City Attorney, three originals of this Franchise with its original signed and notarized written acceptance of all of the terms, provisions and conditions of this Franchise in conformance with Exhibit "A", together with the following, if required herein:

4.1.1 Payment in readily available funds of the administrative costs for issuance of the Franchise in conformance with the requirements of Section 5.6 herein.

4.1.2 Submission of proof of financial security in accordance with Section 5.3 herein.

4.1.3 Submission of an insurance certificate in accordance with Section 5.2 herein.

4.1.4 Payment of the costs of publication of this Franchise Ordinance in conformance with the requirements of Section 8.18 herein.

In the event that the thirtieth day falls on a Saturday, Sunday or legal holiday during which the City is closed for business, the filing date shall fall on the last business day before such Saturday, Sunday or legal holiday.

4.2 Failure to Timely File Acceptance. The failure of Franchisee to timely file its written acceptance shall be deemed a rejection by Franchisee of this Franchise, and this Franchise shall then be void.

4.3 Effective Date; Term.

4.3.1 Effective Date. Except as provided pursuant to Section 4.2 of this Franchise, the Effective Date of this Ordinance and Franchise shall be 12:01 a.m. on the day following Franchisee's acceptance under Section 4.1 and not later than the 31st day following passage and approval of this Franchise by the City Council. This Franchise and the rights, privileges, and authority granted hereunder and the relationship established hereby shall take effect and be in force from and after the Effective Date of this Ordinance for the term hereof.

4.3.2 Term. The term of this Franchise shall commence on the Effective Date and shall continue in full force and effect for a period of ten (10) years, unless sooner terminated, revoked or rendered void. No more than one hundred eighty (180) days prior to expiration, the Parties may mutually agree in writing to extend the term of this Franchise for an additional five (5) year term upon the same terms and conditions as provided herein. The Mayor is authorized to execute such an extension on behalf of the City without further action or approval by the City Council.

4.4 Effect of Acceptance. By accepting the Franchise the Franchisee:

4.4.1 Accepts and agrees to comply with and abide by all of the lawful terms and conditions of this Franchise;

4.4.2 Acknowledges and agrees that it has carefully read the terms and conditions of this Franchise; it unconditionally accepts all of the terms and conditions of this Franchise; it unconditionally agrees to abide by the same; it has relied upon its own investigation of all relevant facts; it has had the assistance of counsel; it was not induced to accept a Franchise; and, that this Franchise represents the entire agreement between the Franchisee and the City;

4.4.3 Warrants that Franchisee has full right and authority to enter into and accept this Franchise in accordance with the terms hereof, and by entering into or performing this Franchise, Franchisee is not in violation of its charter or by-laws, or any law, regulation, or agreement by which it is bound or to which it is subject; and

4.4.4 Warrants that Franchisee has full right and authority to enter into and accept this Franchise in accordance with the terms hereof, that the signatories for Franchisee hereto are authorized to sign the Franchise acceptance, and that the joinder or consent of any other party, including a court, trustee, or referee, is not necessary to make valid and effective the execution, delivery, and performance of this Franchise.

4.5 Effect of Expiration/Termination. Upon expiration, revocation or termination of the Franchise without renewal or other authorization, Franchisee shall no longer be authorized to operate the Facilities within the Franchise Area and shall, to the extent it may lawfully do so, cease operation of the Facilities. Forthwith thereafter, except as provided in this Section, or as otherwise provided by ordinance, Franchisee shall: (1) remove its Facilities from the Public Rights-of-Ways and restore the Public Right-of-Way in accordance with Section 7.12.1 (Restoration of Public Rights-of-Way) hereof; (2) sell its Facilities to another entity authorized to operate Facilities within the Franchise Area (which may include the City) in accordance with the transfer provisions under Section 2.8; or (3) abandon any Facilities in place in the Public Rights-of-Way in accordance with Section 7.14 (Abandonment of Facilities) hereof.

ARTICLE 5. PROTECTION OF THE CITY AND PUBLIC.

5.1 Limitation of Liability.

5.1.1 INDEMNITY/RELEASE/DEFENSE. TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE SHALL RELEASE, INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY AND THE CITY'S SUCCESSORS, ASSIGNS, LEGAL REPRESENTATIVES, OFFICERS (ELECTED OR APPOINTED), EMPLOYEES, AND AGENTS (COLLECTIVELY, "**INDEMNITEES**") FOR, FROM, AND AGAINST CLAIMS, LIABILITIES, FINES, PENALTIES, COSTS, DAMAGES, LOSSES, LIENS, CAUSES OF ACTION, SUITS, DEMANDS, JUDGMENTS, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COURT COSTS, REASONABLE ATTORNEYS' FEES, AND COSTS OF INVESTIGATION, REMOVAL AND REMEDIATION, AND GOVERNMENTAL OVERSIGHT COSTS), ENVIRONMENTAL OR OTHERWISE (COLLECTIVELY "**LIABILITIES**") ARISING OUT OF, RESULTING FROM, OR RELATED TO (IN WHOLE OR IN PART):

5.1.1.1 FRANCHISEE'S OCCUPATION AND USE OF THE PUBLIC RIGHT-OF-WAY;

5.1.1.2 FRANCHISEE'S OPERATION OF THE TELECOMMUNICATIONS SYSTEM;

5.1.1.3 ENVIRONMENTAL CONTAMINATION OF THE PUBLIC RIGHTS-OF-WAY CAUSED BY, AGGRAVATED BY, OR CONTRIBUTED TO, IN WHOLE OR IN PART, BY FRANCHISEE OR ITS CONTRACTORS, SUBCONTRACTORS, OR AGENTS (BUT ONLY TO THE EXTENT OF SUCH AGGRAVATION OR CONTRIBUTION); OR

5.1.1.4 ANY ACT OR OMISSION OF FRANCHISEE OR FRANCHISEE'S CONTRACTORS, SUBCONTRACTORS, AGENTS AND SERVANTS, OFFICERS OR EMPLOYEES IN CONNECTION WITH WORK IN THE PUBLIC RIGHTS-OF-WAY.

THE ONLY LIABILITIES WITH RESPECT TO WHICH FRANCHISEE'S OBLIGATION TO RELEASE AND INDEMNIFY THE INDEMNITEES DOES NOT APPLY ARE LIABILITIES TO THE EXTENT PROXIMATELY CAUSED BY THE GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT OF AN INDEMNITEE OR FOR LIABILITIES THAT BY LAW THE INDEMNITEES CANNOT BE INDEMNIFIED FOR.

This covenant of indemnification shall include, but not be limited by this reference, to Liabilities arising, (1) as a result of the negligent acts or omissions of Franchisee, its agents, servants, officers, or employees in barricading, instituting trench safety systems or providing other adequate warnings of any excavation, construction, or work in any public Rights-of-Way or other public place in performance of work or services Permitted under this Franchise; and (2) solely by virtue of the City's ownership or control of the Public Rights-of-Way or other public properties occupied or used by Franchisee.

The fact that Franchisee carries out any activities under this Franchise through independent contractors shall not constitute an avoidance of or defense to Franchisee's duties of defense and indemnification under this Section 5.1.

5.1.2 Tender of Defense. Upon written notice from the City, Franchisee agrees to assume the defense of any lawsuit, claim or other proceeding brought against any Indemnatee by any entity, relating to any matter covered by this Franchise for which Franchisee has an obligation to assume liability for and/or save and hold harmless any Indemnatee. Franchisee shall pay all costs incident to such defense, including, but not limited to, attorneys' fees, investigators' fees, litigation and appeal expenses, settlement payments, and amounts paid in satisfaction of judgments. Further, said indemnification obligations shall extend to claims that are not reduced to a suit and any claims which may be compromised prior to the culmination of any litigation or the institution of any litigation. The City has the right to defend and may participate in the defense of a claim and, in any event, Franchisee may not agree to any settlement of claims financially affecting the City without the City's prior written approval which shall not be unreasonably withheld. If separate representation to fully protect the interests of both Parties is necessary, such as a conflict of interest between the City and the counsel selected by Franchisee to represent the City, Franchisee shall select additional counsel with no conflict with the City. Franchisee's indemnification obligations do not apply to any lawsuit, claim, or proceeding, including any settlement or compromise of a claim that is not reduced to a suit, if the City fails to provide timely notice to Franchisee, or if City enters into a settlement or compromise, or consents to entry of judgment, without Franchisee's prior written consent.

5.1.3 Refusal to Accept Tender. In the event Franchisee refuses the tender of defense in any suit or any claim, said tender having been made pursuant to the

indemnification clauses contained herein, and said refusal is subsequently determined by a court having jurisdiction (or such other tribunal that the Parties shall agree to decide the matter), to have been a wrongful refusal on the part of Franchisee, then Franchisee shall pay all of the City's costs for defense of the action, including all reasonable expert witness fees and reasonable attorneys' fees and the reasonable costs of the City, including reasonable attorneys' fees of recovering under this indemnification clause.

5.1.4 Title 51 Waiver. THE FRANCHISEE WAIVES IMMUNITY UNDER RCW TITLE 51 AND AFFIRMS THAT THE CITY AND THE FRANCHISEE HAVE SPECIFICALLY NEGOTIATED THIS PROVISION, AS REQUIRED BY RCW 4.24.115, TO THE EXTENT IT MAY APPLY.

5.1.5 Inspection. Inspection or acceptance by the City of any Work performed by Franchisee at the time of completion of construction shall not be grounds for avoidance of any of these covenants of indemnification.

5.2 Insurance Requirements. See Attached Exhibit "D".

5.3 Financial Security. See Attached Exhibit "E".

5.4 Contractors/Subcontractors. Franchisee contractors and subcontractors performing Work in the Public Rights-of-Way shall comply with such bond, indemnity and insurance requirements as may be required by City code or regulations, or other applicable Law. If no such requirements are set forth in the City code or regulations, the Franchisee contractors and subcontractors shall comply with the requirements set forth in attached Exhibit "F".

5.5 Liens. In the event that any City property becomes subject to any claims for mechanics', artisans', or materialmen's liens, or other encumbrances chargeable to or through Franchisee which Franchisee does not contest in good faith, Franchisee shall promptly, and in any event within 30 days from receipt of written notice of such lien, cause such lien claim or encumbrance to be discharged or released of record (by payment, posting of bond, court deposit, or other means), without cost to the City, and shall indemnify the City against all costs and expenses (including attorneys' fees) incurred in discharging and releasing such claim of lien or encumbrance. If any such claim or encumbrance is not so discharged and released, the City may pay or secure the release or discharge thereof at the expense of Franchisee after first giving Franchisee five business days' advance notice of its intention to do so. Nothing herein shall preclude Franchisee's or the City's contest of a claim for lien or other encumbrance chargeable to or through Franchisee or the City, or of a contract or action upon which the same arose.

5.6 Financial Conditions.

5.6.1 Franchise Fees. During the term of this Franchise, should federal and/or state Law change or the statutory prohibition or limitation upon assessment of Franchise fees be invalidated, amended, or modified allowing revenues derived by Franchisee from any Services provided by Franchisee using the Franchise Area to be

subject to a Franchise fee or other fee in lieu of a Franchise fee that was otherwise prohibited or limited on the Effective Date, the City and Franchisee shall in good faith endeavor to negotiate a reasonable Franchise fee or other fee or other consideration in lieu of a Franchise fee, consistent with federal and/or state Law. The fee or other consideration shall be comparable to Franchise or similar fees received by the City, or other cities of comparable population or assessed property value, for other similar uses of the Public Rights-of-Way by similar users.

5.6.2 Reimbursement of Direct Costs of Application, Administration, and Amendment. Franchisee agrees to pay an application fee of \$5,000 to cover the City's legal and administrative costs for negotiation, review, and approval of this Franchise. Thereafter, Franchisee shall reimburse the City for the City's Direct Costs (as defined in Section 5.6.3, below) and the cost of negotiation, review, and approval of any amendments to this Franchise requested by or for the benefit of the Franchisee.

5.6.3 Reimbursement of Direct Costs of Design Review and Inspection. City approvals and inspections, as provided for in this Franchise, are for the sole purpose of protecting the City's rights as the owner or manager of the road Public Rights-of-Way and are separate and distinct from the approvals and inspections and fees that may be required pursuant to a Regulatory Permit. Therefore, Franchisee shall reimburse to the City, its Direct Costs of approvals and inspections, to the extent that such Direct Costs are not included in the costs for issuance of and compliance with a Regulatory Permit. Approvals and inspection, by way of example and not limitation, include review of design documents and inspection for compliance with the City's Engineering Design and Construction Standards and Design Document submittal.

5.6.4 Franchisee Responsibility for Costs. Except as expressly provided otherwise in this Franchise, any act that Franchisee, its contractors or subcontractors are required to perform under this Franchise shall be performed at their sole cost and expense.

5.6.5 Franchisee Work Performed by the City. Any work performed by the City that Franchisee has failed to perform as required pursuant to this Franchise and which is performed by the City in accordance with the terms of this Franchise, shall be performed at the cost and expense of the Franchisee. Franchisee shall be obligated to pay the Direct Costs to the City for performing such work.

5.6.6 Costs to be Borne by Franchisee. In addition to the Direct Costs referenced in section 5.6.2, above, Franchisee shall reimburse the City for all costs of publication of this Franchise, and any notices prior to any public hearing regarding this Franchise, contemporaneous with its acceptance of this Franchise.

5.6.7 Taxes and Fees. Nothing contained in this Franchise Agreement shall exempt Franchisee from Franchisee's obligation to pay any utility tax, business tax, or ad valorem property tax, now or hereafter levied against real or personal property within the City, or against any local improvement assessment imposed on Franchisee.

Any fees, charges and/or fines provided for in the City Municipal Code or any other City ordinance, whether pecuniary or in-kind, are separate from, and additional to, any and all federal, state, local, and City taxes as may be levied, imposed or due from Franchisee.

5.6.8 Itemized Invoice. Upon request and as a condition of payment by the Franchisee of Direct Costs payable by Franchisee under this Franchise, City shall submit an itemized billing so as to specifically identify the Direct Costs incurred by the City for each project for which the City claims reimbursement.

5.6.9 Time for Payment. All non-contested amounts owing shall be due and paid within sixty (60) days of receipt of invoice, or itemized invoice if requested; provided that, in the event that an itemized invoice is not provided at the time of receipt of invoice and the City receives a request from Franchisee for an itemized invoice within 30 days of receipt of invoice, such amounts shall be due and paid within sixty (60) days of receipt of the itemized invoice.

5.6.10 Overdue Payments. Any amounts payable under this Franchise by Franchisee which shall not be paid upon the due date thereof, shall bear interest at the lower of (x) the maximum interest rate allowed by law, and (y) a rate of twelve (12%) percent per annum.

5.6.11 Contesting charges. Franchisee may contest all or parts of amounts owed within sixty (60) days of receipt of any invoice. The City will investigate Franchisee's contest and will make appropriate adjustments to the invoice, if necessary, and resubmit the invoice to Franchisee. Franchisee shall pay any amounts owing as itemized in the resubmitted invoice which amounts shall be due within thirty (30) days of receipt of the resubmitted invoice. However, Franchisee does not waive its rights to further dispute resolution processes pursuant to Section 6.1 of this Franchise. Submittal of a dispute over amounts owing pursuant to Section 6.1 does not relieve the Franchisee of its obligation to pay amounts due under the resubmitted invoice.

5.6.12 Receivables. Either Party hereto may assign any monetary receivables due them under this Franchise upon notice to the other; provided, however, (i) such transfer shall not relieve the assignor of any of its rights or obligations under this Franchise, and (ii) Franchisee shall have no such notice obligation with respect to any receivables other than those owed by the City.

ARTICLE 6. ENFORCEMENT AND REMEDIES.

6.1 Communication and Discussion. The Parties are fully committed to working with each other throughout the term of this Franchise and agree to communicate regularly with each other at all times so as to avoid or minimize Disputes. The Parties agree to act in good faith to prevent and resolve potential sources of conflict before they escalate into a Dispute. The Parties each commit to resolving a Dispute in an amicable, professional and expeditious manner.

The Parties further agree that in the event a Dispute arises, they will attempt to resolve any such Disputes through discussions between representatives of each Party. Each Party will exchange relevant information that will assist the Parties in resolving the Dispute.

6.2 Remedies. The Parties have the right to seek any and all remedies, in equity, at law or in contract. Remedies are cumulative; the exercise of one shall not foreclose the exercise of others. No provision of this Franchise shall be deemed to bar either Party from seeking appropriate judicial relief.

Neither the existence of other remedies identified in this Franchise nor the exercise thereof shall be deemed to bar or otherwise limit the right of either Party to recover monetary damages, as allowed under applicable Law, or to seek and obtain judicial enforcement by means of specific performance, injunctive relief or mandate, or to commence an action for equitable or other relief, and/or proceed against the other Party and any guarantor for all direct monetary damages, costs and expenses arising from the Default and to recover all such damages, costs and expenses, including reasonable attorneys' fees.

The City specifically does not, by any provision of this Franchise, waive any right, immunity, limitation or protection otherwise available to the City, its officers, officials, City Council, Boards, commissions, agents, or employees under federal, State, or local law.

6.3 Right to Cure Default.

6.3.1 Notice. If a Party believes that the other Party is in default, such Party shall give written notice to the Noticed Party stating with reasonable specificity the nature of the alleged default. The Noticed Party shall have thirty (30) days, or such greater time as specified in the notice or such lesser time as specified in the event that there is an imminent threat of harm to the public health, safety or welfare resulting from the default, from the receipt of such notice to:

6.3.1.1 Respond to the other Party, contesting that Party's assertion that a Default has occurred; or

6.3.1.2 Cure the default; or

6.3.1.3 Notify the other Party that the Noticed Party cannot cure the default within the time provided in the notice, because of the nature of the Default. In the event the Default cannot be cured within the time provided in the notice, the Noticed Party shall promptly take all reasonable steps to begin to cure the Default and notify the other Party in writing and in detail as to the exact steps that will be taken and the projected completion date. In such case, the other Party may set a meeting to determine whether additional time beyond the time provided in the notice is indeed needed, and whether the Noticed Party's proposed completion schedule and steps are reasonable.

6.3.2 Time to Cure. When specifying the time period for cure, the Party giving notice shall take into account, the nature and scope of the alleged Default, the nature and scope of the work required to cure the Default, whether the Default has created or will allow to continue an unsafe condition, the extent to which delay in implementing a cure will result in adverse financial consequences or other harm to the Party giving notice, and whether delay in implementing a cure will result in a violation of Law or Default of contract.

6.3.3 Failure to Cure. If the Noticed Party fails to promptly commence and diligently pursue cure of a Default to completion to the reasonable satisfaction of the Party giving notice and in accordance with the agreed upon time line or the time provided for in the Notice of Default, then the parties may pursue any remedies available to them.

6.4 Termination/Revocation. In addition to the remedies available to the City as provided at Law, in equity or in this Franchise, upon a Default without cure, the City may revoke this Franchise and rescind all rights and privileges associated with this Franchise in accordance with the following:

6.4.1 Notice. Prior to termination of the Franchise, the City shall give written notice to the Franchisee of its intent to revoke the Franchise. The notice shall set forth the exact nature of the Default. If Franchisee objects to such termination, Franchisee shall object in writing and state its reasons for such objection and provide any explanation.

6.4.2 Hearing. The City may then seek a termination/revocation of the Franchise in accordance with this Subsection.

6.4.2.1 The City Council, or its designee, shall conduct a public hearing to determine if termination/revocation of the Franchise is warranted.

6.4.2.2 At least fourteen (14) days prior to the public hearing, the City shall issue a public hearing notice that shall establish the issue(s) to be addressed in the public hearing; provide the time, date and location of the hearing; provide that the Hearing Body/Officer shall hear any Persons interested therein; and provide that the Franchisee shall be afforded fair opportunity for full participation, including the right to introduce evidence, to require the production of evidence, to be represented by counsel and to question witnesses. The public hearing notice shall be provided to Franchisee in accordance with Section 8.13 hereof and public notice of the hearing shall be provided in the same manner as notice is provided for regular meetings of the City Council.

6.4.2.3 Within sixty (60) days after the close of the hearing, the City Council shall issue a written decision regarding the termination/revocation of the Franchise. If the City Council has designated another hearing body/officer to conduct the public hearing, such hearing body/officer shall make a recommendation to the City Council within thirty (30) days following the close of the public hearing, and the City Council shall make a decision upon the recommendation of the Hearing Body/Officer after a closed record hearing and within sixty (60) days following receipt of the recommendation of the Hearing

Body/Officer. The decision of the City Council shall be final. The Parties recognize that a decision to terminate/revoke a Franchise is not a land use decision that is subject to appeal pursuant to the Land Use Petition Act (Chapter 36.70C RCW). Failure to render a decision within the required time period shall not be a basis for invalidation of the decision that is made. Any appeal to which the Franchisee may be entitled (e.g., constitutional or statutory writ of review) shall be filed within 30 calendar days of issuance of the final decision of the City Council.

6.4.3 Decision to Terminate. The City Council may consider one or more of the following when determining whether or not to terminate/revoke the Franchise based upon the material Default:

6.4.3.1 The history of repeated non-compliance by Franchisee with material terms and conditions of this Franchise;

6.4.3.2 Whether other remedies will achieve compliance with this Franchise;

6.4.3.3 Whether the Franchisee has acted in good faith;

6.4.3.4 Whether the acts or omissions that gave rise to the Default were willful or indifferent to the requirements that gave rise to the Default;

6.4.3.5 Whether the type of services provided by the Franchisee will be available to the general public through other providers;

6.4.3.6 Whether services provided by the Franchisee are essential public services or regulated utilities;

6.4.3.7 The impact or potential impact of the Default upon the public health, safety and welfare;

6.4.3.8 The economic risk the City is exposed to as a result of the Default;

6.4.3.9 Whether consent, permission, adjudication, an order or other authorization of a governmental agency or body, is required as a condition precedent to the City ordering the Franchisee to abandon or remove Facilities from the Public Rights-of-Way or to cease operations (temporarily or otherwise) of the Facilities.

6.4.3.10 Such other facts and circumstances that are relevant to the controversy that gave rise to the Default and/or to whether or not the continued presence and operation of the Franchisee Facilities with the Franchise Area will be harmful to the public health, safety or welfare.

6.5 Receivership. At the option of the City, subject to applicable law and lawful orders of courts of competent jurisdiction, this Franchise may be revoked after the appointment of a receiver or trustee to take over and conduct the business of Franchisee whether in a receivership, reorganization, bankruptcy or other action or proceeding, unless:

6.5.1 The receivership or trusteeship is timely vacated; or

6.5.2 The receiver or trustee has timely and fully complied with all the terms and provisions of this Franchise, and has remedied all defaults under the Franchise. Additionally, the receiver or trustee shall have executed an agreement duly approved by the court having jurisdiction, by which the receiver or trustee assumes and agrees to be bound by each and every term, provision and limitation of this Franchise.

ARTICLE 7. CONDITIONS UPON USE OF PUBLIC RIGHTS-OF-WAY.

7.1 Regulatory Permit. If Franchisee has submitted an application for a Regulatory Permit to perform work in the Public Rights-of-Way, the City shall, to the extent practicable, consider such application contemporaneously with the design review requirements hereunder.

7.2 Submission/Approval of Design Documents.

7.2.1 Submission. At the time of application for a Regulatory Permit, or in the event that Franchisee seeks to alter or change the location of Facilities in a Franchise Area, Franchisee shall submit its Design Documents to the City for review and approval in accordance with the City's plan review process.

7.2.2 Use of Public Rights-of-Way. Within parameters reasonably related to the City's role in protecting the public health, safety and welfare and except as may be otherwise preempted by Law, the City may require that Facilities be installed at a particular time, at a specific place or in a particular manner as a condition of access to the proposed Franchise Area and may deny access if Franchisee is not willing to comply with such requirements; and, may require removal of any Facility that is not installed in compliance with the Standards (defined in Section 7.3 below) or which is installed without prior City approval of the time, place, or manner of installation.

7.2.3 Approval of Plans. Work may not commence without prior approval by the City of the Design Documents submitted by the Franchisee, which approval will not be unreasonably withheld, conditioned or delayed. The City may review and approve the Franchisee's Design Documents with respect to:

7.2.3.1 Location/Alignment/Depth;

7.2.3.2 The manner in which the Facility is to be installed;

7.2.3.3 Measures to be taken to preserve safe and free flow of traffic;

7.2.3.4 Structural integrity, functionality, appearance, compatibility with and impact upon roadways, bridges, sidewalks, planting strips, signals, traffic control signs, intersections, or other facilities and structures in the Public Rights-of-Way;

7.2.3.5 Ease of future road maintenance, and appearance of the roadway;

7.2.3.6 Compliance with applicable Standards (as defined below) and codes; and

7.2.3.7 Compliance and compatibility with the City's comprehensive plan, six-year transportation plan, capital improvements plan, and regional transportation improvement plans.

7.3 Compliance with Standards/Codes. Except as may be preempted by federal or state Laws, all Facilities shall conform to and all Work shall be performed in compliance with the following "Standards" as now or may be hereafter revised, updated, amended or re-adopted:

7.3.1 Standards for Public Works Engineering and Construction. The most current edition of the City Standards for Public Works Engineering and Construction as adopted from time to time by the City. This document includes the City's Engineering Design and Construction Standards Manual, Design Standards Detail, and appendixes, and the most recently City adopted edition of the Standard Specifications for Road, Bridge and Municipal Construction as prepared by the Washington State Department of Transportation ("WSDOT") and the Washington State Chapter of American Public Works Association ("APWA");

7.3.2 MUTCD. The Washington State Department of Transportation Manual of Uniform Traffic Control Devices ("MUTCD");

7.3.3 Special Conditions. Requirements and standards set forth as additional conditions in a Regulatory Permit.

7.3.4 City Regulations. City ordinances, codes, and regulations establishing standards for placement of Facilities in Public Rights-of-Way, including by way of example and not limitation, the specific location of Facilities in the Public Rights-of-Way.

7.3.5 Other Regulatory Requirements. Applicable requirements of federal or state governmental authorities that have regulatory authority over the placement, construction, or design of Franchisee Facilities;

7.3.6 Industry Standards. All Facilities shall be durable and Constructed in accordance with good engineering practices and standards promulgated by the government and industry for placement, Construction, design, type of materials and operation of Franchisee Facilities;

7.3.7 Safety Codes and Regulations. Franchisee Facilities and Work shall comply with all applicable federal, State and City safety requirements, rules, regulations, Laws and practices. By way of illustration and not limitation, Franchisee shall comply with the National Electrical Safety Code and the Occupational Safety and Health Administration (OSHA) Standards; and

7.3.8 Building Codes. Franchisee Facilities and Work shall comply with all applicable City Building Codes.

7.4 Conditions Precedent to Work. Except as may be otherwise required by applicable City code, rule, regulation or Standard, Franchisee shall comply with the following as a condition precedent to Work:

7.4.1 Regulatory Permits Required. Except in the event of an Emergency, prior to performing any Work in the Public Right-of-Way requiring a Regulatory Permit, Franchisee shall apply for, and obtain, in advance, such appropriate Regulatory Permits from the City as are required by ordinance or rule. Franchisee shall pay all generally applicable and lawful fees for the requisite City Regulatory Permits.

7.4.2 Compliance with Franchise. Franchisee shall be in material compliance with the Franchise.

7.5 Work in the Public Rights-of-Way.

7.5.1 Permit required. If the Franchisee needs to dig more than 6 inches or cut and remove concrete or asphalt, or if the work will interfere with traffic, a Road Right of Way permit will be required.

7.5.2 Least Interference. Work in the Public Rights-of-Way shall be done in a manner that does not unnecessarily hinder or obstruct the free use of the Public Rights-of-Way or other public property and which causes the least interference with the rights and reasonable convenience of property owners, businesses and residents along the Public Rights-of-Way. Franchisee Facilities shall be designed, located, aligned and Constructed so as not to disturb or impair the use or operation of any street improvements, utilities, and related facilities of City or City's existing lessees, licensees, permittees, franchisees, easement beneficiaries or lien holders, without prior written consent of City or the Parties whose improvements are interfered with and whose consent is required pursuant to agreements with the City existing prior to the Effective Date.

7.5.3 Work Subject to Inspection. The City may observe or inspect the Construction Work, or any portion thereof, at any time to ensure compliance with applicable Regulatory Permits, this Franchise, applicable Law, the applicable approved Design Documents, the Standards, and to ensure the Work is not being performed in an unsafe or dangerous manner.

7.5.4 Notice to the Public. Except in the case of an Emergency, City retains the right to require the Franchisee to notify the public prior to commencing any significant planned Construction that Franchisee reasonably anticipates will materially disturb or disrupt public property or have the potential to present a danger or affect the safety of the public generally.

7.5.5 Work of Contractors and Subcontractors. Franchisee's contractors and subcontractors performing Work in the Franchise Area shall be licensed and bonded in accordance with the City's and State's applicable regulations and requirements. Any contractors or subcontractors performing Work within the Public Rights-of-Way on behalf of the Franchisee shall be deemed servants and agents of the Franchisee for the purposes of this Franchise and are subject to the same restrictions, limitations and conditions as if the Work were performed by Franchisee. Franchisee shall be responsible for all Work performed by its contractors and subcontractors and others performing Work on its behalf as if the Work were performed by it, and shall ensure that all such Work is performed in compliance with this Franchise and other applicable laws, and shall be jointly and severally liable for all damages and correcting all damage caused by them. It is Franchisee's responsibility to ensure that contractors, subcontractors or other Persons performing Work on Franchisee's behalf are familiar with the requirements of this Franchise and other applicable Laws governing the Work performed by them.

7.5.6 Emergency Permits. In the event that Emergency repairs are necessary, Franchisee shall perform such Work, provide such notices, and obtain Regulatory Permits in conformance with applicable Standards.

7.5.7 Stop Work. On notice from the City that any Work does not comply with the Franchise, the approved Design Documents for the Work, the Standards, or other applicable Law, or is being performed in an unsafe or dangerous manner as reasonably determined by the City, the non-compliant Work may immediately be stopped by the City. The stop work order shall be in writing, given to the Person doing the Work and be posted on the Work site, indicate the nature of the alleged violation or unsafe condition; and establish conditions under which Work may be resumed. If so ordered, Franchisee shall cease and shall cause its contractors and subcontractors to cease such activity until the City is reasonably satisfied that Franchisee is in compliance. If an unsafe condition is found to exist, the City, in addition to taking any other action permitted under applicable Law, may order Franchisee to make the necessary repairs and alterations specified therein forthwith to correct the unsafe condition by a time the City establishes in its reasonable discretion. The City has the right to inspect, repair and correct the unsafe condition if Franchisee fails to do so, and to reasonably charge Franchisee for the costs incurred to perform such inspection, repair or correction. Payment by Franchisee will be made in

accordance with Section 5.6.9. The authority and remedy set forth herein in this section is in addition to, and not a substitute for, any authority the City may otherwise have to take enforcement action for violation of City Codes or Standards.

7.5.8 Discovery of Hazardous Substances/Indemnity. In the event that the Work of the Franchisee in, on, and upon the Franchise Area results in the discovery of the presence of Hazardous Substances (“**Discovered Matters**”) in, on or upon the areas excavated or otherwise opened or exposed by Franchisee within the Franchise Area (the “**Excavated Areas**”), the Franchisee shall immediately notify the City and, take whatever other reporting action is required by applicable Environmental Law as it relates to the Discovered Matters in the Excavated Areas.

In the event the Franchisee’s Work, in, on or upon the Franchise Area within the Excavated Areas results in a release (as determined under applicable Environmental Laws) of Hazardous Substances which were, before such activities, confined to areas within the Excavated Areas, but which after such activities by Franchisee are released beyond the Excavated Areas, and if the release is caused in whole or in part by the Franchisee, then the Franchisee shall indemnify, defend and hold the City harmless from the costs of all necessary Remedial Actions which are required under the applicable Environmental Laws, to the extent of Franchisee’s share of the liability for the release. Franchisee’s liability for the release may, inter alia, be determined by a final non-appealable decision by a court of competent jurisdiction, or as provided in a final non-appealable administrative order issued by the Environmental Authority, or by a consent decree entered by Franchisee and the Environmental Authority.

7.6 Alterations. Except as may be shown in the Design Documents or Regulatory Permits approved by the City or the record drawings, or as may be necessary to respond to an Emergency, Franchisee, and Franchisee’s contractors and subcontractors, may not make any material alterations to the Franchise Area, or permanently affix anything to the Franchise Area, without the City’s prior written consent. Material alteration shall include by way of example and not limitation, a change in the dimension or height of the above ground Facilities. If Franchisee desires to change either the location of any Facilities or otherwise materially deviates from the approved design of any of the Facilities, Franchisee shall submit such change to the City in writing for its approval pursuant to Section 7.2 of this Franchise. Franchisee shall have no right to commence any such alteration change until after Franchisee has received the City’s approval of such change in writing.

7.7 General Conditions.

7.7.1 Right-of-Way Meetings. Subject to receiving advance notice, Franchisee will make reasonable efforts to attend and participate in meetings of the City regarding Right-of-Way issues that may impact the Telecommunications System.

7.7.2 Compliance Inspection. Franchisee’s Facilities shall be subject to the City’s right of periodic inspection upon at least seventy-two (72) hours’ notice, or, in

case of an emergency, upon demand without prior notice, to determine compliance with the provisions of this Franchise or other applicable Law over which the City has jurisdiction. Franchisee shall respond to reasonable requests for information regarding its Telecommunications System as the City may from time to time issue in writing to determine compliance with this Franchise, including requests for information regarding the Franchisee's plans for Construction and the purposes for which the Facility is being Constructed.

7.7.3 One Call. If Franchisee places Facilities underground, Franchisee shall, at its own expense, continuously be a member of the State of Washington one number locator service under Chapter 19.122 RCW, or an approved equivalent, and shall comply with all such applicable rules and regulations. The Franchisee shall locate and field mark its Facilities for the City at no charge.

7.7.4 Graffiti Removal. Within 5 business days after notice from the City, Franchisee shall remove any graffiti on any part of its Telecommunications System, including, by way of example and not limitation, equipment cabinets. If either the Franchisee fails to do so within 5 business days or in the City's discretion and subject to advance communication with the Franchisee, the City may remove the graffiti and bill the Franchisee for the reasonable cost thereof.

7.7.5 Dangerous Conditions, Authority for City to Abate. Whenever Construction of Facilities has caused or contributed to a condition that in the reasonable opinion of the City Engineer, substantially impairs the lateral support of the adjoining Public Right-of-Way, street, or public place, or endangers the public, any utilities, or City-owned property, the City may reasonably require the Franchisee to take action to protect the Public Right-of-Way, the public, adjacent public places, City-owned property, streets, and utilities. Such action may include compliance within a prescribed time. In the event that the Franchisee fails or refuses to promptly take the actions directed by the City, or fails to fully comply with such directions, or if Emergency conditions exist which require immediate action, the City may, to the extent it may lawfully do so, take such actions as are necessary to protect the Public Right-of-Way, the public, adjacent public places, City-owned property, streets, and utilities, to maintain the lateral support thereof, or actions regarded as necessary safety precautions; and the Franchisee shall be liable to the City for the reasonable costs thereof to the extent Franchisee is determined to be the proximate cause of such condition.

7.7.6 No Duty. Notwithstanding the right of the City to inspect the Work, issue a stop work order, and order or make repairs or alterations, the City has no duty or obligation to observe or inspect, or to halt Work on, the applicable Facilities, it being solely Franchisee's responsibility to ensure that the Facilities are Constructed and operated in strict accordance with this Franchise, the approved Design Documents, the Standards, and applicable Law. Neither the exercise nor the failure by the City to exercise any right set forth in this Article 7 shall alter the liability allocation set forth in this Franchise.

7.7.7 Roadside Hazard. All of Franchisee's Facilities shall be kept by Franchisee at all times in a safe and hazard-free condition. Franchisee shall ensure that Facilities within the Public Rights-of-Way do not become or constitute an unacceptable roadside obstacle and do not interfere with or create a hazard to maintenance of and along the Public Rights-of-Way. In such event, the Franchisee shall take corrective action. In the event that the City determines that a Facility within the Public Rights-of-Way has become or constitutes an unacceptable roadside obstacle or may interfere with or create a hazard to maintenance of and along the Public Rights-of-Way, following written notice explaining with reasonable specificity the nature of any such matter and a reasonable opportunity to cure of not less than thirty (30) days, the Franchisee shall take corrective action; provided that, nothing herein shall relieve the Franchisee from keeping its Facilities at all times in safe and hazard-free condition.

Franchisee, at all times, shall employ the standard of care attendant to the risks involved and shall install and maintain in use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injury, or nuisance to the public or to Franchisee's agents or employees. Franchisee, at its own expense, shall repair, renew, change, and improve its Facilities from time to time as may be necessary to accomplish this purpose. Franchisee shall use suitable barricades, flags, flaggers, lights, flares and other measures as required for the safety of all members of the general public and to prevent injury or damage to any person, vehicle or property by reason of such Work in or affecting such Public Rights-of-Way or property. All excavations made by Franchisee in the Public Rights-of-Way shall be properly safeguarded for the prevention of accidents.

7.7.8 Verification of Alignment/Depth. Upon the reasonable request and prior written notice, in non-Emergency situations at least thirty (30) days' notice by the City and in order to facilitate the location, alignment and design of Public Improvements (defined below), the Franchisee agrees to locate, and if reasonably determined necessary by the City, to excavate and expose portions of its Facilities for inspection so that the location of same may be taken into account in the Public Improvement design; PROVIDED that, Franchisee shall not be required to excavate and expose its Facilities unless the Franchisee's record drawings and maps of its Facilities submitted pursuant to Section 7.11 of this Franchise are reasonably determined by the City to be inadequate for purposes of this paragraph.

7.8 Facility Relocation at Request of the City.

7.8.1 Public Improvement. The City may require Franchisee to alter, adjust, relocate, or protect in place its Facilities within the Public Rights-of-Way when reasonably necessary for construction, alteration, repair, or improvement of any portion of the Public Rights-of-Way for purposes of public welfare, health, or safety ("Public Improvements"). Such Public Improvements include, by way of example but not limitation, Public Rights-of-Way construction; Public Rights-of-Way repair (including resurfacing or widening); change of Public Rights-of-Way grade; construction, installation or repair of sewers, drains, water pipes, power lines, signal lines,

communication lines, or any other type of government-owned communications, utility or public transportation systems, public work, public facility, or improvement of any government-owned utility; Public Rights-of-Way vacation, and the Construction of any public improvement or structure by any governmental agency acting in a governmental capacity for the public benefit.

7.8.2 Alternatives. If the City requires Franchisee to relocate its Facilities, the City shall make a reasonable effort to provide Franchisee with an alternate location within the Public Right-of-Way. The Franchisee may, after receipt of written notice requesting a relocation of its Facilities, propose design alternatives that would mitigate or lessen the impact upon Franchisee's Facilities. The City shall provide a full and fair evaluation of such proposed design alternatives that, in the reasonable judgment of the City, would not impair, interfere with, or materially alter the scope, purpose or functioning of the Public Improvement and would not increase the anticipated public costs of the Public Improvement. If so requested by the City, Franchisee shall submit additional information to assist the City in making such evaluation. In the event that the City reasonably determines that it does not have available resources within the existing Public Improvement budget to fully and fairly evaluate Franchisee's proposal, the City shall not be obligated to further consider such proposal unless and until the Franchisee funds the additional costs to the City to complete its evaluation.

7.8.3 Notice. The City shall notify Franchisee in writing as soon as practicable of the need for relocation and shall specify the date by which relocation shall be completed. Except in case of Emergency such notice shall be no less than one hundred and eighty (180) days. In calculating the date that relocation must be completed, City shall consult with Franchisee and consider the extent of Facilities to be relocated, the service requirements, and the construction sequence for the relocation, within the overall project construction sequence and constraints, to safely complete the relocation. Franchisee shall complete the relocation by the date specified, unless the City, or a reviewing court, establishes a later date for completion, after a showing by the Franchisee that the relocation cannot be completed by the date specified using best efforts and meeting safety and service requirements.

7.8.4 Coordination of Work. Franchisee acknowledges and understands that any delay by Franchisee in performing the Work to alter, adjust, relocate, or protect in place its Facilities within the Public Rights-of-Way may delay, hinder, or interfere with the work performed by the City and its contractors and subcontractors in furtherance of construction, alteration, repair, or improvement of the Public Improvement, and result in damage to the City and/or its contractors, including but not limited to, delay and disruption claims. Franchisee shall cooperate with the City and its contractors and subcontractors to coordinate such Franchisee Work to accommodate the Public Improvement project and project schedules to avoid delay, hindrance, or disruption of such project.

7.8.5 Assignment of Rights. In addition to any other rights of assignment the City may have, the City may from time to time assign or transfer to its contractors or subcontractors its rights under Section 7.10 of this Franchise.

7.8.6 Reimbursement for Costs. Notwithstanding the cost allocation provisions set forth in this Franchise, Franchisee does not waive its right(s) to and shall be entitled to seek reimbursement of its relocation costs as may be otherwise specifically set forth and authorized by Law, including in statute. Further, if the City reimburses or pays the relocation costs of a similarly situated franchisee for a given Public Improvement project, the City shall reimburse or pay Franchisee's relocation costs on the same basis

7.9 Movement of Facilities for Others.

7.9.1 Private Benefit. If any alteration, adjustment, temporary relocation, or protection in place of the Telecommunications System is required solely to accommodate the Construction of facilities or equipment that are not part of a Public Improvement project, Franchisee shall, after at least one hundred eighty (180) days advance written notice, take action to effect the necessary changes requested by the responsible Person; provided that, (a) the Person requesting the same pays for the Franchisee's time, design, engineering and material costs associated with the requested work; (b) the alteration, adjustment, relocation or protection in place is reasonably necessary to accommodate such work; (c) Franchisee's services are not interrupted; and (d) such alteration, adjustment, or relocation is not requested for the purpose of obtaining a competitive advantage over the Franchisee.

7.9.2 Temporary Changes for Other Franchisees. At the request of any Person holding a valid permit and upon reasonable advance notice, Franchisee shall temporarily raise, lower or remove its wires as necessary to permit the moving of a building, vehicle, equipment or other item. The expense of such temporary changes must be paid by the permit holder. Franchisee shall be given not less than thirty (30) days' advance notice to arrange for such temporary wire changes.

7.10 Movement of Facilities During Emergencies.

7.10.1 Immediate Threat. In the event of an unforeseen event, condition or circumstance that creates an immediate threat to the public safety, health, or welfare, the City shall have the right to require Franchisee to shut down, relocate, remove, replace, modify, or temporarily disconnect Franchisee's Facilities located in the Public Rights-of-Way at the expense of the Franchisee without regard to the cause or causes of the immediate threat.

7.10.2 Emergency. In the event of an Emergency, or where a Facility creates or is contributing to an imminent danger to health, safety, or property, the City retains the right and privilege to protect, support, temporarily disconnect, remove, or relocate any or all parts of the Telecommunications System located within the Public

Rights-of-Way, as the City may determine to be reasonably necessary, appropriate or useful in response to any public health or safety Emergency and charge the Franchisee for costs incurred.

7.10.3 Notice. During Emergencies the City shall endeavor to, as soon as practicable, provide notice to Franchisee of such Emergency at a designated Emergency response contact number, to allow Franchisee the opportunity to respond and rectify the problem without disrupting Telecommunications Service. If after providing notice, there is no immediate response, the City may protect, support, temporarily disconnect, remove, or relocate any or all parts of the Telecommunications System located within the Public Rights-of-Way in accordance with this Section 7.10.

7.10.4 Limitation on Liability. The City shall not be liable for any direct, indirect, or any other such damages suffered by any person or entity of any type as a direct or indirect result of the City's actions under this Section.

7.11 Record of Installations.

7.11.1 Map/Record Drawing of Telecommunications System. Upon request by the City, Franchisee shall search for and provide the City with the most accurate and available maps and record drawings in a form and content reasonably prescribed by the City reflecting the horizontal and vertical location and configuration of its Telecommunications System within the Public Rights-of-Way and upon City property in a format reasonably acceptable to the City. Franchisee shall provide the City with updated record drawings and maps within a reasonable period of time following receipt of written request. As to any such record drawings and maps so provided, Franchisee does not warrant the accuracy thereof and to the extent the location of the Telecommunications System is shown, such Telecommunications System is shown in its approximate location.

7.11.2 Maps/Record Drawings of Improvements. After Construction involving the locating or relocating of Facilities, the Franchisee shall provide the City with accurate copies of all record drawings and maps showing the horizontal and vertical location and configuration of all located or relocated Facilities within the Public Rights-of-Way. These record-drawings and maps shall be provided at no cost to the City, and shall include hard copies and digital copies in a format reasonably specified by the City. As to any such record drawings and maps so provided, Franchisee does not warrant the accuracy thereof and to the extent the location of the Telecommunications System is shown, such Telecommunications System is shown in its approximate location.

7.12 Restoration of Public Rights-of-Way, Public and Private Property.

7.12.1 Restoration after Construction. Franchisee shall, after completion of Construction of any part of its Telecommunications System, leave the Public Rights-of-Way and other property disturbed thereby, in as good or better condition in all respects as it was in before the commencement of such Construction. Franchisee agrees to promptly complete restoration work to the reasonable satisfaction of the City and in

conformance with City Standards, including by way of example and not limitation, backfilling and restoration requirements as set forth in City Standards.

7.12.2 Notice. If Franchisee's Work causes unplanned, unapproved, or unanticipated disturbance of or alteration or damage to Public Rights-of-Way or other public or private property, the Franchisee shall promptly notify the property owner within twenty-four (24) hours.

7.12.3 Duty to Restore. If Franchisee's Work causes unplanned, unapproved, or unanticipated disturbance of or alteration or damage to Public Rights-of-Way or other public property, it shall promptly remove any obstructions therefrom and restore such Public Rights-of-Way and public property to the reasonable satisfaction of the City and in accordance with City Standards.

7.12.4 Temporary Restoration. If weather or other conditions do not allow the complete restoration required by this Section, Franchisee shall temporarily restore the affected Public Right-of-Way or public property. Franchisee shall promptly undertake and complete the required permanent restoration when the weather or other conditions no longer prevent such permanent restoration.

7.12.5 Survey Monuments. All survey monuments which are disturbed or displaced by any Work shall be referenced and restored, as per WAC 332-120, as the same now exists or may hereafter be amended, and all pertinent federal, state and local standards and specifications.

7.12.6 Approval. The City Engineer, or designee, shall be responsible for observation and final approval of the condition of the Public Rights-of-Way and City property following any restoration activities therein. Franchisee is responsible for all testing and monitoring of restoration activities.

7.12.7 Warranty. Franchisee shall warrant any restoration work performed by Franchisee in the Public Rights-of-Way or on other public property for two (2) years, unless a longer period is required by applicable City Standards. If restoration is not satisfactorily and timely performed by the Franchisee, the City may, after prior notice to the Franchisee, or without notice where the disturbance or damage may create an imminent risk to public health or safety, cause the repairs to be made and recover the reasonable cost of those repairs from the Franchisee. Franchisee shall pay the City for such costs in accordance with Section 5.6.9.

7.12.8 Restoration of Private Property. When Franchisee does any Work in the Public Rights-of-Way that affects, disturbs, alters, or damages any adjacent private property, it shall, at its own expense, be responsible for restoring such private property to the reasonable satisfaction of the private property owner.

7.13 Approvals. Nothing in this Franchise shall be deemed to impose any duty or obligation upon the City to determine the adequacy or sufficiency of Franchisee's

Design Documents or to ascertain whether Franchisee's proposed or actual Construction is adequate or sufficient or in conformance with the Design Documents reviewed and approved by the City. No approval given, inspection made, review or supervision performed by the City pursuant to or under authority of this Franchise shall constitute or be construed as a representation or warranty express or implied by the City that such item reviewed, approved, inspected, or supervised, complies with applicable Laws or this Franchise or meets any particular Standard, code or requirement, or is in conformance with the approved Design Documents, and no liability shall attach with respect thereto. City approvals and inspections as provided herein, are for the sole purpose of protecting the City's rights as the owner and/or manager of the Public Rights-of-Way and shall not constitute any representation or warranty, express or implied, as to the adequacy of the design or Construction of the Facilities or Telecommunications System, suitability of the Franchise Area for Construction, or any obligation on the part of the City to insure that Work or materials are in compliance with any requirements imposed by a governmental entity. The City is under no obligation or duty to supervise the design, Construction, or operation of the Telecommunications System.

7.14 Abandonment of Facilities. Except as may be otherwise provided by Law, Franchisee may abandon in place any Facilities in the Public Rights-of-Way upon written notice to the City, which notice shall include a description of the Facilities it intends to abandon, the specific location in the Public Rights-of-Way of such Facilities, and the condition of such Facilities. However, if the City determines within 180 days of the receipt of notice of abandonment from the Franchisee, that the safety, appearance, functioning, or use of the Public Rights-of-Way and other facilities in the Public Rights-of-Way, including without limitation, utilities and related facilities, will be adversely affected, the operator must remove its abandoned Facilities by a date specified by the City and restore the Public Rights-of-Way in accordance with City Standards. Franchisee shall be and remain responsible in perpetuity for any Facilities abandoned in the Public Rights-of-Way.

ARTICLE 8. MISCELLANEOUS.

8.1 Headings. Titles to articles and sections of this Franchise are not a part of this Franchise and shall have no effect upon the construction or interpretation of any part hereof.

8.2. Entire Agreement. This Franchise contains all covenants and agreements between the City and the Franchisee relating in any manner to the Franchise, use, and occupancy of the Public Rights-of-Way and other matters set forth in this Franchise. No prior agreements or understanding pertaining to the same, written or oral, shall be valid or of any force or effect and the covenants and agreement of this Franchise shall not be altered, modified, or added to except in writing signed by the City and Franchisee and approved by the City in the same manner as the original Franchise was approved.

8.3 Incorporation of Exhibits. All exhibits annexed hereto at the time of execution of this Franchise or in the future as contemplated herein, are hereby incorporated by reference as though fully set forth herein.

8.4 Calculation of Time. Except where a period of time refers to “business days,” all periods of time referred to herein shall include Saturdays, Sundays, and legal holidays in the State of Washington, except that if the last day of any period falls on any Saturday, Sunday, or legal holiday in the State of Washington, the period shall be extended to include the next day which is not a Saturday, Sunday, or legal holiday in the State of Washington; provided that, the Effective Date shall be determined as provided at Section 4.3 of this Franchise.

8.5 Time Limits Strictly Construed. Whenever this Franchise sets forth a time for any act to be performed by Franchisee, such time shall be deemed to be of the essence, and any failure of Franchisee to perform within the allotted time may be considered a Default of this Franchise.

8.6 No Joint Venture. It is not intended by this Franchise to, and nothing contained in this Franchise shall, create any partnership, joint venture, or principal-agent relationship or other arrangement between Franchisee and the City. Neither Party is authorized to, nor shall either Party act toward third Persons or the public in any manner which would indicate any such relationship with the other. The Parties intend that the rights, obligations, and covenants in this Franchise and the collateral instruments shall be exclusively enforceable by the City and Franchisee, their successors, and assigns. No term or provision of this Franchise is intended to be, or shall be, for the benefit of any Person not a Party hereto, and no such Person shall have any right or cause of action hereunder, except as may be otherwise provided herein. Further, the Franchisee is not granted any express or implied right or authority to assume or create any obligation or responsibility on behalf of or in the name of the City. Nothing in this Section 8.6 shall be construed to prevent an assignment as provided for at Sections 2.8 or 7.8.5 of this Franchise.

8.7 Approval Authority. Except as may be otherwise provided by Law or herein, any approval or authorization required to be given by the City, shall be given by the Public Works Director (or its successor), or by the Public Works Director’s designee.

8.8 Binding Effect upon Successors and Assigns. All of the provisions, conditions, and requirements contained in this Franchise shall further be binding upon the heirs, successors, executors, administrators, receivers, trustees, legal representatives, transferees and assigns of the Franchisee; and all privileges, as well as all obligations and liabilities of the Franchisee shall inure to its heirs, successors, and assigns equally as if they were specifically mentioned wherever the Franchisee is named herein.

8.9 Waiver. No failure by either Party to insist upon the performance of any of the terms of this Franchise or to exercise any right or remedy consequent upon a Default thereof, shall constitute a waiver of any such Default or of any of the terms of

this Franchise. None of the terms of this Franchise to be kept, observed or performed by either Party, and no Default thereof, shall be waived, altered or modified except by a written instrument executed by the injured Party. No waiver of any Default shall affect or alter this Franchise, but each of the terms of this Franchise shall continue in full force and effect with respect to any other then existing or subsequent Default thereof. No waiver of any default of the defaulting Party hereunder shall be implied from any omission by the injured Party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and then only for the time and to the extent therein stated. One or more waivers by the injured Party shall not be construed as a waiver of a subsequent Default of the same covenant, term or conditions.

8.10 Severability. If any word, article, section, subsection, paragraph, provision, condition, clause, sentence set forth herein, or its application to any person or circumstance (collectively referred to as “Term”), shall be held to be illegal, invalid, or unconstitutional for any reason by any court or agency of competent jurisdiction, such Term declared illegal, invalid or unconstitutional shall be severable and the remaining Terms of the Franchise shall remain in full force and effect unless to do so would be inequitable or would result in a material change in the rights and obligations of the Parties hereunder.

8.11 Signs. No signs or advertising shall be permitted in the Franchise Area except as may be required by Law or as may be required by the City for the protection of the public health, safety and welfare, to the extent it has authority to do so.

8.12 Discriminatory Practices Prohibited. Throughout the term of this Franchise, Franchisee shall fully comply with all equal employment and nondiscrimination provisions of applicable Law.

8.13 Notice. Any notice required or permitted to be given hereunder shall be in writing, unless otherwise expressly permitted or required, and shall be deemed effective either, (i) upon hand delivery to the person then holding the office shown on the attention line of the address below, or, if such office is vacant or no longer exists, to a person holding a comparable office, or (ii) or when delivered by a nationally recognized overnight mail delivery service, to the Party and at the address specified below, or (ii) on the third business day following its deposit with the United States Postal Service, first class and certified or registered mail, return receipt requested, postage prepaid, properly sealed and addressed as follows:

Franchisee’s address:	Astound Broadband, LLC 401 Parkplace Center Suite 500 Kirkland, WA 98033 Attn: Steve Weed, CEO, and Byron Springer, EVP
------------------------------	---

The City’s Address:	City of Black Diamond 24301 Roberts Drive
----------------------------	--

Black Diamond, WA 98010
Attention: City Administrator

The City and Franchisee may designate such other address from time to time by giving written notice to the other, but notice cannot be required to more than two addresses, except by mutual agreement.

8.14 Survival of Terms. Upon the expiration, termination, revocation or forfeiture of the Franchise, the Franchisee shall no longer have the right to occupy the Franchise Area for the purpose of providing services authorized herein. However, the Franchisee's obligations under this Franchise to the City shall survive the expiration, termination, revocation or forfeiture of these rights according to its terms for so long as the Franchisee's Telecommunications System or any part thereof shall remain in whole or in part in the Public Rights-of-Way, or until such time as the Franchisee transfers ownership of all Facilities in the Franchise Area to the City or a third-Party, or until such time as the Franchisee abandons said Facilities in place, all as provided herein. Said obligations include, by way of illustration and not limitation, Franchisee's obligations to indemnify, defend, and protect the City, to provide insurance, to relocate its Facilities, and to reimburse the City for its costs to perform Franchisee's Work.

8.15 Force Majeure. In the event Franchisee is prevented or delayed in the performance of any of its obligations herein due to circumstances beyond its control or by reason of a force majeure occurrence, such as, but not limited to, acts of God, acts of terrorism, war, riots, civil disturbances, natural disasters, floods, tornadoes, earthquakes, severe weather conditions, employee strikes and unforeseen labor conditions not attributable to Franchisee's employees, Franchisee shall not be deemed in Default of provisions of this Franchise.

If Franchisee believes that circumstances beyond its control or by reason of a force majeure occurrence have prevented or delayed its compliance with the provisions of this Franchise, Franchisee shall provide documentation as reasonably required by the City to substantiate the Franchisee's claim. Franchisee shall have a reasonable time, under the circumstances, to perform the affected obligation under this Franchise or to procure a substitute for such obligation which is reasonably satisfactory to the City; provided that, the Franchisee shall perform to the maximum extent it is able to perform and shall take reasonable steps within its power to correct such cause(s) in as expeditious a manner as possible, provided that the Franchisee takes prompt and diligent steps to bring itself back into compliance and to comply as soon as possible under the circumstances with the Franchise without unduly endangering the health, safety, and integrity of the Franchisee's employees or property, or the health, safety, and integrity of the public, Public Rights-of-Way, public property, or private property.

8.16 Attorneys' Fees. In the event of a suit, action, arbitration, or other proceeding of any nature whatsoever, whether in contract or in tort or both, is instituted to enforce any word, article, section, subsection, paragraph, provision, condition, clause or sentence of this Franchise or its application to any person or circumstance, the prevailing

Party shall be entitled to recover from the losing Party its reasonable attorneys, paralegals, accountants, and other experts fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as allowed by Washington law and as determined by the judge or arbitrator at trial or arbitration, as the case may be, or on any appeal or review, in addition to all other amounts provided by Law. This provision shall cover costs and attorneys' fees related to or with respect to proceedings in Federal Bankruptcy Courts, including those related to issues unique to bankruptcy law. This provision shall not apply to the extent that the suit, action, arbitration or other proceeding is brought to interpret any term, condition, provision, section, article or clause of this Franchise.

8.17 Venue/Choice of Law. This Franchise shall be governed by, and construed in accordance with, the laws of the State of Washington. Any action brought relative to enforcement of this Franchise, or seeking a declaration of rights, duties or obligations herein, shall be initiated in the Superior Court of the County in which the City is located, and shall not be removed to a federal court, except as to claims over which such Superior Court has no jurisdiction. Removal to federal court shall be to the Federal Court of the Western District of Washington.

8.18 Publication. This ordinance, or a summary thereof, shall be published in the official newspaper of the City, the expense of which shall be borne by Franchisee, and shall take effect and be in full force in accordance with Section 4.3 herein.

**ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF
ON THE ____ DAY OF _____, 2016, AND SIGNED IN AUTHENTICATION OF
ITS PASSAGE THIS ____ DAY OF _____, 2016.**

CITY OF BLACK DIAMOND

Carol Benson, Mayor

ATTEST/AUTHENTICATED:

Brenda Martinez, City Clerk

Approved as to form:

David Linehan, City Attorney

Filed with the City Clerk:
Passed by the City Council:
Ordinance No.
Date of Publication:

DRAFT

EXHIBIT "A"

(Acceptance of Franchise)

Franchise issued pursuant to Ordinance No. _____.

I, _____, am the _____,
and am the authorized representative to accept the above-referenced Franchise on behalf
of _____. In my capacity as
_____, and not individually, I certify that this Franchise and
all terms and conditions thereof are accepted by _____, without
qualification or reservation and that _____ unconditionally
guarantee(s) performance of all such terms and conditions.

DATED this _____ day of _____, 20____.

By _____
Its _____

Tax Payer ID# _____

STATE OF _____
CITY OF _____

ss.

I certify that I know or have satisfactory evidence that
_____ is the person who appeared before me, and said person
acknowledged that said person signed this instrument, on oath stated that said person was
authorized to execute the instrument and acknowledged it (as the
_____ of _____, a _____
corporation,) to be the free and voluntary act of such corporation/individual for the uses
and purposes mentioned in the instrument.

Dated this _____ day of _____, _____.

(Signature of Notary)

Print Name

Notary public in and for the state of

_____, residing at _____

My appointment expires _____

EXHIBIT “B”

(Form of Transfer Agreement)

THIS TRANSFER AGREEMENT (“Agreement”) is made this ____ day of _____, 20____, by and between:

1. PARTIES.

1.1 City of Black Diamond, a legal subdivision of the state of Washington (“City”).

1.2 _____ (“Franchisee”).

1.3 _____ (“Transferee”).

RECITALS

WHEREAS the City has issued a single Franchise (the “Franchise”) to Franchisee, which was authorized on the ____ day of _____, 2016, pursuant to Ordinance No. _____, and

WHEREAS Franchisee has reached an agreement with Transferee on a *(describe transaction, example: conveyance of benefited property)*

_____ with
Transferee, to *(example: acquire from Franchisee its facilities and equipment located in the Public Rights-of-Way)* _____, and

WHEREAS Franchisee and Transferee have requested that the City approve a transfer of the Franchise from Franchisee to Transferee, and

WHEREAS, as a result of the transfer of the Franchise, Transferee will assume all rights, duties, and obligations that Franchisee has under the Franchise, will be responsible for full compliance with the Franchise, and will meet or exceed all applicable and lawful federal, state, and local requirements, and

WHEREAS, relying on the representations made by the Transferee and Franchisee, the City, on the ____ day of _____, 20____, has, pursuant to Resolution No. _____ and the Franchise, approved the transfer upon the terms and conditions as stated herein;

NOW, THEREFORE, in consideration of the City's approval of the transfer, subject to the terms and conditions of this Agreement, THE PARTIES DO HEREBY AGREE as follows:

2. TRANSFER. Transfer of the Franchise shall be effective upon the following conditions precedent:

2.1 Receipt by the City of the fully executed acceptance of Franchise attached hereto as Exhibit B-1 together with all required certificates of insurance, security fund and performance bond;

2.2 Payment to the City of the Transfer fees; and

2.3 The date of closing of the sale/conveyance of the property benefited by this Franchise and/or the Facilities located in the Franchise Area or upon a date as mutually agreed to by the City, Franchisee and Transferee as follows:_____.

3. ACCEPTANCE OF FRANCHISE OBLIGATIONS.

3.1 The Franchisee and Transferee hereby accept, acknowledge, and agree that neither the proposed transaction between Franchisee and Transferee nor the City's approval of this Agreement shall diminish or affect the existing and continuing commitments, duties, or obligations, present, continuing, and future, of the Franchisee and Transferee embodied in the Franchise.

3.2 Transferee and Franchisee agree that neither the transfer nor the City's approval of this Agreement and the resulting transfer shall in any respect relieve Franchisee, or any of its successors in interest, of any obligation or liability arising from acts or omissions occurring prior to the transfer of the Franchise, whether known or unknown, or the consequences thereof.

3.3 The transfer is not intended and shall not be construed to authorize the Franchisee to take any position or exercise any right that could not have been exercised prior to the Transfer.

3.4 Notwithstanding anything to the contrary herein, Transferee shall not be responsible for any of Franchisee's financial liabilities and obligations under the Franchise or pursuant to the City code, rules, and regulations that accrued before the Transfer of the Franchise, and Franchisee shall not be responsible for any financial liabilities and obligations under the Franchise or pursuant to the City code, rules, and regulations that accrue on or after the Transfer of the Franchise.

3.5 The City waives none of its rights with respect to the Franchisee's or Transferee's compliance with the terms, conditions, requirements, and obligations set forth in the Franchise. The City's approval of this Agreement shall in no way be deemed

a representation by the City that Franchisee is in compliance with all of Franchisee's obligations under the Franchise.

3.6 Franchisee and Transferee acknowledge and agree that the City's approval and acceptance of this Agreement and the resulting transfer is made in reliance upon the representations, documents, and information provided by the Franchisee and Transferee in connection with the request for Transfer.

4. MISCELLANEOUS PROVISIONS.

4.1 Conditions Precedent. The Agreement shall be effective and binding upon the signatories once it has been signed by all signatories; provided that, within 30 days of execution of the Agreement by all of the signatories, Transferee has provided to the City the following: (1) all fees required for this Transfer, (2) its acceptance of the Franchise in substantially the form of the document attached hereto as Exhibit B-1; (3) its insurance certificate in conformance with the requirements of the Franchise; (4) a performance bond or cash deposit in conformance with the requirements of the Franchise.

4.2 Entire Agreement. The Agreement constitutes the entire agreement of the Parties with respect to the matters addressed herein. No statements, promises, or inducements inconsistent with the Agreement made by any Party shall be valid or binding, unless in writing and executed by all Parties.

4.3 Binding Acceptance. The Agreement shall bind and benefit the Parties hereto and their respective heirs, beneficiaries, administrators, executors, receivers, trustees, successors, and assigns, and the promises and obligations herein shall survive the expiration date hereof. Any purported transfer of the Agreement is void without the express written consent of the signatories.

4.4 Severability. In the event that any provision of the Agreement shall, to any extent, be held to be invalid, preempted, or unenforceable, the remainder hereof shall be valid in all other respects and continue to be effective.

4.5 Defined Terms. Terms not defined in this Agreement shall have the same meaning as given in the Franchise.

4.6 Governing Law. The Agreement shall be governed in all respects by the laws of the state of Washington.

4.7 Notice. Pursuant to Section 8.13 of the Franchise, Notices to Transferee shall be delivered to:

Transferee's address: **
 **
 **
 **

And to:

**
**
**
**

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the day and year first written above.

CITY:

FRANCHISEE:

By: _____, City Administrator

By: _____
Title: _____

TRANSFeree:

By: _____
Title: _____

Tax Id. No. _____

TRANSFER EXHIBIT B-1

Acceptance of Franchise

Franchise issued pursuant to Ordinance No. _____ and accepted _____, 20____; Transfer authorized pursuant to Resolution No. _____, effective _____, 20____.

I, _____, am the _____, and am the authorized representative to accept the above-referenced Franchise on behalf of _____. In my capacity as _____, and not individually, I certify that this Franchise and all terms and conditions thereof are accepted by _____, without qualification or reservation and that _____ unconditionally guarantee(s) performance of all such terms and conditions.

DATED this _____ day of _____, 20____.

By _____
Its _____

Tax Payer ID# _____

STATE OF _____
CITY OF _____

ss.

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it (as the _____ of _____, a _____ corporation,) to be the free and voluntary act of such corporation/individual for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, _____.

(Signature of Notary)

Print Name

Notary public in and for the state of
_____, residing at _____

My appointment expires: _____

DRAFT

EXHIBIT “C”

(Description of Franchise Area)

The area within the jurisdictional boundaries of the City of Black Diamond, Washington, and such additional areas as may be included in the jurisdictional boundaries of the City of Black Diamond, Washington, during the term of this Franchise.

DRAFT

EXHIBIT “D”

(Insurance Requirements)

1. General Requirement. Franchisee shall have adequate insurance at all times while Franchisee owns or operates Facilities in the Public Rights-of-Way, to protect the City against claims for death or injuries to Persons or damages to property or equipment which in any way relate to, arise from or are connected with the Work, the Facilities, or the activities of Franchisee, its employees, agents, representatives, contractors, subcontractors and their employees, within the Franchise Area.

2. Minimum Insurance Limits. The Franchisee shall maintain the following minimum insurance coverages and limits:

2.1 Commercial General Liability: insurance to cover liability, bodily injury, and property damage. The Commercial General Liability insurance shall be written on an occurrence basis, and shall provide coverage for any and all costs, including reasonable defense costs, and losses and damages resulting from personal injury, bodily injury and death, property damage, products liability and completed operations. Such insurance shall include broad form and blanket contractual coverage, including coverage for the Franchise as now or hereafter amended. Coverage must be written with the following limits of liability:

\$2,000,000 per occurrence,
\$4,000,000 general aggregate and
\$1,000,000 products/completed operations aggregate.

2.2 Automobile Liability: shall include owned, hired, and non-owned vehicles on an occurrence basis with coverage of at least \$2,000,000 per occurrence.

2.3 Workers Compensation Insurance: shall be maintained during the life of this Franchise to comply with statutory limits for all employees, and in the case any work is sublet, the Franchisee shall require its contractors and subcontractors similarly to provide workers' compensation insurance for all the employees. The Franchisee shall also maintain, during the life of this policy, employer's liability insurance with limits of \$1,000,000 each occurrence.

2.4 Excess or Umbrella Liability: \$5,000,000 each occurrence and \$5,000,000 policy limit.

3. Endorsements. Franchisee Commercial General Liability insurance policies are to contain, or be endorsed to contain, the following:

3.1 The Franchisee's insurance coverage shall be primary insurance with respect to the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be in excess of the Franchisee's insurance and shall not contribute to it.

3.2 Franchisee, through policy endorsement, shall waive its rights of subrogation against the City for all claims and suits.

3.3 That the coverage shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

3.4 The Franchisee's insurance shall name the City as an additional insured, to protect or insure as an additional insured, from and against Liabilities arising out of work performed in the Public Rights-of-Way under a grant of authority of the City.

3.5 The Franchisee's insurance shall include a requirement that the "railroad exclusion" be deleted or may include, in the alternative, ISO endorsement CG 24 17 or the equivalent.

3.6 The insurance coverages and limits provided herein shall not be canceled without thirty (30) days' prior written notice first being given to the City, with the exception that ten (10) days' notice shall be required for cancellation resulting from non-payment of premium. If the insurance is canceled or reduced in coverage, Franchisee shall provide a replacement policy.

4. Acceptability of Insurers. Each insurance policy obtained pursuant to this Franchise shall be issued by financially sound insurers who may lawfully do business in the State of Washington with a financial strength rating at all times during coverage of no less than an "A-" and in a financial size category of no less than "VII", in the latest edition of "Best's Rating Guide" published by A.M. Best Company. In the event that at any time during coverage, the insurer does not meet the foregoing standards, Franchisee shall give prompt notice to the City and shall seek coverage from an insurer that meets the foregoing standards. The City reserves the right to change the rating or the rating guide depending upon the changed risks or availability of other suitable and reliable rating guides.

5. Verification of Coverage. The Franchisee shall furnish the City with signed certificates of insurance and a copy of the amendatory endorsements, including, but not necessarily limited to, the additional insured endorsement, evidencing the Automobile Liability, Commercial General Liability and Umbrella or Excess insurance of the Franchisee upon acceptance of this Franchise. The certificate for each insurance policy is to be signed by a Person authorized by that insurer to bind coverage on its behalf. The certificate for each insurance policy must be on standard forms or on such forms as are consistent with standard industry practices. The Franchisee hereby warrants that its insurance policies satisfy the requirements of this Franchise.

6. Deductible. Commercial General Liability Insurance policies and coverage required herein may include a deductible; provided, however, that if Franchisee elects to include any deductible, Franchisee shall itself directly cover, in lieu of insurance, any and all City Liabilities that would otherwise in accordance with the

provisions of this Franchise be covered by Franchisee insurance if Franchisee elected not to include a deductible. Such direct coverage by Franchisee shall be in an amount equal to the amount of Franchisee's actual deductible.

7. No Limitation. Franchisee's maintenance of insurance policies required by this Franchise shall not be construed to excuse unfaithful performance by Franchisee or limit the liability of Franchisee to the coverage provided in the insurance policies, or otherwise limit the City's recourse to any other remedy available at law or in equity.

DRAFT

EXHIBIT “E”

(Financial Security)

1. Performance Bond.

1.1 Franchisee shall provide to the City a faithful performance and payment bond in the initial amount of **\$50,000** to ensure the full and faithful performance of all of its responsibilities under this Franchise and applicable Laws, including, by way of example and not limitation, its obligations to relocate and remove its Facilities, to restore the Public Rights-of-Way and other property when damaged or disturbed, to reimburse the City for its Direct Costs and keeping Franchisee’s insurance in full force.

1.2 The performance bond shall be in a form with terms and conditions reasonably acceptable to the City and reviewed and approved by the City Attorney.

1.3 The performance bond shall be with a surety with a rating no less than “A- VII” in the latest edition of "Bests Rating Guide," published by A.M. Best Company.

1.4 The Franchisee shall pay all premiums or costs associated with maintaining the performance and payment bond, and shall keep the same in full force and effect at all times. If Franchisee fails to provide or maintain the bond, then the City, in its sole discretion, may require Franchisee to substitute an equivalent cash deposit as described below in lieu of the bond.

1.5 Franchisee’s maintenance of the bond(s) shall not be construed to excuse unfaithful performance by Franchisee, or limit the liability of Franchisee to the amount of the bond(s), or otherwise limit the City’s recourse to any other remedy available at law or in equity.

1.6 The amount of the bond may, in the reasonable discretion of the City, be adjusted by the City to take into account (1) cumulative inflation, (2) increased risk to the City, (3) the experiences of the Parties regarding Franchisee compliance with its obligations under the Franchise, and (4) issuance of Site Specific Permits for installation of new Facilities. Prior to adjusting the amount of the bond, the City shall provide reasonable notice to the Franchisee and an opportunity to provide comments, and the City shall review and consider such comments that are timely made.

2. Cash Deposit/Irrevocable Letter of Credit in Lieu of Bond.

Franchisee may, at its election substitute an equivalent cash deposit with an escrow agent approved by the City or an irrevocable letter of credit in form and content reasonably approved by the City Attorney, instead of a performance and payment bond. This cash deposit or irrevocable letter of credit shall ensure the full and faithful performance of all of Franchisee’s responsibilities hereto under this Franchise and all

applicable Laws. This includes but, is not limited to, its obligations to relocate or remove its facilities, restore the Public Rights-of-Way and other property to their original condition, reimbursing the City for its costs, and keeping Franchisee's insurance in full force.

In the event that the Franchisee fails to cure a Default as provided in Section 6 of the Franchise, the City may, at its option, draw upon the cash deposit or letter of credit up to the amount of the City's costs incurred to cure Franchisee's default. Upon the City's cure of Franchisee's default, the City shall notify Franchisee in writing of such cure.

In the event that the City draws upon the cash deposit or letter of credit, Franchisee shall thereupon replenish the cash deposit or letter of credit to the full amount as specified herein or provide a replacement performance and payment bond.

EXHIBIT “F”

(Contractor/Subcontractor Insurance Requirements)

1. General Requirement. Prior to commencing and during the period of Work performed within the Franchise Area, Franchisee contractors and subcontractors (hereafter the “Contractors”) must have in place adequate insurance to protect the City against claims for death or injuries to Persons or damages to property or equipment which in any way relate to, arise from or are connected with this such Work.

2. Minimum Insurance Limits. The Contractors shall maintain the following minimum insurance coverages and limits:

2.1 Commercial General Liability: insurance to cover liability, bodily injury, and property damage. The Commercial General Liability insurance shall be written on an occurrence basis, , and shall provide coverage for any and all costs, including reasonable defense costs, and losses and damages resulting from personal injury, bodily injury and death, property damage, products liability and completed operations. Coverage must be written with the following limits of liability:

\$1,000,000 per occurrence,
\$2,000,000 general aggregate and
\$1,000,000 products/completed operations aggregate.

2.2 Automobile Liability: shall include owned, hired, and non-owned vehicles on an occurrence basis with coverage of at least \$1,000,000 per occurrence.

2.3 Workers Compensation Insurance: shall be maintained during the period of such Work to comply with statutory limits for all employees.

3. Endorsements. Commercial General Liability insurance policies are to contain, or be endorsed to contain, the following:

3.1 The Contractor’s insurance coverage shall be primary insurance with respect to the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be in excess of the Contractor’s insurance and shall not contribute to it.

3.2 Contractor, through policy endorsement, shall waive its rights of subrogation against the City for all claims and suits.

3.3 That the coverage shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

3.4 The Contractor's insurance shall name the City as an additional insured, to protect or insure as an additional insured, from and against Liabilities arising out of Work performed in the Public Rights-of-Way under a grant of authority of the City.

3.5 The Contractor's insurance shall include a requirement that the "railroad exclusion" be deleted or may include, in the alternative, ISO endorsement CG 24 17 or equivalent.

3.6 The insurance coverages and limits provided herein shall not be canceled without thirty (30) days written notice first being given to the City, with the exception that ten (10) days' notice shall be required for cancellation resulting from non-payment of premium. If the insurance is canceled or reduced in coverage, Franchisee shall provide a replacement policy.

4. Acceptability of Insurers. Each insurance policy required herein shall be issued by financially sound insurers who may lawfully do business in the State of Washington with a financial strength rating at all times during coverage of no less than an "A-" and in a financial size category of no less than "VII", in the latest edition of "Best's Rating Guide" published by A.M. Best Company. In the event that at any time during coverage, the insurer does not meet the foregoing standards, Contractor shall give prompt notice to the City and shall seek coverage from an insurer that meets the foregoing standards. The City reserves the right to change the rating or the rating guide depending upon the changed risks or availability of other suitable and reliable rating guides.

5. Verification of Coverage. The Franchisee shall furnish the City with Contractors' signed certificates of insurance and a copy of the amendatory endorsements, including, but not necessarily limited to, the additional insured endorsement, evidencing the Automobile Liability, and Commercial General Liability policies of the Contractors. The certificate for each insurance policy is to be signed by a Person authorized by that insurer to bind coverage on its behalf. The certificate for each insurance policy must be on standard forms or on such forms as are consistent with standard industry practices.

6. No Limitation. Contractor's maintenance of insurance policies required herein shall not be construed to excuse unfaithful performance by Franchisee or limit the liability of Franchisee or contractor to the coverage provided in the insurance policies, or otherwise limit the City's recourse to any other remedy available at law or in equity.

OVERVIEW OF TELECOMMUNICATIONS FRANCHISE ORDINANCE

FRANCHISEE	Astound Broadband, LLC, d/b/a “Wave”
AUTHORIZED SERVICES	Fiber-Optic Telecommunications Services
FRANCHISE AREA	Public Rights-of-Way within the Jurisdictional Boundaries of the City of Black Diamond
DURATION	10 Years

Franchise Grant

- The Franchise Ordinance authorizes Wave to construct, maintain, operate, and repair a fiber-optic broadband telecommunications system using the public rights-of-way within city limits. The Franchise is non-exclusive, meaning the City remains free to grant a similar franchise to another qualified telecommunications system operator during the same time period, so long as the terms are competitively neutral and nondiscriminatory consistent with federal law.
- The Franchise does not include the right to install or operate cable television or commercial mobile radio (i.e., cellular) services. The City may impose additional compensation requirements (e.g., right-of-way permit fees and, if a future cable franchise ordinance is approved, cable fees) for use of public rights-of-way to provide services beyond those specifically authorized in the Franchise Ordinance.
- The Franchise Ordinance does not exempt Wave from having to obtain other licenses, easements, or agreements needed to place devices on other City or private property (e.g., on utility poles, pipelines, or buildings), nor does it

exempt Wave from having to comply with applicable land-use or development regulations (e.g., conditional use permits or zoning variances).

Conditions of Acceptance

If the City Council passes and approves the Franchise Ordinance, Wave has 30 days to accept the Franchise by paying certain administrative costs of the City, submitting required insurance certificates, and paying the costs of publication of the Franchise Ordinance. Otherwise, the Franchise will be deemed rejected by Wave.

Transferability of Franchise

With prior notice to the City, Wave is permitted to transfer the Franchise to another provider, so long as the transferee agrees in writing to assume and be responsible for all of Wave's obligations and guarantees their performance. The transferee must also supply the required insurance certificates, security fund, and performance bond.

Term of Franchise and Renewal

The Franchise runs for a term of 10 years following acceptance by Wave. Within 180 days of expiration, and with the agreement of the parties, the Mayor may renew the Franchise for an additional 5 years without further action by the City Council.

Powers Retained by City

The City retains full authority to use the public rights-of-way, including construction of sanitary and storm sewers; paving, widening, or altering rights-of-way; laying down water mains; etc. The City also retains its full police powers to make and enforce laws, although it may not enact new ordinances or amendments that unilaterally alter or impair material rights or benefits granted to Wave under this Franchise Ordinance.

Liability Protections

- The City has disclaimed liability to Wave (and its contractors) for any damages relating to the design, condition, or safety of the public rights-of-way within the Franchise area, except for damages due to gross negligence or willful misconduct by the City.
- Wave has also agreed to a very broad indemnification of the City and its officials and employees for claims by third parties that arise out of or relate to Wave's occupation and use of the public rights-of-way, its operation of the Telecommunications System, environmental contamination that Wave causes or contributes to, and any acts or omission of Wave or its contractors, agents, and employees in connection with its work in the rights-of-way. The City retains liability for third-party damages caused by its own gross negligence or intentional misconduct.
- Wave is required to obtain a performance bond in the amount of \$50,000 to ensure full and faithful performance of Wave's obligations under the Franchise.
- Wave and its subcontractors are required to maintain commercial general liability insurance with minimum coverage limits. For Wave, the applicable limits are \$2,000,000 per occurrence, \$4,000,000 general aggregate, and \$1,000,000 products/completed operations aggregate. Wave is also required to maintain umbrella or excess liability insurance with limits of at least \$5,000,000.

Reimbursement of City Costs

- Wave is required to reimburse the City for costs (including labor, materials, equipment, and consultant fees) it incurs in approving and inspecting Wave's work on its facilities (e.g., the City's review of design documents and inspections for compliance with the City's Design Standards) to the extent such costs are not included in the issuance of regulatory permits (construction permits, street

excavation permits, clearing and grading permits, etc.). Any required work that the City has to perform after Wave has failed to perform it will be charged to Wave. The City is required to invoice Wave for such costs.

- Additionally, Wave is required to pay an application fee of \$5,000 to cover the City's legal and administrative expenses for negotiating, reviewing, and approving the Franchise Ordinance. Wave must also pay the costs of publication of the Franchise Ordinance and any other public notices prior to any public hearings on the Franchise Ordinance.
- Federal law prohibits the imposition of telecommunications franchise fees if they may prohibit or have the effect of prohibiting the provision of services. Certain fees may be permissible if limited to what is necessary for management and regulation of use of the public rights-of-way. 47 U.S.C. § 253.

Construction Standards, Permit Application, and Approval Process

- Wave may not commence work without the City's prior approval of its design documents. The City may require Wave to install facilities at a particular time, or in a particular place or manner as a condition of access, and may require removal of any facilities not installed in compliance with the current edition of the City Standards for Public Work Engineering and Construction, or any of the other federal, state, and City standards and codes specified in Section 7.3 of the Franchise Ordinance.
- The City may review and approve Wave's design documents with respect to, among other things: location, alignment, and depth; any measures needed to preserve the free flow of traffic; structural integrity, functionality, and compatibility with roadways, sidewalks, traffic signals, etc.; ease of road maintenance; appearance; and compatibility with the City's longer-term plans.

- Before performing any work in public rights-of-way, Wave must apply for and obtain all regulatory permits required by City ordinance or rule, at Wave's expense.
- Any contractors or subcontractors of Wave must adhere to the conditions and limitations of the Franchise Ordinance, and Wave must ensure that they are familiar with the Franchise Ordinance and that all work performed by them is in compliance with it.
- Wave is required to use suitable barricades, flags, lights, and other measures as required for the safety of the general public and to prevent accidents and injuries to persons, vehicles, or other property due to work done in public rights-of-way.

Right of Inspection

Upon 72 hours' notice, or without notice in case of emergency, the City may inspect Wave's facilities to determine compliance with the Franchise Ordinance or other applicable requirements. The City retains the power to immediately stop all work that the City learns or determines is non-compliant or is being performed in an unsafe or dangerous manner, and may compel Wave to take actions necessary to correct the unsafe condition or otherwise bring the work into compliance.

Facility Relocations

- The City may require Wave to alter, adjust, or relocate any facilities when reasonably necessary for the construction, repair, or improvement of any public rights-of-way in furtherance of the public health, safety, or welfare. The City must give 180 days' notice, and must make reasonable efforts to provide an alternate location for Wave's facilities. The City also must, within budgetary constraints, consider any alternative designs proposed by Wave to mitigate the

impact on its facilities. Wave may seek reimbursement of its relocation costs when authorized by law to do so.

- If there is an immediate threat to public health or safety, the City may require Wave, at Wave's expense, to shut down, relocate, remove, or modify its facilities in a public right-of-way, without regard to fault. A party seeking alteration, adjustment or temporary relocation of Wave facilities for something other than a public improvement project must compensate Wave for its time, engineering, design, and material costs.
- After construction of any facilities, or upon request by the City, Wave must provide up-to-date maps showing the horizontal and vertical location and configuration of located or relocated facilities in the public rights-of-way. Wave does not, however, warrant the accuracy of such maps; it represents only that its Telecommunications Systems are shown in approximate locations.

Duty of Restoration

Wave has a duty to leave the public rights-of-way and other property disturbed by its work in as good or better condition as it was before commencement of construction.

Wave must complete restoration work to the reasonable satisfaction of the City, as determined by the City Engineer, and warrant restoration work for at least two years.

Restoration work for adjacent private property disturbed or damaged by Wave must be performed to the private owner's reasonable satisfaction.

Revocation of Franchise

Upon an uncured default by Wave, the City may give notice of intent to revoke the Franchise. If Wave objects to the revocation, it may object in writing and provide its rationale. The City may then conduct a public hearing, at which evidence and witness

may be examined, before deciding whether to terminate or revoke the Franchise. The City Council's decision is final, subject only to other appeal rights provided by law.

Denial of Franchise

The City Council has the legal authority to deny Wave's franchise application.

However, a denial cannot be arbitrary and capricious or for an unlawful reason. RCW 35.99.030(3) requires that a denial be "supported by substantial evidence contained in a written record."

CITY COUNCIL AGENDA BILL

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

ITEM INFORMATION		
SUBJECT: Resolution authorizing the Mayor to execute an Interlocal Agreement with Association of Washington Cities Risk Management Service Agency regarding membership	Agenda Date: November 17, 2016	
	AB16-065A	
	Mayor Carol Benson	X
	City Administrator	
	City Attorney David Linehan	
	City Clerk – Brenda L. Martinez	
	Com Dev/Nat Res – Andy Williamson	
	Finance – May Miller	
	MDRT/Ec Dev – Andy Williamson	
	Police – Chief Kiblinger	
Cost Impact (see also Fiscal Note):	Public Works – Seth Boettcher	
Fund Source: --All Funds	Court – Stephanie Metcalf	
Timeline: December 1, 2016		
Agenda Placement: ☒ Mayor ☒ Two Councilmembers ☐ Committee Chair ☐ City Administrator		
Attachments: Resolution No. 16-XXXX, Interlocal Agreement clean and redlined versions		
SUMMARY STATEMENT: There was Council action at the November 3rd meeting to postpone this item to the November 17th meeting.		
Currently the City belongs to the insurance pool of Association of Washington Cities Risk Management Service Agency (AWC RMSA). Their Board of Directors have updated and approved changes to the Interlocal Agreement.		
The Interlocal Agreement provides for self-insurance pooling and group purchasing power of insurance coverage, while receiving risk management services and property and liability claims administration. In the packet you will find a redlined version showing the changes.		
FISCAL NOTE (Finance Department): The City's overall rate increase for 2017 is 4%.		
COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:		
RECOMMENDED ACTION: MOTION to adopt Resolution No. 16-XXXX (<i>Clerk to assign number after adoption</i>), regarding membership in the Association of Washington Cities Risk Management Service Agency.		
RECORD OF COUNCIL ACTION		
Meeting Date	Action	Vote
November 3, 2016	Motion to postpone to Nov 17 th mtg.	Passed 5-0
November 17, 2016		

RESOLUTION NO. 16-XXXX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BLACK DIAMOND, KING COUNTY, WASHINGTON
REGARDING MEMBERSHIP IN THE ASSOCIATION OF
WASHINGTON CITIES (AWC) RISK MANAGEMENT
SERVICE AGENCY (RMSA)**

WHEREAS, the Association of Washington Cities Risk Management Service Agency (AWC RMSA) offers pooled self-insurance providing cost stability and the potential for long-term savings; and

WHEREAS, AWC RMSA is sponsored by the Association of Washington Cities as a service to Washington cities and towns; and

WHEREAS, the City of Black Diamond acknowledges that after becoming a member of the AWC RMSA, the City of Black Diamond shall be subject to assessments and any future reassessments as required by the AWC RMSA; and

WHEREAS, the City of Black Diamond concludes that membership in the AWC RMSA would be beneficial in managing the municipal risks involved in providing services to our citizens;

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

Section 1. The City of Black Diamond does hereby agree to enter into and abide by the Interlocal agreement, which, along with this Resolution, constitutes a contract between the City of Black Diamond and the AWC RMSA.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 17TH DAY OF NOVEMBER, 2016.

CITY OF BLACK DIAMOND:

Carol Benson, Mayor

Attest:

Brenda L. Martinez, City Clerk

**INTERLOCAL AGREEMENT OF
THE ASSOCIATION OF WASHINGTON CITIES
RISK MANAGEMENT SERVICE AGENCY
(AWC-RMSA)**

Effective January 1, 2017

TABLE OF CONTENTS

	Page
PREAMBLE	 4
RECITALS	 4
ARTICLE 1	Definitions 4
ARTICLE 2	Risk Sharing 6
ARTICLE 3	Agency Offices..... 7
ARTICLE 4	Parties to Agreement 7
ARTICLE 5	Term of Agreement 7
ARTICLE 6	Financial Obligations of Agency 7
ARTICLE 7	Powers of the Agency 7
ARTICLE 8	The Board of Directors & their Powers & Responsibilities 8
ARTICLE 9	Operating Committee 9
ARTICLE 10	Coverage 9
ARTICLE 11	Bond Requirements 9
ARTICLE 12	Responsibility of the Agency 9
ARTICLE 13	Responsibilities of Members 10
ARTICLE 14	New Members..... 11
ARTICLE 15	Defense of Agents 11
ARTICLE 16	Withdrawal 11
ARTICLE 17	Termination by Agency 12
ARTICLE 18	Effect of Withdrawal or Termination 12
ARTICLE 19	Termination and Distribution 13
ARTICLE 20	Bylaws, Policy, Procedures and Member Standards 13
ARTICLE 21	Notices..... 13
ARTICLE 22	Amendment 13
ARTICLE 23	Enforcement 14

ARTICLE 24	Prohibition Against Assignment.....	14
ARTICLE 25	Severability	14
ARTICLE 26	Agreement Complete	14
ARTICLE 27	Conflicts.....	14
ARTICLE 28	Supersession	14
ARTICLE 29	Signature of Counterparts.....	14
ARTICLE 30	Section Headings	14
ARTICLE 31	Governing Law.....	15
ARTICLE 32	Time.....	15
ARTICLE 33	Authorization of Signature.....	15

INTERLOCAL AGREEMENT: OF THE ASSOCIATION OF WASHINGTON CITIES RISK MANAGEMENT SERVICE AGENCY

PREAMBLE

State law authorizes the formation of pooling organizations to provide insurance, to reduce the amount and frequency of the Members' losses, and to decrease the cost incurred by the Members in the handling and litigation of claims. This Agreement provides for self-insurance pooling and/or the economical purchase of Insurance coverage for Local Governmental Entities. This Agreement is made and entered into in the State of Washington by and among the Members organized and existing under the Constitution or laws of the State of Washington, hereinafter collectively referred to as "Members", and individually as "Member", which are parties signatory to this Agreement.

RECITALS

WHEREAS, Chapter 48.62 RCW provides that two or more local governmental agencies may, by Interlocal Agreement, provide insurance for any purpose by one or more of certain specified methods;

WHEREAS, the Association of Washington Cities, the sponsoring entity, of the Risk Management Service Agency ("Agency"), would like to maintain the long-standing relationship that has been achieved over the years because of the mutual goals of both entities, which is to support all cities and towns in Washington State;

WHEREAS, the Association of Washington Cities as sponsor of the Agency desires to provide its Members, as well as other Local Governmental Entities, the opportunity to jointly self-insure or pool their primary risks to enhance their ability to control their insurance programs and coverages;

WHEREAS, each of the parties to this Agreement desires to join together with the other parties for the purpose of pooling their self-insured losses and jointly purchasing excess insurance and administrative services in connection with a Joint Self-Insurance program for said parties; and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so;

NOW, THEREFORE, in consideration of all of the mutual benefits, covenants and agreements contained herein the parties hereto agree as follows:

ARTICLE 1 Definitions

The following definitions shall apply to the provisions of this Agreement:

- 1.1 **"Administrative Agent,"** shall mean the Association of Washington Cities that provides the contracted administrative services for the Agency.
- 1.2 **"Agency"** shall mean the Association of Washington Cities Risk Management Service Agency (RMSA).
- 1.3 **"Agreement"** shall mean the Interlocal Agreement, however amended, among and between the Agency and the Members.

- 1.4 **“Assessment”** shall mean the monies paid by the Members to the Agency.
- 1.5 **“Association”** shall mean the Association of Washington Cities.
- 1.6 **“Board of Directors”** or **“Board”** shall mean the governing body of the Risk Management Service Agency (RMSA) as duly elected by the members of the Agency.
- 1.7 **“Bylaws”** shall mean the document(s) that provides for the governance and operation of the Agency. “Bylaws” mean the Bylaws adopted by the Board of Directors of the Agency and all duly adopted amendments and revisions thereto, however amended.
- 1.8 **“Claim(s)”** means a demand for payment for damages against the Agency arising out of occurrences within the Coverage Agreement; or policy benefit because of the occurrence of an event that includes, but is not limited to, the destruction or damage of property or reputation, bodily injury or death and alleged civil rights violations.
- 1.9 **“Coverage Agreement”** shall mean the coverage document(s) established by the Board of Directors and intended to address the general claim operations of the Agency.
- 1.10 **“Excess insurance”** shall mean that insurance purchased or other financing arrangements made on behalf of the Agency to protect the funds of the Agency against catastrophes or against an unusual frequency of losses during a single year.
- 1.11 **“Fiscal Year”** shall mean that period of 12 months, from January 1 to December 31, which is established as the fiscal year of the Agency.
- 1.12 **“Insurance”** shall mean and include self-insurance through a funded program and/or commercial insurance contract.
- 1.13 **“Interlocal Agreement”** means an Agreement established under the Interlocal Cooperation Act defined in Chapter 39.34 RCW which permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and therefore, to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities.
- 1.14 **“Joint Self-Insurance Program”** means two or more Local Government Entities which have entered into a cooperative risk sharing Agreement subject to regulation under Chapter 48.62 RCW.
- 1.15 **“Local Governmental Entity”** shall mean every unit of local government, both general purpose and special purpose, and shall include, but not be limited to, counties, cities, towns, port districts, public utility districts, water districts, sewer districts, fire protection districts, irrigation districts, metropolitan municipal corporations, conservation districts, and other political subdivisions, governmental subdivisions, municipal corporations, and quasi municipal corporations.
- 1.16 **“Member”** – shall mean any eligible entity which participates in the Agency, pays the annual Assessment and is signatory to the Agency’s Interlocal Agreement.
- 1.17 **“Member Standards”** shall mean the required and advisory standards adopted by the Board of Directors in an effort to provide consistent administrative practices for members, with the goal of reducing property and liability losses.
- 1.18 **“Operating Committee”** shall mean the standing advisory committee to the Board.

- 1.19 **“Reassessment”** shall mean additional monies paid by the Members to the Joint Self-Insurance Program if claims shall exceed assets.
- 1.20 **“Risk Sharing”** means a decision by the Members of a Joint Self Insurance program to jointly absorb certain or specific financial exposures to risks of loss through the creation of a formal program of advance funding of actuarially determined anticipated losses; and/or joint purchase of Insurance or reinsurance as a Member of a Joint Self-Insurance program formed under Chapter 48.62 RCW.
- 1.21 **“Signatory”** or **“Signatories”** shall mean those parties who sign this Agreement, including execution by counterpart, thereby becoming a Member of the Agency bound by the terms of this Agreement.
- 1.22 **“Special Committee”** – shall mean committees of the Agency created by the Board of Directors.

ARTICLE 2

Risk Sharing

- 2.1 This Agreement is entered into by the Members to provide for Joint Self-Insurance pooling and/or the economical purchase of Insurance coverage, risk management services, and property and liability claims administration. Furthermore, the purpose of the Agreement is to reduce the amount and frequency of the Members' losses and to decrease the cost incurred by the Members in the handling and litigation of claims. This purpose shall be accomplished through the exercise of the powers of the Members jointly in the creation of a separate public Agency, the Association of Washington Cities Risk Management Service Agency, to direct and administer a Joint Self-Insurance Program wherein the Members will engage in certain activities, including but not limited to the following:
- 2.1.1 Risk Sharing
 - 2.1.2 Joint purchase of insurance which may include, but is not limited to Excess and or reinsurance; and
 - 2.1.3 Joint purchase of administrative and other services including:
 - 2.1.3.1 Claims adjusting;
 - 2.1.3.2 Data processing;
 - 2.1.3.3 Risk management consulting;
 - 2.1.3.4 Loss prevention;
 - 2.1.3.5 Legal; and
 - 2.1.3.6 Miscellaneous related services.
- 2.2 It is also the purpose of the Agreement to provide, to the extent permitted by law, for the inclusion at a subsequent date of such additional Local Government Entities organized and existing under the Constitution or laws of the State of Washington as may desire to become parties to this Agreement and Members of the Agency, subject to approval by the Board of Directors.

- 2.3 This Agreement may but is not required to provide, to the extent permitted by law, that the Agency may, at the discretion of its directors, contract with non-member Local Government Entities in the State of Washington.

Article 3 Agency Offices

- 3.1 **Principal Executive Office**
The principal executive office for the transaction of business of the Agency shall be located at 1076 Franklin St. SE, Olympia, WA 98501. The Administrative Agent in cooperation with the Board of Directors of the Agency shall have the authority to change the location of the principal executive office from time to time.
- 3.2 **Other Offices**
Other business offices may be at any time be established by the Administrative Agent in cooperation with the Board of Directors of the Agency at any place or places where the Agency is qualified to do business.

ARTICLE 4 Parties to Agreement

Each party to this Agreement certifies that it intends to and does contract with all other parties who are Signatories of this Agreement and, in addition, with such other parties as may later be added to and Signatories of this Agreement pursuant to Article 14. Each party to this Agreement also certifies that the deletion of any party from this Agreement, pursuant to Articles 16 and 17, shall not affect this Agreement nor such party's intent to contract as described above with the other parties to the Agreement then remaining.

ARTICLE 5 Term of Agreement

This Agreement shall become effective on January 1, 2017, and shall be of unlimited duration, but not less than one year, and will continue unless terminated as hereinafter provided in Article 19.

ARTICLE 6 Financial Obligations of Agency

Pursuant to Chapter 48.62 RCW, of the State of Washington, the debts, liabilities, and obligations of the Agency shall not constitute debts, liabilities, or obligations of any Member to this Agreement.

ARTICLE 7 Powers of the Agency

- 7.1 Agency shall have the powers provided for by law and is hereby authorized to do all acts necessary for the exercise of said powers, including, but not limited to, any or all of the following:
- 7.1.1 Contract or otherwise provide for risk management, claims administration and loss prevention services;
 - 7.1.2 Contract or otherwise provide legal counsel for the defense of Claims and/or other legal services;
 - 7.1.3 Consult with the Washington State Risk Manager and State Auditor;
 - 7.1.4 Jointly purchase Insurance coverage in such form and amount as the organization's participants may by contract agree;
 - 7.1.5 Incur debts, liabilities, or obligations;

- 7.1.6 Acquire, receive, hold, or dispose of property, funds, services, and other forms of assistance from persons, firms, corporations, and governmental entities;
 - 7.1.7 Sue and be sued in its own name;
 - 7.1.8 Hire employees and agents; and
 - 7.1.9 Exercise all powers necessary and proper to carry out the terms and provisions of this Agreement, or otherwise authorized by law.
- 7.2 Said powers shall be exercised to the terms hereof and in the manner provided by law.

ARTICLE 8

The Board of Directors and their Powers and Responsibilities

- 8.1 The Agency, its funds and service programs shall be administered by a Board of Directors.
- 8.2 Number of directors
There shall be seven (7) directors of the Agency, who shall be elected officials representing members of the Agency.
- 8.3 Acceptance of Appointment by directors
Each director shall sign a document accepting their appointment as director and agreeing to abide by the terms and provisions of this Agreement and the Bylaws.
- 8.4 Powers and Responsibilities of the Board of Directors
The Board of Directors of the Agency shall have the following powers and functions:
 - 8.4.1 The Board shall have the power to review, amend, modify, adopt, override, or reject the Operating Committee's recommendations.
 - 8.4.2 The Board shall review, modify if necessary, and approve the annual operating budget of the Agency.
 - 8.4.3 The Board shall receive and review periodic accountings of all funds of the Agency.
 - 8.4.4 Annually the Board shall review, amend, adopt, or reject the Operating Committee's recommendation of the Assessment, or Reassessment rate to be charged to the Members of the Agency.
 - 8.4.5 The Board may review, modify if necessary, and approve the Coverage Agreement, the Agency's Bylaws, policies and Member Standards.
 - 8.4.6 The Board shall have the power to conduct all business on behalf of the Agency, which the Agency may conduct under the provisions hereof and pursuant to law.
 - 8.4.7 The Board shall determine and select Insurance, necessary to carry out the Joint Self-Insurance Program for the Agency.
 - 8.4.8 The Board shall have authority to contract for or develop various services for the Agency, including, but not limited to, an Administrative Agent, claims adjusting, loss prevention, risk management consulting services, independent actuary services, insurance brokerage services, independent claims auditing services, and legal counsel.

- 8.4.9 The Board shall have such other powers and functions as are provided for in this Agreement, and the Bylaws, which are necessary to implement the purposes of this Agreement, including, but not limited to, the power to authorize contracts.

ARTICLE 9

Operating Committee

The Operating Committee shall consist of nine (9) representatives from Members. All members of the Operating Committee shall be non-elected officials. It is the Board's intent that the Operating Committee is advisory to the Board and/or the Administrative Agent, regarding the operations of the Agency.

ARTICLE 10

Coverage

- 10.1 The type and limits of the Insurance coverage provided for Members by the Agency shall be established by the Board of Directors.
- 10.2 The Board may approve purchase of additional types or limits of coverage for Members interested in obtaining additional types or limits of coverage at additional cost to those Members. Such additional cost may include an administrative fee for the Agency's services.
- 10.3 The Board may arrange for the purchase of any other Insurance or services deemed necessary to protect the Agency or funds held by the Agency against catastrophe.

ARTICLE 11

Bond Requirements

The Board may require that the Administrative Agent authorized to disburse funds of the Agency, provide a fidelity bond in the amount as set by the Board, and provide that such bond be paid by the Agency.

ARTICLE 12

Responsibility of the Agency

The Agency shall perform the following functions in discharging its responsibilities under this Agreement:

- 12.1 Provide Insurance coverage as deemed necessary, including but not limited to a self-insurance fund and commercial insurance, as well as excess coverage or reinsurance, and other insurance. Such insurance, to be arranged by negotiation or bid, and/or purchase, as necessary;
- 12.2 Assist each Member's designated risk manager with the implementation of the risk management functions within the Member entity;
- 12.3 Provide loss prevention consulting services to Members as required;
- 12.4 Provide Claim adjusting and subrogation services for Claims covered by the Agency's Coverage Agreement;
- 12.5 Provide loss analysis by the use of statistical studies, data processing, and record and file-keeping services, to identify high exposure operations and to evaluate proper levels of self-retention and deductibles;
- 12.6 Assist Members, as requested, with review of their contracts to determine sufficiency of indemnity and insurance provisions;

- 12.7 Conduct risk management audits to review the participation of each Member in the program. The audit shall be performed by appointed Agency staff or, at the discretion of the Administrative Agent, and/or an independent auditor may be retained by contract to conduct the audits;
- 12.8 Provide for the defense of any civil action or proceeding brought against any officer, employee, Board member, or other agent of the Agency, in their official or individual capacity or both, on account of an act or omission within the scope of their agency as an agent of the Agency;
- 12.9 Abide by the rules and regulations as stated or hereinafter amended of RCW Chapter 48.62 and WAC 200-100; and
- 12.10 The Agency shall have such other responsibilities as deemed necessary by the Board of Directors in order to carry out the purposes of the Agreement.

ARTICLE 13

Responsibilities of Members

Members shall have the following responsibilities:

- 13.1 All Members must maintain membership in the Association of Washington Cities.
- 13.2 Each Member shall appoint an employee of the member entity to be responsible for the risk management function within that member entity and to serve as a liaison between the Member and the Agency.
- 13.3 Each Member shall implement a risk management policy which shall include implementing loss prevention recommendations, and complying with the Member Standards.
- 13.4 Each Member shall be responsible for payment of any Member-elected deductible, and/or appropriate deductible associated with the Member Standards.
- 13.5 Each Member shall promptly pay its Assessment, Reassessment, and any readjusted amount promptly to the Agency when due. After withdrawal or termination, each Member shall pay promptly to the Agency its share of any Reassessment and accrued interest at a rate determined by the Board, when and if required of it by the Board.
- 13.6 Each Member shall provide the Agency with such other information or assistance as may be necessary for the Agency to carry out the provisions of this Agreement.
- 13.7 Each Member shall in any and all ways cooperate with and assist the Agency, and any insurer of the Agency, in all matters relating to this Agreement and covered losses, and will comply with all Bylaws, policies, procedures and Member Standards as adopted or amended by the Board of Directors.
- 13.8 All members shall cooperate with the Agency and assist with any investigations, settlement discussions, defense or prosecution of suits, and cooperate and assist the Agency in enforcing any right of contribution, indemnity, or subrogation in which the Agency may have an interest by virtue of a payment made pursuant to the Bylaws, this Agreement, or the Coverage Agreement. Members shall also assist the Agency and attend hearings and trials as well as secure and give evidence and obtain the attendance of witnesses. Further, the members shall undertake appropriate due diligence and concur in exercising all things reasonably practicable to avoid or diminish any loss of or damage to the property insured under this agreement.

ARTICLE 14

New Members

- 14.1 Additional Members shall be permitted to become Signatories to this Agreement. All potential members to the Agency must be members of the Association of Washington Cities or become members prior to acceptance into the Agency. The Agency shall allow entry into the program of new members approved by the Board of Directors at such time during the year as the Board deems appropriate.
- 14.2 Members entering under this Article may be required to pay their share of expenses as determined by the Board, including those necessary to analyze their loss data and determine their Assessment.

ARTICLE 15

Defense of Agents

- 15.1 For purposes of this article, "agent" means any person who is or was: a director, an Operating Committee member, a Special Committee member, an officer, or an agent acting on behalf of the Agency or Administrative Agent.
- 15.2 The Agency shall provide for the defense of any agents and paying of any valid judgments and claims brought against any such agent arising from their actions or conduct in their official or individual capacity or both, on account of an act or omission within the scope of their responsibility; provided, however, this section shall not apply to those occurrences covered by an Agency policy of liability insurance or if the claim or judgment results from the intentional misconduct of said agent.

ARTICLE 16

Withdrawal

- 16.1 A Member signing this Agreement may not withdraw as a party to this Agreement and as a Member of the Agency for a one-year period commencing on the date said Member signs the Agreement.
 - 16.1.1 After the initial one-year non-cancellable commitment provided pursuant to this Agreement, a Member may withdraw only at the end of the Agency's Fiscal Year, provided the Member has given the Agency a minimum of 12-month written notice of its intent to withdraw from this Agency.
- 16.2 A Member shall be entitled to withdraw from the Agency where the Member presents to the Board of Directors evidence demonstrating a material breach of contract by the Agency as regards its obligations to the Member. The Member shall be allowed to withdraw from the agency within ninety (90) days of any finding by the Board of Directors that a material breach of contract by the Agency has occurred. The withdrawal of any Member under the conditions identified here shall not however free it from any and all requirements made of any withdrawing Member.
- 16.3 No Member withdrawing from the agency shall be entitled to payment or return of any Assessment, Reassessment, contributions or monies contributed to the Agency or to the distribution of any assets of the Agency.

ARTICLE 17

Termination by Agency

- 17.1 The Agency shall have the right to terminate any Member's participation in the Agreement upon a motion approved by a vote of 66% or more of the entire Board of Directors. Prior to taking action on such a motion, the Board may, but is not required to, request that the Operating Committee review and make recommendations to the Board on any allegation giving rise to the request to

terminate, including but not limited to failure to: comply with a written condition, disregard of risk management recommendations or Member Standards, noncompliance with any provision of this Agreement, and/or the Bylaws of the Agency.

- 17.2 Any Member so terminated from the Agency, shall be given at least one hundred eighty (180) days notice prior to the effective date of the termination. Any Member so terminated shall have a period of up to six (6) months coverage under the terms of this Agreement, or may affect alternate insurance or self-insurance arrangements if it so desires. Upon written receipt of confirmation from the terminating Member that the terminating Member has in force valid insurance or membership in another risk sharing pool, the effective date of the termination may be adjusted by the Agency. Any Member so terminated shall be treated as if it had voluntarily withdrawn.
- 17.3 Upon termination from this Agreement, a Member shall not be entitled to payment or return of any Assessment, Reassessment, contributions or monies contributed to the Agency or to the distribution of any assets of the Agency.

ARTICLE 18

Effect of Withdrawal or Termination

- 18.1 The withdrawal of any Member from this Agreement shall not terminate the same for purposes of continuing to comply with all conditions and requirements of the Agreement, and survives the withdrawal or termination of any Member.
- 18.2 No Member by withdrawing or terminating from the Agreement shall be entitled to payment or return of any Assessment, Reassessment, consideration of property paid, or donated by the Member to the Agency, or to any distribution of assets.
- 18.3 The withdrawal or termination of any Member shall not cease its responsibility to contribute its share or Assessment, Reassessment, or funds to any fund or Joint Self-Insurance program created by the Agency until all Claims, or other unpaid liabilities, covering the period the Member was Signatory hereto have been finally resolved and a determination of the final amount of payments due by the Member or credits to the Member for the period of its membership has been made by the Board of Directors. In connection with this determination, the Board may exercise similar powers to those provided for in Article 17, *Termination by Agency*, of this Agreement.
- 18.4 The withdrawn or terminated Member shall be responsible for any applicable deductible that would have been applied related to a claim the same as if the Member was still in good standing with the Agency.
- 18.5 Any withdrawn or terminated Member may not be permitted to rejoin the Agency, or allowed to submit an application to rejoin the Agency for a period of three (3) years after the effective date of the Member's withdrawal or termination without Board approval.

ARTICLE 19

Termination and Distribution

- 19.1 This Agreement may be terminated at any time by the written consent of three-fourths (75%) of the Members, provided, however, that this Agreement and Agency shall continue to exist for the purpose of paying all debts and liabilities, disposing of all Claims, distributing net assets, and otherwise liquidating the affairs of the Agency. The Board of Directors is vested with all powers of the Agency during such liquidation, including the power to require Members, including those who were Members at the time the claim arose or at the time the loss was incurred, to pay their share of any additional amount of Reassessment deemed necessary by the Board for final disposition

of all Claims, losses, and liabilities covered by this Agreement. Such additional Reassessment shall be determined and thereafter adjusted, if necessary.

- 19.2 Upon termination of this Agreement, all assets of the Agency shall be distributed only among the parties that are Members in good standing of the Agency on the date of termination of this Agreement. The assets shall be distributed in accordance with and proportionate to their Assessment, Reassessment and property contributions made during the term of this Agreement. The Board shall determine such distribution within six (6) months after the last pending claim or loss covered by this Agreement has been finally disposed of.
- 19.3 The Board is vested with all powers of the Agency for the purpose of liquidating and dissolving the business affairs of the Agency. These powers shall include the power to require Members, including those which were Members at the time the claim arose or at the time the loss was incurred, to pay their share of any additional amount of assessment deemed necessary by the Board for final disposition of all Claims and losses covered by this Agreement. A Member's share of such additional assessment shall be determined on the same basis as that provided for annual assessments, and shall be treated as if it were the next year's annual assessment for that Member.

ARTICLE 20

Bylaws, Policy, Procedures and Member Standards

The Board may adopt Agency Bylaws, policies, procedures, and Member Standards or other documents that govern the day-to-day operations of the Agency. Each Member shall have access in electronic or written format.

ARTICLE 21

Notices

Notices to Members hereunder shall be sufficient if mailed to the last address, or electronic mail, provided to the Agency by the respective Member. Postal mail will be deemed received three (3) days after mailing.

ARTICLE 22

Amendment

This Agreement may be amended at any time by the written approval of the majority of all Members of the Agency. Amendments to the Agreement shall be adopted by ordinance or resolution of the governing board or council of each Member, signed by an authorized representative of each member, and a copy returned to the Agency

ARTICLE 23

Enforcement

The Agency is hereby granted the authority to enforce this Agreement. In the event action is instituted to enforce any term of this Agreement or any term of the Bylaws against any City Member which signed this Agreement, the substantially prevailing party in such dispute shall be entitled to its costs and reasonable attorney's fees.

ARTICLE 24

Prohibition Against Assignment

No Member may assign any right, claim, or interest it may have under this Agreement, except to a successor entity following reorganization. No creditor, assignee, or third-party beneficiary of any Member shall have any right, claim, or title to any part, share, interest, fund, assessment, or asset of the Agency. Should any participating Member reorganize in accordance with the statutes of the State of Washington, the successor in interest, or successors in interest, may be substituted as a Member upon approval by the Board.

ARTICLE 25

Severability

In the event that any article, provision, clause, or other part of this Agreement should be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability with respect to other articles, clauses applications, or occurrences, and this Agreement is expressly declared to be severable.

ARTICLE 26

Agreement Complete

The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

ARTICLE 27

Conflicts

In the event of a conflict between this Agreement and the adopted Bylaws, policies, procedures, or the Member Standards, this Agreement shall take precedence.”

Article 28

Supersession

This Agreement supersedes and replaces all prior Interlocal Agreements and amendments thereto pertaining to the Agency.”

Article 29

Signature in Counterparts

This Agreement may be executed in any number of Counterparts and each of such Counterparts shall for all purposes constitute one Agreement, binding on all Members, notwithstanding that all Members are not Signatories to the same Counterpart. All references herein to this Agreement are deemed to refer to all such Counterparts.

Article 30

Section Headings

The section headings in this Agreement are inserted for convenience only and are not intended to be used in the interpretation of the contents of the sections they identify and introduce.

Article 31
Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

Article 32
Time

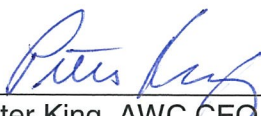
Time is of the essence in this Agreement and each and every provision hereof.

ARTICLE 33
Authorization of Signature

Each Member signing this Agreement has passed the required Ordinance or Resolution authorizing and approving this Agreement, a copy of which Ordinance or Resolution is attached hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by authorized officials thereof.

Association of Washington Cities (AWC)
Risk Management Service Agency (RMSA)

By 
Peter King, AWC CEO

(Member Name)

By _____

_____, Mayor
(Printed name)

Date 9/14/16

Date _____

INTERLOCAL AGREEMENT OF
THE ASSOCIATION OF WASHINGTON CITIES
RISK MANAGEMENT SERVICE AGENCY
(AWC-RMSA)

DRAFT

TABLE OF CONTENTS

	Page
PREAMBLE	41
RECITALS	41
ARTICLE 1 Definitions	43
ARTICLE 2 Purposes <u>Risk Sharing</u>	64
ARTICLE 3 Agency Offices	75
ARTICLE 4 Parties to Agreement.....	75
ARTICLE 5 Term of Agreement	75
ARTICLE 6 Financial Obligations of Agency	75
ARTICLE 7 Powers of the Agency	75
ARTICLE 8 The Board of Directors & their Powers & Responsibilities.....	86
ARTICLE 9 Operating Committee	97
ARTICLE 10 Coverage	97
ARTICLE 11 Bond Requirements.....	97
ARTICLE 12 Responsibility of the Agency	97
ARTICLE 13 Responsibilities of Members.....	108
ARTICLE 14 New Members	119
ARTICLE 15 Defense of Agents.....	119
ARTICLE 16 Withdrawal	119
ARTICLE 17 Termination by Agency.....	120
ARTICLE 18 Effect of Withdrawal or Termination.....	120
ARTICLE 19 Termination and Distribution.....	130
ARTICLE 20 Bylaws, <u>Policy, Procedures and</u> and Manual <u>Member Standards</u>	131
ARTICLE 21 Notices	131
ARTICLE 22 Amendment.....	131
ARTICLE 23 Enforcement.....	141

ARTICLE 24	Prohibition Against Assignment.....	141
ARTICLE 25	Severability.....	141
ARTICLE 26	Agreement Complete	142
ARTICLE 27	Signature in Counterparts Conflicts.....	142
ARTICLE 28	Authorization of Signature Supersession.....	14
<u>ARTICLE 29</u>	<u>Signature of Counterparts</u>	<u>14</u>
<u>ARTICLE 30</u>	<u>Section Headings</u>	<u>14</u>
<u>ARTICLE 31</u>	<u>Governing Law</u>	<u>15</u>
<u>ARTICLE 32</u>	<u>Time.....</u>	<u>15</u>
<u>ARTICLE 33</u>	<u>Authorization of Signature</u>	<u>15</u>

INTERLOCAL AGREEMENT: OF THE ASSOCIATION OF WASHINGTON CITIES RISK MANAGEMENT SERVICE AGENCY

PREAMBLE

State law authorizes the formation of pooling organizations to provide ~~such~~ insurance, to reduce the amount and frequency of the Members' losses, and to decrease the cost incurred by the Members in the handling and litigation of claims. This Agreement provides for self-insurance pooling and/or the economical purchase of primary Insurance and/or Excess Insurance coverage for all Local Governmental Entities. ~~†~~This Agreement is made and entered into in the State of Washington by and among the Members organized and existing under the Constitution or laws of the State of Washington, hereinafter collectively referred to as "Members", and individually as "Member", which are parties signatory to this Agreement. ~~Said Members are sometimes referred to herein as "Parties".~~

RECITALS

WHEREAS, Chapter. 48.62 RCW provides that two or more local governmental agencies may, by Interlocal Agreement, provide insurance for any purpose by one or more of certain specified methods;

WHEREAS, the Association of Washington Cities, the sponsoring entity, of the Risk Management Service Agency ("Agency"), would like to maintain the long-standing relationship that has been achieved over the years because of the mutual goals of both entities, which is to support all cities and towns in Washington State;

WHEREAS, the Association of Washington Cities as sponsor of the Agency desires to provide its Members, as well as other Local Governmental Entities, the opportunity to jointly self-insure or pool their primary risks to enhance their ability to control their insurance programs and coverages;

WHEREAS, each of the parties to this Agreement desires to join together with the other parties for the purpose of pooling their self-insured losses and jointly purchasing excess insurance and administrative services in connection with a ~~j~~ Joint protection Self-Insurance program for said parties; and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so;

NOW, THEREFORE, in consideration of all of the mutual benefits, covenants and agreements contained herein the parties hereto agree as follows:

ARTICLE 1 Definitions

The following definitions shall apply to the provisions of this Agreement:

- 1.1 "Administrative Agent," shall mean the Association of Washington Cities that provides ~~third party administration (TPA) services to the Agency.~~ the contracted administrative services for the Agency.

1.2 “**Agency**” shall mean the Association of Washington Cities Risk Management Service Agency (RMSA).

~~1.3~~ ~~X.XX~~—“**Agreement**” shall mean the Interlocal Agreement, however amended, among and between the Agency and the Member.

1.~~43~~ “**Assessment**” shall mean the monie~~se~~~~ys~~ paid by the ~~m~~ Members to the Agency.

1.~~54~~ “**Association**” shall mean the Association of Washington Cities.

1.~~65~~ “**Board of Directors**” or “**Board**” shall mean the governing body of the Risk Management Service Agency (RMSA) as duly elected by the members of the Agency.

~~X.XX~~1.7 ———“**Bylaws**” shall mean the document(s) that provides for the governance and operation of the Agency. “Bylaws” mean the Bylaws adopted by the Board of Directors of the Agency and all duly adopted amendments and revisions thereto, however amended.

1.~~86~~ “**Claim(s)**” ~~shall mean demands made against the Agency arising out of occurrences which are within the Agency's Joint Protection Program as developed by the Board of Directors.~~ mMeans a demand for payment for damages against the Agency arising out of occurrences within the Coverage Agreement; or policy benefit because of the occurrence of an event that includes, but is not limited to, the destruction or damage of property or reputation, bodily injury or death and alleged civil rights violations.

~~1.9X.XX~~ “**Coverage Agreement**” shall mean the coverage document(s) established by the Board of Directors and intended to address the general claim~~s~~ operations of the Agency.

1.~~107~~ “**Excess insurance**” shall mean that insurance purchased or other financing arrangements made on behalf of the Agency to protect the funds of the Agency against catastrophes or against an unusual frequency of losses during a single year.

1.~~118~~ “**Fiscal Year**” shall mean that period of 12 months, from January 1 to December 31, which is established as the fiscal year of the Agency.

1.~~129~~ “**Insurance**” shall mean and include self-insurance through a funded program and/or commercial insurance contract.

~~1.13X.XX~~ ———“**Interlocal Agreement**” means an Agreement established under the Interlocal Cooperation Act defined in ~~C~~chapter 39.34 RCW which permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and therefore, to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities.

1.1~~40~~ “**Joint Protection Program**” ~~shall mean the program established by the Board of Directors and intended to address the general operation of the Agency.~~

~~1.14X.XX~~ ———“**Joint Self-Insurance Program**” means two or more Local Government Entities which have entered into a cooperative risk sharing Agreement subject to regulation under 48.62 RCW.

1.1~~51~~ “**Local Governmental Entity**” shall mean every unit of local government, both general purpose and special purpose, and shall include, but not be limited to, counties, cities, towns, port districts,

public utility districts, water districts, sewer districts, fire protection districts, irrigation districts, metropolitan municipal corporations, conservation districts, and other political subdivisions, governmental subdivisions, municipal corporations, and quasi municipal corporations.

~~1.16X.XX~~ —“**Member**” – shall mean any eligible entity which participates in the Agency, pays the annual Assessment and is signatory to the Agency’s Interlocal Agreement.

~~1.17X.XX~~ —“**Member Standards**” shall mean the required ~~and~~ advisory standards ~~were~~ adopted by the Board of Directors in an effort to provide consistent administrative practices for members, with the goal of reducing property and liability losses.

1.182 “**Operating Committee**” shall mean the standing advisory committee ~~of the Agency to the Board~~.

~~1.19X.XX~~ —“**Reassessment**” shall mean additional monies ~~se~~ paid by the Members to the Joint Self-Insurance Program if claims shall exceed assets.

1.20 “**Risk Sharing**” means a decision by the Members of a Joint Self Insurance Program to jointly absorb certain or specific financial exposures to risks of loss through the creation of a formal program of advance funding of actuarially determined anticipated losses; and/or joint purchase of Insurance or reinsurance as a member of a Joint Self Insurance Program formed under Chapter 48.62 RCW.

1.2113 “**Signatory**” or “**Signatories**” shall mean those parties who sign this Agreement, including execution by ~~C~~counterpart, thereby becoming a Member of the Agency bound by the terms of this Agreement.

~~1.22X.XX~~ —“**Special Committee**” – shall mean committees of the Agency created by the Board of Directors.

ARTICLE 2

Purposes Risk Sharing

2.1 This Agreement is entered into by the Members to provide for Joint sSelf-#Insurance pooling and/or the economical purchase of ~~primary~~ Insurance ~~and/or Excess Insurance~~ coverage, risk management services, and property and liability claims administration, ~~for all forms of Insurance available or required by law for Local Governmental Entities and for which state law authorizes the formation of pooling organizations to provide such Insurance~~, Furthermore, the purpose of the Agreement is to reduce the amount and frequency of the Members' losses; and to decrease the cost incurred by the Members in the handling and litigation of claims. This purpose shall be accomplished through the exercise of the powers of the Members jointly in the creation of a separate public Agency, the Association of Washington Cities Risk Management Services Agency, to direct and administer a Joint ~~Protection~~Self-Insurance Program wherein the Members will engage in certain activities, including but not limited to the following:

2.1.1 ~~Pool their losses and Claims~~Risk Sharing;

2.1.2 Jointly purchase of insurance which may include, but is not limited to EeExcess Insuranceand or reinsurance; and

2.1.3 Jointly purchase of administrative and other services including:

2.1.1.1 Claims adjusting;

2.1.1.2 Data processing;

2.1.1.3 Risk management consulting;

2.1.1.4 Loss prevention;

2.1.1.5 Legal; and

2.1.1.6 Miscellaneous related services.

2.2 It is also the purpose of the Agreement to provide, to the extent permitted by law, for the inclusion at a subsequent date of such additional Local Government Entities organized and existing under the Constitution or laws of the State of Washington as may desire to become parties to this Agreement and ~~m~~Members of the Agency, subject to approval by the Board of Directors.

2.3 ~~It is also the purpose of t~~ This Agreement ~~to~~ may but is not required to provide, to the extent permitted by law, that the Agency may, at the discretion of its ~~d~~Directors, contract with non-member Local Government Entities in the State of Washington.

Article 3 Agency Offices

3.1 Principal Executive Office

The principal executive office for the transaction of business of the Agency shall be located at 1076 ~~South~~ Franklin St. SE, Olympia, WA 98501. The Administrative Agent in cooperation with the Board of Directors of the Agency shall have the authority to change the location of the principal executive office from time to time.

3.2 Other Offices

Other business offices may be at any time be established by the Administrative Agent in cooperation with the Board of Directors of the Agency at any place or places where the Agency is qualified to do business.

ARTICLE 4 Parties to Agreement

Each party to this Agreement certifies that it intends to and does contract with all other parties who are Signatories of this Agreement and, in addition, with such other parties as may later be added to and ~~S~~ignatories of this Agreement pursuant to Article 14. Each party to this Agreement also certifies that the deletion of any party from this Agreement, pursuant to Articles 16 and 17, shall not affect this Agreement nor such party's intent to contract as described above with the other parties to the Agreement then remaining.

ARTICLE 5 Term of Agreement

This Agreement shall become effective on January 1, 2010~~7~~, and shall be of unlimited duration, but not less than one year, and will continue unless terminated as hereinafter provided in Article 19.

ARTICLE 6 Financial Obligations of Agency

Pursuant to Chapter. 48.62 RCW, of the State of Washington, the debts, liabilities, and obligations of the Agency shall not constitute debts, liabilities, or obligations of any ~~party~~ Member to this Agreement.

ARTICLE 7

Powers of the Agency

- 7.1 Agency shall have the powers provided for by law and is hereby authorized to do all acts necessary for the exercise of said powers, including, but not limited to, any or all of the following:
- 7.1.1 Contract or otherwise provide for risk management, claims administration and loss ~~control~~ prevention services;
 - 7.1.2 Contract or otherwise provide legal counsel for the defense of Claims and/or other legal services;
 - 7.1.3 Consult with the Washington State Risk Manager and State Auditor;
 - 7.1.4 Jointly purchase Insurance coverage in such form and amount as the organization's participants may by contract agree;
 - 7.1.5 Incur debts, liabilities, or obligations;
 - 7.1.6 Acquire, receive, hold, or dispose of property, funds, services, and other forms of assistance from persons, firms, corporations, and governmental entities;
 - 7.1.7 Sue and be sued in its own name;
 - 7.1.8 Hire employees and agents; and
 - 7.1.9 Exercise all powers necessary and proper to carry out the terms and provisions of this Agreement, or otherwise authorized by law.
- 7.2 Said powers shall be exercised to the terms hereof and in the manner provided by law.

ARTICLE 8

The Board of Directors and their Powers and Responsibilities

- 8.1 The Agency, its funds and service programs shall be administered by a Board of Directors.
- 8.2 Number of Directors
There shall be seven (7) Directors of the Agency, who shall be elected officials representing members of the Agency.
- 8.3 Acceptance of Appointment by Directors
Each Director shall sign a document accepting their appointment as Director and agreeing to abide by the terms and provisions of this ~~Interlocal~~ Agreement and the Bylaws.
- 8.4 Powers and Responsibilities of the Board of Directors
The Board of Directors of the Agency shall have the following powers and functions:
- 8.4.1 The Board shall have the power to review, amend, modify, adopt, override, or reject the Operating Committee's recommendations.
 - 8.4.2 The Board shall review, modify if necessary, and approve the annual operating budget of the Agency.
 - 8.4.3 The Board shall receive and review periodic accountings of all funds of the Agency.

- 8.4.~~3~~4 Annually the Board shall review, amend, adopt, or reject the Operating Committee's recommendation of the ~~a~~Assessment, or Reassessment rate to be charged to the ~~m~~Members of the Agency.
- 8.4.~~4~~5 The Board ~~shall~~ may review, modify if necessary, and approve the ~~Joint Protection Program (JPP)~~ Coverage Agreement, ~~which identifies Agency and Member coverages,~~ the Agency's Bylaws, and manuals policies and Member Standards.
- 8.4.~~5~~6 The Board shall have the power to conduct all business on behalf of the Agency, which the Agency may conduct under the provisions hereof and pursuant to law.
- 8.4.~~6~~7 The Board shall determine and select ~~all necessary~~ Insurance, ~~including Excess Insurance,~~ necessary to carry out the Joint Self-Insurance Protection Program ~~of~~ for the Agency.
- 8.4.~~7~~8 The Board shall have authority to contract for or develop various services for the Agency, including, but not limited to, an ~~a~~Administrative ~~a~~Agent, claims adjusting, loss ~~control~~prevention, risk management consulting services, independent actuary services, insurance brokerage services, independent claims auditing services, and ~~general~~ legal counsel.
- 8.4.~~8~~9 The Board shall have such other powers and functions as are provided for in this Agreement, and the Bylaws, ~~or those~~ which are necessary to implement the purposes of this Agreement, including, but not limited to, the power to authorize contracts.

ARTICLE 9

Operating Committee

The Operating Committee shall consist of nine (9) representatives from Members ~~entities participating in the Agency~~. All members of the Operating Committee shall be ~~appointed~~ non-elected officials ~~not elected officials~~. It is the Board's intent that the Operating ~~e~~Committee ~~assists~~ is advisory to the Board and/or the Administrative Agent, with regarding the operations of the Agency, ~~and to keep the Board advised on all aspects of Agency operations including professional standards~~.

ARTICLE 10

Coverage

- 10.1 The type and limits of the Insurance coverage provided for Members by the Agency shall be established by the Board of Directors.
- 10.2 The Board may ~~arrange~~ approve purchase of ~~a group policy~~ additional types or limits of coverage for Members interested in obtaining additional types or limits of coverage at additional cost to those ~~participating of other~~ Members. Such additional cost may include an administrative fee for the Agency's services.
- 10.3 The Board may arrange for the purchase of any other Insurance or services deemed necessary to protect the Agency or funds held by the Agency against catastrophe.

ARTICLE 11

Bond Requirements

The Board may require that the Administrative Agent authorized to disburse funds of the Agency, provide a fidelity bond in the amount as set by the Board, and provide that such bond be paid by the Agency.

ARTICLE 12

Responsibility of the Agency

12.1 The Agency shall perform the following functions in discharging its responsibilities under this Agreement:

- 12.~~112~~ Provide Insurance coverage as deemed necessary, including but not limited to a self-insurance fund and commercial insurance, as well as excess coverage or reinsurance, and other insurance; ~~s~~Such insurance, to be arranged by negotiation or bid, and/or purchase, as necessary;
- 12.~~223~~ Assist each Member's designated risk manager with the implementation of the risk management functions within the Member entity;
- 12.~~334~~ Provide loss prevention, ~~safety, and~~ consulting services to Members as required;
- 12.~~45~~ Provide Claims adjusting and subrogation services for Claims covered by the Agency's ~~Joint Protection Program~~; Coverage Agreement;
- 12.~~556~~ Provide loss analysis by the use of statistical studies, data processing, and record and file-keeping services, to identify high exposure operations and to evaluate proper levels of self-retention and deductibles;
- 12.~~667~~ Assist Members, as requested, with review of their contracts to determine sufficiency of indemnity and ~~i~~insurance provisions;
- 12.~~778~~ Conduct risk management audits to review the participation of each Member in the program. The audit shall be performed by appointed Agency staff or, at the discretion of the ~~a~~Administrative ~~a~~Agency, and/or an independent auditor may be retained by contract to conduct the audits;
- 12.~~889~~ Provide for the defense of any civil action or proceeding brought against any officer, employee, Board member, or other agent of the Agency, in their official or individual capacity or both, on account of an act or omission within the scope of their agency as an agent of the Agency;
- 12.~~9910~~ Abide by the rules and regulations as stated or hereinafter amended of RCW Chapter 48.62 and WAC ~~82-69~~; 200-100; and
- 12.~~10101~~ The Agency shall have such other responsibilities as deemed necessary by the Board of Directors in order to carry out the purposes of the Agreement.

ARTICLE 13

Responsibilities of Members

13.1 Members shall have the following responsibilities:

- 13.~~112~~ All ~~Agency m~~Members must maintain membership in the Association of Washington Cities.
- 13.~~223~~ Each ~~m~~Member shall appoint an employee of the member entity to be responsible for the risk management function within that member entity and to serve as a liaison between the Member and the Agency ~~as to risk management~~.
- 13.~~334~~ Each Member shall implement a risk management policy which shall~~ould include maintain an active safety officer and/or committee, and shall consider all implementing~~completing loss prevention recommendations, and complying with the Member Standards ~~of the Agency~~.

~~concerning including but not limited to the development and implementation of a loss control risk management policy to prevent unsafe and, and practice(s).~~

13.45 Each Member shall be responsible for payment of any Member-elected deductible, and/or appropriate deductible associated with the Member Standards.

~~13.4 Each Member shall maintain its own set of records, as a loss log, in all categories of loss to insure accuracy of the Agency's loss reporting system.~~

13.556 Each Member shall promptly pay its ~~a~~Assessment, Reassessment, and any readjusted amount promptly to the Agency when due. After withdrawal or termination, each Member shall pay promptly to the Agency its share of any ~~additional~~ Reassessment and accrued interest at a rate determined by the Board, when and if required of it by the Board.

13.667 Each Member shall provide the Agency with such other information or assistance as may be necessary for the Agency to carry out the ~~Joint Protection Program under~~ provisions of this Agreement.

13.778 Each Member shall in any and all ways cooperate with and assist the Agency, and any insurer of the Agency, in all matters relating to this Agreement and covered losses, and will comply with all Bylaws, ~~rules, and regulations~~ policies, procedures and Member Standards as adopted or amended by the Board of Directors.

~~13.889 All members shall cooperate with the Agency and assist with investigations, making settlements, and defense or prosecution of suits; cooperate and assist the Agency in enforcing any right of contribution, indemnity or subrogation in which the Agency may have an interest by virtue of a payment made pursuant to the Bylaws, interlocal a Agreement or the Joint Protection Program (JPP); attend hearings and trials and assist in the securing and giving evidence and obtaining the attendance of witnesses; use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any loss of or damage to the property herein insured.~~
All members shall cooperate with the Agency and assist with any investigations, settlement discussions, defense or prosecution of suits, and cooperate and assist the Aagency in enforcing any right of contribution, indemnity, or subrogation in which the Agency may have an interest by virtue of a payment made pursuant to the Bylaws, this Aagreement, or the Coverage Agreement. Members shall also assist the Agency and attend hearings and trials as well as securing and giving evidence and obtaining the attendance of witnesses. Further, the members shall undertake appropriate due diligence and concur in exercising all things reasonably practicable to avoid or diminish any loss of or damage to the property insured under this agreement.

ARTICLE 14

New Members

14.1 Additional Members shall be permitted to become Signatories to this Agreement, ~~and to the Joint Protection Program~~. All potential members to the Agency must be members of the Association of Washington Cities or become members prior to acceptance into the Agency. The ~~Directors~~ Agency shall allow entry into the program of new members approved by the Board of Directors at such time during the year as the Board deems appropriate.

- 14.2 Members entering under this Article may be required to pay their share of expenses as determined by the Board, including those necessary to analyze their loss data and determine their ~~a~~Assessment.

ARTICLE 15

Defense of Agents

- 15.1 For purposes of this article, "agent" means any person who is or was: a ~~d~~Director, an Operating Committee member, a Special Committee member, an officer, or an agent acting on behalf of the Agency or Administrative Agent.
- 15.~~12~~ The Agency shall provide for the defense of any agents and paying of any valid judgments and claims brought against any such agent arising from their actions or conduct in their official or individual capacity or both, on account of an act or omission within the scope of their responsibility; provided, however, this section shall not apply to those occurrences covered by an Agency policy of liability insurance or if the claim or judgment results from the intentional misconduct of said agent.

ARTICLE 16

Withdrawal

- 16.1 A Member signing this Agreement may not withdraw as a party to this Agreement and as a Member of the Agency for a one-year period commencing on the date said Member signs the Agreement.
- 16.1.1 After the initial one-year non-cancellable commitment provided pursuant to this Agreement, a Member may withdraw only at the end of ~~the Agency's any~~ Fiscal Year, provided ~~it~~the Member has given the Agency a minimum of 12-month written notice of its intent to withdraw from this Agency.
- 16.2 A Member shall be entitled to withdraw from the Agency where ~~it~~the Member presents to the Board of Directors evidence demonstrating a material breach of contract by the Agency as regards its obligations to the Member. The Member shall be allowed to withdraw from the agency within ninety (90) days of any finding by the Board of Directors that a material breach of contract by the Agency has occurred. The withdrawal of any Member under the conditions identified here shall not however free it from any and all requirements made of any withdrawing Member.
- 16.3 No Member withdrawing from the Agency shall be entitled to payment or return of any Assessment, Reassessment, contributions or monies contributed to the Agency or to the distribution of any assets of the Agency. No member shall be entitled to any payment or return of any assessment paid by the member to the Agency or any agency insurer or to any distribution of the Agency's assets.

ARTICLE 17

Termination by Agency

- 17.1 The Agency shall have the right to terminate any Member's participation in the ~~Joint Protection Program Agreement~~ upon a motion approved by a three-quarters (75%) vote of 66% or more of the entire Board of Directors. ~~The Board of Directors may, p~~Prior to taking action on such a motion, the Board may, but is not required to, request that the Operating Committee review and make recommendations to the Board on any allegation giving rise to the request to terminate, including but not limited to failure to: comply with a written condition, disregard of ~~safety or~~ risk management recommendations or Member sStandards, noncompliance with any provision of this ~~Interlocal Agreement~~, and/or the Bylaws of the Agency.

17.2 Any Member so ~~cancelled~~ terminated from the Agency, shall be given at least one hundred eighty (180) days notice prior to the effective date of the ~~cancellation~~ termination. Any Member so ~~cancelled~~ terminated shall have a period of up to six (6) months coverage under the terms of this Agreement, or may affect alternate insurance or self-insurance arrangements if it so desires. Upon written receipt of confirmation from the terminating Member that the terminating Member has in force valid insurance or membership in another risk sharing pool, the effective date of the termination may be adjusted by the Agency. Any Member so ~~cancelled~~ terminated shall be treated as if it had voluntarily withdrawn.

17.3 Upon termination from this Agreement, a no-Member shall not be terminated from the agency shall be entitled to payment or return of any Assessment, Reassessment, contributions or monies contributed to the Agency or to the distribution of any assets of the Agency. No member shall be entitled to any payment or return of any assessment paid by the member to the Agency or any agency insurer or to any distribution of the Agency's assets.

~~17.4 A terminated Member shall be responsible for any Reassessment issued in the future covering dates the terminated entity was a Member of the Agency.~~

ARTICLE 18

Effect of Withdrawal or Termination

18.1 The withdrawal of any Member from this Agreement shall not terminate the same for purposes of continuing to comply with all conditions and requirements of the Agreement, and survives the withdrawal or termination of any Member.-

18.2 No Member by withdrawing or terminating from the Agreement shall be entitled to payment or return of any ~~a~~ Assessment, Reassessment, consideration of property paid, or donated by the Member to the Agency, or to any distribution of assets.

18.3 The withdrawal or termination of any Member shall not ~~terminate~~ cease its responsibility to contribute its share or ~~a~~ Assessment, Reassessment, -or funds to any fund or Joint Self-Insurance program created by the Agency until all Claims, or other unpaid liabilities, covering the period the Member was Signatory hereto have been finally resolved and a determination of the final amount of payments due by the Member or credits to the Member for the period of its membership has been made by the Board of Directors. In connection with this determination, the Board may exercise similar powers to those provided for in Article 17, *Termination by Agency*, of this Agreement.

18.4 The withdrawn or terminated Member shall be responsible for any applicable deductible that would have been applied related to a claim the same as if the Member was still in good standing with the Agency.

18.45 Any withdrawing -or terminated Member may shall not be permitted to rejoin the Agency, or allowed to submit an application to rejoin the Agency for a period of three (3) years after the effective date of the Member's withdrawal or termination without Board approval.

ARTICLE 19

Termination and Distribution

19.1 This Agreement may be terminated at any time by the written consent of three-fourths (75%) of the Members, provided, however, that this Agreement and Agency shall continue to exist for the purpose of paying all debts and liabilities, disposing of all Claims, distributing net assets, and otherwise ~~winding up and~~ liquidating the affairs of the Agency. The Board of Directors is vested with all powers of the Agency during such ~~winding up and~~ liquidation, including the power to require Members, including those ~~which~~ who were -are Members at the time the claim arose or at

the time the loss was incurred, to pay their share of any additional amount of Reassessment deemed necessary by the Board for final disposition of all Claims, losses, and liabilities covered by this Agreement. Such additional Reassessment shall be determined and thereafter adjusted, if necessary.

- 19.2 Upon termination of this Agreement, all assets of the Agreement Agency shall be distributed only among the parties that are Members in good standing of the Joint Protection Program Agency on the date of termination of this Agreement. The assets shall be distributed in accordance with and proportionate to their cash payments Assessment, Reassessment and property contributions made during the term of this Agreement. The Board shall determine such distribution within six (6) months after the last pending claim or loss covered by this Agreement has been finally disposed of.
- 19.3 The Board is vested with all powers of the Agency for the purpose of winding-up liquidating and dissolving the business affairs of the Agency. These powers shall include the power to require Members, including those which were Members at the time the claim arose or at the time the loss was incurred, to pay their share of any additional amount of assessment deemed necessary by the Board for final disposition of all Claims and losses covered by this Agreement. A Member's share of such additional assessment shall be determined on the same basis as that provided for annual assessments, and shall be treated as if it were the next year's annual assessment for that Member.

ARTICLE 20

Bylaws ~~and Manual~~ Policy, Procedures and Member Standards

The Board ~~has developed~~ may adopt Agency Bylaws, ~~and a policy~~ ies, -and procedures, ~~manual and Member Standards or other documents~~ that governs the day-to-day operations of the Agency. Each Member shall have access in electronic or written format. electronically or in written format ~~Each Member shall receive a copy of any Bylaws, policy statement, or manual developed under this Article.~~

ARTICLE 21

Notices

Notices to Members hereunder shall be sufficient if mailed to the last address, or electronic mail, provided to the Agency by the respective Member postal mail will be deemed received three (3) days after mailing.

ARTICLE 22

Amendment

This Agreement may be amended at any time by the written approval of the majority three-quarters (75%) of all Members of the Agency. Amendments to the Agreement shall be adopted by ordinance or resolution of the governing board or council of each Member, signed by an authorized representative of each member, and a certified copy returned to the Agency

ARTICLE 23

Enforcement

The Agency is hereby granted the authority to enforce this Agreement. In the event action is instituted to enforce any term of this Agreement or any term of the Bylaws against any City Member which signed this Agreement, the substantially prevailing party in such dispute shall be entitled to its costs and reasonable attorney's fees.

ARTICLE 24

Prohibition Against Assignment

No Member may assign any right, claim, or interest it may have under this Agreement, except to a successor entity following reorganization. No creditor, assignee, or third-party beneficiary of any Member shall have any right, claim, or title to any part, share, interest, fund, assessment, or asset of the Agency. Should any participating Member reorganize in accordance with the statutes of the State of Washington, the successor in interest, or successors in interest, may be substituted as a Member upon approval by the Board.

ARTICLE 25

Severability

In the event that any article, provision, clause, or other part of this Agreement should be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability with respect to other articles, clauses applications, or occurrences, and this Agreement is expressly declared to be severable.

ARTICLE 26

Agreement Complete

The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

ARTICLE 27

Conflicts

In the event of a conflict between this Agreement and the adopted Bylaws, policies, or procedures, or the Member Standards, this Agreement shall take precedence."

Article 28

Supersession

This Agreement supersedes and replaces all prior Interlocal Agreements and amendments thereto pertaining to the Agency."

Article 29

Signature in Counterparts

This Agreement may be executed in any number of Counterparts and each of such Counterparts shall for all purposes constitute one Agreement, binding on all Members, notwithstanding that all Members are not Signatories to the same Counterpart. All references herein to this Agreement are deemed to refer to all such Counterparts.

Article 30

Section Headings

The section headings in this Agreement are inserted for convenience only and are not intended to be used in the interpretation of the contents of the sections they identify and introduce."

Article 31

Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington."

Article 32

Time

Time is of the essence in this Agreement and each and every provision hereof.

ARTICLE ~~3328~~30
Authorization of Signature

Each Member signing this Agreement has passed the required Ordinance or Resolution authorizing and approving this Agreement, a certified copy of which Ordinance or Resolution is attached hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by authorized officials thereof.

Association of Washington Cities (AWC)
Risk Management Service Agency (RMSA)

(Member Name)

By _____

By _____

_____, Mayor
(Printed name)

Date _____

Date _____

CITY COUNCIL AGENDA BILL

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

ITEM INFORMATION		
SUBJECT: Ordinance setting the Property Tax Dollar amount for 2017	Agenda Date: November 17, 2016	
	AB16-068	
	Mayor Carol Benson	
	City Attorney David A Linehan	
	City Clerk – Brenda L. Martinez	
	Community Development/Natural Resource– Andy Williamson	
	Finance – May Miller	X
	MDRT & Economic Development – Andy Williamson	
Cost Impact (see also Fiscal Note):		
Fund Source: Various	Police – Chief Kiblinger	
Timeline:	Public Works – Seth Boettcher	
	Court Administrator – Stephanie Metcalf	
Agenda Placement: ☒ Mayor ☒ Two Councilmembers ☐ Committee Chair ☐ City Administrator		
Attachments: Ordinance No 16-XXXX, Levy certifications, Preliminary KC worksheet and Tax chart		
SUMMARY STATEMENT: Councilmembers Deady and Edelman have placed this item on the agenda. Per RCW 84.52.020 the property tax certifications must be filed with King County no later than November 30, 2016 for Property Taxes to be collected in 2017 to be used for Public Safety including Fire, Police and Emergency Services. This ordinance must be adopted for Black Diamond to continue to receive Property Taxes in 2017. The required Public Hearing an revenue sources and possible increase of 2017 Property Taxes was held on October 27, 2016 and November 17, 2016 with council action needed on November 17, 2016 to allow time for certification to be received by King County on the required date of November 30, 2016. King County has sent a preliminary Levy Limit worksheet showing last year’s levy of \$1,481,033 and the allowed 1% increase of \$14,810 and refund of \$0 for total base levy of \$1,495,843, which does not include New Construction, State Assessed property and any adjustments. A preliminary estimate has also been included for the New Construction, Annexations, State Assessments and adjustments, but these amounts usually change in the final worksheet which is not expected until about December 1, 2016 after we have already adopted our levy. Since we will not know the final amount until after the adoption, King County recommends that we included an estimate of \$30,000 to cover the possible additional tax for New Construction on State Utilities. Therefore the total potential levy is \$1,525,843. King County will automatically adjust the levy down to the actual final amounts, but they cannot increase the levy beyond that amount. King County estimates our total city Assessed Valuation at \$709,633,018 an increase of \$50,226,302 over last year or a 7.6 % increase. Each property tax bill is calculated by the county and they set the		

actual levy rate once they have finalized all assessments and individual valuations. For more information from King County, long into www.kingcountygov/financetreasury and click on common questions.

All of Black Diamonds Property Taxes funds are used for Public Safety and provide approximately 54.1% of the revenue needed to cover Public Safety costs.

FISCAL NOTE (Finance Department): The expected total 2017 Property Tax levy dollar amount is \$1,525,843 which King County will adjust down to the actual allowed amount.

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:

RECOMMENDED ACTION: **Adopt Ordinance 16-XXXX, setting the Property Tax dollar amount for 2017 to be used for Public Safety, including Police, Fire and Emergency Services.**

RECORD OF COUNCIL ACTION

<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
November 17, 2016		

ORDINANCE NO. 16-XXX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, LEVYING THE GENERAL PROPERTY TAXES FOR THE CITY FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2017 ON ALL PROPERTY BOTH REAL AND PERSONAL, SUBJECT TO TAXATION, FOR THE PURPOSE OF PROVIDING REVENUE FOR PUBLIC SAFETY FOR THE CITY OF BLACK DIAMOND FOR THE ENSUING YEAR AS REQUIRED BY LAW AND ESTABLISHING THE EFFECTIVE DATE.

WHEREAS, the cities under 10,000 population may increase the regular property tax levy from the previous year by up to one percent, and

WHEREAS, the City Council has properly given notice of the Public Hearings held on October 27, 2016 and November 17, 2016 to consider the City's 2016 Property Tax Levy and the Preliminary Budget including the Revenue Sources, pursuant to RCW 84.55.120; and

WHEREAS, the City Council of Black Diamond, Washington has met and considered the Public Safety budgets for the year of 2017; and

WHEREAS, a public hearing was held on October 27, 2016 and November 17, 2016 regarding the 2017 Budget and the property tax levy, and

WHEREAS, King County requires that the 2017 Property Tax Levies be submitted by November 30, 2016; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. **Increased Amount.** The preliminary assessed valuation of \$709,633,018 is adopted. A regular property tax for 2017 is hereby levied in the amount \$1,525,843 which includes the allowed one percent increase of \$14,810 over last year's levy, a refund of \$0 from prior year and includes an estimated \$30,000 for any increases resulting from additional new construction, improvements to property, newly constructed wind turbines, and any increase in the value of state assessed property or any annexations that have occurred and adjustment made by the county. The final dollar amount of Property Taxes is determined by King County and reduced to the actual amount allowed.

Section 2. **Severability.** Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or

otherwise invalid for any reason, or should any portion of this ordinance be preempted by State or Federal law or regulations, such decisions or preemptions shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 3. **Effective Date** This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

PASSED by the Council and approved by the Mayor of the City of Black Diamond, Washington, this 17th day of November, 2016.

Carol Benson, Mayor

Attest:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

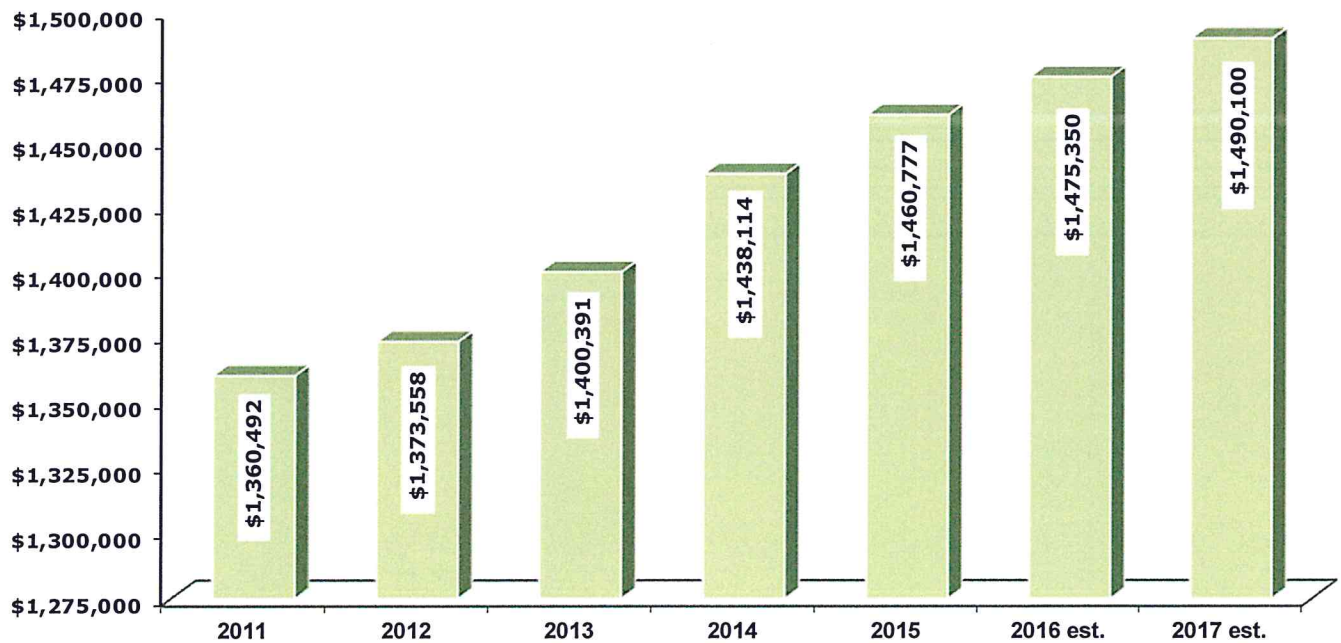
David A. Linehan, City Attorney

	Functions Supported by Operating Revenue Sources	2016 Budget	2017 Budget	\$ Change	% Change	Public Safety	General Govt	MDRT
	Beginning Cash and Investments	1,072,660	1,301,462	228,802	21.3%		1,178,353	125,000
	REVENUE							
1	Public Safety Revenue Support							
2	Property Tax	1,465,908	1,490,100	24,192	1.7%	1,490,100		
3	Utility and Gambling Tax	563,500	603,250	39,750		603,250		
4	Criminal Justice Sales Tax	110,600	116,532	5,932	5.4%	116,532		
5	Liquor Tax & Profits	54,750	56,481	1,731	3.2%	56,481		
6	Court Fines and Fees	109,521	193,275	83,754	76.5%	193,275		
7	EMS Levy Taxes	56,000	56,000	0	0.0%	56,000		
8	Police Grants, Charges for Service, Misc	41,615	122,895	81,280	195.3%	122,895		
9	Subtotal Public Safety Revenue	2,401,894	2,638,533	236,639	9.9%	2,638,533		
10	General Government Support							
11	Sales Tax	326,250	385,000	58,750	18.0%		385,000	
12	Land Use and Permitting Fees	181,310	380,950	199,640	110.1%		380,950	
13	State Sales Tax Assistance	78,460	95,000	16,540	21.1%	95,000		
14	Recycle and Misc. Grants	15,991	10,000	(5,991)	-37.5%		10,000	
15	Cable Franchise Fees	66,000	76,000	10,000	15.2%		76,000	
16	Parks and Cemetery Fees	47,540	47,540	0	0.0%		47,540	
17	Passport Fees	21,900	22,150	250	1.1%		22,150	
18	Business License Fees	22,000	23,500	1,500	6.8%	23,500		
19	Alloc for Software, Maint & CC Fees	79,500					0	
20	Other Misc. Fees and Charges	2,500	8,870	6,370	254.8%		8,870	
21	Subtotal General Govt Revenue	841,451	1,049,010	207,559	24.7%	118,500	930,510	
22	Subtotal Operating Revenue	3,243,345	3,687,543	444,198	13.7%	2,757,033	2,108,863	
23	Developer Funding Agreement	822,497	739,372	(83,125)	-10.1%			739,372
24	Total General Fund Operating Sources	5,138,502	5,728,377	589,875	11.5%	2,757,033	2,108,863	864,372
25	EXPENDITURES							
26	Police Department	1,700,472	1,897,480	197,008	11.6%	1,897,480		
27	Fire Department	525,375	534,905	9,530	1.8%	534,905		
28	Recycle/Air Qual/Mntl Hlth/Animal Control	32,166	24,366	(7,800)	-24.2%	24,366		
29	Emergency Management	5,000	5,100	100	2.0%	5,100		
30	Municipal Court	168,769	232,041	63,272	37.5%	232,041		
31	Legal-Pros Atty & Pub Defender	61,250	61,250	0	0.0%	61,250		
32	Subtotal Public Safety Expenditures	2,493,032	2,755,142	262,110	10.5%	2,755,142		
33	Legislative-Council	15,711	15,814	103	0.7%		15,814	
34	Executive-Mayor	15,118	14,877	(241)	-1.6%		14,877	
35	City Clerk/Human Resources	227,588	190,428	(37,160)	-16.3%		109,928	80,500
36	Finance	181,014	212,773	31,759	17.5%		212,773	
37	Information Services	31,175	41,910	10,735	34.4%		41,910	
38	Legal Service	55,000	110,000	55,000	100.0%		110,000	
39	Master Dev Review Team & Econ Dev	586,130	582,005	(4,125)	-0.7%			582,005
40	MDRT-FF&E costs	71,195	76,867	5,672	8.0%			76,867
41	Hearing Examiner	5,000	5,000	0	0.0%		5,000	
42	Community Development-Permitting	174,681	302,145	127,464	73.0%		302,145	
43	Community Development-Planning	146,643	173,463	26,820	18.3%		173,463	
44	Facilities-Staff & Miscellaneous	47,876	51,572	3,696	7.7%		51,572	
45	Facilities Bldg Mtc-Supplies & Maint	73,200	73,021	(179)	-0.2%		73,021	
46	Parks	51,206	55,031	3,825	7.5%		55,031	
47	Park's Museum	7,551	7,826	275	3.6%		7,826	
48	Park's Gym	11,316	8,506	(2,810)	-24.8%		8,506	
49	Cemetery	18,598	18,951	353	1.9%		18,951	
50	Central Svcs -Paper, Post, Printing, Checks	32,353	13,646	(18,707)	-57.8%		13,646	
51	Subtotal Gen Govt Expenditures	1,751,355	1,953,835	202,480	11.6%			
52	Total Operating Expenditures	4,244,387	4,708,977	464,590	10.9%	2,755,142	1,214,463	739,372
53	Ending Cash and Investment Balance	894,115	1,021,291	125,285	14.0%	1,891	894,400	125,000
54	Total GF Operating Uses	5,138,502	5,730,268	591,766	11.5%			

Property taxes make up 60.1% of the General Fund's tax revenue and estimated to generate \$1,490,100 in revenue for the City in 2017. All revenues from property taxes go directly to the General Fund to support public safety for police, fire protection and emergency services. The City of Black Diamond depends heavily on property tax collections, as the City has a small commercial base to generate sales tax revenue.

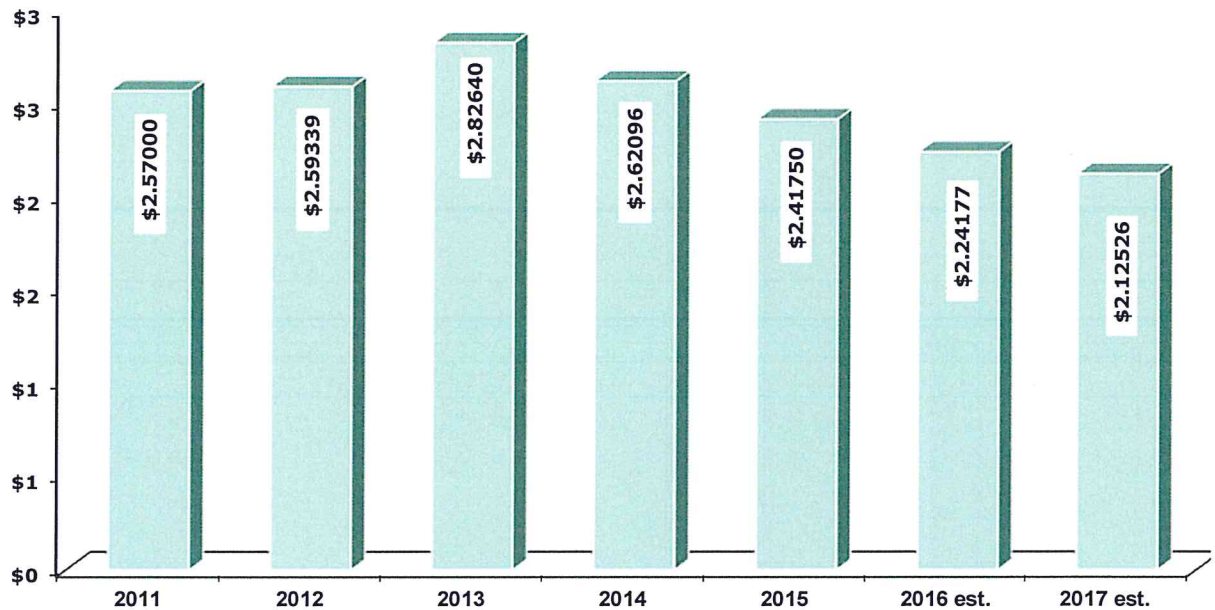
In Washington cities such as Black Diamond, property tax increases are limited to a 1% total dollar annual increase per year unless voters approve a lid-lift or larger percent increases. King County sets assessed valuation on property and calculates levy rates. Each taxing authority receives a portion of the tax amount, which King County collects and then passes on. In Black Diamond, there are three school districts with separate rates, so depending on which school district the property is in, the taxing amount will vary.

DRAFT Property Tax Collection and 2017 Preliminary Budget

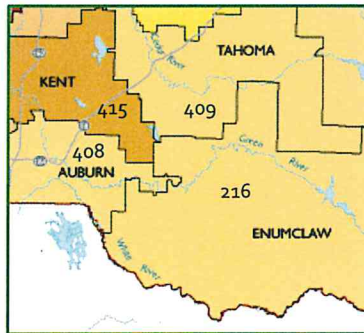


	2011	2012	2013	2014	2015	2016 est.	2017 est.
Regular Levy Base	998,553	1,360,492	1,373,558	1,400,391	1,438,114	1,462,890	1,481,033
1% Increase	9,986	13,605	13,736	14,004	14,381	14,629	14,810
New Construction	3,147	6,461	4,256	11,833	3,145	11,905	13,378
Annexations	0						
Adjustments	348,806	-6,999	8,841	11,886	5,137	-14,074	
Total Property Taxes	\$1,360,492	\$1,373,558	\$1,400,391	\$1,438,114	\$1,460,777	\$1,475,350	\$1,509,221
Levy Rate	2.57000	2.59339	2.82640	2.62096	2.41750	2.24177	2.12526
Allowable Levy	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Assessed Valuation	\$532,915,592	\$539,094,772	\$501,195,551	\$552,587,146	\$595,242,973	\$659,796,088	\$709,633,018

DRAFT Property Tax Levy Rates and 2017 Preliminary Budget



	2011	2012	2013	2014	2015	2016 est.	2017 est.
Regular Levy Base	998,553	1,360,492	1,373,558	1,400,391	1,438,114	1,462,890	1,481,033
1% Increase	9,986	13,605	13,736	14,004	14,381	14,629	14,810
New Construction	3,147	6,461	4,256	11,833	3,145	11,905	13,378
Annexations	0						
Adjustments	348,806	-6,999	8,841	11,886	5,137	-14,074	
Total Property Taxes	\$1,360,492	\$1,373,558	\$1,400,391	\$1,438,114	\$1,460,777	\$1,475,350	\$1,509,221
Levy Rate per \$1000 AV	\$ 2.57000	\$ 2.59339	\$ 2.82640	\$ 2.62096	\$ 2.41750	\$ 2.24177	\$ 2.12526
Allowable Levy	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Assessed Valuation	\$532,915,592	\$539,094,772	\$501,195,551	\$552,587,146	\$595,242,973	\$659,796,088	\$1,509,221

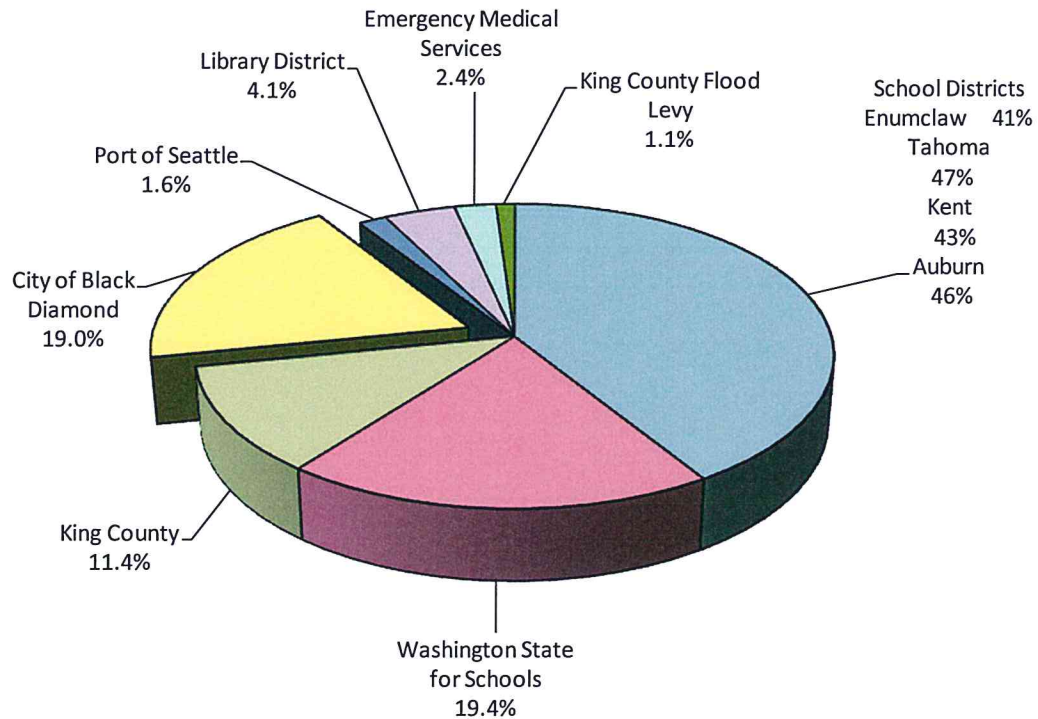


Black Diamond School Districts

The total property tax rates in Black Diamond vary because of the four different school districts within our city limits. The pie chart below shows the property tax distribution for the Enumclaw School District in 2016.

2016 Rates	Enumclaw	Tahoma	Kent	Auburn
Local School District	4.84	6.17	5.34	5.83
Washington State for Schools	2.29	2.29	2.29	2.29
King County	1.34	1.34	1.34	1.34
City of Black Diamond	2.24	2.24	2.24	2.24
Port of Seattle	.19	.19	.19	.19
Library District	.48	.48	.48	.48
Emergency Medical Services	.28	.28	.28	.28
King County Flood Levy	.13	.13	.13	.13
Total Levy Rate	\$11.79	\$13.13	\$12.30	\$12.79

Draft 2017 Levy Rates for Black Diamond (percent of total)



Black Diamond receives between 17% and 19% of the total property tax collected depending on which school district the property is in. In the Enumclaw district in 2016, if a home was appraised at \$350,000, the tax collected is \$11.79 X 350, or \$4,126.50, and the Black Diamond portion of that total is \$784 for the year. See Below.

King County Taxing District	Levy Rate per \$1000 in Value	Percent of Property Taxes Collected	2016 Annual Tax on a \$350,000 Home	Monthly Tax on a \$350,000 Home
Port of Seattle	.19	1.6%	\$66.02	\$5.50
State Schools	2.29	19.4%	\$800.54	\$66.71
EMS Levy	.28	2.4%	\$99.04	\$8.25
King County	1.34	11.4%	\$470.42	\$39.20
Floods and Ferries	.13	1.1%	\$45.39	\$4.04
School District	4.84	41%	\$1691.86	\$140.99
Library District	.48	4.1%	\$169.19	\$14.10
Subtotal	9.55			
Black Diamond	2.24	19%	\$784.04	\$65.34
Grand Total	11.79	100%	\$4126.50	\$343.88

City of Black Diamond

Property Tax History

	Assessed Valuation	New Construction	Final Assessed Valuation	Levy Rate
2000	294,620,050	8,162,011	302,782,061	2.206
2001	322,721,666	11,613,750	334,335,416	2.196
2002	353,992,917	4,667,520	358,660,437	2.097
2003	356,571,798	2,394,661	358,966,459	1.981
2004	401,497,572	1,943,946	403,441,518	1.904
2005	427,240,702	4,372,118	431,612,820	2.032
2006	446,214,893	3,578,995	449,793,888	2.003
2007	497,642,229	2,397,737	500,039,966	1.839
2008	560,299,568	7,314,478	567,614,046	1.651
2009	626,088,991	10,806,265	636,895,256	1.521
2010	552,382,312	2,739,869	555,122,181	1.777
2011	529,857,064	3,058,528	532,915,592	2.570
2012	536,580,666	2,514,106	539,094,772	2.593
2013	499,553,614	1,641,937	501,195,551	2.830
2014	548,399,243	4,187,903	552,587,146	2.620
2015	593,190,272	2,052,701	595,242,973	2.425
2016	660,150,221	4,916,109	659,796,088	2.242

RCW 84.52.020**City and district budgets to be filed with county legislative authority.**

It shall be the duty of the city council or other governing body of every city, other than a city having a population of three hundred thousand or more, the board of directors of school districts of the first class, the superintendent of each educational service district for each constituent second-class school district, commissioners of port districts, commissioners of metropolitan park districts, and of all officials or boards of taxing districts within or coextensive with any county required by law to certify to the county legislative authority, for the purpose of levying district taxes, budgets or estimates of the amounts to be raised by taxation on the assessed valuation of the property in the city or district, through their chair and clerk, or secretary, to make and file such certified budget or estimates with the clerk of the county legislative authority on or before the thirtieth day of November.

[2005 c 52 § 1; 1994 c 81 § 85; 1988 c 222 § 27; 1975-'76 2nd ex.s. c 118 § 33; 1975 c 43 § 33; 1961 c 15 § 84.52.020. Prior: 1939 c 37 § 1; 1925 ex.s. c 130 § 75; RRS § 11236; prior: 1909 c 138 § 1; 1893 c 71 §§ 2, 3.]

NOTES:

Severability—1975-'76 2nd ex.s. c 118: See note following RCW 28A.505.010.

Effective date—Severability—1975 c 43: See notes following RCW 28A.535.050.

PRELIMINARY

LEVY LIMIT WORKSHEET – 2017 Tax Roll

TAXING DISTRICT: **City of Black Diamond**

The following determination of your regular levy limit for 2017 property taxes is provided by the King County Assessor pursuant to RCW 84.55.100.

Annexed to Library District

(Note 1)

Estimated Library rate: 0.40205

Using Limit Factor For District	Calculation of Limit Factor Levy	Using Implicit Price Deflator
1,479,979	Levy basis for calculation: (2016 Limit Factor) (Note 2)	1,479,979
1.0100	x Limit Factor	1.0095
1,494,779	= Levy	1,494,083
5,959,915	Local new construction	5,959,915
0	+ Increase in utility value (Note 3)	0
5,959,915	= Total new construction	5,959,915
2.24468	x Last year's regular levy rate	2.24468
13,378	= New construction levy	13,378
1,508,157	Total Limit Factor Levy	1,507,461
Annexation Levy		
0	Omitted assessment levy (Note 4)	0
1,508,157	Total Limit Factor Levy + new lid lifts	1,507,461
709,633,018	÷ Regular levy assessed value less annexations	709,633,018
2.12526	= Annexation rate (cannot exceed statutory maximum rate)	2.12428
0	x Annexation assessed value	0
0	= Annexation Levy	0
Lid lifts, Refunds and Total		
0	+ First year lid lifts	0
1,508,157	+ Limit Factor Levy	1,507,461
1,508,157	= Total RCW 84.55 levy	1,507,461
0	+ Relevy for prior year refunds (Note 5)	0
1,508,157	= Total RCW 84.55 levy + refunds	1,507,461
	Levy Correction: Year of Error _____ (+or-)	
1,508,157	ALLOWABLE LEVY (Note 6)	1,507,461
Increase Information (Note 7)		
2.12526	Levy rate based on allowable levy	2.12428
1,481,033	Last year's ACTUAL regular levy	1,481,033
13,746	Dollar increase over last year other than N/C – Annex	13,050
0.93%	Percent increase over last year other than N/C – Annex	0.88%
Calculation of statutory levy		
	Regular levy assessed value (Note 8)	709,633,018
	x Maximum statutory rate	3.19795
	= Maximum statutory levy	2,269,371
	+Omitted assessments levy	0
	=Maximum statutory levy	2,269,371
	Limit factor needed for statutory levy	Not usable

ALL YEARS SHOWN ON THIS FORM ARE THE YEARS IN WHICH THE TAX IS PAYABLE.

Please read carefully the notes on the reverse side.

CITY COUNCIL AGENDA BILL

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

ITEM INFORMATION		
SUBJECT:	Agenda Date: November 17, 2016	AB16-069
Ordinance setting the 2017 Property Tax Property percentage increase and dollar amount as calculated by King County for 2017 Property Taxes.	Mayor Carol Benson	
	City Attorney David A. Linehan	
	City Clerk – Brenda L. Martinez	
	Community Development/Natural Resource– Andy Williamson	
	Finance – May Miller	X
	MDRT & Economic Development – Andy Williamson	
Cost Impact (see also Fiscal Note):		
Fund Source: Various	Police – Chief Kiblinger	
Timeline:	Public Works – Seth Boettcher	
	Court Administrator – Stephanie Metcalf	
Agenda Placement: ☒ Mayor x Two Councilmembers ☐ Committee Chair ☐ City Administrator		
Attachments: Ordinance No 16-XXXX, Levy certifications, Preliminary KC worksheet and Tax chart		
SUMMARY STATEMENT: Councilmembers Deady and Edelman have placed this item on the agenda. Per RCW 84.52.020 the property tax certifications must be filed with King County no later than November 30, 2016 for Property Taxes to be collected in 2017 to be used for Public Safety including Fire, Police and Emergency Services. A Public Hearing was held on October 27, 2016 and November 17, on revenue sources and possible increases in 2017 Property Tax. This ordinance must be adopted to certify to King County if the City of Black Diamond wants to approve the allowed 1% Property Tax increase for cities under 10,000. The amounts to \$14,810 or a net increase of .93% as calculated by King County. The attached King County preliminary Levy Limit worksheet showing a base increased allowed dollar amount of \$14,810. This was calculated by King County with a revised actual 2016 levy which reduces the allowed 1% increase of \$14,810 to a net increase of \$13,746 or .93%. The base levy rate also decreased from \$2.25 per thousand of Property Value to \$2.13, a 5% decrease. This base rate does not include New Construction, State Assessed property, refunds and any adjustments. King County currently estimates our total city Assessed Valuation at 709,633,018 an increase of \$50,226,302 over 2016 or a 7.6 % increase. Each property tax bill is calculated by the county and they set the actual levy rate once they have finalized all assessments and individual valuations. To find out more about property tax log into www.kingcountygov/financetreasury and click common questions. All of Black Diamonds Property Taxes funds are used for Public Safety and provide approximately 54.1% of the revenue needed to cover Public Safety costs.		

FISCAL NOTE (Finance Department): The additional \$14,810 from the allowed net .93% increase is included in the 2017 Preliminary Budget.

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:

RECOMMENDED ACTION: **Adopt Ordinance 16-XXXX, setting the Property Tax percentage increase and dollar amount as calculated by King County for 2017 Property Taxes to be used for Public Safety, including Police, Fire and Emergency Services.**

RECORD OF COUNCIL ACTION

<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
November 17, 2016		

ORDINANCE NO. 16-XXXX

AN ORDINANCE OF THE CITY OF BLACK DIAMOND, WASHINGTON, RELATING TO THE GENERAL PROPERTY TAX LEVY AND SPECIFYING THE INCREASE CALCULATED BY KING COUNTY BASED ON LAST YEARS ACTUAL LEVY COMMENCING ON JANUARY 1, 2017 WITH CERTAIN CHANGES REQUIRED BY KING COUNTY IN THE MANNER IN WHICH THE AMOUNTS ARE CALCULATED. SUCH PROPERTY TAX LEVY SHALL APPLY TO ALL PROPERTY BOTH REAL AND PERSONAL, SUBJECT TO TAXATION, FOR THE PURPOSE OF PROVIDING REVENUE FOR PUBLIC SAFETY FOR THE CITY OF BLACK DIAMOND, ALL AS REQUIRED BY LAW, AND ESTABLISHING THE EFFECTIVE DATE.

WHEREAS, the Council of the City of Black Diamond has met and considered its budget for the calendar year 2017; and

WHEREAS, the Council thereafter gave notice of public hearings and held public hearings on October 27, 2016, and November 17, 2016, and

WHEREAS, the City adopted the estimated Preliminary assessed valuation of \$709,633,018, and

WHEREAS, the City's actual King County levy amount from the previous year was \$1,481,033; and

WHEREAS, the population of the City is less than 10,000; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. **Levy and Percentage of Increase.** An increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2017 tax year. The dollar amount of the increase over the actual levy amount authorized from King County for the previous year shall be \$14,810.00, which is a percentage increase of .93% from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, and any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Section 2. **Severability.** Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by State

or Federal law or regulations, such decisions or preemptions shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 3. **Effective Date.** This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

PASSED by the Council and approved by the Mayor of the City of Black Diamond, Washington, this 17th day of November, 2016

Carol Benson, Mayor

Attest:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

David A Linehan, City Attorney

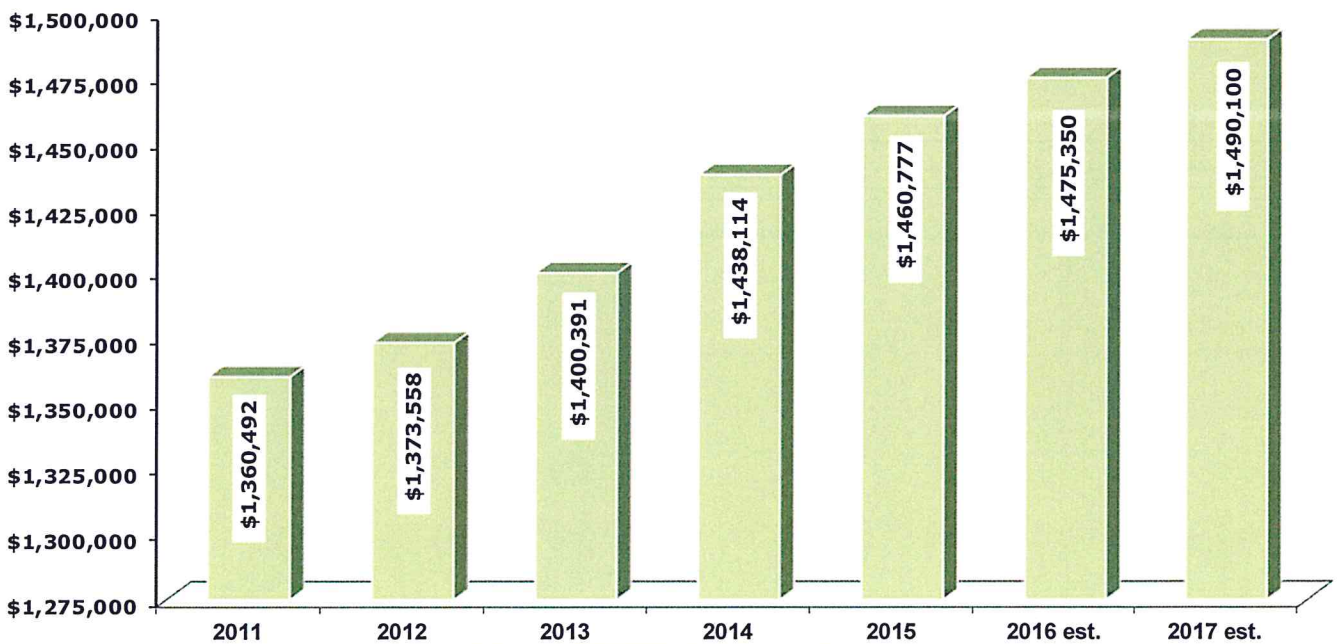
Published:
Posted:
Effective Date:

	Functions Supported by Operating Revenue Sources	2016 Budget	2017 Budget	\$ Change	% Change	Public Safety	General Govt	MDRT
	Beginning Cash and Investments	1,072,660	1,301,462	228,802	21.3%		1,178,353	125,000
	REVENUE							
1	Public Safety Revenue Support							
2	Property Tax	1,465,908	1,490,100	24,192	1.7%	1,490,100		
3	Utility and Gambling Tax	563,500	603,250	39,750		603,250		
4	Criminal Justice Sales Tax	110,600	116,532	5,932	5.4%	116,532		
5	Liquor Tax & Profits	54,750	56,481	1,731	3.2%	56,481		
6	Court Fines and Fees	109,521	193,275	83,754	76.5%	193,275		
7	EMS Levy Taxes	56,000	56,000	0	0.0%	56,000		
8	Police Grants, Charges for Service, Misc	41,615	122,895	81,280	195.3%	122,895		
9	Subtotal Public Safety Revenue	2,401,894	2,638,533	236,639	9.9%	2,638,533		
10	General Government Support							
11	Sales Tax	326,250	385,000	58,750	18.0%		385,000	
12	Land Use and Permitting Fees	181,310	380,950	199,640	110.1%		380,950	
13	State Sales Tax Assistance	78,460	95,000	16,540	21.1%	95,000		
14	Recycle and Misc. Grants	15,991	10,000	(5,991)	-37.5%		10,000	
15	Cable Franchise Fees	66,000	76,000	10,000	15.2%		76,000	
16	Parks and Cemetery Fees	47,540	47,540	0	0.0%		47,540	
17	Passport Fees	21,900	22,150	250	1.1%		22,150	
18	Business License Fees	22,000	23,500	1,500	6.8%	23,500		
19	Alloc for Software, Maint & CC Fees	79,500					0	
20	Other Misc. Fees and Charges	2,500	8,870	6,370	254.8%		8,870	
21	Subtotal General Govt Revenue	841,451	1,049,010	207,559	24.7%	118,500	930,510	
22	Subtotal Operating Revenue	3,243,345	3,687,543	444,198	13.7%	2,757,033	2,108,863	
23	Developer Funding Agreement	822,497	739,372	(83,125)	-10.1%			739,372
24	Total General Fund Operating Sources	5,138,502	5,728,377	589,875	11.5%	2,757,033	2,108,863	864,372
25	EXPENDITURES							
26	Police Department	1,700,472	1,897,480	197,008	11.6%	1,897,480		
27	Fire Department	525,375	534,905	9,530	1.8%	534,905		
28	Recycle/Air Qual/Mntl Hlth/Animal Control	32,166	24,366	(7,800)	-24.2%	24,366		
29	Emergency Management	5,000	5,100	100	2.0%	5,100		
30	Municipal Court	168,769	232,041	63,272	37.5%	232,041		
31	Legal-Pros Atty & Pub Defender	61,250	61,250	0	0.0%	61,250		
32	Subtotal Public Safety Expenditures	2,493,032	2,755,142	262,110	10.5%	2,755,142		
33	Legislative-Council	15,711	15,814	103	0.7%		15,814	
34	Executive-Mayor	15,118	14,877	(241)	-1.6%		14,877	
35	City Clerk/Human Resources	227,588	190,428	(37,160)	-16.3%		109,928	80,500
36	Finance	181,014	212,773	31,759	17.5%		212,773	
37	Information Services	31,175	41,910	10,735	34.4%		41,910	
38	Legal Service	55,000	110,000	55,000	100.0%		110,000	
39	Master Dev Review Team & Econ Dev	586,130	582,005	(4,125)	-0.7%			582,005
40	MDRT-FF&E costs	71,195	76,867	5,672	8.0%			76,867
41	Hearing Examiner	5,000	5,000	0	0.0%		5,000	
42	Community Development-Permitting	174,681	302,145	127,464	73.0%		302,145	
43	Community Development-Planning	146,643	173,463	26,820	18.3%		173,463	
44	Facilities-Staff & Miscellaneous	47,876	51,572	3,696	7.7%		51,572	
45	Facilities Bldg Mtc-Supplies & Maint	73,200	73,021	(179)	-0.2%		73,021	
46	Parks	51,206	55,031	3,825	7.5%		55,031	
47	Park's Museum	7,551	7,826	275	3.6%		7,826	
48	Park's Gym	11,316	8,506	(2,810)	-24.8%		8,506	
49	Cemetery	18,598	18,951	353	1.9%		18,951	
50	Central Svcs -Paper, Post, Printing, Checks	32,353	13,646	(18,707)	-57.8%		13,646	
51	Subtotal Gen Govt Expenditures	1,751,355	1,953,835	202,480	11.6%			
52	Total Operating Expenditures	4,244,387	4,708,977	464,590	10.9%	2,755,142	1,214,463	739,372
53	Ending Cash and Investment Balance	894,115	1,021,291	125,285	14.0%	1,891	894,400	125,000
54	Total GF Operating Uses	5,138,502	5,730,268	591,766	11.5%			

Property taxes make up 60.1% of the General Fund's tax revenue and estimated to generate \$1,490,100 in revenue for the City in 2017. All revenues from property taxes go directly to the General Fund to support public safety for police, fire protection and emergency services. The City of Black Diamond depends heavily on property tax collections, as the City has a small commercial base to generate sales tax revenue.

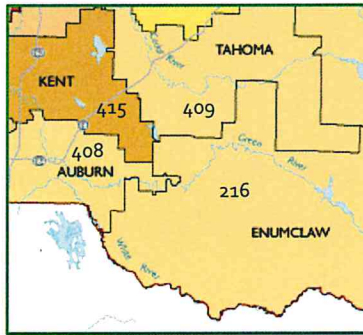
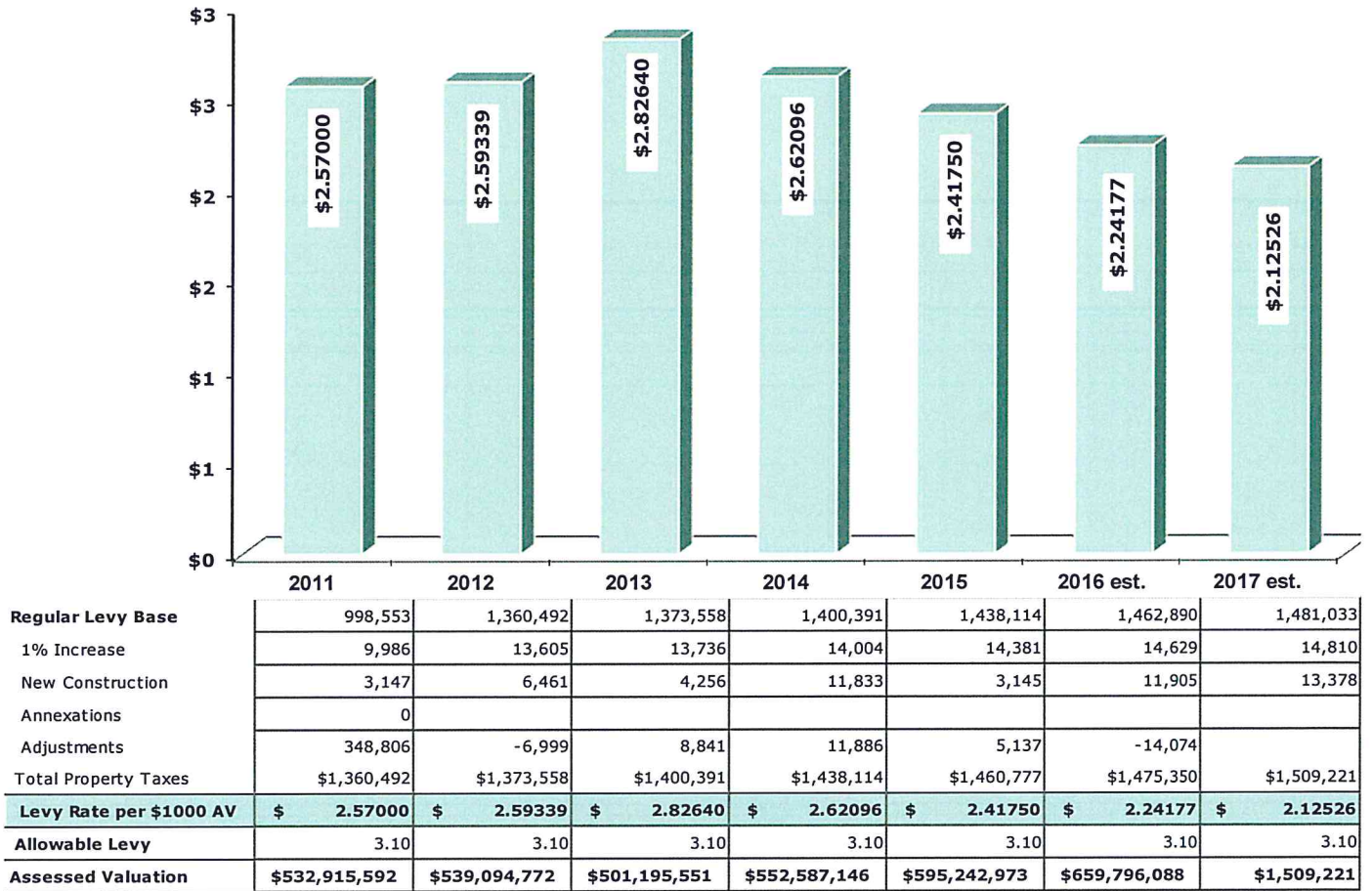
In Washington cities such as Black Diamond, property tax increases are limited to a 1% total dollar annual increase per year unless voters approve a lid-lift or larger percent increases. King County sets assessed valuation on property and calculates levy rates. Each taxing authority receives a portion of the tax amount, which King County collects and then passes on. In Black Diamond, there are three school districts with separate rates, so depending on which school district the property is in, the taxing amount will vary.

DRAFT Property Tax Collection and 2017 Preliminary Budget



	2011	2012	2013	2014	2015	2016 est.	2017 est.
Regular Levy Base	998,553	1,360,492	1,373,558	1,400,391	1,438,114	1,462,890	1,481,033
1% Increase	9,986	13,605	13,736	14,004	14,381	14,629	14,810
New Construction	3,147	6,461	4,256	11,833	3,145	11,905	13,378
Annexations	0						
Adjustments	348,806	-6,999	8,841	11,886	5,137	-14,074	
Total Property Taxes	\$1,360,492	\$1,373,558	\$1,400,391	\$1,438,114	\$1,460,777	\$1,475,350	\$1,509,221
Levy Rate	2.57000	2.59339	2.82640	2.62096	2.41750	2.24177	2.12526
Allowable Levy	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Assessed Valuation	\$532,915,592	\$539,094,772	\$501,195,551	\$552,587,146	\$595,242,973	\$659,796,088	\$709,633,018

DRAFT Property Tax Levy Rates and 2017 Preliminary Budget

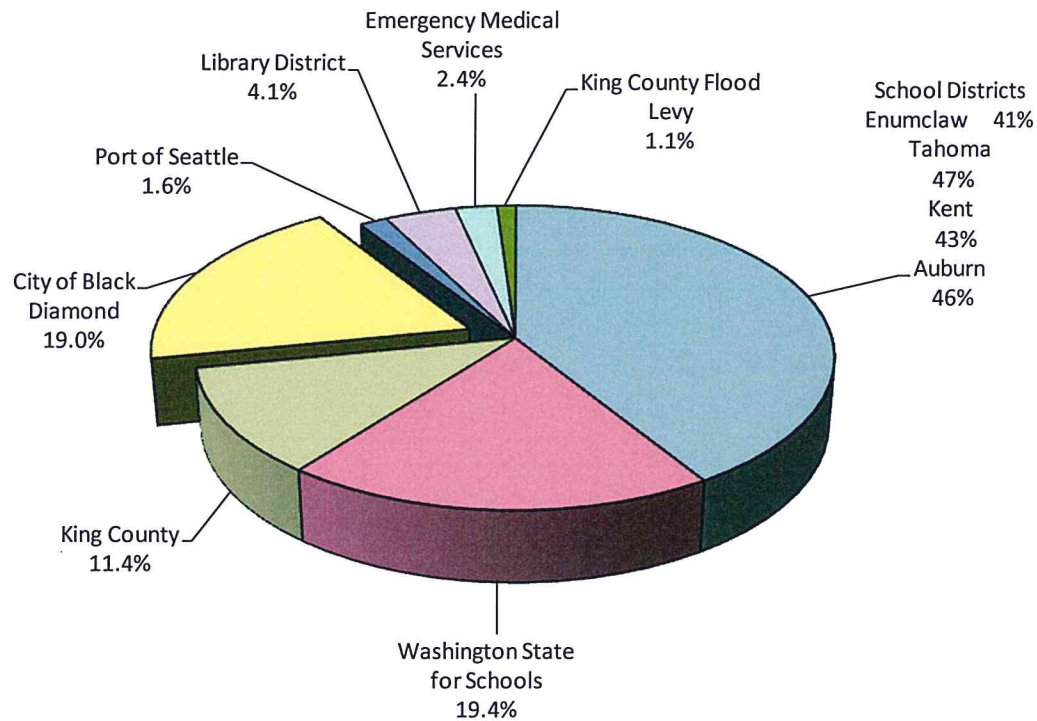


Black Diamond School Districts

The total property tax rates in Black Diamond vary because of the four different school districts within our city limits. The pie chart below shows the property tax distribution for the Enumclaw School District in 2016.

2016 Rates	Enumclaw	Tahoma	Kent	Auburn
Local School District	4.84	6.17	5.34	5.83
Washington State for Schools	2.29	2.29	2.29	2.29
King County	1.34	1.34	1.34	1.34
City of Black Diamond	2.24	2.24	2.24	2.24
Port of Seattle	.19	.19	.19	.19
Library District	.48	.48	.48	.48
Emergency Medical Services	.28	.28	.28	.28
King County Flood Levy	.13	.13	.13	.13
Total Levy Rate	\$11.79	\$13.13	\$12.30	\$12.79

Draft 2017 Levy Rates for Black Diamond (percent of total)



Black Diamond receives between 17% and 19% of the total property tax collected depending on which school district the property is in. In the Enumclaw district in 2016, if a home was appraised at \$350,000, the tax collected is \$11.79 X 350, or \$4,126.50, and the Black Diamond portion of that total is \$784 for the year. See Below.

King County Taxing District	Levy Rate per \$1000 in Value	Percent of Property Taxes Collected	2016 Annual Tax on a \$350,000 Home	Monthly Tax on a \$350,000 Home
Port of Seattle	.19	1.6%	\$66.02	\$5.50
State Schools	2.29	19.4%	\$800.54	\$66.71
EMS Levy	.28	2.4%	\$99.04	\$8.25
King County	1.34	11.4%	\$470.42	\$39.20
Floods and Ferries	.13	1.1%	\$45.39	\$4.04
School District	4.84	41%	\$1691.86	\$140.99
Library District	.48	4.1%	\$169.19	\$14.10
Subtotal	9.55			
Black Diamond	2.24	19%	\$784.04	\$65.34
Grand Total	11.79	100%	\$4126.50	\$343.88

City of Black Diamond

Property Tax History

	Assessed Valuation	New Construction	Final Assessed Valuation	Levy Rate
2000	294,620,050	8,162,011	302,782,061	2.206
2001	322,721,666	11,613,750	334,335,416	2.196
2002	353,992,917	4,667,520	358,660,437	2.097
2003	356,571,798	2,394,661	358,966,459	1.981
2004	401,497,572	1,943,946	403,441,518	1.904
2005	427,240,702	4,372,118	431,612,820	2.032
2006	446,214,893	3,578,995	449,793,888	2.003
2007	497,642,229	2,397,737	500,039,966	1.839
2008	560,299,568	7,314,478	567,614,046	1.651
2009	626,088,991	10,806,265	636,895,256	1.521
2010	552,382,312	2,739,869	555,122,181	1.777
2011	529,857,064	3,058,528	532,915,592	2.570
2012	536,580,666	2,514,106	539,094,772	2.593
2013	499,553,614	1,641,937	501,195,551	2.830
2014	548,399,243	4,187,903	552,587,146	2.620
2015	593,190,272	2,052,701	595,242,973	2.425
2016	660,150,221	4,916,109	659,796,088	2.242

RCW 84.52.020**City and district budgets to be filed with county legislative authority.**

It shall be the duty of the city council or other governing body of every city, other than a city having a population of three hundred thousand or more, the board of directors of school districts of the first class, the superintendent of each educational service district for each constituent second-class school district, commissioners of port districts, commissioners of metropolitan park districts, and of all officials or boards of taxing districts within or coextensive with any county required by law to certify to the county legislative authority, for the purpose of levying district taxes, budgets or estimates of the amounts to be raised by taxation on the assessed valuation of the property in the city or district, through their chair and clerk, or secretary, to make and file such certified budget or estimates with the clerk of the county legislative authority on or before the thirtieth day of November.

[2005 c 52 § 1; 1994 c 81 § 85; 1988 c 222 § 27; 1975-'76 2nd ex.s. c 118 § 33; 1975 c 43 § 33; 1961 c 15 § 84.52.020. Prior: 1939 c 37 § 1; 1925 ex.s. c 130 § 75; RRS § 11236; prior: 1909 c 138 § 1; 1893 c 71 §§ 2, 3.]

NOTES:

Severability—1975-'76 2nd ex.s. c 118: See note following RCW 28A.505.010.

Effective date—Severability—1975 c 43: See notes following RCW 28A.535.050.

PRELIMINARY

LEVY LIMIT WORKSHEET – 2017 Tax Roll

TAXING DISTRICT: **City of Black Diamond**

The following determination of your regular levy limit for 2017 property taxes is provided by the King County Assessor pursuant to RCW 84.55.100.

Annexed to Library District

(Note 1)

Estimated Library rate: 0.40205

Using Limit Factor For District	Calculation of Limit Factor Levy	Using Implicit Price Deflator
1,479,979	Levy basis for calculation: (2016 Limit Factor) (Note 2)	1,479,979
1.0100	x Limit Factor	1.0095
1,494,779	= Levy	1,494,083
5,959,915	Local new construction	5,959,915
0	+ Increase in utility value (Note 3)	0
5,959,915	= Total new construction	5,959,915
2.24468	x Last year's regular levy rate	2.24468
13,378	= New construction levy	13,378
1,508,157	Total Limit Factor Levy	1,507,461
Annexation Levy		
0	Omitted assessment levy (Note 4)	0
1,508,157	Total Limit Factor Levy + new lid lifts	1,507,461
709,633,018	÷ Regular levy assessed value less annexations	709,633,018
2.12526	= Annexation rate (cannot exceed statutory maximum rate)	2.12428
0	x Annexation assessed value	0
0	= Annexation Levy	0
Lid lifts, Refunds and Total		
0	+ First year lid lifts	0
1,508,157	+ Limit Factor Levy	1,507,461
1,508,157	= Total RCW 84.55 levy	1,507,461
0	+ Relevy for prior year refunds (Note 5)	0
1,508,157	= Total RCW 84.55 levy + refunds	1,507,461
	Levy Correction: Year of Error _____ (+or-)	
1,508,157	ALLOWABLE LEVY (Note 6)	1,507,461
Increase Information (Note 7)		
2.12526	Levy rate based on allowable levy	2.12428
1,481,033	Last year's ACTUAL regular levy	1,481,033
13,746	Dollar increase over last year other than N/C – Annex	13,050
0.93%	Percent increase over last year other than N/C – Annex	0.88%
Calculation of statutory levy		
	Regular levy assessed value (Note 8)	709,633,018
	x Maximum statutory rate	3.19795
	= Maximum statutory levy	2,269,371
	+ Omitted assessments levy	0
	= Maximum statutory levy	2,269,371
	Limit factor needed for statutory levy	Not usable

ALL YEARS SHOWN ON THIS FORM ARE THE YEARS IN WHICH THE TAX IS PAYABLE.
Please read carefully the notes on the reverse side.

CITY COUNCIL AGENDA BILL

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

ITEM INFORMATION		
SUBJECT: Ordinance amending the 2016 Budget Ordinance 15-1068 to add excess revenue and Grants received during 2016 and the related Grants and expenditures in excess of estimates.	Agenda Date: November 17, 2016 AB16-070	
	Mayor Carol Benson	
	City Administrator	
	City Attorney David Linehan	
	City Clerk – Brenda L. Martinez	
	Com Dev/Nat Res –	
	Finance – May Miller	X
	MDRT/Ec Dev – Andy Williamson	
	Police – Chief Kiblinger	
	Public Works – Seth Boettcher	
Cost Impact (see also Fiscal Note): \$472,132	Court – Stephanie Metcalf	
Fund Source: --Grants and excess revenue		
Timeline: 2016		
Agenda Placement: ☒ Mayor ☒ Two Councilmembers ☐ Committee Chair ☐ City Administrator		
Attachments: Ordinance 16-XXXX and Exhibit A Summary and details		
SUMMARY STATEMENT: Councilmembers Deady and Edelman have placed this item on the agenda.		
Washington State Law RCW 35A.33.120 allows budget amendments for funds or Grants received in excess of estimated Revenues during the fiscal year of 2016. Each Fund must have budgets in place to cover the expenditures during a fiscal year. If excess Grants or funds are received in 2016 a budget amendment Ordinance needs to be approved to cover the additional Grant or expenditure costs of \$472,132.		
The Original 2016 Budget was adopted by Ordinance 15-1068 on December 7, 2015 and did not anticipate the four Grants that the city received in 2016 for a total of \$458, 632. The Grants are: 1. Street Fund RE-Light Washington TIB Grant to add replacement LED Lights approved by Resolution 16-1068, 2. King County Flood Reduction Grant to design Covington Creek Culverts approved by Resolution 15-1057, 3. King County Grant for North Commercial Storm Pond approved by Resolution 16-1099 and 4. A Police Federal Financial Assistance Grant through Washington State Parks for all areas of Boat Safety costs at Lake Sawyer. This was a 2016 seven month grant that ended September 30, 2016..		
This budget change also includes excess Stormwater Revenue received of \$13,500 during 2016 that will be needed to cover the expenditure cost of the Professional Service for of the Low Impact-code updates.		
FISCAL NOTE (Finance Department): The 2016 Budget Change for \$472,132 is needed to cover the 2016 Grants and Stormwater Professional Service Cost for Low Impact Development. Excess 2016 Revenue and Grant Revenue covers 100% of the expenditures.		
COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:		

RECOMMENDED ACTION: MOTION to approve Ordinance 16-XXXX (<i>number to be assigned by Clerk after adoption</i>) , adopting the 2016 Budget Amendment.		
RECORD OF COUNCIL ACTION		
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
November 17, 2016		

ORDINANCE NO. 16-XXXX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, AMENDING THE BUDGET FOR CALENDAR YEAR 2016 AS ADOPTED BY ORDINANCE 15-1068 for MEANS OF APPROPRIATIONS, ADJUSTMENTS AND TRANSFERS WITHIN VARIOUS FUNDS IN ACCOUNTS IN THE 2016 BUDGET

WHEREAS, RCW 35A.33.120(4) allows budget amendments to be authorized by ordinance for funds received in excess of estimated Revenues during the fiscal year if those amounts exceed the amounts set forth in Ordinance No. 15-1068; and

WHEREAS, it is necessary to make adjustments to those accounts and/or funds by means of appropriation adjustments and transfers to the 2016 Budget;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Section 3 of Ordinance 15-1068 is hereby amended with the following additions:

Fund #	Fund Title	Budget
		Amendment
001	General Fund	11,889
320	Capital Fund - Public Works	58,100
410	Stormwater Fund	402,143
Total Budget Additions		\$ 472,132

Section 2. This Ordinance shall be in full force and effect five days after its passage, approval, posting and publication in summary form as provided by law.

Introduced this 17th day of November, 2016.

Passed by a majority of the City Council at a regular meeting held on the 17th day of November 2016.

Mayor Carol Benson

Attest:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

David Linehan, City Attorney

Published: _____
Posted: _____
Effective Date: _____

City of Black Diamond, Washington

November 17, 2016 Budget Amendment

A. Estimated Expenditures by Fund

Fund #	Fund Title	Ordinance	Ordinance	Total Adj. Budget
		15-1069	16-XXXX, Nov 2016	
		Budget 2016	Budget Adjustment 2016	
Fund 001	General Fund	5,586,502	11,889	5,598,391
Fund 101	Street Fund	328,979		328,979
Fund 107	Fire Impact Fee Fund	61,605		61,605
Fund 108	Trans. Benefit District Fund	60,000		60,000
Fund 310	Capital Fund-Gen govt	327,243		327,243
Fund 311	REET I	228,491		228,491
Fund 320	Capital Fund -Public Works	2,043,211	58,100	2,101,311
Fund 321	REET II	211,144		211,144
Fund 401	Water Fund	959,883		959,883
Fund 402	Water Supply Facility Fund	630,150		630,150
Fund 404	Water Res/Capital Fund	716,701		716,701
Fund 407	Sewer Operating Fund	963,901		963,901
Fund 408	Sewer Res/Capt Fund	737,540		737,540
Fund 410	Stormwater Fund	505,738	402,143	907,881
Fund 510	Equipment Replacement Fund	384,402		384,402
Total		\$ 13,745,490	\$ 472,132	\$ 14,217,622

CITY COUNCIL AGENDA BILL

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

ITEM INFORMATION		
SUBJECT: Ordinance approving an Interfund loan from the Sewer Capital & Reserve Fund to the Equipment Replacement for replacement of four Police Vehicles in 2017.	Agenda Date: November 17, 2016	
	AB16-071	
	Mayor Carol Benson	
	City Administrator	
	City Attorney David Linehan	
	City Clerk – Brenda L. Martinez	
	Com Dev/Nat Res –	
	Finance – May Miller	X
	MDRT/Ec Dev – Andy Williamson	
	Police – Chief Kiblinger	
Cost Impact (see also Fiscal Note): \$179,000	Public Works – Seth Boettcher	
Fund Source: --Sewer Loan & Eq Repl C&I Bal	Court – Stephanie Metcalf	
Timeline: 2017		
Agenda Placement: ☒ Mayor ☒ Two Councilmembers ☐ Committee Chair ☐ City Administrator		
Attachments: Proposed Ordinance; Fleet Update; CIP Page		
SUMMARY STATEMENT: Councilmembers Deady and Edelman have placed this item on the agenda. The Police Department set scheduled Vehicle replacement, but replacement has been deferred due to budget constraints. Passing this Ordinance approving an interfund loan from the Sewer Capital and Operating Fund to the Equipment Replacement Fund will allow the Police Department to meet the deadline of ordering in December in order to receive the Vehicles in 2017. This will be a cost savings to the city as the repair bill have been increasing monthly, and will also assure our officers that they have reliable vehicles. There are no outstanding Interfund Loans as they have all been paid in full. The Sewer Capital and Operating fund will benefit by receiving the interest on the repayment over the next five years. FISCAL NOTE (Finance Department): The Interfund Loan for \$160,000 will be combined with the revenue in the Equipment Replacement fund from sale of surplus vehicles, and carry over Cash and Investment balance. Total cost of the outfitted vehicles is expected to be approximately \$179,000 and that amount is included in the 2017 Preliminary Budget. Timing of approval of this Ordinance is critical for placement of orders in December 2016 in order for them to be delivered in early 2017.		
COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:		

RECOMMENDED ACTION: **MOTION** to approve Ordinance No. 16-XXX (*number assigned by Clerk at adoption*) an interfund loan from the Sewer Capital & Reserve Fund to the Equipment Replacement Fund for replacement of four Police Vehicles in 2017.

RECORD OF COUNCIL ACTION		
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
November 17, 2016		

ORDINANCE NO. 16-XXXX

A ORDINANCE OF THE CITY OF BLACK DIAMOND, WASHINGTON, PROVIDING FOR AN INTERFUND LOAN FROM THE SEWER CAPITAL AND RESERVE FUND TO THE EQUIPMENT REPLACEMENT FUND TO PROVIDE FUNDING FOR THE REPLACEMENT OF FOUR POLICE VEHICLES IN 2017; PROVIDING FOR REPAYMENT; AND PROVIDING FOR TERMINATION

WHEREAS, in 2006 the City of Black Diamond established a cycle to replace vehicles on a scheduled basis but due to budget constraints were not able to follow the scheduled replacement for over four years; and

WHEREAS, the Police Department has identified the need to replace four police vehicles in 2017, several vehicles with over 120,000 miles and currently having costly repair bills; and

WHEREAS, replacement of the four police vehicles in January 2017 will provide police officers with reliable vehicles in order to respond to emergencies and will save the city money currently being spent in costly repair bills and significant staff time transporting these vehicles; and

WHEREAS, the City included the cost of the four police replacement vehicles in the 2017-2022 Capital Improvement Plan (item L-2) and in the 2017 Preliminary Budget, and

WHEREAS, from the time of order to the time of delivery of the vehicles is estimated between 90 to 120 days; and

WHEREAS, the Equipment Replacement Fund for police lacks sufficient cash to pay for four police vehicles in 2017 due to previous budget constraints; and

WHEREAS, the City has determined that the combination of transaction costs plus interest for the City to issue commercial paper or a note to a third party will exceed the costs of an interfund loan, primarily because an interfund loan entails no third-party transaction costs; and

WHEREAS, the use of an interfund loan also saves money from the lower interest rates of the Washington Investment Pool (LGIP) compared to commercial rates; and

WHEREAS, the City Council finds that it has exercised due regard for the expense of the Sewer Capital and Reserve Fund and finds that the Sewer connection charges and miscellaneous Sewer Capital Revenues, cash and investment balances and interfund loan repayments are expected to be more than sufficient to cover the cash flow needs of the Sewer Capital and Reserve Fund for the next five years and thus has funds available to make the interfund loan authorized herein; and

WHEREAS, the Sewer Capital Reserve Fund of the Sewer Utility will be benefited by the

interest rates of the interfund loan; and

WHEREAS, the Equipment Replacement Fund will utilize police equipment replacement cash and investment balance, Revenue from sale of surplus Police vehicles, and revenue designated from a portion of the city's Real Estate Excise Tax each year to make the annual debt and interest payments until the loan is paid in full; and

WHEREAS, the 2016 Cash BARS Manual, chapter 4, section 3.9.1.20 Interfund Activities – Loans, states that "the legislative body of a local Government must, by ordinance or resolution, approve all interfund loans, indicating the lending fund and borrowing funds, and provide in the authorization a planned schedule of repayment of the loan principal as well as setting a reasonable rate of interest (based on the external rate available to the local government) to be paid to the lending fund. The planned schedule of repayment should specify the due date(s) of payment(s) needed to repay the principal and interest on the loan."; and

WHEREAS, the City Council desires to authorize an interfund loan in January 2017 from the Sewer Capital Reserve Fund to the Equipment Replacement Fund in an amount not to exceed \$160,000 to be repaid in five equal payments beginning in December 2018 and continuing each December thereafter until the loan is paid on or before the 31st day of December, 2022 and at an external interest rate as is available to the City through the Washington State Local Government Investment Pool;

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

Section 1. Loan Authorization. The City's Director of Finance is authorized, on and after the 1st day of January, 2017, to record a loan of \$160,000 from the Sewer Capital and Reserve Fund to the Equipment Replacement Fund for the replacement of four aged police vehicles;

Section 2. Scheduled Repayment. The Director of Finance shall cause any and all outstanding balance of the said interfund loan to be repaid to the Sewer Capital Reserve Fund by the Equipment Replacement Fund in accordance with the schedule herein and in no event later than the 31st day of December, 2022, and this interfund lending authorization shall terminate on that date. The Interfund loan will be repaid in five equal annual payments, with each payment due in December of each year. The first payment shall be due in December 2018.

Section 3. Interest Payable to Sewer Capital & Reserve Fund. The interest shall be paid annually based on Washington State Investment Pool (LGIP) rates on the annual outstanding balance. The City Council finds that the interest rate set forth herein is reasonable and in the best interest of the City and its ratepayers.

Section 4. No Fees or Prepayment Penalties. Prepayments shall be permissible in the discretion of the Director of Finance, and there shall be no fees or prepayment penalties on interfund loans and, subject to the **\$160,000** overall principal limit on outstanding balance as stated in Section 1, there shall be no advance notice required for any additional interfund draw or prepayment.

Section 5. Accounting Records. The Director of Finance is authorized and directed to keep and maintain appropriate accounting records to reflect the balance of the interfund loans affected by the transaction authorized herein.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 17TH DAY OF NOVEMBER, 2016.

CITY OF BLACK DIAMOND

Carol Benson, Mayor

ATTEST/AUTHENTICATED:

Brenda L. Martinez, City Clerk

Approved as to form:

David Linehan,
Kenyon Disend, PLLC
City Attorney

Filed with the City Clerk:
Passed by the City Council:
Date Posted:
Ordinance No 16-XXXX



2016 Vehicle Fleet Update

June 28th, 2016-
(updated Oct. 2016)

Submitted by Chief Kiblinger

Current Vehicles

- 2006 Ford Crown Victoria (Pool Car)
- 2007 Dodge Charger (Lynch)
- 2007 Dodge Charger (Martinez)
- 2008 Dodge Charger (Riepl)
- 2008 Chev. Impala (Pool)
- 2008 Chev. Impala (Kiblinger)
- 2009 Dodge Charger (Macdonald)
- 2009 Dodge Charger (Girias)
- 2011 Chev. Tahoe (Tapeç)
- 2012 Chev. Tahoe (Chatterson)

In 2006, the City of Black Diamond established a cycle to replace vehicles on a scheduled basis. The city kept pace with the program, replacing the vehicles around the 5- 6 year mark or 100,000 miles. Since 2012, the following has occurred.

- Due to budget constraints, the City has omitted the replacement of any vehicles for the past 4 years.
- The police department has continued during this time to repair and renovate their existing vehicles and postpone the needed replacement to help solve budgeting problems.
- The budgeting process so far has involved estimating when a vehicle will need to be replaced, both currently and into the future, and including this replacement schedule in the city's capital improvement plan where we plan for and pay for capital asset items. This list is updated every year.

Not keeping pace with this program has led to excessive mileage on vehicles, which in turn has led to excessive maintenance/repair costs, as well as significant down time for the vehicles and for the officers. Officer safety is compromised when vehicles are unsafe to drive or are unreliable as an emergency vehicle; two of them being towed from calls during the last 6 months.

Replacement

Replacing a vehicle either too soon or too late, wastes money. Our goal is to analyze the costs associated with a vehicle and identifying the point when, on average, a vehicle is reasonably depreciated but not yet incurring significant maintenance costs. By replacing vehicles at this point, we can avoid escalating maintenance costs and optimize vehicle resale value. The three criteria that we consider when establishing the vehicle replacement schedule; vehicle mileage, age and use. Unfortunately over the last few years, we have not been able to replace vehicles as needed or scheduled due to budget issues.

Our goal is to provide a fiscally responsible vehicle replacement policy that will enable the City of Black Diamond to maximize vehicle utilization while maintaining a reliable fleet and provide for appropriate budgeting and planning into the future. This is a living document that will be modified and updated to reflect changes in our City's organizational climate, the changing needs, and changes in the automotive and equipment industry.

Our goal is to be good stewards of our citizen's money while providing safe and reliable vehicles for our officers in order to respond to calls for service.

Vehicle Maintenance and Repair



The Department currently utilizes Valley Automotive for our vehicle fleet maintenance and repairs. Firestone is also used for replacement of tires and related issues.

*****PLEASE SEE ATTACHED OUTLINE OF CURRENT MAINTENANCE-REPAIR COSTS ASSOCIATED WITH EACH VEHICLE**

CURRENT REPLACEMENT SCHEDULE

Yearly Mileage Est	2016	2017	2018	2019	2020	2021	2022
30 -Chatt	67,717	80,915	94,114	Replace	13,199	26,398	39,596
22-Lynch	121,854	Replace	10,618	21,236	31,854	42,472	53,090
24- Girias	73,597	80,396	87,195	93,994	100,793	Replace	6,799
23- Mart	96,500	103,000	Replace	6,500	13,000	19,500	26,000
27- Riepl	120,179	Replace	12,746	25,492	38,237	50,983	63,728
28- MacD	119,386	Replace	15,000	30,000	45,000	60,000	75,000
26- Kib	45,000	Replace-move to pool					
21-Pool	64,804						
25-Pool	82,858	93,858	104,858	111,585	Replace		
29-Tapec	88,005	101,637	115,270	Replace	13,633	27,266	40,898
					New Car- Officer		

****When reviewing the current replacement schedule it is important to note that this schedule only estimates one new vehicle that would need to be purchased if and when a new officer position is filled/hired.

HOW DO WE COMPARE LOCALLY??

Department	Year/ Mileage
Normandy Park	5 yrs/ 90,000
Medina	4-5/ 100,000
Issaquah	4 /65-70,000
Duvall	5 yrs/ 100,000
Pacific	5-6/ 80,000
Mercer Island	5 yrs

VEHICLE AND PURCHASE PRICE OPTIONS

The goal of our department is obtain the lowest possible price and the highest possible quality. We historically and currently purchase through the Washington State Requisition Site (state bid program). Below are the vehicles available and their BASE price only. They do not include the outfitting of the vehicle; equipment, cage, lights, siren, paint, graphics etc.

2017 Ford Police Interceptor Sedan, Front-Wheel Drive	2017	Ford	Columbia Ford	\$22,897.00
2016 Chevrolet Impala	2016	Chevrolet	Bud Clary Chevrolet	\$21,638.00
2016 Chevrolet Tahoe Police Pursuit Vehicle	2016	Chevrolet	Bud Clary Chevrolet	\$35,918.43
2016 Charger Police RWD	2016	Dodge	Dwayne Lane's Chrysler Jeep Dodge	\$22,865.00
2016 Ford Police Interceptor Utility/SUV AWD	2016	Ford	Columbia Ford	\$26,587.00
2015 Chevrolet Caprice	2015	Chevrolet	Bud Clary Chevrolet	\$26,030.00
2015 Charger Police RWD	2015	Dodge	Dwayne Lane's Chrysler Jeep Dodge	\$23,985.00
2014 Charger Police RWD	2014	Dodge	Dwayne Lane's Chrysler Jeep Dodge	\$22,740.00

Taking in to account numerous factors such as initial cost, reliability, fuel/mileage costs, interior room, storage, and safety, the Ford Interceptor AWD would be the best option for our department.



PURCHASE VS. FINANCED OPTION

The police department worked with our finance department to provide three options for the purchase of our patrol vehicles. The numbers below are assuming the purchase of 4 patrol cars.

Option #1 = PURCHASE

Option #2 = inter- fund loan from our city sewer (5 years)

Option #3 = WA. State lease/loan program (5 years)

#1 (PURCHASE)

The first option is to purchase the vehicle(s) off of the WA. State bid/contract. The approximate cost to purchase and outfit one patrol car is just under \$40,000.

#2 (INTERNAL LOAN THROUGH THE CITY'S SEWER FUND)

This loan would be through the city's sewer fund. At an interest rate of .05% over a 5 year term, we would be paying approximately \$2,400 in total interest over the life of the loan. Our yearly payment would be an estimated \$32,481.60.

#3 LOAN OPTION THROUGH WA. STATE

This option is similar to the internal loan, except it is through the State of Washington. The estimated interest is 1.32% with a total yearly payment of \$33,278.20; only slightly higher than the city's internal loan. Our finance department advised that this type of loan takes a significant amount of time and preparation every year and has numerous steps for pre-approval and a long timeline.

FUTURE PROJECTION

After reviewing this replacement program with finance, it was suggested that an initial purchase of 4 patrol cars be made using option #2, internal loan through the city's sewer fund. This is due to the fact that in 2017, 5 of our vehicles will be at or significantly over 100,000 miles. Also, as noted above, this does not take into account any new vehicle purchases that would result from hiring any new officers or filling our frozen positions.

Patrol Car Replacement Plan

DESCRIPTION

The City has created and maintained a vehicle replacement plan with planned expenditures for patrol cars in an effort to replace aging patrol cars before becoming too expensive to maintain and to assure officer safety.

BACKGROUND

This rotation plan will allow the force to spend more time on the street and less time delivering them for repairs and maintenance. This plan will allow for replacement roughly every 110,000 miles.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Capital Outlay	320,000	160,000		120,000			40,000
TOTAL COSTS	320,000	160,000		120,000			40,000
REQUESTED FUNDING							
REET 1	40,000						40,000
Internal Loan Program	280,000	160,000		120,000			
TOTAL SOURCES	320,000	160,000		120,000			40,000
Internal Loan Program							
At 1/2% for 5 years (REET1)	235,267		32,480	32,480	56,769	56,769	56,769



CITY COUNCIL AGENDA BILL

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

ITEM INFORMATION		
SUBJECT:	Agenda Date: November 17, 2016 AB16-072	
Resolution adopting 2017-2022 Capital Improvement Plan	Mayor Carol Benson	
	City Administrator	
	City Attorney David Linehan	
	City Clerk – Brenda L. Martinez	
	Com Dev/Nat Res –	
	Finance – May Miller	X
	MDRT/Ec Dev – Andy Williamson	
	Police – Chief Kiblinger	
Cost Impact (see also Fiscal Note):	Public Works – Seth Boettcher	
Fund Source: --Various	Court – Stephanie Metcalf	
Timeline: 2017-2022		
Agenda Placement: ☒ Mayor ☒ Two Councilmembers ☐ Committee Chair ☐ City Administrator		
Attachments: Resolution; 2017-2022 Capital Improvement Plan Document		
SUMMARY STATEMENT: Councilmembers Deady and Edelman have placed this item on the agenda. The 2017-2022 update of the cities Capital Improvement Plan began on February 23, 2016, Departments developed detailed projects by updating previously scheduled projects or added new Capital Project. This includes projections over the next six hear including potential sources of Revenue for each project. The process included meetings with Mayor Benson and department directors. Two workstudy meetings were held with council on August 25, 2016 and September 8, 2016 to review each project and source of funding, answer questions and receive comments or updates. Technical changes and additional projects were added as a result of requests by Council at the workstudy meetings. Public Hearing was also held on September 15, 2016 to receive public input. The 2017-2022 Capital Improvement Plan needs to be adopted by Resolution, so departments can refer to this resolution number when they apply for grants noted in the document. This is a “plan” not a budget, The 2017 Capital projects will be reviewed again as part of the 2017 Budget process. FISCAL NOTE (Finance Department): The 2017-2022 Capital Improvement Plan totals, \$48,039,748 with 87% covering Public Works projects, 91% of that for Street and Water Capital Projects spanning the next six years.		
COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:		
RECOMMENDED ACTION: MOTION to adopt Resolution No. (Clerk to assign number after adoption) approving the 2017-2022 Capital Improvement Plan.		
RECORD OF COUNCIL ACTION		
Meeting Date	Action	Vote
November 17, 2016		

RESOLUTION NO. 16-xxxx

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF BLACK DIAMOND, KING COUNTY WASHINGTON,
ADOPTING A CAPITAL IMPROVEMENT PLAN FOR
THE YEARS 2017-2022**

WHEREAS, the City of Black Diamond is required by State law and Chapter 3.60 of the Black Diamond Municipal Code to prepare and adopt a multi-year plan that contains the City's future Capital Improvement Projects and the recommended methods of funding those projects; and

WHEREAS, the City's Capital Improvements Plan has been updated to address the current capital facilities needs and priorities of the City for the years 2017-2022; and

WHEREAS, the City Council has reviewed the 2017-2022 Capital Improvement Plan at their August 25, 2016 and September 8, 2016 Workstudy meetings; and

WHEREAS, the annual update is also annual supplemental information to the Capital Element portion of Black Diamond's Comp Plan for Transportation, Water, Sewer, Stormwater and other Capital Elements; and

WHEREAS, the City Council of the City of Black Diamond held a public hearing on the proposed 2017-2022 Capital Improvement Plan on September 15, 2016;

**NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND
HEREBY RESOLVES AS FOLLOWS:**

Section 1. The City Council does hereby approve the 2017 – 2022 Capital Improvements Plan, a copy of which is attached as Exhibit "A" and incorporated herein by reference.

ADOPTED by the City Council at an open meeting on the _____ day of _____, 2016.

Carol Benson, Mayor

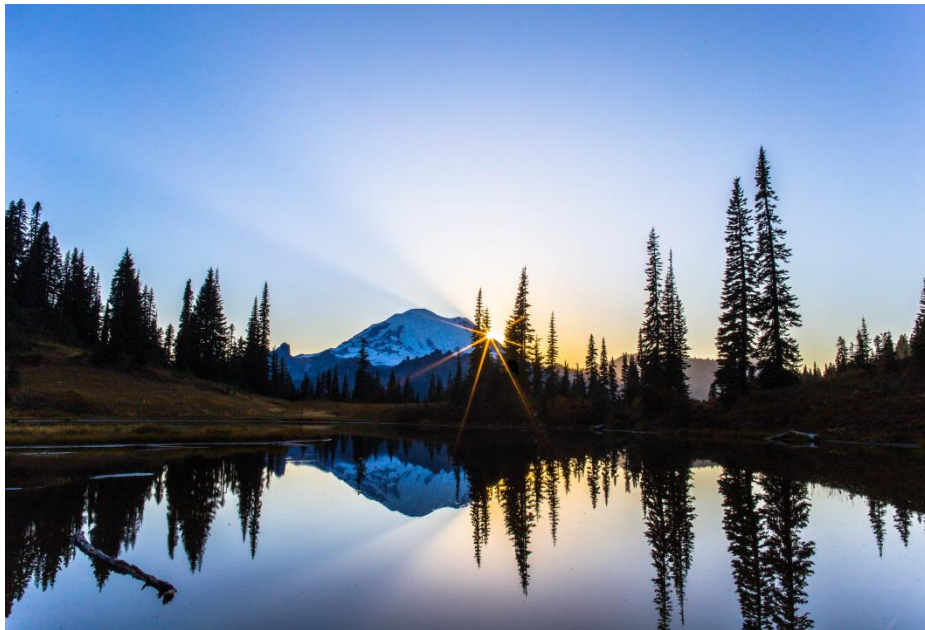
Attest:

Brenda L. Martinez, City Clerk

City of Black Diamond, WA

Capital Improvement Program

2017 – 2022



October 6, 2016



Table of Contents

Capital Improvement Program (CIP) 2017-2022

CIP Overview	1-3
All Departments Summary	4
Street Department	5-28
Water Department	29-36
Sewer Department	37-43
Stormwater Department	44-50
Real Estate Excise Tax 2	51
Public Works Summary	52-53
Parks Department	54-61
Fire Department	62-66
Police Department	67-72
General Government Projects	73-79
Real Estate Excise Tax 1	80
General Government Summary	81-82
All Department Summary Chart	83
CIP Calendar	84

Overview of the Capital Improvement Program

What is the Capital Improvement Program?

The Capital Improvement Program (CIP) is a plan that lays out a six-year road map identifying present and future capital and infrastructure needs for the City. It is an investment in the future of our community.

Because the CIP is a plan rather than a budget, actual authorization for capital project spending for the upcoming year occurs when City Council adopts the Annual Budget in December.

Having the long range capital plan completed before the annual operating budget is developed helps management better incorporate both short and long term planning.

For each project there is an estimated start and completion date that has been projected by the city department in charge of the improvement. The CIP also defines the total cost of the project and the amount allocated to the project for each year of the plan.

Examples of projects in Black Diamond's six-year CIP include street rehabilitation, water projects, wastewater facilities, park improvements, a fire station and equipment, police capital facility needs, and general facility capital needs and improvement.

How are projects in the Capital Improvement Plan paid for?

The CIP process involves balancing desired capital improvements that compete for scarce financial resources. Generally, funding for capital improvements is provided through grants, impact fees, public trust fund loans, Real Estate Excise Tax revenue (REET), capital reserves and developer funding.

Real estate excise taxes (REET) are collected from property sales within the city limits and are earmarked specifically for capital projects. However in order to spend that money, a jurisdiction must have the project identified in a Capital Improvement Plan. So not only is the CIP a great overall planning tool for the City, it is also required in order to access REET monies.

Additionally, historical documentation of need is usually required when applying for grants. This need is addressed with the adoption of the CIP.

Types of Capital Projects

Capital projects are essential to the delivery of many of Black Diamond's core services. The capital projects in each major department are described below.

- Transportation The road system in Black Diamond is a vital infrastructure to city residents, visitors and commuters. This infrastructure includes roads, bridges, bike lanes and sidewalks. The responsibility for the funding and construction of capacity adding transportation projects is equitably shared with developers. In Black Diamond, the developer of the MPD's is the primary funder and implementer of the capacity adding project to meet the needs of the growing community. The city is seeking grants to address those locations where there is existing deficiencies which are City responsibility.
- Parks and Recreation There are regional and local parks in Black Diamond as well as bike and hiking trails, a skate park and a BMX Course. Outdoor enthusiasts choose to live in Black Diamond for the natural beauty of the surroundings and sporting opportunities. Park facility improvements are primarily financed by grants, real estate excise taxes and developer contributions.
- Utilities The City provides water, sewer and stormwater utility services to residents and businesses. Capital Facilities include water sources, facilities, Reservoir, water lines, sewer treatment facilities, transmission systems and storm water detention facilities and culverts. Developers contribute to these projects, as growth requires infrastructure expansion. Utility fund reserves, grants, loans and Real Estate Excise Taxes also provide funding for utility capital projects in Black Diamond.
- Public Safety Capital facilities and equipment are required to deliver core City services of Police and Fire. These facilities include the fire and police stations, vehicles and major equipment and technology. Funding for these capital projects largely comes from user fees, grants and some Real Estate Excise Taxes.
- General Capital The City is responsible for funding the construction and maintenance of general capital facilities such as city buildings, vehicles and technology. These costs are usually funded by bond issues, grants or Real Estate Excise Taxes.

Level of Service

The number and type of capital facilities needed to serve Black Diamond is directly related to the level of public service provided. The level of service is established by City Council and the City's Comprehensive Plan.

Maintenance and Funding Constraints

Once completed and placed in service, capital facilities must be maintained. Funding for the maintenance of capital projects for City Utilities are funded with user fees in the respective operating budgets. Maintenance funding for projects are funded through current operations, not the capital budget. For that reason the availability of funding for future maintenance must be considered when preparing the capital budget.

Development and Approval Process

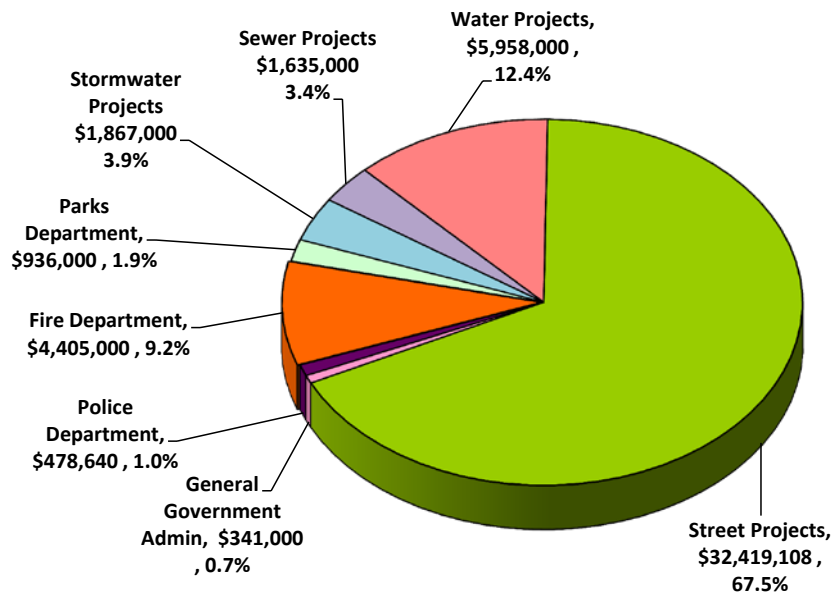
The Capital Improvement Plan is usually updated annually or every other year. Individual projects are submitted by department directors. They use a template provided by Finance staff. These requests include an update of current projects and projections on new projects and anticipated costs. Each project must have specific funding sources identified.

The Mayor, Finance Director and management meet to balance projects to available funding. Council workstudy sessions occur and a public hearing encourages public input. The proposed plan is then brought before Council for approval. This approved CIP then becomes an update and amendment to the capital facility portion of the City's Comprehensive Plan.

All Departments Summary

Capital Improvement Plan 2017 - 2022

	Total \$ Project 2017 - 2022	2017	2018	2019	2020	2021	2022
Street Projects	32,419,108	7,528,108	3,851,000	3,810,000	6,660,000	9,100,000	1,470,000
Water Projects	5,958,000	530,000	2,514,000	371,000	623,000	870,000	1,050,000
Sewer Projects	1,635,000	160,000	367,000	82,000	422,000	92,000	512,000
Stormwater Projects	1,867,000	57,000	1,500,000	40,000	50,000	-	220,000
Parks Department	936,000	37,500	124,500	45,000	91,000	343,000	295,000
Fire Department	4,405,000	-	365,000	-	825,000	125,000	3,090,000
Police Department	478,640	184,320	34,320	145,000	25,000	25,000	65,000
General Government	341,000	92,000	50,000	80,000	30,000	59,000	30,000
TOTAL Projected Expenditures	\$ 48,039,748	\$ 8,588,928	\$ 8,805,820	\$ 4,573,000	\$ 8,726,000	\$10,614,000	\$ 6,732,000



Street Department (Transportation Projects)

CAPITAL PROJECT SUMMARY

Summary by Project		Capital Plan 2017 - 2022					
Project Title	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
T1 General Street Improvement	180,000	30,000	30,000	30,000	30,000	30,000	30,000
T2 Roberts Drive Road Improvements	1,158,108	1,158,108					
T3 New Arterial "Annexation Road"	2,900,000	2,900,000					
T4 Lake Sawyer Road Extension	1,800,000	1,800,000					
T5 224th Guardrail at Covington Creek	25,000		25,000				
T6 224th Ave SE Asphalt Overlay	300,000	300,000					
T7 Roberts Roundabout	7,770,000		210,000	2,090,000	5,470,000		
T8 Roberts Drive Rehabilitation Phase 2	170,000		170,000				
T9 232nd Ave Chip Seal	100,000	100,000					
T10 Downtown Public Parking	145,000			25,000	120,000		
T11 216th Ave SE Overlay	180,000			180,000			
T12 Lawson Street Phase 1	165,000			165,000			
T13 Grant Matching	240,000	40,000	40,000	40,000	40,000	40,000	40,000
T14 Lawson Street Sidewalk Phase 2	356,000		76,000	280,000			
T15 Pedestrian and Bicycle Study	30,000					30,000	
T16 Lawson Connector	3,200,000		3,200,000				
T17 Ravensdale - 169 Intersection	1,300,000	200,000	100,000	1,000,000			
T18 North Connector	1,000,000				1,000,000		
T19 Roberts Dr. Lake Sawyer Rd. Roundabout	1,000,000	1,000,000					
T20 Ravensdale - 169 Intersection - Permanent	8,000,000					8,000,000	
T21 Roberts Dr. Annex Road Intersection Imp.	1,000,000					1,000,000	
T22 216 Ave SE/288th Intersection Improvement	1,400,000						1,400,000
TOTAL ESTIMATED COSTS	32,419,108	7,528,108	3,851,000	3,810,000	6,660,000	9,100,000	1,470,000
Funding Sources							
TIB, CDBG and Other Grants							
T2 Roberts Drive Road Improvements	1,079,867	1,079,867					
T6 224th Ave SE Asphalt Overlay	255,000	255,000					
T7 Roberts Roundabout	4,235,000			1,030,000	3,205,000		
T8 Roberts Drive Rehabilitation Phase 2	144,500		144,500				
T9 232nd Ave Chip Seal	90,000	90,000					
T10 Downtown Public Parking	108,000				108,000		
T11 216th Ave SE Overlay	153,000			153,000			
T12 Lawson Street Phase 1	148,500			148,500			
T14 Lawson Street Sidewalk Phase 2	315,000		55,000	260,000			
T15 Pedestrian and Bicycle Study	27,000					27,000	
T20 Ravensdale - 169 Intersection - Permanent	4,000,000					4,000,000	
	10,555,867	1,424,867	199,500	1,591,500	3,313,000	4,027,000	
Developer Funded/Impact Fees/SEPA							
T2 Roberts Drive Road Improvements	52,250	52,250					
T3 New Arterial "Annexation Road"	2,900,000	2,900,000					
T4 Lake Sawyer Road Extension	1,800,000	1,800,000					
T7 Roberts Roundabout	3,535,000		210,000	1,060,000	2,265,000		
T14 Lawson Street Sidewalk Phase 2	41,000		21,000	20,000			
T16 Lawson Connector	3,200,000		3,200,000				
T17 Ravensdale - 169 Intersection	1,300,000	200,000	100,000	1,000,000			
T18 North Connector	1,000,000				1,000,000		
T19 Roberts Dr. Lake Sawyer Rd. Roundabout	1,000,000	1,000,000					
T20 Ravensdale - 169 Intersection - Permanent	4,000,000					4,000,000	
T21 Roberts Dr. Annex Road Intersection Imp.	1,000,000					1,000,000	
T22 216 Ave SE/288th Intersection Improvement	1,400,000						1,400,000
Total Developer/Impact/SEPA Funding	21,228,250	5,952,250	3,531,000	2,080,000	3,265,000	5,000,000	1,400,000

Street Department (Transportation Projects)

CAPITAL PROJECT SUMMARY

Summary by Funding, cont.		Capital Plan 2017 - 2022						
		Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Real Estate Excise Tax 2 Funding or Grant Matching								
T1	General Street Improvement	180,000	30,000	30,000	30,000	30,000	30,000	30,000
T2	Roberts Drive Road Improvements	25,991	25,991					
T5	224th Guardrail at Covington Creek	25,000		25,000				
T6	224th Ave SE Asphalt Overlay	45,000	45,000					
T8	Roberts Drive Rehabilitation Phase 2	25,500		25,500				
T9	232nd Ave Chip Seal	10,000	10,000					
T10	Downtown Public Parking	37,000			25,000	12,000		
T11	216th Ave SE Overlay	27,000			27,000			
T12	Lawson Street Phase 1	16,500			16,500			
T13	Grant Matching	240,000	40,000	40,000	40,000	40,000	40,000	40,000
T15	Pedestrian and Bicycle Study	3,000					3,000	
Total REET 2 Funding		634,991	150,991	120,500	138,500	82,000	73,000	70,000
TOTAL ESTIMATED FUNDING SOURCES		32,419,108	7,528,108	3,851,000	3,810,000	6,660,000	9,100,000	1,470,000

Street Department

T1

General Street Improvement

13.10

DESCRIPTION

Light Street Maintenance. Annually the Public Works staff assesses the street system and selects key street preservation and improvement work. Typical activities under this project are chip sealing, crack sealing, patch work and addressing minor safety problems.

BACKGROUND

This project provides annual funding for minor street improvements that typically do not require engineering.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Construction Costs	180,000	30,000	30,000	30,000	30,000	30,000	30,000
TOTAL COSTS	180,000	30,000	30,000	30,000	30,000	30,000	30,000
REQUESTED FUNDING							
Real Estate Excise Tax 2	180,000	30,000	30,000	30,000	30,000	30,000	30,000
TOTAL SOURCES	180,000	30,000	30,000	30,000	30,000	30,000	30,000



Street Department

T2

Roberts Drive Improvements

DESCRIPTION

Street Reconstruction. This project combines the Roberts Drive Bridge project and half of the Roberts Drive Roadway Rehab into a more complete roadway reconstruction with sidewalks on the south side, pavement overlay, bridge rehabilitation, stormwater improvements and street lights from 100 feet west of the Rock Creek Bridge to City Hall.

BACKGROUND

The City was successful in obtaining a Road Reconstruction Grant which was combined with a previous grant for one bigger project. The project was on hold to resolve utility and environmental issues but now looks on schedule to be under construction in the summer of 2017.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Construction Engineering	20,000	20,000					
Management & Administration	97,187	97,187					
Construction Costs	1,040,921	1,040,921					
TOTAL COSTS	1,158,108	1,158,108					
REQUESTED FUNDING							
Grants TIB	1,079,867	1,079,867					
Developer Mitigation	52,250	52,250					
Street Funds (REET 2)	20,226	20,226					
Grant Match	5,765	5,765					
TOTAL SOURCES	1,158,108	1,158,108					



Street Department

T3

New Arterial "Annexation Road"

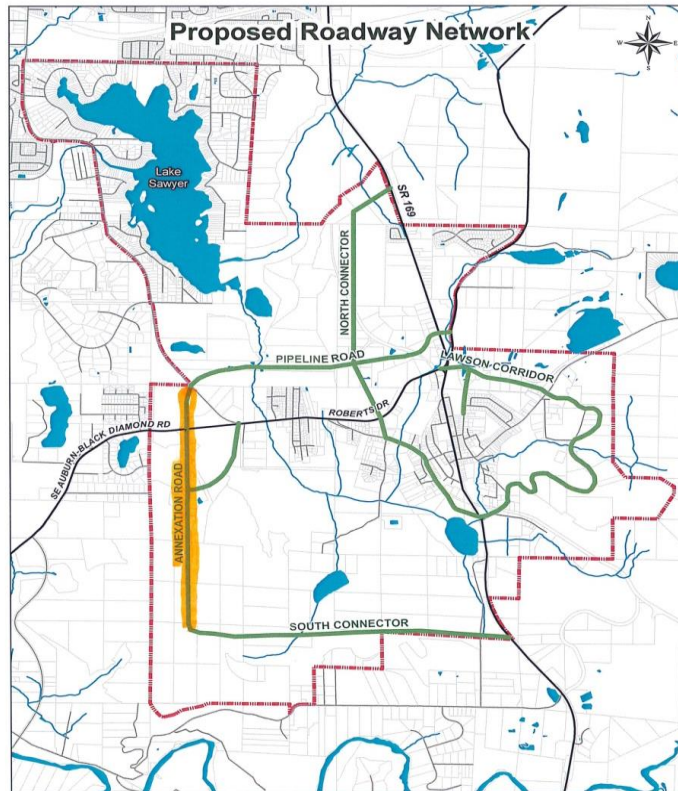
DESCRIPTION

Capacity Adding Project. This project provides a link from the initial phases of the Villages development to the City street network and a future link to the "pipeline" road.

BACKGROUND

This project is in keeping with the City's approved Future Street Network according to the City's comprehensive plan. This project is planned to be designed and constructed by the developer.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Design Engineering	500,000	500,000					
Construction Costs	2,400,000	2,400,000					
TOTAL COSTS	2,900,000	2,900,000					
REQUESTED FUNDING							
Developer Funded	2,900,000	2,900,000					
TOTAL SOURCES	2,900,000	2,900,000					



Street Department

T4

Lake Sawyer Road Extension

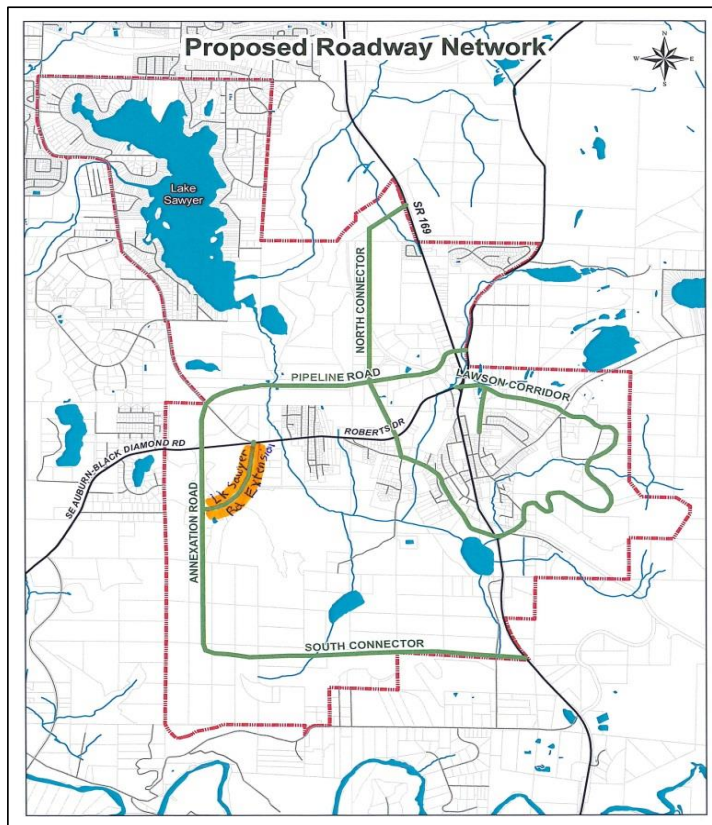
DESCRIPTION

Capacity Adding Project. This project provides a link from the initial phases of the Villages development to the City street network.

BACKGROUND

This project is in keeping with the City's approved Future Street Network according to the City's comprehensive plan. This project is planned to be designed and constructed by the developer.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Design Engineering	300,000	300,000					
Construction Costs	1,500,000	1,500,000					
TOTAL COSTS	1,800,000	9,000,000					
REQUESTED FUNDING							
Developer Funded	1,800,000	1,800,000					
TOTAL SOURCES	1,800,000	1,800,000					



Street Department

T5

224th Guardrail @ Cov Creek

DESCRIPTION

Safety Project. This safety project is to install guard rail on both sides of the road at the Covington Creek culverts on 224th Ave SE. This project could be combined with the replacement of the stormwater Project Culvert Replacement at Covington Creek, D2.

BACKGROUND

Staff and the committee determined that guard rails at Covington Creek would provide a greater risk reduction for errant vehicles than the Abrams project was dropped and priorities shifted.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Management & Administration	2,500		2,500				
Construction Costs	22,500		22,500				
TOTAL COSTS	125,000		25,000				
REQUESTED FUNDING							
Real Estate Excise Tax 2	25,000		25,000				
TOTAL SOURCES	25,000		25,000				



Street Department

T6

224th Ave SE Asphalt Overlay

DESCRIPTION

Major Street Maintenance. Overlay 224th Ave SE from Covington Creek to 307th Place.

BACKGROUND

Public Works staff in cooperation with Maple Valley and Covington sealed the many cracks in 224th Ave SE in 2013 to preserve the integrity of the road until we could get a grant to overlay the street. The crack sealing has been effective in holding the street together and maintaining the pavement rating to stay in the TIB street preservation funding program.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Design Engineering	10,000	10,000					
Management & Administration	20,000	20,000					
Construction Costs	270,000	270,000					
TOTAL COSTS	300,000	300,000	-	-	-	-	
REQUESTED FUNDING							
Grants TIB	255,000	255,000					
Grant Match	45,000	45,000					
TOTAL SOURCES	300,000	300,000	-	-	-	-	-



Street Department

T7

Roberts Roundabout

13.02

DESCRIPTION

Capacity Adding Project. This project is to change the intersection control from stop control to a roundabout or signal and accommodate a future road connection to the east for the Lawson Hills Master Planned Development.

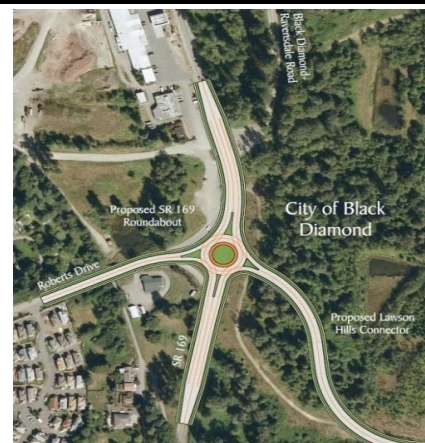
BACKGROUND

The existing intersection has a higher accident rate than the average along the corridor. Roberts Drive intersects SR 169 at an unconventional angle which makes it difficult for east bound motorists to turn left and west bound motorists on Ravensdale to turn left; This intersection has been identified as one of the first traffic mitigation projects that is required in the Master Planned Development FEIS. However this project will be accomplished in phases as the City grows. If the City were able to secure adequate funding soon then the City could move forward with a comprehensive ultimate traffic solution for the Roberts Drive and Ravensdale intersections.

COMMENTS

The developer's initial mitigation improvements for this intersection will be realignment and signal improvements. As traffic grows and the needs increase the chances of receiving grant funding will improve. Once the preliminary engineering is complete the City will be prepared to begin applying for grants.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Land/Right of Way	300,000			300,000			
Preliminary Engineering	200,000		200,000				
Environ Engr & Permitting	300,000			300,000			
Construction Engineering	600,000				600,000		
Bid Documents	50,000			50,000			
Design Engineering	700,000			700,000			
Construction Costs	4,965,000			350,000	4,615,000		
Environ Mitigation	300,000			300,000			
Management / Admin	355,000		10,000	90,000	255,000		
TOTAL COSTS	7,770,000		210,000	2,090,000	5,470,000		
REQUESTED FUNDING							
Developer Funded	3,535,000		210,000	1,060,000	2,265,000		
Grants	4,235,000			1,030,000	3,205,000		
TOTAL SOURCES	7,770,000		210,000	2,090,000	5,470,000		



Street Department

T8

Roberts Drive Rehabilitation Phase 2

14.02

DESCRIPTION

Major Street Maintenance from Morgan Street to the sidewalk end past the Library (1600 ft.). Patch and Replace concrete panels; Seal joints and cracks; Plane the concrete to a smooth surface; Widen shoulders.

BACKGROUND

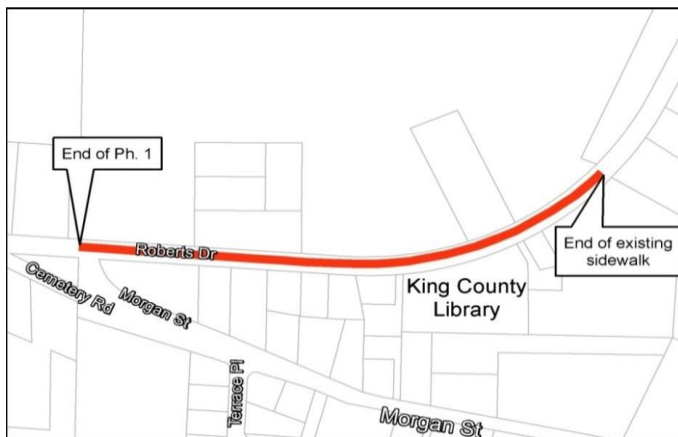
The concrete roadway is about 100 years old but needs repair work. This project is to repair and preserve the existing road.

COMMENTS

This section of Roberts Drive is in fair condition with some bad spots. Sidewalks curb and street lights have already been installed on a pedestrian grant. Going further east from this project would make more sense to go after total reconstruction funding and upgrade to urban standards.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Design & Bid Docs	35,000		35,000				
Management & Inspection	15,000		15,000				
Construction	120,000		120,000				
TOTAL COSTS	170,000		170,000				
REQUESTED FUNDING							
Grant Matching	25,500		25,500				
Grants	144,500		144,500				
TOTAL SOURCES	170,000		170,000				

End of library to City Hall



Street Department

T9

232nd Ave. SE Chip Seal

14.03

DESCRIPTION

Major Street Maintenance. Patch and Chip Seal 232nd Ave. SE from SE 288th Street to the back of the Pond at Greenbrier.

BACKGROUND

This section of roadway can be preserved by 7 to 10 years at one third of the cost of an overlay. A chip seal will help stretch the grant funding and help the City get ahead of the curve with deteriorating streets.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Design Engineering	10,000	10,000					
Management and Admin	10,000	10,000					
Construction	80,000	80,000					
TOTAL COSTS	100,000	100,000					
REQUESTED FUNDING							
Grants	90,000	90,000					
Grant Matching	10,000	10,000					
TOTAL SOURCES	100,000	100,000					



Street Department

T10

Downtown Public Parking

DESCRIPTION

Develop additional public parking in the downtown area of Baker Street and Railroad Ave.

BACKGROUND

Most of the existing buildings in the Railroad Ave area were constructed without off street parking lots other than the Eagles Hall. This area is zoned "Town Center" which does not require off street parking with the development of the property. There currently is a deficiency in available parking to support the existing businesses. The cope of this project will be refined in the initial preliminary engineering phase. In the preliminary phase of this project the City will rebiew the cost and benefit of creating additional on street parking, expangingind the use of city owned right of way in the area, negotiating with owner of undeveloped property and / or purchasing additional property in the area.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Land/Right of Way	60,000				60,000		
Preliminary Engineering	10,000			10,000			
Design Engineering	10,000			10,000			
Management and Admin	5,000			5,000			
Construction	60,000				60,000		
TOTAL COSTS	145,000			25,000	120,000		
REQUESTED FUNDING							
Grants	108,000				108,000		
Real Estate Excise Tax 2	25,000			25,000			
Grant Matching	12,000				12,000		
Other (Specify)							
TOTAL SOURCES	145,000			25,000	120,000		



Street Department

T11

216th Avenue SE Overlay

DESCRIPTION

Major Street Maintenance. Patch and overlay 216th Ave. SE from SE 288th St. to SE 296th St.

BACKGROUND

The pavement condition is average to poor. The roadway width and side improvements vary. The engineering, bid process, inspections and project management will be provided by City staff. This is a heavy traffic area project.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Engineering & Bid Docs	20,000			20,000			
Management & Admin	15,000			15,000			
Construction	145,000			145,000			
TOTAL COSTS	180,000			180,000			
REQUESTED FUNDING							
TIB Pavement Preservation	153,000			153,000			
Grant Matching	27,000			27,000			
TOTAL SOURCES	180,000			180,000			



Street Department

T12

Lawson Street Ph. 1

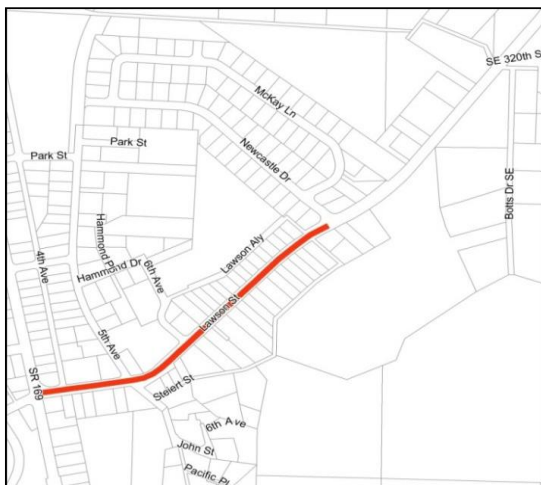
DESCRIPTION

Major Street Maintenance. Surface grinding; some panel replacement and shoulder widening from SR 169 to Newcastle Dr.

BACKGROUND

The pavement condition is average to poor. The roadway width is a little to narrow with no shoulders. The engineering, bid process, inspections and project management will be provided by City staff.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Engineering & Bid Docs	20,000			20,000			
Management & Admin	15,000			15,000			
Construction	130,000			130,000			
TOTAL COSTS	165,000			165,000			
REQUESTED FUNDING							
TIB Pavement Preservation	148,500			148,500			
Grant Matching	16,500			16,500			
TOTAL SOURCES	165,000			165,000			



Street Department

T13

Grant Matching Fund

13.03

DESCRIPTION

This project is used to accumulate funds for a match for grants for street and pedestrian projects now scheduled on the CIP.

BACKGROUND

The City has used this fund for professional technical assistance with grant applications and supplement funding if a grant is received for a project that needs to be moved up in the CIP schedule or if a larger match than anticipated is needed.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Funding to Match Grants	240,000	40,000	40,000	40,000	40,000	40,000	40,000
TOTAL COSTS	240,000	40,000	40,000	40,000	40,000	40,000	40,000
REQUESTED FUNDING							
Real Estate Excise Tax 2	240,000	40,000	40,000	40,000	40,000	40,000	40,000
TOTAL SOURCES	240,000	40,000	40,000	40,000	40,000	40,000	40,000

**What is a matching grant?**

A matching grant is a contingent grant awarded only if the receiving entity is able to put up (or independently raise) a sum equal to the amount provided by the granting entity.



Street Department

T14

Lawson Street Sidewalk Phase 2

13.5

DESCRIPTION

Pedestrian Project. Construct 1015 feet of new 5 foot concrete sidewalk on the north side of Lawson Street to from Sixth Avenue to the east boundary of Lawson Hill Estates. This project does not include curb gutter or street widening.

BACKGROUND

Lawson Hill Estates and the surrounding area is within 1 mile of the elementary school on Baker Street. The City is partnering with the School District to seek Safe Routes to School grants for this project. It is anticipated that additional funding will be needed to cover the entire cost. Transportation Improvement Board Funding and or potentially MPD mitigation funding may also be available. The City and the School District are planning to cooperate and jointly apply for this grant in 2017 for funding in 2018 and 2019.

COMMENTS

The timing of this project may have to wait for the pedestrian mitigation assistance from the Lawson Hills developer for this project. Other grant funding may also be available to complete the total funding.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Land/Right of Way	10,000		10,000				
Design Engineering	61,000		61,000				
Mgmt & Admin	15,000		5,000	10,000			
Construction Costs	270,000			270,000			
TOTAL COSTS	356,000		76,000	280,000			
REQUESTED FUNDING							
Safe Rt to School Grant	165,000		55,000	110,000			
TIB Pedestrian Grant	150,000			150,000			
Dev/Impact Fees/SEPA	41,000		21,000	20,000			
TOTAL SOURCES	356,000		76,000	280,000			



Street Department

T15

Downtown Pedestrian and Bicycle Linkages Study

DESCRIPTION

Pedestrian Project: This study will identify the best routes for pedestrians and bicycles to connect to the north and south of the old downtown area and identify right of way acquisition if needed.

BACKGROUND

The existing right of way for the state route is inadequate for widening to accommodate additional lanes along with pedestrian and bicycles. The study will investigate various bypass routes and key connection points, and provide opportunities for public input. Once the City has approved a pedestrian and bicycle plan for the downtown area the City will be in a better position to seek funding for these important alternative mode connections.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Preliminary Engineering	10,000					10,000	
Design Engineering	20,000					20,000	
TOTAL COSTS	30,000					30,000	
REQUESTED FUNDING							
Grant Match	3,000					3,000	
Pedestrian Grant	27,000					27,000	
TOTAL SOURCES	30,000					30,000	



Street Department

T16

Lawson Connector

DESCRIPTION

Capacity Adding Project. This project provides a new connection from East Black Diamond to SR 169 west of the narrow section of through old downtown. The new road will primarily serve the Lawson Hills Master Planned Development.

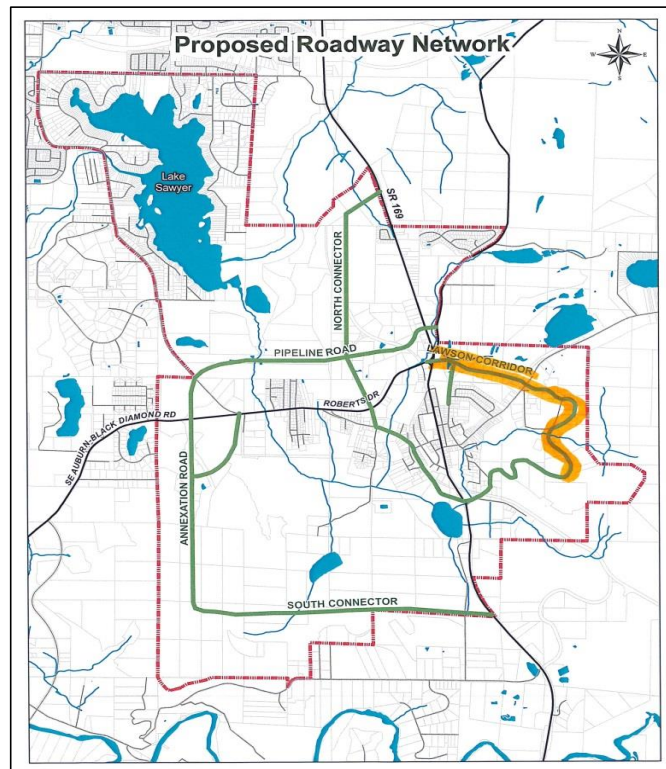
BACKGROUND

This important additional street connection will help distribute traffic and increase local capacity as well as preserve the existing capacity on Lawson street and the downtown corridor on SR 169. This project was added to the future street network planning in the 2009 comprehensive plan update.

COMMENTS

The timing of this project is tied to the Lawson Hills MPD initial phases. This project is planned to be designed and constructed by the developer.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Design Engineering	600,000		600,000				
Construction Costs	2,600,000		2,600,000				
TOTAL COSTS	3,200,000		3,200,000				
REQUESTED FUNDING							
Developer Funded	3,200,000		3,200,000				
TOTAL SOURCES	3,200,000		3,200,000				



Street Department

T17

BD-Ravensdale Rd/Roberts Drive /SR 169 Interim Intersection Improve.

DESCRIPTION

Capacity Adding Project. This project will meet existing Level of Service deficiency, near term future capacity needs and address safety issues at these two intersections.

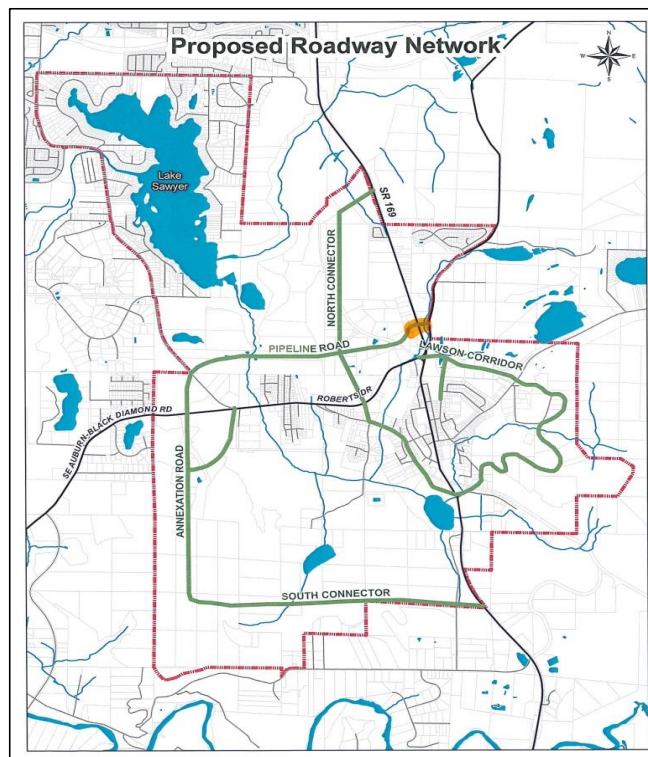
BACKGROUND

If the City is able to obtain significant grant funding in the next couple of years (once the population exceeds 5,000), the City may be able to move forward with a better long term comprehensive solution for these two intersections. This initial interim project does not replace the ultimate plan for these intersections but it will give the City more time to obtain the funding for a more comprehensive solution.

COMMENTS

This project is planned to be designed and constructed by the developer.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Design Engineering	200,000	200,000					
Management & Administration	100,000		100,000				
Construction Costs	1,000,000			1,000,000			
TOTAL COSTS	1,300,000	200,000	100,000	1,000,000			
REQUESTED FUNDING							
Developer Funded	1,300,000	200,000	100,000	1,000,000			
TOTAL SOURCES	1,300,000	200,000	100,000	1,000,000			



Street Department

T18

North Connector

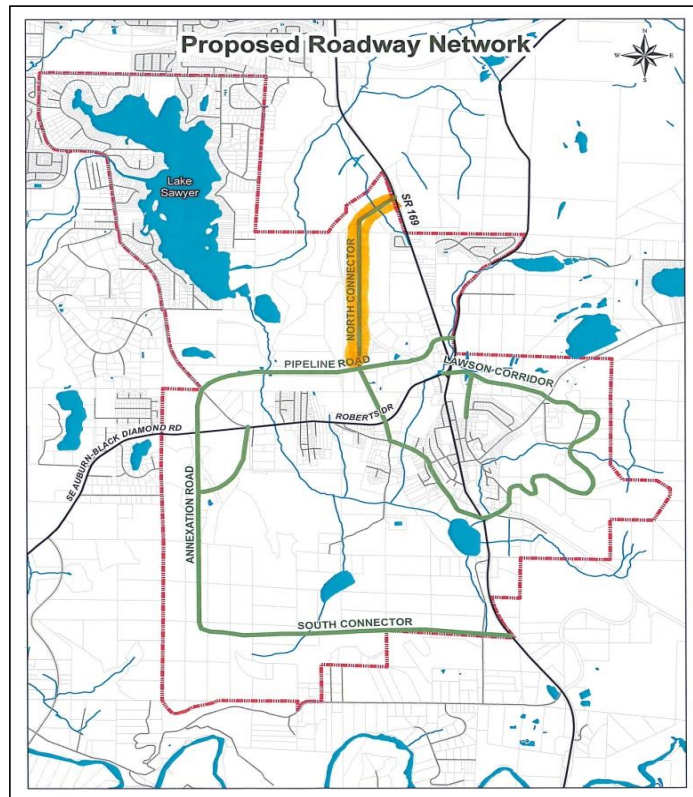
DESCRIPTION

Capacity Adding Project. This project provides a link from the North Triangle area of Lawson Hill MPD and the Villages MPD to SR 169 and a future link to the "pipeline" road.

BACKGROUND

This project is consistent with the City's Future Road Network Plan in the City's Comprehensive Plan

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Design Engineering	225,000				225,000		
Construction Costs	775,000				775,000		
TOTAL COSTS	1,000,000				1,000,000		
REQUESTED FUNDING							
Developer Funded	1,000,000				1,000,000		
TOTAL SOURCES	1,000,000				1,000,000		



Street Department

T19

Roberts Dr/Lake Sawyer Rd Extension Roundabout

DESCRIPTION

Capacity Adding Project. This project will provide intersection capacity as needed for the Villages MPD.

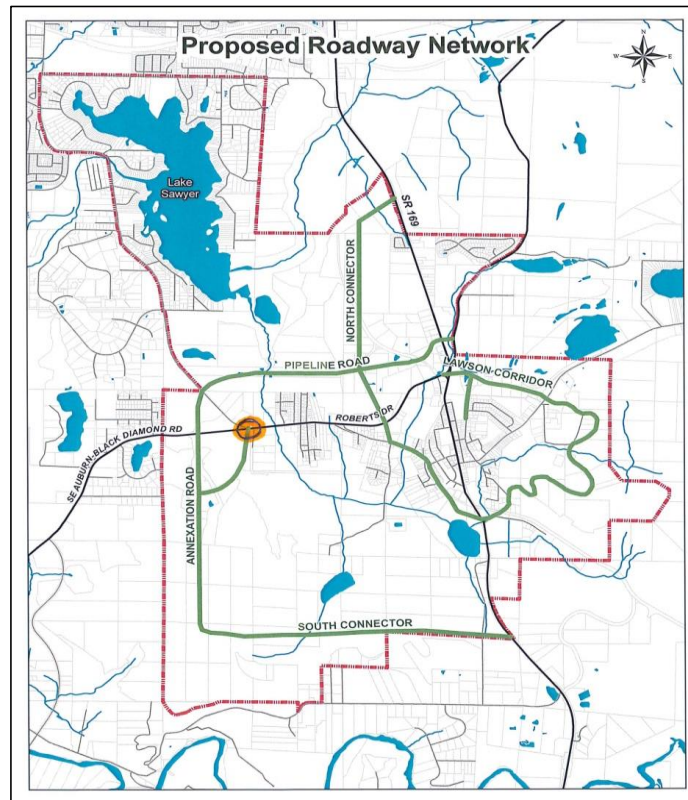
BACKGROUND

This project is consistent with the City's Future Road Network Plan in the City's Comprehensive Plan

COMMENTS

This project is planned to be designed and constructed by the developer.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Design Engineering	225,000	225,000					
Construction Costs	775,000	775,000					
TOTAL COSTS	1,000,000	1,000,000					
REQUESTED FUNDING							
Developer funded	1,000,000	1,000,000					
TOTAL SOURCES	1,000,000	1,000,000					



Street Department

T20

BD-Ravensdale Rd/SR 169 Permanent Intersection Imp.

DESCRIPTION

Capacity Adding Project. This project realigns Ravensdale Road further to the north providing a functional distance between the next major intersection to the south (Roberts Drive) The intersection capacity will be increased by either a larger signalized intersection or a roundabout. Road right of way will need to be acquired.

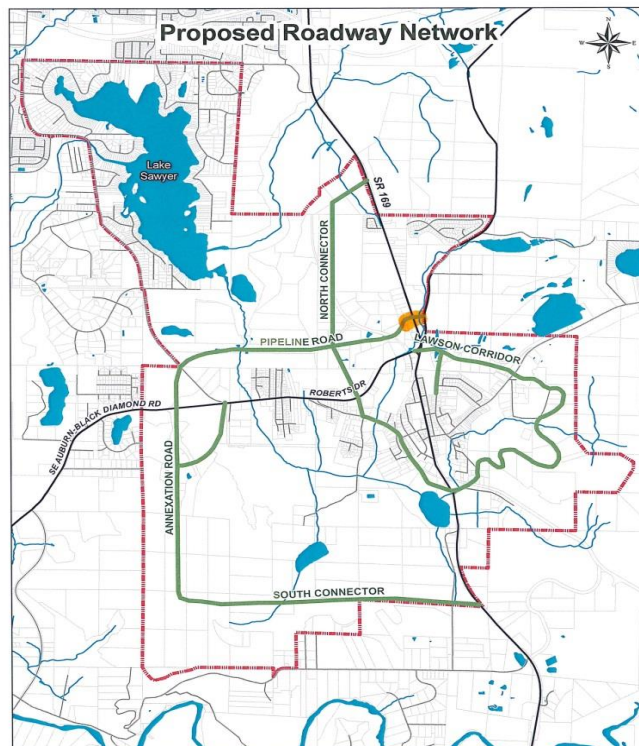
BACKGROUND

This project is in keeping with the City's adopted Future Roadway Network as part of the City's Comprehensive Plan. Once the City is over 5000 in population, the City will be eligible for larger grants for larger projects such as this.

COMMENTS

This project is planned to be designed and constructed by the developer.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Design Engineering	1,500,000					1,500,000	
Construction Costs	6,500,000					6,500,000	
TOTAL COSTS	8,000,000					8,000,000	
REQUESTED FUNDING							
Developer Funded	4,000,000					4,000,000	
TIB Federal Grant Matching	4,000,000					4,000,000	
TOTAL SOURCES	8,000,000					8,000,000	



Street Department

T21

Roberts Dr/Annexation Road Intersection Improvements

DESCRIPTION

Capacity Adding Project. This project will provide intersection capacity to serve the Villages MPD.

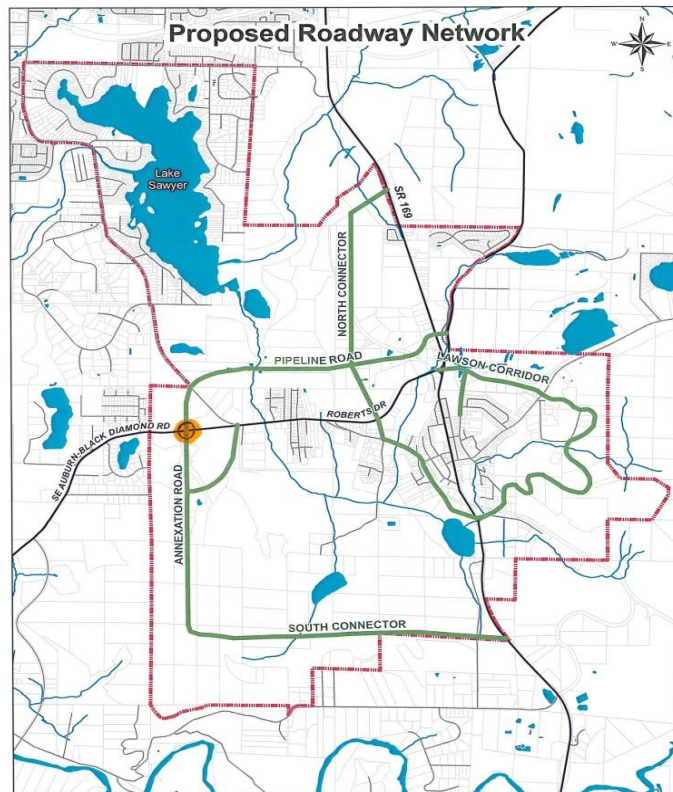
BACKGROUND

This project is consistent with the City's Comprehensive Plan and the Future Road Network plan therein.

COMMENTS

This project is planned to be designed and constructed by the developer.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Design Engineering	250,000					250,000	
Construction Costs	750,000					750,000	
TOTAL COSTS	1,000,000					1,000,000	
REQUESTED FUNDING							
Developer Funded	1,000,000					1,000,000	
TOTAL SOURCES	1,000,000					1,000,000	



Street Department

T22

216th Ave SE/SE 288th St Intersection Improvements

DESCRIPTION

Capacity Adding Project. This project will provide intersection capacity for growth within the City of Black Diamond.

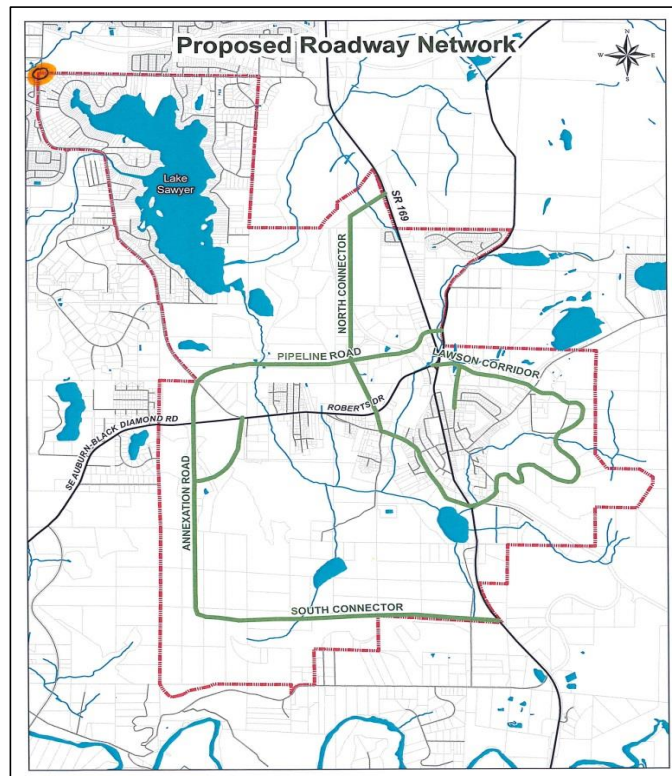
BACKGROUND

This project is consistent with the City's Comprehensive Plan and the Future Road Network Plan therein.

COMMENTS

This project is planned to be designed and constructed by the developer.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Design Engineering	300,000						300,000
Construction Costs	1,100,000						1,100,000
TOTAL COSTS	1,400,000						1,400,000
REQUESTED FUNDING							
Developer Funded	1,400,000						1,400,000
TOTAL SOURCES	1,400,000						1,400,000



Water Department

CAPITAL PROJECT SUMMARY

Summary by Project							
		Capital Plan 2017 - 2022					
Project Title	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
W1 4.3 Mil Gal Tank Maintenance and Repair	30,000	30,000					
W2 Springs & Transmission Reconstruction	2,956,000	465,000	2,491,000				
W3 Water Comprehensive Plan Update	30,000	30,000					
W4 Salmon Enhancement & Green Energy	1,392,000			77,000	55,000	210,000	1,050,000
W5 Asbestos Water Main Replacement Prgm	535,000	5,000	3,000	99,000	428,000		
W6 0.5 MG Water Reservoir Recoat	215,000		20,000	195,000			
W7 Fire Flow Loop - North Commercial Area	800,000				140,000	660,000	
TOTAL ESTIMATED COSTS	5,958,000	530,000	2,514,000	371,000	623,000	870,000	1,050,000
Funding Sources							
Water Reserves and Rates							
W1 4.3 Mil Gal Tank Maintenance and Repair	30,000	30,000					
W3 Water Comprehensive Plan Update	30,000	30,000					
W5 Asbestos Water Main Replacement Prgm	59,000	5,000	3,000	9,000	42,000		
W7 Fire Flow Loop - North Commercial Area	400,000				70,000	330,000	
Total Water Reserves & Rates	519,000	65,000	3,000	9,000	112,000	330,000	
Water System & Facilities Funding Agmt (WSFFA)							
W2 Springs & Transmission Reconstruction	2,956,000	465,000	2,491,000				
Total WSFFA Funds	2,956,000	465,000	2,491,000				
Grant Funding							
W4 Salmon Mitigation (Salmon Enhancement)	540,000						540,000
W4 Green Energy (Salmon Enhancement)	550,000				40,000		510,000
W5 CDBG Grant (Asbestos Replacement Prgm)	476,000			90,000	386,000		
Total Grant Funding	1,566,000			90,000	426,000		1,050,000
Loans							
W4 PWTF Loan (Salmon Enhancement)	302,000			77,000	15,000	210,000	
W6 PWTF Loan (0.5 MG Water Reservoir Recoat)	215,000		20,000	195,000			
Total PWTF Loan	517,000		20,000	272,000	15,000	210,000	
Developer Funding							
W7 Fire Flow Loop - North Commercial Area	400,000				70,000	330,000	
Total Developer Funding	400,000				70,000	330,000	
TOTAL ESTIMATED FUNDING SOURCES	5,958,000	530,000	2,514,000	371,000	623,000	870,000	1,050,000

Water Department

W1

4.3 Mil Gal Tank Maintenance & Repairs

14.11

DESCRIPTION

The 4.3 million gallon water tank will be 10 years old in 2016. The tank will need be drained and any and all spots of corrosion or paint damage will need to be spot treated to help preserve the over all inside and exterior coatings.

COMMENTS

This project while it is a maintenance project does extend the life of the coating by about 5 to 10 years and therefore is included in this Capital Improvement Plan

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Water Tank Maintenance	30,000	30,000					
TOTAL COSTS	30,000	30,000					
REQUESTED FUNDING							
Water Rates	30,000	30,000					
TOTAL SOURCES	30,000	30,000					

Newly constructed



August 2016



Water Department

W2

Springs & Transmission Reconstruction (WSFFA)

13.06

DESCRIPTION

The concept to rehabilitate the City's water source has shifted from A (trying to protect and rehabilitate the existing open springs, replacing pipes over the steep slope, and reconstructing the river crossing) to B (tapping an artesian spring on the north side of the river, changing the water right point of withdrawal, and securing an easement from State Parks. Common to both options are a new pumping system, an updated chlorine system, and replacing the transmission main back to Black Diamond.

BACKGROUND

In late 2013, the City contracted with RH2 to study and compare two alternative concepts to improve and redevelop the springs to full water right capacity. The Springs Alternative Analysis Study recommended that the City pursue tapping an artesian spring on the north side of the river rather than reconstructing the more vulnerable and more complicated spring collection system on the south side. City staff and the Public Works Committee and Council at a CIP workshop agreed with this recommendation because of the lower maintenance, higher reliability, lower risks to employees, and a better protected water supply.

COMMENTS

This is a capacity and system reliability project funded by the Water Supply and Facilities Funding Agreement (WSFFA).

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Easement/water right transfer	300,000	150,000	150,000				
Road/bldg imp.	30,000		30,000				
Preliminary Engineering	80,000	80,000					
Design Engineering	180,000	180,000					
Management / Admin	105,000	55,000	50,000				
Construction Costs	2,251,000		2,251,000				
Legal Fees	10,000		10,000				
TOTAL COSTS	2,956,000	465,000	2,491,000				
REQUESTED FUNDING							
Water Supply & Fac. Fnd Agrmt.	2,956,000	465,000	2,491,000				
TOTAL SOURCES	2,956,000	465,000	2,491,000				



Water Department

W3

Water Comprehensive Plan Update

14.12

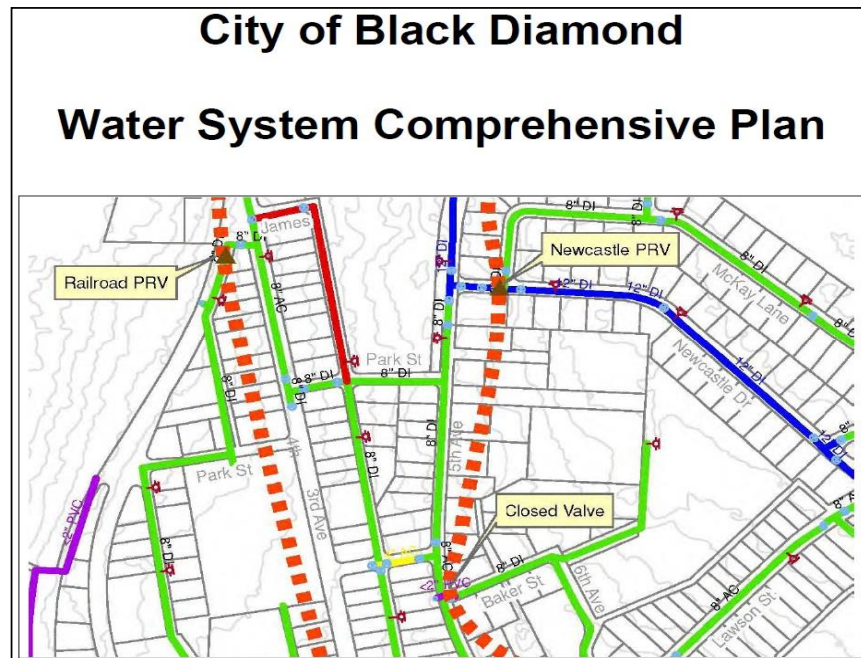
DESCRIPTION

The Department of Health requires an update of the Water Comprehensive Plan every 6 years. The City was due to update the Water Comprehensive Plan in 2015.

COMMENTS

The Public Works Department work load and staffing level has held up the update the Water Comprehensive Plan. A portion of the work was intended to be done in house with assistance from an outside consultant for water system modeling and system mapping. The City staff also needs time to guide and direct the planning effort.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Management / Administration	5,000	5,000					
In house engineering	5,000	5,000					
Public hearings/edits/approval	20,000	20,000					
TOTAL COSTS	30,000	30,000					
REQUESTED FUNDING							
Water Reserves and Rates	30,000	30,000					
TOTAL SOURCES	30,000	30,000					



Water Department

W4

Salmon Enhancement & Green Energy

14.09

DESCRIPTION

Replace the turbine, with a new larger turbine, electrical generator and connections to the power grid. The inlet pipe and spring overflow pipes needs to be replaced and upsized. The outlet discharge pipe needs to be replaced.

BACKGROUND

This project will provide a source of green energy, prevent south bank erosion, reduce the risk of landslides into the Green River, reduce turbidity in the Green River and protect the stability of the springs collection sites. The City hopes to partner with an environmental group or a local tribe for the construction of a salmon spawning bed with the cool clean discharge water from the power generation.

COMMENTS

The City is considering a simpler, easier to maintain water source on the north side of the Green River. See project W1. The transfer of the springs water right to an artesian spring on the north side of the river separates the need for the turbine pumping of south spring water across the river and therefore separates the obligation from the Water Supply and Facilities Funding Partners. However the benefit to the City of potentially generating revenue to keep water rates down and producing clean green power is still available to the City. The possibility of grant funding for the project looks very strong. If debt is incurred it will be repaid by energy savings.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Preliminary Engineering	70,000			70,000			
Permit and Partnership Dev	50,000				50,000		
Engineering	200,000					200,000	
Project Management	72,000			7,000	5,000	10,000	50,000
Construction Costs	1,000,000						1,000,000
TOTAL COSTS	1,392,000			77,000	55,000	210,000	1,050,000
REQUESTED FUNDING							
Grant Funding							
Grant (Salmon mitigation)	540,000						540,000
Grant (Green Energy)	550,000				40,000		510,000
Total Grant Funding							
Loans							
PWTF Loan	302,000			77,000	15,000	210,000	
TOTAL SOURCES	1,392,000			77,000	55,000	210,000	1,050,000



Water Department

W5

Asbestos Water Main Replacement Program

17.13

DESCRIPTION

Replace 4 inch and 6 inch asbestos water main on Morgan Drive from Roberts Drive to the north end of Morgan Drive, east to Union and then south 350 feet to the existing ductile iron pipe. 1600 feet.

BACKGROUND

This project will improve fire flows to the Morganville area and replace substandard pipe that is nearing its useful performance life. An income survey will be required to determine eligibility for Community Development Block Grant Funding.

COMMENTS

Further future study of the existing asbestos water mains may show that a different asbestos water main should be replaced than this particular water main. Leak history, street reconstruction projects, pavement condition, developer improvements and asbestos pipe strength tests may change the priority of the asbestos pipe to be replaced.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Income survey/ CDBG application	8,000	5,000	3,000				
Preliminary Engineering	20,000			20,000			
Engineering, Design, Bid Docs	70,000			70,000			
Management / Administration	19,000			9,000	10,000		
Construction	380,000				380,000		
Contingency	38,000				38,000		
TOTAL COSTS	535,000	5,000	3,000	99,000	428,000		
REQUESTED FUNDING							
KC CDBG Grant	476,000			90,000	386,000		
REET or Grant Matching Funds	59,000	5,000	3,000	9,000	42,000		
TOTAL SOURCES	535,000	5,000	3,000	99,000	428,000		



Water Department

W6

0.5 MG Water Reservoir Recoat

DESCRIPTION

Repaint the 0.5 MG reservoir inside and out.

BACKGROUND

The City drained and inspected the interior of the water tank in 2015. The interior coating has deteriorated to a point where total replacement is needed. If the developer were to move forward with development above this reservoir, it would be cheaper with lower operational cost to rebuild the storage capacity up above with the new reservoir that will be needed at a higher elevation. However the lower reservoir would need to last until the higher one is built.

COMMENTS

This project has been deferred to 2019. In 2018 The City will reassess the tank condition, and the development schedule and make a decision to defer the project for a few more years or move forward and paint the tank and preserve it. If the City makes a decision to move forward the staff should seek PWTF loan if available.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Design Engineering & Bid Docs	20,000		20,000				
Specialty Inspection	10,000			10,000			
Tank Painting	180,000			180,000			
Project Management	5,000			5,000			
TOTAL COSTS	215,000		20,000	195,000			
REQUESTED FUNDING							
PWTF Loan or other	215,000		20,000	195,000			
TOTAL SOURCES	215,000		20,000	195,000			



Water Department

W7

Fire Flow Loop - North Commercial Area

13.08

DESCRIPTION

Replace 200 feet of 4 inch asbestos concrete with 12 inch ductile iron water main across SR 169 at the power substation; Complete a 750 foot 12 inch ductile iron water main loop from Cedar Brook Mobile Home Park to the 6 inch asbestos water main behind Boots Tavern. Replace 1200 feet of 8 inch asbestos water main on the west side of SR 169 from Ravensdale Road north to the existing 12 inch ductile iron water main. 2150 feet of 12 inch water in total.

BACKGROUND

This is a capacity and system reliability project. Other commercial properties development along SR-169 may also be contributing or constructing portions of this project, if required through SEPA. This project can easily be phased if funding is short.

COMMENTS

This project does not describe what is needed to provide fire flow and redundant service to the north triangle but rather is the minimum to provide a looped system for the north part of the existing city system. If OakPointe commercial development in the North Triangle moves forward, the water line looping required for that new development will provide an outside loop for this area and therefore lower the priority of the project. The pipe replacement issues however would remain.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Management / Administration	30,000				30,000		
Permitting, easements, legal	30,000				30,000		
Engineering	80,000				80,000		
Construction Costs	660,000					660,000	
TOTAL COSTS	800,000				140,000	660,000	
REQUESTED FUNDING							
Water Fund Reserves	400,000				70,000	330,000	
Developer Mitigation	400,000				70,000	330,000	
TOTAL SOURCES	800,000				140,000	660,000	



Sewer Department

CAPITAL PROJECT SUMMARY

Summary By Project							
		Capital Plan 2017 - 2022					
Project Title	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
S1 Upgrade Utility Staff Facilities	59,000	59,000					
S2 Infiltration and Inflow Reduction	150,000	25,000	25,000	25,000	25,000	25,000	25,000
S3 Cedarbrook Sewer Main	330,000	35,000	295,000				
S4 Materials Handling Facility	360,000			10,000	350,000		
S5 Morganville Force Main Reroute	460,000					20,000	440,000
S6 Equipment Replacement	282,000	47,000	47,000	47,000	47,000	47,000	47,000
TOTAL ESTIMATED COSTS	1,641,000	166,000	367,000	82,000	422,000	92,000	512,000
Funding Sources							
PWTF Loan Funding							
S3 Cedarbrook Sewer Main	330,000	35,000	295,000				
S5 Morganville Force Main Reroute	440,000						440,000
Total PWTF Funding	770,000	35,000	295,000				440,000
Grants							
S4 Materials Handling Facility	300,000				300,000		
Total Grants	300,000				300,000		
Sewer Reserves							
S1 Upgrade Utility Staff Facilities	29,000	29,000					
S2 Infiltration and Inflow Reduction	150,000	25,000	25,000	25,000	25,000	25,000	25,000
S4 Materials Handling Facility	12,000			2,000	10,000		
S5 Morganville Force Main Reroute	20,000					20,000	
S6 Equipment Replacement	60,000	10,000	10,000	10,000	10,000	10,000	10,000
Total Sewer Reserves	271,000	64,000	35,000	37,000	45,000	55,000	35,000
Contributions from other Departments							
S1 Upgrade Utility Staff Facilities	30,000	30,000					
S4 Materials Handling Facility	48,000			8,000	40,000		
S6 Equipment Replacement	222,000	37,000	37,000	37,000	37,000	37,000	37,000
Total Contributions from Other Departments	300,000	67,000	37,000	45,000	77,000	37,000	37,000
TOTAL ESTIMATED FUNDING SOURCES	1,641,000	166,000	367,000	82,000	422,000	92,000	512,000
DEBT SERVICE							
S3 Cedarbrook Sewer Main	69,270		13,854	13,854	13,854	13,854	13,854
TOTAL DEBT SERVICE	69,270		13,854	13,854	13,854	13,854	13,854

Sewer Department

S1

Upgrade Facilities Staff Facility

DESCRIPTION

Provide locker room, boot / rain / safety gear room, shower and cleanup facility. Install security fencing around the facility with automated gates.

BACKGROUND

Staff has one small bathroom that is too small to change clothes, needs more room for gear storage, need a place to wash down when they get too muddy or contaminated from various materials in the course of their work. This project is being charged primarily to sewer as the need to shower and clean up is usually related to sewer work. The other major need is for fencing around the Public Works Facility for safety and security reasons.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
In house design & permitting	1,000	1,000					
Remodel costs	14,000	14,000					
Fencing costs	39,000	39,000					
Management / Administration	5,000	5,000					
TOTAL COSTS	59,000	59,000					
REQUESTED FUNDING							
Water Department	10,000	10,000					
Street Department	10,000	10,000					
Stormwater Department	10,000	10,000					
Sewer Funds.	29,000	29,000					
TOTAL SOURCES	59,000	59,000					



Sewer Department

S2

Infiltration and Inflow Reduction Program

13.10

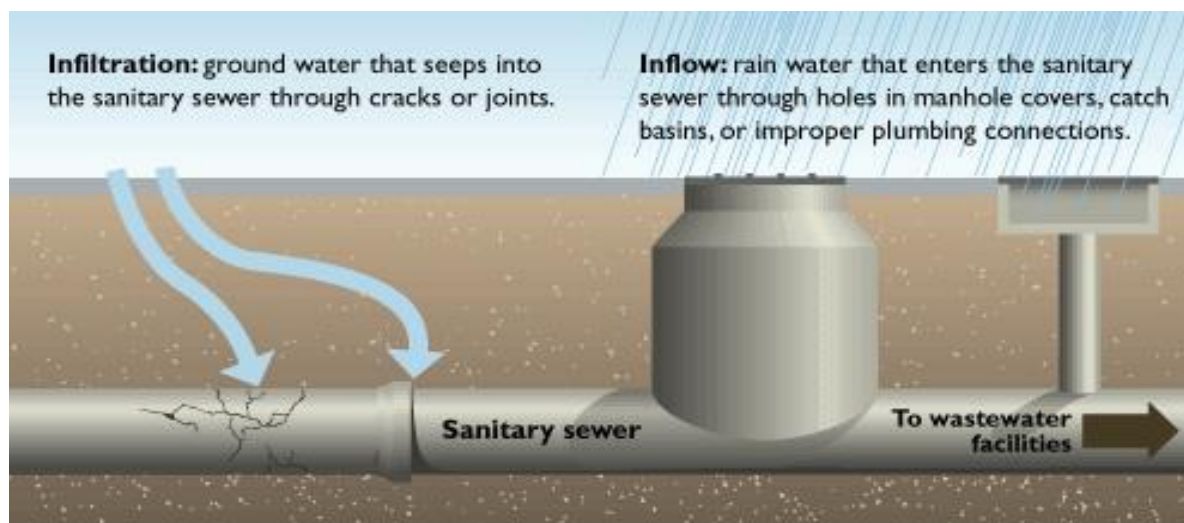
DESCRIPTION

This project funds any activities that reduce infiltration of groundwater or inflow of stormwater into the sewer system such as: TV inspections, smoke testing, flow monitoring, and then Repair Work such as: pipe rehabilitation, sealing, requiring private line replacement, manhole repair and sewer line replacement.

BACKGROUND

The City needs to reduce the infiltration and inflow as good stewardship and maintenance of the existing sewer system. The City also desires to preserve and recapture capacity in the wastewater system by reducing and controlling the peak flows. The City will continue to monitor the expense and effectiveness of this program.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Management / Administration	30,000	5,000	5,000	5,000	5,000	5,000	5,000
Design & Construction	120,000	20,000	20,000	20,000	20,000	20,000	20,000
TOTAL COSTS	150,000	25,000	25,000	25,000	25,000	25,000	25,000
REQUESTED FUNDING							
Sewer Reserve	150,000	25,000	25,000	25,000	25,000	25,000	25,000
TOTAL SOURCES	150,000	25,000	25,000	25,000	25,000	25,000	25,000



Sewer Department

S3

Cedarbrook Sewer Main

13.11

DESCRIPTION

Acquire City easement through the trailer park. Rehabilitate or reconstruct the existing sewer main to provide reliable public sewer service to the customers in the north east portion of the City.

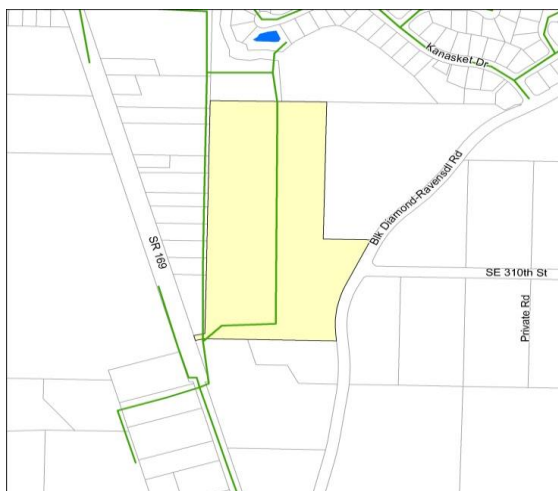
BACKGROUND

This project is necessary to reduce infiltration and Inflow and to eliminate the maintenance problems caused by the settled sections of sewer main.

COMMENTS

Portions of the existing sewer main will have to be reconstructed other section might be just repaired. The budget has been increased to reflect the cost of reconstructing portion of the sewer. A 20 year Public Works Trust Fund Loan will generate a debt payment of \$13,853.83 per year at 1%.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Prelim Engineering & Legal	30,000	30,000					
Design Engineering	50,000		50,000				
Construction Costs	235,000		235,000				
Management / Administration	15,000	5,000	10,000				
TOTAL COSTS	330,000	35,000	295,000				
REQUESTED FUNDING							
Public Works Trust Fund Loan	330,000	35,000	295,000				
TOTAL SOURCES	330,000	35,000	295,000				
PWTF Loan Repay							
Sewer Fund	69,270		13,854	13,854	13,854	13,854	13,854
Total Debt under Timeframe	69,270		13,854	13,854	13,854	13,854	13,854



Sewer Department

S4

Materials Handling Facility

13.13

DESCRIPTION

Construct a Materials Handling site for composting soil and organic material for re-use, storage of street waste for disposal, storage of woody debris and dewater vector material. The site will need sanitary sewer connection, a shed to keep contaminated materials out of the rain.

BACKGROUND

When the City sells the sewer lagoon back to Palmer Coking Coal as per the purchase and sale agreement, the City will need to either lease the site for a while longer but will need to look for a better long term solution for this need.

COMMENTS

Two other options are: 1) a joint facility with Covington, Maple Valley, King County and perhaps, WSDOT , 2) designing, permitting and constructing a facility between the gym and the public works buildings.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Study and interlocal coord	10,000			10,000			
Engineering and Environmental	20,000				20,000		
Property Purchase							
Construction Costs	330,000				330,000		
TOTAL COSTS	360,000			10,000	350,000		
REQUESTED FUNDING							
Sewer Funds	12,000			2,000	10,000		
Water Department	12,000			2,000	10,000		
Parks & Cemetery	12,000			2,000	10,000		
Street Department	12,000			2,000	10,000		
Stormwater Department	12,000			2,000	10,000		
Grant	300,000				300,000		
TOTAL SOURCES	360,000			10,000	350,000		



Sewer Department**S5****Morganville Force Main Reroute****13.12****DESCRIPTION**

Reroute the flows from the Morgan Street Sewer pump station from pumping to the Jones Lake Pump Station to pump to the new King County western storage facility. The new force main will be about 3500 feet from Morgan Street west along Roberts Drive and northwest along Lake Sawyer Road East.

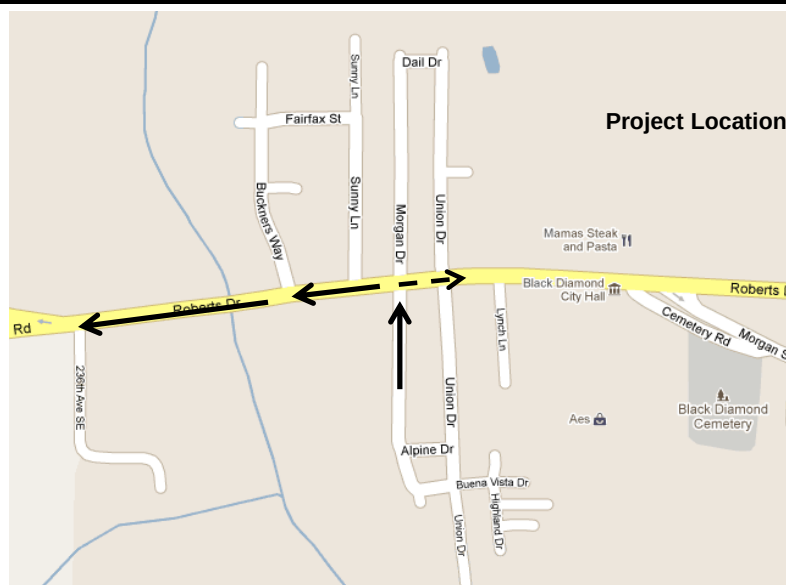
BACKGROUND

This project was programmed to provide capacity for infill in the old part of Black Diamond and save energy from pumping sewage twice. The need has diminished because of King County approval of a regional discharge location in the western part of Black Diamond, additional capacity from obstruction removal on our main trunk line and with the verification excellent pipe condition and capacity of our main trunk line. The priority of this project will also be affected, if Infiltration and Inflow can be reduced further.

COMMENTS

A Public Works Trust Fund Loan of 20 years generates a debt payment of \$24,382.74 per year at 1%. This project is shifted to later years because of the lower priority as described above.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Preliminary Engineering	20,000					20,000	
Design Engineering	40,000						40,000
Construction Costs	380,000						380,000
Management / Administration	20,000						20,000
TOTAL COSTS	460,000					20,000	440,000
REQUESTED FUNDING							
Sewer Reserve	20,000					20,000	
PWTF Loan	440,000						440,000
TOTAL SOURCES	460,000					20,000	440,000
PWTF Loan Repay Begins in 2023							



Sewer Department

S6

Equipment Replacement Program

DESCRIPTION

Replace and purchase new equipment as needed for the City Public Works needs, with regular, fairly distributed, expenses to the various departments.

BACKGROUND

The current funding level which has been in place for about 10 years appears to be enough to meet the current needs of the department. No adjustment are currently being recommended.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Contribution to Equipment Fund	282,000	47,000	47,000	47,000	47,000	47,000	47,000
TOTAL COSTS	282,000	47,000	47,000	47,000	47,000	47,000	47,000
REQUESTED FUNDING							
Water Department	60,000	10,000	10,000	10,000	10,000	10,000	10,000
Sewer Department	60,000	10,000	10,000	10,000	10,000	10,000	10,000
Stormwater Department	60,000	10,000	10,000	10,000	10,000	10,000	10,000
Street Department	60,000	10,000	10,000	10,000	10,000	10,000	10,000
Parks/ Cemetery	42,000	7,000	7,000	7,000	7,000	7,000	7,000
TOTAL SOURCES	282,000	47,000	143,018	143,019	47,000	47,000	47,000

Public Works Equipment Replacement Plan	2017	2018	2019	2020	2021	2022
Replace John Deere Riding Mower	15,000					
Back Hoe Tune Up	10,000					
Replace Ferris zero turn Mower		12,000				
1/2 Ton Utility Truck 4X4		40,000				
Sewer Jet Rodder major maintenance		20,000				
1998 White Ford PU Truck Replace					50,000	
Cemetery Casket Lowering Device & Carport		5,000				
Mini Track Hoe			130,000			
2005 White Chevy 4X4 Replace				40,000		
Totals	\$ 25,000	\$ 77,000	\$ 130,000	\$ 40,000	\$ 50,000	\$ -



Stormwater Department

CAPITAL PROJECT FUNDING SUMMARY

Summary by Project							
		Capital Plan 2017 - 2022					
Project Title	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
D1 Lawson Hills Storm Pond Sediment Removal	10,000	10,000					
D2 Replace Covington Creek Culverts	637,000	22,000	615,000				
D3 N. Commercial St 169 Stormwater Improvements	910,000	25,000	885,000				
D4 Ginder Creek Headwall	90,000			40,000	50,000		
D5 Lawson Hills Stormwater Pond Improvement	140,000						140,000
D6 Replace Diamond Glen Storm Pond	80,000						80,000
TOTAL ESTIMATED EXPENDITURES	1,867,000	57,000	1,500,000	40,000	50,000		220,000
Funding Sources							
Grants							
D2 Replace Covington Creek Culverts	637,000	22,000	615,000				
D3 N. Commercial St 169 Stormwater Improvements	850,000		850,000				
D4 Ginder Creek Headwall	45,000			20,000	25,000		
Total Grants	1,532,000	22,000	1,465,000	20,000	25,000		
Stormwater Funding							
D1 Lawson Hills Storm Pond Sediment Removal	10,000	10,000					
D5 Lawson Hills Stormwater Pond Improvement	140,000						140,000
Total Stormwater Funding	150,000	10,000					140,000
Sale of Land (Stormwater Funds)							
D6 Replace Diamond Glen Storm Pond	80,000						80,000
Total Sale of Land	80,000						80,000
Real Estate Excise Tax 2							
D3 N. Commercial St 169 Stormwater Improvements	60,000	25,000	35,000				
Total REET 2 Funding	60,000	25,000	35,000				
Grant Matching							
D4 Ginder Creek Headwall	45,000			20,000	25,000		
Total Grant Matching	45,000			20,000	25,000		
TOTAL ESTIMATED FUNDING SOURCES	1,867,000	57,000	1,500,000	40,000	50,000		220,000

Stormwater Department

D1

Lawson Hills Estates Storm Pond

15.01

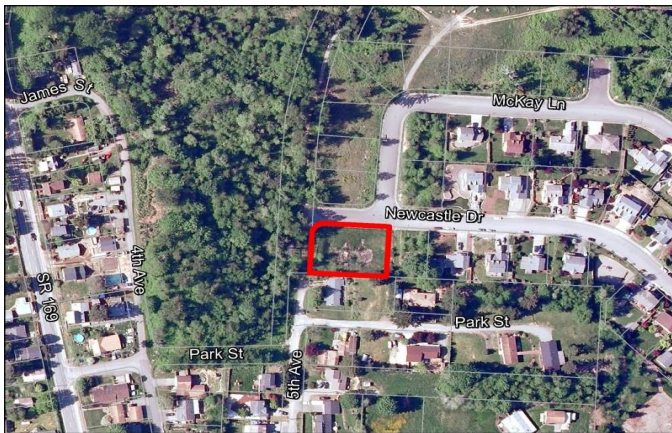
DESCRIPTION

Reduce the scope of this project from constructing a maintenance access road to bringing in special equipment to remove the sediment and re-establish the treatment flow regime.

BACKGROUND

In preliminary design and project planning, the City considered the cost and benefit of constructing a maintenance access as compared to bringing in an excavator to remove the sediment from the bottom of the pond and re-establishing the effectiveness of the storm pond. Given that the frequency of removing sediment is expected to be on the order of 20 years, this simplified approach is more cost effective.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Construction	10,000	10,000					
TOTAL COSTS	10,000	10,000					
REQUESTED FUNDING							
Stormwater Funds	10,000	10,000					
TOTAL SOURCES	10,000	10,000					



Stormwater Department

D3

North Commercial and SR 169 Stormwater Treatment Pond

13.15

DESCRIPTION

Collect storm water runoff from the main commercial area in north Black Diamond and from State Route 169 and route to city property north of the library. Construct a wet pond or vault for pre-treatment followed by constructed wetlands to dispersion trenches for discharge to upland above Ginder Creek.

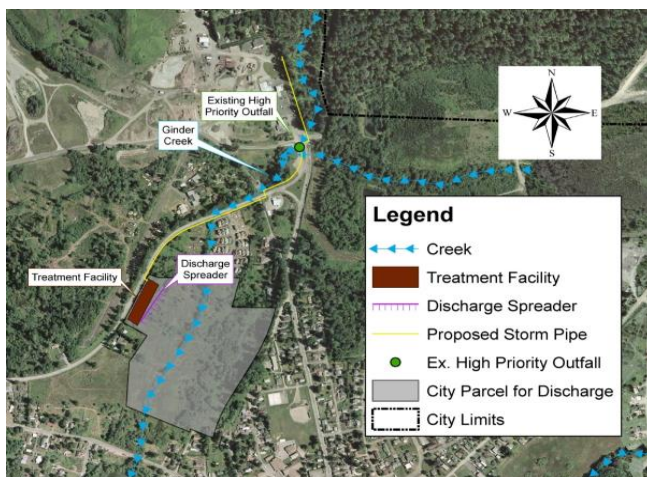
BACKGROUND

Whereas there is a total maximum daily load (TMDL) on Lake Sawyer for phosphorous, the city should look for opportunities to reduce phosphorous inputs from existing untreated stormwater discharges. Stormwater outfall discharges from the commercial area and the state route appear to have the highest pollutant loadings as compared to other City stormwater outfalls.

COMMENTS

The City obtained a grant from the Department of Ecology for the design of this project. With a completed design at 90%, the City will have a well defined project and will use the detailed information to improve grant applications.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Final Engineering Prepare Bid Docs	20,000	20,000					
Construction	850,000		850,000				
Management / Administration	40,000	5,000	35,000				
TOTAL COSTS	910,000	25,000	885,000				
REQUESTED FUNDING							
Opportunity funds BD set aside	60,000	25,000	35,000				
Grant Funding	850,000		850,000				
TOTAL SOURCES	910,000	25,000	885,000				



Stormwater Department

D4

Ginder Creek Headwall

14.16

DESCRIPTION

Reconstruct an 80 foot section of the Ginder Creek Headwall along the north side of Roberts Drive

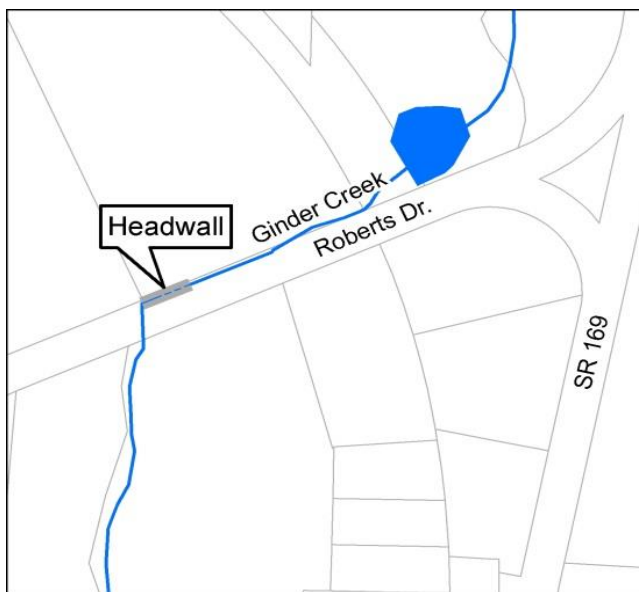
BACKGROUND

The base of the existing concrete headwall was not constructed deep enough so that high flows in Ginder Creek have undermined the headwall destabilizing the wall. The headwall has been slowly tilting into the Creek. Staff has braced the headwall as an interim step to hold the wall in position.

COMMENTS

This project is needed to protect the roadway and prevent the erosion that would occur if the headwall tipped over. A significant amount of the cost of this project will be related to environmental permitting. This project may get rolled into a larger street reconstruction project if street grants are obtained for this road segment.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Preliminary Engineer/Permitting	25,000			25,000			
Design Engineering	10,000			10,000			
Construction	45,000				45,000		
Management / Administration	10,000			5,000	5,000		
TOTAL COSTS	90,000			40,000	50,000		
REQUESTED FUNDING							
Grant	45,000			20,000	25,000		
Grant Matching	45,000			20,000	25,000		
TOTAL SOURCES	90,000			40,000	50,000		



Stormwater Department

D5

Lawson Hills Stormwater Ponds

DESCRIPTION

Reconstruct the two stormwater ponds in Lawson Hills estates to eliminate the conflicts of stormwater treatment and detention from the recreational use.

BACKGROUND

The original intent of these storm ponds was to provide joint use for homeowner association provided recreation facilities and City provided stormwater detention and treatment facilities. The configuration hasn't worked very well for stormwater or for recreation. The City would like to work with the Homeowners association to put the stormwater facilities underground so that the surface of the lots will be well drained and available for year around recreation and open space for the neighborhood.

COMMENTS

This project would make the stormwater system and the surface park easier to maintain for both agencies.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
In House Design/ Mgmt	15,000						15,000
Construction	120,000						120,000
Management / Administration	5,000						5,000
TOTAL COSTS	140,000						140,000
REQUESTED FUNDING							
Stormwater Funds	140,000						140,000
TOTAL SOURCES	140,000						140,000



Stormwater Department

D6

Replace Diamond Glen Storm Pond

DESCRIPTION

If the new regional stormwater facility is constructed for the North Villages Commercial area, divert stormwater from the Diamond Glen local stormwater pond to the regional stormwater facility.

BACKGROUND

Many small stormwater facilities increase the City maintenance costs. Providing a commensurate amount of storage and treatment in the larger regional stormwater pond to the west would allow the land to be reclaimed for a residential lot, improve the neighborhood and lower maintenance costs.

COMMENTS

Legal and planning issues must be addressed before the City property can be sold.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Pay for offsite pond capacity	15,000						15,000
Design and Bid	10,000						10,000
Construction	20,000						20,000
Management / Administration	5,000						5,000
Return funds to Operations	30,000						30,000
TOTAL COSTS	80,000						80,000
REQUESTED FUNDING							
Sale of Lot	80,000						80,000
TOTAL SOURCES	80,000						80,000



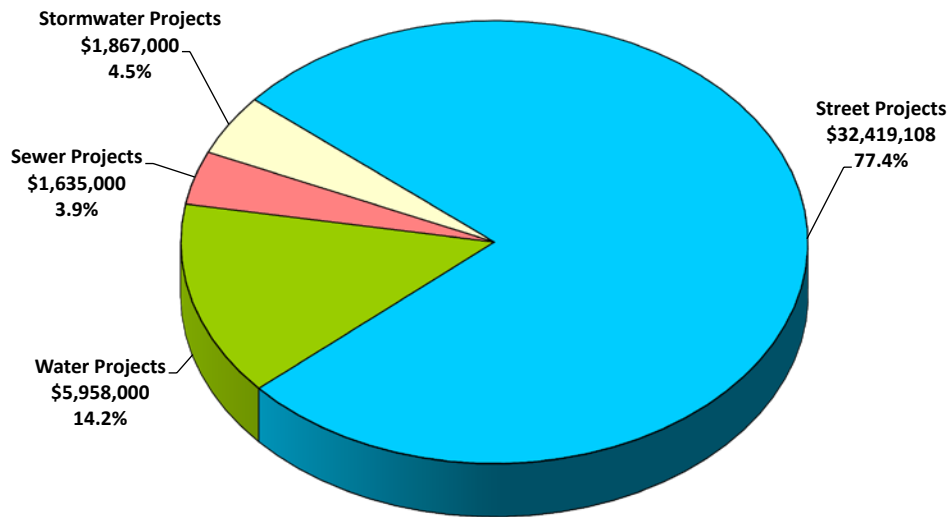
REET 2 ANALYSIS SUMMARY (Fund 320)							
Capital Improvement Plan 2017 - 2022							
REET 2 - REVENUE		Capital Improvement Plan 2017 - 2022					
	Total \$ Project 2017 - 2022	2017	2018	2019	2020	2021	2022
Beg Fund Balance 321	180,741	131,000	48,034	34,334	51,709	142,584	331,147
REET Revenue (annual)							
1/4 of 1% REET - Existing Property	631,138	71,775	87,300	103,125	115,500	123,438	130,000
1/4 of 1% REET - Other new homes	570,000	41,250	67,500	93,750	144,375	148,125	75,000
Subtotal REET 2 Revenue	1,201,138	113,025	154,800	196,875	259,875	271,563	205,000
TOTAL Avail. Balance for Public Works Projects	1,381,879	244,025	202,834	231,209	311,584	414,147	536,147
REET 2 - PROJECT EXPENDITURES		Capital Improvement Plan 2017 - 2022					
	Total \$ Project	2017	2018	2019	2020	2021	2022
Street Projects							
T1 General Street Improvement	180,000	30,000	30,000	30,000	30,000	30,000	30,000
T2 Roberts Drive Road Improvements	25,991	25,991					
T5 224th Guardrail at Covington Creek	25,000		25,000				
T6 224th Ave SE Asphalt Overlay	45,000	45,000					
T8 Roberts Drive Rehabilitation Phase 2	25,500		25,500				
T9 232nd Ave Chip Seal	10,000	10,000					
T10 Downtown Public Parking	37,000			25,000	12,000		
T11 216th Ave SE Overlay	27,000			27,000			
T13 Lawson Street Phase 1	16,500			16,500			
T14 Grant Matching	240,000	40,000	40,000	40,000	40,000	40,000	40,000
T16 Pedestrian and Bicycle Study	3,000					3,000	
Water							
W5 Asbestos Water Main Replacement Prgm	59,000	5,000	3,000	9,000	42,000		
Sewer							
S1 Upgrade Utility Staff Facilities	5,000	5,000					
S4 Material Handling Facility - Street	12,000			2,000	10,000		
S6 Equipment Replacement - Street	60,000	10,000	10,000	10,000	10,000	10,000	10,000
Stormwater							
D3 N. Commercial St 169 Stormwater Improvements	60,000	25,000	35,000				
D4 Fire Flow Loop - North Commercial Area	45,000			20,000	25,000		
Total REET 2 Projects	875,991	195,991	168,500	179,500	169,000	83,000	80,000
REET 2 left for next year (Ending Balance)	505,888	48,034	34,334	51,709	142,584	331,147	456,147
REET based on Houses sold		2017	2018	2019	2020	2021	2022
Existing Property Sales (in 000's)		87 @\$330	97 @\$360	110 @\$375	120 @\$385	125 @\$395	130 @\$400
Other new home sales (in 000's)		50 @\$330	75 @\$360	100 @\$375	150 @\$385	150 @\$395	75 @\$400

Public Works Fund Summary

Capital Improvement Plan 2017 - 2022

Funds	Total \$ Project 2017 - 2022	2017	2018	2019	2020	2021	2022
Street Projects	32,419,108	7,528,108	3,851,000	3,810,000	6,660,000	9,100,000	1,470,000
Water Projects	5,958,000	530,000	2,514,000	371,000	623,000	870,000	1,050,000
Sewer Projects	1,635,000	160,000	367,000	82,000	422,000	92,000	512,000
Stormwater Projects	1,867,000	57,000	1,500,000	40,000	50,000	-	220,000
TOTAL Projected Expenditures	\$ 41,879,108	\$8,275,108	\$8,232,000	\$4,303,000	\$7,755,000	\$10,062,000	\$3,252,000

Public Works CIP by Fund
Total: \$41,879,108

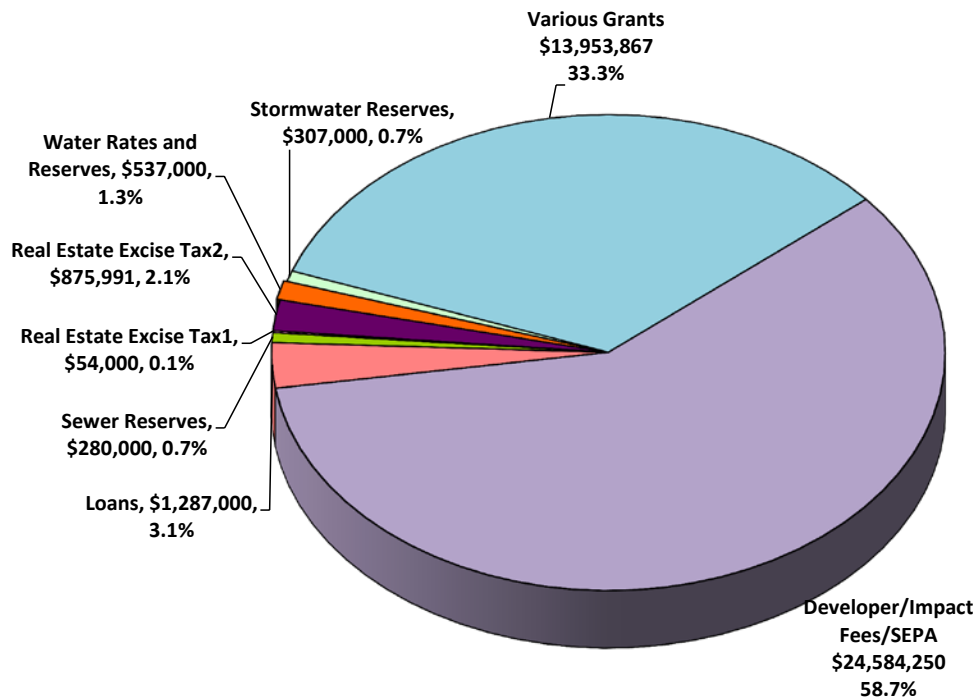


CIP Public Works Revenue Summary

Capital Improvement Plan 2017 - 2022

REQUESTED FUNDING	Total \$ Project 2017 - 2022	2017	2018	2019	2020	2021	2022
Various Grants	13,953,867	1,446,867	1,664,500	1,701,500	4,064,000	4,027,000	1,050,000
Developer/Impact Fees/SEPA	24,584,250	6,417,250	6,022,000	2,080,000	3,335,000	5,330,000	1,400,000
Loans	1,287,000	35,000	315,000	272,000	15,000	210,000	440,000
Sewer Reserves	280,000	73,000	35,000	37,000	45,000	55,000	35,000
Real Estate Excise Tax 1	54,000	7,000	7,000	9,000	17,000	7,000	7,000
Real Estate Excise Tax 2	875,991	195,991	168,500	179,500	169,000	83,000	80,000
Water Rates and Reserves	537,000	75,000	10,000	12,000	90,000	340,000	10,000
Stormwater Reserves	307,000	25,000	10,000	12,000	20,000	10,000	230,000
TOTAL SOURCES	\$41,879,108	\$8,275,108	\$8,232,000	\$4,303,000	\$7,755,000	\$10,062,000	\$3,252,000

Public Works CIP by Type of Funding Total: \$41,879,108



Parks Department

CAPITAL PROJECT SUMMARY

Summary by Project							
Capital Plan 2017 - 2022							
Project Title	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
P1 Ginder Creek Trail and Site	445,000		62,000		45,000	338,000	
P2 Grant Matching Funds	25,000	2,500	2,500	5,000	5,000	5,000	5,000
P3 Park Plan Update	80,000		40,000	40,000			
P4 Pond to Parks Improvement	11,000				11,000		
P5 Boat Launch Park Shoreline Stabilization	300,000				30,000		270,000
P6 New Cemetery Niche Wall	20,000		20,000				
P7 Rehabilitate E. Ginder Creek Property	55,000	35,000					20,000
TOTAL ESTIMATED COST	936,000	37,500	124,500	45,000	91,000	343,000	295,000
Funding Sources							
King County Parks Property Tax Levy Funds							
P1 Ginder Creek Trail and Site	201,000		32,000			169,000	
Total King County Parks Levy Fund	201,000		32,000			169,000	
King County Conservation District Grant							
P1 Ginder Creek Trail and Site	214,000				45,000	169,000	
P3 Park Plan Update	40,000		20,000	20,000			
P4 Pond to Parks Improvement	11,000				11,000		
Total KCD Grant	265,000		20,000	20,000	56,000	169,000	
WA Recreation and Conservation Grants							
P5 Boat Launch Park Shoreline Stabilization	150,000						150,000
Total RCO Grants	150,000						150,000
Conservation Futures							
P1 Ginder Creek Trail and Site	30,000		30,000				
Total Conservation Futures	30,000		30,000				
Real Estate Excise Tax 1							
P2 Grant Matching Funds	25,000	2,500	2,500	5,000	5,000	5,000	5,000
P3 Park Plan Update	40,000		20,000	20,000			
P5 Boat Launch Park Shoreline Stabilization	150,000				30,000		120,000
P6 New Cemetery Niche Wall	20,000		20,000				
P7 Rehabilitate E. Ginder Creek Property	40,000	20,000					20,000
Total REET 1 Funding	275,000	22,500	42,500	25,000	35,000	5,000	145,000
Sewer Funds							
P7 Rehabilitate E. Ginder Creek Property	10,000	10,000					
Total Sewer Fund Funding	10,000	10,000					
Street Funds							
P7 Rehabilitate E. Ginder Creek Property	5,000	5,000					
Total Street Fund Funding	5,000	5,000					
TOTAL ESTIMATED FUNDING SOURCES	936,000	37,500	124,500	45,000	91,000	343,000	295,000

Parks Department

P1

Ginder Creek Trail and Site Restoration

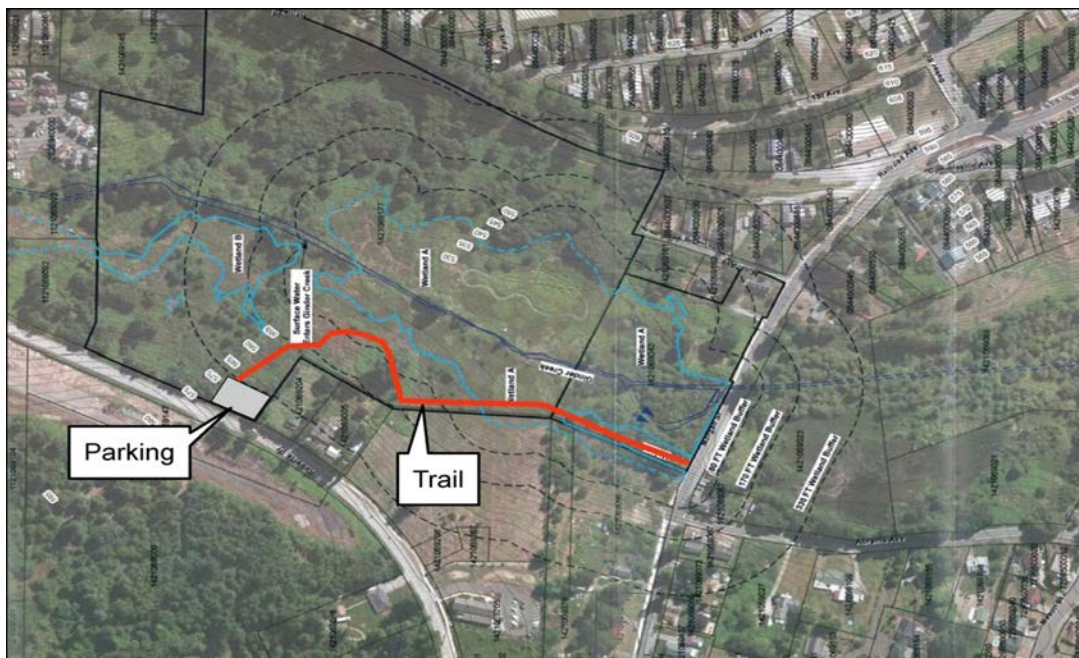
DESCRIPTION

Design and Construct a 1540 foot long 10 feet wide multi purpose trail and a small parking lot on Roberts Drive.

BACKGROUND

The City acquired the Ginder Creek parcel as a component to the Open Space Agreement signed in 2005. Initial planning efforts, work with the City Council, as well as public input has steered the Parks Department towards trail development along the Ginder Creek corridor. This area has historically been used for agricultural activities, but has since remained fallow, with the proliferation of invasive Reed Canary Grass, Evergreen Blackberry, and Scotch Broom. This trail will provide a north/south link from Roberts Drive to Morgan Street and provide the public the enjoyment of the natural area along Ginder Creek.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Property Acquisition	60,000		60,000				
Design and Permitting	40,000				40,000		
Construction Costs	310,000					310,000	
Project Mgmt & Construction Inspect.	30,000		1,000		4,000	25,000	
Project Administration	5,000		1,000		1,000	3,000	
TOTAL COSTS	445,000		62,000		45,000	338,000	
REQUESTED FUNDING							
King County Tax Levy Funds	201,000		32,000			169,000	
Rec Conserv. Office Grant (RCO)	214,000				45,000	169,000	
Conservation Futures	30,000		30,000				
TOTAL SOURCES	445,000		62,000		45,000	338,000	



Parks Department

P2

Grant Matching Funds

DESCRIPTION

Funds earmarked for matching grant resources to be utilized in the design and construction of Parks and Natural Resource projects.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
COMMENTS							
Transfer Reserves	25,000	2,500	2,500	5,000	5,000	5,000	5,000
TOTAL COSTS	25,000	2,500	2,500	5,000	5,000	5,000	5,000
REQUESTED FUNDING							
Real Estate Excise Tax 1	25,000	2,500	2,500	5,000	5,000	5,000	5,000
TOTAL SOURCES	25,000	2,500	2,500	5,000	5,000	5,000	5,000

Parks Department

P3

Park Plan Update

DESCRIPTION

The City's Park Plan has expired. An update of the City's Comprehensive Parks, Recreation and Open Space Plan is needed for state grant eligibility towards trails, open space and park's infrastructure.

BACKGROUND

The last Parks Plan was developed by staff in late 2008. The Recreation and Conservation Office approved the plan and the City used the Parks Plan to support several grant applications and improvements throughout the City. Once the staffing level improves this Parks Planning update can be kicked off. It is expected that the City will need consultant assistance for about 50% of the park planning effort.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Consulting Services	40,000		20,000	20,000			
City In-house Services	40,000		20,000	20,000			
TOTAL COSTS	80,000		40,000	40,000			
REQUESTED FUNDING							
Real Estate Excise Tax 1	40,000		20,000	20,000			
Recreation Conser. Office Grant (RCO)	40,000		20,000	20,000			
TOTAL SOURCES	80,000		40,000	40,000			

Parks Department

P4

Pond to Park Improvement - Eagle Creek

DESCRIPTION

Convert the stormwater retention pond at the Eagle Creek Sub-Division to a stormwater / Park multi-purpose facility. Add a layer of permeable top soil that will not exceed the design infiltration rate of the storm water retention pond and seed to grass. The area and slopes will be seeded to a nice lawn and the fence removed on the south end of the project.

BACKGROUND

After the construction of this facility, engineering staff observed that surface water infiltration rates **far** exceeded the delivery volumes associated with surface run-off generated within the sub-division. Because of this, the pond is dry throughout the year and can provide an excellent grass lawn open space feature to users of the City parks facility. The conversion of a gravel storm infiltration pond to a stormwater/park multi-purpose facility will improve storm water treatment, aesthetics, and provide additional park area for citizens.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
In house Planning & Design	3,000				3,000		
Construction Costs	8,000				8,000		
TOTAL COSTS	11,000				11,000		
REQUESTED FUNDING							
Stormwater Grant or Other	11,000				11,000		
TOTAL SOURCES	11,000				11,000		

Entrance to the Eagle Creek Pond



Parks Department

P5

Boat Launch Park Shoreline Stabilization

DESCRIPTION

Using boulder and plantings reinforce the shoreline to stop the bank erosion and protect the old growth trees along the shoreline.

BACKGROUND

The City many years ago stabilized the bank with wood retaining walls, rebar and logs. The logs bounced along the shore and only partially protected the bank. The logs were a maintenance problem and periodically broke loose causing a hazard on the lake. The wood retaining wall has deteriorated significantly. The rebar has been an ongoing maintenance problem and hazard.

COMMENTS

Once the Park Plan has been accepted by the Recreation Conservation Office this project will be eligible for state grant funding.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Engineering and Permitting	30,000				30,000		
Construction	260,000						260,000
Project Administration/Mgmt	10,000						10,000
TOTAL COSTS	300,000				30,000		270,000
REQUESTED FUNDING							
Real Estate Excise Tax 1	150,000				30,000		120,000
RCO Grant	150,000						150,000
TOTAL SOURCES	300,000				30,000		270,000

Shoreline Erosion



Exposed Roots



Rotten Wall



Leaning Tree



Cemetery

P6

New Niche Wall

DESCRIPTION

Install a niche wall for cremation remains in the cemetery 5 ft. high by about 24 feet long.

BACKGROUND

The existing niche wall is nearly all sold out. Many people do not want to purchase an entire plot within the cemetery and the niche would serve their needs. The niche wall preserves space within the cemetery. The price of the niches could be reassessed after the final expense of the project is known so that the City could recover their costs. The price of a niche right now is \$350 and the price of a plot is \$1500. The new wall would provide about 90 to 100 new niches.

COMMENTS

The cemetery board reviewed and approved this project and recommended that the Council add this project to the City's Capital Improvement Plan

	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
CAPITAL PROJECT COSTS							
Niche Wall Purchase	10,000		10,000				
Niche Wall Installation	10,000		10,000				
TOTAL COSTS	20,000		20,000				
REQUESTED FUNDING							
Real Estate Excise Tax 1	20,000		20,000				
TOTAL SOURCES	20,000		20,000				



Parks Department

P7

Rehabilitate East Ginder Creek Property

DESCRIPTION

Remove cottonwood, maple, alder, blackberry, Nott weed, English Ivy along the east boundary of the property and revegetate with grass and Flowering cherry trees, maple, and dogwood. The initial effort will be to fall the trees, and deck the debris in a long pile to compost onsite and to spray invasive weeds and then seed the surrounding area back to grass. The trees should compost nicely within about 5 years. Once the limbs and tree trunks have decomposed, the organic matter will be spread and the area reseeded to lawn and trees planted.

BACKGROUND

A major portion on the east side of the property has been overtaken by invasive weeds and invasive hazardous trees. The cottonwood trees have grown to a hazardous size and present a threat and hazard to the homes and backyards to the east as citizens walking on City open space.

COMMENTS

This project is to fulfill the City's role in good stewardship of the public land.

CAPITAL PROJECT COSTS	Total \$ 2017 - 2022	2017	2018	2019	2020	2021	2022
Tree Felling and Decking	30,000	30,000					
Initial Weed Control	5,000	5,000					
Grading & Tree Planting	20,000						20,000
TOTAL COSTS	55,000	35,000					20,000
REQUESTED FUNDING							
Sewer Funding	10,000	10,000					
Street Funds	5,000	5,000					
Real Estate Excise Tax 1	40,000	20,000					20,000
TOTAL SOURCES	55,000	35,000					20,000



Fire Department CAPITAL PROJECT SUMMARY

Expenditures							
Capital Plan 2017 - 2022							
Project Title	Total \$ 2017-2022	2017	2018	2019	2020	2021	2022
F1 Replace Primary Fire Engine 98	365,000		365,000				
F2 Replace Reserve Engine	600,000				600,000		
F3 Replace Aid Car	225,000				225,000		
F4 New Fire Station & Equipment	3,215,000					125,000	3,090,000
TOTAL ESTIMATED COSTS	4,405,000		365,000		825,000	125,000	3,090,000
Funding Sources							
Loans to Finance Projects							
F1 Replace Primary Fire Engine 98	265,000		265,000				
Total Loans	265,000		265,000				
Funding From Growth or Bond Sales							
F2 Replace Reserve Engine	600,000				600,000		
F3 Replace Aid Car	225,000				225,000		
F4 New Fire Station and Equipment	3,215,000					125,000	3,090,000
Total from Growth or Bond Sales	4,040,000				825,000	125,000	3,090,000
Funding From Surplus Sales							
F1 Replace Primary Fire Engine 98	100,000		100,000				
Total Surplus Sales	100,000		100,000				
TOTAL ESTIMATED FUNDING SOURCES	4,405,000	-	365,000	-	825,000	125,000	3,090,000
State Loan Repayment - Debt Service							
REET 1							
F1 Replace Primary Fire Engine 98 (5%)	137,276			34,319	34,319	34,319	34,319
Total R1 Debt Service Payments	137,276			34,319	34,319	34,319	34,319

Fire Department

F1

Replace Primary Fire Engine (2000)

DESCRIPTION

This project replaces the newest engine in the fleet with a suitable, demo pumper having better long-term maintenance prospects.

BACKGROUND

The present vehicle experienced a major mechanical malfunction during 2010 annual service testing. Repairs cost over \$21,000 and required more than four months to complete. Only one service center bid on the overhaul because of difficulties obtaining replacement parts.

COMMENTS

The Fire Maintenance Supervisor recommends replacing the current pumper now with a 3 to 4 year old used one, to offset the higher cost of replacement. A State sponsored loan is one means of funding this project. Cost projections below are based on 5% interest rate over a 10 year term.

CAPITAL PROJECT COSTS	Total \$ 2017-2022	2017	2018	2019	2020	2021	2022
Replace 2000 Primary Fire Engine	365,000		365,000				
TOTAL COSTS	365,000	-	365,000	-	-	-	-
REQUESTED FUNDING							
Loan Plan	265,000		265,000				
Surplus Equipment Sale	100,000		100,000				
TOTAL SOURCES	965,000	-	365,000	-	-	-	-
DEBT SERVICE							
REET 1 Debt Repay (10yr @5%)	137,276			34,319	34,319	34,319	34,319
TOTAL DEBT SERVICE	137,276	-	-	34,319	34,319	34,319	34,319



Fire Engine 98

Fire Department

F2

Replace Reserve Engine (1986)

DESCRIPTION

Replace reserve engine # 981 and extend the service life of front-line engine.

BACKGROUND

Engine 981 is a Pierce brand engine custom built for Kent Fire in 1986. The City later purchased this engine used. It has more than 155,000 miles on the odometer and 12,000 hours in use.

COMMENTS

Replacement of the Fire Engine and Station will require growth from REET 1 or bond sales revenue.

CAPITAL PROJECT COSTS	Total \$ 2017-2022	2017	2018	2019	2020	2021	2022
Replace 1986 Reserve Engine	600,000				600,000		
TOTAL COSTS	600,000	-	-	-	600,000	-	-
REQUESTED FUNDING							
Growth or Bond Sales	600,000				600,000		-
TOTAL SOURCES	600,000	-	-	-	600,000	-	-



Engine #981

Fire Department

F3

Replace Aid Car (1994)

DESCRIPTION

Replace Aid 98 to provide reliable patient transport capability.

BACKGROUND

Aid 98 is a 1994 Ford purchased by City surplus from King County Medic One. This vehicle shows over 143,160 miles. This is the only aid car owned by the City and maintenance costs are expected to increase with age in continued front-line use.

CAPITAL PROJECT COSTS	Total \$ 2017-2022	2017	2018	2019	2020	2021	2022
Replace 1994 Aid Car	225,000				225,000		
TOTAL COSTS	225,000			-	225,000		
REQUESTED FUNDING							
Funding From Growth or Bond Sales	225,000				225,000		
TOTAL SOURCES	225,000	-	-	-	225,000	-	-



Fire Department

F4

New Fire Station and Equipment

DESCRIPTION

Provide a satellite fire station sited and equipped to enhance fire and emergency medical service delivery in the community. This initiative begins with a site location study, proceeds to construct the station, and ends with a complement of essential equipment in service at the new facility.

BACKGROUND

Service needs within the community will change with growth. This project seeks to determine the optimal location, build approximately 8,000 square feet of fire station at \$405 per square foot within the next six year at a cost of approximately \$3,240,000. Additional growth related equipment of a Fire Pumper, Aid Car, Brush Truck, & Support Vehicle will be needed in later years after more growth has occurred. Land costs are not included and could add approximately \$750,000 if the station is not built on existing City property.

COMMENTS

Financing for this project may be a 20 year bond issue at 5% interest. Payments of the debt if growth related, will be 83.73% developer responsibility of approximately \$213,190 (from fire impact fees), and the City portion at 16.27% of the total, with payments of \$41,426. This is per the Fire District Impact Fee Study, (IFS p.17). The City share of payments will need to come from REET 1, or from bond issue.

CAPITAL PROJECT COSTS	Total \$ 2017-2022	2017	2018	2019	2020	2021	2022
Preliminary Engineering	75,000					75,000	
Construction Engineering	70,000						70,000
Design Engineering	120,000					50,000	70,000
Construction Costs (bldg)	2,950,000						2,950,000
TOTAL COSTS	3,215,000					125,000	3,090,000
REQUESTED FUNDING							
Growth or Bond Sales	3,215,000					125,000	3,090,000
TOTAL SOURCES	3,215,000					125,000	3,090,000



New Fire
Station 96

Police Department

CAPITAL PROJECT SUMMARY

Expenditures							
Capital Plan 2017 - 2022							
CAPITAL PROJECT COSTS	Total \$ Requested 2017-2022	2017	2018	2019	2020	2021	2022
L1 Police Technology	140,000	15,000	25,000	25,000	25,000	25,000	25,000
L2 Patrol Car Replacement	320,000	160,000		120,000			40,000
L3 Police Radio Equipment	18,640	9,320	9,320				
TOTAL ESTIMATED COSTS	478,640	184,320	34,320	145,000	25,000	25,000	65,000
Funding Sources							
L1* Real Estate Excise Tax 1	180,000	15,000	25,000	25,000	25,000	25,000	65,000
L2 Loan from Sewer Capital	280,000	160,000		120,000			
L3 Beginning Fund Balance	18,640	9,320	9,320				
TOTAL ESTIMATED FUNDING SOURCES	478,640	184,320	34,320	145,000	25,000	25,000	65,000
* Loan Repay - Patrol Cars - REET 1	235,267		32,480	32,480	56,769	56,769	56,769
TOTAL FUNDING FOR POLICE PROJECTS	713,907	184,320	66,800	177,480	81,769	81,769	121,769
* Total REET 1	415,267	15,000	57,480	57,480	81,769	81,769	121,769

Police Department

L1

Police Technology

DESCRIPTION

Variety of technology for Police including PC purchases, network upgrades for hard and software, printers and copiers.

COMMENTS

Laptops for all officers. General technology needs in years after.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Laptops, PC's - Replacements	60,300	8,300	8,200	9,000	8,200	12,900	13,700
PC Software	10,050	1,500	1,650	1,650	1,650	1,750	1,850
Networking Hardware & Software	69,650	5,200	15,150	14,350	15,150	10,350	9,450
TOTAL COSTS	140,000	15,000	25,000	25,000	25,000	25,000	25,000
REQUESTED FUNDING							
Real Estate Excise Tax 1	140,000	15,000	25,000	25,000	25,000	25,000	25,000
TOTAL SOURCES	140,000	15,000	25,000	25,000	25,000	25,000	25,000



Technology Police

Yr	2015	2016	2017	2018	2019	2020	2021	2022
Total Workstations	12	13	13	14	14	14	15	16
(rugged laptops)	8	9	9	10	10	10	11	12
Phone Sys								
System								
PCs								
Purchase	\$1,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replacement	\$800	\$0	\$800	\$800	\$800	\$0	\$1	\$2
Rugged Laptops	\$4,650	\$0	\$0	\$0	\$0	\$0	\$4,650	\$4,650
Replacement	\$4,100	\$0	\$6,560	\$7,380	\$7,380	\$8,200	\$8,200	\$9,020
PC Software								
Software Purchase	\$75	\$450	\$488	\$488	\$525	\$525	\$525	\$600
MS Office	\$250		\$3,250					
Software Upgrades	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Anti-virus/SPAM	\$50	\$660	\$715	\$715	\$770	\$770	\$825	\$880
Network								
Server purchases	\$5,000			\$5,000	\$4,000	\$4,000	\$2,000	\$1,000
Server Upgrades	\$4,000			\$5,000	\$5,000	\$4,000	\$3,000	\$3,000
NW/Security Devices	\$2,500	\$2,500	\$1,500	\$2,500	\$2,000	\$2,500	\$2,500	\$2,500
Network Software								
Operating Systems	\$1,500	\$1,500	\$1,500	\$1,000	\$1,500	\$2,500	\$1,000	\$1,000
Backup/WWW/other	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400
Other purchases								
Video/Audio	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Mobile Devices	\$800	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600
CIP	2015	2016	2017	2018	2019	2020	2021	2022
Totals	\$5,060	\$16,763	\$14,833	\$25,425	\$25,245	\$24,945	\$25,189	\$25,102
Rounding	\$5,000	\$17,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000

Police Department

L2

Patrol Car Replacement Plan

DESCRIPTION

The City has created and maintained a vehicle replacement plan with planned expenditures for patrol cars in an effort to replace aging patrol cars before becoming too expensive to maintain and to assure officer safety.

BACKGROUND

This rotation plan will allow the force to spend more time on the street and less time delivering them for repairs and maintenance. This plan will allow for replacement roughly every 110,000 miles.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Capital Outlay	320,000	160,000		120,000			40,000
TOTAL COSTS	320,000	160,000		120,000			40,000
REQUESTED FUNDING							
REET 1	40,000						40,000
Internal Loan Program	280,000	160,000		120,000			
TOTAL SOURCES	320,000	160,000		120,000			40,000
Internal Loan Program							
At 1/2% for 5 years (REET1)	235,267		32,480	32,480	56,769	56,769	56,769



Vehicle #	YEAR	MODEL	Years in Service	Yearly Mileage Est	2016	2017	2018	2019	2020	2021	2022
31	2012 K-9 Tahoe	Chev Tahoe	4	13,200	67,718	80,918	94,118	Replace	13,200	26,400	39,600
22	2007 Black	Dodge Charger	9	10,650	124,436	Replace	13,200	26,400	39,600	52,800	66,000
23	2007 Black	Dodge Charger	9	6,500	100,000	110,000	120,000	Replace	10,000	20,000	30,000
27	2009 Blk/White	Dodge Charger	7	12,750	120,633	Replace	13,200	26,400	39,600	52,800	66,000
28	2009 Blk/White	Dodge Charger	7	16,700	115,902	Replace	13,200	26,400	39,600	52,800	66,000
25	2008 Gray	Chev. Impala	8	19,000	45,500	53,000	60,500	68,000	75,500	83,000	Replace
26	2008 B/W	Chev. Impala	8	15,000	85,058	Replace	13,200	26,400	39,600	52,800	66,000
29	2011 B/W	Chev Tahoe	5	15,000	87,572	100,772	113,972	Replace	13,200	26,400	39,600

Pool Cars											
24	2008	Dodge Charger	6	4,000	70,798	74,798	78,798	82,798	86,798	90,798	94,798
21	2006 B/W	Ford Crown	10	5,000	69,804	74,804	79,804	84,804	89,804	94,804	99,804

Budgeted Miles	
Officers	13,200
Sergeants	13,200
Commander	10,000
Chief	7,500

Police Department

L3

Police Radio Replacement

DESCRIPTION

Portable Radio Replacements to replace 20 year old radios with the 750 MegaHertz update requirement. King County voters passed a radio replacement levy that may not be ready until 2019.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Portable Radio-Replacements	18,640	9,320	9,320				
TOTAL COSTS	18,640	9,320	9,320				
Total Units Replaced	4	2	2				
REQUESTED FUNDING							
Beginning Fund Balance	18,640	9,320	9,320				
TOTAL SOURCES	18,640	9,320	9,320				

General Government Projects

CAPITAL PROJECT SUMMARY

Summary by Project							
Capital Plan 2017 - 2022							
Project Title	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
G1 City Technology Upgrades	160,000	35,000	25,000	25,000	25,000	25,000	25,000
G2 General Facility Improvements	55,000	5,000	5,000	30,000	5,000	5,000	5,000
G3 Replace Pool, Facilities & Code Truck	74,000		20,000	25,000		29,000	
G4 Comprehensive Plan Update	35,000	35,000					
G5 Gym / Wayfinding Signs	17,000	17,000					
TOTAL ESTIMATED COSTS	341,000	92,000	50,000	80,000	30,000	59,000	30,000
Funding Sources							
Real Estate Excise Tax 1							
G1 City Technology Upgrades	160,000	35,000	25,000	25,000	25,000	25,000	25,000
G2 General Facility Improvements	55,000	5,000	5,000	30,000	5,000	5,000	5,000
G3 Replace Pool, Facilities & Code Truck	64,000		20,000	15,000		29,000	
G4 Comprehensive Plan Update	35,000	35,000					
G5 Gym / Wayfinding Signs	11,000	11,000					
Total REET 1	325,000	86,000	50,000	70,000	30,000	59,000	30,000
Grant Funding							
G5 Gym / Wayfinding Signs	6,000	6,000					
Total Grants	6,000	6,000					
Allocation from Utilities							
G3 Replace Pool, Facilities & Code Truck	10,000			10,000			
Total Allocation from Utilities	10,000			10,000			
TOTAL ESTIMATED FUNDING SOURCES	341,000	92,000	50,000	80,000	30,000	59,000	30,000

General Government

G1

City Technology - Capital (excludes Police Tech)

DESCRIPTION

Variety of technology upgrades to the City including PC purchases, software purchases, network upgrades hard and software and printers. (see next page) These City upgrades exclude Police, as that department has a separate technology project list.

BACKGROUND

This project is for PC replacements and other capital technology for the City. This includes servers, network and network software, disaster software and other technology. Auburn IT will be updating amounts in next month or two.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
PC, Printers, Software	68,600	11,700	10,300	11,400	11,100	11,300	12,800
Network Hardware, Software, Audio & Recovery	75,700	15,100	14,700	6,100	13,900	13,700	12,200
New Phone System	15,700	8,200		7,500			
TOTAL COSTS	160,000	35,000	25,000	25,000	25,000	25,000	25,000
REQUESTED FUNDING							
Real Estate Excise Tax 1	160,000	35,000	25,000	25,000	25,000	25,000	25,000
TOTAL SOURCES	160,000	35,000	25,000	25,000	25,000	25,000	25,000

Technology City

		2015	2016	2017	2018	2019	2020	2021	2022
Total Workstations		25	25	25	25	25	25	25	25
p/user									
Expenditures									
Phone System				\$8,200					
PCs									
Purchase	\$1,250	\$2,715	\$957	\$0	\$0	\$1,250	\$1,250	\$2,500	\$2,500
Replacement	\$800	\$1,600	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$3,500	\$3,000
Printers/Mice/Access	\$100	\$625	\$1,000	\$625	\$625	\$625	\$625	\$625	\$625
Mobile Devices	\$400			\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
PC Software									
Software Purchase	\$150	\$938	\$938	\$938	\$938	\$938	\$938	\$938	\$938
MS Office	\$250			\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Software Upgrades	\$100	\$1,000		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Anti-virus/SPAM	\$50	\$1,250		\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
Network									
Server purchases	\$5,000		\$5,190	\$7,000	\$5,000	\$4,000	\$4,000	\$2,000	\$3,000
Server Upgrades	\$4,000		\$321	\$750	\$1,000	\$2,000	\$4,000	\$4,000	\$1,500
NW/Security Devices	\$2,500			\$2,500		\$1,500		\$1,500	\$2,500
Network Software									
Operating Systems	\$1,200	\$1,200		\$1,200	\$2,200	\$1,200	\$1,000	\$1,200	\$2,200
Backup/WWW/other	\$800	\$500	\$500	\$800	\$800	\$800	\$800	\$800	\$800
Other purchases									
Video/Audio	\$400	\$200	\$400	\$400	\$400	\$400	\$400	\$400	\$400
Disaster Recovery	\$1,500				\$1,500				
CIP									
Totals		2015	2016	2017	2018	2019	2020	2021	2022
Rounded Total		\$10,028	\$14,305	\$34,663	\$24,713	\$24,963	\$25,263	\$24,713	\$24,713
		\$10,000	\$14,000	\$35,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
General Fund Operating Budget									
PD Records Mgmt	\$12,662	\$12,662	\$12,662	\$12,662	\$12,662	\$12,662	\$12,662	\$12,662	\$12,662
Permit Trax	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Vision Financial	\$6,300	\$6,300	\$6,300	\$6,300	\$6,300	\$6,300	\$6,300	\$6,300	\$6,300
Maint/Operating		2015	2016	2017	2018	2019	2020	2021	2022
Rounded Total		\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000

General Government

G2

General Government Facility Upgrades

DESCRIPTION

The Police Station is due for a new roof, and a contingency of \$5,000 is for general upgrades to City Facilities.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Replace Police Roof	25,000			25,000			
General Upgrades	30,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL COSTS	55,000	5,000	5,000	30,000	5,000	5,000	5,000
REQUESTED FUNDING							
Real Estate Excise Tax 1	55,000	5,000	5,000	30,000	5,000	5,000	5,000
TOTAL SOURCES	55,000	5,000	5,000	30,000	5,000	5,000	5,000



General Government

G3

General Government Vehicle Replacement

DESCRIPTION

The Facilities truck is a 2002 Chevy with 150,000 miles. In the past three years, over \$10,000 of repair work was done and the brakes currently need to be replaced. The City Hall pool car is a 1998 Mercury Sable that is unreliable and employees are using their own cars rather than use it. The Community Development vehicle is a 2004 Ford Expedition and will need to be replaced by at least 2021.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
2002 Facilities Truck Replace	25,000			25,000			
1998 City Hall Pool Car Replace	20,000		20,000				
2004 Com. Dev. Vehicle Replace	29,000					29,000	
TOTAL COSTS	74,000		20,000	25,000		29,000	
REQUESTED FUNDING							
PW Allocation	10,000			10,000			
Real Estate Excise Tax 1	64,000		20,000	15,000		29,000	
TOTAL SOURCES	74,000		20,000	25,000		29,000	

General Government

G4

Comprehensive Plan Completion

DESCRIPTION

The City began and Comp Plan Update in 2014 as required by the Growth Management Act (GMA). Subcontract work was done by BergerAban and they used DKS Associates as their consultant for the transportation element of the plan. DKS has already completed over 90% of the tasks in that scope of work. The final 10% of that plan is approximately \$35,000. The Comprehensive Plan update is behind the GMA schedule for adoption which is causing the City to be ineligible for grant funds. The plan needs to be completed to be in compliance with the Growth Management Act.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Comp Plan Update	35,000	35,000					
TOTAL COSTS	35,000	35,000					
REQUESTED FUNDING							
Real Estate Excise Tax 1	35,000	35,000					
TOTAL SOURCES	35,000	35,000					

General Government

G5

Gym / Way Finding Signs

DESCRIPTION

Signage is needed for the Gym, as well as for wayfinding in the City.

CAPITAL PROJECT COSTS	Total \$ 2017 -2022	2017	2018	2019	2020	2021	2022
Gym Sign and Installation	5,000	5,000					
Wayfinding Signs and Installation	12,000	12,000					
TOTAL COSTS	17,000	17,000					
REQUESTED FUNDING							
Seattle Port Alliance Grant	6,000	6,000					
Real Estate Excise Tax 1	11,000	11,000					
TOTAL SOURCES	17,000	17,000					

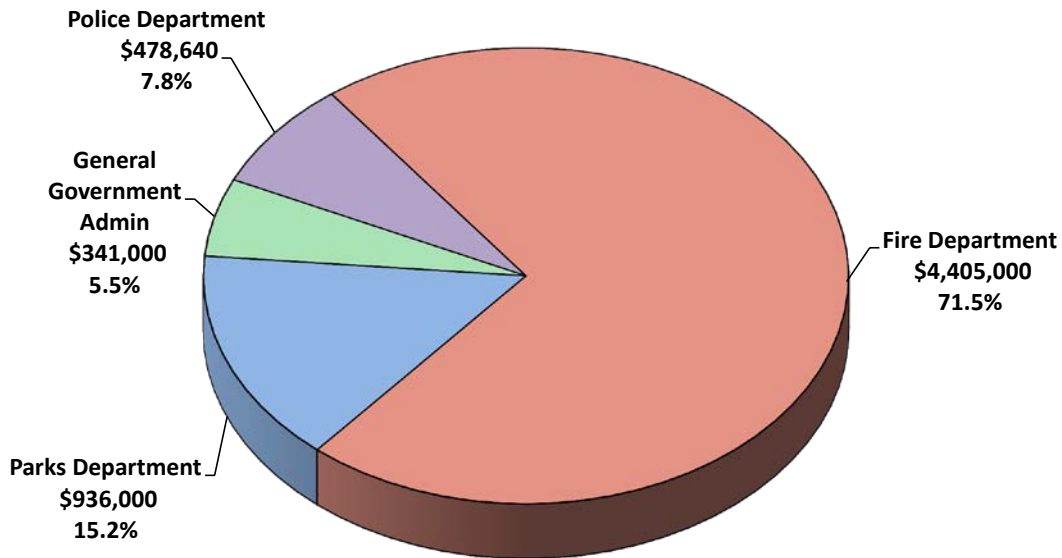
REET 1 ANALYSIS SUMMARY (Fund 310)							
Capital Improvement Plan 2017 - 2022							
REET 1 - REVENUE		Capital Improvement Plan 2017 - 2022					
	Total \$ Project 2017 - 2022	2017	2018	2019	2020	2021	2022
Beginning Fund Balance	187,770	152,258	141,783	146,603	156,679	235,466	326,941
REET Revenue (annual)							
1/4 of 1% REET - Existing Property	631,138	71,775	87,300	103,125	115,500	123,438	130,000
1/4 of 1% REET - Other new homes	570,000	41,250	67,500	93,750	144,375	148,125	75,000
Subtotal REET I Revenue	1,201,138	113,025	154,800	196,875	259,875	271,563	205,000
General Government	1,388,908	265,283	296,583	343,478	416,554	507,029	531,941
REET 1 - PROJECT EXPENDITURES		Capital Improvement Plan 2017 - 2022					
	Total \$ Project 2017 - 2022	2017	2018	2019	2020	2021	2022
General Government							
G1 City Technology Upgrades	160,000	35,000	25,000	25,000	25,000	25,000	25,000
G2 General Facility Improvements	55,000	5,000	5,000	30,000	5,000	5,000	5,000
G3 Replace Gen. Govt Vehicles	64,000		20,000	15,000		29,000	
G4 Comprehensive Plan Completion	35,000	35,000					
G5 Gym / Wayfinding Signs	11,000	11,000					
Subtotal General Government	325,000	86,000	50,000	70,000	30,000	59,000	30,000
Parks							
P2 Grant Matching Funds	25,000	2,500	2,500	5,000	5,000	5,000	5,000
P3 Park Plan Update	40,000		20,000	20,000			
P5 Boat Launch Shoreline Restoration	150,000				30,000		120,000
P6 New Niche Wall	20,000		20,000				
P7 Rehabilitate E. Ginder Creek Property	40,000	20,000					20,000
Subtotal Parks	275,000	22,500	42,500	25,000	35,000	5,000	145,000
Public Safety							
L1 Police Technology	140,000	15,000	25,000	25,000	25,000	25,000	25,000
L2 Patrol Car Replacement Plan	40,000						40,000
Total Public Safety	180,000	15,000	25,000	25,000	25,000	25,000	65,000
Total REET 1 Projects	780,000	123,500	117,500	120,000	90,000	89,000	240,000
REET 1 Debt Repayment for Fire Vehicles	137,276			34,319	34,319	34,319	34,319
REET 1 Debt Repayment for Police Cars	235,267		32,480	32,480	56,769	56,769	56,769
TOTAL REET 1	1,015,267	123,500	149,980	186,799	181,088	180,088	331,088
REET 1 left for next year (Ending Balance)	373,641	141,783	146,603	156,679	235,466	326,941	200,853
REET based on Houses sold		2017	2018	2019	2020	2021	2022
Existing Property Sales (in 000's)		87 @\$330	97 @\$360	110 @\$375	120 @\$385	125 @\$395	130 @\$400
Other new home sales (in 000's)		50 @\$330	75 @\$360	100 @\$375	150 @\$385	150 @\$395	75 @\$400

General Government Departments Summary

Capital Improvement Plan 2017 - 2022

	Total \$ Project 2017 - 2022	2017	2018	2019	2020	2021	2022
Parks Department	936,000	37,500	124,500	45,000	91,000	343,000	295,000
Fire Department	4,405,000	-	365,000	-	825,000	125,000	3,090,000
Police Department	478,640	184,320	34,320	145,000	25,000	25,000	65,000
General Government - Admin	341,000	92,000	50,000	80,000	30,000	59,000	30,000
TOTAL Projected Expenditures	\$ 6,160,640	\$ 313,820	\$ 573,820	\$ 270,000	\$ 971,000	\$ 552,000	\$ 3,480,000

Total General Government CIP by Department



\$6,160,640

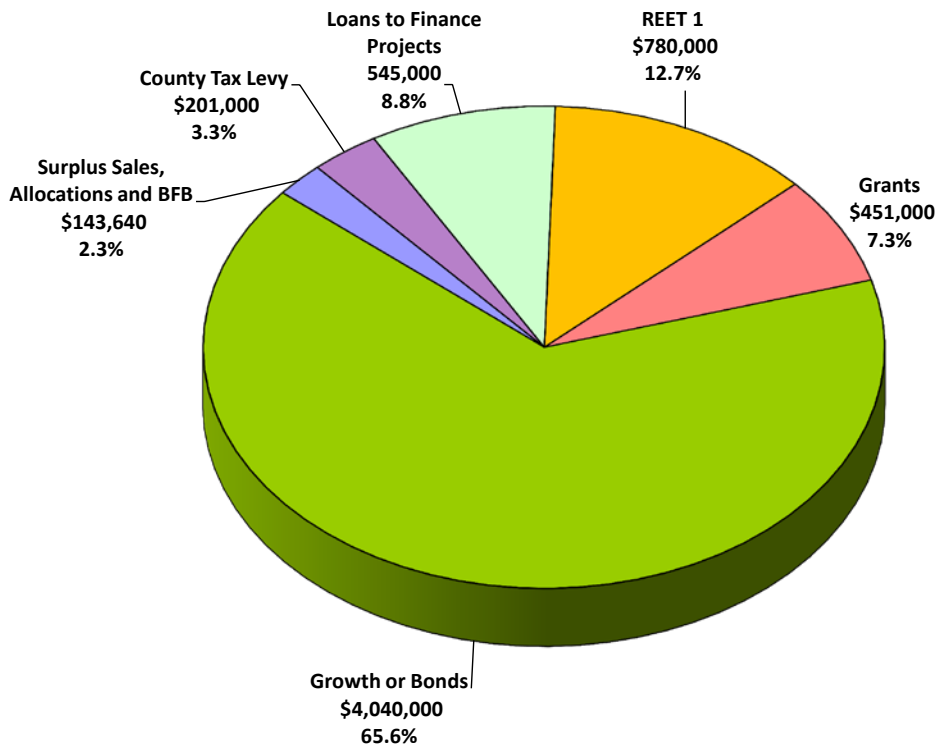
REET 1 Payments	Total 2017 - 2022	2017	2018	2019	2020	2021	2022
Repay Police Car Loan	235,267		32,480	32,480	56,769	56,769	56,769
Repay Fire Engine 98 Loan	137,276			34,319	34,319	34,319	34,319
Total	\$ 372,543	\$ -	\$ 32,480	\$ 66,799	\$ 91,088	\$ 91,088	\$ 91,088

General Government Departments Funding Summary

Capital Improvement Plan 2017 - 2022

REQUESTED FUNDING	Total \$ Project 2017 - 2022	2017	2018	2019	2020	2021	2022
REET 1 Funding	780,000	123,500	117,500	120,000	90,000	89,000	240,000
Loans to Finance Projects	545,000	160,000	265,000	120,000			
Funding from Growth or Bond Sales	4,040,000				825,000	125,000	3,090,000
County Tax Levy for Parks	201,000		32,000			169,000	
King County Conservation Funding	265,000		20,000	20,000	56,000	169,000	
Grants	156,000	6,000					150,000
Conservation Futures	30,000		30,000				
Total Grant Funding	451,000	6,000	466,518	20,000	56,000	169,000	150,000
Surplus Sales	100,000		100,000				
Allocation from Utilities	25,000	15,000		10,000			
Project Fund Balance Funding	18,640	9,320	9,320				
Total Surplus Sales, Allocation, and Fund Balance	143,640	24,320	109,320	10,000			
TOTAL REQUESTED FUNDING SOURCES	\$6,160,640	\$313,820	\$990,338	\$270,000	\$971,000	\$552,000	\$3,480,000

General Government CIP by Type of Funding Total: \$6,160,640

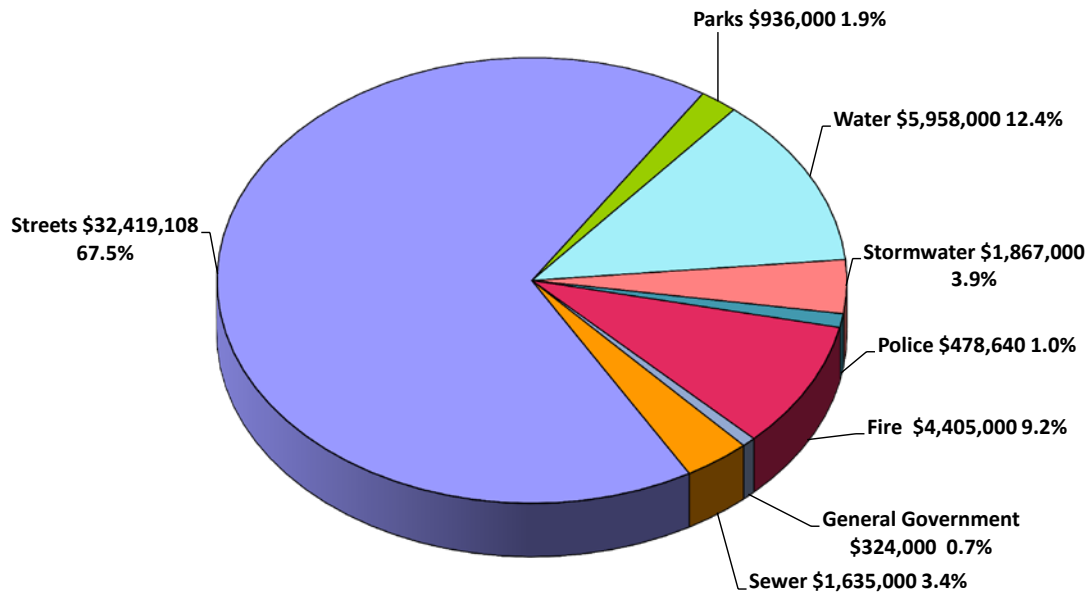


Capital Improvement Plan 2017 - 2022

Total Summary by Department

CAPITAL PROJECTS							
Departments	Total \$ Project 2017 - 2022	2017	2018	2019	2020	2021	2022
Street Department	32,419,108	7,528,108	3,851,000	3,810,000	6,660,000	9,100,000	1,470,000
Water Department	5,958,000	530,000	2,514,000	371,000	623,000	870,000	1,050,000
Sewer Department	1,635,000	160,000	367,000	82,000	422,000	92,000	512,000
Stormwater Department	1,867,000	57,000	1,500,000	40,000	50,000		220,000
Parks and Recreation	936,000	37,500	124,500	45,000	91,000	343,000	295,000
Police Department	478,640	184,320	34,320	145,000	25,000	25,000	65,000
Fire Department	4,405,000		365,000		825,000	125,000	3,090,000
City Administration	341,000	92,000	50,000	80,000	30,000	59,000	30,000
TOTAL Project COSTS	\$48,039,748	\$8,588,928	\$8,805,820	\$4,573,000	\$8,726,000	\$10,614,000	\$6,732,000

Total CIP: \$48,039,748





DRAFT CITY OF BLACK DIAMOND

2016 Schedule 2017 – 2022 Capital Improvement Plan (CIP)

	Process	Internal Due Date	Workstudy	City Council Meetings
1	CIP Planning Meeting	Feb 23		
2	CIP Call letter & worksheet to affected departments (include goals, rules and timelines)	March 1		
3	Departments Update detailed requests and submit to Finance and City Administration	July 11 – July 29		
4	Finance combines revenue and all Department requests for review by Administration. Administration Reviews with Finance and Departments to requested Projects.	Aug 1 - 9		
5	Finance, Public Works, Administration meet with Mayor to review PW projects & revenue	Aug 10		
6	CIP Workstudy – Non Public Works		August 25	
7	CIP Workstudy – Public Works		Sept 8	
8	Public Hearing for 2017 – 2022 CIP	Aug 26 - in newspaper		Sept 15
9	Council adopts 2017 – 2022 CIP			Sept 15 or Oct 6