

**BLACK DIAMOND CITY COUNCIL
WORK SESSION MINUTES**

September 12, 2019

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, Oglesbee, Edelman, Stout, and Wisnoski.

Staff present: David Linehan, City Attorney; Chief Smith; and Brenda L. Martinez, City Clerk.

Mayor Benson welcomed everyone and turned the meeting over to City Attorney Linehan.

WORK SESSION:

1) Discussion Regarding Levy Lid Lifts

City Attorney Linehan shared with Council a high-level overview on property tax limits and the 1% increases that are allowed now. He discussed the City not having any banked capacity so there is no excess for the City to rely upon and the only way is to pass a levy lid lift. He distributed a handout and shared the four types of lid lifts: 1) Single-Year Temporary, 2) Single-Year Permanent, 3) Multi-Year Temporary, and 4) Multi-Year Permanent. The following are points of discussion/highlights during the work session:

- Single-Year versus Multi-Year refers to the number of years in which the levy will exceed the maximum 1% increase. Meaning a single-year lid lift, the tax increase will exceed the 1% cap on increases for one year only. Whereas, a multi-year lid lift means the City will take multiple yearly tax increases that exceed 1%.
- Temporary versus Permanent refers to what happens to the levy after the lid lift expires. When a temporary lid lift expires, the levy reverts back to the level it would have been without the temporary bump. When a permanent lid lift expires, the lifted levy becomes the new baseline from which future increases (capped at the 1%) will be calculated.
- Attorney Linehan showed graph examples illustrating how a single-year temporary and single-year permanent levy lid lifts would work. He discussed how on the single-year temporary the one-time “bump” exceeds the annual increase and resumes the 1% annual increase for number of years specified in the ballot measure and then the levy “cliff” reverts to what it would have been without the lid lift. In the single year

permanent the one-time “bump” exceeds the 1% annual and then the 1% annual increase going forward never expires, meaning year 1 levy is used to calculate all future 1% levy increases.

- There was discussion on the different things you can do with the money. Single use option may be used for any lawful governmental purpose and the multi-year option may be used for any limited purpose stated in the ballot measure.
- Supplanting restrictions – none on a single-year and with a multi-year, cities in King County may not supplant funds.
- Resolution would need to be passed regarding a draft ballot measure. Determine which election based on the option that is chosen. Elections dates for single year are special, primary, and general elections. Multi-year lifts can be put on the ballot for primary and general elections only.
- Where does the calculations come from? – Mayor and staff would work with Council to identify needs and what type of lid lift is needed.
- Exemptions of certain citizens allowed.
- Education of citizens regarding where their property tax money goes.
- Need to see projections of how the city could be run without a lid lift, where the deficits are in order to show citizens what would not be able to get done.
- Request to see what the expenditures are for public safety with comparable cities and share this with citizens.
- Discussion on Black Diamond receiving limited sales tax in comparison to some of our comparables used for negotiations.
- Next steps are for administration to come up with what our needs are moving forward through the budget process and prepare some multi-year projections and educating citizens to get them on board.


In closing, Mayor Benson shared that with only two applications received for the two newly created positions the entire interview and appointment process can take place at the September 19th regular business meeting.

ADJOURNMENT:

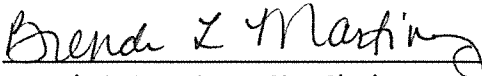
Councilmember Oglesbee **moved** to adjourn the meeting; **second** by Councilmember Edelman. Motion **passed** with all voting in favor (5-0).

The meeting ended at 6:50 p.m.

ATTEST:



Carol Benson, Mayor



Brenda L. Martinez, City Clerk