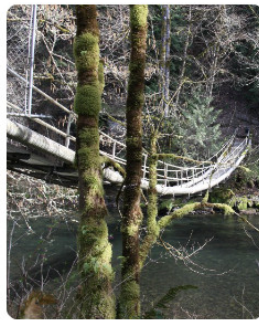
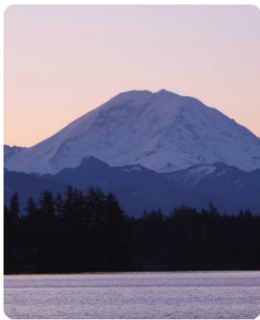
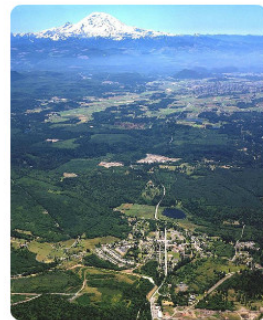


City of Black Diamond

2013 Final Budget



January 1, 2013 through December 31, 2013

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FROM THE MAYOR'S DESK

December, 2012

Dear Honorable Black Diamond City Council Members and Citizens:

I present to you a balanced budget for 2013. Unlike previous years, it was not possible to preserve all essential core services without using any General Fund balance. Resolution 08-560, Financial Management Policy, recommends that at least 10% of expenditures remains in the fund balance. The presented budget honors that recommendation. A five year forecast showed that we would have a deficit fund balance by 2014. Because of this there were very difficult decisions to be made. Our beginning reserve fund balance is \$426,608. With cuts in expenditures and increases to revenue described later in this letter we will add \$153,331 for a total of \$579,939 fund balance at the end of 2013. Any additional savings or unspent revenue will be put into the Reserve Fund barring any emergencies.

The final 2013 Budget has expected General Fund operating revenue of \$4,476,042 which is an increase of \$35,679. This increase is a result of proposed increases in taxes and fees. The increased revenue was needed to offset our otherwise declining revenues from utility, liquor, gas and sales tax. To increase revenue we intend to increase Cable and Stormwater Utility taxes; increase parking fees at the Boat Launch Park; impose a fee on certain special events; and increase cemetery, tree permit and other permit fees. We expect the entire D.A.R.E. program to be funded by donations.

General Fund expenditures were first projected with all vacant positions filled and with union and non-union COLA and step increases, as well as the elimination of all furlough days. This resulted in an out-of-balance amount of \$732,700. Significant reductions were achieved by continuing to freeze the two vacant police positions. The Court Administrator was cut to four days per week and the previous .5 Court Clerk position to 300 hours per year. The Municipal Court Judge, Prosecutor and Public Defender salaries have been reduced by approximately \$15,000. The City Administrator position was cut to 80% and will remain as a contract employee. After further review, all departments were able to reduce their budgets by an additional \$77,965 but the budget was still out of balance by \$248,783.

Increases to General Fund expenditures include a 3% cost of living adjustment (COLA) for commissioned police officers per the agreement between the Police Guild and the City. Our contract with Fire District #44 calls for a 3% increase in 2013. The City's liability insurance increased by 15%, medical benefits increased by 12% and there was an increase in L&I insurance for the police department. We anticipate more legal fees for the police union contract and an increase in jail rate and time and at least \$12,500 to cover any additional SEPA Appeal/Preliminary Plat costs (Hearing Examiner).

After receiving recommendations from Council and after further staff review the following steps were taken to balance the budget: freeze and layoff two police officers; freeze the Senior Accountant position (60% General Fund); eliminate the Police K-9 program; reduce court security costs; reallocate and cut parks expenditures; discontinue printing and mailing the City newsletter (on-line and limited number of hard copies available) and reduce City Attorney budget. City Council also volunteered to give up their salaries for the year 2013. There will be no non-union step increases other than two

eligible public works employees; non-union/non-management will receive a 1% COLA; and furlough days have been reduced from four to two days (August 30; December 24, 2013) for all employees except police and utility workers.

Black Diamond operates three utilities: Water, Sewer and Stormwater, each with its own budget. Due to declining revenue (lack of new hook-ups and more conservation) and declining cash balance, we anticipate a need for a water rate increase in 2013. There will be a Sewer rate increase in 2013 which is strictly a “pass-through” to King County Metro (authorized by Council in 2012). Council has recommended an increase in Stormwater rates in 2013 and 2014 for anticipated utility tax increase and inflation.

In addition to the three utilities, the Public Works Department also manages City streets. The 2013 budget includes projects from the adopted 2013-2018 Capital Improvement Plan, including 288th Street overlay; 5th Avenue water main replacement; intersection improvement at Morgan Street; Boat Launch Improvement; Lake Sawyer Aquatic Weed Management Plan; Ginder Creek easement acquisition; trail projects; and mine hazard assessment study/map. We have applied for a Public Works Trust Fund loan for a regional stormwater pond. The City was fortunate to receive several grants in 2012 which helped fund the Roberts Drive sidewalk (phase 2); improvements to the Public Works shop; and the Equipment Washing Facility, which is near completion.

I want to take this opportunity to thank staff for their assistance in providing this balanced budget. It was not an easy task. Their continued hard work and the support of Council and citizens is greatly appreciated.



Rebecca Olness, Mayor
City of Black Diamond

History of Black Diamond, Washington

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 rural, small town atmosphere with spectacular mountain views. The city is nestled in the foothills within miles of the beautiful Green River Gorge and Flaming Geyser Park.

The City is on the verge of growth. At 4,170 citizens, population projections may reach above 20,000 in the next 20 years. Over the past several 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. 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, and Fire District 44's fire and emergency service employees are both dedicated and top notch. City employees provide other important services such as road maintenance, community development, code enforcement, a municipal court and water utility services, stormwater management and wastewater utility billing. Utility and maintenance workers also maintain our local parks and the cemetery.



Police (Chief for a Day 2012)



Fire District 44 at work



Public Works Crew

Black Diamond has an active local community center and unique historical museum operated as nonprofits receiving limited financial assistance from the City. Support staff keeps everything in the City running smoothly, and the City Council and Mayor work together to respond to citizen concerns and carefully direct the future of Black Diamond. The City has a bi-monthly newsletter containing important community information and the website at www.ci.blackdiamond.wa.us is another great resource for information. Public hearings and City Council meetings are held regularly and are open to the public. Everyone is encouraged to attend.



Black Diamond Community Center
31605 Third Avenue
www.blackdiamondcc.org



Black Diamond Historical Museum
32627 Railroad Avenue
www.blackdiamondmuseum.com

CITY OFFICIALS AS OF MARCH 1, 2013



MAYOR REBECCA OLNESS
FOUR-YEAR TERM EXPIRING 12/31/13



TAMIE DEADY
POSITION 1
FOUR-YEAR TERM
EXPIRES 12/31/15



CRAIG GOODWIN
POSITION 2
FOUR-YEAR TERM
EXPIRES 12/31/13



JANIE EDELMAN
POSITION 3
EXPIRES 11/26/13



CAROL BENSON
POSITION 4
FOUR-YEAR TERM
EXPIRES 12/31/13



RON TAYLOR
POSITION 5
FOUR-YEAR TERM
EXPIRES 12/31/15

City Council Committees

In addition to serving on the City Council, Council members also serve on Council committees for the City of Black Diamond based on their interests. They may also choose to serve on any number of intergovernmental committees. The committees meet on an as-needed basis to hear issues in each topic area. Council members provide recommendations to the full Council. Such recommendations are advisory only and any actions are made by the full Council in open public meetings. Committee appointments are made the 1st Council meeting in January.

Budget, Finance and Administration Committee

Chair – Council Member Benson
Council Member Edelman
The Budget, Finance and Administration Committee in conjunction with City Staff may consider matters related to the financial issues of the City including the annual and capital budgets, revenues and expenditures, sales of bonds, general fiscal and financial conditions, voucher approval, rates and fees, audit and operations of the City including but not limited to, facilities and properties, computerization, periodic budget and financial reports and policy matters related to personnel in coordination with the Finance and Administration Departments.

Cemetery/Parks Committee

Chair – Council Member Edelman
Council Member Deady
The Parks and Cemetery Committee in conjunction with City Staff may consider matters related to planning and implementation of park and recreational facilities, capital improvement program, trails and cemetery.

Planning and Community Service Committee

Chair – Council Member Goodwin
Council Member Benson
The Planning and Community Services Committee in conjunction with City staff may consider matters of a non-quasi-judicial nature related to community growth and development including but not limited to planning of the physical, economic, aesthetic and social development of the City, comprehensive plan, zoning code and housing, annexation policies and code enforcement. This committee may also consider matters not included in other committee's scopes of authority.

Public Safety Committee

Chair – Council Member Deady
Council Member Taylor
The Public Safety Committee in conjunction with City Staff may consider issues related to the public health, safety and welfare of the citizens of Black Diamond including but not limited to law enforcement, fire safety, court, hazardous materials, animal control, special events and emergency services.

Public Works Committee

Chair - Council Member Taylor
Council Member Goodwin
The Public Works Committee in conjunction with City Staff may consider matters related to water, sewer, solid waste, recycling, utility franchises, stormwater management, transportation, capital improvement program, transit, streets, street lighting, signalization and local street improvement.

Executive Summary

Revenue

General city operations include operations of police, fire, municipal court, community development, permitting and internal services such as finance. Unrestricted funds such as general taxes, fees and charges support the provision of those services to the citizens of Black Diamond.

Locally levied taxes represent 76% of Black Diamond's General Fund revenues. Taxes include real and personal property tax, local sales tax, utility taxes and gambling tax.

Property taxes are assessed and collected by the King County Tax Assessor's office. The great majority of property tax goes to fund schools and to a lesser degree, King County. King County has calculated Black Diamond's property mil rate at \$2.83 per each \$1,000 in property value. In 2013, approximately \$1,403,648 property tax will be collected with 100% used for public safety. This includes the allowed 1% increase of 13,898.

Sales tax, utility taxes and other taxes constitute 28% of the General Fund revenues. Retail sales and use taxes are dependent on retail sales of products and services in Black Diamond as well as construction. For every \$100 spent in Black Diamond \$8.60 is collected and is shared by various jurisdictions. Less than 10% of the total dollars collected comes back to the City. Sales tax revenues are budgeted at \$270,000 for 2013.

Black Diamond also levies a 6% utility tax on telephone, electrical energy, natural gas, solid waste, water, sanitary sewer, and 12% for stormwater services, and in 2013 increased the cable utility rate to 6%. The 2013 budget includes \$529,150 in utility tax revenue. All utility taxes received are placed in the General Fund and are used to fund public safety.

The City of Black Diamond collects taxes on gambling activities as allowed by the State of Washington. Currently, the City receives gambling tax on pull-tabs and punchboards and other amusement devices. \$3,000 is anticipated for 2013 and is also used to support public safety.

Licenses and permits, intergovernmental revenue, charges for services, fines and forfeitures, miscellaneous revenue and the Funding Agreement make up the remainder of the City's revenue sources.

Business licenses are designed to cover the cost of administration, inspection and other services for occupations, trades and activities regulated by the City. The 2013 business license revenue is projected at \$22,500. Cable franchise fees at 5% are expected to contribute \$57,200. , and guns and fingerprinting revenue is forecast at \$1,800.

Land use and permitting fees are part of community development and are projected for 2013 at \$70,290.

Intergovernmental revenues include 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 \$5,000 for liquor excise tax (down due to the State keeping this revenue) and \$36,500 liquor profits, \$53,700 for King County Emergency Medical Services revenue⁸ and \$15,920 for miscellaneous state and local recycling grants. Black Diamond also receives local

government assistance funds that provide ongoing state financial support to cities with a low sales tax base. Due to state cuts, we are decreasing the budget to \$32,000 a decrease from 2012.

Charges for services cover a multitude of City functions, including records services, copies of maps, publications and other documents and passport fees. Miscellaneous charges for 2013 have been estimated at \$22,100. Parking at Lake Sawyer boat launch is at \$17,500 and Police Traffic School is expected to bring in \$20,000 in 2013.

Fines and forfeitures represent the City's portion collected on citations and other Municipal Court fees. The amount is projected at \$105,000 for 2013.

Police revenue includes grants, and other miscellaneous fees as well as \$91,930 from the Criminal Justice System.

The City of Black Diamond's budget also includes revenues from a developer funding agreement. The agreement provides for up to \$2 million per year for City staffing costs plus additional funding for consultant fees. General Fund revenues from the funding agreement are estimated at \$1,579,000 for 2013, and one time only MPD (Master Planned Development) revenue at \$759,000. Council adopted a new Funding Agreement December 12, 2011 in Ordinance 11-970 for the Villages and Ordinance 11-970 for Lawson. The Funding Agreement is located in the appendix of this document, and the Ordinances and all exhibits are on the City's web site, at www.ci.blackdiamond.wa.us under the City Clerk Department listing of Ordinances. Any budget changes that may be needed will be processed in Budget change ordinances during 2013 and are not reflected in this budget document.

Special Revenue Funds in the budget are limited to uses designated by State law. The City of Black Diamond has established a fund for collection of the real estate excise tax. This tax is authorized by RCW 82.02.020 and tax is levied at two ¼ percent rates on the sales price of real estate. State law restricts the use of those revenues specifically to certain capital projects outlined in approved capital plans. For 2013, the City estimates each ¼ percent of REET revenue at \$42,500. The Street Fund is primarily supported by gas tax revenues, grants and right-of-way permits. Funding for 2013 includes \$84,000 in gas tax revenue and \$1,000 in right-of-way permits.

The City of Black Diamond also operates wastewater, water and stormwater utilities. Utilities operate separately from the General Fund budget as Enterprise Funds with revenues flowing from rate charges and fees. Wastewater revenues for 2013 are estimated at \$842,495; water revenues at \$659,650 plus Developer debt reimbursement of \$671,063 for a total of \$1,330,340; and stormwater revenues including a \$81,000 Department of Ecology grant, totaling \$356,025. A rate increase from \$13 per month to \$14 was passed by the City Council for stormwater.

Expenditures

Just as the City of Black Diamond must document projected revenue, it must also document how it will expend funds. In Washington cities, expenditures (uses) can never exceed projected revenues (sources). Each fund must balance independently. State law requires the City of Black Diamond to establish and maintain a balanced budget. Therefore, sources and uses for all funds in 2013 are budgeted at \$12,845,763.

A primary goal of the Black Diamond City Council is maintaining efficiency and effectiveness of municipal services at the lowest possible cost to taxpayers. This fiscal prudence is reflected in current projected expenditures.

The majority of the General Fund expenditures fund Public Safety services—Police, Fire, Prosecuting Attorney and Municipal Court. Together, those services comprise \$2,275,232 or 53% of General Fund expenditures, or 83% of the General Fund when factoring out funding agreement positions.

The budget was difficult to balance in 2013 and now includes five frozen positions: a Finance Senior Accountant and four Frozen Police Officer positions. Court also reduced their position to 3/4.

All departments were asked to make cuts to their budgets. The 2013 budget added 3% COLA for Police and Fire with step increases for Police and 2 Public Works employees and 1% COLA for non management. Furlough days were continued but decreased from 4 to 2 in 2013. During those 2 days City Hall will be closed. These and five year financial planning were needed to bring the General Fund into balance without using any of the cash reserves.

We know the State is facing budget difficulties and has listed some of our shared liquor excise and tax revenue as well as Shared State assistance as at risk of reduction or loss. We will keep Council informed of any final impacts to our revenue.

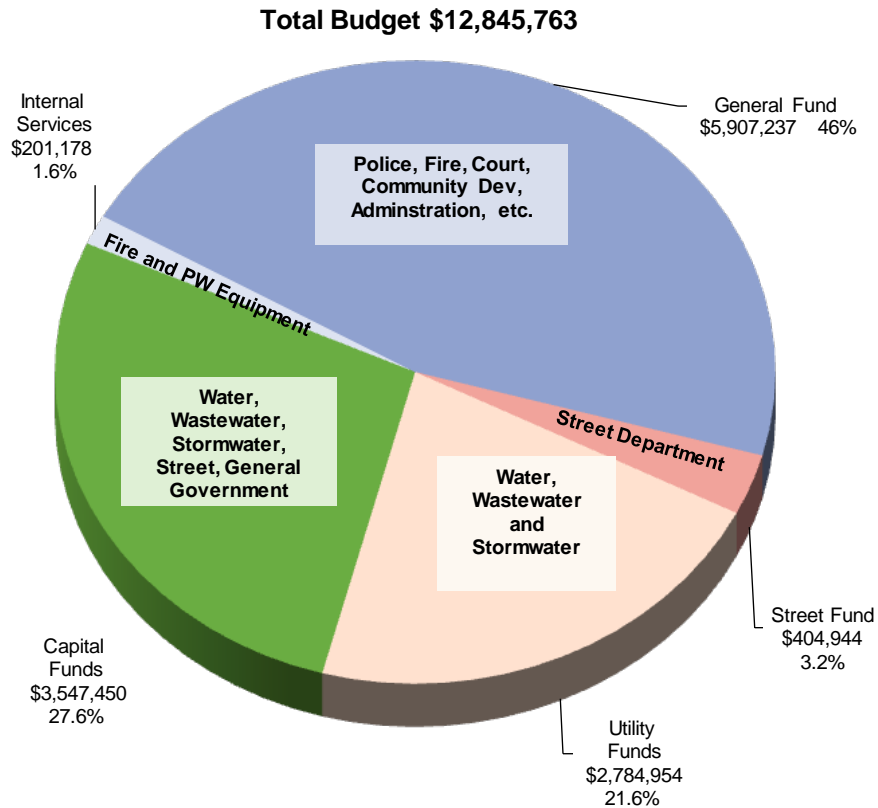
Budget Summary



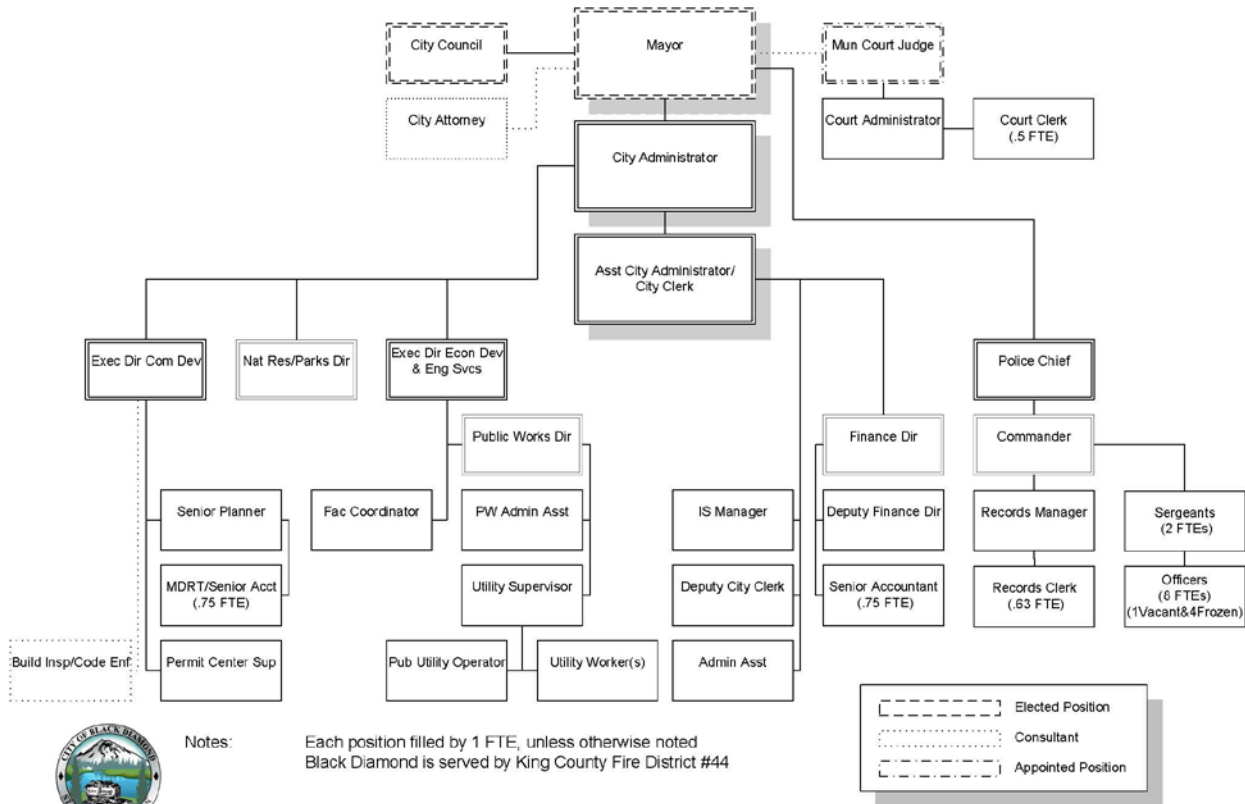
Triangle Park (located on Hwy. 169 and Roberts Drive)

All Funds 2013 Budget - Combined Operating Statement

	Beginning Fund Balance	2013 Revenue	Total Sources	2013 Expend- itures	Ending Fund Balance	Total Uses
General Fund 001	672,195	5,235,042	5,907,237	5,081,711	825,526	5,907,237
Special Revenue Fund			-			-
101 Street Fund	258,379	146,565	404,944	238,259	166,685	404,944
Utility Funds						
401 Water Fund	97,428	1,330,713	1,428,141	1,358,870	69,271	1,428,141
407 Sewer Fund	77,449	842,499	919,948	827,962	91,986	919,948
410 Stormwater Fund	80,840	356,025	436,865	345,242	91,623	436,865
Capital Funds						
310 General Government CIP fund	24,000	517,150	541,150	541,150	-	541,150
320 Street CIP Fund	-	220,000	220,000	220,000	-	220,000
402 Water Supply and Facility Fund	119,976	225,000	344,976	225,000	119,976	344,976
404 Water Capital Fund	649,825	210,000	859,825	340,000	519,825	859,825
408 Wastewater Capital Fund	685,766	125,780	811,546	115,000	696,546	811,546
410 Stormwater Capital Fund		70,576	70,576	70,576		70,576
104 REET Fund - General Govt	282,875	43,000	325,875	113,150	212,725	325,875
105 REET Fund - Street Projects	329,002	44,500	373,502	80,000	293,502	373,502
Internal Service Fund 510						
1 Fire Equipment Reserve Fund	-	10,000	10,000	-	10,000	10,000
2 Street Equipment Reserve Fund	140,878	40,300	181,178	41,500	139,678	181,178
3 Police Equipment Reserve Fund		10,000	10,000	10,000	-	10,000
Grand Total All Funds	3,418,613	9,427,150	12,845,763	9,608,420	3,237,343	12,845,763



City of Black Diamond Department FTEs



Triangle Park (Located on Hwy. 169 and Roberts Drive)

2013 Employee Allocations by Funding Source								
Positions	Full Time Equivalent (FTE)	Funding Agreement	MDRT Team	General Fund	Street Fund	Water Fund	Sewer Fund	Storm water Fund
Municipal Court								
Court Administrator	0.80			0.80				
Court Clerk -Casual Labor								
Total Court	0.80			0.80				
Administration								
City Administrator (contracted)	1.00			0.75	0.025	0.075	0.075	0.075
City Clerk/Asst City Administrator	1.00	1.00						
Admin Assistant I	1.00			0.10		0.30	0.30	0.30
Total Administration	3.00	1.00		0.85	0.03	0.38	0.38	0.38
City Clerk								
Deputy City Clerk	1.00			0.60	0.04	0.12	0.12	0.12
Total City Clerk	1.00			0.60	0.04	0.12	0.12	0.12
Finance Department								
Finance Director	1.00	1.00						
Deputy Finance Director	1.00	1.00						
Senior Accountant (1 frozen & unfunded)								
Total Finance	2.00	2.00						
Information Services								
Information Services Manager	1.00	1.00						
Total Information Services	1.00	1.00						
Police Department								
Police Chief	1.00			1.00				
Police Commander	1.00			1.00				
Sergeant	2.00			2.00				
Police Officer (4 frozen & unfunded)	4.00			4.00				
Police Records Coordinator	1.00			1.00				
Police Clerk	0.63			0.63				
Total Police Department	9.63			9.63				
Community Development								
Permit Technician Supervisor	1.00	1.00						
Total Community Development	1.00	1.00						
Master Development Review Team (MDRT)								
Executive Director Public Works/MDRT	1.00	1.00						
Exec Dir Community Development	1.00	1.00						
Senior Planner	1.00	1.00						
Senior Accountant	0.75	0.75						
Total MDRT Team	3.75	3.75						
Facilities Department								
Facilities Equipment Coordinator	1.00	1.00						
Total Facilities	1.00	1.00						
Natural Resources/Parks								
Natural Resources/Parks Director	1.00	1.00						
Total Natural Resources/Parks	1.00	1.00						
Public Works								
Public Works Director - Funding	1.00				0.25	0.25	0.25	0.25
Admin Assistant III- Funding	1.00				0.25	0.25	0.25	0.25
Total Funding					-0.50	-0.50	-0.50	-0.50
Utilities Supervisor	1.00			0.04	0.30	0.22	0.22	0.22
Utility Worker	1.00			0.10	0.15	0.25	0.25	0.25
Utilities Operator	1.00			0.10	0.15	0.25	0.25	0.25
Seasonal Help for Parks	0.25			0.11	0.05	0.05		0.04
Total Public Works	5.25	2.00		0.35	0.65	0.77	0.72	0.76
Grand Total Budgeted Positions (FTE's)	29.430	10.75		12.23	0.72	1.27	1.22	1.26
Approved but Frozen/Unfunded (FTE's)	5.0							
Total Authorized Positions (FTE's)	34.43							

General Fund



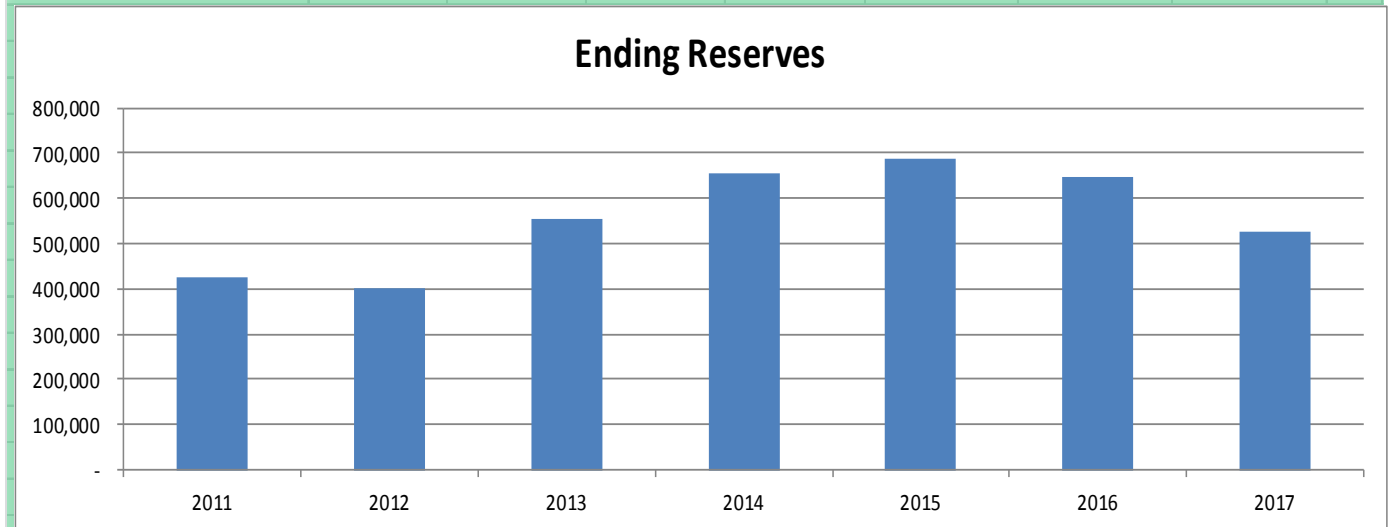
Historic Union Stump (Located on Morgan Street next to Cemetery)

General Fund Summary

	2011 Actual	2012 Budget	2012 Actual	2013 Budget	Chg \$ Org- Prel.	Change %
REVENUE						
Property Tax	1,360,491	1,383,500	1,373,558	1,403,648	20,148	1.5%
Sales Tax	297,333	270,000	262,973	270,000	0	0.0%
Utility & Gambling Tax	474,159	468,350	468,797	532,150	63,800	13.6%
Business License, Cable Fran & Misc.	80,684	81,520	81,895	82,000	480	0.6%
Land Use and Permitting Fees	67,892	79,650	68,631	70,290	(9,360)	-11.8%
Intergovernmental Revenue	164,628	163,111	174,525	143,120	(19,991)	-12.3%
Charges for Service & Grant Reimb	185,254	168,663	158,448	122,549	(46,114)	-27.3%
Police Grants, Crim Justice & Misc	147,026	206,810	175,840	164,920	(41,890)	-20.3%
Court Fines and Fees	120,803	135,900	96,682	105,000	(30,900)	-22.7%
Miscellaneous Revenue	3,498	3,100	7,850	2,425	(675)	-21.8%
Subtotal Operating Revenue	2,901,768	2,960,604	2,869,199	2,896,102	(64,502)	-2.2%
Funding Agreement	1,404,173	1,526,680	1,434,752	1,579,940	53,260	3.5%
Total General Fund Oper Revenue	4,305,941	4,487,284	4,303,951	4,476,042	(11,242)	-0.3%
Developer-Dup Plat & Land Fees	306,250					
Developer Reimbursement	652,224	809,000	508,738	759,000	(50,000)	-6.2%
Grand Total Revenue	5,264,415	5,296,284	4,812,689	5,235,042	(61,242)	-1.2%
Beg Cash & Inv. Balance Genl Gov	178,560	424,069	424,069	426,508	2,439	
Beg Cash & Inv Developer	163,790	497,145	497,145	245,687	(251,458)	
Total Sources	5,606,765	6,217,498	5,733,903	5,907,237	(310,261)	-5.0%
EXPENDITURES						
					0	
Executive	13,568	14,076	13,276	13,686	(390)	-2.8%
Legislative	11,877	13,399	12,374	2,500	(10,899)	-81.3%
Administration	147,347	213,258	216,679	260,345	47,087	22.1%
City Clerk	69,391	75,908	72,703	81,378	5,470	7.2%
Finance	273,882	283,110	247,137	258,337	(24,773)	-8.8%
Information Services	139,567	141,867	141,329	144,109	2,242	1.6%
Legal	55,479	67,725	58,440	62,750	(4,975)	-7.3%
Legal-Prosecuting Attorney	48,200	48,000	35,200	25,600	(22,400)	-46.7%
Municipal Court	192,810	204,319	169,695	147,128	(57,191)	-28.0%
Police Department	1,632,032	1,833,727	1,756,830	1,630,407	(203,320)	-11.1%
Fire Department	432,165	446,337	446,609	458,729	12,392	2.8%
Natural Resources	158,157	166,094	163,198	169,577	3,483	2.1%
Master Development Review Team	0	235,231	226,363	421,389	186,158	79.1%
Hearing Examiner-SEPA	0	55,000	37,155	12,500	(42,500)	
Community Development	373,714	300,800	276,016	231,437	(69,363)	-23.1%
Economic Development	135,143	45,864	45,345	8,112	(37,752)	-82.3%
Facilities-Staff & Misc	95,302	99,821	93,903	102,103	2,282	2.3%
Facilities Bldg Mtc-Funding Agreement	183,433	180,000	177,343	180,000	0	0.0%
Animal Control	15,663	9,762	11,988	8,368	(1,394)	-14.3%
Emergency Management	502	5,000	4,880	5,000	0	0.0%
Parks	67,381	69,323	67,031	46,939	(22,384)	-32.3%
Cemetery	15,497	19,777	19,619	15,357	(4,420)	-22.3%
Central Services	33,266	36,127	35,547	36,960	833	2.3%
Total Gen Fund Ope Expenditures	4,094,376	4,564,525	4,328,660	4,322,711	(241,814)	-5.3%
Developer Expenditures	591,175	980,175	746,607	759,000	(221,175)	-22.6%
Grand Total Expenditures	4,685,551	5,544,700	5,075,267	5,081,711	(462,989)	-8.4%
End Cash & Inv Gen Gov	424,069	383,228	397,017	579,939	196,711	
End Cash & Inv- Developer	497,145	289,570	261,619	245,587	(43,983)	
Total Uses	5,606,765	6,217,498	5,733,903	5,907,237	(310,261)	-5.0%

Black Diamond Final Budget 2013

General Fund 5 Year Fund Balance Forecast			Mayor's Proposed 2013 Budget					
	2011	2012	2013	2014	2015	2016	2017	
General Fund Revenue	Actual	Budget	Budget	Budget	Budget	Budget	Budget	*
Property Tax	1,360,491	1,383,500	1,403,648	1,417,684	1,431,861	1,446,180	1,460,642	1%
Other Taxes	771,492	738,350	741,450	763,694	786,604	810,202	834,509	3%
New Cable Utility Tax			46,900	58,030	59,771	61,564	63,411	3%
Stormwater Utility Tax			13,800	28,428	29,281	30,159	31,064	3%
Other Revenue	776,035	779,937	690,304	711,013	732,344	754,314	776,943	3%
MPD Funding Agreement	1,404,173	1,526,680	1,579,940	1,627,338	1,676,158	1,726,443	1,778,236	3%
Total Operating Revenue	4,312,191	4,428,467	4,476,042	4,606,188	4,716,019	4,828,863	4,944,805	
General Fund Spending								
Public Safety	2,064,197	2,315,936	2,215,341	2,326,108	2,442,413	2,564,534	2,692,761	5%
Public Safety 2nd Officer			(114,205)	(119,915)	(125,911)	(132,207)	(138,817)	5%
City Council Salary & Benefit				10,908	10,908	10,908	10,908	0%
Other General Fund	2,017,798	2,135,197	2,221,575	2,288,222	2,356,869	2,427,575	2,500,402	3%
Total Operating Spending	4,081,995	4,451,133	4,322,711	4,505,323	4,684,279	4,870,811	5,065,254	
Change in Reserves	230,196	(22,666)	153,331	100,864	31,740	(41,948)	(120,449)	
Ending Reserves	424,069	401,895	555,226	656,090	687,831	645,883	525,434	
	10.4%	9.0%	12.8%	14.6%	14.7%	13.3%	10.4%	

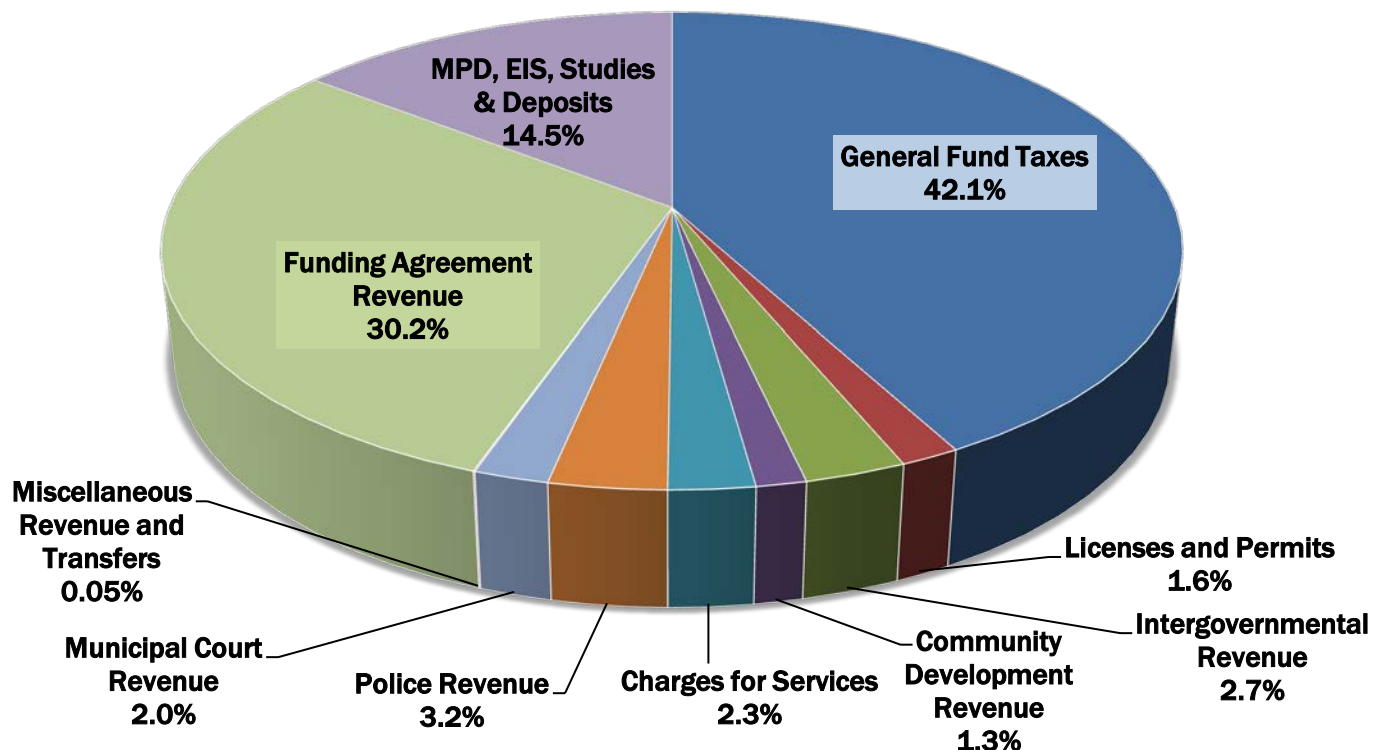


* Percentages used from Council's 2013 Budget Suggestions.

General Fund Revenue sources in 2013 are estimated to be \$5,907,237. There is an increase in operating revenue overall to the 2012 Amended Budget. The pie chart below shows total operating revenue of \$4,476,042 in 2013. Each revenue area will be discussed in the pages that follow.

General Fund Revenue Summary	2011 Actual	2012 Amended Budget	2012 Actual	2013 Final Budget	12 to 13 Budget Change	% Budget Change
General Fund Taxes	2,131,984	2,121,850	2,105,328	2,205,798	83,948	4.0%
Licenses and Permits	80,684	81,520	81,895	82,000	480	0.6%
Intergovernmental Revenue	164,627	163,111	174,526	143,120	(19,991)	-12.3%
Community Development Revenue	374,142	79,650	68,631	70,290	(9,360)	-11.8%
Charges for Services	185,251	168,663	158,447	122,549	(46,114)	-27.3%
Police Revenue	147,028	206,810	175,840	164,920	(41,890)	-20.3%
Municipal Court Revenue	120,804	135,900	96,682	105,000	(30,900)	-22.7%
Miscellaneous Revenue and Transfers	3,498	3,100	7,850	2,425	(675)	-21.8%
Subtotal Operating Revenue	3,208,018	2,960,604	2,869,200	2,896,102	(64,502)	-2.18%
Funding Agreement Revenue	1,404,173	1,526,680	1,434,751	1,579,940	53,260	3.49%
Total Operating Revenue	4,612,191	4,487,284	4,303,951	4,476,042	(11,242)	-0.25%
MPD, EIS, Studies and Deposits	652,224	809,000	508,738	759,000	(50,000)	-6.2%
General Fund Total Revenue	5,264,415	5,296,284	4,812,690	5,235,042	(61,242)	-1.2%
Beginning Fund Cash & Investments (City)	178,560	424,069	424,069	426,608	2,539	0.6%
Beginning Fund Cash & Investments (Funding)	163,790	497,145	497,145	245,587	(251,558)	-50.6%
Total Beginning Fund Cash and Investments	342,350	921,214	921,214	672,195	(249,019)	-50.6%
Total Sources	5,606,765	6,217,498	5,733,903	5,907,237	(310,261)	-5.0%

2013 General Fund Revenue



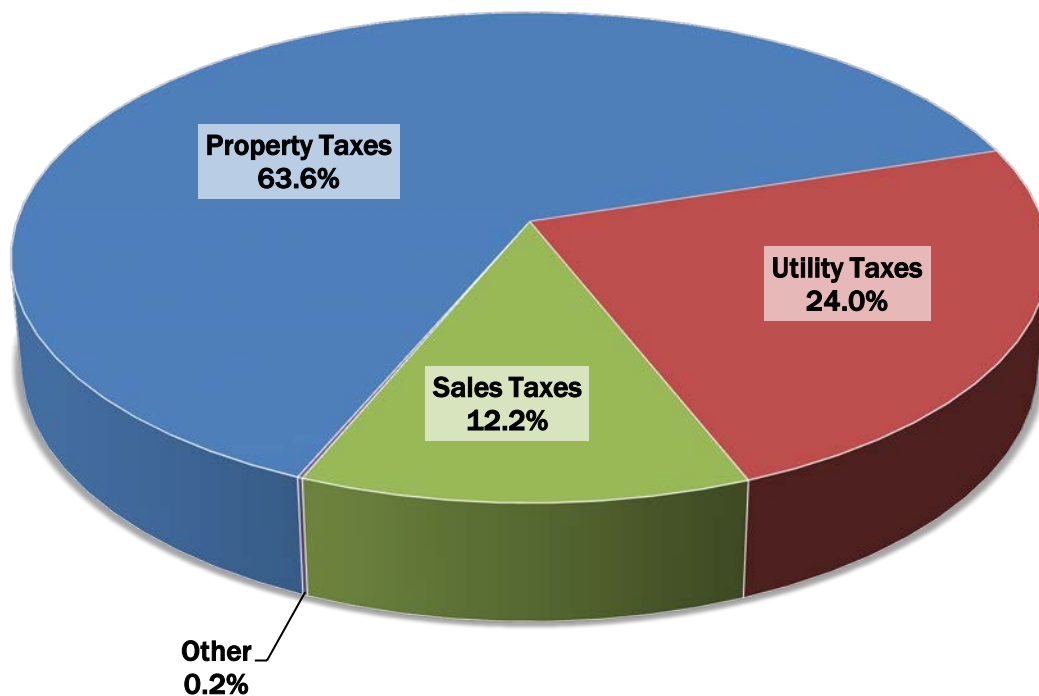
Total General Fund Revenue \$5, 235,042

General Fund Taxes

Locally levied taxes represent Black Diamond's largest portion of revenues of \$2,205,798 or 42.1% of the City's General Fund operating revenue. Taxes include real and personal property tax, local sales tax, utility taxes on utility services (water, wastewater, stormwater, electric, gas, cable and telephone) and gambling taxes. An increase of \$83,948 is anticipated in 2013. Telephone utility tax revenue is expected to continue trending down. Utility taxes increased with an increase of cable tax from one to six percent and stormwater rates from six to 12 percent.

Tax Revenue - General Fund	2011 Actual	2012 Amended Budget	2012 Actual	2013 Final Budget	12 to 13 Budget Change	% Budget Change
General Property Taxes	1,360,492	1,383,500	1,373,558	1,403,648	20,148	1.5%
Sales Taxes	297,333	270,000	262,973	270,000		
B & O Tax						
Solid Waste Utility Tax	26,217	28,500	32,968	28,500		
Cable TV Utility Tax	11,519	11,200	10,387	58,100	46,900	418.8%
Telephone Utility Tax	129,585	126,000	124,173	122,000	(4,000)	-3.2%
Gas Utility Tax	560	750	553	750		
Electrical Utility Tax	222,222	215,000	215,284	220,000	5,000	2.3%
Water Utility Tax	26,861	27,000	27,169	26,800	(200)	-0.7%
Stormwater Utility Tax	16,037	16,500	16,967	30,300	13,800	83.6%
Wastewater Utility Tax	37,541	39,900	38,054	42,700	2,800	7.0%
Pull Tabs and Punch Board Tax	3,617	3,500	3,242	3,000	(500)	-14.3%
Total General Fund Taxes	2,131,984	2,121,850	2,105,328	2,205,798	83,948	4.0%

2013 General Fund Tax Revenue



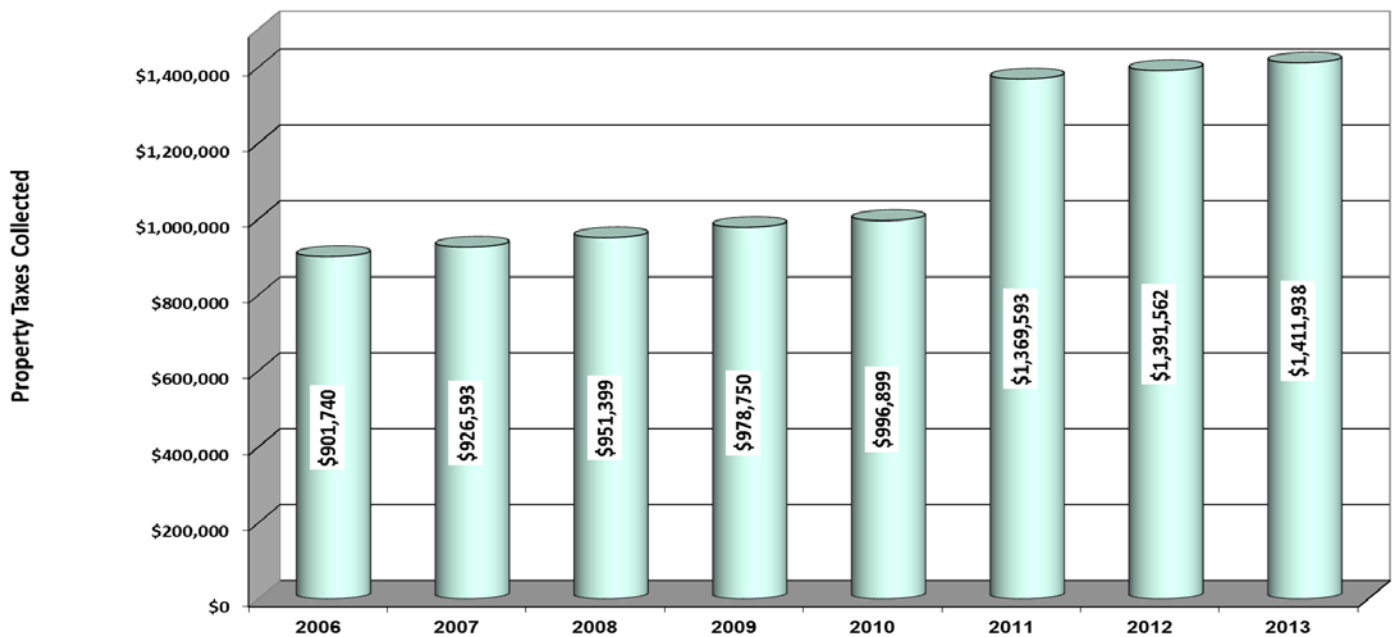
Total Tax Revenue \$2,205,798

Property taxes make up 63.6% of the General Fund's tax revenue and are expected to generate \$1,403,648 in revenue for the City in 2013. The City's levy rate in 2013 is \$2.83 per each \$1,000 of assessed value. 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.

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 and calculates levy rates.

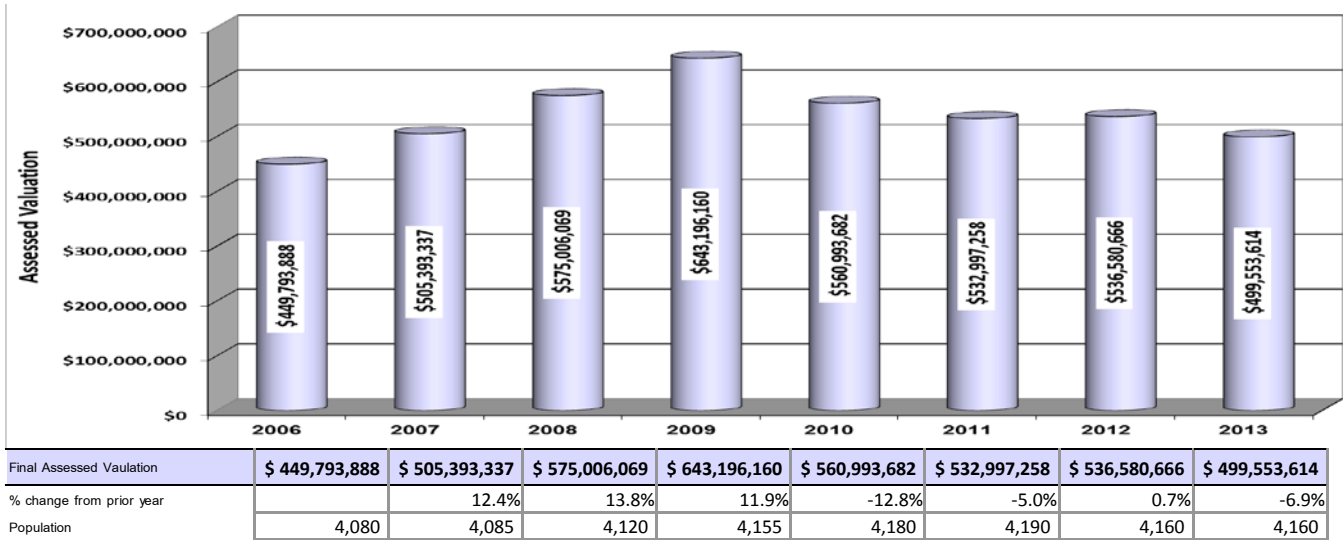
In Black Diamond the total tax levy rates range between \$14.42 and \$14.69 per thousand dollars in assessed valuation, depending on the school district in your neighborhood. Of that amount Black Diamond receives \$2.83 per thousand of a property's value, or close to 20% of the total. All of that money is used to support Black Diamond's Fire, Police and Emergency Services. Property taxes provide 64% of the City's public safety revenue. The City's portion of the property tax bill on a \$250,000 Black Diamond home will cost approximately \$58.92 per month in 2013.

Property Tax Collection History and 2013 Budget



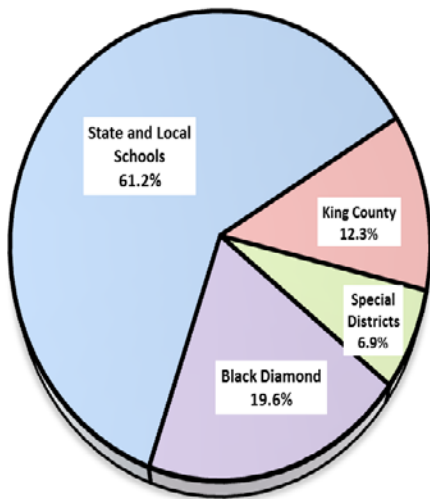
Regular Levy Base	876,039	901,740	926,593	951,399	978,750	1,360,227	1,369,593	1,389,750
1% Increase	8,761	9,017	9,266	9,514	9,788	0	13,696	13,898
New Construction	7,271	4,802	13,451	17,837	4,167	3,147	6,461	4,256
Annexations		13,100	0		1,163	0		
Adjustments	9,669	-2,066	2,089	0	3,031	6,219	1,812	4,034
Total Property Taxes	\$901,740	\$926,593	\$951,399	\$978,750	\$996,899	\$1,369,593	\$1,391,562	\$1,411,938
Levy Rate	2.00296	1.83902	1.65059	1.52072	1.77702	2.57000	2.59339	2.82640
Allowable Levy					3.10	3.10	3.10	3.10
Assessed Valuation	\$449,793,888	\$505,393,337	\$575,006,069	\$643,196,160	\$560,993,682	\$532,997,258	\$536,580,666	\$499,553,614

Assessed Valuation History



For a \$250,000
Appraised Black Diamond Home in 2013

This is how a typical \$250,000
residence's property taxes are
collected and distributed:



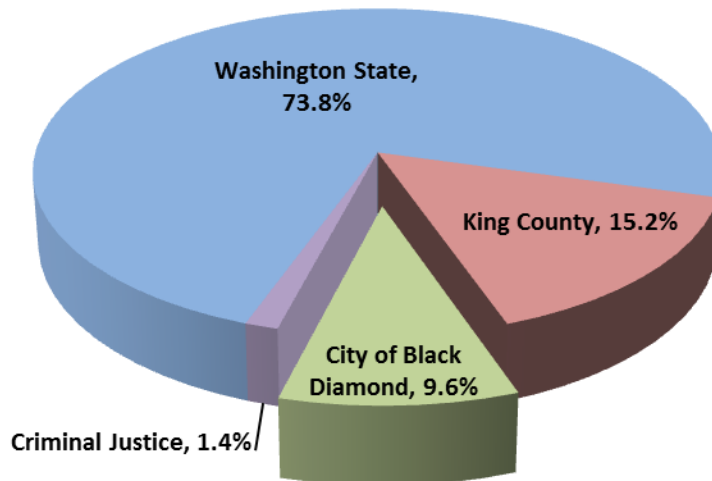
Taxing Entity	2013 Levy Rate per \$1,000	Annual Property Tax on a \$250,000 home	Monthly Property Tax on a \$250,000 home
School District (Enumclaw)	\$6.25	\$1,563	\$130
State Schools	\$2.57	\$643	\$54
Black Diamond	\$2.83	\$708	\$59
King County	\$1.54	\$385	\$32
Port of Seattle	\$0.23	\$58	\$5
Library District	\$0.57	\$143	\$12
Floods and Ferries	\$0.43	\$107	\$9
Total Property Taxes	\$14.42	\$3,604	\$300

Property taxes owed on a \$250,000 home in the City is approximately \$3,604 per year, with \$708, or 19.6% coming back to Black Diamond to support local police, fire and EMS services.

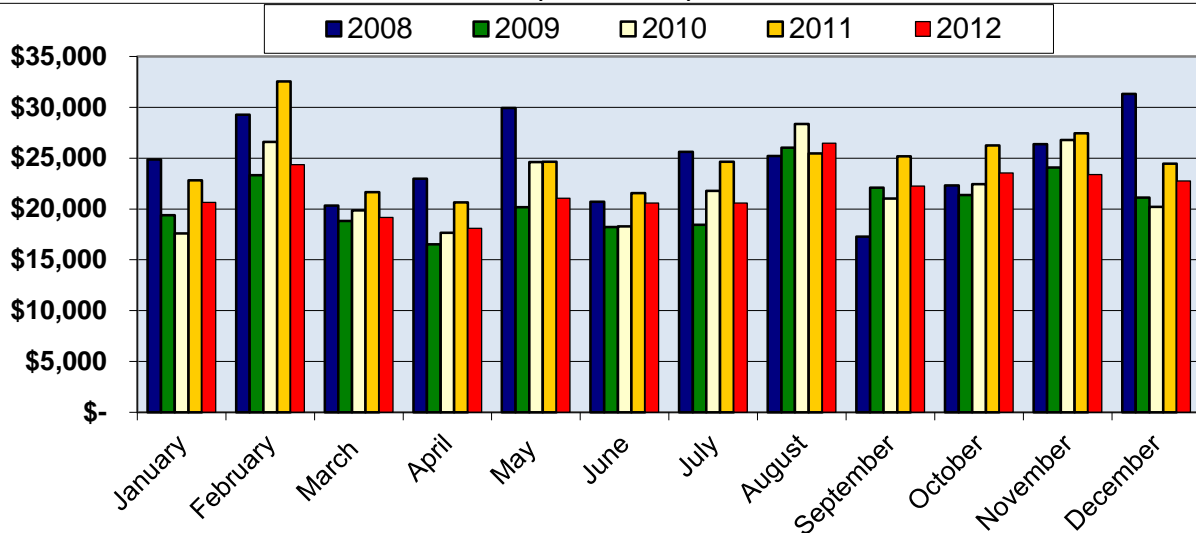
Sales tax revenue for the 2013 budget is \$270,000 or 12.2% of General Fund tax revenue. For every \$100 spent in Black Diamond, \$8.60 is collected by the State and is shared by various jurisdictions. These jurisdictions include our city, Washington State, King County and Criminal Justice programs. 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 in Black Diamond, as well as tax on new construction. In July 2009 sales tax streamlining went into effect in Washington State. This law shifts sales tax collections to the *delivered destination* rather than the place of purchase. This has provided some improved sales tax collections here. Overall sales tax revenues are not estimated to increase in 2013.

2013 Sales Taxes
 Taxed Amount is 8.6% of Retail Sales
 The Chart Below shows how much of each Sales Tax Dollar goes to the City:

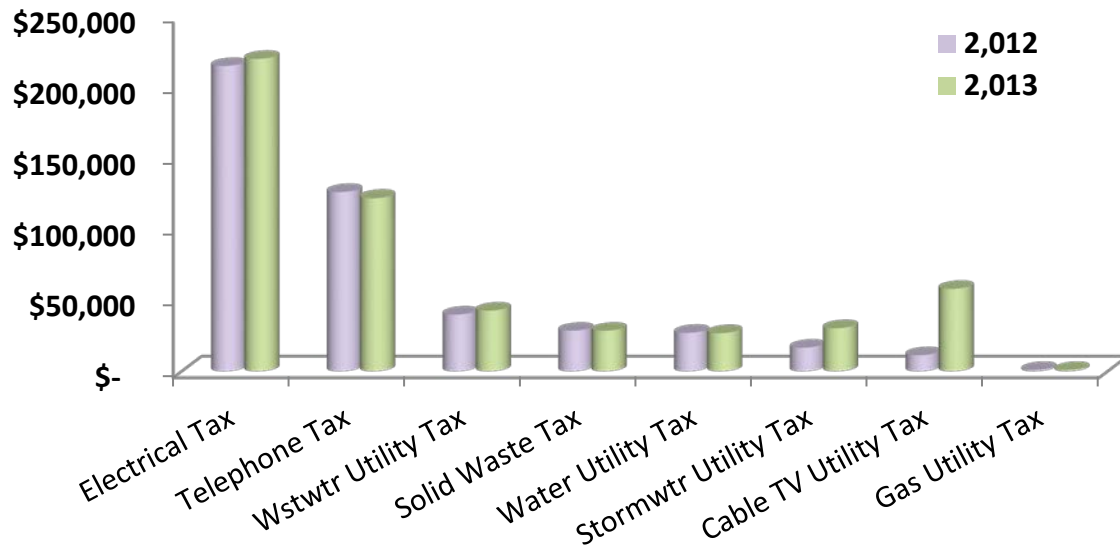


Sales Tax Monthly Data Analysis 2008 – 2012



Utility & Gambling taxes for Black Diamond in 2013 are projected to be \$532,150 or 24% of General Fund tax revenue, which is all used to support public safety. Black Diamond levies a 6% utility tax on all utilities except Stormwater which is 12%. Projected revenues include decreases in telephone and water and increases in stormwater and cable TV.

Utility Taxes	2011 Actual	2012 Amended Budget	2012 Actual	2013 Final Budget	12 to 13 Budget Change	% Budget Change
Electrical Tax	222,222	215,000	215,284	220,000	5,000	2.3%
Telephone Tax	129,585	126,000	124,173	122,000	(4,000)	-3.2%
Wastewater Utility Tax	37,541	39,900	38,054	42,700	2,800	7.0%
Solid Waste Tax	26,217	28,500	32,968	28,500		
Water Utility Tax	26,861	27,000	27,169	26,800	(200)	-0.7%
Stormwater Utility Tax	16,037	16,500	16,967	30,300	13,800	0%
Cable TV Utility Tax	11,519	11,200	10,387	58,100	46,900	418.8%
Gas Utility Tax	560	750	553	750		
Total Utility Revenue	470,542	464,850	465,555	529,150	64,300	13.8%



Cable Franchise Fees and Business License revenue comes from a 5% cable franchise fee. Business license revenue helps cover the cost of administration, inspection and other services for those occupations, trades and activities regulated by the City. Tree Permit Inspection fees were added in the 2013 budget.

Business License and Cable Franchise Fee Revenue	2011 Actual	2012 Amended Budget	2012 Actual	2013 Final Budget	12 to 13 Budget Change	% Budget Change
Business Licenses	23,785	24,320	23,445	22,500	(1,820)	-7.5%
Cable Franchise Fees	56,899	57,200	58,450	57,500	300	0.5%
Tree Permit Inspection Fee				2,000	2,000	100.0%
Total Gen Fund Bus. License & Cable Fee Revenue	80,684	81,520	81,895	82,000	480	0.6%

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. Revenue does not include Master Plan Development.

Community Development Revenue	2011 Actual	2012 Amended Budget	2012 Actual	2013 Final Budget	12 to 13 Budget Change	% Budget Change
Permitting Revenue						
Building Permit Fees	26,517	25,000	23,575	25,000		0%
Grading & Clearing Permits	4,893	4,600	8,131	4,600		
Mechanic Permits	2,294	2,600	2,102	1,590	(1,010)	-38.8%
Plumbing Permits	1,363	1,300	1,577	1,450	150	11.5%
Demolition Permits	402	500	360	250	(250)	-50.0%
Sprinkle/Alarm, Firework Permit	400	200	500	500	300	150.0%
Permit Fee Cost Recovery Increase				3,550		
Sign Permits	301	600	565	600		
Total Permitting Revenue	36,170	34,800	36,810	37,540	(810)	-0.02
Land Use Fees						
TDR Application/Credit		750	271	300	(450)	-60.0%
Various Land Use Fees		7,500	1,925	2,000	(5,500)	-73.3%
Lot Line Adjustments/Plats		600			(600)	-100.0%
Various Shoreline Fees	200	500	1,100	500		
Watchperson Fees			100	100		
SEPA Fees and Appeals	2,500	3,000	1,050	500	(2,500)	-500%
Total Land Use Fees	2,700	12,350	4,446	3,400	(9,050)	-73.3%
Plan Check Fees						
Plan Check Review Fees	14,184	20,000	21,245	17,000	(3,000)	0%
Fire Plan Check Fees	495	500	1,436	1,000	500	100.0%
Total Plan Check Fees	14,679	20,500	22,680	18,000	(2,500)	-12.2%
Other Community Dev. Revenue						
King County Rec. fees & code fines, etc.	252	300	256	300		
Copying Services	476	700	492	600	(100)	-14.3%
CD Reimbursement Revenue		4,000	1,920	9,450	5,450	0%
Community Development Deposits	13,615	2,000	2,027		(2,000)	-100.0%
Hearing Examiner Fees		5,000		1,000	(4,000)	0%
Total Other Community Dev	14,343	12,000	4,695	11,350	(650)	-5.4%
Total Community Development Rev	67,892	79,650	68,631	70,290	(13,010)	-16.3%

Police Revenue includes largely intergovernmental funding including grants, shared revenues, criminal justice funds and payments for goods and services provided to the City from the State or other governmental entities. Other revenue includes traffic school, gun permits and fingerprinting revenue as well as donations and other minor sources.

Police Revenue	2011 Actual	2012 Amended Budget	2012 Actual	2013 Final Budget	12 to 13 Budget Change	% Budget Change
Police Intergovernmental Revenue						
Marine Grant-USCG 97-012/Wa Parks	8,714	34,897	16,630	21,000	(13,897)	-39.8%
WTSC- X52 Speeding	738	1,000			(1,000)	0%
WASPC/DOJ-Bulletproof Vests			419			
WASPC Traffic Safety Equip-Radar	1,000	1,000	940	1,000		
WTSC- X52DUI/DHGN	865	3,500	742	1,000	(2,500)	-71.4%
WTSC- Nighttime Seat Belt Enforce	523		738			
Police CETED ST EQ Grant		3,000		1,000	(2,000)	0%
Police DUI Emphasis Grant	298					
Vessel Registration Boat Safety	10,520	10,520	15,006	15,000	4,480	0%
King County Program for Mentally Ill	440					
Vessel Reg. Boat Safety Carryover		10,500			(10,500)	100%
Total Police Intergovernmental Revenue	23,098	64,417	34,475	39,000	(25,417)	-0.39
Police Charges for Service						
Police Traffic School Fee	14,000	20,000	18,026	20,000		0%
Police Overtime Reimb	1,185	17,463	20,756	2,500	(14,963)	-599%
Police Traffic Reimb	975	500	1,343	1,000	500	50%
Police Records and Services	264	300	653	500	200	40%
Police-DUI Cost Recovery	4,981	6,500	3,623	4,690	(1,810)	-27.8%
DRE-Drug Recognition Expert Services	375	800			(800)	-100%
Electronic Home Monitoring	175	1,000	160	200	(800)	-80.0%
Work Crew Screening and per Day State Fee	285	200	75	200		
Reimbursement from Labor & Industries	8,099	500	75	100	(400)	-80.0%
Total Police Charges for Service	30,339	47,263	44,710	29,190	(18,073)	-38.2%
Police Confiscated, Donation, DARE, etc.						
Donation for Marine	500	500	500	500		
Gun Permits and Fingerprinting	1,510	2,200	2,412	1,800	(400)	-18.2%
DARE Donations from Private Sources	500	1,000	500	2,500	1,500	150.0%
K-9 Donation	1,815	2,000			(2,000)	-100%
L & I Reimbursement		2,430	2,431		(2,430)	-100%
Unclaimed/ Found Property	360					
Confiscated and Forfeited Property						
Total Police Confiscated, Donated Revenue	4,685	8,130	5,843	4,800	(3,330)	-41.0%
Police Criminal Justice Revenue						
Local Criminal Justice Funds	83,540	82,000	86,010	86,500	4,500	5.5%
Criminal Justice - Violent Crimes/Population	1,000	1,000	500	1,040	40	0%
Criminal Justice Dcd 1	878	800	199	400	(400)	0%
Criminal Justice - Special Programs	3,488	3,200	3,525	3,590	390	12.2%
DUI and Other Criminal Justice Assistance			578	400	400	100.0%
Transfer in from Criminal Justice Fund						
Total Criminal Justice Revenue	88,906	87,000	90,812	91,930	4,930	5.7%
Total Police General Fund Revenue	147,028	206,810	175,840	164,920	(41,890)	-20.3%

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 State has diverted the City share of Excise Tax for 2013 to their General Fund.

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 State real estate excise tax from the Public Works Trust Fund. These revenues have declined significantly since 2010.

Intergovernmental Revenue (non-police)	2011 Actual	2012 Amended Budget	2012 Actual	2013 Final Budget	12 to 13 Budget Change	% Budget Change
Sales Tax Assistance from State	38,489	39,000	41,769	32,000	(7,000)	-17.9%
Recycle Grants, King County and State	19,002	19,000	15,919	15,920	(3,080)	-16.2%
Liquor Excise Tax	20,418	19,800	15,322	5,000	(14,800)	-74.7%
Liquor Board Profits	28,947	31,800	41,496	36,500	4,700	14.8%
KC EMS VLS Contract	53,115	53,511	53,689	53,700	189	0%
Animal Control (one-time refund)	4,656		6,330			0%
Total Intergovernmental Rev	164,627	163,111	174,526	143,120	(19,991)	-12.3%

Charges for Services includes charges and fees for various services the City performs such as passport services, records services, grant reimbursements, copies, maps and publications, as well as charges for the Black Diamond Cemetery and Lake Sawyer parking fees. The Central Service allocation includes street, water, wastewater and stormwater portion of cost of non-reimbursed expenses primarily for a portion of the cost for the City Clerk for code, minutes, records, shared paper, postage, advertising, telephone, computer systems, facility costs, banking and credit card fees, payroll, vendor and receipt processing, and for planning and related costs. Also a small amount of costs are allocated for the City Council and Mayor and other staff as they work on utility related matters.

Charges for Services (non-police) - General Fund	2011 Actual	2012 Amended Budget	2012 Actual	2013 Final Budget	12 to 13 Budget Change	% Budget Change
Misc Charges for Services	1,033	1,500	65	1,900	400	26.7%
Passport Fee	4,900	5,000	6,938	8,000	3,000	0%
Grant Reimbursements and Other	59,221	26,000	9,287	12,000	(14,000)	-53.8%
Lake Sawyer Parking Fee	11,573	12,000	12,593	17,500	5,500	45.8%
Cemetery Revenue	3,685	16,700	22,917	8,400	(8,300)	-49.7%
Central Service & GF Allocations	104,841	107,463	106,649	74,749	(32,714)	-30.4%
Total Charges for Service (non-police)	185,253	168,663	158,447	122,549	(46,114)	-27.3%

Municipal Court revenue represents the City's portion of fines and forfeits collected on citations and other Municipal Court fees. This is always a difficult area to budget as these revenues are based on citations issued, court decisions and of course the defendant's ability to pay. Traffic infractions represent more than half of the Court's revenue.

Municipal Court Revenue - General Fund	2011 Actual	2012 Amended Budget	2012 Actual	2013 Final Budget	12 to 13 Budget Change	% Budget Change
Court Mand. Insurance Costs	4,148	4,850	2,539	2,900	(1,950)	-40.2%
Court Traffic Infractions	66,850	72,000	57,781	64,000	(8,000)	-11.1%
Court Other Non Traffic Infr.	447	800	7		(800)	0%
Court Parking Fines	1,599	2,000	1,975	2,000		
Court DUI Fines	2,260	2,200	3,092	3,200	1,000	45.5%
Court Criminal Traffic Misd.	5,921	7,800	5,868	6,600	(1,200)	-15.4%
Nontraffic Fees and Infractions	2,018	9,650	7,232	8,100	(1,550)	-16.1%
Administration/Correction Fees	29,306	34,000	14,418	14,800	(19,200)	-56.5%
Court Interest and Miscellaneous Fees	8,255	2,600	3,772	3,400	800	30.8%
Total Municipal Court Revenue	120,804	135,900	96,682	105,000	(30,900)	-22.7%

Miscellaneous Revenue includes interest on investments and property and sales tax proceeds prior to their distribution, as well as the sale of surplus equipment and other miscellaneous revenue sources. Interest income continues to be minimal due to extremely low interest rates.

Miscellaneous Revenue & Transfers Revenue	2011 Actual	2012 Amended Budget	2012 Actual	2013 Final Budget	12 to 13 Budget Change	% Budget Change
LGIP Investment and Misc. Interest	1,170	1,100	2,547	1,825	725	65.9%
Surplus GF Equipment	1,398	1,500	46		(1,500)	0%
Misc Revenue	930	500	5,258	600	100	20.0%
Total Miscellaneous Revenue	3,498	3,100	7,850	2,425	(675)	-21.8%

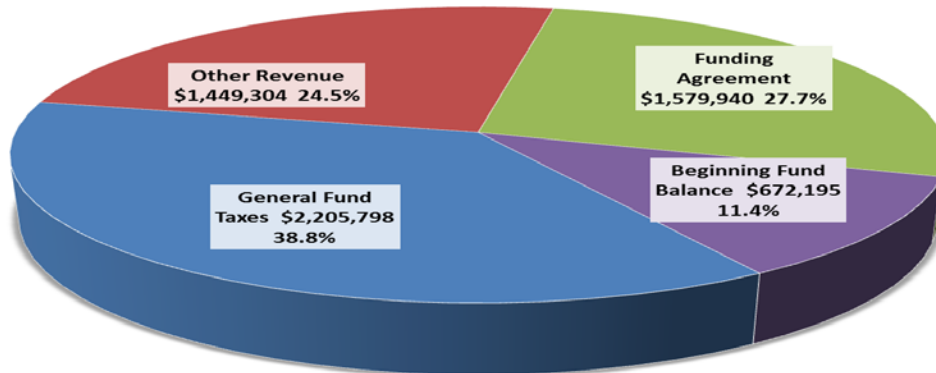
Funding Agreement revenue includes the General Fund portion of the Funding Agreement of ongoing costs for 2013 of \$1,439,117, and the Master Planned Development (MPD) for Lawson Hills and the Villages of \$634,000.

Funding Agreement Revenue - General Fund	2011 Actual	2012 Amended Budget	2012 Actual	2013 Final Budget	12 to 13 Budget Change	% Budget Change
Partner-Funding Agreement	1,404,173	1,526,680	1,434,751	1,579,940	53,260	3.49%
Total Operating General Fund Revenue	4,305,941	4,487,284	4,303,951	4,476,042	(11,242)	-0.25%

Other General Fund Revenue	2011 Actual	2012 Amended Budget	2012 Actual	2013 Final Budget	12 to 13 Budget Change	% Budget Change
MPD-Lawson Reimbursement	224,530	30,000	28,795		(30,000)	-100.0%
MPD-Villages Reimbursement	229,831	40,000	37,192		(40,000)	-100.0%
MPD/Dev Agree-Misc Reimbursements	194,268	100,000	86,431	25,000	(75,000)	-75.0%
MPD/LUPA Coping Reimbursement		40,000	16,708	59,000	19,000	47.5%
Yarrow Bay Plat Refund-adm	306,250		58,800			
Annexation Reimbursements	5,734					
Annexations Deposit Refund	(20,000)					
MDRT-Consultant Deposit		50,000	50,000		(50,000)	-100.0%
MDRT-Fiscal Reimbursements		100,000	66,774	50,000	(50,000)	-50.0%
MDRT-Civil Engineering Reimbursements		129,000	80,604	200,000	71,000	55.0%
MDRT-Traffic Reimbursements		50,000	10,590	55,000	5,000	10.0%
MDRT-Vehicle Reimbursements		20,000	19,718		(20,000)	-100.0%
MDRT-Legal Reimbursements		50,000	32,309	60,000	10,000	20.0%
MDRT-Environmental Reimbursements		50,000	18,957	30,000	(20,000)	-40.0%
MDRT-Geotech Reimbursements		50,000		30,000	(20,000)	-40.0%
MDRT-Surveyor Reimbursements		50,000	1,858	50,000		
MDRT-GFC Reimbursement		50,000		200,000	150,000	300.0%
Misc Reimbursements	17,861					
Total MPD & EIS/SEPA Dev Reimbursements	958,474	809,000	508,738	759,000	(50,000)	-6.2%

Beginning Fund Balance - General Fund	2011 Actual	2012 Amended Budget	2012 Actual	2013 Final Budget	12 to 13 Budget Change	% Budget Change
	178,560	424,069	424,068	426,608	2,539	0.6%
Beginning Cash & Investments (Developer)	163,790	497,145	497,145	245,587	(251,558)	-50.6%
Total Beginning Cash and Investments	342,350	921,214	921,213	672,195	(249,019)	-27.0%
Grand Total General Fund Revenue	5,606,765	6,217,498	5,733,903	5,907,237	(310,261)	-5.0%

2013 General Fund Total Revenue
(including non-operating)

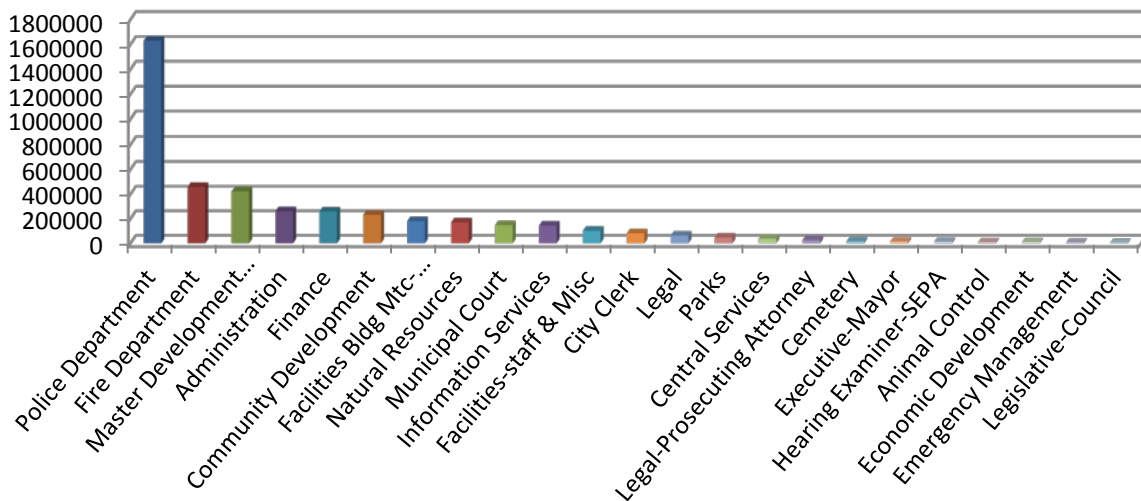


Total Revenue \$5,692,275

2013 General Fund Final Budget-Expenditures

	2012 Ammeded Budget	2013 Final Budget	2012-2013 Budget Difference	Budget % Change
EXPENDITURES by Department				
Executive-Mayor	14,076	13,686	(390)	-2.8%
Legislative-Council	13,399	2,500	(10,899)	-81.3%
Administration	213,258	260,345	47,087	22.1%
City Clerk	75,908	80,808	4,900	6.5%
Finance	283,110	258,337	(24,773)	-8.8%
Information Services	141,867	144,109	2,242	1.6%
Legal	67,725	62,750	(4,975)	-7.3%
Legal-Prosecuting Attorney	48,000	25,600	(22,400)	-46.7%
Municipal Court	204,319	147,128	(57,191)	-28.0%
Police Department	1,833,727	1,630,407	(203,320)	-11.1%
Fire Department	446,337	458,729	12,392	2.8%
Natural Resources	166,094	169,577	3,483	2.1%
Master Development Review Team	235,231	421,389	186,158	79.1%
Hearing Examiner-SEPA	0	12,500	12,500	100.0%
Community Development	355,800	231,437	(124,363)	-35.0%
Economic Development	45,864	8,112	(37,752)	-82.3%
Facilities-Staff & Misc	99,821	102,103	2,282	2.3%
Facilities Bldg Mtc-Funding agreement	180,000	180,000	0	0.0%
Animal Control	9,762	8,368	(1,394)	-14.3%
Emergency Management	5,000	5,000	0	0.0%
Parks	69,323	46,989	(22,334)	-32.2%
Cemetery	19,777	15,307	(4,470)	-22.6%
Central Services	36,127	37,530	1,403	3.9%
Total General Fund Operating Expenditures	4,564,525	4,322,711	(241,814)	-5.3%
Developer Expenditures	980,175	759,000	(221,175)	-22.6%
Total Expenditures	5,544,700	5,081,711	(462,989)	-8.4%
Ending Fund Balance General Government	383,228	579,939	196,711	51.3%
Ending Fund Balance Developer	289,570	245,587	(43,983)	-15.2%
Total General Fund Uses	6,217,498	5,907,237	(310,261)	-5.0%

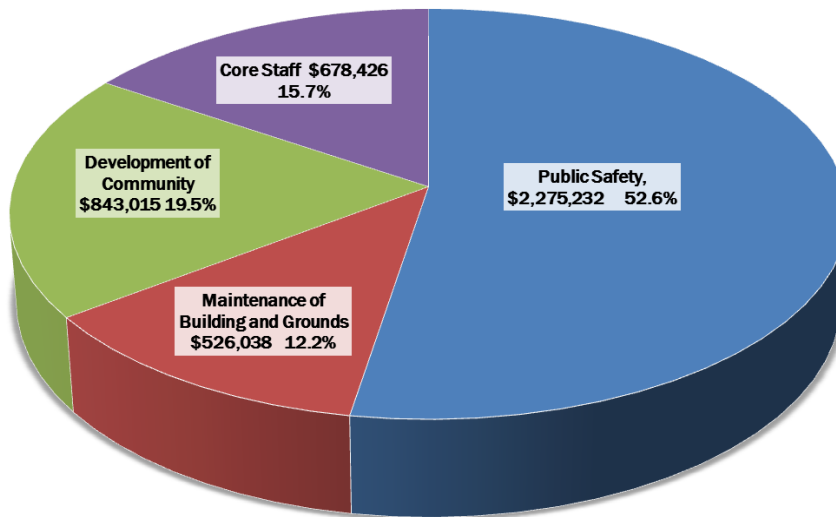
Yearly Expenditures by Department



General Fund Expenditure Summary	2012 Amended Budget	2012 Actuals	2013 Final Budget	12 to 13 Budget Change	% Budget Change
Public Safety					
Prosecuting Attorney	48,000	35,200	25,600	(22,400)	-46.7%
Municipal Court	204,319	169,695	147,128	(57,191)	-28.0%
Police Department	1,833,727	1,756,830	1,630,407	(203,320)	-11.1%
Fire Department	446,337	446,609	458,729	12,392	2.8%
Animal Control	9,762	11,988	8,368	(1,394)	-14.3%
EMS Management	5,000	4,880	5,000	-	
Total Public Safety	2,547,145	2,425,202	2,275,232	(271,913)	-10.7%
Maintenance of Building and Grounds					
Information Services	141,867	141,329	144,109	2,242	1.6%
Capital Facilities , Maint and Operations	279,821	271,246	282,103	2,282	0.8%
Parks	69,323	67,031	46,989	(22,334)	-32.2%
Cemetery	19,777	19,619	15,307	(4,470)	-22.6%
Central Services	36,127	35,547	37,530	1,403	3.9%
Total Maintenance of Building and Grounds	546,915	534,771	526,038	(20,877)	-3.8%
Development of Community					
Community Development	355,800	313,171	243,937	(111,863)	-31.4%
Natural Resources	166,094	163,198	169,577	3,483	2.1%
Economic Development	45,864	45,345	8,112	(37,752)	-82.3%
Master Development Review Team	235,231	226,363	421,389	186,158	79.1%
Total Development of community	802,989	748,078	843,015	40,026	5.0%
Core Staff					
Executive - Mayor	14,076	13,276	13,686	(390)	-2.8%
Legislative- City Council	13,399	12,374	2,500	(10,899)	-81.3%
Administration	213,258	216,679	260,345	47,087	22.1%
City Clerk	75,908	72,703	80,808	4,900	6.5%
Finance	283,110	247,137	258,337	(24,773)	-8.8%
Legal General	67,725	58,440	62,750	(4,975)	-7.3%
Total Core Staff	667,476	620,609	678,426	10,950	1.6%
Total Operating General Fund	4,564,525	4,328,659	4,322,711	(241,814)	-5.3%
One-time-only expenditures-Development	980,175	746,607	759,000	(221,175)	-22.6%
Total General Fund Expenditures	5,544,700	5,075,266	5,081,711	(462,989)	-8.4%
Ending Cash and Investments General Govt.	383,228	397,018	579,939	196,711	51.3%
Ending Cash and Investments-Development	289,570	261,619	245,587	(43,983)	-15.2%
Total Ending C&I Balance	672,798	658,637	825,526	152,728	22.7%
Total Uses General Fund	6,217,498	5,733,903	5,907,237	(310,261)	-5.0%

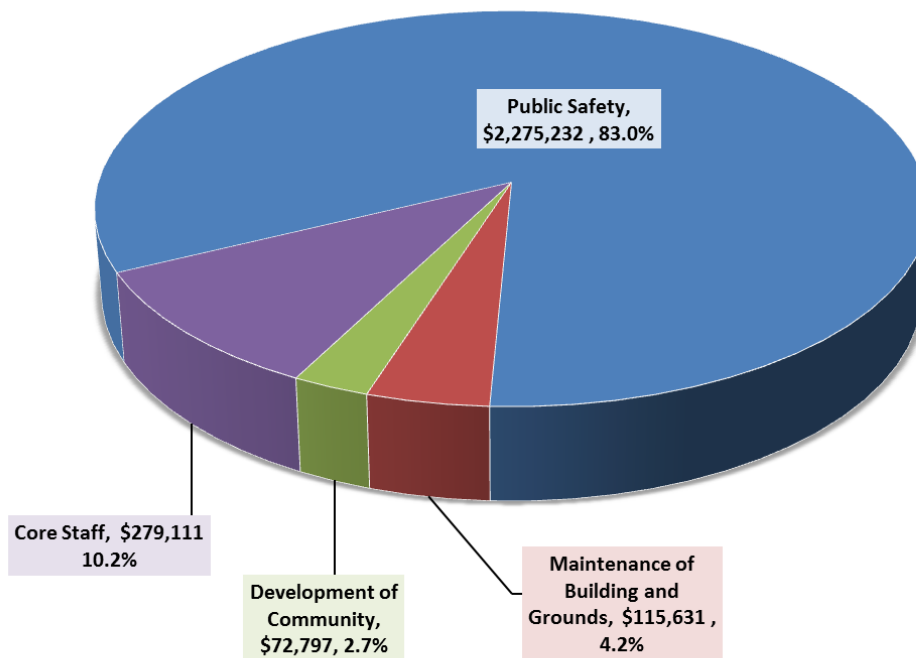
General Fund NET Operating Summary	2013 Final Budget	Less Funding Agreement	NET Expenditures
Public Safety			
Prosecuting Attorney	25,600		25,600
Municipal Court	147,128		147,128
Police Department	1,630,407		1,630,407
Fire Department	458,729		458,729
Animal Control	8,368		8,368
EMS Management	5,000		5,000
Total Public Safety	2,275,232		2,275,232
Maintenance of Building and Grounds			
Information Services	144,109	(135,776)	8,333
Capital Facilities , Maint and Operations	282,103	(274,631)	7,472
Parks	46,989		46,989
Cemetery	15,307		15,307
Central Services	37,530		37,530
Total Maintenance of Building and Grounds	526,038	(410,407)	115,631
Development of Community			
Community Development	243,937	(194,611)	49,326
Natural Resources	169,577	(147,156)	22,421
Economic Development	8,112	(7,062)	1,050
Master Development Review Team	421,389	(421,389)	-
Total Development of community	843,015	(770,218)	72,797
Core Staff			
Executive - Mayor	13,686		13,686
Legislative- City Council	2,500		2,500
Administration	260,345	(157,569)	102,776
City Clerk	80,808		80,808
Finance	258,337	(241,746)	16,591
Legal General	62,750		62,750
Total Core Staff	678,426	(399,315)	279,111
Total Operating General Fund	4,322,711	(1,579,940)	2,742,771

2013 General Fund Operating Expenditures by
Type of Program



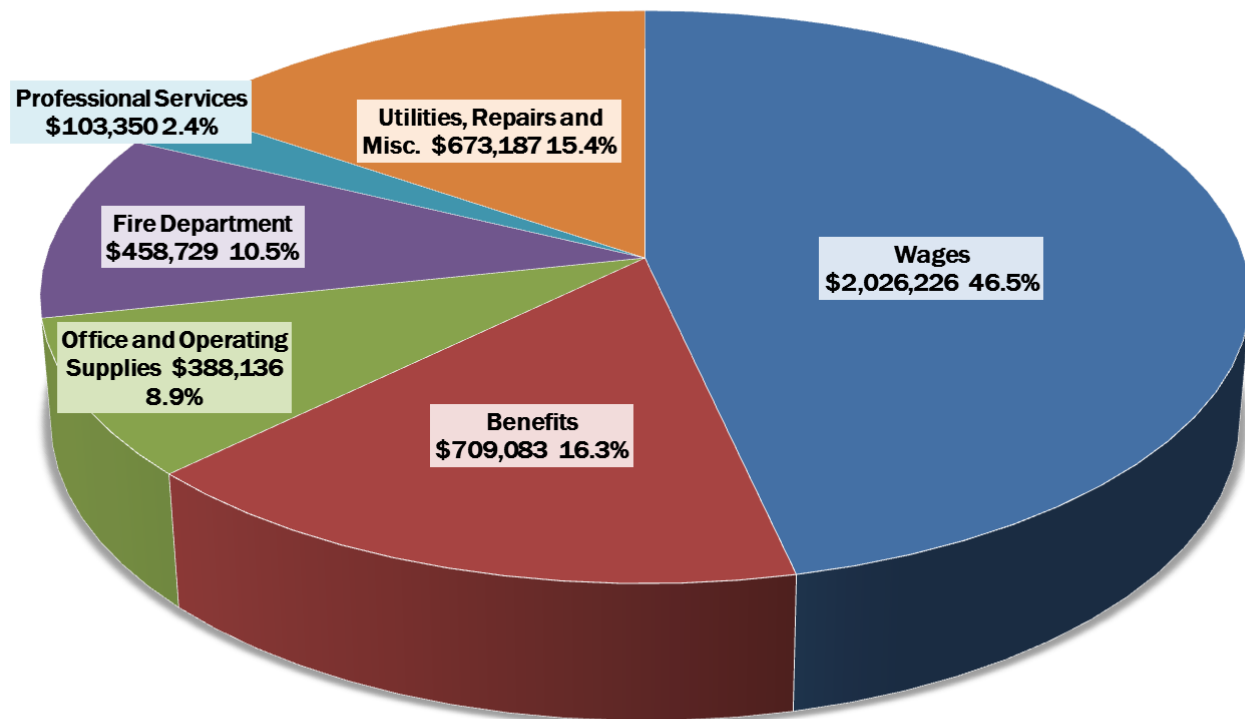
Total Operating Expenditures \$4,322,711

2013 General Fund Operating Expenditures
NET of Funding Agreement
by Type of Program



Total \$2,742,771

2013 General Fund Operating Expenditures by Type of Cost



Total Operating Expenditures: \$4,322,711

2013 Preliminary Budget Funding Agreement

Version ©

MDRT	FTE	Salaries	Benefits	2013
Exec Dir-EC Dev & Eng Svs	1.00	101,585	39,614	141,199
Exec Dir-Comm Development	1.00	107,977	27,530	135,507
Senior Planner	1.00	69,228	20,883	90,111
MDRT Senior Accountant/Adm Asst	0.75	48,345	25,075	73,420
Subtotal MDRT Salary & Benefits	3.75	327,135	113,102	440,237
Maintenance and Operations-MDRT				40,950
MDRT Vehicle Addition				45,000
Total MDRT	3.75	327,135	113,102	526,187
Core Agreement (254)				
City Clerk/Asst City Administrator	1.00	112,528	44,621	157,149
Public Works Director *	1.00	105,648	43,592	149,240
Natural Resources/Parks Director	1.00	102,719	44,668	147,387
Information Services Manager	1.00	101,025	34,751	135,776
Finance Director	1.00	112,528	19,119	131,647
Deputy Finance Director	1.00	86,289	23,810	110,099
Permit Center Supervisor	1.00	78,799	22,525	101,324
Utilities - Admin Asst. III Public Works *	1.00	57,461	36,904	94,365
Facilities Equipment Coordinator	1.00	69,237	25,395	94,632
SubTotal Core Salary & Benefits	9.00	826,233	295,385	1,121,618
Code Enforcement				16,500
Maintenance and Operations-Core				180,000
Total Core	12.75	826,233	295,385	1,318,118
Total Funding Agreement Operating Cost		1,153,368	408,487	1,844,305
Other MDRT Legal & Consultant Reimbursables				759,000
Grand Total Funding Agreement		1,153,368	408,487	2,603,305

* Street, water, sewer and stormwater staff.

Legislative

This section of the General Fund operating budget provides funding for the legislative branch of the City government. The department consists of 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. Councilmembers also serve on Council Committees which meet on an as-needed basis. 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 may receive a stipend of \$160 per month, with the Mayor Pro Tem eligible to receive \$200 per month. The 2013 Council Budget includes no stipend (wages) for Council Members or Mayor Pro Tem as a result of voluntary action by Council Members.

City of Black Diamond - Legislative						
2013 Budget Development Summary						
Legislative	Actual 2,011	Amended Budget 2012	Actual 2012	Budget Request 2013	Budget Increase (Decrease) \$	Budget Increase (Decrease) %
Wages (1)	10,080	10,080	10,080	-	(10,080)	-100.00%
Benefits (2)	38	38	49	-	(38)	-100.00%
Wages & Benefits Subtotal	10,118	10,118	10,129	-	(10,118)	-100.00%
Services (3)	1,759	3,281	2,245	2,500	(781)	-23.80%
Legislative Total	11,877	13,399	12,374	2,500	(10,899)	-81.34%
(1) Council wages have zero increase in 2013.						
(2) Increase represents mandatory industrial insurance increase.						
(3) Services includes \$1,200 Town Hall Meeting expense.						



Skate Park (Located on Park Street)

Executive Department

This General Fund contains the Mayor's budget. 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 associated with the Mayor include communications, travel, training and other miscellaneous expenses.

City of Black Diamond - Executive						
2013 Budget Summary						
Executive	Actual 2,011	Amended Budget 2012	Actual 2012	Budget Request 2013	Budget Increase (Decrease) \$	Budget Increase (Decrease) %
Wages (1)	12,000	12,000	12,000	12,000	0	0.00%
Benefits (2)	972	976	962	986	10	1.01%
Wage & Benefit Subtotal	12,972	12,976	12,962	12,986	10	0.08%
Supplies	14	100	29	100	0	0.00%
Services	582	1,000	285	600	(400)	-40.00%
Total Executive	13,568	14,076	13,276	13,686	(390)	-2.77%
(1) Wages for the Mayor are unchanged for 2013.						
(2) Represents mandatory industrial insurance increase.						



Swings adjacent to Skate Park (Located on Park Street)

Administration

Administration is part of the General Fund operating budget and provides funding for the overall management of the City of Black Diamond. This budget holds expenditures for the contract City Administrator and salary and benefits for the Assistant City Administrator, a position reimbursed 100% by the Funding Agreement. Because the Assistant City Administrator also serves as the City Clerk, non-salary expenditures associated with that position are located in the City Clerk's budget. Costs for an 80% City Administrator are budgeted under services for the General, Street and Utility Funds.

City of Black Diamond - Administration

2013 Budget Summary

Administration	Actual 2,011	Amended Budget 2012	Actual 2012	Budget Request 2013	Budget Increase (Decrease) \$	Budget Increase (Decrease) %
Wages (1)	111,228	111,654	111,684	112,528	874	0.78%
Benefits (2)	33,161	38,026	41,814	43,816	5,790	15.23%
Wage & Benefit Subtotal	144,389	149,680	153,498	156,344	6,664	4.45%
Supplies	-	-	342	200	200	100.00%
Services (3)	2,958	63,578	62,840	103,800	40,222	63.26%
Total Department Cost	147,347	213,258	216,679	260,344	47,086	22.08%
(1) Wages are not increased for administrative personnel. Furlough Days deduction. Salaries and benefits are 100% reimbursed through the funding agreement.						
(2) Benefits Include mandatory employer costs (taxes, retirement & medical which represents the majority of the increase). Fully funded cost.						
(3) Services include \$95,652 for 4 days a week City Administrator contract. 2013 increase is the General Fund portion of this contract for a full year. This cost is not funded by the funding agreement.						



Lake Sawyer Regional Park

City Clerk

The City Clerk Department 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 and also maintaining and developing the City's website.

This department includes the Deputy City Clerk. The Deputy City Clerk is allocated 60% to the General Fund and 40% to Public Works funds, and 10% of the Administrative Assistant. Also reflected in this budget are expenses for voter costs, code updates, advertising and other Clerk related expenditures. Budgets for office supplies and training for the Assistant City Administrator who also serves as the City Clerk are found in this section of the budget, while the salaries and benefits for that position are found in the Administration budget.

City of Black Diamond - City Clerk						
2013 Budget Summary						
City Clerk	Actual 2011	Amended Budget 2012	Actual 2012	Budget Request 2013	Budget Increase (Decrease) \$	Budget Increase (Decrease) %
Wages (1)	35,496	35,635	35,759	36,275	640	1.80%
Benefits (2)	16,337	18,165	18,369	19,249	1,084	5.97%
Wage & Benefit Subtotal	51,833	53,800	54,128	55,524	1,724	3.20%
Supplies	571	200	229	250	50	25.00%
Services (3)	16,987	21,908	18,345	25,605	3,697	16.88%
City Clerk Total	69,391	75,908	72,703	81,379	5,471	7.21%
(1) Wages include 1% Cola increase and Furlough Day deductions. Salaries & Benefits represent 60% of the Deputy City Clerk and 10% of the Administrative Assistant.						
(2) Benefits include mandatory employer costs (taxes, retirement & medical which represents the majority of the increase).						
(3) Services include \$5,500 2012 Special Elections costs plus \$11,600 for 2012 General election costs all paid in 2013 and \$4,000 for a city code update.						

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, business licensing, utility tax collections, cash and investment management and debt service. Finance prepares the Annual Budget, the Comprehensive Annual Financial Report, Capital Improvement Program, reports and monthly financial updates.

This department has a Finance Director and a Deputy Finance Director. The finance director and deputy finance director salaries and benefits are 100% reimbursed by the Funding Agreement. The decrease is due to the frozen unfunded Senior Accountant Position.

City of Black Diamond - Finance						
2013 Budget Summary						
Finance	Actual 2,011	Amended Budget 2012	Actual 2012	Budget Request 2013	Budget Increase (Decrease) \$	Budget Increase (Decrease) %
Wages (1)	216,556	221,179	203,150	198,817	(22,362)	-10.11%
Benefits (2)	44,605	52,231	36,472	42,965	(9,266)	-17.74%
Wage & Benefit Subtotal	261,161	273,410	239,621	241,782	(31,628)	-11.57%
Supplies	536	600	218	400	(200)	-33.33%
Services (3)	12,185	9,100	7,297	16,155	7,055	77.53%
Finance Total	273,882	283,110	247,137	258,337	(24,773)	-8.75%
(1) Wages include 1% Cola increase for non management and Furlough Days deducted. Finance Director and Deputy Finance Director salary and benefits 100% reimbursed through the funding agreement.						
(2) Benefits include mandatory employer costs (taxes, retirement & medical which represents the majority of the increase)						
(3) 2013 costs increase due to the semi annual audit.						

Information Services

The City of Black Diamond's Information Services Department is responsible for the procurement, administration and maintenance of the informational and telephone systems used by all of the City's departments. This department has one full-time employee for which the salary and benefits are reimbursed 100% by the Funding Agreement.

City of Black Diamond - Information Services						
2013 Budget Summary						
Information Services	Actual	Amended Budget	Actual	Budget Request	Budget Increase (Decrease)	Budget Increase (Decrease)
	2011	2012	2012	2013	\$	%
Wages (1)	98,868	99,248	99,276	101,025	1,777	1.79%
Benefits (2)	33,255	33,459	32,892	34,791	1,332	3.98%
Wage & Benefit Subtotal	132,123	132,707	132,168	135,816	3,109	2.34%
Supplies	253	300	79	300	0	0.00%
Services (3)	7,192	8,860	9,082	7,994	-866	-9.78%
Information Services Total	139,567	141,867	141,329	144,110	2,243	1.58%
(1) Wages include 1% Cola increase and Furlough Days deducted. Salaries & Benefits are 100% reimbursed through the Funding Agreement.						
(2) Benefits include mandatory employer costs (taxes, retirement & medical which represents the majority of the increase) All benefits are 100% fully funded through the Funding Agreement.						
(3) Services include \$2,000 for IS training on new products and \$2,500 professional services assistance.						

Facilities 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 and equipment. This department has one full-time employee whose salary and benefits are 100% reimbursed by the Funding Agreement.

The Capital Facilities Department provides for City Hall, Public Works land and building leases, and the associated utility and building costs. 100% of these costs are provided through the Funding Agreement.

City of Black Diamond - Facilities 2013 Budget Summary						
Facilities	Actual 2011	Amended Budget 2012	Actual 2012	Budget Request 2013	Budget Increase (Decrease) \$	Budget Increase (Decrease) %
Wages (1)	68,152	68,019	68,030	69,236	1,217	1.79%
Benefits (2)	21,864	23,141	22,600	25,482	2,341	10.12%
Wage & Benefit Subtotal	90,016	91,160	90,630	94,719	3,559	3.90%
Supplies (3)	2,685	4,650	803	3,100	-1,550	-33.33%
Services (4)	2,602	4,011	2,469	4,284	273	6.81%
Total Facility Costs	95,302	99,821	93,903	102,103	2,282	2.29%
(1) Wages include 1% Cola increase and Furlough Days deducted. Salaries & Benefits are 100% reimbursed through the Funding Agreement.						
(2) Benefits include mandatory employer costs (taxes, retirement & medical which represents the majority of the increase)						
(3) Supplies include fuel & tools.						
(4) Services include vehicle costs.						
Funding Agreement Facility Cost	Actual 2011	Amended Budget 2012	Actual 2012	Budget Request 2013	Budget Increase (Decrease) \$	Budget Increase (Decrease) %
Funding Agreement Facility Cost (1)	183,433	180,000	177,343	180,000	0	0.00%
Total FA Facility Costs	183,433	180,000	177,343	180,000	0	0.00%
(1) Funding Agreement facilities costs includes rental of land & buildings, modules, utilities, maintenance and general facility costs at City Hall site. These costs are 100% reimbursed through the Funding Agreement.						

Legal Department

The Legal Department represents the Office of the City Attorney. The General Fund portion of the budget of the City Attorney generally includes providing 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 Street and Utility Fund budgets. Kenyon Disend PLLC is currently contracted to provide legal counsel for the City. Chris Bacha serves as the City Attorney.

The City Attorney also provides Black Diamond with representation on a myriad of issues, including but not limited to providing legal analysis on civil issues, property acquisitions, land use issues and comprehensive plan issues. These legal costs are included in other funds, capital projects or MPD budgets.

City of Black Diamond - Legal						
2013 Budget Summary						
Legal	Actual 2011	Amended Budget 2012	Actual 2012	Budget Request 2013	Budget Increase (Decrease) \$	Budget Increase (Decrease) %
Legal Services - All (1)	55,479	67,725	47,228	62,750	-4,975	-7.35%
Declaratory Judgement & Capital Facilities Cost	-	-	11,212	-		
Legal Total	55,479	67,725	58,440	62,750	-4,975	-7.35%
Prosecutor						
Prosecuting Attorney (2)	48,200	48,000	35,200	25,600	-22,400	-46.67%
Total	103,679	115,725	93,640	88,350	-27,375	-23.66%
(1) Legal Services in these areas include a 4% increase. NOTE: The rate has remained steady during 2011 so the increase is over a three-year period.						
(2) Prosecuting Attorney fees reduced from \$4,000 a month to \$2,000 a month in 2013.						



Ball Field (Located next to Skate Park and Black Diamond Elementary)

Municipal Court

The Black Diamond Municipal Court is a court of limited jurisdiction, managing a caseload of approximately 1,500 to 2,400 cases each year. 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. The Court office is open Monday through Thursday from 8:30 a.m. to 5:00 p.m.

Budget for the Court includes a 80% - time Court Administrator, one part- time Court Clerk and contracted services provided by a judge, prosecutor and public defender. Budget is also needed for security and other miscellaneous expenses such as interpreters, office supplies, training and credit card fees.

City of Black Diamond - Municipal Court

2013 Budget Summary

Municipal Court	Actual 2011	Amended Budget 2012	Actual 2012	Budget Request 2013	Budget Increase (Decrease) \$	Budget Increase (Decrease) %
Wages (1)	92,679	89,944	79,850	61,782	-28,162	-31.31%
Benefits (2)	21,334	23,287	20,236	19,057	-4,230	-18.16%
Wages & Benefits Subtotal	114,014	113,231	100,085	80,840	-32,391	-28.61%
Supplies (3)	49,356	54,438	45,814	41,911	-12,527	-23.01%
Services (4)	29,440	36,650	23,795	24,376	-12,274	-33.49%
Municipal Court Total	192,810	204,319	169,695	147,127	-57,192	-27.99%
(1) Wages include a 1% Cola and Reduction to 80% time for the Court Administrator. Part-time reduced to 300 hours.						
(2) Benefits include mandatory employer costs (taxes, retirement & medical which represents the majority of the increase), together with reductions from full time to 80% time for the Court Administrator.						
(3) Supplies-operating supplies.						
(4) Services include telephone, security, court interpreters, witness costs as well as printing of forms, insurance and credit card processing costs for receiving court payments.						

Police Department

The Black Diamond Police Department is currently operating with a chief, commander, two patrol sergeants and four patrol officers. Four additional positions remain unfunded in 2013. The police department also has a full time records manager and a part-time records clerk. The 9.6 % overall reduction in the Police Operating Budget this year is due to the reduction in personnel.

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.

MISSION STATEMENT

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

Our Values

Integrity

Committed to providing quality service by consistently holding ourselves to the highest moral and ethical principals

Professionalism

Committed to providing the community with exceptional law enforcement by developing our personnel through effective training and leadership

Excellence

Committed to providing innovative solutions to issues by working in partnership with our community

Teamwork

Committed to providing a quality work environment by promoting coordination, cooperation, and communication with our members

City of Black Diamond - Police Department

2013 Budget Summary

Police Department	Actual 2,011	Amended Budget 2012	Actual 2012	Budget Request 2013	Budget Increase (Decrease) \$	Budget Increase (Decrease) %
Operating						
Wages (1)	969,316	1,022,306	1,018,969	907,840	-114,466	-11.20%
Benefits (2)	337,094	362,634	349,174	338,129	-24,505	-6.76%
Wages & Benefits Subtotal	1,306,410	1,384,940	1,368,142	1,245,969	-138,971	-10.03%
Supplies (3)	52,599	58,400	57,652	57,650	-750	-1.28%
Services (4)	78,872	97,399	92,327	88,690	-8,709	-8.94%
Police Operating Total	1,437,881	1,540,739	1,518,121	1,392,310	-148,429	-9.63%
Communication						
Communication Expense (5)	97,652	197,894	125,905	122,100	-75,794	-38.30%
Safety Equip.						
Safety Equipment	2,287	3,000	940	1,000	-2,000	-66.67%
Jail						
Jail Expense	18,153	28,000	16,503	29,300	1,300	4.64%
Police Facilities						
Police Facilities	20,569	19,995	25,361	23,298	3,303	16.52%
Civil Service						
Civil Service	1,757	2,660	2,509	2,550	-110	-4.14%
Marine						
Marine	24,552	40,680	39,160	36,000	-4,680	-11.50%
Criminal Justice						
Criminal Justice (6)	29,181	34,465	28,331	23,850	-10,615	-30.80%
Total Police Dept.						
Police Department Total	1,632,032	1,833,727	1,756,830	1,630,408	-203,319	-11.09%
(1) Wages include Step Increases (\$21,803) & 3% Cola (\$34,583) for represented personnel. Reduction due to layoff of two officers.						
(2) Benefits include mandatory employer costs (taxes & medical which represents the majority of the increase).						
(3) Supplies includes \$38,000 for fuel, \$7,400 for uniforms and \$7,000 for fire arms.						
(4) Services includes \$57,000 for liability, building & vehicle insurance, a \$12,300 increase over 2012 and \$17,000 vehicle maint.						
(5) Communication decrease due to reduced Valley Comm fees.						
(6) No longer renting the exercise facility (\$7,590).						

Fire Department

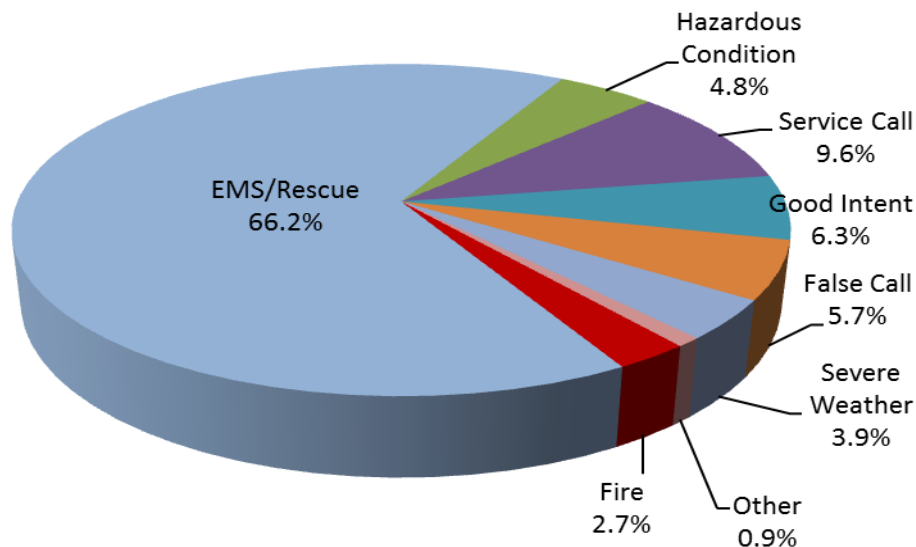
The City of Black Diamond contracts with Mountain View/Black Diamond Fire Department, King County Fire District No. 44, for fire services. The department's responsibilities include providing a minimum of two personnel on duty 24 hours a day, seven days a week in Black Diamond and providing rescue, fire 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 percent increase in the 2013 budget recognizes the cost of services agreed to in the 2008 Interlocal Agreement between the City and Fire District.

City of Black Diamond - Fire Department						
2013 Budget Summary						
Fire Department	Actual 2,011	Amended Budget 2012	Actual 2012	Budget Request 2013	Budget Increase (Decrease) \$	Budget Increase (Decrease) %
Fire Dist 44 Prof Serv (1)	428,585	442,300	442,300	455,569	13,269	3.00%
Prof Svcs KC Fire Investigation	2,130	2,032	2,649	1,503	-529	-26.03%
Other Operating cost	1,450	2,005	1,660	1,657	-348	-17.36%
Fire Department Total	432,165	446,337	446,609	458,729	12,392	2.78%

(1) 2013 Contract Services for Fire District 44 include a 3% CPI estimate.

2012 Fire Incidents by Type*	
Fire	9
EMS/Rescue	221
Hazardous Condition	16
Service Call	32
Good Intent	21
False Call	19
Severe Weather	13
Other	1
Total	334

* Black Diamond only



Fire Department Incidents by Percentage

Animal Control expenditures include the payment to King County for animal control services.

City of Black Diamond - Animal Control & Emergency Management						
2013 Budget Summary						
Animal Control	Actual 2,011	Amended Budget 2012	Actual 2012	Budget Request 2013	Budget Request Increase (Decrease) \$	Budget Request Increase (Decrease) %
Animal Control Prof Svcs	15,663	9,762	11,988	8,368	(1,394)	-14.28%
Animal Control Total	15,663	9,762	11,988	8,368	(1,394)	-14.28%

Emergency Management expenditures go toward the purchase emergency supplies.

Emergency Management	Actual 2,011	Budget 2012	Actual thru 2012	Budget 2013	Budget 2013	Budget 2013
001-000-191-525-40-49-01 Emergency Management Training	270	-	89	2,500	2,500	100.00%
001-000-191-525-60-31-00 EMS MGMT Operating Supplies	233	5,000	4,791	2,500	(2,500)	-50.00%
Emergency Management Total	502	5,000	4,880	5,000	-	0.00%



Lake Sawyer

Community Development budget provides funding 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. This section currently includes three full-time employees: a Director, Senior Planner, and a Permit Supervisor. The City has an interlocal agreement with the City of Covington for its staff to provide building permit and code enforcement functions.

Currently, all salaries and benefits in this department are 100% reimbursed by the Funding Agreement, with the exception of building plan review and inspection services, which are funded through application fees. The remainder of expenses such as training, memberships, office supplies, and allocated costs are General Fund expenditures.

City of Black Diamond - Development & Planning						
2013 Budget Summary						
Community Development						
Planning	Actual	Amended Budget	Actual	Budget Request	Budget Increase (Decrease)	Budget Increase (Decrease)
	2011	2012	2012	2013	\$	%
Wages (1)	65,788	61,413	61,504	38,902	-22,511	-36.65%
Benefits (2)	17,490	16,370	15,983	10,743	-5,627	-34.38%
Wage & Benefit Subtotal	83,279	77,783	77,487	49,645	-28,138	-36.18%
Supplies	1,276	850	686	300	-550	-64.71%
Services	86,279	1,334	3,101	3,063	1,729	129.58%
Planning Total	170,833	79,967	81,273	53,007	-26,960	-33.71%
Permitting						
Wages (1)	79,426	93,439	93,871	89,597	-3,842	-4.11%
Benefits (2)	19,556	25,067	24,602	25,316	249	0.99%
Wage & Benefit Subtotal	98,982	118,506	118,473	114,913	-3,593	-3.03%
Supplies	1,297	850	372	2,050	1,200	141.18%
Services (3)	71,947	48,592	35,708	25,640	-22,952	-47.23%
Permitting Total	172,226	167,948	154,553	142,602	-25,346	-15.09%
Code Enforcement						
Wages (1)	3,468	10,684	10,789	10,797	113	1.06%
Benefits (2)	541	2,596	2,550	2,757	161	6.19%
Wage & Benefit Subtotal	4,009	13,280	13,339	13,554	274	2.06%
Supplies	-	-	-	50	50	100.00%
Services (4)	24,399	35,605	18,604	17,223	-18,382	-51.63%
Code Enforcement Total	28,409	48,885	31,943	30,827	-18,058	-36.94%
Hearing Examiner						
Professional Services (5)	2,245	59,000	45,402	17,500	-41,500	-70.34%
Hearing Examiner Total	2,245	59,000	45,402	17,500	-41,500	-70.34%
Community Development Total	373,713	355,800	313,171	243,937	(111,863)	-31.44%

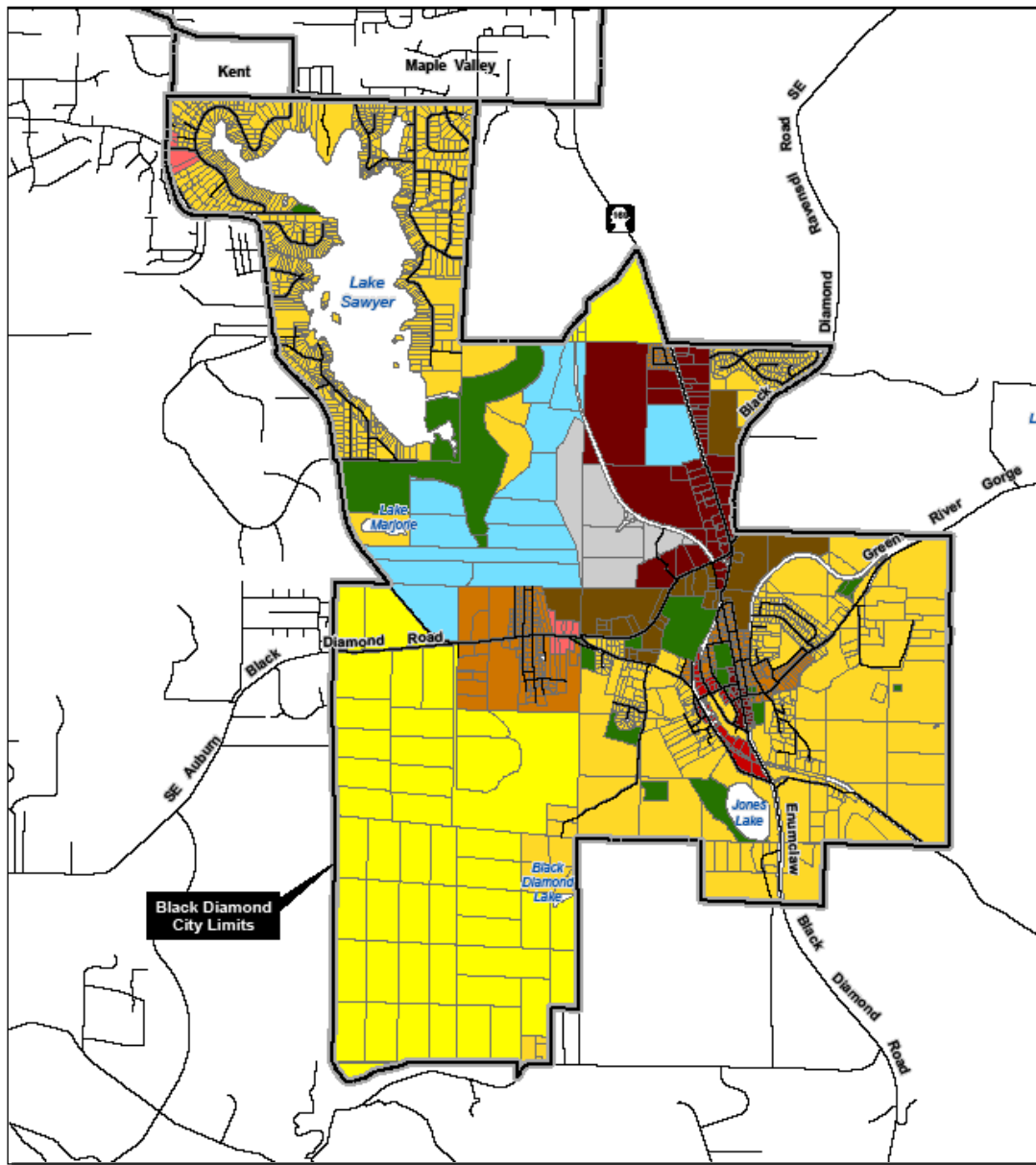
(1) Wages include 1% Cola increase for non management and Furlough Days deducted. Salaries & Benefit costs for all personnel as well as Code Enforcement contract services are 100% reimbursed through the funding agreement.

(2) Benefits include mandatory employer costs (taxes, retirement & medical which represents the majority of the increase) (Fully Funded)

(3) Permitting Services include \$25,500 Inspection Service cost & \$9,000 Permit Software maintenance cost.

(4) Code Enforcement Services include Code Enforcement Service of \$16,500, down \$18,500 from 2012. 100% Funded via Funding Agreement

(5) Includes \$17,500 for Hearing Examiner Services to cover the cost of SEPA appeal. Overall Community Development cost reductions reflect the reallocation of Development costs to the Master Development Review Team (MDRT).



Black Diamond City Limits

Natural Resources functions to purchase, restore and maintain the City's natural resources and provide guidance in balancing the protection of the environment and a strong, vibrant economy. Inherent to the Natural Resources Department is significant overlap with the City of Black Diamond's Parks, Recreation and Open Space Program. The Natural Resources Department has and will continue to provide back-up in the development of the City's Comprehensive Parks, Recreation, Trails and Open Space Plan as components to this program fall under the responsibilities of this Department.

Natural Resource Department responsibilities involve management of the City's Transfer of Development Rights (TDR's) Program and to help ensure the quality of life that residents of Black Diamond have come to expect. Environmental sensitivity is also part of the City's vision for the future. The Natural Resources Director is the single full-time employee in this department, of which the salary and benefits are reimbursed 100% by the Funding Agreement.

City of Black Diamond - Natural Resources						
2013 Budget Summary						
Natural Resources	Actual 2,011	Amended Budget 2012	Actual 2012	Budget Request 2013	Budget Increase (Decrease) \$	Budget Increase (Decrease) %
Wages (1)	101,831	101,921	102,251	102,717	796	0.78%
Benefits (2)	33,592	41,101	40,840	44,735	3,634	8.84%
Wages & Benefits Subtotal	135,423	143,022	143,091	147,452	4,430	3.10%
Supplies	348	50	33	100	50	100.00%
Services (3)	22,386	23,022	20,075	22,025	(997)	-4.33%
Natural Resources Total	158,157	166,094	163,198	169,577	3,483	2.10%
(1) Wages do not increase for management personnel and include Furlough Days deducted. All Salary & Benefit costs are 100% fully funded through the Funding Agreement.						
(2) Benefits include mandatory employer costs (taxes, retirement & medical which represents the majority of the increase)						
(3) Services include \$15,920 of recycle expenditures covered by grant revenue.						



Lake Sawyer Regional Park

Economic Development provides a bridge between private and public sectors to assist with the economic growth of the community in areas of job creation and retention through recruitment and expansion of businesses and developments.

Economic Development Department responsibilities involve implementing strategies that will aid in business attraction. The goal is to increase the job base while maintaining the current jobs in Black Diamond, and to develop and maintain economic development related data and databases necessary for business recruitment.

Economic Development also has the primary responsibility to develop and enhance partnerships with agencies, utilities, transportation, and other economic development allies. This department also manages land acquisitions and project planning for City owned development projects.

City of Black Diamond - Economic Development						
2013 Budget Summary						
Economic Development	Actual	Amended Budget	Actual	Budget Request	Budget Increase (Decrease)	Budget Increase (Decrease)
	2011	2012	2012	2013	\$	%
Wages (1)	100,404	32,755	32,768	5,077	-27,678	-84.50%
Benefits (2)	32,647	12,336	12,036	1,984	-10,352	-83.92%
Wage & Benefit Subtotal	133,051	45,091	44,804	7,061	-38,030	-84.34%
Supplies	20	300	25	500	200	66.67%
Services	2,072	473	517	550	77	16.28%
Economic Development Total	135,143	45,864	45,345	8,111	-37,753	-82.32%
(1) There were no wage increases for Management personnel and Furlough Days were deducted. The large reduction reflects the reallocation of Economic Development Director costs to the Master Development Review Team (MDRT). All Salary & Benefit costs are 100% reimbursed through the Funding Agreement.						
(2) Benefits include mandatory employer costs (taxes, retirement & medical). As in wages, the reduction in benefits reflects the reallocation of Economic Development cost to MDRT.						

City of Black Diamond - MDRT						
2013 Budget Summary						
MDRT	Actual	Amended Budget	Actual	Budget Request	Budget Increase (Decrease)	Budget Increase (Decrease)
	2,011	2012	2012	2013	\$	%
Wages (1)	n/a	166,756	165,396	246,320	79,564	47.71%
Benefits (2)	n/a	45,024	45,620	89,119	44,095	97.94%
Wages & Benefits Subtotal	n/a	211,780	211,016	335,439	123,659	58.39%
Supplies (3)	n/a	2,000	1,148	2,400	400	20.00%
Services (4)	n/a	21,451	14,199	83,550	62,099	289.49%
Capital (5)						
MDRT Total	n/a	235,231	226,363	421,389	186,158	79.14%
All Master Plan Development Team costs are 100% fully reimbursed through the Funding Agreement.						
(1) Wages include 1% Cola increase for non management and Furlough Days deducted. Large increase for 2013 reflects the reallocation of Community & Economic Development Director costs to the Master Plan Review Team (MDRT). Also included in the 2013 increase is a full year of the Senior Accountant position which was only funded a half year in 2012. (Reimbursed 100% through the Funding Agreement.)						
(2) Benefits include mandatory employer costs (taxes, retirement & medical). As with wages, the large increase in 2013 reflects the reallocation of personnel costs from Community & Economic Development Director costs to MDRT.						
(3) Supplies includes fuel, postage and supplies						
(4) Services include vehicle insurance & maintenance as well as memberships and training.						
(5) Capital includes the acquisition of a vehicle for \$45,000.						

Parks Department functions include the maintenance of the boat launch and associated park area on Lake Sawyer, Eagle Creek Park including playground equipment and landscape, the downtown park, north of the Black Diamond Elementary School, including a basketball court, tennis court, playground equipment, skate board park and picnic tables, and a BMX track is provided south of the police station. Two passive parks include the Union Stump historical marker and the Coal Car Triangle historical marker. The City also has a 168 acre undeveloped park at the south end of Lake Sawyer that has a gravel parking lot and a trail for access. The City provides insurance and all utilities for the Museum. And also provides a site and minimal grounds maintenance for the Recreation Center of which the Community Center operates. In total, the City has 173.5 acres of park property.

The Parks Department is maintained by the utility crew and their costs were reduced to 4%. Park fees were increased to help cover costs.

City of Black Diamond - Parks						
2012 Budget Summary						
Parks	Actual 2,011	Amended Budget 2012	Actual 2012	Budget Request 2013	Budget Increase (Decrease) \$	Budget Increase (Decrease) %
Wages (1)	26,553	26,145	26,790	14,901	(11,244)	-43.01%
Benefits (2)	9,244	9,944	10,163	5,969	(3,975)	-39.97%
Wages & Benefits Subtotal	35,797	36,089	36,953	20,870	(15,219)	-42.17%
Supplies	8,467	10,760	9,095	5,378	(5,382)	-50.02%
Services	23,117	22,474	20,983	20,691	(1,783)	-7.93%
Parks Department Total	67,381	69,323	67,031	46,939	(22,384)	-32.29%
(1) Wages include 1% Cola increase for non management and Furlough Days deducted for non Public Works personnel.						
(2) Benefits include mandatory employer costs (taxes, retirement & medical which represents the majority of the increase)						
(3) Supplies include annual cost of the portable restroom facility as well as Museum insurance and utility costs and Community Center insurance costs.						
(4) Services include the annual cost of the venue pay station (\$2,000), parks share of shop costs.						



Lake Sawyer Boat Launch area

Cemetery Department functions provide operations and maintenance of the historic Black Diamond Cemetery. This involves coordinating burials, sale of cemetery plots, providing physical burial services and maintaining the cemetery grounds. The burial fees cover the costs associated with the burial.

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 for the drier months during the growing season.

Public Works employees are allocated a portion of their salary and benefit costs to the Cemetery. Cemetery costs total 2%.

City of Black Diamond - Cemetery						
2013 Budget Summary						
Cemetery	Actual	Amended Budget	Actual	Budget Request	Budget Request Increase (Decrease)	Budget Request Increase (Decrease)
	2011	2012	2012	2013	\$	%
Wages (1)	10,072	9,983	10,166	8,410	(1,573)	-15.76%
Benefits (2)	3,980	4,283	4,334	3,983	(300)	-7.00%
Wage & Benefit Subtotal	14,052	14,266	14,500	12,393	(1,873)	-13.13%
Supplies (3)	335	1,395	1,259	1,270	(125)	-8.96%
Services (4)	1,055	4,016	3,596	1,294	(2,722)	-67.77%
Taxes/Transfers/Other (5)	54	100	264	400	300	300.00%
Total	15,497	19,777	19,619	15,357	(4,420)	-22.35%
(1) Wages include 1% Cola increase for non management and Furlough Days deducted for non Public Works personnel. (2) Benefits include mandatory employer costs (taxes, retirement & medical which represents the majority of the increase). (3) Supplies include fuel, safety equipment & tools. (4) Services include share of shop & vehicle maintenance & security costs. (5) Excise taxes.						

Central Services provide the budget that captures shared costs for various 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. Employee recognition budget includes employee and elected official recognition, awards and an annual banquet.

City of Black Diamond - Central Services						
2013 Budget Summary						
Central Services	Actual	Amended Budget	Actual	Budget Request	Budget Increase (Decrease)	Budget Increase (Decrease)
	2011	2012	2012	2013	\$	%
Supplies (1)	5,151	9,700	6,588	5,476	-4,224	-43.55%
Services (2)	27,103	23,327	28,063	30,184	6,857	29.40%
KC Mental Health	1,012	3,100	895	1,300	-1,800	-58.06%
Central Services Total	33,266	36,127	35,547	36,960	833	2.31%
(1) Supplies include \$3,500 for postage & \$2,253 for General Insurance, plotter & paper supplies for all Departments.						
(2) Services include city wide memberships such as Sound Cities, AWC, Software maintenance, Banking costs, newsletter costs, postage & printing of vouchers, checks & receipts.						

Funding Agreement, Studies, Deposits and Interfund Transfer expenditures in the General Fund budget includes one-time only costs, reimbursable studies and legal costs in the Funding Agreement, and in prior years, studies with other parties. The decrease is due to completion of EIS and SEPA projects in 2010.

City of Black Diamond - Funding & MPD EIS						
2013 Budget Summary						
Funding Agreement	Actual	Amended Budget	Actual	Budget Request	Budget Increase (Decrease)	Budget Increase (Decrease)
	2011	2012	2012	2013	\$	%
Yarrow Bay SEPA Costs	591,175	170,850	138,648	84,000	-86,850	-50.83%
Refund Application Fees	0	305,325	305,318	0	-305,325	
Yarrow Bay SEPA Cost Subtotal	591,175	476,175	443,966	84,000	-392,175	-82.36%
MDRT Consultant Costs:						
MDRT Legal	0	34,000	51,107	60,000	26,000	76.47%
MDRT Fiscal Henderson & Young	0	100,000	67,574	50,000	-50,000	-50.00%
MDRT Civil Engineering -RH2	0	100,000	114,521	200,000	100,000	100.00%
MDRT Traffic Engineering Parametrix	0	60,000	21,456	55,000	-5,000	-8.33%
MDRT Environmental Perteet	0	70,000	26,407	30,000	-40,000	-57.14%
MDRT Geotech-Sub Terra	0	60,000	0	30,000	-30,000	-50.00%
MDRT Surveyor-Parametrix	0	60,000	1,858	50,000	-10,000	-16.67%
MDRT GFC-Makers	0	0	0	200,000	200,000	100.00%
New Vehicles	0	20,000	19,718			
MDRT Consultant Cost Subtotal	0	504,000	302,641	675,000	171,000	200.00%
Funding Agreement Total (1)	591,175	980,175	746,607	759,000	-221,175	-22.56%
(1) All Costs are 100% Reimbursed through the Funding Agreement.						

Special Revenue Funds



Lake Sawyer

Street Department responsibilities include maintaining, planning and upgrading public streets and sidewalks. Major activities in the Street Department include maintaining the street signs and pavement markings, snow plowing, street sanding during ice conditions, roadside mowing and brushing, pavement maintenance, roadway construction, managing the right of way, providing street lighting and signal maintenance and street network planning and review. Street revenue from gas tax is the primary source of funds for the Street Department. Falling revenues have forced the Street Department to use real estate excise tax funding normally reserved for capital projects and street capital projects, to fill in the short fall in the street maintenance budget.

101 Street Fund Finance Report

	2011 Actual	2012 Budget	2012 Actual	2013 Budget	12 to 13 Budget Change	% Change 2012 to 2013
STREET FUND REVENUE						
Street Gas Tax	87,246	85,870	85,007	84,000	(1,870)	-2.2%
Annex-Diverted Road Tax	6,200					
Street/Sidewalk cut/Curb variance	300	300				-100.0%
Right of way permit	3,000	3,000	3,650	1,000	(2,000)	-66.7%
Grant Reim. Proj mgmt	18,276					
Charges for service/Misc	1,620		30			
Operating Revenue	116,642	89,170	88,687	85,000	(4,170)	-4.7%
Funding Agreement-Sal & Ben Reimb	40,765	42,946	44,116	60,965	18,019	42.0%
Investment Interest	629	610	554	600	(10)	-1.6%
Total Other Revenue	41,394	43,556	44,670	61,565	18,009	41.3%
Total All Revenue	158,036	132,726	133,358	146,565	13,839	10.4%
Beginning Cash & Invest. Balance -Unreserved	323,854	328,145	328,145	258,379	258,379	-21.3%
Total Sources	481,890	460,871	461,503	404,944	(55,927)	-12.1%
STREET FUND EXPENDITURES						
Salaries 1	67,440	69,497	67,496	99,886	30,389	43.7%
Benefits 2	25,354	27,769	28,992	43,436	15,667	56.4%
Total Salaries and Benefits	92,794	97,266	96,488	143,322	46,056	-52.6%
Supplies 3	5,701	7,019	5,611	9,790	2,771	39.5%
Services 4	62,498	69,424	66,819	75,147	5,723	8.2%
Total Operating Expenses	160,993	173,709	168,918	228,259	54,550	31.4%
Total Transfers for Equip & Projects 5	(7,248)	30,000	30,000	10,000	(20,000)	-66.7%
Total All Expenditures	153,745	203,709	198,918	238,259	34,550	-83.0%
Three Months Cash and Investments	40,248	42,959	42,959	59,595	16,636	38.7%
Unreserved C&I Balance	287,897	214,203	226,666	107,090	(107,113)	-50.0%
Total Ending Cash & Investments	328,145	257,162	262,584	166,685	(90,477)	-35.2%
Total Uses	481,890	460,871	461,503	404,944	(55,927)	-12.1%

1 Salaries include step increases & a 1% COLA for non management personnel. Increase due to reallocation of Utility Superintendent from Parks to Street based on audit of time worked in 2011 & 2012.

2 Benefit increase includes mandatory employer costs (taxes, retirement and medical-which represents the majority of the increase).

3 Supplies include sand & salt (\$1,300), fuel (\$3,000), and operating supplies, tools, uniforms and small parts.

4 Services include the PSE street light cost (\$28,500), insurance (\$7,674), street portion of the City Administrator contract (\$3,189), traffic signal maint. (\$3,500), professional services (\$1,000), and the balance for equipment and street maintenance cost.

5 Transfer to Equipment Replacement Fund for future equipment and radio replacement.

2013 Employee Allocations -Public Works					
Positions	General Fund	Street Fund	Water Fund	Waste water	Storm water
Admin Assistant 1	0.10		0.3	0.3	0.3
Deputy City Clerk	0.60	0.04	0.12	0.12	0.12
Support Staff Total	0.70	0.04	0.42	0.42	0.42
Public Works Director		0.25	0.25	0.25	0.25
Admin Assistant 3		0.25	0.25	0.25	0.25
Utilities Supervisor	0.04	0.3	0.22	0.22	0.22
Utility Worker	0.10	0.15	0.25	0.25	0.25
Utilities Operator	0.10	0.15	0.25	0.25	0.25
Seasonal Help for Parks	0.11	0.05	0.05		0.04
Public Works Total	0.35	1.15	1.27	1.22	1.26
Grand Total Budget Positions	1.05	1.19	1.69	1.64	1.68

Real Estate Excise Tax I is authorized by Washington State RCW 8245.010 and can be used for capital projects. Cities must use these funds as long as they are identified in a capital improvement plan.

Specifically, one quarter percent of the real estate excise tax is collected, and then transferred to Fund 310 to be used for general government capital projects.

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. Detail on General Government projects for 2013 are on the next page.

104 REET I Gen Gov't Fund	Actual 2011	2012 Amended Budget	2012 Actual	2013 Budget	12 to 13 Budget Change	% Budget Change
REVENUE						
R1 1/4% REET	35,271	38,500	43,456	42,500	4,000	10.4%
LGIP Investment Interest	1,258	1,200	529	500	(700)	-58.3%
Transfer in from REET II	70,000	93,500	93,500		(93,500)	-100.0%
Subtotal Revenue	106,529	133,200	137,485	43,000	(90,200)	-67.7%
Beginning Cash & Investments	401,486	325,165	325,165	282,875	(42,290)	-13.0%
Total REET I 104 Fund Sources	508,014	458,365	462,650	325,875	(132,490)	-28.9%
EXPENDITURES						
Transfer to 310 Gen Gov't Capital Fund	139,000	97,500	97,500	103,150	5,650	5.8%
Trans 510 Fund - Police & Fire Equipment	43,850	81,165	81,165	10,000	(71,165)	-87.7%
Subtotal Expenditures	182,850	178,665	178,666	113,150	(65,515)	-36.7%
Ending Cash & Investments	325,164	279,700	283,984	212,725	(66,975)	-23.9%
Total REET I 104 Fund Uses	508,014	458,365	462,650	325,875	(132,490)	-28.9%

General Government Capital Fund 310 provides the 2013 budget for the General Government portion of the Capital plan for year 2013. For more detail on these projects please refer to the Capital Improvement Plan summary toward the end of this document.

310 Government Capital Fund	Actual 2011	2012 Amended Budget	2012 Actual	2013 Budget	12 to 13 Budget Change	% Budget Change
REVENUE						
Transfer in REET I		97,500	97,500	103,150	5,650	5.8%
King Co Parks Tax Levy		8,000	8,728	8,000		0%
Tree Mitigation				1,000	1,000	100%
RCO Boat Launch Grant		15,000		85,000	70,000	
DOE Grant for Lake Sawyer Weed Management		10,000		25,000	15,000	
King Co Regional Park Environmental Grant				10,000	10,000	100%
Ginder Creek Land Grants						
Trail Grants		20,000				
KC Conservation Grant-Ginder Cr Easement		300,000		15,000	(285,000)	
DOE Grant for Shoreline MP		13,776	13,776		(13,776)	-100.0%
Conservation Grant-Ginder Cr ROW Acq.				150,000	150,000	100%
Loan- Fire Truck & surplus -\$365,000-Defered until Spring CIP Update						
Mine Hazard Study				15,000	15,000	100%
Prior year & Carry over park projects	568,021					
Impact fees, in-kind or developer		17,500		105,000	87,500	500.0%
Subtotal Revenue	568,021	481,776	120,004	517,150		
Beginning Cash & Investments		250,307	250,304	24,000	(226,307)	-90%
Total 310 Govt Capital Fund Sources	568,021	732,083	370,308	541,150	(190,933)	-26.1%
EXPENDITURES						
Lake Sawyer Boat Launch Improvement				115,000	115,000	
Lake Sawyer Acuatic Weed Mgmt Plan			45	40,000		
Ginder Creek Easement				30,000	30,000	100%
Ginder Creek ROW Acquisition		300,000		150,000	(150,000)	-50.0%
Ginder Creek Trail Restoration				28,000		
Grant Matching		77,056		10,000	(67,056)	-87.0%
Mine Hazard Assesment Study/Map				15,000	15,000	100%
Tree Mitigation		3,010	1,283	1,000	(2,010)	-66.8%
Lake Sawyer Regional Park bulkhead				10,000		
Trails Projects		52,555				
Parks Signs & Mower		16,515	5,030			
Shoreline Master Plan		10,000	11,537			
Prior year & Carry over park projects			749			
Council Chambers, Police & Court Building		79,179	4,880		(79,179)	-100%
Police Technology & other		15,396	14,501	16,300	904	5.9%
Police Tiberon required revision-added				15,250		
Police record system loan payment - principal		40,000	40,000	40,000		0%
Police record system loan - interest		2,000	800	1,600	(400)	0%
Fire Impact Fees & Henderson/Young		65,300	12,908		(65,300)	-100%
Fire Station 99 study & design		1,250		25,000	23,750	1900%
General Government technology		21,822	17,029	20,000	(1,822)	-8.3%
Way Finding Signs		24,000		24,000		
Subtotal General Govt Capital Projects	568,021	708,083	108,762	541,150	(296,113)	-41.8%
Ending Cash & Investments		24,000	261,546			
Total 310 Gen Govt Capital Fund Uses	568,021	732,083	370,308	541,150	(296,113)	-40.4%

* Note that fire and police vehicles and equipment are funded out of the 510 Fund

Real Estate Excise Tax II authorized by RCW 8245.010 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. REET II 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.

105 REET II Public Works Capital Projects	Actual 2011	2012 Amended Budget	2012 Actual	2013 Budget	12 to 13 Budget Change	% Budget Change
REVENUE						
R2 1/4% REET Tax	34,973	38,500	43,456	42,500	4,000	10.4%
LGIP Investment Interest	1,390	2,000	716	2,000		
Subtotal REET II Fund Revenue	36,363	40,500	44,172	44,500	4,000	9.9%
Beg Cash & Investments	543,991	487,785	487,785	329,002	(158,783)	-32.6%
Total REET II Fund Sources	580,354	528,285	531,957	373,502	(154,783)	-29.3%
EXPENDITURES						
Transfer to REET I	70,000	93,500	93,500		(93,500)	-100.0%
Transfer out 320 PW Capital	120,000	168,782	108,783	80,000	(88,782)	-52.6%
Transfer to 320 Fund - Misc Overlays - Match	32,000					
Trans Back from RR Project	(145,670)					
Transfer to 288th Project	16,239					
Total REET I Fund Expenditures	92,569	262,282	202,283	80,000	(182,282)	-69.5%
Ending Cash & Investments	487,785	266,003	329,674	293,502	27,499	10.3%
Total REET II Fund Uses	580,354	528,285	531,957	373,502	(154,783)	-29.3%

Public Works Capital Fund 320 provides the 2013 budget for the Public Works portion of the Capital plan for year 2013. For more detail on these projects please refer to the Capital Improvement Plan summary toward the end of this document.

320 REET II Public Works Capital Projects	Actual 2011	2012 Amended Budget	2012 Actual	2013 Budget	12 to 13 Budget Change	% Budget Change
REVENUE						
Transfers Street Fund		20,000	20,000		(20,000)	-100%
Transfers REET I		40,000	40,000		(40,000)	-100%
Transfers REET II		68,783	68,783	80,000	11,217	16.3%
TIB Grants		283,189	203,790	130,000	(153,189)	-54.1%
CDBG Grant						
Transfers to and from Utilities						
Developer or In Kind				10,000	10,000	100%
Grant Matching and Reimbursements		95,555	90,029		(95,555)	100%
Subtotal PW Capital Fund Revenue	546,545	507,527	422,602	220,000	(287,527)	-56.7%
Beginning Cash & Investments		170,635	170,635		(170,635)	-100%
Total PW Capital Fund Sources	546,545	678,162	593,237	220,000	(458,162)	-67.6%
EXPENDITURES						
St Mtc, Asphalt, Chip Seal, Striping, Signs		140,207	81,933	30,000		
Lawson & Misc Street paving		1,773	1,773		(1,773)	-100.0%
288th Street Overlay				150,000		
Roberts Sidewalk/ Morgan St to KC Library		340,829	224,904		(340,829)	-100.0%
Roberts Drive/Sr 169 Roundabout						
Intersection at Morgan St						
Railroad Avenue Project			17,984			
Morgan Street Project						
Rock Crk Bridge prelim engr (grant matching)		20,000	16,587		(20,000)	100%
Abrahms preliminary engineering		20,000	8,397		(20,000)	100%
233rd Ave Street Repair						
FEMA Disaster Clean up		95,555	60,636			
Grant Matching - Streets		59,798		40,000	(19,798)	0%
Subtotal PW Capital Fund Projects	546,545	678,162	412,214	220,000	(458,162)	-67.6%
Ending Cash & Investments Unreserved			181,022			
Total PW Capital Fund Uses	546,545	678,162	593,237	220,000	(458,162)	-67.6%

Internal Service Funds



Lake Sawyer Boat Launch

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

510 -1 Fire Equipment Reserves	Actual 2011	2012 Amended Budget	2012 Actual	2013 Budget	12 to 13 Budget Change	% Budget Change
REVENUE						
LGIP Investment Interest Fire Equipment	50	100	77		(100)	0%
Transfer in REET I	8,075	36,165	36,165		(36,165)	100%
Sale of Fire Surplus Vehicles				10,000		
Fire Fee - Eagle Creek Plat						
Subtotal Revenue	8,125	36,265	36,242	10,000		0%
Beg Cash & Invest Unreserved - Fire Equip	56,682	34,637	34,636		(34,637)	-100.0%
Total Fire Equipment Revenue	64,807	70,902	70,878	10,000	(60,902)	-85.9%
EXPENDITURES						
Building Repairs & Maintenance	30,121	1,250			(1,250)	
Two Fire Support Vehicles		69,500	69,500		(69,500)	100%
Subtotal Fire Expenditures	30,121	70,750	69,500		(70,750)	-100.0%
Ending Cash & Investments - Fire	34,686	152	1,378	10,000	9,848	6478.9%
Subtotal 510 Fire Equipment Uses	64,807	70,902	70,878	10,000	(60,902)	-85.9%
510 -2 PW Equipment Reserves	Actual 2011	2012 Amended Budget	2012 Actual	2013 Budget	12 to 13 Budget Change	% Budget Change
REVENUE						
LGIP Investment Interest City Equipment	236	300	254	300		
Sale of PW Equip			9,500			
Subtotal Interest & Other Revenue	236	300	9,754	300		
Transfer in from Water Fund	10,000	10,000	10,000	10,000		0%
Transfer in from Wastewater Fund	10,000	10,000	10,000	10,000		0%
Transfer in from Stormwater Fund	10,000	10,000	10,000	10,000		0%
Transfer in from Street Fund	10,000	10,000	10,000	10,000		0%
Subtotal 510 Fund Transfers	40,000	40,000	40,000	40,000		
Subtotal 510 Fund Revenue	40,236	40,300	49,754	40,300		
Beg Cash & Invest Unreserved - City Equip	179,394	134,578	134,578	140,878	6,300	4.7%
Total 510 Fire Equip. Fund Sources	219,630	174,878	184,332	181,178	6,300	3.6%
EXPENDITURES						
Utility Truck Purchase		25,000	25,761	30,000	5,000	20%
Grass mower Deck or Attachment				6,500		
Pw Sander/Snow Plow		10,000	2,785		(10,000)	-100%
Pw Utility Trailer		3,500	4,735			
Radios for Utilities		5,000		5,000		
Surplus Costs			730			
Dump Truck 2010 Purchase	74,934					
Subtotal City Equipment Expenditures	74,934	43,500	34,011	41,500	(2,000)	-4.6%
Ending Cash & Investments - City	144,696	131,378	150,321	139,678	8,300	6.3%
Total 510 City Equip. Fund Sources	219,630	174,878	184,332	181,178	6,300	3.6%

510 -3 Police Vehicle Reserve	Actual 2011	2012 Amended Budget	2012 Actual	2013 Budget	12 to 13 Budget Change	% Budget Change
REVENUE						
Transfer in REET I	43,850	45,000	45,000	10,000		100%
Police Sale of Surplus Equipment			11,050			
Subtotal Police Vehicle Revenue	43,850	45,000	56,050	10,000		100%
Beginning Cash & Investments						
Total Police Equipment Revenue	43,850	45,000	56,050	10,000	(35,000)	100%
EXPENDITURES						
Police Vehicles (2006 Black & White VIN 20)	43,850	45,000	44,999		(45,000)	-100.0%
Replace Police Radios (3 years @ 10k each)				10,000		
Ending Cash & Investments - City			11,050			
Total Police Vehicle Expenditures	43,850	45,000	56,050	10,000	(45,000)	-100%



BMX Bike Track (Located on Lawson Street across from the Gym)

Utility Funds



Lake Sawyer Regional Park Trail
(Parking lot is located on Lake Sawyer Road SE with cross street being 312th Street)

Water Department 401 services provide safe high quality reliable drinking water to the residents of Black Diamond within the City water service area. The residents who live around Lake Sawyer are served by the Covington Water District. The water utility is responsible for the operation and maintenance of the City's springs, tanks, water treatment, pump stations, water mains, fire hydrants and meters. The monthly water bill revenue is used to pay for the operation and maintenance of the existing water system. Water use has gone down in recent years and the city has not been able to collect sufficient revenues to meet the needs of the utility. The water utility has not been able to set aside any operations revenue toward pipe replacement in the last four years. The fuel, tools, professional services, training, and general service costs are distributed equitably between the Public Works funds.

401 Water Fund Financial Report

	2011 Actual	2012 Budget	2012 Actual	2013 Budet	12 to 13 Budget Change	% Change 2012 to 2013
WATER FUND REVENUE						
User Charges	426,263	454,000	436,916	430,000	-24,000	-5.3%
Surcharge @ \$2.30 per customer	28	0	-10		0	0.0%
Late Charges & Name Changes	16,127	15,000	17,455	16,500	1,500	10.0%
Subtotal Operating Revenue	442,418	469,000	454,360	446,500	-22,500	-4.8%
Funding Agreement PW Reimbursement	47,724	70,013	65,558	60,925	-9,088	-13.0%
FA Contributions Tacoma Water	684,433	683,505	677,101	671,063	-12,442	-1.8%
Deposits and Reimbursements	1,326	700	1,108	100	-600	-85.7%
New water meter setting & Misc.	3,929	4,000	2,085	2,000	-2,000	-50.0%
Investment Interest	228	260	122	125	-135	-51.9%
Insurance Reimbursement	26,584	0	5,006	0	0	
Transfer from Water Capital Fund	125,000	150,000	150,000	150,000	0	0.0%
Subtotal Other Revenue	889,224	908,478	900,980	884,213	-24,265	-2.7%
Total Revenue	1,331,642	1,377,478	1,355,340	1,330,713	-46,765	-3.4%
Beg Cash and Investment Balance - Reserved	78,790	0	0	99,392	99,392	#DIV/0!
Beg C&I Balance - Unreserved	67,271	107,697	107,697	-1,964	-109,661	-101.8%
Total Cash & Investment	146,061	107,697	107,697	97,428	-10,269	-9.5%
Total Sources	1,477,703	1,485,175	1,463,037	1,428,141	-57,034	-3.8%
WATER FUND EXPENDITURES						
Salary 1	119,019	133,050	124,874	121,427	-11,623	-8.7%
Furlough Days 2		(1,099)		(485)	614	-55.9%
Benefits 3	44,587	54,692	52,664	54,299	-393	-0.7%
Total Salaries and Benefits	163,606	186,643	177,538	175,241	-11,402	-6.1%
Supplies 4	28,942	33,976	29,560	31,050	-2,926	-8.6%
Services 5	165,931	186,853	173,975	186,126	-727	-0.4%
Total Operating Expenditures	358,479	407,472	381,073	392,417	-15,055	-3.7%
Subtotal Other Expenditures (Net Debt Payment) 6	1,011,529	980,275	973,982	966,453	966,453	-1.4%
Total Expenditures	1,370,008	1,387,747	1,355,055	1,358,870	951,398	-2.1%
Three Months Cash and Investments	89,620	99,392	99,392	99,830	438	0.4%
Unreserved C&I Balance	18,075	-17,059	-61,478	-30,559	-13,500	79.1%
Total Ending Cash & Investments	107,695	97,428	107,982	69,271	-13,062	-28.9%
Total Uses	1,477,703	1,485,175	1,463,037	1,428,141	938,336	-3.8%

1 Salaries include step increases for non office and non management personnel and a 1% COLA for non management personnel. Majority of decrease due to reallocation of Public Works & Community Development Executive Directors out of Utilities to the Master Development Review Team.

2 Furlough represents two unpaid days off for office and management personnel.

3 Benefit increase includes mandatory employer costs (taxes, retirement and medical which represents the majority of the increase).

4 Supplies include caustic (\$12,500), fuel (\$4,000), and operating and maintenance supplies, uniforms and small tools.

5 Services include insurance (\$30,714), Electricity/Gas (\$32,000), utility & B&O taxes (\$49,500), water portion of the City Administrator contract (\$9,562), legal & professional services (\$17,000), audit (\$6,050), with the remainder for other maintenance and operating costs.

6 Includes the transfer to equipment replacement fund for future equipment (\$10,000) and the 2013 debt payment on the Public Works infrastructure loans and internal sewer loan for meter replacement (\$283,557). Plus reimbursed debt payments.

Water Debt Payment Schedule

WSFFA Funding 402 (Water Supply Facility Funding Agreement) holds the budget for implementation of various water source, storage, springs rehabilitation and water transmission projects, funded by major property owners within the city of Black Diamond according to the Water Supply and Facilities Funding Agreements. It is anticipated that the Springs project and some of the transmission mains will get started this year.

402 WSFFA Fund*	Actual 2011	2012 Budget	2012 Actual	2013 Budget	12 to 13 Budget Change	% Budget Change
*Water Supply Facility Funding Agreement						
REVENUE						
Developer Contribution Springs/Task 3		300,000	66,467	225,000	(75,000)	100%
Springs/Task 3 - Palmer CC	4,343		22,844			
LGIP Investment Interest	38		77			
Subtotal WSFFA Revenue	4,381	300,000	89,388	225,000	(75,000)	-25.0%
Beg Cash & Investments	28,881	33,262	33,262	119,976	86,714	260.7%
Total WSFFA Fund Sources	33,262	333,262	122,650	344,976	11,714	3.5%
EXPENDITURES						
Reservior Construction-Tacoma Water						
Springs/Task 3- Engineering		300,000	2,639	225,000	(75,000)	-25.0%
Total WSFFA Expenditures		300,000	2,639	225,000	(75,000)	-25.0%
Ending Cash & Investments Unreserved	33,262	33,262	120,011	119,976	86,714	260.7%
Total WSFFA Fund Uses	33,262	333,262	122,650	344,976	11,714	3.5%



Lake Sawyer Regional Park

Water Capital Fund 404 projects are part of the six year Capital Improvement Program Black Diamond adopts each year. Water related projects are included here. This section includes the budget for those Water Capital project identified in the CIP for 2013.

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 in the City of Black Diamond. 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.

404 Water Capital Fund	Actual 2011	2012 Budget	2012 Actual	2013 Budget	12 to 13 Budget Change	% Budget Change
REVENUE						
In From REET II				30,000		
LGIP Investment Interest	919	1,000	742		(1,000)	0%
Water Connection Charges	23,906	20,000	17,929	20,000		0%
CDBG Grant 5th Ave Water Main		175,000	9,143	160,000	(15,000)	100%
Transfer reimb from Developer Contribution		281,117	281,115		(281,117)	
Subtotal Water Capital Fund Revenue	24,825	477,117	308,930	210,000	(267,117)	-56.0%
Beg Cash & Investment Unreserved	580,436	392,225	392,226	649,825	257,600	65.7%
Total Water Capital Fund Sources	605,261	869,342	701,156	859,825	(9,517)	-1.1%
EXPENDITURES						
5th Ave Water Main Replacement		175,000	36,293	175,000		100%
Meter Replacement Project	93,940	6,060	541		(6,060)	-100%
Reservoir Painting & Mtc.				15,000		
Transfer out to Water Fund 401-for debt	125,000	150,000	150,000	150,000		0%
Professional Services - Water		5,000	3,719		(5,000)	100%
Previous year WSFFA Transfer	155		6,476			
Subtotal Water Capital Fund Expenditures	219,095	336,060	197,030	340,000	3,940	1.2%
Ending Cash & Investments	386,166	533,282	504,126	519,825	(13,457)	-2.5%
Total Water Capital Fund Uses	605,261	869,342	701,156	859,825	(9,517)	-1.1%

Sewer Department 407 services provide for the planning, operation and maintenance of the sewer collection system, local customer service, billing and collection. This department also provides for the transmission and treatment of sewage by contract with King County Wastewater Division.

Currently the revenue collected by the sewer utility is not covering the cost of the operations, maintenance, administration and services provided. Consequently the City has had to subsidize the Wastewater Fund with cash reserves.

The fuel, tools, professional services, training, and general service costs are distributed equitably between the Public Works funds. Public Works and support staff area allocated an equitable percentage of their costs to the Wastewater department.

407 Sewer Fund Financial Report

	2011 Actual	2012 Budget	2012 Actual	2013 Budet	12 to 13 Budget Change	% Change 2012 to 2013
SEWER FUND REVENUE						
User Charges	622,521	650,000	637,939	693,000	43,000	-93.4%
Operating Revenue	622,521	650,000	637,939	693,000	43,000	
Other Revenues					-	
Misc Reimb	3,402	1,500	1,620	1,500	-	-100.0%
Funding Agreement PW Director Reimburse	47,724	70,013	65,558	60,925	(9,088)	-113.0%
Investment Interest	176	150	84	100	(50)	-133.3%
Insurance Recovery		600	1,775	1,974	1,374	100.0%
Transfer from Capital or Operating	50,000	50,000	50,000	85,000	35,000	-30.0%
Total Other Revenue	101,302	122,263	119,037	149,499	27,236	-77.7%
Total Revenue	723,823	772,263	756,976	842,499	70,236	-90.9%
Beg Cash & Investments - Unreserved	79,000	81,885	81,885	81,240	(645)	-100.8%
Beg C&I Bal-Reserved	30,589	0	0	(403)	(403)	#DIV/0!
Total Beg Cash and Investments	109,589	81,885	81,885	77,449	(4,436)	-105.4%
Total Sources	833,412	854,148	838,860	919,948	65,800	-92.3%
SEWER FUND EXPENDITURES						
Salaries 1	119,018	131,250	124,853	119,961	(11,289)	-108.6%
Furlough Days 2		(1,099)		(485)	614	-155.9%
Benefits 3	44,588	55,175	52,387	54,239	(936)	-101.7%
Total Salaries & Benefits	163,606	185,326	177,240	173,715	-11,611	-106.3%
Supplies 4	12,781	14,976	15,588	13,350	(1,626)	-110.9%
Services 5	118,696	124,038	116,394	136,897	12,859	-89.6%
Subtotal Operating Expenses	295,083	324,341	309,222	323,962	-379	-100.1%
Other Expenses						
King County Metro 6	446,413	448,000	431,900	494,000	46,000	-89.7%
Total Operating Expenditures	741,496	772,341	741,123	817,962	45,621	-94.1%
Capital Expenses 7	10,000	10,000	10,000	10,000	-	-100.0%
Total Expenses	751,496	782,341	751,123	827,962	45,621	-94.2%
Three Months Cash and Investments	73,779	81,085	81,085	82,084	999	-98.8%
Unreserved C&I Balance	8,137	(9,278)	10,514	13,290	22,568	-343.2%
Total Ending Cash and Investments	81,916	71,807	87,738	91,986	20,179	-71.9%
Total Uses	833,412	854,148	838,860	919,948	65,800	-92.3%

1 Salaries include step increases for non office and non management personnel and a 1% COLA for non management personnel.

2 Furlough represents unpaid days off for office and management personnel.

3 Benefit increase includes mandatory employer costs (taxes, retirement and medical which represents the majority of the increase).

4 Supplies include fuel (\$4,000), and other maintenance and operating supplies.

5 Services include insurance (\$13,900), sewer portion of City Administrator contract (\$9,562), legal & professional services (\$17,700), Utility and B&O taxes (\$51,200), audit (\$6,050), with the remainder for other maintenance and operating costs.

6 King County Metro includes a 10.2% rate increase for 2013.

7 Transfer to Equipment Replacement Fund for future equipment and radio replacement.

Sewer Capital Fund 408 services include the budget for those Wastewater Capital projects identified in the most recent Capital Improvement Plan.

The City staff is continuing with the infiltration and inflow investigation and repairs as staff time allows. The City will also be rehabilitating the Morganville wastewater pump station in 2013.

408 Sewer Capital Fund	Actual 2011	2012 Amended Budget	2012 Actual	2013 Budget	12 to 13 Budget Change	% Budget Change
REVENUE						
Connection/Hook up Fees	6,400	6,400	4,800	6,000	(400)	0%
Loan Repay - Stormwater	30,000	30,000	30,000	30,000		0%
Loan Repay - Technology	40,000	40,000	40,000	40,000		0%
Loan Repay - Water Meters	46,000	46,200	46,000	46,000	(200)	0%
Loan repay, Interfund	7,289	2,100	1,840	2,180	80	0%
LGIP Investment Interest	1,414	4,000	3,014	1,600	(2,400)	-60.0%
Insurance Claim recovery		36,871	37,367		(36,871)	
Trans in from Wastewater Projects		12,000			(12,000)	0%
Subtotal Wastewater Capital Revenue	131,103	177,571	163,021	125,780	(51,791)	-29.2%
Beginning Cash & Investments	728,893	765,052	765,050	685,766	(79,286)	-10.4%
Total Wastewater Capital Sources	859,996	942,623	928,071	811,546	(131,077)	-13.9%
EXPENDITURES						
Infiltration & Inflow	2,308	30,000	2,640	30,000		
Lawson Lift Station Engineering		50,000			(50,000)	-100%
Preserve Wastewater Treatment Plant		24,456			(24,456)	-100%
Sewer Comprehensive Plan	5,766	5,240	1,131		(5,240)	-100%
Wastewater Storage Project/RH2 Engineering		12,000			(12,000)	-100%
Emergency Repairs	36,872		1,495			
Morganville Wastewater Lift Station		80,000			(80,000)	100%
Refunds			2,250			
Transfers out to Sewer Operating	50,000	50,000	50,000	85,000	35,000	70%
Subtotal Wastewater Capital Expenditures	94,946	251,696	57,517	115,000	(136,696)	-54.3%
Ending Cash & Investments	765,050	690,927	870,554	696,546	5,619	0.8%
Total Wastewater Capital Fund Uses	859,996	942,623	928,071	811,546	(131,077)	-13.9%

Stormwater Fund 410 utility services help to protect the natural environment from the impacts of stormwater runoff by properly maintaining the City stormwater system and implementing the City's Stormwater Management Plan according to Department of Ecology stormwater permit requirements.

The fuel, tools, professional services, training and general service cost allocations are distributed equitably between all of the public works funds. The King County water quality expenditure is for monitoring and testing as required by the Department of Ecology for Lake Sawyer. The WIRA 9 expense is Black Diamond's share of the Water Quality project expense providing the City of Black Diamond protection from Endangered Species Act Claims.

Public Works and support staff are allocated an equitable percentage of their salaries and benefits to the Stormwater department.

410 Stormwater Fund Financial Report

	2011 Actual	2012 Budget	2012 Actual	2013 Budget	12 to 13 Budget Change	% Change 2012 to 2013
REVENUE						
Stormwater Charges	267,265	270,000	284,647	280,800	10,800	4.0%
Operating Revenue	267,265	270,000	284,647	295,000	25,000	9.3%
Other Revenue						
Funding Agreement-PW Dir Reimburse	47,724	70,012	65,558	60,925	(9,087)	-13.0%
Insurance recovery			1,975	0	0	0.0%
Investment Interest	89	200	90	100	(100)	-50.0%
Total Other Revenue	47,813	70,212	67,623	61,025	(9,187)	-13.1%
Total Revenue	315,078	340,212	352,270	356,025	15,813	4.6%
Beginning Cash and Investment Balance-Unreserved	44,523	57,827	57,827	80,840	23,013	39.8%
Total Sources	359,601	398,039	410,098	436,865	38,826	9.8%
EXPENDITURES						
Salaries 1	119,018	129,647	127,006	118,633	(11,014)	-8.5%
Furlough Days 2		(1,099)		(485)	614	-55.9%
Benefits 3	44,588	54,144	52,420	54,053	(91)	-0.2%
Total Salaries & Benefits	163,606	182,692	179,426	172,201	(10,491)	-5.7%
Supplies 4	12,094	11,828	14,069	14,748	2,920	24.7%
Services 5	96,384	97,660	93,642	117,793	20,133	20.6%
Total Operating Expenses	272,084	292,180	287,138	304,742	12,562	4.3%
Total Other Expenditures 6	41,500	48,400	40,760	40,500	(7,900)	-16.3%
Total Expenditures	313,584	340,580	327,898	345,242	4,662	1.4%
Reserved C&I Balance	68,021	68,021	68,021	86,311	18,290	26.9%
Unreserved C&I Balance	(22,004)	(10,562)	14,179	5,312	15,874	-150.3%
Total Ending Cash & Investments	46,017	57,459	82,200	91,623	(149,082)	-259.5%
Total Uses	359,601	398,039	410,098	436,865	38,826	9.8%

1 Salaries include step increases for non office and non management personnel and a 1% COLA for non management personnel. Majority of decrease due to reallocation of Public Works & Community Development Executive Directors out of Utilities to the Master Development Review Team.

2 Furlough represents two unpaid days off for office and management personnel.

3 Benefit increase includes mandatory employer costs (taxes, retirement and medical which represents the majority of the increase).

4 Supplies include fuel (\$4,000), and other maintenance and operating supplies.

5 Services include insurance (\$6,654), Stormwater portion of City Administrator contract (\$9,562), legal & professional services (\$20,708), Utility and Excise taxes (\$40,318), audit (\$6,050), with the remainder for other maintenance and operating costs.

6 Transfer to Equipment Replacement Fund for future equipment and radio replacement (\$10,000), debt repayment on internal sewer loan for stormwater start-up (30,500).

Stormwater Capital Fund 410 services provide the City with stormwater improvement projects. The City received a Department of Ecology grant of \$81,000 in 2011/2012. Some of these funds continue to be used to make improvements at the Public Works Facility south of Lawson Street.

410 Stormwater Capital Fund	Actual 2011	2012 Amended Budget	2012 Actual	2013 Budget	12 to 13 Budget Change	% Budget Change
REVENUE						
Department of Ecology Grant #1	27,953					
Department of Ecology Grant #2	500	130,576	17,406	70,576	(60,000)	-46.0%
Transfer from Stormwater operating for capital		8,000			(8,000)	-100.0%
Total Stormwater Capital Revenue	28,453	138,576	17,406	70,576	(68,000)	-49.1%
Beginning Cash & Investments	(3,237)					
Total Stormwater Capital Sources	25,216	138,576	17,406	70,576	(68,000)	-49.1%
EXPENDITURES						
Stormwater Management Program						
DOE Grant #1 Catch Basin Cleaning	18,910					
Dept of Ecology Grant #1	5,806					
Dept of Ecology Grant #2	500	130,576	70,420	35,576	(95,000)	-72.8%
DOE Grant #2 Catch Basin Cleaning				35,000	35,000	100.0%
Future Use		8,000			(8,000)	-100.0%
Transfer back from RR Proj.						
Total Stormwater Capital Expenditures	25,216	138,576	70,420	70,576	(68,000)	-49.1%
Ending Cash & Investments			(53,014)			
Total Stormwater Capital Uses	25,216	138,576	17,406	70,576	(68,000)	-49.1%

Capital Improvement Plan 2013 - 2018



Eagle Creek (Located on Roberts Drive)

Capital Improvement Plan 2013 – 2018

(Summarized Version)

What is the Capital Improvement Program?

A Capital Improvement Program (CIP) is a roadmap that provides direction and guidance for carefully planning and managing Black Diamond's capital and infrastructure assets. It is an investment in the future of our community.

This document presents the proposed plan for major public facility improvements that will be implemented over the next six fiscal years. The projects included in the fiscal 2013-2018 CIP are consistent with the City Council's priorities and address the needs for the acquisition, rehabilitation and expansion of the City's infrastructure and capital assets.

The City of Black Diamond Capital Improvement Program (CIP) addresses the growing needs of the City and enhances the quality of life through major public improvement projects.

Capital Projects are listed in the CIP by number, according to each major program area. 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 shows the total cost of the project and the amount allocated to the project for each year of the plan. Identifying capital projects and their anticipated funding sources assists in the planning and scheduling of finances for projects and the manpower needed to plan, design, and construct the projects.

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 needs, and public building construction and improvement. Land purchases are also included in CIP planning since it is considered a capital asset.

These projects are usually long-term in nature (over one year) to complete and are frequently financed over a period of time. Typically, a CIP project has a dollar amount over \$10,000.

How are projects in the Capital Improvement Program paid for?

The Six-Year CIP is a format by which the City uses to review the funding of desired capital improvements that compete for scarce financial resources. Generally, funding for capital improvements is provided through Real Estate Excise Tax revenue (REET), capital reserves, public trust fund loans, grants, impact fees and developer funding.

Types of Capital Projects

Capital projects are essential to the delivery of many of the City'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. The⁷³

responsibility for the funding and construction of transportation infrastructure is usually shared with developers in the form of impact fees, as new development has need for additional transportation improvements. A good deal of funding for street improvement comes from Real Estate Excise Taxes.

- 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 improvements are primarily financed by Real Estate Excise Taxes, grants and developer contributions.
- Utilities The City provides water, sewer and stormwater utility services to residents and businesses. Capital Facilities include sewer treatment facilities, transmission systems and storm water detention facilities. Developers contribute to these projects, as growth requires infrastructure expansion. Capital reserves, grants, loans and Real Estate Excise Taxes also provide funding for utilities 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. Funding for these capital projects largely comes from Real Estate Excise Taxes and reserves.
- General Capital City is responsible for funding the construction and maintenance of city buildings and facilities. Included are technological capital projects that provide better services and communication at the City. These capital costs are largely funded through Real Estate Excise Taxes.

Growth Management Act and Land Use Policies

Comprehensive planning is required in Washington State since the Growth Management Act (GMA) was adopted by the legislature in 1990. The objective of the Act is to limit sprawl, protect sensitive areas and promote efficient and effective delivery of public services by concentrating population, industry and public services in urban areas. The City is anticipating two development areas in Black Diamond, The Villages and Lawson Hills. These planned developments have a huge impact on the City's Capital Improvement Program, as up to 6,000 new homes may be built eventually in those new neighborhoods.

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 updated annually. Each 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. After several Council Committee meetings, workstudy sessions and a public hearing are held, the proposed plan is brought before Council for approval. The Capital Improvement Calendar for 2013 – 2018 is part of this document in the appendix section.



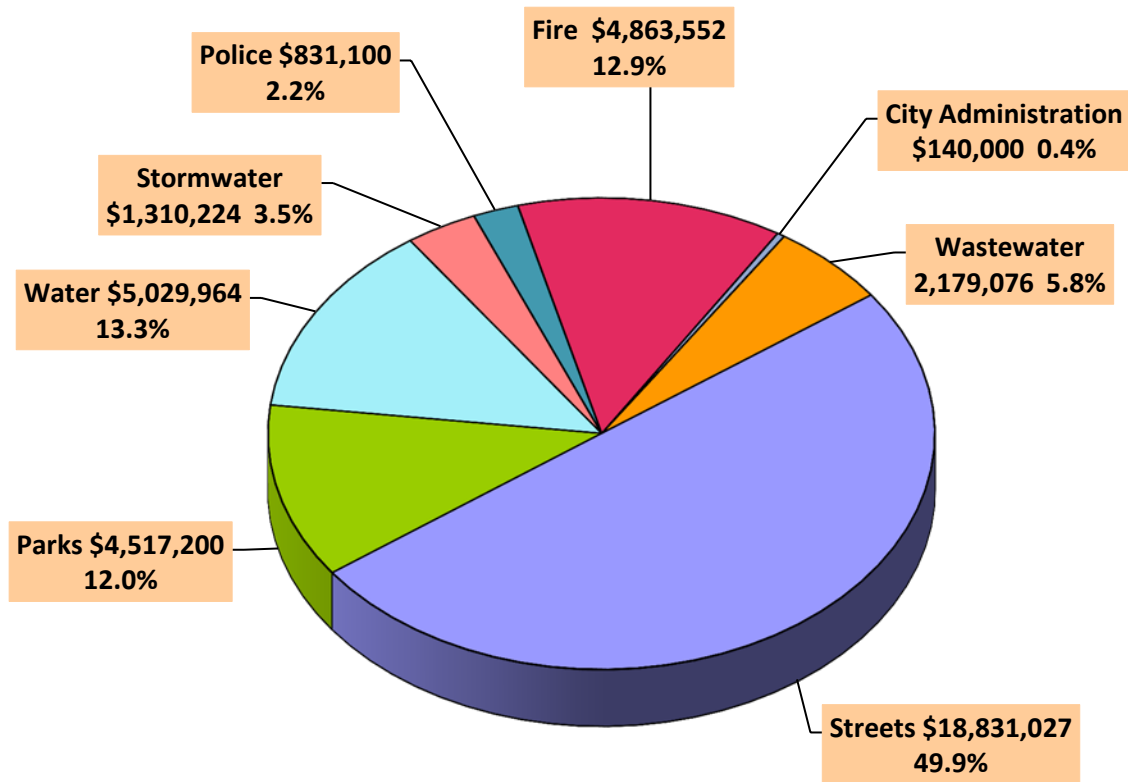
Aerial view of Lake Sawyer

Total Summary by Department

Capital Improvement Plan 2013 - 2018

	Total \$ Project 2013 - 2018	2013	2014	2015	2016	2017	2018
Departments							
Street Department	18,831,027	810,000	810,000	2,955,000	1,455,000	5,940,000	6,861,027
Water Department	5,029,964	415,000	1,975,000	1,825,000		100,000	714,964
Wastewater Department	2,179,076	30,000	80,000	280,000	380,000	1,320,000	89,076
Stormwater Department	1,310,224		80,000	820,000	298,420	48,420	63,384
Parks and Recreation	4,517,200	404,200	39,000	231,000	186,000	481,000	3,176,000
Police Department	831,100	164,200	132,700	126,200	138,400	133,200	136,400
Fire Department	4,863,552	390,000	30,552	630,552	212,492	452,492	3,147,464
Administration and Facilities	140,000	20,000	40,000	20,000	20,000	20,000	20,000
TOTAL Project COSTS	37,702,143	2,233,400	3,187,252	6,887,752	2,690,312	8,495,112	14,208,315
Less Payments on Debt	(1,060,193)	(102,900)	(96,902)	(93,652)	(205,112)	(202,512)	(359,115)
TOTAL Projects	\$ 36,641,950	\$ 2,130,500	\$ 3,090,350	\$ 6,794,100	\$ 2,485,200	\$ 8,292,600	\$ 13,849,200

Total CIP with debt payments: \$37,307,393

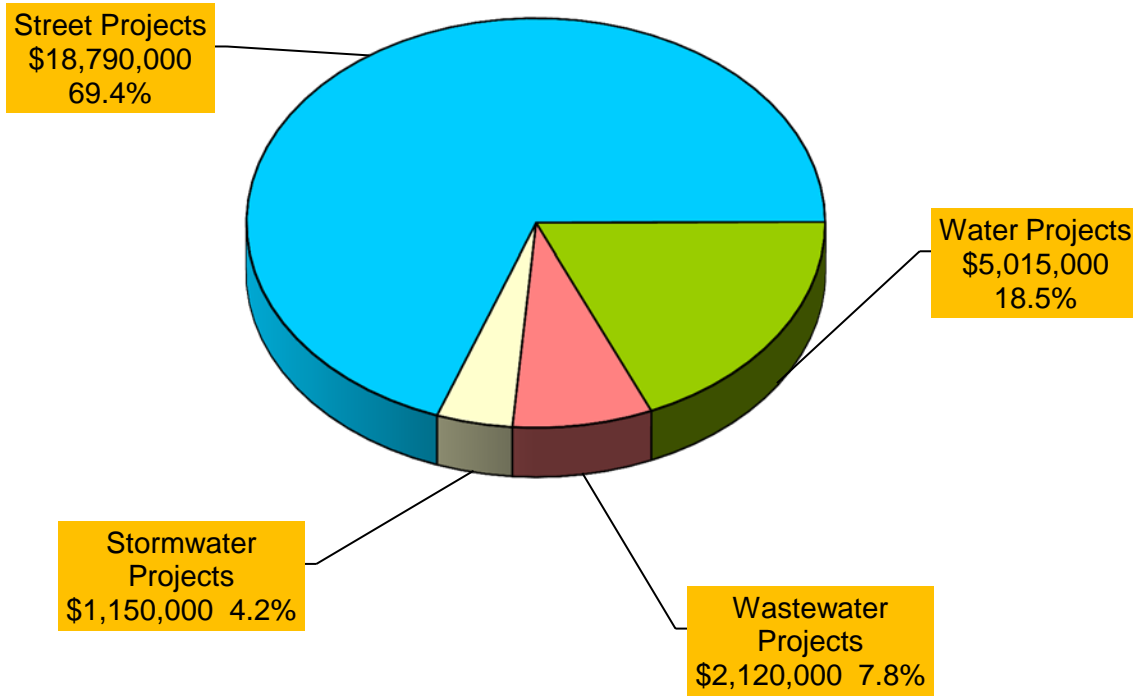


Public Works Department Summary

Capital Improvement Plan 2013 - 2018

Departments	Total \$ Project 2013 - 2018	2013	2014	2015	2016	2017	2018
Street Projects	18,790,000	810,000	810,000	2,955,000	1,455,000	5,940,000	6,820,000
Water Projects	5,015,000	415,000	1,975,000	1,825,000		100,000	700,000
Wastewater Projects	2,120,000	30,000	80,000	280,000	380,000	1,320,000	30,000
Stormwater Projects	1,150,000		80,000	820,000	250,000		
TOTAL Project COSTS	\$ 27,075,000	\$1,255,000	\$2,945,000	\$5,880,000	\$2,085,000	\$7,360,000	\$7,550,000

Public Works CIP by Department Total: \$ 27,075,000

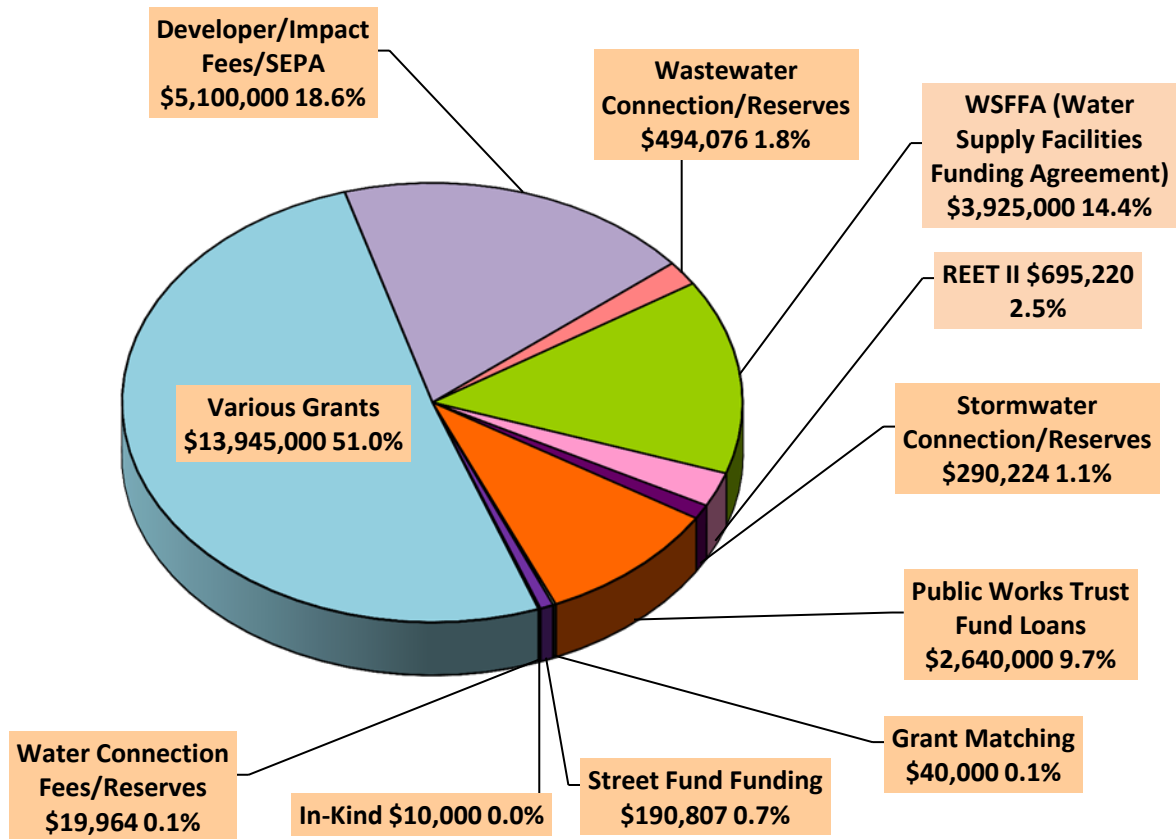


CIP Public Works Revenue Summary

Capital Improvement Plan 2013 - 2018

REQUESTED FUNDING Includes Debt Repayments	Total \$ Project 2013 - 2018	2013	2014	2015	2016	2017	2018
Various Grants	13,945,000	290,000	300,000	2,410,000	1,155,000	4,590,000	5,200,000
Developer/Impact Fees/SEPA	5,100,000	550,000	430,000	1,595,000	480,000	550,000	1,495,000
Public Works Trust Fund Loans	2,640,000		100,000	650,000	20,000	1,870,000	
Wastewater Connection/Reserves	494,076	30,000	35,000	30,000	280,000	30,000	89,076
WSFFA (Water Supply Facilities Funding Agreement)	3,925,000	225,000	1,875,000	1,025,000		100,000	700,000
REET II	695,220	120,000	100,000	110,000	120,000	140,000	105,220
Stormwater Connection/Reserves	290,224		25,000	30,000	48,420	98,420	88,384
Grant Matching	40,000		40,000				
Street Fund Funding	190,807	30,000	35,000	30,000	30,000	30,000	35,807
Water Connection Fees/Reserves	19,964		5,000				14,964
In-Kind	10,000	10,000					
TOTAL SOURCES	\$27,350,291	\$1,255,000	\$2,945,000	\$5,880,000	\$2,133,420	\$7,408,420	\$7,728,451
Less Payments on Debt	(275,291)				(48,420)	(48,420)	(178,451)
TOTAL Projects	27,075,000	1,255,000	2,945,000	5,880,000	2,085,000	7,360,000	7,550,000

Public Works CIP by Type of Funding Total: **\$27,350,291**



CIP Public Works Summary Capital Improvement Plan 2013 - 2018							
Capital Plan 2013 - 2018							
	Total \$ Project 2013 - 2018	2013	2014	2015	2016	2017	2018
STREET PROJECTS							
T1 General Street Improvement	180,000	30,000	30,000	30,000	30,000	30,000	30,000
T2 SE 288th Street Overlay	150,000	150,000					
T3 Roberts Drive/State Rt 169 Roundabout	3,430,000	550,000	600,000	2,280,000			
T4 Morganville Intersection Improvements	100,000	40,000	60,000				
T5 Grant Matching Fund	240,000	40,000	40,000	40,000	40,000	40,000	40,000
T6 Rock Creek Bridge	510,000		80,000	430,000			
T7 Lawson Street Sidewalk	850,000			105,000	745,000		
T8 Roberts Drive Reconstruction	5,660,000			70,000	440,000	5,150,000	
T9 Pacific Street Neighborhood Improvements	420,000					70,000	350,000
T10 SR169 Widening at Lawson & Baker St.	1,550,000					350,000	1,200,000
T11 SR 169 Gateway Corridor Improvement	5,700,000				200,000	300,000	5,200,000
STREET PROJECTS	18,790,000	810,000	810,000	2,955,000	1,455,000	5,940,000	6,820,000
WATER PROJECTS							
W1 Springs and River Crossing Rehab Project	3,125,000	225,000	1,875,000	1,025,000			
W2 Reservoir Maintenance and Painting	115,000	15,000	100,000				
W3 5th Avenue Water Main Replacement	175,000	175,000					
W4 Fire Flow Loop to North Commercial Area	800,000			800,000			
W5 Springs Transmission Main Repl Phase I	800,000					100,000	700,000
WATER PROJECTS	5,015,000	415,000	1,975,000	1,825,000		100,000	700,000
WASTEWATER PROJECTS							
S1 Infiltration and Inflow Reduction Plan	180,000	30,000	30,000	30,000	30,000	30,000	30,000
S2 West BD Wastewater Lift Station Improv	360,000		30,000	250,000	80,000		
S3 Morganville Force Main Reroute	460,000				20,000	440,000	
S4 Cedarbrook Sewer Main	250,000				250,000		
S5 Public Works Facilities and Equipment	870,000		20,000			850,000	
WASTEWATER PROJECTS	2,120,000	30,000	80,000	280,000	380,000	1,320,000	30,000
STORMWATER PROJECTS							
D1 Lake Sawyer Road Culvert and Guardrail	320,000			70,000	250,000		
D2 Ginder Creek Stormwater Treatment Pond	830,000		80,000	750,000			
STORMWATER PROJECTS	1,150,000		80,000	820,000	250,000		
TOTAL PUBLIC WORKS CAPITAL PROJECTS	27,075,000	1,255,000	2,945,000	5,880,000	2,085,000	7,360,000	7,550,000

	Total \$ Project 2013 - 2018	2013	2014	2015	2016	2017	2018
REET II Funding							
T2 288th Street Overlay	10,000	10,000					
T4 Morganville Intersection Improvements	100,000	40,000	60,000				
T5 Grant Matching Fund	240,000	40,000	40,000	40,000	40,000	40,000	40,000
T8 Roberts Drive Reconstruction	180,000			70,000	80,000	30,000	
T9 Pacific Street Neighborhood Improvements	100,000					70,000	30,000
W2 Reservoir Maintenance and Painting	15,000	15,000					
W3 5th Avenue Water Main Replacement	15,000	15,000					
T8 Roberts Drive Loan - PWTF Payment 20 yr @ 2%	17,004						17,004
T11 169 Gateway Corridor - PWTF Pay 20 yr @2%	18,216						18,216
Total REET II Funding	695,220	120,000	100,000	110,000	120,000	140,000	105,220
Water Connection Fees/Reserves							
S5 Public Works Facilities Site Planning	5,000		5,000				
S5 PW Facilities Loan Repayment - @29%	14,964						14,964
Total Water Connection Fees/Reserves	19,964		5,000				14,964
Wastewater Connection Fees/Reserves							
S1 Infiltration and Inflow Reduction Plan	180,000	30,000	30,000	30,000	30,000	30,000	30,000
S4 Cedarbrook Sewer Main	250,000				250,000		
S5 Public Works Facilities Site Planning	5,000		5,000				
S2 West BD Lift Station PWTF Payment 10 yr .5%	44,112						44,112
S5 PW Facilities Loan Repayment @29%	14,964						14,964
Total Wastewater Connection Fees/Reserves	494,076	30,000	35,000	30,000	280,000	30,000	89,076
Stormwater Connection Fees/Reserves							
S5 Public Works Facilities Site Planning	5,000		5,000				
T8 Roberts Drive Reconstruction	50,000					50,000	
T9 Pacific Street Neighborhood Improvements	25,000						25,000
D1 Lake Sawyer Road Culvert and Guardrail	30,000			30,000			
D2 Ginder Creek Stormwater Treatment Pond	20,000		20,000				
D2 Ginder Creek PWTF Loan Payment- 10 yr .5%	145,260				48,420	48,420	48,420
S5 PW Facilities Loan Repayment @29%	14,964						14,964
Total Stormwater Connection Fees/Reserves	290,224		25,000	30,000	48,420	98,420	88,384
Developer, Impact Fees and/or SEPA							
T3 SE 288th Street Overlay	1,130,000	550,000	300,000	280,000			
T6 Roberts Drive Reconstruction	100,000		40,000	60,000			
T7 Roberts Drive/State Rt 169 Roundabout	305,000			105,000	200,000		
T8 SR 169 Gateway Corridor Improvement	200,000					200,000	
T9 Pacific Street Neighborhood Improvements	295,000						295,000
T10 SR 169 Widening (Lawson/Baker)	1,550,000					350,000	1,200,000
T11 SR 169 Gateway Corridor Improvement	200,000				200,000		
W4 Fire Flow Loop to N. Commerical Area	800,000			800,000			
S2 West Black Diamond Sewer Lift Station	360,000		30,000	250,000	80,000		
D2 Ginder Creek Stormwater Treatment Pond	160,000		60,000	100,000			
Total Developer, Street Impact and/or SEPA Fees	5,100,000	550,000	430,000	1,595,000	480,000	550,000	1,495,000

		Total \$ Project 2013 - 2018	2013	2014	2015	2016	2017	2018	
Street Fund Funding									
T1	General Street Improvement	180,000	30,000	30,000	30,000	30,000	30,000	30,000	
S5	Public Works Facilities and Equipment	5,000	5,000						
S5	PW Facilities Loan Repayment @13%	5,807	5,807						
Total Street Fund Funding		190,807	30,000	35,000	30,000	30,000	30,000	35,807	
WSFFA									
W1	Springs & River Crossing Rehab. Project	3,125,000	225,000	1,875,000	1,025,000				
W5	Springs Transmission Main Repl Phase I	800,000						100,000	700,000
Total WSFFA		3,925,000	225,000	1,875,000	1,025,000	100,000 700,000			
Grants (TIB,CDBG,DOE, etc)									
T2	SE 288th Street Overlay	130,000	130,000						
T6	Rock Creek Bridge	370,000	370,000						
T7	Lawson Street Sidewalk - TIB	150,000	150,000						
T7	Lawson Street Sidewalk - Safe Walk to School	395,000	395,000						
T8	Roberts Drive Reconstruction	4,950,000	360,000					4,590,000	
T11	SR 169 Gateway Corridor Improvement	5,200,000	5,200,000						
W3	5th Avenue Water Main Replacement	160,000	160,000						
D1	Lake Sawyer Road Culvert and Guardrail	290,000	40,000					250,000	
Total Grants		11,645,000	290,000	410,000		1,155,000	4,590,000	5,200,000	
Grant Matching									
T6	Rock Creek Bridge Rehab / Replace	40,000	40,000						
Total Grant Matching		40,000	40,000						
Public Works Trust Fund Loans									
T8	Roberts Drive Reconstruction	280,000	280,000						
T11	SR 169 Gateway Corridor Improvement	300,000	300,000						
W2	Reservoir Maintenance and Painting	100,000	100,000						
S3	Morganville Force Main Reroute	460,000	20,000					440,000	
S5	Public Works Facilities and Equipment	850,000	850,000						
D2	Ginder Creek Stormwater Treatment Pond	650,000	650,000						
Total Grant Matching		2,640,000	100,000		650,000	20,000	1,870,000		
In-Kind Project Funding									
T2	288th Street Overlay	10,000	10,000						
Total In-Kind Funding		10,000	10,000						
	Less Non Capital Operating Costs & Payments	(275,291)	(48,420)					(48,420) (178,451)	
Grand Total Public Works CIP Funding		24,775,000	1,255,000	2,645,000	3,880,000	2,085,000	7,360,000	7,550,000	

REET II ANALYSIS SUMMARY (Fund 320)

Capital Improvement Plan 2013 - 2018

REET II - REVENUE			Capital Plan 2013 - 2018						
REET II Funds Street Projects	2012 REET II Budgeted & Funded	2013-2018 Summary Total	2013	2014	2015	2016	2017	2018	
Beginning Fund Balance	487,785	266,003	266,003	192,303	178,703	195,203	244,903	328,203	
REET Revenue (annual)									
1/4 of 1% REET - Existing Property	40,500	384,000	40,000	48,000	55,000	63,000	81,000	97,000	
1/4 of 1% REET - Other new homes		45,200	6,300	6,400	6,500	6,700	7,300	12,000	
1/4 of 1% REET - MPD		518,000		32,000	65,000	100,000	135,000	186,000	
Subtotal REET II Revenue	40,500	947,200	46,300	86,400	126,500	169,700	223,300	295,000	
Other Sources and Uses									
Transfer to 104 Gen Fund Capital Projects	(93,500)	-							
TOTAL Available Balance for Street Projects	434,785	1,213,203	312,303	278,703	305,203	364,903	468,203	623,203	
REET II PROJECT EXPENDITURES			Capital Plan 2013 - 2018						
	2012 REET II Budgeted & Funded	2013-2018 Summary Total	2013	2014	2015	2016	2017	2018	
Street Projects									
T2 SE 288th Street Overlay		10,000	10,000						
T4 Intersection Improvements Morganville		100,000	40,000	60,000					
T5 Grant Matching Fund	40,000	240,000	40,000	40,000	40,000	40,000	40,000	40,000	
T8 Roberts Drive Reconstruction		180,000			70,000	80,000	30,000		
T9 Pacific Street Neighborhood Improvements	20,000	100,000					70,000	30,000	
T8/T11 Street Loan Repayments		35,220						35,220	
2012 Street Rehab	30,000								
2012 Abrams Ave	20,000								
2012 Roberts Drive Sidewalk link to Morgan St	38,782								
2012 PW Facility Design and Engineering	20,000								
Subtotal Street Projects funded with REET II	168,782	665,220	90,000	100,000	110,000	120,000	140,000	105,220	
Water Projects									
W2 Reservoir Maintenance and Painting		15,000	15,000						
W3 5th Avenue Water Main Replacement		15,000	15,000						
Subtotal Water Projects funded with REET II		30,000	30,000						
Total Projects FUNDED BY REET II	168,782	695,220	120,000	100,000	110,000	120,000	140,000	105,220	
REET II Left for Next Year (Ending Fund Balance)	266,003	517,983	192,303	178,703	195,203	244,903	328,203	517,983	

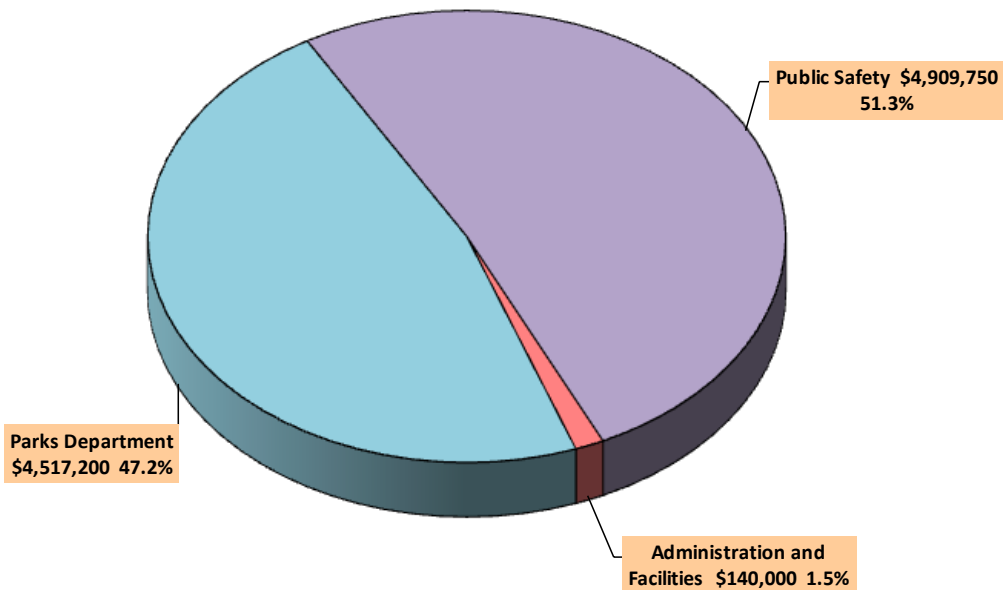
REET based on Houses sold	2013	2014	2015	2016	2017	2018
Existing Property Sales (in 000's)	62 @\$250	75 @\$255	85 @\$260	95 @\$265	120 @\$270	140 @\$275
Other New Home Sales (in 000's)	10 @\$250	10 @\$255	10 @\$260	11 @\$265	12 @\$270	17 @\$275
MPD Phase 1 Resulting Sales -Non Commercial (in 000's)		50 @\$255	100 @\$260	150 @\$265	200 @\$270	270 @\$275
Population Base	4,060	4,087	4,249	4,546	4,981	5,553
Growth Increase (2.7 people per new household)	27	162	297	435	572	775
TOTAL POPULATION	4,087	4,249	4,546	4,981	5,553	6,328

General Government Department Summary

Capital Improvement Plan 2013 - 2018

	Total \$ Project	2013	2014	2015	2016	2017	2018
Parks Department	4,517,200	404,200	39,000	231,000	186,000	481,000	3,176,000
Public Safety							
Police Department (incl Tech)	394,750	61,300	66,350	63,100	69,200	66,600	68,200
Fire Department	4,515,000	390,000	-	600,000	125,000	365,000	3,035,000
Subtotal	4,909,750	451,300	66,350	663,100	194,200	431,600	3,103,200
Administration and Facilities	140,000	20,000	40,000	20,000	20,000	20,000	20,000
TOTAL Projected Expenditures	\$ 9,566,950	\$ 875,500	\$ 145,350	\$ 914,100	\$ 400,200	\$ 932,600	\$ 6,299,200

General Government CIP by Type of Funding Total: \$9,566,950



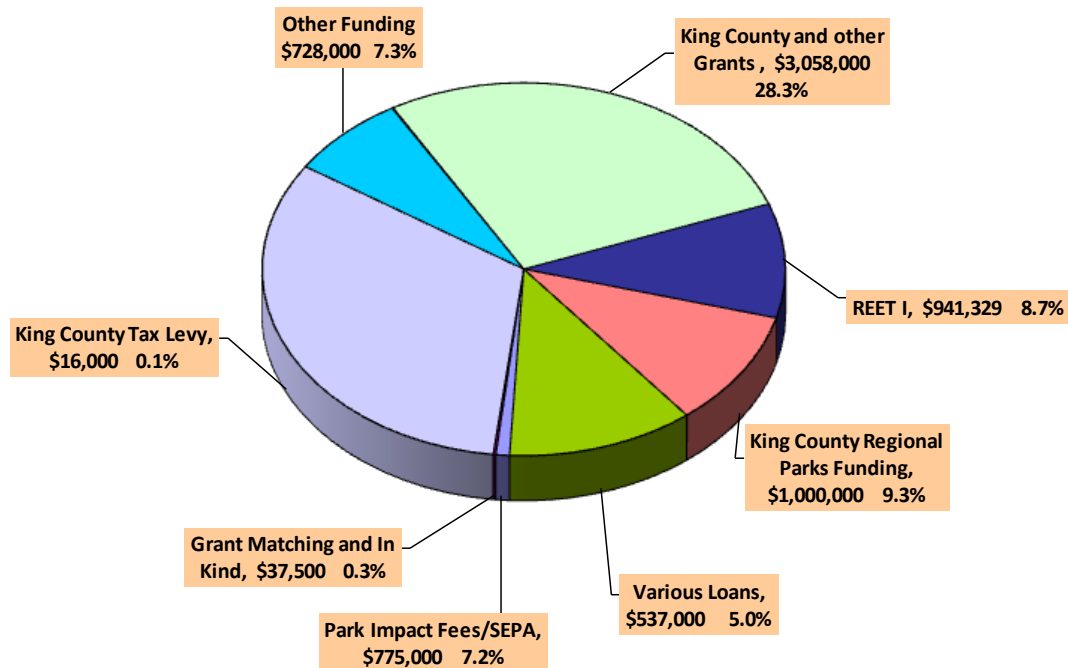
REET I Payments	Total 2013 - 2018	2013	2014	2015	2016	2017	2018
Repay Loan Police Records Sys.	436,350	102,900	66,350	63,100	69,200	66,600	68,200
Repay Fire Engine 98 Loan	152,760		30,552	30,552	30,552	30,552	30,552
Repay Replace Engine Loan	170,820				56,940	56,940	56,940
Repay Aid Car Loan	24,972						24,972
Total	\$ 784,902	\$ 102,900	\$ 96,902	\$ 93,652	\$ 156,692	\$ 154,092	\$ 180,664

CIP General Government Funding Summary

Capital Improvement Plan 2013 - 2018

REQUESTED FUNDING <i>Includes Debt Repayments</i>	Total \$ Project	2013	2014	2015	2016	2017	2018
King County and Other Grants	2,742,200	322,200	20,000	220,000	100,000	180,000	1,900,000
REET I - Direct	984,000	219,500	142,700	140,800	148,400	167,200	165,400
King County Regional Parks Funding	1,000,000	-	-	-	-	-	1,000,000
Various Loans	1,147,000	240,000	-	600,000	-	225,000	82,000
Grant Matching and In Kind	83,000	63,000	-	-	-	20,000	-
King County Tax Levy	16,000	8,000	8,000	-	-	-	-
Bond Sales	3,215,000	-	-	-	125,000	140,000	2,950,000
Other Funding	728,000	150,000	-	-	75,000	250,000	253,000
Mitigation Fees	6,000	1,000	1,000	1,000	1,000	1,000	1,000
REET I Debt Repay	784,902	102,900	96,902	93,652	156,692	154,092	180,664
TOTAL SOURCES	10,706,102	1,106,600	268,602	1,055,452	606,092	1,137,292	6,532,064
<i>Less Payments on Debt</i>	<i>(784,902)</i>	<i>(102,900)</i>	<i>(96,902)</i>	<i>(93,652)</i>	<i>(156,692)</i>	<i>(154,092)</i>	<i>(180,664)</i>
TOTAL Projects	\$9,921,200	\$ 1,003,700	\$ 171,700	\$ 961,800	\$ 449,400	\$ 983,200	\$ 6,351,400

General Government CIP by Type of Funding Total: \$9,957,102



Ongoing Maintenance and Operating Costs

	Total \$ Requested	2013	2014	2015	2016	2017	2018
Trails Improvement Project - Salaries	20,000					10,000	10,000
City Wide Tech Maint. & Subscriptions	199,470	33,245	33,245	33,245	33,245	33,245	33,245
TOTAL OPERATING Gen Govt Costs	219,470	33,245	33,245	33,245	33,245	43,245	43,245

CIP General Government Summary of Projects Capital Improvement Plan 2013 - 2018

	Total \$ Project 2013 - 2018	2013	2014	2015	2016	2017	2018
POLICE PROJECTS							
L1 Police Technology	103,700	16,300	20,000	15,400	20,000	16,000	16,000
L2 Patrol Car Replacement	291,050	45,000	46,350	47,700	49,200	50,600	52,200
TOTAL POLICE PROJECTS	394,750	61,300	66,350	63,100	69,200	66,600	68,200
FIRE DEPARTMENT PROJECTS							
F1 Replace Primary Fire Engine 98	365,000	365,000					
F2 Replace Reserve Engine	225,000				225,000		
F3 Replace Aid Car	600,000			600,000			
F4 Replace Brush-Truck Chassis	85,000						85,000
F5 New Fire Station and Equipment	3,240,000	25,000			125,000	140,000	2,950,000
TOTAL FIRE PROJECTS	4,515,000	390,000		600,000	125,000	365,000	3,035,000
PARKS PROJECTS							
P1 Lake Sawyer Boat Launch Imp	715,000	115,000		200,000		100,000	300,000
P2 Lake Sawyer Aquatic Weed Study	40,000	40,000					
P3 Ginder Creek Easement	30,000	30,000					
P4 Ginder Creek Property Acquisition	150,000	150,000					
P5 Grant Matching Funds	60,000	10,000	10,000	10,000	10,000	10,000	10,000
P6 Mine Hazard Assessment Study/Map	15,000	15,000					
P7 Cemetery Waterline Replacement	5,200	5,200					
P8 Ginder Creek Trail Restoration	76,000	28,000	28,000	20,000			
P9 Tree Mitigation	6,000	1,000	1,000	1,000	1,000	1,000	1,000
P10 Regional Trail System Development	300,000				100,000	100,000	100,000
P11 Lake Sawyer Regional Park	3,085,000	10,000			75,000	250,000	2,750,000
P12 Union Stump Memorial Park	20,000					20,000	
P13 Parks Signage	15,000						15,000
TOTAL PARKS PROJECTS	4,517,200	404,200	39,000	231,000	186,000	481,000	3,176,000
ADMINISTRATION AND CITY PROJECTS							
A1 City Technology Capital	120,000	20,000	20,000	20,000	20,000	20,000	20,000
A2 Reroof Police Station	20,000		20,000				
TOTAL ADMIN AND CITY PROJECTS	140,000	20,000	40,000	20,000	20,000	20,000	20,000
TOTAL GENERAL GOVT CAPITAL PROJECTS	9,566,950	875,500	145,350	914,100	400,200	932,600	6,299,200

CIP General Government FUNDING Summary								
Capital Improvement Plan 2013 - 2018		Total \$ Project 2013 - 2018	2013	2014	2015	2016	2017	2018
REET I FUNDING								
L1	Police Technology Projects	291,050	45,000	46,350	47,700	49,200	50,600	52,200
L2	Patrol Car Replacement	41,600	41,600					
P5	Grant Matching Fund	60,000	10,000	10,000	10,000	10,000	10,000	10,000
P12	Union Stump Memorial Park	20,000					20,000	
P13	Signage for Parks	15,000						15,000
A1	City Technology Upgrades	120,000	20,000	20,000	20,000	20,000	20,000	20,000
Total REET I Funding for Gen Govt CIP PROJECTS		547,650	116,600	76,350	77,700	79,200	100,600	97,200
LOAN PAYMENTS (REET I) *								
L4	Repay Police Records Loan (2009)	102,900	102,900	66,350	63,100	69,200	66,600	68,200
F1	Engine 98 Replace (Loan Payment 10 yr)	152,760		30,552	30,552	30,552	30,552	30,552
F2	Replace Reserve Engine (Loan Payment 15 yr)	170,820				56,940	56,940	56,940
F3	Replace Aid Car (Loan Payment 12 yr)	24,972						24,972
Total REET I Funding for Loan Payments (not in total)		451,452	102,900	96,902	93,652	156,692	154,092	180,664
GRANT FUNDING								
P1	Lake Sawyer Boat Launch Impr. (RCO Grant)	385,000	85,000					300,000
P1	Lake Sawyer Boat Launch Impr. (King County Grant)	280,000			200,000		80,000	
P2	Lake Sawyer Aquatic Weed Prgm (DOE Grant)	25,000	25,000					
P3	Ginder Creek Easement (Other Grant)	15,000	15,000					
P4	Ginder Creek Property Acquisition (RCO Grant)	150,000	150,000					
P6	Mine Hazard Assessment Study (4 Culture Grant)	15,000	15,000					
P7	Cemetery Waterline Replacement (4 Culture or oth)	2,200	2,200					
P8	Ginder Creek Trail Restoration (Other Grant)	60,000	20,000	20,000	20,000			
P9	Regional Trail System Development (County Grant)	300,000				100,000	100,000	100,000
P11	Lake Sawyer Regional Park (DOE Grant)	10,000	10,000					
P11	Lake Sawyer Regional Park (RCO Grant)	1,500,000						1,500,000
Total Grant Funding		2,742,200	322,200	20,000	220,000	100,000	180,000	1,900,000
KING COUNTY REGIONAL PARKS FUNDING								
P11	Lake Sawyer Regional Park	1,000,000						1,000,000
Total King County Regional Parks Funding		1,000,000						1,000,000
GRANT MATCHING and IN-KIND								
P1	Lake Sawyer Boat Launch Improvements	50,000	30,000				20,000	
P2	Lake Sawyer Aquatic Program	15,000	15,000					
P3	Ginder Creek Easement	15,000	15,000					
P7	Cemetery Waterline Replacement	3,000	3,000					
Total Grant Matching Funds		83,000	63,000				20,000	

		Total \$ Project 2013 - 2018	2013	2014	2015	2016	2017	2018
LOANS FOR FINANCING								
F1	Replace Engine 98 (10 yr 5%)	240,000	240,000					
F2	Replace Reserve Engine (15 yr 5%)	600,000			600,000			
F3	Replace Aid Car (12 yr 5%)	225,000					225,000	
F4	Replace Brush Chassis (5 yr 5%)	82,000						82,000
Total Loans		1,147,000	240,000		600,000		225,000	82,000
		Total \$ Project 2013 - 2018	2013	2014	2015	2016	2017	2018
DEVELOPER/MITIGATION								
P9	Tree Mitigation	6,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Developer/Mitigation Funding		6,000	1,000	1,000	1,000	1,000	1,000	1,000
BOND SALES								
F5	New Fire Station and Equipment	3,215,000				125,000	140,000	2,950,000
Total Bond Sales		3,215,000				125,000	140,000	2,950,000
COUNTY TAX LEVY FOR PARKS								
P8	Ginder Creek Trail Restoration	16,000	8,000	8,000				
Total Bond Sales		16,000	8,000	8,000				
OTHER FUNDING								
	Unknown	330,648						
F4	Replace Brush Truck Chassis Surplus Funds	3,000						3,000
F5	New Fire Station and Equipment Surplus Funds	25,000	25,000					
Total Other Funding		358,648	25,000					3,000
Total Funding Subtotal		9,566,950	878,700	202,252	992,352	461,892	820,692	6,213,864

REET I - PROJECT EXPENDITURES			Capital Plan 2013 - 2018					
	2012 REET I Budgeted & Funded	2013-2018 Summary Total	2013	2014	2015	2016	2017	2018
General Government								
A1 City Technology Upgrades	20,000	120,000	20,000	20,000	20,000	20,000	20,000	20,000
A2 Police Reroof		20,000		20,000				
Future Facility Site-Preliminary Engr/Design	17,500							
Subtotal General Government	37,500	140,000	20,000	40,000	20,000	20,000	20,000	20,000
Parks								
P5 Grant Matching	10,000	60,000	10,000	10,000	10,000	10,000	10,000	10,000
P12 Union Stump Memorial Park		20,000					20,000	
P13 Signage for Parks		15,000						15,000
Subtotal Parks Projects with REET I	10,000	95,000	10,000	10,000	10,000	10,000	30,000	25,000
Public Safety								
L1 Police Technology Upgrades	8,000	103,700	16,300	20,000	15,400	20,000	16,000	16,000
L2 Vehicle Replacement Plan	45,000	291,050	45,000	46,350	47,700	49,200	50,600	52,200
Repay Police Records Loan 2009	42,000	436,350	102,900	66,350	63,100	69,200	66,600	68,200
SUBTOTAL POLICE	95,000	831,100	164,200	132,700	126,200	138,400	133,200	136,400
New Fire Station (study)	1,250							
Two New Fire Vehicles	34,915							
F1-4 Fire Loan Payments (Eng Repl/Aid Car/Brush Trk)		348,552		30,552	30,552	87,492	87,492	112,464
SUBTOTAL FIRE	36,165	348,552		30,552	30,552	87,492	87,492	112,464
Subtotal Public Safety Proj. with REET I	131,165	1,179,652	164,200	163,252	156,752	225,892	220,692	248,864
Total REET I Projects	178,665	1,414,652	91,300	116,350	93,100	99,200	116,600	113,200
Total REET I Debt		784,902	102,900	96,902	93,652	156,692	154,092	180,664
TOTAL REET I		2,199,554	194,200	213,252	186,752	255,892	270,692	293,864
REET I left for next year (Ending Balance)	279,700	(187,752)	131,800	4,948	(55,304)	(141,496)	(188,888)	(187,752)
REET based on Houses sold			2013	2014	2015	2016	2017	2018
Existing Property Sales (in 000's)			62 @\$250	75 @\$255	85 @\$260	95 @\$265	120 @\$270	140 @\$275
Other new home sales (in 000's)			10 @\$250	10 @\$255	10 @\$260	11 @\$265	12 @\$270	17 @\$275
MPD Phase 1 Resulting Sales -non commercial (in 000's)				50 @\$255	100 @\$260	150 @\$265	200 @\$270	270 @\$275
Population Base			4,060	4,087	4,249	4,546	4,981	5,553
Growth Increase (2.7 people per new household)			27	162	297	435	572	775
TOTAL POPULATION			4,087	4,249	4,546	4,981	5,553	6,328

Appendix



Basketball and Tennis Courts, Ball Field, Swings and Skate Park (Located on Park Street)

ORDINANCE NO. 12-994

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF BLACK DIAMOND, KING COUNTY, WASHINGTON,
ADOPTING THE BUDGET FOR CALENDAR YEAR 2013

WHEREAS, the Preliminary Budget was submitted to the City Council by the Mayor on October 1, 2012; and

WHEREAS, the City Council held public hearings on November 15, 2012, and December 3, 2012 and workstudies on August 16, 2012, October 18, 2012; October 29, 2012; November 1, 2012; and November 26, 2012; and

WHEREAS, a copy of the Budget was on file with the City Clerk for examination by the public during the time it was being considered by the City Council; now, therefore,

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

Section 1. The annual budget of the City of Black Diamond for the 2013 calendar year, a copy of which is on file with the City Clerk, is hereby adopted by reference as the annual budget for the City of Black Diamond for calendar year 2013.

Section 2. The total estimated revenue from all sources and expenditures by fund as set forth in the 2013 budget document adopted by reference, are as follows:

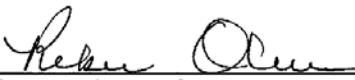
Fund Name	Estimated Revenues	Estimated Expenditures
General Fund	5,907,237	5,907,237
Street Fund	404,944	404,944
REET I Fund-General Government	325,875	325,875
REET II Fund-Street Projects	373,502	373,502
Capital Fund-General Government	541,150	541,150
Capital Fund-Street Projects	220,000	220,000
Water Fund	1,428,141	1,428,141
Water Capital Facility Fund	344,976	344,976
Water Capital Fund	859,825	859,825
Wastewater Fund	919,948	919,948
Wastewater Capital Fund	811,546	811,546
Stormwater Fund	436,865	436,865
Stormwater Capital Fund	70,576	70,576
Equipment Reserve Funds	201,178	201,178
	12,845,763	12,845,763

Section 3. This Ordinance shall include the 2013 Salary Schedule as shown in the attachment as Exhibit A.

Section 4. 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.

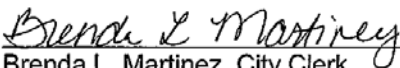
Introduced the 20th day of December, 2012.

Passed by a majority of the City Council at a meeting held on the 20th day of December, 2012.



Mayor Rebecca Olness

Attest:



Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

Chris Bacha, City Attorney

Published: 12/28/2012
Posted: 12/27/2012
Effective Date: 1/2/2013



**City of Black Diamond
Financial Management Policies**

Per Resolution 08-560

Updated for Long Term Planning Per Resolution 13-866

Background and Purpose

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

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

Operating Budget Policies

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

Citizen Involvement

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

Service Level Determinations

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

Conservative Budgeting

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

Long Term Financial Planning

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

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

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

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

Maintenance of Facilities and Equipment

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

Sustainable Revenue Sources

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

Cost Recovery

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

Fund Balance Reserve Policies

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

Operating Fund Balance Reserves

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

Contingency Reserve Fund

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

Utility Operating Policies

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

Utility Rates and Fees

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

Utility Fund Reserves

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

Debt Management Policies

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

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

Interfund Loans

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

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

Bond Rating

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

Cash Management and Investment Policies

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

Cash Sufficiency

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

Investment Goals

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

Allocation of Investment Income

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

Alternative Financing Schemes and Derivative Products

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

Capital Projects and Planning Policies

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

Capital Improvement Plan

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

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

Capital Improvement Plan (CIP) Participation

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

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

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

Internal Consistency

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

Funding Sources

City staff will analyze funding sources for all proposed capital improvement projects, including grant opportunities. Under Washington law, the City can only expend revenues from the Real Estate Excise Tax (REET) for capital items. Real estate excise tax of one-quarter of one percent on the sale of real property is currently dedicated to general government capital improvements and a second one-quarter of one percent is allocated to public works projects. Both allocations may be changed by the Council. These designated revenues are collected in the Special Revenue Funds and then transferred to the appropriate funds for expenditures of debt service or capital projects as budgeted. Each REET fund has established a targeted reserve of \$200,000 to \$250,000 to cover an emergency or economic downturn.

Relationship between Operating Budget and Capital Improvement Plan

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

Accounting, Financial Reporting and Auditing Policies

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

Accounting and Budgeting System

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

Financial Reporting

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

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

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

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

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

Audit Policy

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

MPD Funding Agreement

This AGREEMENT (hereinafter “**MPD Funding Agreement**” or “**Agreement**”) is dated the 15th day of December 2011, and is entered into by and between BD Village Partners, LP (“**BD Village**”), a Washington limited partnership, BD Lawson Partners, LP, a Washington limited partnership (“**BD Lawson**”) (BD Lawson and BD Village are collectively referred to herein as the “**Developer**”), and the City of Black Diamond, a Washington municipal corporation (the “**City**”).

RECITALS

- A. WHEREAS, on June 29, 2007, the City, BD Village, and BD Lawson, LP entered into that certain City of Black Diamond Staff and Facilities Funding Agreement (the “**Staff and Facilities Funding Agreement**”) to provide funding for city staff, city consultants, related support facilities, equipment expenses, and legal costs; and
- B. WHEREAS, on April 16, 2009, the City, BD Village, and BD Lawson executed an amendment to that Staff and Facilities Funding Agreement (the “**First Amendment**”) that allowed for the funding of certain pre-approved economic development activities and increased the frequency of payments under the Staff and Facilities Funding Agreement in order to decrease the City’s working capital; and
- C. WHEREAS, BD Village has applied for and received approval from the City for The Villages Master Planned Development (the “**Villages MPD**”) pursuant to City of Black Diamond Ordinance No. 10-946 (the “**Villages MPD Approval**”); and
- D. WHEREAS, BD Lawson has also applied for and received approval from the City for the Lawson Hills Master Planned Development (the “**Lawson Hills MPD**”) pursuant to City of Black Diamond Ordinance No. 10-947 (the “**Lawson Hills MPD Approval**”); and
- E. WHEREAS, Condition of Approval 2 in Exhibit C of Ordinance No. 10-946 requires that a development agreement (“**The Villages Development Agreement**”) be executed between the City and BD Village before the City approves any subsequent implementing permits or approvals for the Villages MPD; and
- F. WHEREAS, Condition of Approval 156 in Exhibit C of Ordinance No. 10-946 requires that The Villages Development Agreement include a “specific ‘MPD Funding Agreement’ which shall replace the existing City of Black Diamond Staff and Facilities Funding Agreement; and
- G. WHEREAS, Ordinance No. 10-947 similarly requires that BD Lawson enter into a separate development agreement with the City (the “**Lawson Hills Development Agreement**”) and that such development agreement contain a new funding agreement to replace the existing Staff and Facilities Funding Agreement; and

- H. WHEREAS, BD Village, BD Lawson, and the City agree that executing a new tri-party MPD funding agreement satisfies Ordinances Nos. 10-946 and No-947; and
- I. WHEREAS, the City, BD Village and BD Lawson intend for this Agreement to replace and supersede the Staff and Facilities Funding Agreement and the First Amendment in their entirety; and
- J. WHEREAS, the City, BD Village and BD Lawson recognize that while the City currently does not have sufficient revenues to pay for the staff necessary to effectively and efficiently handle its current workload, the parties expect that the Villages MPD and Lawson Hills MPD will produce revenue for the City and, as a result, that the need for some portions of the funding under this MPD Funding Agreement will be reduced over time and ultimately eliminated; and
- K. WHEREAS, the City, BD Village and BD Lawson acknowledge that revenue from the Villages MPD and Lawson Hills MPD, including sales tax, real estate excise tax, utility taxes, franchise fees, business license revenues, increased property tax receipts associated with higher land value, and other revenues from any business or land use, as well as the BD Village's and BD Lawson's infrastructure obligations imposed by the Villages MPD Approval and Lawson Hills MPD Approval, respectively, are expected to be sufficient to maintain the Village MPD's and Lawson Hills MPD's proportionate share of the City's adopted staffing levels of service and capital facility needs; and
- L. WHEREAS, on an ongoing basis, the City, BD Village and BD Lawson agree to manage their operations in a fiscally responsible manner; and
- M. WHEREAS, the City, BD Village, and BD Lawson hereby agree that the purpose of this MPD Funding Agreement is to create an instrument to fund City staff as necessary to implement the Villages MPD and The Villages Development Agreement as well as the Lawson Hills MPD and the Lawson Hills Development Agreement; and
- N. WHEREAS, the City, BD Village and BD Lawson hereby also agree that the intent of this MPD Funding Agreement includes the following: (i) to create a mechanism to reduce the Developer's Total Funding Obligation (as defined below) by ultimately eliminating the Developer's funding of City Staffing Shortfalls (as defined below) and instead funding one hundred percent (100%) of such City staff with City revenue; (ii) to establish a hierarchy of City staff necessary to provide basic administrative services within the City and for sufficient City staff to implement the Villages MPD and Lawson Hills MPD, The Villages Development Agreement and Lawson Hills Development Agreement, and to review and process implementing development permits for the Villages MPD and Lawson Hills MPD; (iii) to ensure funding of City staff assigned to the Master Development Review Team ("MDRT") to be established as defined herein; (iv) to provide the ability for the City to use consultants for professional review support related to the Villages MPD's and Lawson Hills MPD's implementing development permits; (iv) to provide the ability for the City to be able to quickly adapt to differing levels of work associated with the Villages

MPD and Lawson Hills MPD without hiring permanent staff; and (vi) to allow efficient and consolidated review of implementing development permits for the Villages MPD under The Villages Development Agreement and City code as well as the Lawson Hills MPD under the Lawson Hills Development Agreement and City code; and

- O. WHEREAS, the City, BD Village and BD Lawson further agree that this MPD Funding Agreement is intended to cover three types of costs: (i) certain City staffing costs on an interim basis (i.e., City Staffing Shortfalls as defined below); (ii) MDRT Costs (as defined below); and (iii) any fiscal shortfalls created by the Villages MPD pursuant to Condition of Approval 156 of Ordinance No. 10-946 and the Lawson Hills MPD pursuant to Condition of Approval 160 of Ordinance No. 10-947 (defined hereinafter as “**City Fiscal Shortfalls**”).

NOW, THEREFORE, in consideration of the mutual agreements set forth herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, BD Village, BD Lawson and the City hereby agree as follows:

AGREEMENT

1. **Termination of Staff and Facilities Funding Agreement.** This MPD Funding Agreement replaces and supersedes the Staff and Facilities Funding Agreement and First Amendment as to all lands within the Villages MPD and Lawson Hills MPD as legally described in Exhibit A attached hereto and incorporated herein.
 - a. **Release of Existing Security.** As a result of the parties’ termination of the Staff and Facilities Funding Agreement, the City hereby agrees to execute of the release of the Staff and Facilities Funding Agreement’s existing security in the form attached hereto and incorporated herein as Exhibit B.
2. **City Staffing Funding Shortfalls.** Subject to the MDRT Costs provision of this Agreement, Developer commits to fund one hundred percent (100%) of the then-actual salary and benefit costs of the City staff positions listed on Exhibit C attached hereto and incorporated herein, less any amounts actually received by the City from another applicant for payment of such salary and benefit costs (the “**City Staffing Shortfalls**”). Developer’s funding obligation in this Section 2 is subject to the condition that all such salary and benefit costs be competitive with similar positions in the municipal community, as evidenced by reference to the Association of Washington Cities annual salary survey and similar documentation. In addition, Developer shall fund one hundred percent (100%) of the total furniture, fixture, and equipment costs (“**FFE**”) associated with the City staff positions identified on Exhibit C, less any amounts actually received by the City pursuant to a separate agreement with another applicant or otherwise for payment of such FFE; provided, Developer’s share of such FFE shall not exceed \$15,000 per month.

The City staff positions identified on Exhibit C may participate in processing implementing development permits for the Villages MPD and Lawson Hills MPD, and assist other staff who will process development applications submitted by the Developer and Third Parties. The parties acknowledge that the City will solely determine the method and manner of hiring and retaining the

City staff positions identified on Exhibit C or through the Annual Review, and will be solely responsible for all development permit and/or personnel decisions, including compensation amounts which shall be competitive with similar positions in the municipal community.

- a. **Reduction of City Staffing Shortfalls.** If the most recent Fiscal Analysis (as defined below) or Annual Review (as defined below), whichever is more current, projects a fiscal benefit for the City, then the City and Developer shall promptly meet and negotiate in good faith to determine whether and when the salary and benefit costs of one or more City staff positions identified on Exhibit C should be funded by the City. If so, then the City shall identify the appropriate City staff position to be removed from the Developer's Total Funding Obligation under this Agreement whether or not the Wind-Down timing threshold associated with such City staff position (identified in Section 2(c)) has been triggered.
- b. **Voluntary Agreement.** The parties acknowledge that the Developer's commitment to fund City Staffing Shortfalls is a voluntary agreement into which the Developer freely enters pursuant to state law.
- c. **Wind-Down and Wind-Up.** In recognition that: a) the Villages MPD and Lawson Hills MPD build-out may fluctuate to follow market demands; and b) the voluntary nature of the Developer's City Staffing Shortfalls funding obligation, BD Village or BD Lawson may provide notice to the City of Wind-Downs and Wind-Ups of certain City staff positions outlined in Exhibit C.
 - i. Wind-Down Notices shall be delivered to the City and shall state that BD Village and/or BD Lawson intends on a date certain to cease paying for certain City Staffing Shortfall positions. In order to be effective, a Wind-Down Notice must comply with the following provisions:
 - ii. No Wind-Down Notice may be delivered to the City or otherwise be effective during the first twelve months following the Effective Date of this Agreement. Thereafter, the date certain required to be identified in a Wind-Down Notice may not be sooner than six months after delivery of the Wind-Down Notice to the City. No Wind-Down Notice may be based upon the substance of any prior development permit decision made by the Designated Official or MDRT member(s).
 - iii. During months 13 through 18 following the Effective Date, only Support Staff positions identified on Exhibit C may be subject to a Wind-Down Notice from BD Village or BD Lawson.
 - iv. During months 19 through 24 following the Effective Date, some or all Support Staff positions and/or Essential Staff positions identified on Exhibit C may be subject to a Wind-Down Notice from BD Village or BD Lawson. This notice

may require Wind-Down of the identified Support Staff and Essential Staff simultaneously.

- v. After month 25 following the Effective Date, Support Staff, Essential Staff, and/or Core Staff positions may be subject to a Wind-Down Notice from BD Village or BD Lawson, which Notice may require wind-down of identified City staff simultaneously.
- vi. Upon receipt of a Wind-Down Notice and compliance by BD Villages or BD Lawson as appropriate with the above criteria, the City shall thereafter be responsible to determine whether it wants to continue funding the subject staff position(s). Wind-down shall include both the staff position and any related FFE costs.
- vii. Wind-Up Notices shall state that BD Village and/or BD Lawson intends to re-initiate payment of certain City Staffing Shortfall costs and request the rehiring of certain City staff or consultant positions.
- viii. If no Core Staff position has received a Wind-Down Notice pursuant to subsection (c) above, then City shall complete the hiring of City staff or consultants positions identified in the Wind-Up Notice within six (6) months after receipt of the Notice. In the event the Wind-Up Notice requests Essential Staff or Support Staff, then City shall complete the hiring of the staff and consultants positions identified in the Notice within nine (9) months after receipt of the Notice unless otherwise agreed to by the Developer.
- ix. If any Core Staff position has received a Wind-Down Notice pursuant to subsection (c) above, then City shall complete the hiring of staff or consultants positions identified in a Wind-Up Notice within twelve (12) months after receipt of the Wind-Up Notice unless otherwise agreed to by the Developer. In such circumstances, Developer may request rehire of Core Staff positions only or may request Core Staff positions plus Essential Staff positions and/or Support Staff positions.

3. **Master Development Review Team.** The primary function of the MDRT is to process, review, and implement development permits and development agreements of the Villages MPD and the Lawson Hills MPD. The MDRT shall become effective upon approval of The Villages or Lawson Hills Development Agreement, provided that if an additional staff member or consultant has not yet been hired, the City agrees to review and process implementing development permits using City staff funded pursuant to the City Staffing Funding Shortfalls section outlined above.

- a. **MDRT Composition.** The MDRT shall initially be comprised of the following current positions, or their functional equivalent: (i) City's Economic Development Director; (ii) the City's Community Development Director; (iii) the City's MPD planner; (iv) a new City administrative support position; (v) necessary consultants as determined in the

City's sole, reasonable discretion after consultation with the Developer; and (vi) additional City staff as identified by the Developer through the Annual Review described in Section 6, e.g. building official. The MDRT composition may be modified by mutual agreement of the parties. In recognition of the advantage of both parties of ensuring continuity through the review and processing of implementing development permits, the City may choose to offer multiyear employment contracts to some or all members of the MDRT; provided, however, that such contracts shall not increase Developer's Total Funding Obligation nor impair Developer's ability to exercise its rights pursuant to Section 2(c) ("Wind-Down and Wind-Up") as set forth herein.

- i. For purposes of this Agreement, consultants include, but are not limited to, professional engineering firms, planning and transportation firms, fiscal or financial consultants, and the City Attorney (which, for purposes of this Agreement, includes any attorney or professional staff in the City Attorney's law firm) and other legal consultants when performing services related to The Villages MPD and Lawson Hills MPD.
- b. **MDRT Costs.** The Developer shall fund one hundred percent (100%) of the costs of the MDRT by paying: (i) the salary and benefit costs of City Staff MDRT members identified in Section 3(a), less any amounts actually received by the City from others pursuant to Section 2; (ii) the actual amounts invoiced by consultants; and (iii) the FFE associated with such City Staff MDRT members (the "**MDRT Costs**"). MDRT Costs shall also initially include the purchase of three (3) vehicles exclusively for the MDRT – two (2) pool vehicles and one (1) inspection vehicle – the costs of which shall not exceed \$125,000.00 in total. In determining such vehicle purchases, the City shall consider the purchase of hybrid or similar "green" vehicles. Thereafter, the MDRT's FFE shall include all costs associated with the ongoing expense and maintenance of these three (3) vehicles.
 - i. **MDRT Cost Allocation.** The City shall allocate MDRT Costs to BD Village and BD Lawson on a proportionate share basis based on time spent.
- c. **Reduction or Elimination of MDRT Costs.** In recognition that the Villages MPD and Lawson Hills MPD build-out may fluctuate to follow market demands, the Parties acknowledge and agree that BD Village and/or BD Lawson may elect to reduce, or eliminate, MDRT staffing during the Annual Review described in Section 6. If, during Annual Review, BD Village and/or BD Lawson elect to cease paying all MDRT Costs for a given calendar year, the City's obligations under this Section 3 shall also cease for such calendar year.
- d. **City Fee Provision.** In consideration for the Developer's funding of the MDRT and paying the MDRT Costs, the City shall not collect permit or administrative fees or deposits otherwise applicable to implementing project permits sought for the Villages MPD or the Lawson Hills MPD, except for fees or other charges as required by this Agreement; provided, however, that this subsection 3(d) shall be void and Developer

shall be fully responsible for all permit and administrative fees or deposits otherwise applicable to implementing project permits sought for the Villages MPD, the Lawson Hills MPD, and any other property within the City if BD Village or BD Lawson elects to cease paying all MDRT Costs pursuant to Section 3(c).

4. **City Fiscal Shortfalls.** The Developer shall prepare and submit to the City the fiscal analysis in the manner prescribed by Condition of Approval 156 of City of Black Diamond Ordinance No. 10-946 and Section 13.6 of The Villages Development Agreement (the “**Village Fiscal Analysis**”), and by Condition of Approval 160 of City of Black Diamond Ordinance No. 10-947 and Section 13.6 of the Lawson Hills Development Agreement (the “**Lawson Fiscal Analysis**”) (collectively the “**Fiscal Analysis**”).

a. **Fiscal Impact.** If the Fiscal Analysis projects a deficit in City revenue required to fund necessary service and maintenance costs (staff and equipment) of facilities that are required to be constructed as a condition of the Villages or Lawson Hills MPD Approvals or any related implementing development permits (the “**City Fiscal Shortfalls**”), then the City, after consultation with Developer, shall determine in its sole reasonable discretion the staff, facilities, and/or equipment necessary for Developer to provide at its sole expense in order to satisfy the interim funding obligations required by the MPD Approvals. To the extent that Developer disagrees with the City’s decision regarding the City Fiscal Shortfalls, Developer may pay any disputed amounts or otherwise comply under protest. Developer shall retain the right to utilize the Dispute Resolution process set forth in Section 24. The potential limitation on the use of interim funding set forth in Condition of Approval 156 of City of Black Diamond Ordinance No. 10-946 and Condition of Approval 160 of City of Black Diamond Ordinance No. 10-947 regarding the Fiscal Analysis prepared and submitted to the City prior to the commencement of Phase III shall remain fully applicable. In such case, and prior to City approval of any implementing development permits for projects in Phase III, the City and Developer agree to promptly negotiate in good faith solutions to cure the Phase III fiscal deficit. The City shall not approve any implementing development permits for projects in Phase III before agreement is actually reached in writing on solutions to cure the Phase III fiscal deficit.

5. **Developer’s Total Funding Obligation.** The Developer’s total funding obligation under this Agreement shall be the sum of the City Staffing Shortfalls plus the MDRT Costs plus the City Fiscal Shortfalls, if any (hereinafter “**Total Funding Obligation**”), less any duplication in Developer’s payment obligation among those three funding categories.

6. **Annual Review.** Prior to September 20th of each calendar year or on a date mutually agreed to by the City and Developer, the City and Developer shall conduct an annual review with members of the MDRT (the “**Annual Review**”). The Annual Review shall include, but not be limited to, a review of each of the following items:

a. Work completed by the MDRT during the prior year including the length of implementing development permit review timeframes and processes;

- b. MDRT costs incurred during the prior year and during the term of this Agreement;
- c. Extent of work the Developer expects to submit to the City during the next calendar year;
- d. MDRT staffing levels needed for the next calendar year commencing in January to perform the work projected by the Developer;
- e. Consultants necessary to provide review support and the rate schedule of consultants on the City's MDRT roster;
- f. The prior year's Quarterly Accountings;
- g. Necessary FFE to support MDRT members for the following calendar year;
- h. Fiscal performance of the City as related to the most recent Fiscal Analysis submitted by the Developer. The City and Developer shall review the City's projected budget amounts to determine which, if any, City staff identified on Exhibit C may be removed from the Developer's Total Funding Obligation established by this Agreement and funded by the City; and
- i. In the event of: (i) a full Wind-Down of Support Staff, Essential Staff, and Core Staff positions by BD Village and/or BD Lawson; or (ii) a decision by BD Village and/or BD Lawson to cease operations of the MDRT for a calendar year, the City shall exercise its best efforts to organize and make available to Developer at Developer's cost copies of all public records related to the affected MPD or MPDs, and to summarize any open MDRT items.

Provided, however, the first Annual Review to be completed by the City and Developer by September 20, 2011 (or a date mutually agreed to by the City and Developer), shall only review the above items from the Execution Date to the date of the Annual Review itself. During each Annual Review and based upon the above items, the City and Developer shall mutually agree in writing to at least the following items: (i) an annual budget for MDRT Costs for the following calendar year to be included in the Monthly Fixed Amount (as defined below); (ii) a MDRT staffing and work plan/program for the following calendar year; and (iii) any other items required by this Agreement or The Villages Development Agreement or Lawson Hills Development Agreement.

7. Payment Procedure.

- a. **Monthly Fixed Amount.** During Annual Review, City and Developer shall mutually agree to and determine a monthly fixed amount that the Developer shall deposit with the City by the first (1st) day of each month to cover one-twelfth of the Developer's Total Funding Obligation for that given year (the "**Monthly Fixed Amount**"). Such Monthly Fixed Amount is subject to modification between Annual Reviews upon mutual written agreement of the parties.
- b. **Consultant Deposit.** Within forty-five (45) days of the Effective Date, Developer shall provide to the City funds in the amount of fifty thousand dollars (\$50,000.00) (the

“**Consultant Deposit**”) as a security deposit for ongoing consulting fees and costs incurred under the MDRT for the Villages MPD and/or Lawson Hills MPD implementing development permit review and processing. The City shall invoice the Developer monthly for actual consulting costs paid, which Developer shall pay in the normal course of business. If Developer fails to pay any such invoices within forty-five (45) days, City shall be entitled to deduct the full amount of any such invoices from the security deposit referenced above. In such event, Developer shall replenish the full amount deducted from the security deposit within ten (10) days. The City shall place the Consultant Deposit in an interest bearing account. The City shall relinquish the Consultant Deposit and any accrued interest to the Developer by the later of thirty (30) days after terminating this Agreement or thirty (30) days after payment of all Consultant invoices for services performed prior to the effective date of a Wind-Down Notice from the Developer for all consultants. The amount of funds to be retained as a Consultant Deposit shall be reviewed by the parties during the Annual Review.

- c. **Quarterly Accounting.** Within fifteen (15) days after the last day of each calendar quarter, the City shall provide BD Village and BD Lawson with an accounting for the previous quarter (the “**Quarterly Accounting**”). This Quarterly Accounting shall include actual monthly costs of City staff positions included within the Developer’s Total Funding Obligation as well as any credits due under the Non-MPD Related Credit Procedure (Section 8) from the previous calendar quarter. In addition, the Quarterly Accounting shall include reports with descriptions for each MDRT member (including City staff and consultants) depicting the amount of time that each MDRT member allocated to MDRT activities during the previous quarter. Any refund or additional amount due shall be invoiced to the Developer, which shall either reduce the next Monthly Fixed Amount due from the Developer or the Developer shall promptly pay the additional amount due with the next Monthly Fixed Amount due within forty-five (45) days. If the Quarterly Accounting shows a deviation of greater than ten (10) percent between actual monthly costs and the Monthly Fixed Amount, the City and Developer shall promptly meet to discuss in good faith whether the Monthly Fixed amount should be adjusted upward or downward for the remainder of the applicable calendar year.
- d. **Third Party Payment.** If a Third Party submits to the City a Villages MPD-related implementing development permit application (e.g., building permits) or Lawson Hills MPD-related implementing development permit application that is reviewed by the MDRT, the City shall invoice directly the Third Party for the MDRT’s costs of such review on a monthly basis together with such Third Party’s proportionate share of any MDRT Costs described in Section 3(b) above. Each quarter, the City shall deduct the total payments received from such Third Parties from the Developer’s Monthly Fixed Amount. The City shall exercise its best efforts to identify separately in the Quarterly Accounting the deductions associated with Village MPD-related implementing development permit applications and the deductions associated with Lawson Hills MPD-related implementing development permit applications.

8. **Non-MPD Related Credit Procedure.** As part of the Quarterly Accounting, the City shall account for any non-Villages MPD and non-Lawson Hills MPD related permit revenue over five hundred dollars (\$500.00) that was received by the City as a result of City staff positions listed on Exhibit C. The Quarterly Accounting shall show the City providing the Developer a credit towards the following month's Monthly Fixed Amount by that amount of non-Villages MPD and non-Lawson Hills MPD related permit revenue received by the City, provided City staff positions funded by this Agreement worked on that non-Villages MPD and non-Lawson Hills MPD permit.

9. **Building Permit Surcharge.** As anticipated in the Staff and Facilities Funding Agreement, but only to the extent permitted by law, a voluntary agreement under RCW 82.02.020 or other agreement between Developer and its purchasers in which said purchasers release and hold the City harmless from any claims related thereto, and only then if the City Council adopts a resolution, the City hereby agrees to apply a per dwelling unit or equivalent fee on each future building permit issued within the Villages MPD and the Lawson Hills MPD. This fee is intended to recapture the costs incurred by the Developer under the Staff and Facilities Funding Agreement (the "**Surcharge**"), and shall only be assessed on building permits for new construction within The Villages MPD or the Lawson Hills MPD. Remodels, tenant improvements, or reconstruction due to fire damage or other catastrophe shall not be assessed the Surcharge. This Surcharge shall also not apply to Public Uses as defined in The Villages Development Agreement or Lawson Hills Development Agreement.
 - a. **Surcharge Calculation.** The Surcharge for the Villages MPD (the "**Village Surcharge**") shall be calculated based on the costs incurred by BD Village from execution date of the Staff and Facilities Funding Agreement to the execution date of The Villages Development Agreement divided by the number of dwelling units or an equivalent thereof. BD Village shall determine the unit number to be included within the calculation of the Village Surcharge prior to the City's issuance of the first building permit for the Villages MPD. As part of the Annual Review, BD Village may request to modify how the Village Surcharge is assessed, such as removing commercial development from the Village Surcharge. The Surcharge for the Lawson Hills MPD (the "**Lawson Surcharge**") shall be calculated based on the costs incurred by BD Lawson from execution date of the Staff and Facilities Funding Agreement to the execution date of the Lawson Hills Development Agreement divided by the number of dwelling units or an equivalent thereof. BD Lawson shall determine the unit number to be included within the calculation of the Lawson Surcharge prior to the City's issuance of the first building permit for the Lawson Hills MPD. As part of the Annual Review, BD Lawson may request to modify how the Lawson Surcharge is assessed, such as removing commercial development from the Lawson Surcharge

 - b. **Surcharge Accounting.** Within sixty (60) days following execution of The Villages Development Agreement or the Lawson Hills Development Agreement, the City shall provide BD Village or BD Lawson, respectively, with an accounting of all costs incurred by such party under the Staff and Facilities Funding Agreement and the First Amendment. Within thirty (30) days of receipt of the City's accounting, BD Village or

BD Lawson shall review the cost figures and provide the City with the fee structure for the Village Surcharge or Lawson Surcharge, respectively, based on this final cost.

- c. **Surcharge Collection.** The City will collect the Village Surcharge and Lawson Surcharge for BD Village and BD Lawson, respectively, at the issuance of each building permit within the Villages MPD and Lawson Hills MPD, as applicable. As a part of the Quarterly Accounting, the City shall provide an accounting to BD Village and BD Lawson of the Village and Lawson Surcharges collected and the amount due to the BD Village and BD Lawson, respectively. The City shall issue a check in this amount to BD Village and BD Lawson within thirty (30) days of the Quarterly Accounting's issuance.
- d. **Surcharge Indemnity.** BD Village shall indemnify, defend and hold harmless the City, its officers, officials, and employees from and against any and all claims, losses, damages, liabilities, actions, and judgments of third parties (including reasonable attorney and expert witness fees) arising out of, relating to, resulting from, or caused by the City's application of the Village Surcharge to the Villages MPD building permits. Similarly, BD Lawson shall indemnify, defend and hold harmless the City, its officers, officials, and employees from and against any and all claims, losses, damages, liabilities, actions, and judgments of third parties (including reasonable attorney and expert witness fees) arising out of, relating to, resulting from, or caused by the City's application of the Lawson Surcharge to the Lawson Hills MPD building permits.

10. Security. Security shall be provided by the Developer to the City to assure that, in the event of Developer's default, the City Staffing Shortfalls and MDRT Costs provided under this Agreement are timely paid to the City.

- a. **Security Schedule.** The Developer shall provide security as follows:
 - i. Commencing on the Effective Date and until December 31, 2011, collectively BD Village and BD Lawson shall provide security of three million dollars (\$3,000,000.00). To meet this obligation, BD Village and BD Lawson shall collectively provide to the City a letter of credit in a form reasonably acceptable to the City evidencing cash or other liquid assets in the minimum amount of two million dollars (\$2,000,000.00). BD Village shall also provide a first position deed of trust to the City on King County Parcel Nos. 0221069024, 0221069030, and 1121069006 of at least one million dollars (\$1,000,000.00) no later than the Effective Date (the "**Deed of Trust**") in the form attached hereto as Exhibit D.
 - ii. For the calendar year 2012, following the Annual Review in year 2011 and until December 31, 2013, BD Village and BD Lawson collectively shall provide a letter of credit to the City totaling 125% of its projected annual City Staffing Shortfalls and MDRT Costs less consultant costs. The City shall automatically release the Deed of Trust when this letter of credit is renewed on December 31, 2011.

- iii. Thereafter, the City and Developer shall negotiate renewed and extended security in an amount equal to at least 100% of the projected annual City Staffing Shortfalls and MDRT Costs less consultant costs up to a maximum of two million dollars (\$2,000,000.00), after consideration of the extent of development completed at that time.

- b. **Security Termination.** The Developer's obligation to provide security shall automatically terminate with termination of this Agreement.

11. **Definitions.** Previously undefined capitalized terms used throughout this Agreement shall be defined as follows:

- a. **Support Staff:** Those positions identified on Exhibit C.
- b. **Essential Staff:** Those positions identified on Exhibit C.
- c. **Core Staff:** Those positions identified on Exhibit C.
- d. **Third Party:** Any party other than BD Village or BD Lawson submitting permit applications for development within the Villages MPD or the Lawson Hills MPD.
- e. **MPD:** Master Planned Development.
- f. **Phase:** The Villages MPD and the Lawson Hills MPD are collectively planned in four Phases: Phase 1A, Phase 1B, Phase 2, and Phase 3. The land areas for each Phase, together with infrastructure plans for each Phase, are shown in Chapter 9 of The Villages Master Planned Development Application dated December 31, 2009 and Chapter 9 of the Lawson Hills Master Planned Development Application dated December 31, 2009.
- g. **Non-Villages MPD and Non-Lawson Hills MPD related permit revenue:** Fees generated by permit applications for development not located within the Villages MPD or the Lawson Hills MPD.

12. **Term.**

- a. **Effective Date.** This Agreement shall take effect upon the date of full execution, which shall be consistent with the date of execution by the last of the parties, as provided in the signature blocks at the end of this Agreement.
- b. **Termination Date.** This MPD Funding Agreement shall terminate upon the later of: (i) the Villages MPD build-out is complete or expiration or revocation of the Villages MPD Approval; or (ii) Lawson Hills MPD build-out is complete or expiration or revocation of the Lawson Hills MPD Approval.

13. **Amendments.** The City or Developer may request changes to this MPD Funding Agreement. Proposed changes that are mutually agreed upon by all parties will be incorporated by mutually executed

written agreement. No amendment to this Agreement shall be effective until approved by the City Council by resolution.

14. **Notices.** Any notice or other communication to any party given under this Agreement will be effective only if in writing and delivered (1) personally, (2) by certified mail, return receipt requested and postage prepaid, (3) by facsimile transmission with written evidence confirming receipt, or (4) by overnight courier (such as UPS, FedEx, or Airborne Express) to the following addresses:

If to BD Village:

BD Village Partners, LP
10220 NE Points Drive, Suite 310
Kirkland, WA 98033
Attn: Brian Ross
Fax: 425-898-2139

With Copy to:

Cairncross & Hempelmann
524 Second Avenue, Suite 500
Seattle, WA 98104-2323
Attn: Nancy Rogers
Fax: 206-587-2308

If to BD Lawson:

BD Lawson Partners, LP
10220 NE Points Drive, Suite 310
Kirkland, WA 98033
Attn: Brian Ross
Fax: 425-898-2139

With Copy to:

Cairncross & Hempelmann
524 Second Avenue, Suite 500
Seattle, WA 98104-2323
Attn: Nancy Rogers
Fax: 206-587-2308

To the City:

City of Black Diamond
P.O. Box 599
Black Diamond, WA 98010
Attn: Mayor
Fax: 360-886-2592

With Copy to:

Michael R. Kenyon
Kenyon Disend, PLLC
11 Front Street South
Issaquah, Washington 98027
Fax: 425-392-7071

The addresses and facsimiles to which notice is to be given may be changed by written notice given in the manner specified in this Section 14 and actually received by the addressee.

15. **Attorney's Fees and Expenses.** In the event that any party requires the services of an attorney in connection with the dispute resolution process outlined in Section 24 of this Agreement, the substantially prevailing party shall be entitled to recover its reasonable attorney, expert witness, and paralegal fees, together with costs, expenses, and arbitration costs.

16. **Successors and Assigns/Binding Effect.** This Agreement shall bind and inure to the benefit of the parties and their respective receivers, trustees, insurers, successors, subrogees, transferees, and assigns. BD Village or BD Lawson shall have the right to assign its obligations under this Agreement as the master developer of the Villages MPD and the master developer of the Lawson Hills MPD, respectively, provided BD Village or BD Lawson gives the City thirty (30) days prior written notice of such assignment and successor/assignee provides evidence of its ability to meet the security obligation outlined in Section 10.

17. **Choice of Law.** This Agreement shall be construed and governed by the laws of Washington State. Any legal proceeding to enforce the terms of this Agreement shall be in King County, Washington.

18. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts and as executed shall constitute one Agreement, binding on all parties, notwithstanding that all parties are not signatory to the same counterpart.

19. **Severability; Captions.** In the event that any clause or provision of this Agreement should be held to be void, voidable, illegal, or unenforceable, the remaining portions of this Agreement shall remain in full force and effect. In lieu of each clause or provision that is determined to be void, voidable, illegal, or unenforceable, there shall be added as a part of this Agreement a similar clause or provision as similar as possible that is legal, valid, and enforceable. Headings or captions in this Agreement are added as a matter of convenience only and in no way define, limit or otherwise affect the construction or interpretation of this Agreement.

20. **Interpretation.** This Agreement shall be given a fair and reasonable interpretation of the words contained in it without any weight being given to whether a provision was drafted by one party or its counsel. The parties hereby acknowledge that this Agreement has been reached as a result of arm's length negotiations with each party represented by counsel. No presumption shall arise as a result of one party or the other having drafted all or any portion of this Agreement.

21. **Entire Agreement.** This Agreement contains all of the terms, promises, conditions and representations made or entered into by and between the parties, supersedes all prior discussions, agreements and memos, whether written or oral between the parties, and constitutes the entire understanding of the parties and shall be subject to modification or change only in writing and signed by all parties. Waiver of any default will not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of the Agreement will not be deemed to be a waiver of any other or subsequent breach and will not be construed to be a modification of the terms of this Agreement.

22. **Time of the Essence.** Time is of the essence with respect to the performance of every covenant and condition of this Agreement.

23. **Authority.** Each party represents and warrants to the other party that it has full power and authority to make this Agreement and to perform its obligations hereunder and that the person signing this Agreement on its behalf has the authority to sign and to bind that party.

24. **Dispute Resolution.** If a conflict arises under this Agreement, the Parties shall have the right to file a lawsuit to enforce the rights and obligations hereunder and/or to enter into nonbinding mediation pursuant to RCW 7.07, the Uniform Mediation Act. Either Party may initiate mediation by serving a request on the other Party. If either Party files a lawsuit, and mediation has not yet been initiated, then the other Party shall have the right to require the filing Party to enter into nonbinding mediation by serving the filing Party with a notice of mediation within ten (10) days after a complaint is filed. In any case, the mediation shall be scheduled for the earliest date possible, but in no event later than forty-two (42) days before the deadline for filing dispositive motions or a motion for a permanent injunction pursuant to the court's scheduling order.

[Signatures appear on following page]

IN WITNESS WHEREOF, the parties have executed this MPD Funding Agreement.

BD VILLAGE PARTNERS, LP

By: Yarrow Bay Development, LLC, its general partner

By: BRNW, Inc., its member

By:

Brian Ross
Brian Ross, President

Date:

12/12/11

BD LAWSON PARTNERS, LP

By: Yarrow Bay Development, LLC, its general partner

By: BRNW, Inc., its member

By:

Brian Ross
Brian Ross, President

Date:

12/12/11

CITY OF BLACK DIAMOND

Rebecca Olness

Rebecca Olness, Mayor

Date:

12/15/11

Attest:

Brenda L. Martiney
City Clerk

EXHIBIT C

CITY STAFF POSITIONS & DESIGNATIONS

CORE STAFF

- Asst. City Administrator/City Clerk
- Community Development Director
- Economic Development Director
- Associate Planner (MPD Planner)

ESSENTIAL STAFF

- Public Works Director
- Stewardship Director
- Finance Director
- Permit Technician Supervisor

SUPPORT STAFF

- Deputy Finance Director
- Public Works Administrative Asst.
- IS Manager
- Facilities Coordinator
- Code Enforcement/Building Inspector



CITY OF BLACK DIAMOND

2012 Calendar for 2013 Budget

	Process	Workstudy	City Council Meetings	State Law Limitations
	Budget Requests and instructions go out to all Departments			Sep 10
	Finance prepares revenue sources and preliminary expenditures for salaries and benefits			N/A
	Introduction to the 2013 Budget Process	Aug 16		
	Departments provide budget requests to City Administrator's office			N/A
	Estimates to be filed with the City Clerk and Administration			Sep 24
	City Clerk submits to CAO the proposed preliminary budget setting forth the complete financial program			Oct 1
	CAO provides Council with current info on revenue from all sources as adopted in 2012 budget, and provides the Clerk's proposed preliminary budget setting forth the proposed General Fund Revenues	Oct 18		Nov 2
	Mayor and department heads review General Fund Expenditure budgets with Council	Oct 18		Nov 2
	Council reviews Public Works budgets for Revenues And Expenditures for all Public Works budgets, including Street, Water, Sewer, drainage and all Associated funds. 4:30 PM	Oct 29		Nov 2
	Council Work Study - REET 1 & 2 and Gen Govt, Utilities & Capital Projects. 5:30 PM	Nov 1		
	City Clerk publishes Notice of Public Hearing on 2013 Budget for two weeks out & filing of preliminary budget – once a week for two consecutive weeks – Draft budget submittal ready			Nov 2-15
	Copies of Preliminary Budget made available to Public			Nov 19
	City Council holds 1 st public hearing on revenue sources and expenditures for the upcoming budget year including possible increases in property tax revenue		Nov 15	Nov 19
	Public Hearing and adoption of Property Tax for 2013		Nov 15	Nov 30
	Council Works Study-2013 Budget Council Framework 4:30 PM	Nov 26		
	City Council holds 2 nd final public hearing on 2013 Budget Special Meeting-7:00 PM		Dec 3	Dec 3
	City Council adopts Final 2013 Budget and transmits to the State Auditor's Office (plus possible amendment to property taxes)		Dec 20	Dec 31

City of Black Diamond 2013 Budget Ordinance 12-994 Exhibit "A"

2013 Salary Schedule	Step 1	Step 2	Step 3	Step 4	5 & On
City Administrator	9,253	9,554	10,012	10,374	10,741
Assistant City Administrator	7,954	8,351	8,749	9,147	9,545
Court Administrator	5,833	6,098	6,363	6,628	6,893
Interim Court Administrator	5,252	-	-	-	-
Court Clerk (50% hourly)	18.35	19.89	21.41	22.95	24.47
Exec Dir Econ Dev & Eng Svcs	7,424	7,821	8,219	8,617	9,014
Natural Resources/Parks Director	7,424	7,821	8,219	8,617	9,014
City Attorney	8,080	8,484	8,908	9,354	9,821
City Clerk	7,424	7,821	8,219	8,617	9,014
Deputy City Clerk	4,454	4,766	5,078	5,389	5,700
Finance Director	7,424	7,821	8,219	8,617	9,014
Deputy Finance Director	6,565	6,944	7,323	7,701	8,080
Utility Clerk	3,182	3,447	3,712	3,977	4,242
Senior Accountant 75% (hourly)	25.53	26.82	28.15	29.56	31.04
Accountant 1 Journey (hourly)	16.44	17.26	18.12	19.03	19.98
Administrative Assistant 2	3,182	3,447	3,712	3,977	4,242
Administrative Assistant 1	2,333	2,519	2,704	2,890	3,075
Information Services Manager	6,893	7,291	7,689	8,086	8,484
Police Chief	10,134	10,480	10,899	11,176	11,577
Police Commander	8,177	8,449	8,722	8,994	9,309
Police Sergeant	8,050	8,502	-	-	-
Police Officer	4,890	5,481	6,073	6,663	7,223
Police Records Coordinator	4,454	4,766	5,078	5,389	5,700
Police Clerk 62.5% (hourly)	14.90	16.34	17.78	18.79	20.66
Facilities Equipment Coordinator	4,454	4,766	5,078	5,389	5,700
Human Resources Director	7,424	7,821	8,219	8,617	9,014
Exec Dir Community Development	7,424	7,821	8,219	8,617	9,014
Permit Center Supervisor	5,833	6,098	6,363	6,628	6,893
Permit Technician	4,454	4,766	5,078	5,389	5,700
Compliance Officer	4,454	4,766	5,078	5,389	5,700
Senior Planner	5,301	5,566	5,845	6,137	6,444
Planner	4,454	4,766	5,077	5,389	5,700
Associate Planner	4,438	4,660	4,893	5,138	5,394
Assistant Planner	4,140	4,347	4,564	4,792	5,032
Building Official	6,893	7,291	7,689	8,086	8,484
Parks Department Director	7,424	7,821	8,219	8,617	9,014
Public Works Director	7,424	7,821	8,219	8,617	9,014
Utilities Superintendent	6,893	7,291	7,689	8,086	8,484
Public Utilities Operator	4,666	4,747	4,840	4,932	5,026
Public Works Administrative Asst 3	4,208	4,419	4,640	4,872	5,116
Utility Worker	3,290	3,608	3,926	4,244	4,583
Utility Worker Seasonal (hourly)	13.11	-	-	-	-

Note 1: The Police Chief and Police Commander volunteered to not take their 2013 COLA increase.

Note 2: Management employees will not be receiving their 1% COLA in 2013.

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

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

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

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

Council Meetings: 1st & 3rd Thu - 7:00pm **Town Hall Meeting** 2nd Thu - 7:00pm

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 4,170 (2010). 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.

Attractions:
Flaming Geyser State Park

Flaming Geyser State Park is a 480-acre day-use park with more than three miles of freshwater shoreline on the Green River. The park's most unique feature is its "geysers" (methane seeps). Park activities include whitewater rafting and model airplane flying.

City of Black Diamond Statistics, Cont.

Black Diamond Historical Museum

PO Box 232

32627 Railroad Ave at Baker Street

Black Diamond WA 98010

Phone: 360-886-2142 This museum has exhibits of 19th century machinery, a jail and more. Please call ahead for hours of operation

Major Businesses:

Anesthesia Supply Company

Enumclaw School District

City of Black Diamond

Palmer Coking Coal Co.

Average commute: 38 minutes

Educational Level: 87.5% high school diploma or higher
21.8% Bachelor's degree or higher

CITY OF BLACK DIAMOND SALES TAX HISTORY	
<u>YEAR</u>	<u>TAXES</u>
2000	\$178,553
2001	\$171,913
2002	\$202,713
2003	\$178,703
2004	\$230,263
2005	\$227,760
2006	\$289,613
2007	\$305,497
2008	\$286,610
2009	\$249,526
2010	\$265,177
2011	\$297,333
2012	\$262,974

CITY OF BLACK DIAMOND PROPERTY TAX				
Year	Assessed Valuation	New Construction	Final Assessed Value	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