

City of Black Diamond

2015 Final Budget



January 1, 2015 through December 31, 2015

The budget and information contained herein remain provisional to the extent they are subject to mandatory bargaining with the City's collectively bargained employees as required by Washington law.

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Mayor's Budget Message

November 3, 2014

Honorable City Council and Citizens
City of Black Diamond
24301 Robert Drive
Black Diamond, Washington

Dear City Council and Citizens of Black Diamond:

As my first year as Mayor, it is with great pleasure that I present to you a balanced 2015 Preliminary Budget. My proposed budget retains the municipal services our citizens have enjoyed in past years and I appreciate the opportunity to present this information for your consideration.

Although the economy seems to be improving, the coming year will pose many of the same challenges as previous years and we need to still be cautious. The proposed budget continues to honor the adopted Financial Management Policy of the City that recommends that at least 10% of expenditures remains in the fund balance. The Budget projects the 2015 ending fund balance of \$645,080 or \$79,627 higher than 2014. This is \$233,947 higher than the 10% recommended in City policy.

The 2015 Preliminary Budget has expected General Fund revenues of \$4,566,922 which is a decrease of \$578,641 from 2014. In October the City received a limited wind-down notice from YarrowBay, which will take effect March 19, 2015. This funding reduction will result in \$520,917 reduced revenue in 2015. This was a \$466,071 reduction to the General Fund and \$54,846 to the Public Works Funds, a significant reduction to achieve in one year.

In preparing my proposed preliminary budget I focused on balancing the budget with the least impacts on level of service. Some of the balancing examples include utilizing the additional \$76,430 in General Fund revenues, plus using the savings from the current vacant City Administrator, Natural Resources Director and Permit Technician Supervisor positions. Keeping these positions vacant in 2015 will help offset the allocation of other core funding agreement positions to the general fund and enterprise funds. In addition, the technology budget was reduced by another \$37,820 to the current 2014 expenditure level. Savings were also achieved by increasing the furlough days from 2 to 10 in 2015, not including step or COLA increases. It was also decided to vacate the current City Hall building by March 31, 2015 when funding for the building costs end. City Hall staff will move into one of the leased modular buildings. Staff did a great job in reducing many line item budgets and the Hearing Examiner budget was reduced to \$10,000.

Currently the City is negotiating contracts for the Black Diamond Police Officers Association along with two newly formed bargaining units; Public Works Group and Professional Group. Since negotiations are still underway any budget impacts will come back to Council for a budget amendment. The 2015 budget includes a 2% COLA increase for Fire District 44. For 2015, the City's liability insurance is budgeted to increase by 10%, medical benefits by 5%, dental by 8% and retirement by 9.9% for PERS.

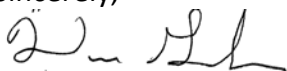
Public Safety continues to be the largest allocation for the general fund. Approximately 57% of the City's approximate \$4.1 million dollar general fund budget is allocated toward public safety services. Although Public Safety cost increases for 2015 were held at a minimum, the costs for these services have increased at a rate of approximately 8%, since 2013. In this budget I am recommending the City Council once again approve the allowable 1% increase to the City of Black Diamond regular property tax levy for 2015 to help offset these anticipated increase in costs for public safety. The result of the 1% increase would be \$14,338 added to the amount of property tax Black Diamond will receive in 2015. In 2015, a home owner of a \$275,000 home is expected to pay approximately \$664 or \$55 a month. The balance of the property tax bill or 81.4% goes to schools, King County and Special Districts.

Black Diamond operates three utilities: Water, Sewer and Stormwater, each with its own budget. In 2015 a portion of the Public Works Administrative Assistant will be allocated to Capital Projects for grant administration and billing. In addition a portion of the Public Works Director will be covered by the Capital budget for the Comprehensive Water Plan update in 2015 and 2016. New in 2015 are the allocations of approximately 10% of the Finance Director and Deputy Finance Director positions to the utility funds to cover financial related costs. The utility funds were able to absorb this portion of the finance allocation with the 2015 savings from keeping the City Administrator position vacant and by also covering part of the Public Works Director's salary in the Capital budget. Also included are the associated capital projects for the public works funds that were adopted in the 2015-2020 Capital Improvement Plan. Customers are budgeted to see a pass through Metro Sewer rate increase of 5.6%, a City inflationary sewer rate increase of 2.3% and the third 15% increase to water rates in 2015. The water and City sewer rate increases were previously approved by Council in 2013. The pass through Metro rate is before Council in November and December 2014. The rate study model for all utility funds is planned to be updated and reviewed in the first quarter of 2015 to ensure that revenue is keeping pace with the increased operating costs.

In addition to the three utilities, the Public Works Department also manages City streets. The 2015 budget for the Street fund continues with revenue at approximately \$90,000 a year and expenditures of approximately \$200,000. The short-fall is balanced by transferring \$50,000 from Real Estate Excise Tax II and reducing the beginning fund balance. The Street fund is expected to end 2015 with \$87,655 in reserves. At current pace the Street fund reserves may be depleted if new revenues or drastic level of service reductions are not in place before the 2016 budget process. The City was fortunate to receive several grants in 2014 which helped fund projects such as the Lawson Street Sidewalk Project and we continue to rely on grants for most capital projects.

In closing I would like to thank staff for all their creativity and hard work in assisting me in presenting a balanced budget. I continue to be honored at having the opportunity to serve this fine community.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dave Gordon', written over a horizontal line.

Dave Gordon
Mayor

Budget letter written & submitted by former Mayor Dave Gordon who resigned in November 2014.

FROM THE MAYOR'S DESK

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 DECEMBER 31, 2014



MAYOR CAROL BENSON

APPOINTED POSITION EXPIRES AFTER 2015 NOVEMBER GENERAL ELECTION RATIFICATION



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



ERIKA MORGAN
POSITION 2
FOUR-YEAR TERM
EXPIRES 12/31/17



JANIE EDELMAN
POSITION 3
TWO-YEAR TERM
EXPIRES 12/31/15



OPEN POSITION
POSITION 4
TO BE APPOINTED

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

The Mayor and Council adopted the 2015 Budget with Ordinance 14-1038 on December 1, 2014.

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 Deady
Council Member Morgan
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 Edelman
Council Member Morgan
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 Taylor
Council Member Deady
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 Benson
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.

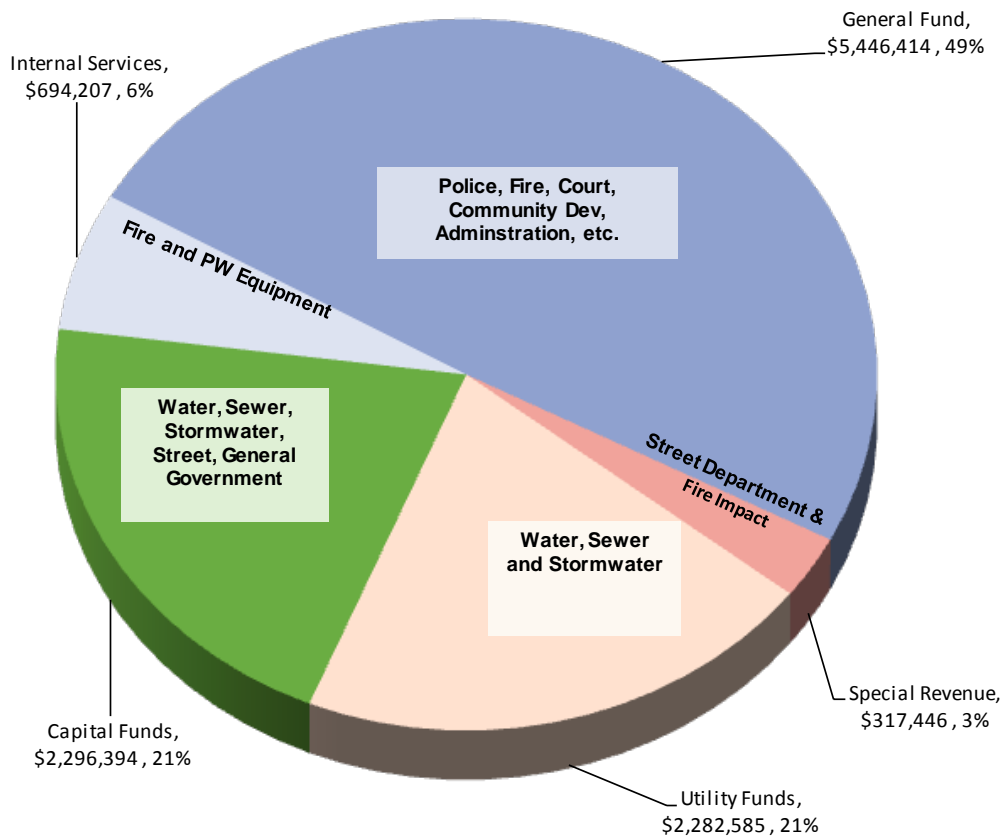
Budget Summary



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

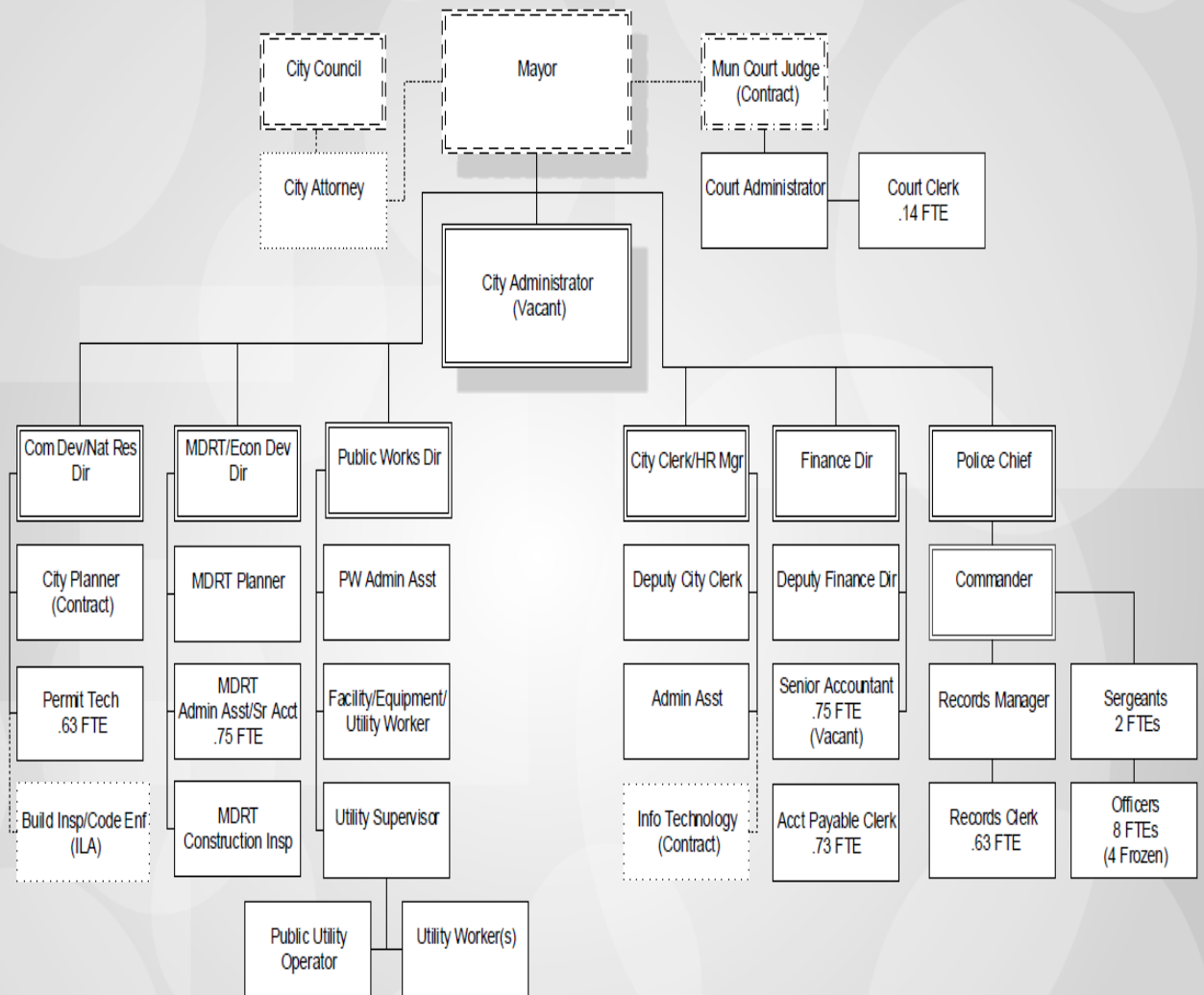
All Funds 2015 Budget - Combined Operating Statement

| | Beginning Fund Balance | 2015 Revenue | Total Sources | 2015 Expend- itures | Ending Fund Balance | Total Uses |
|------------------------------------|------------------------------|------------------|-------------------|---------------------------|---------------------------|-------------------|
| General Fund 001 | 879,492 | 4,566,922 | 5,446,414 | 4,591,334 | 855,080 | 5,446,414 |
| Special Revenue Fund | | | - | | | - |
| 101 Street Fund | 142,222 | 160,224 | 302,446 | 214,781 | 87,665 | 302,446 |
| 107 Fire Impact Fee Fund | 5,000 | 10,000 | 15,000 | 10,000 | 5,000 | 15,000 |
| Utility Funds | | | | | | |
| 401 Water Fund | 129,219 | 774,991 | 904,210 | 785,193 | 119,017 | 904,210 |
| 407 Sewer Fund | 118,383 | 819,600 | 937,983 | 849,136 | 88,847 | 937,983 |
| 410 Stormwater Fund | 106,292 | 334,100 | 440,392 | 343,574 | 96,818 | 440,392 |
| Capital Funds | | | | | | |
| 310 General Government CIP fund | 176,108 | 70,078 | 246,186 | 246,186 | - | 246,186 |
| 320 Street CIP Fund | - | 80,000 | 80,000 | 80,000 | - | 80,000 |
| 402 Water Supply and Facility Fund | 70,000 | 120,000 | 190,000 | 120,000 | 70,000 | 190,000 |
| 404 Water Capital Fund | 292,027 | 178,000 | 470,027 | 247,000 | 223,027 | 470,027 |
| 408 Sewer Capital Fund | 703,353 | 52,700 | 756,053 | 105,000 | 651,053 | 756,053 |
| 410 Stormwater Capital Fund | | 30,000 | 30,000 | 30,000 | | 30,000 |
| 311 REET Fund - General Govt | 202,121 | 75,150 | 277,271 | 133,277 | 143,994 | 277,271 |
| 321 REET Fund - Street Projects | 171,357 | 75,500 | 246,857 | 130,000 | 116,857 | 246,857 |
| Internal Service Fund 510 | | | | | | |
| 1 Fire Equipment Reserve Fund | 73,950 | 375,000 | 448,950 | 395,000 | 53,950 | 448,950 |
| 2 Street Equipment Reserve Fund | 170,710 | 47,200 | 217,910 | 60,000 | 157,910 | 217,910 |
| 3 Police Equipment Reserve Fund | 27,347 | - | 27,347 | 9,800 | 17,547 | 27,347 |
| Grand Total All Funds | 3,267,581 | 7,769,465 | 11,037,046 | 8,350,281 | 2,686,765 | 11,037,046 |



Total Budget \$11,037,046

Proposed 2015 City of Black Diamond Department FTEs



Notes:

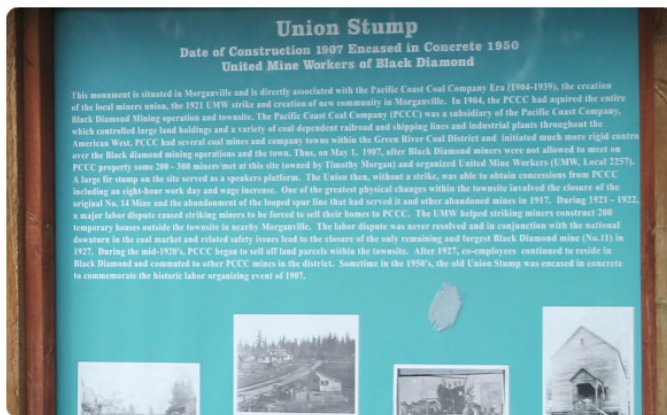
Each position filled by 1 FTE, unless otherwise noted
Black Diamond is served by King County Fire District #44

| | |
|--|--------------------|
| | Elected Position |
| | Consultant |
| | Appointed Position |

2015 Employee Allocations by Funding Source

| Positions | Full Time Equivalent (FTE) | Funding Agreement | General Fund | Street Fund | Water Fund | Sewer Fund | Storm water Fund |
|--|----------------------------------|----------------------|-----------------|----------------|---------------|---------------|------------------------|
| Municipal Court | | | | | | | |
| Court Administrator | 1.00 | | 1.00 | | | | |
| Court Clerk | 0.29 | | 0.29 | | | | |
| Total Court | 1.29 | | 1.29 | 0.0 | 0.0 | 0.0 | 0.0 |
| Administration | | | | | | | |
| City Administrator (Vacant) | | | | | | | |
| Admin Assistant I | 1.00 | | 0.10 | | 0.30 | 0.30 | 0.30 |
| Total Administration | 1.00 | | 0.10 | 0.00 | 0.30 | 0.30 | 0.30 |
| City Clerk | | | | | | | |
| City Clerk/Assistant City Administrator | 1.00 | 1.00 | | | | | |
| Deputy City Clerk | 1.00 | | 0.60 | 0.04 | 0.12 | 0.12 | 0.12 |
| Total City Clerk | 2.00 | 1.00 | 0.60 | 0.04 | 0.12 | 0.12 | 0.12 |
| Finance Department | | | | | | | |
| Finance Director | 1.00 | | 0.70 | 0 | 0.10 | 0.10 | 0.10 |
| Deputy Finance Director | 1.00 | | 0.72 | 0 | 0.09 | 0.10 | 0.09 |
| Accounts Payable Clerk | 0.73 | | 0.45 | 0.04 | 0.08 | 0.08 | 0.08 |
| Total Finance | 2.73 | | 1.87 | 0.04 | 0.27 | 0.28 | 0.27 |
| Information Services | | | | | | | |
| Information Services Manager (Vacant) | 0.00 | | | | | | |
| Total Information Services | 0.00 | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Police Department | | | | | | | |
| Police Chief | 1.00 | | 1.00 | | | | |
| Police Commander | 1.00 | | 1.00 | | | | |
| Sergeant | 2.00 | | 2.00 | | | | |
| Police Officers | 4.00 | | 4.00 | | | | |
| Police Records Coordinator | 1.00 | | 1.00 | | | | |
| Police Clerk | 0.63 | | 0.63 | | | | |
| Total Police Department | 9.63 | | 9.63 | 0.00 | 0.00 | 0.00 | 0.00 |
| Community Development | | | | | | | |
| Community Devel./Natural Resource Director | 0.50 | | 0.50 | | | | |
| Permit Technician Supervisor (Vacant) | | | | | | | |
| Permit Technician | 0.60 | | 0.60 | | | | |
| Total Community Development | 1.10 | | 1.10 | | | | |
| Master Development Review Team (MDRT) | | | | | | | |
| MDRT Exconomic Development Director | 1.00 | 1.00 | | | | | |
| Community Devel./Natural Resource Director | 0.50 | 0.50 | | | | | |
| Utilities Construction Supervisor | 1.00 | 1.00 | | | | | |
| Senior Planner | 0.75 | 0.75 | | | | | |
| Senior Accountant | 0.75 | 0.75 | | | | | |
| Total Economic Development | 4.00 | 4.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Facilities Department | | | | | | | |
| Facilities Equipment Coordinator | 1.00 | | 0.80 | 0.05 | 0.05 | 0.05 | 0.05 |
| Total Facilities | 1.00 | | 0.80 | 0.05 | 0.05 | 0.05 | 0.05 |
| Stewardship | | | | | | | |
| Stewardship Director (Vacant) | | | | | | | |
| Total Stewardship | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Public Works | | | | | | | |
| Public Works Director | 1.00 | | | 0.25 | 0.25 | 0.25 | 0.25 |
| Admin Assistant III | 1.00 | | | 0.25 | 0.25 | 0.25 | 0.25 |
| 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 | 0.12 | | 0.06 | 0.02 | 0.02 | 0.00 | 0.02 |
| Total Public Works | 5.12 | | 0.30 | 1.12 | 1.24 | 1.22 | 1.24 |
| Grand Total Budget Positions (FTE's) | 27.87 | 5.00 | 15.69 | 1.25 | 1.98 | 1.97 | 1.98 |

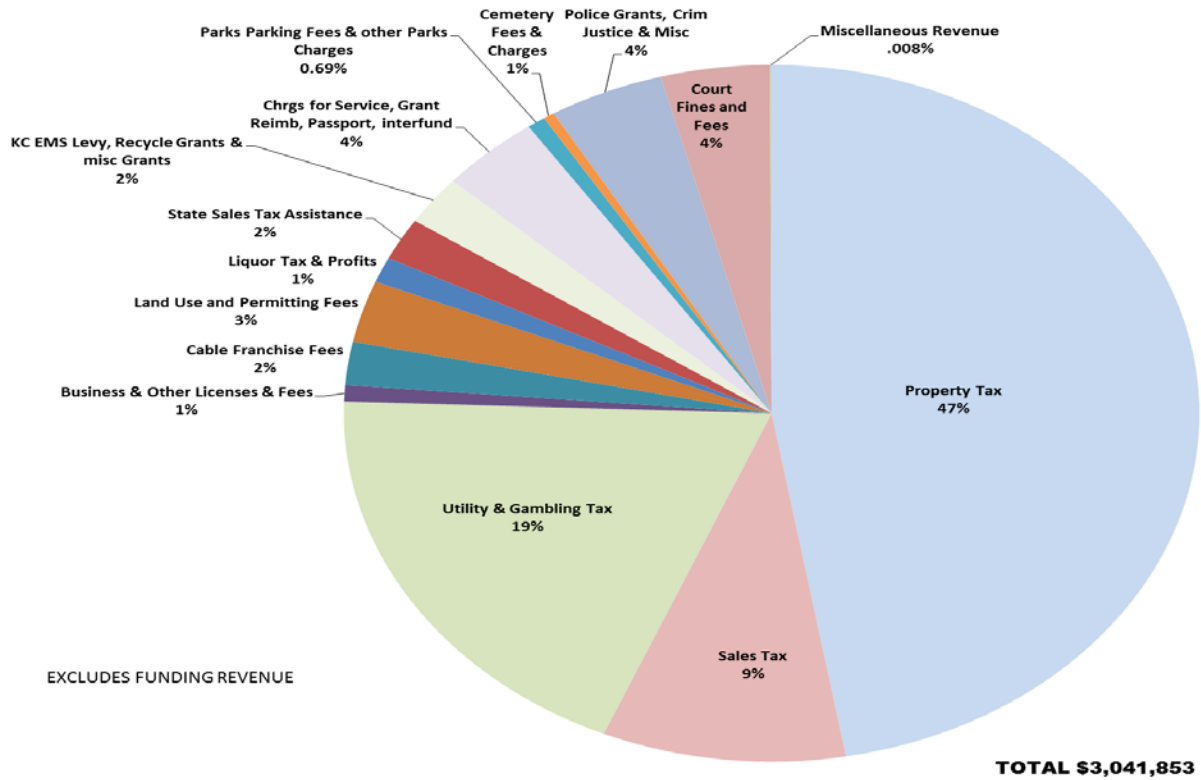
General Fund



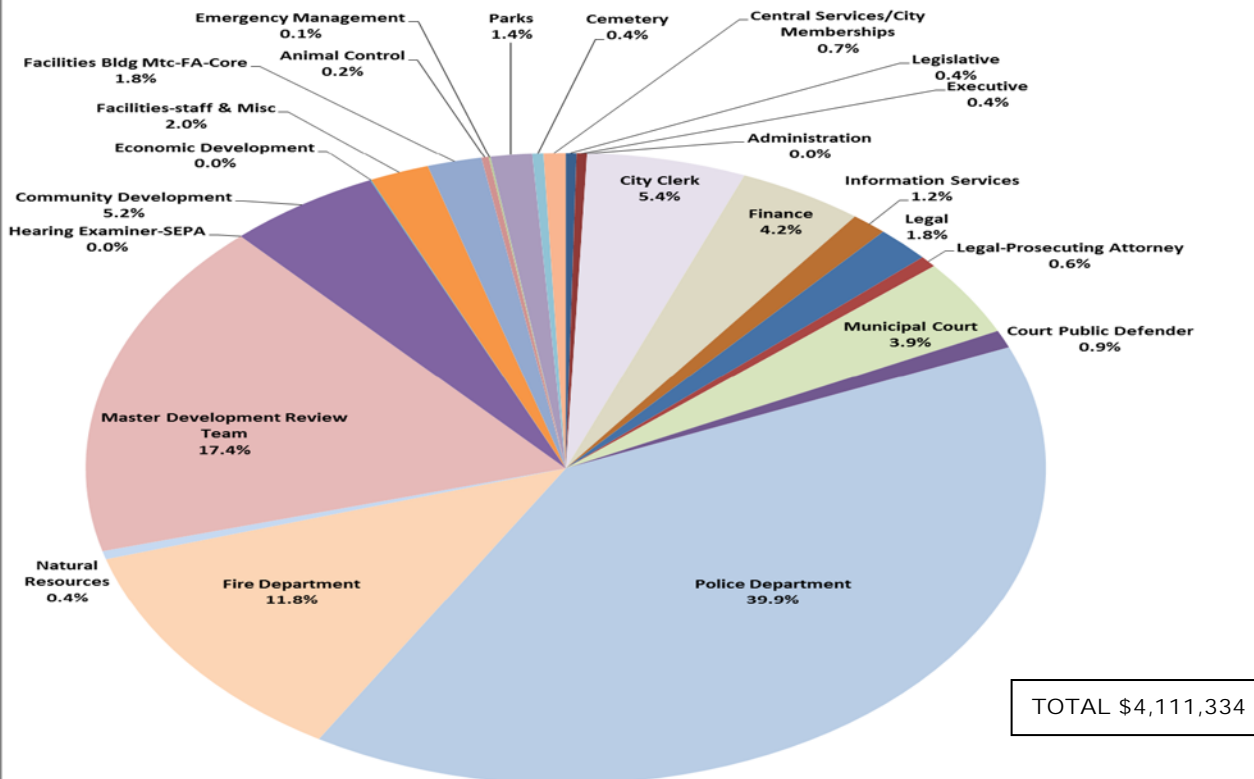
Historic Union Stump (Located on Morgan Street next to Cemetery)

| 2015 General Fund Budget with Funding Agreement-Limited wind-down | | | | | Budget \$ | Budget % |
|--|------------------|------------------|------------------|------------------|------------------|----------------|
| Budget | 2013 Actuals | 2014 Budget | 2014 Actual | 2015 Budget | Inc/Dec | Inc/Dec |
| REVENUE | | | | | | |
| Property Tax | 1,400,391 | 1,421,983 | 1,438,112 | 1,436,203 | 14,220 | 1.00% |
| Sales Tax | 290,796 | 280,000 | 302,927 | 280,000 | 0 | 0.00% |
| Utility & Gambling Tax | 546,510 | 579,100 | 582,921 | 581,400 | 2,300 | 0.40% |
| Business & Other Licenses & Fees | 23,070 | 25,000 | 21,995 | 23,500 | (1,500) | -6.00% |
| Cable Franchise Fees | 61,563 | 55,000 | 62,438 | 61,000 | 6,000 | 10.91% |
| Land Use and Permitting Fees | 80,068 | 64,295 | 112,715 | 86,970 | 22,675 | 35.27% |
| Liquor Tax & Profits | 40,278 | 37,500 | 44,887 | 35,700 | (1,800) | -4.80% |
| State Sales Tax Assistance | 61,645 | 49,000 | 72,195 | 60,000 | 11,000 | 22.45% |
| KC EMS Levy, Recycle Grants & misc | 70,630 | 70,625 | 70,648 | 70,125 | (500) | -0.71% |
| Chrgs for Svs, Passport | 88,393 | 100,460 | 92,298 | 114,430 | 13,970 | 13.91% |
| Parks Parking Fees & other Parks Chg | 16,313 | 12,700 | 22,274 | 21,000 | 8,300 | 65.35% |
| Cemetery Fees & Charges | 9,128 | 15,800 | 10,371 | 12,700 | (3,100) | -19.62% |
| Police Grants, Crim Justice & Misc | 162,180 | 157,310 | 153,933 | 131,850 | (25,460) | -16.18% |
| Court Fines and Fees | 104,826 | 106,500 | 114,777 | 125,000 | 18,500 | 17.37% |
| Miscellaneous Revenue | 8,676 | 8,050 | 7,108 | 1,975 | (6,075) | -75.47% |
| Subtotal Operating Revenue | 2,964,467 | 2,983,323 | 3,109,599 | 3,041,853 | 58,530 | 1.96% |
| Funding Agreement-MDRT | | 634,042 | 442,931 | 714,381 | 80,339 | 12.67% |
| Funding Agreement-Core | | 877,098 | 867,166 | 330,688 | (546,410) | -62.30% |
| Funding Agreement Contribution | 1,412,069 | | | | 0 | |
| Total General Fund Op Revenue | 4,376,536 | 4,494,463 | 4,419,696 | 4,086,922 | (407,541) | -9.07% |
| Developer Reimb-SEPA legal | 51,420 | 84,000 | 4,263 | 10,000 | (74,000) | -88.10% |
| Developer Reimb-MDRT Consultants | 270,325 | 485,000 | 342,972 | 470,000 | (15,000) | -3.09% |
| Developer Reimb-Makers Consulting | 79,400 | 100,000 | 92,233 | | (100,000) | -100.00% |
| Developer-Dup Plat & Land Use Fees | | | | 0 | | |
| Grand Total Revenue | 4,777,681 | 5,163,463 | 4,859,164 | 4,566,922 | (596,541) | -11.55% |
| Beg Cash & Inv Bal General Govt | 397,817 | 644,198 | 644,198 | 601,492 | (42,706) | (686,904) |
| Beg Cash & Investment Ba Deve | 261,219 | 299,129 | 299,129 | 278,000 | (21,129) | (320,258) |
| Total Sources | 5,436,717 | 6,106,790 | 5,802,491 | 5,446,414 | (660,376) | -10.81% |
| EXPENDITURES | | | | | | |
| Legislative | 3,876 | 14,709 | 11,782 | 14,702 | (7) | -0.05% |
| Executive | 13,924 | 14,876 | 14,507 | 14,450 | (426) | -2.86% |
| Administration | 105,545 | 125,031 | 117,435 | | (125,031) | -100.00% |
| Asst City Administrator/City Clerk/HR | 238,595 | 228,749 | 220,118 | 220,309 | (8,440) | -3.69% |
| Finance | 243,879 | 271,891 | 268,152 | 173,477 | (98,414) | -36.20% |
| Information Services | 143,454 | 87,520 | 45,659 | 49,700 | (37,820) | -43.21% |
| Legal Service | 66,564 | 106,150 | 110,594 | 75,400 | (30,750) | -28.97% |
| Legal Services-2014 Investigation/Other | | 121,800 | 122,263 | | (121,800) | -100.00% |
| Legal-Pros Atty & Pub Defender | 24,000 | 60,000 | 61,000 | 61,250 | 1,250 | 2.08% |
| Municipal Court | 151,901 | 147,399 | 139,944 | 160,208 | 12,809 | 8.69% |
| Police Department | 1,553,562 | 1,642,082 | 1,652,792 | 1,639,816 | (2,266) | -0.14% |
| Fire Department | 448,264 | 474,711 | 454,496 | 483,526 | 8,815 | 1.86% |
| Natural Resources-Recycle & Air Qual | 168,077 | 93,430 | 93,588 | 17,300 | (76,130) | -81.48% |
| Master Development Review Team | 451,226 | 634,042 | 442,931 | 714,381 | 80,339 | 12.67% |
| Hearing Examiner-SEPA | 2,791 | 30,000 | 709 | 10,000 | (20,000) | -66.67% |
| Community Development | 168,143 | 197,180 | 212,460 | 202,072 | 4,892 | 2.48% |
| Economic Development | 1,084 | 1,550 | 1,008 | 1,500 | (50) | -3.23% |
| Facilities-staff & Misc | 98,239 | 89,894 | 89,780 | 82,322 | (7,572) | -8.42% |
| Facilities Bldg Mtc-FA-Core | 112,222 | 112,322 | 110,373 | 75,236 | (37,086) | -33.02% |
| Animal Control | 8,659 | 9,293 | 9,293 | 10,000 | 707 | 7.61% |
| Emergency Management | 3,714 | 2,500 | 184 | 2,500 | 0 | 0.00% |
| Parks | 46,394 | 56,225 | 50,293 | 57,365 | 1,140 | 2.03% |
| Cemetery | 15,768 | 16,728 | 17,680 | 15,285 | (1,443) | -8.63% |
| Cntrl Svs Reimb-Paper, Post, Print Ck | 27,073 | 35,126 | 31,113 | 30,535 | (4,591) | -13.07% |
| Total General Fund Op Exp | 4,096,955 | 4,573,208 | 4,278,154 | 4,111,334 | (461,874) | -10.10% |
| Developer Exp-GFC-Makers | 106,705 | 100,000 | 55,168 | | (100,000) | -100.00% |
| Developer MDRT-Consultants | 245,220 | 485,000 | 426,603 | 470,000 | (15,000) | -3.09% |
| Developer Legal SEPA Reimb | 44,511 | 84,000 | 9,937 | 10,000 | (74,000) | -88.10% |
| Total Expenditures | 4,493,390 | 5,242,208 | 4,769,862 | 4,591,334 | (650,874) | -12.42% |
| Ending Cash & Inv Bal Gen Govt | 644,198 | 565,453 | 842,526 | 645,080 | 79,627 | 14.08% |
| Ending Cash & Inv Bal Developer | 299,129 | 299,129 | 190,103 | 210,000 | (89,129) | -29.80% |
| Total Uses | 5,436,717 | 6,106,790 | 5,802,491 | 5,446,414 | (660,376) | -10.81% |

2015 GENERAL FUND OPERATING REVENUE

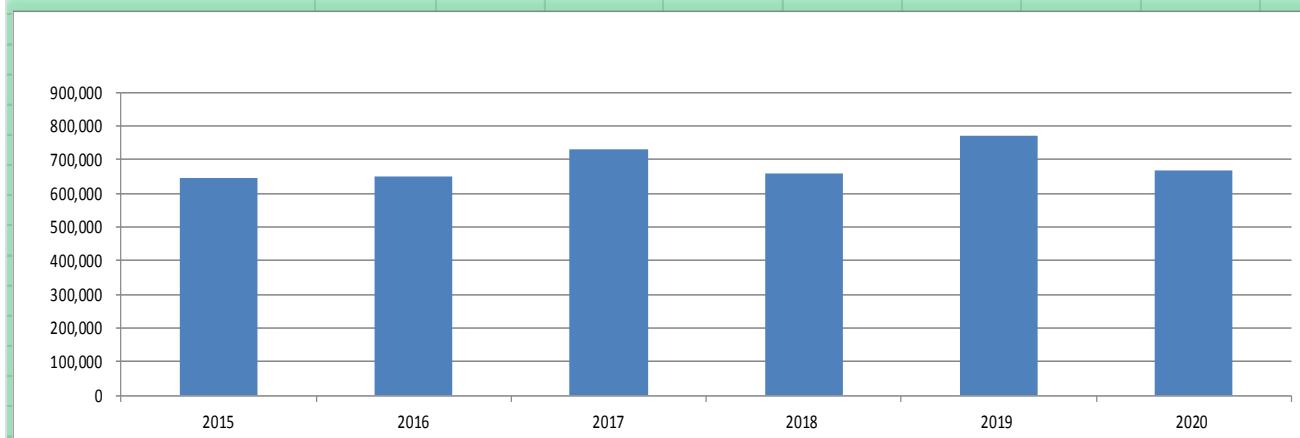


2015 GENERAL FUND EXPENDITURES



| | |
|---|--|
| CITY OF BLACK DIAMOND | 1 |
| 2015 General Fund Preliminary Budget | Basic forecast with ongoing deficit |

| Six Years with NO Funding Reduction | | no new Revenue from Growth or increases | | | | | | | |
|-------------------------------------|------------------|---|------------------|------------------|------------------|------------------|------------------|------------------|----|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| General Fund Revenue | actual | Budget | Budget | Budget | Budget | Budget | Budget | Budget | |
| Property Tax | 1,400,391 | 1,421,983 | 1,436,203 | 1,450,565 | 1,465,071 | 1,465,071 | 1,479,721 | 1,494,518 | 1% |
| Sales Tax | 290,796 | 280,000 | 280,000 | 285,600 | 291,312 | 291,312 | 297,138 | 300,110 | 2% |
| Utility Taxes | 546,510 | 579,100 | 581,400 | 593,028 | 604,889 | 604,889 | 616,986 | 623,156 | 2% |
| Other Revenue ** | 726,770 | 684,340 | 744,250 | 759,135 | 774,318 | 789,804 | 805,600 | 821,712 | 2% |
| Fund Agree MDRT | 450,461 | 632,570 | 714,381 | 728,669 | 743,242 | 774,318 | 789,804 | 805,600 | 2% |
| Fund Agree Core Revenue | 961,608 | 878,570 | 330,688 | 330,688 | 330,688 | 330,688 | 330,688 | 330,688 | |
| Total Operating Revenue | 4,376,536 | 4,476,563 | 4,086,922 | 4,147,684 | 4,209,519 | 4,256,081 | 4,319,938 | 4,375,784 | |
| General Fund Expenditures | PS 3% | P/S 3% | P/S 2% | P/S 2% | P/S 2% | P/S 2% | P/S 2% | P/S 2% | |
| Public Safety | 2,190,100 | 2,326,285 | 2,362,700 | 2,409,954 | 2,458,153 | 2,507,316 | 2,557,462 | 2,608,612 | 2% |
| Comm Deve-Gen Govt | 340,095 | 323,631 | 230,872 | 235,489 | 240,199 | 245,003 | 249,903 | 254,901 | 2% |
| Comm Deve-MDRT | 451,226 | 632,571 | 714,381 | 728,669 | 743,242 | 789,804 | 805,600 | 821,712 | 2% |
| Support Services-Clk, HR, Fin, CS | 482,442 | 531,866 | 424,321 | 432,807 | 441,464 | 450,293 | 459,299 | 468,485 | 2% |
| Mtc Bldgs. Grds, Equip | 416,077 | 358,389 | 279,908 | 285,506 | 291,216 | 297,041 | 302,981 | 309,041 | 2% |
| Legal Services | 66,595 | 216,365 | 70,000 | 71,400 | 72,828 | 74,285 | 75,770 | 77,286 | 2% |
| Leg & Administration | 150,450 | 166,201 | 29,152 | 29,735 | 30,330 | 30,330 | 30,330 | 30,936 | 2% |
| Continue Prior Year Reductions | | | | | (50,000) | (150,000) | (150,000) | (200,000) | |
| Total Operating Spending | 4,096,985 | 4,555,308 | 4,111,334 | 4,193,561 | 4,227,432 | 4,244,071 | 4,331,346 | 4,370,973 | |
| Cumulative Rev Inc/Exp Red | | | | (50,000) | (100,000.0) | | (50,000.0) | | |
| Total Op Exp after Cuts | 4,096,985 | 4,555,308 | 4,111,334 | 4,143,561 | 4,127,432 | 4,244,071 | 4,281,346 | 4,370,973 | |
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| Change in Reserves | 279,551 | (78,745) | (24,412) | 4,123 | 82,087 | 12,010 | 38,592 | 4,812 | |
| Ending Reserves | 644,198 | 565,453 | 645,080 | 649,203 | 731,290 | 661,213 | 769,883 | 666,025 | |
| | 15.72% | 12.41% | 15.69% | 15.48% | 17.30% | 15.58% | 17.77% | 15.24% | |



** Other Revenue includes Cable Franchise Fees, Business Licenses, Permits & Land Use Fees, Police Criminal Justice Sales Tax & other Police Fees & Grants, Liquor Tax & Profits, State Tax Assistance, Lake Sawyer Parking Fees, Cemetery Fees, Court Fines,

Model assumes no growth, no new revenue and continued Funding Revenue at 2014 level. The model assumes 2% Revenue Growth, except Property Tax, which is limited at 1%. Expenditures are assumed to grow at 2%. This model demonstrates that even without the funding Reductions, a deficit occurs, due to the large percentage of Public Safety Expenditures, with their primary revenue of Property Tax, continuing to be limited to a 1% increase. Due to this ongoing deficit, either Revenues will need to increase or expenditures need to be reduced by approximately \$200,000 between 2016 and 2020. Line 21 shows potential amounts and years of needed revenue or reductions.

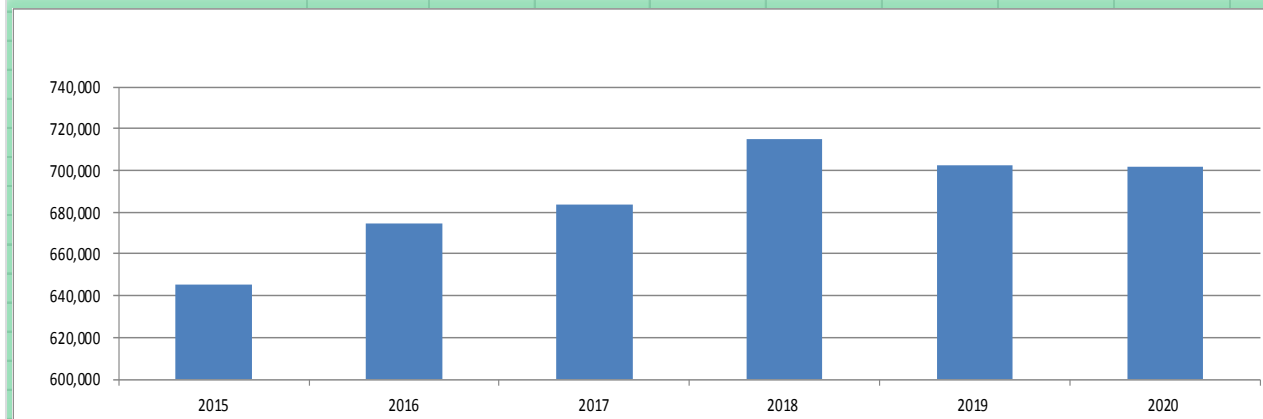
CITY OF BLACK DIAMOND 2

2015 Preliminary Budget

General Fund Ending Fund Balance Forecast
Six Years with NO Funding Reduction

Shows impact on budget-with no further funding reduction
Opportunities with New additional Revenue

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----|
| General Fund Revenue | actual | Budget | Budget | Budget | Budget | Budget | Budget | Budget | |
| Property Tax | 1,400,391 | 1,421,983 | 1,436,203 | 1,450,565 | 1,465,071 | 1,465,071 | 1,479,721 | 1,494,518 | 1% |
| Sales Tax | 290,796 | 280,000 | 280,000 | 285,600 | 291,312 | 291,312 | 297,138 | 300,110 | 2% |
| Utility Taxes | 546,510 | 579,100 | 581,400 | 593,028 | 604,889 | 604,889 | 616,986 | 623,156 | 2% |
| Add UT on BD Res-wtr dist | | | 20,000 | 20,400 | 20,808 | 21,224 | 21,649 | 22,082 | |
| Add UT- 2% Wtr, Swr, Stm | | | 34,000 | 34,680 | 35,374 | 36,081 | 36,803 | 37,539 | |
| Other Revenue ** | 726,770 | 684,340 | 744,250 | 759,135 | 774,318 | 789,804 | 805,600 | 821,712 | 2% |
| Increase CD-Bldg/Plan Ck fees 25% | | | 20,000 | 20,400 | 20,808 | 21,224 | 21,649 | 22,082 | |
| Fund Agree MDRT | 450,461 | 632,570 | 714,381 | 728,669 | 743,242 | 774,318 | 789,804 | 805,600 | 2% |
| Fund Agree Core Revenue | 961,608 | 878,570 | 330,688 | 330,688 | 330,688 | 330,688 | 330,688 | 330,688 | |
| Total Operating Revenue | 4,376,536 | 4,476,563 | 4,160,922 | 4,223,164 | 4,286,508 | 4,334,611 | 4,400,038 | 4,457,486 | |
| General Fund Expenditures | PS 3% | P/S 3% | P/S 2% | P/S 2% | P/S 2% | P/S 2% | P/S 2% | P/S 2% | |
| Public Safety | 2,190,100 | 2,326,285 | 2,362,700 | 2,409,954 | 2,458,153 | 2,507,316 | 2,557,462 | 2,608,612 | 2% |
| Comm Deve-Gen Govt | 340,095 | 323,631 | 230,872 | 235,489 | 240,199 | 245,003 | 249,903 | 254,901 | 2% |
| Comm Deve-MDRT | 451,226 | 632,571 | 714,381 | 728,669 | 743,242 | 789,804 | 805,600 | 821,712 | 2% |
| Support Services-Clk, HR, Fin, CS | 482,442 | 531,866 | 424,321 | 432,807 | 441,464 | 450,293 | 459,299 | 468,485 | 2% |
| Mtc Bldgs. Grds, Equip | 416,077 | 358,389 | 279,908 | 285,506 | 291,216 | 297,041 | 302,981 | 309,041 | 2% |
| Legal Services | 66,595 | 216,365 | 70,000 | 71,400 | 72,828 | 74,285 | 75,770 | 77,286 | 2% |
| Leg & Administration | 150,450 | 166,201 | 29,152 | 29,735 | 30,330 | 30,330 | 30,330 | 30,936 | 2% |
| Continue Prior Year Reductions | | | | | | | (100,000) | | |
| Total Operating Spending | 4,096,985 | 4,555,308 | 4,111,334 | 4,193,561 | 4,277,432 | 4,394,071 | 4,381,346 | 4,570,973 | |
| Cumulative Rev Inc/Exp Red | | | | | | (100,000.0) | | (100,000.0) | |
| Total Op Exp after Cuts | 4,096,985 | 4,555,308 | 4,111,334 | 4,193,561 | 4,277,432 | 4,294,071 | 4,381,346 | 4,470,973 | |
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| Change in Reserves | 279,551 | (78,745) | 49,588 | 29,603 | 9,076 | 40,539 | 18,692 | (13,486) | |
| Ending Reserves | 644,198 | 565,453 | 645,080 | 674,683 | 683,760 | 715,223 | 702,452 | 701,736 | |
| | 15.72% | 12.41% | 15.69% | 16.09% | 15.99% | 16.28% | 16.03% | 15.35% | |



** Other Revenue includes Cable Franchise Fees, Business Licenses, Permits & Land Use Fees, Police Criminal Justice Sales Tax & other Police Fees & Grants, Liquor Tax & Profits, State Tax Assistance, Lake Sawyer Parking Fees, Cemetery Fees, Court Fines,

Model assumes no growth, but opportunities for revenue options to partially offset built-in deficit if now new growth occurs.

The 2% Utility Tax increase would cost a home owner approximately \$2.80 per month, or \$33.60 per year. Developers would pay Permit Fees.

This deficit occurs as Public Safety Costs are forecast a 2% expenditure increase and Property Tax is limited at 1% increase.

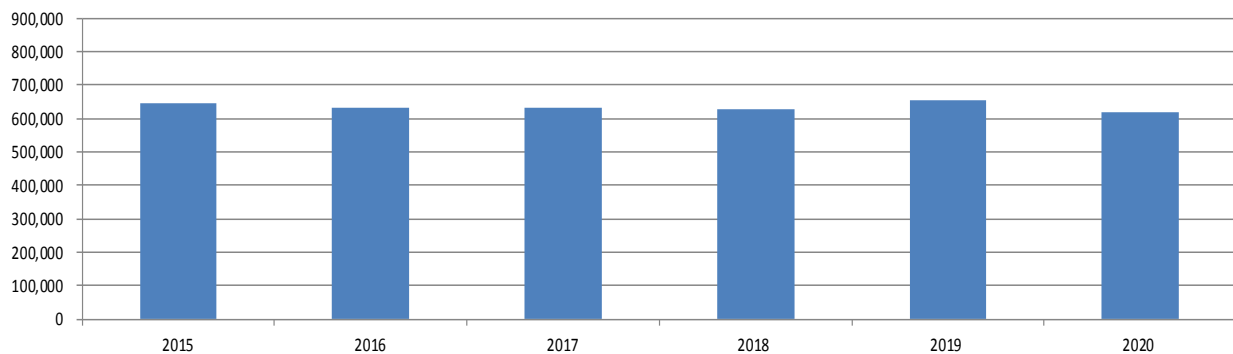
Even with a \$100,000 reduction in 2018, if growth does not occur, the deficit would re-occur and cause the need for further reductions or a new voted property Tax - lid lift would need to be put before the voters, or further reductions would need to be made,

CITY OF BLACK DIAMOND

3

2015 General Fund Preliminary Budget

| Six Years with Funding Reduction | | no new Revenue from Growth or increases | | | | | WORST CASE | | |
|-----------------------------------|-----------|---|-----------|-----------|-----------|-----------|------------|-----------|----|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| General Fund Revenue | actual | Budget | Budget | Budget | Budget | Budget | Budget | Budget | |
| Property Tax | 1,400,391 | 1,421,983 | 1,436,203 | 1,450,565 | 1,465,071 | 1,465,071 | 1,479,721 | 1,494,518 | 1% |
| Sales Tax | 290,796 | 280,000 | 280,000 | 285,600 | 291,312 | 291,312 | 297,138 | 300,110 | 2% |
| Utility Taxes | 546,510 | 579,100 | 581,400 | 593,028 | 604,889 | 604,889 | 616,986 | 623,156 | 2% |
| Other Revenue ** | 726,770 | 684,340 | 744,250 | 759,135 | 774,318 | 789,804 | 805,600 | 821,712 | 2% |
| Fund Agree MDRT | 450,461 | 632,570 | 714,381 | 728,669 | 743,242 | 774,318 | 789,804 | 805,600 | 2% |
| Fund Agree Core Revenue | 961,608 | 878,570 | 330,688 | 163,117 | 0 | 0 | 0 | | |
| Total Operating Revenue | 4,376,536 | 4,476,563 | 4,086,922 | 3,980,113 | 3,878,831 | 3,925,393 | 3,989,250 | 4,045,096 | |
| General Fund Expenditures | PS 3% | P/S 3% | P/S 2% | P/S 2% | P/S 2% | P/S 2% | P/S 2% | P/S 2% | |
| Public Safety | 2,190,100 | 2,326,285 | 2,362,700 | 2,409,954 | 2,458,153 | 2,507,316 | 2,557,462 | 2,608,612 | 2% |
| Comm Deve-Gen Govt | 340,095 | 323,631 | 230,872 | 235,489 | 240,199 | 245,003 | 249,903 | 254,901 | 2% |
| Comm Deve-MDRT | 451,226 | 632,571 | 714,381 | 728,669 | 743,242 | 774,318 | 789,804 | 805,600 | 2% |
| Support Services-Clk, HR, Fin, CS | 482,442 | 531,866 | 424,321 | 432,807 | 441,464 | 450,293 | 459,299 | 468,485 | 2% |
| Mtc Bldgs. Grds, Equip | 416,077 | 358,389 | 279,908 | 285,506 | 291,216 | 297,041 | 302,981 | 309,041 | 2% |
| Legal Services | 66,595 | 216,365 | 70,000 | 71,400 | 72,828 | 74,285 | 75,770 | 77,286 | 2% |
| Leg & Administration | 150,450 | 166,201 | 29,152 | 29,735 | 30,330 | 30,330 | 30,330 | 30,936 | 2% |
| Continue Prior Year Reduction | | | | | (200,000) | (400,000) | (450,000) | (500,000) | |
| Total Operating Spending | 4,096,985 | 4,555,308 | 4,111,334 | 4,193,561 | 4,077,432 | 3,978,585 | 4,015,550 | 4,054,861 | |
| Additional annual Rev & Reduct | | | 0.0 | (200,000) | (200,000) | (50,000) | (50,000) | | |
| Total Op Exp after Cuts | 4,096,985 | 4,555,308 | 4,111,334 | 3,993,561 | 3,877,432 | 3,928,585 | 3,965,550 | 4,054,861 | |
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| Change in Reserves | 279,551 | (78,745) | (24,412) | (13,448) | 1,399 | (3,192) | 23,700 | (9,764) | |
| Ending Reserves | 644,198 | 565,453 | 645,080 | 631,632 | 633,031 | 628,440 | 656,732 | 618,676 | |
| | 15.72% | 12.41% | 15.69% | 15.06% | 15.53% | 15.80% | 16.35% | 15.26% | |



** Other Revenue includes Cable Franchise Fees, Business Licenses, Permits & Land Use Fees, Police Criminal Justice Sales Tax & other Police Fees & Grants, Liquor Tax & Profits, State Tax Assistance, Lake Sawyer Parking Fees, Cemetery Fees, Court Fines,

WORST CASE

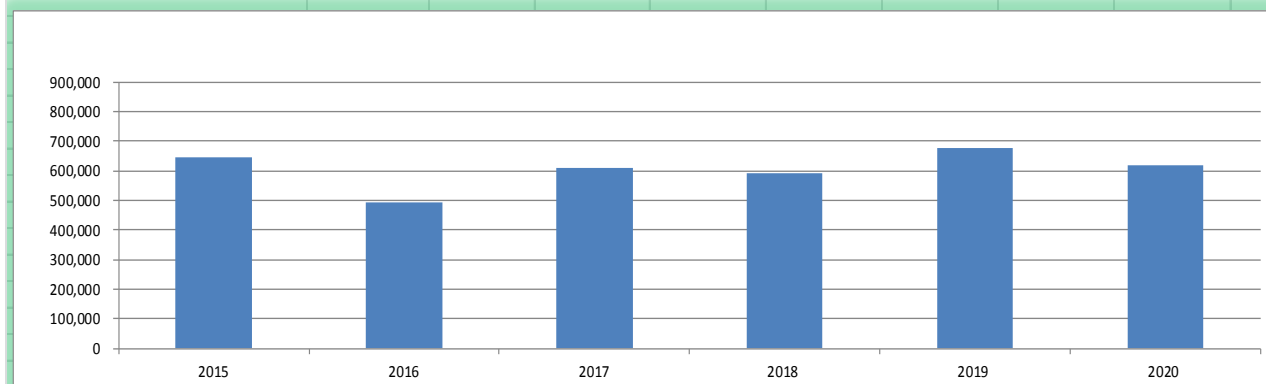
Model assumes no growth, no new revenue and continued Funding Revenue reduction until only MDRT is Funded. The model assumes 2% in Revenue and Expenditure Growth, with the exception of Property Tax, which is limited to 1%. This model shows the combined revenue increases or reduction that will need to be made between 2016 and 2020 to maintain fund Balance. Line 21 shows the potential amounts and years the reductions may need to be made to offset the \$200,000 ongoing deficit and approximate \$300,000 Funding Reduction over the next few years.

CITY OF BLACK DIAMOND
2015 Preliminary Budgetg

General Fund Ending Fund Balance Forecast
Six Years with Fiscal Funding Reduction

Shows impact on budget-with a reduction to Fiscal amount
Opportunities with New additional Revenue-slow growth

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----|
| General Fund Revenue | actual | Budget | Budget | Budget | Budget | Budget | Budget | Budget | |
| Property Tax | 1,400,391 | 1,421,983 | 1,436,203 | 1,450,565 | 1,465,071 | 1,465,071 | 1,479,721 | 1,494,518 | 1% |
| Property Tax-100 home sold | | | | | | 75,600 | 76,356 | 77,120 | 1% |
| Sales Tax | 290,796 | 280,000 | 280,000 | 285,600 | 291,312 | 291,312 | 297,138 | 300,110 | 2% |
| New Const Sales Tax-100 homes | | | | | 300,000 | 306,000 | 312,120 | 318,362 | 2% |
| Utility Taxes | 546,510 | 579,100 | 581,400 | 593,028 | 604,889 | 604,889 | 616,986 | 623,156 | 2% |
| Add UT on BD Res-wtr dist | | | 20,000 | 20,400 | 20,808 | 21,224 | 21,649 | 22,082 | 2% |
| Add UT- 2% Wtr, Swr, Stm | | | 34,000 | 34,680 | 35,374 | 36,081 | 36,803 | 37,539 | 2% |
| Other Revenue ** | 726,770 | 684,340 | 744,250 | 759,135 | 774,318 | 789,804 | 805,600 | 821,712 | 2% |
| Increase CD-Bldg/Plan Ck fees 25% | | | 20,000 | 20,400 | 20,808 | 21,224 | 21,649 | 22,082 | 2% |
| Fund Agree MDRT | 450,461 | 632,570 | 714,381 | 728,669 | 743,242 | 774,318 | 789,804 | 805,600 | 2% |
| Fund Agree Core Revenue | 961,608 | 878,570 | 330,688 | 151,331 | 136,758 | 105,682 | 90,196 | 74,400 | |
| Total Operating Revenue | 4,376,536 | 4,476,563 | 4,160,922 | 4,043,807 | 4,392,578 | 4,491,205 | 4,548,022 | 4,596,680 | |
| General Fund Expenditures | PS 3% | P/S 3% | P/S 2% | P/S 2% | P/S 2% | P/S 2% | P/S 2% | P/S 2% | |
| Public Safety | 2,190,100 | 2,326,285 | 2,362,700 | 2,409,954 | 2,458,153 | 2,507,316 | 2,557,462 | 2,608,612 | 2% |
| Comm Deve-Gen Govt | 340,095 | 323,631 | 230,872 | 235,489 | 240,199 | 245,003 | 249,903 | 254,901 | 2% |
| Comm Deve-MDRT | 451,226 | 632,571 | 714,381 | 728,669 | 743,242 | 789,804 | 805,600 | 821,712 | 2% |
| Support Services-Clk, HR, Fin, CS | 482,442 | 531,866 | 424,321 | 432,807 | 441,464 | 450,293 | 459,299 | 468,485 | 2% |
| Mtc Bldgs, Grds, Equip | 416,077 | 358,389 | 279,908 | 285,506 | 291,216 | 297,041 | 302,981 | 309,041 | 2% |
| Legal Services | 66,595 | 216,365 | 70,000 | 71,400 | 72,828 | 74,285 | 75,770 | 77,286 | 2% |
| Leg & Administration | 150,450 | 166,201 | 29,152 | 29,735 | 30,330 | 30,330 | 30,330 | 30,936 | 2% |
| Continue Prior Year Reductions | | | | | | | | | |
| Total Operating Spending | 4,096,985 | 4,555,308 | 4,111,334 | 4,193,561 | 4,277,432 | 4,394,071 | 4,481,346 | 4,570,973 | |
| Total Op Exp after Cuts | 4,096,985 | 4,555,308 | 4,111,334 | 4,193,561 | 4,277,432 | 4,394,071 | 4,481,346 | 4,570,973 | |
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| Change in Reserves | 279,551 | (78,745) | 49,588 | (149,754) | 115,146 | 97,133 | 66,676 | 25,708 | |
| Ending Reserves | 644,198 | 565,453 | 645,080 | 495,326 | 610,473 | 592,460 | 677,149 | 618,167 | |
| | 15.72% | 12.41% | 15.69% | 11.81% | 14.27% | 13.48% | 15.11% | 13.52% | |



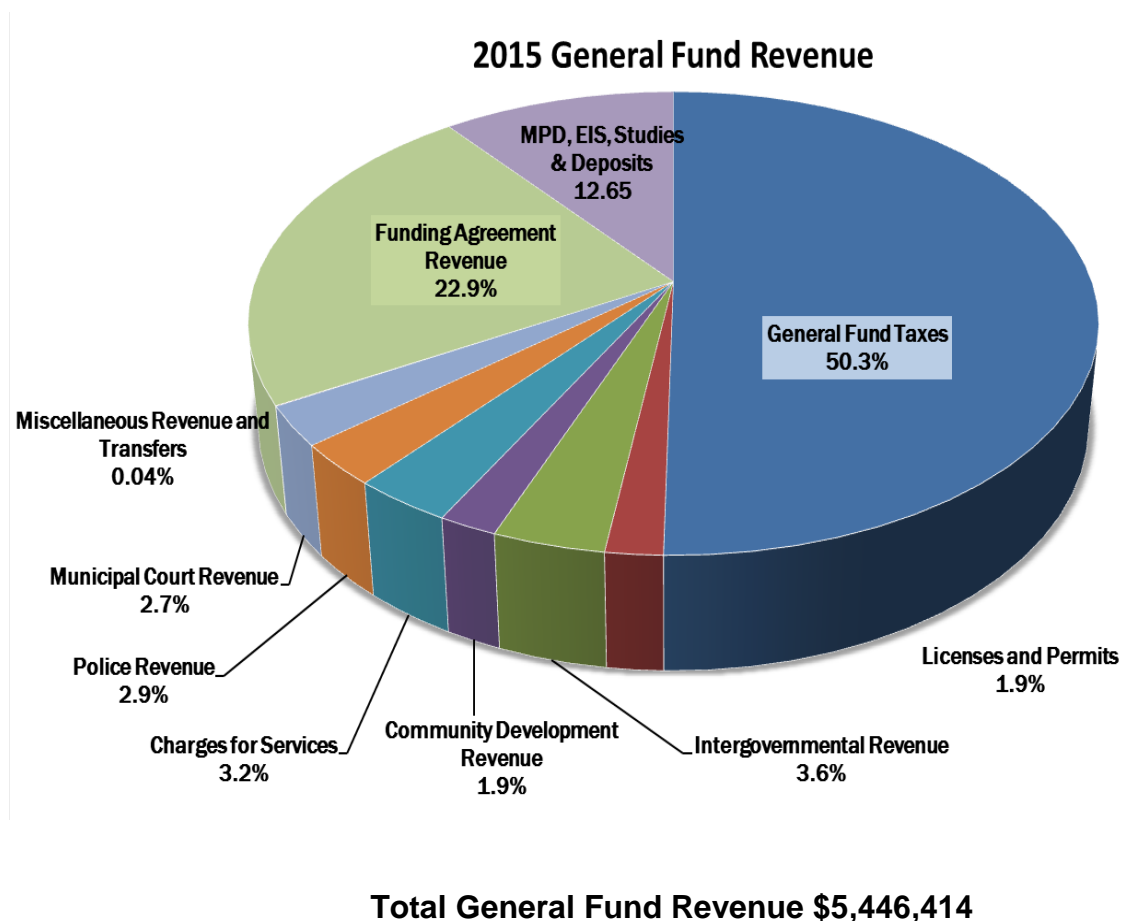
** Other Revenue includes Cable Franchise Fees, Business Licenses, Permits & Land Use Fees, Police Criminal Justice Sales Tax & other Police Fees & Grants, Liquor Tax & Profits, State Tax Assistance, Lake Sawyer Parking Fees, Cemetery Fees, Court Fines,

Model assumes that Funding Agreement will be reduced to Fiscal amount of approximately \$880,000 per year.

Model assumes new construction of new homes or infrastructure beginning in 2017 and continuing to build 100 homes a year. Property Taxes will increase after homes are sold. Opportunity exists to offset shortfall from built-in deficit and continues Funding Agreement reductions if Utility Taxes on city Water, Sewer and Stormwater increased by 2%. This would cost a resident approximately \$2.80 per month or \$33.64 a year. Also included is an approximate Community Development Permit and Plan Check fees of 25%. This will be paid by the Property Developers. Although this model shows a reduction in 2016, Revenue from building 100 homes restores

General Fund Revenue sources in 2015 are estimated to be \$5,817,350. There is a slight increase in operating revenue overall to the 2014 Amended Budget. The pie chart below shows total operating revenue of \$4,476,563 in 2015. Each revenue area will be discussed in the pages that follow.

| General Fund Revenue Summary | 2013 Actual | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|---|------------------|------------------|------------------|------------------|------------------------|-----------------|
| General Fund Taxes | 2,237,697 | 2,281,083 | 2,323,960 | 2,297,603 | 16,520 | 0.7% |
| Licenses and Permits | 84,633 | 80,000 | 84,433 | 84,500 | 4,500 | 5.6% |
| Intergovernmental Revenue | 172,552 | 157,125 | 187,728 | 165,825 | 8,700 | 5.5% |
| Community Development Revenue | 85,069 | 64,295 | 112,714 | 86,970 | 22,675 | 35.3% |
| Charges for Services | 113,835 | 128,960 | 124,943 | 148,130 | 19,170 | 14.9% |
| Police Revenue | 162,180 | 157,310 | 153,934 | 131,850 | (25,460) | -16.2% |
| Municipal Court Revenue | 104,826 | 106,500 | 114,778 | 125,000 | 18,500 | 17.4% |
| Miscellaneous Revenue and Transfers | 8,676 | 8,050 | 7,108 | 1,975 | (6,075) | -75.5% |
| Subtotal Operating Revenue | 2,969,467 | 2,983,323 | 3,109,599 | 3,041,853 | 58,530 | 1.96% |
| Funding Agreement Revenue | 1,412,070 | 1,511,141 | 1,310,098 | 1,045,069 | (466,072) | -30.84% |
| Total Operating Revenue | 4,381,537 | 4,494,464 | 4,419,697 | 4,086,922 | (407,542) | -9.07% |
| MPD, EIS, Studies and Deposits | 396,145 | 669,000 | 439,468 | 480,000 | (189,000) | -28.3% |
| General Fund Total Revenue | 4,777,682 | 5,163,464 | 4,859,165 | 4,566,922 | (596,542) | -11.6% |
| Beginning Fund Cash & Investments (City) | 397,815 | 644,197 | 644,197 | 601,492 | (42,705) | -6.6% |
| Beginning Fund Cash & Investments (Funding) | 261,220 | 299,129 | 299,129 | 278,000 | (21,129) | -7.1% |
| Total Beginning Fund Cash and Investments | 659,035 | 943,326 | 943,326 | 879,492 | (63,834) | -7.1% |
| Total Sources | 5,436,718 | 6,106,790 | 5,802,491 | 5,446,414 | (660,376) | -10.8% |

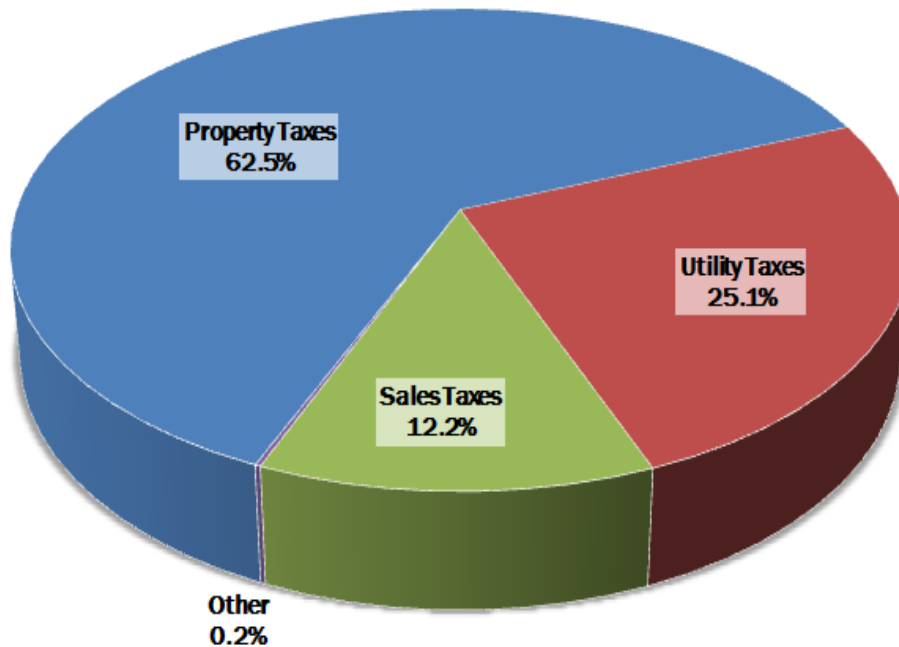


General Fund Taxes

Locally levied taxes represent Black Diamond's largest portion of revenues of \$2,297,603 or 42% 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 \$16,520 is anticipated in 2015. Telephone utility tax revenue is expected to continue trending down. Stormwater rates increased from 12 to 18 percent.

| Tax Revenue - General Fund | 2013 Actual | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change |
|---------------------------------|------------------|------------------|------------------|------------------|------------------------------|
| General Property Taxes | 1,400,391 | 1,421,983 | 1,438,113 | 1,436,203 | 14,220 |
| Sales Taxes | 290,796 | 280,000 | 302,927 | 280,000 | |
| B & O Tax | | | | | |
| Solid Waste Utility Tax | 35,624 | 30,600 | 32,834 | 32,500 | 1,900 |
| Cable TV Utility Tax | 56,580 | 72,600 | 72,109 | 70,500 | (2,100) |
| Telephone Utility Tax | 114,818 | 115,000 | 106,162 | 105,000 | (10,000) |
| Gas Utility Tax | 337 | 500 | 366 | 500 | |
| Electrical Utility Tax | 217,881 | 215,000 | 220,845 | 225,000 | 10,000 |
| Water Utility Tax | 31,603 | 35,000 | 39,520 | 39,000 | 4,000 |
| Stormwater Utility Tax | 40,764 | 61,700 | 63,798 | 60,000 | (1,700) |
| Wastewater Utility Tax | 44,329 | 44,300 | 43,683 | 44,900 | 600 |
| Pull Tabs and Punch Board Tax | 4,573 | 4,400 | 3,604 | 4,000 | (400) |
| Total General Fund Taxes | 2,237,697 | 2,281,083 | 2,323,960 | 2,297,603 | 16,520 |

2015 General Fund Tax Revenue

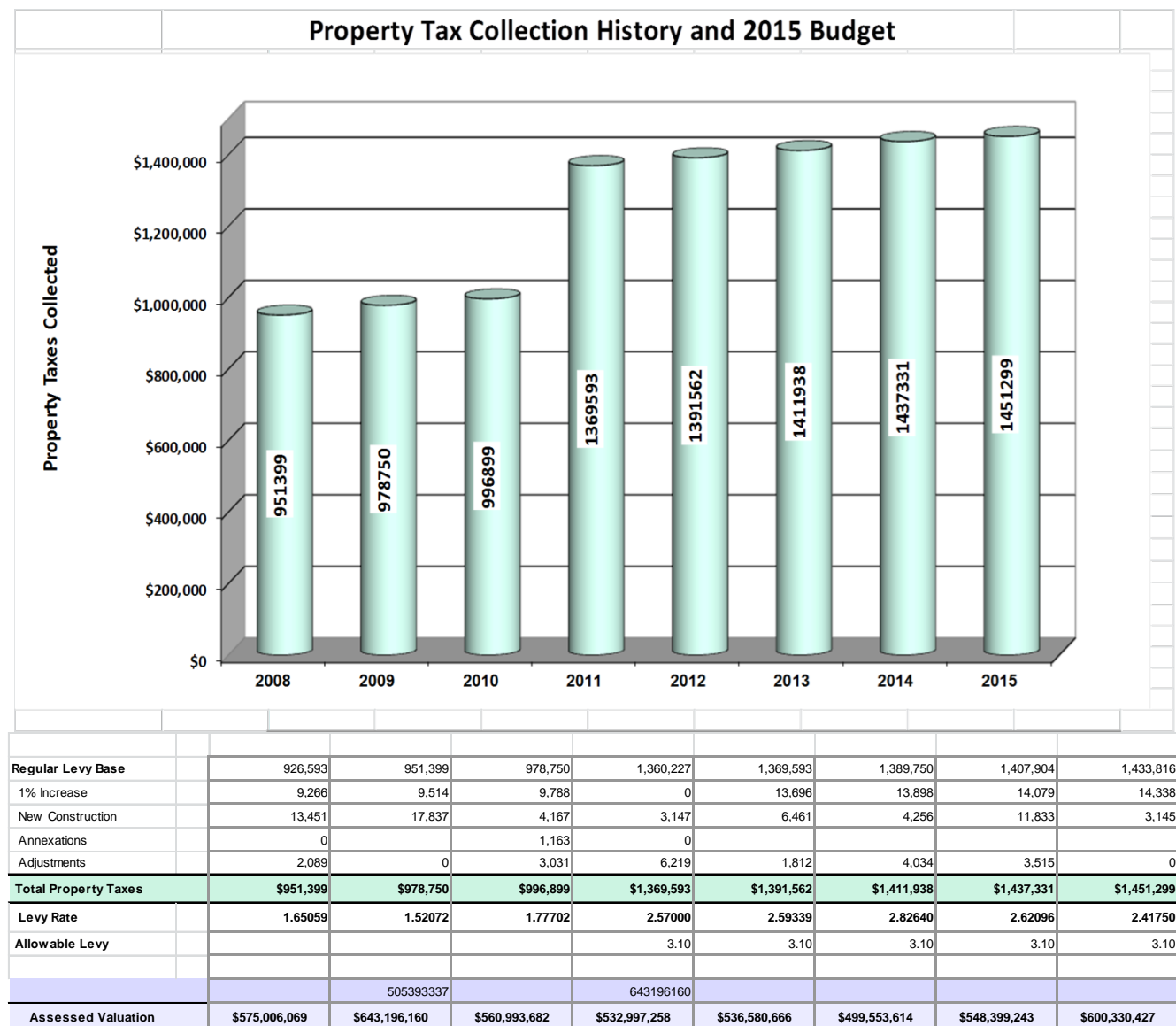


Total Tax Revenue \$2,297,603

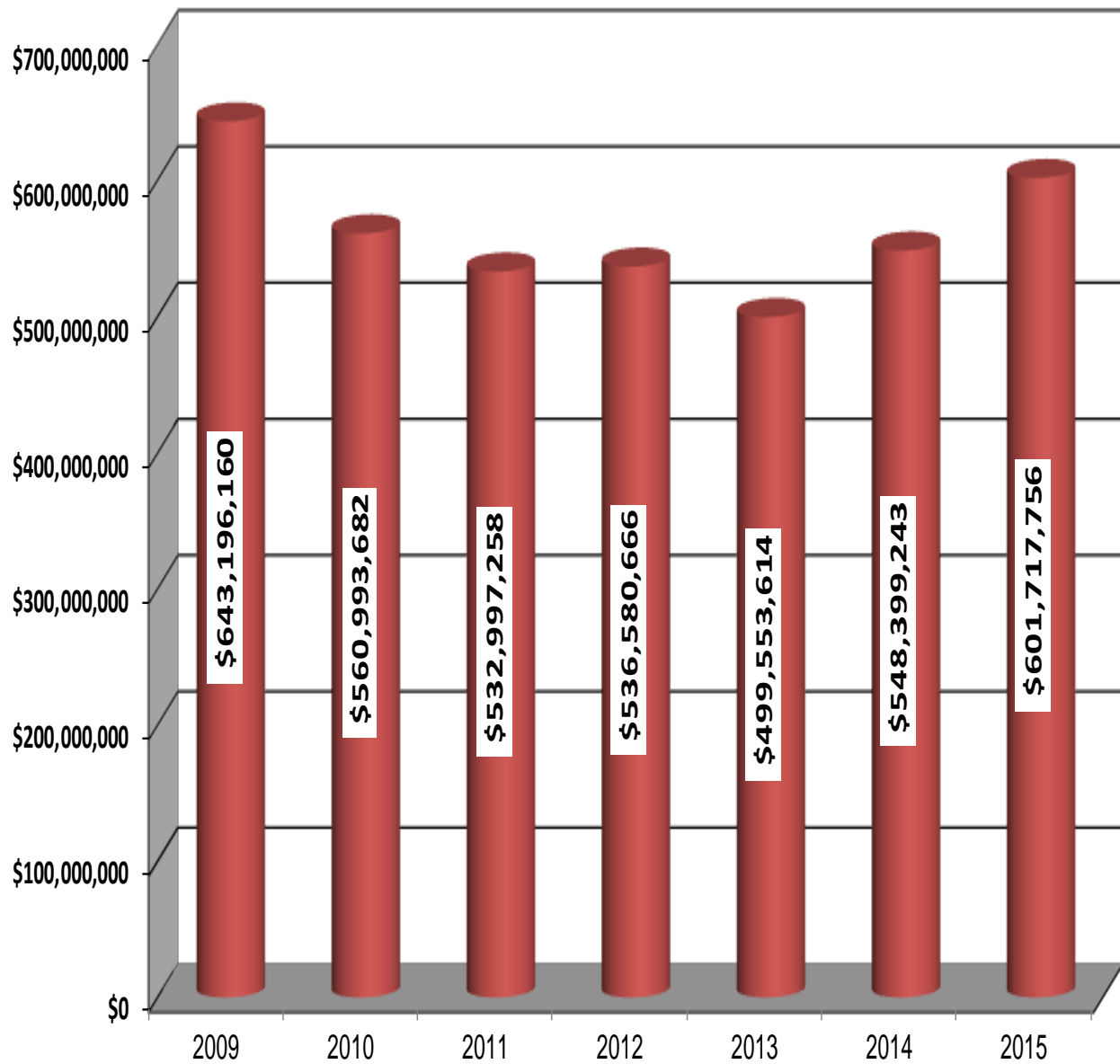
Property taxes make up 62.5% of the General Fund's tax revenue and are budgeted to generate \$1,436,203 in revenue for the City in 2015. The City's levy rate in 2015 is \$2.42 per each \$1,000 of assessed value, a 20 cent decrease from 2014. All revenues from property taxes go directly to the General 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 sales tax 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 \$12.96 and \$14.72 per thousand dollars in assessed valuation, depending on the school district in your neighborhood. Of that amount Black Diamond receives \$2.42 per thousand of a property's value, or 18.6% of the total. Property taxes provide 60% of the City's public safety revenue. The City's portion of the property tax bill on a \$275,000 Black Diamond home will cost approximately \$55 dollars per month in 2015.



Assessed Valuation History

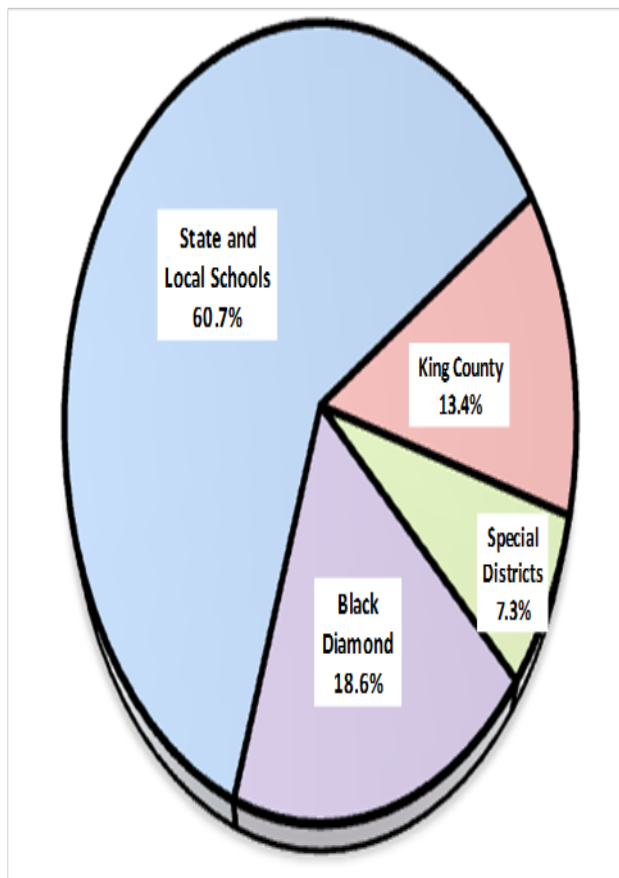


| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Base Assessed Valuation | 427,240,702 | 446,214,893 | 497,642,229 | 560,299,568 | 626,088,991 | 552,382,312 | 529,857,064 |
| New Construction | 4,372,118 | 3,578,995 | 2,397,737 | 7,314,478 | 10,806,265 | 8,611,370 | 3,058,528 |
| Final Assessed Valuation | \$ 643,196,160 | \$ 560,993,682 | \$ 532,997,258 | \$ 536,580,666 | \$ 499,553,614 | \$ 548,399,243 | \$ 601,717,756 |
| % change from prior year | 11.9% | -12.8% | -5.0% | 0.7% | -6.9% | 9.8% | 9.5% |
| Population | 4,120 | 4,155 | 4,180 | 4,190 | 4,160 | 4,160 | 4,170 |
| Property Tax Rate | 1.52072 | 1.77702 | 2.57 | 2.59339 | 2.8264 | 2.62096 | 2.4211 |
| | | | | | | | |

King County

For a \$275,000

Appraised Black Diamond Home in 2015

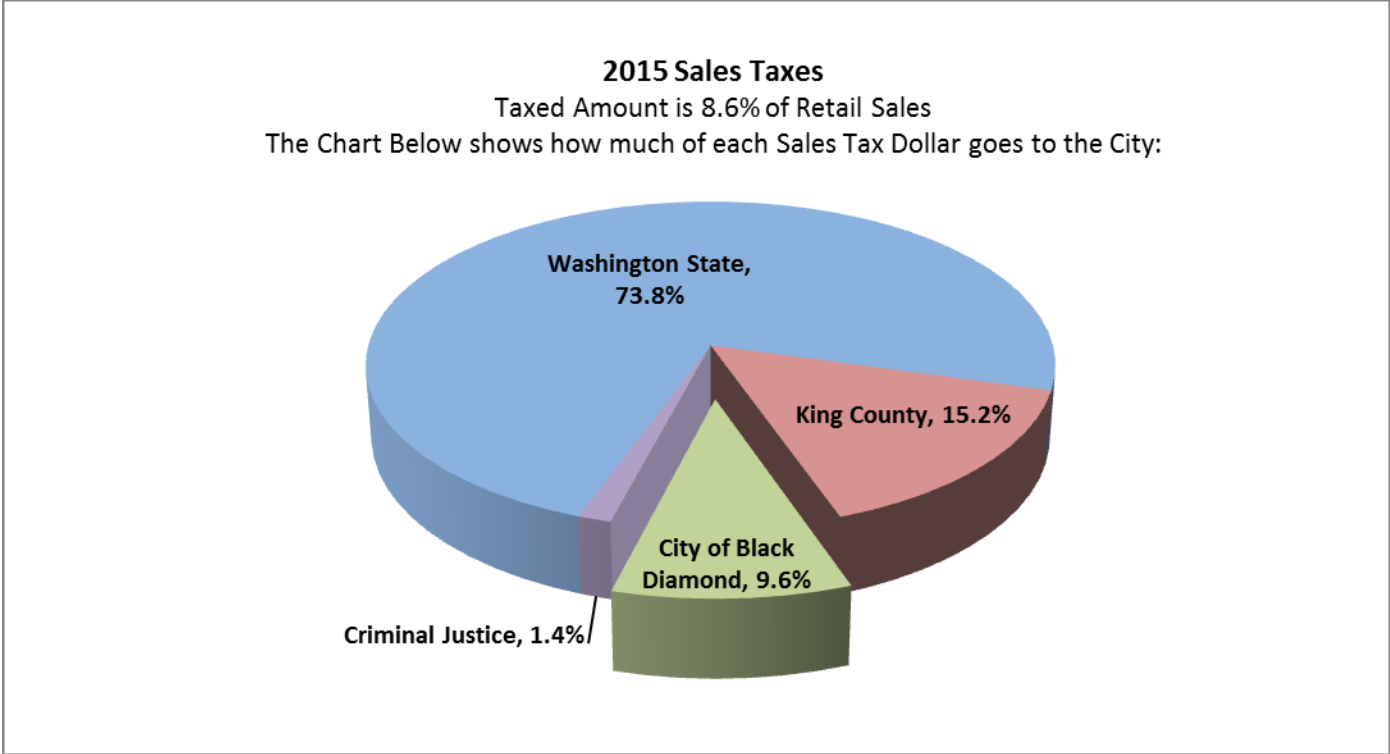


| Taxing Entity | 2015 Levy Rate per \$1,000 | Annual Property Tax on a \$275,000 home | Monthly Property Tax on a \$275,000 home |
|-----------------------------|----------------------------|---|--|
| School District (Enumclaw) | \$5.41 | \$1,487 | \$124 |
| State Schools | \$2.47 | \$679 | \$57 |
| Black Diamond | \$2.42 | \$664 | \$55 |
| King County | \$1.85 | \$509 | \$42 |
| Port of Seattle | \$0.22 | \$59 | \$5 |
| Library District | \$0.45 | \$123 | \$10 |
| Floods and Ferries | \$0.16 | \$43 | \$4 |
| Total Property Taxes | \$12.96 | \$3,565 | \$297 |

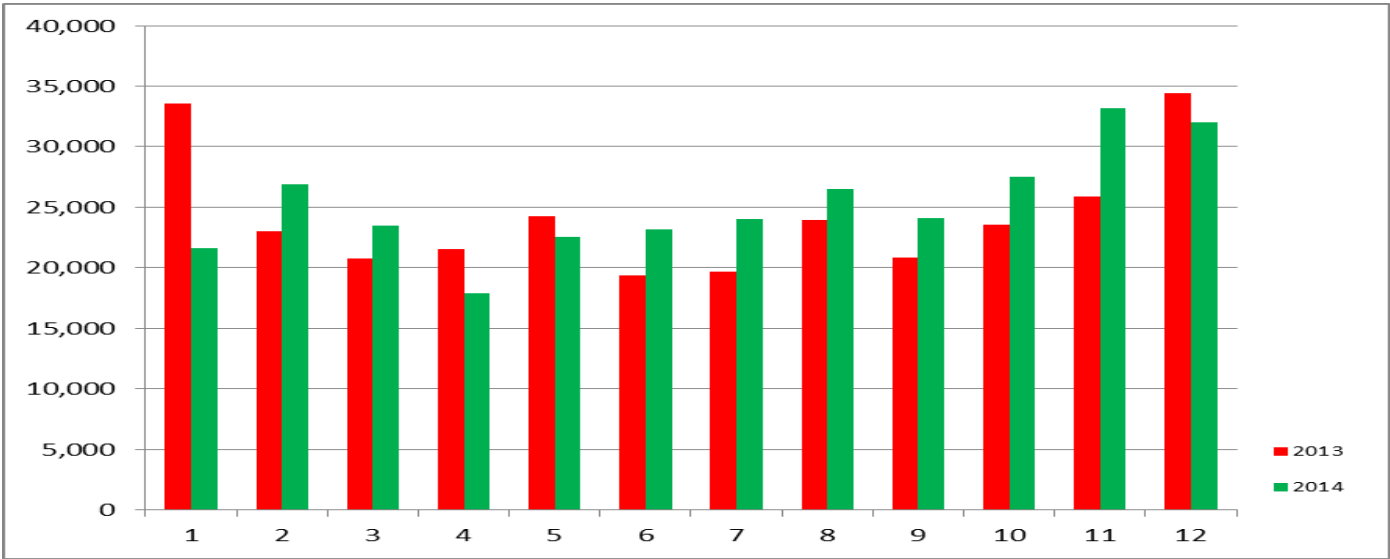
*Example shows Enumclaw School District levy rate of \$5.41 (Kent's school rate is \$5.74 and Tahoma's school rate is \$7.22)

Sales tax revenue for the 2015 budget is \$280,000 or 12% of General Fund tax revenue. For every \$100 spent in Black Diamond, \$8.60 is collected by the State and is shared by various jurisdictions. These jurisdictions include our city, Washington State, King County and Criminal Justice programs. Black Diamond receives a bit less than 10% of the total.

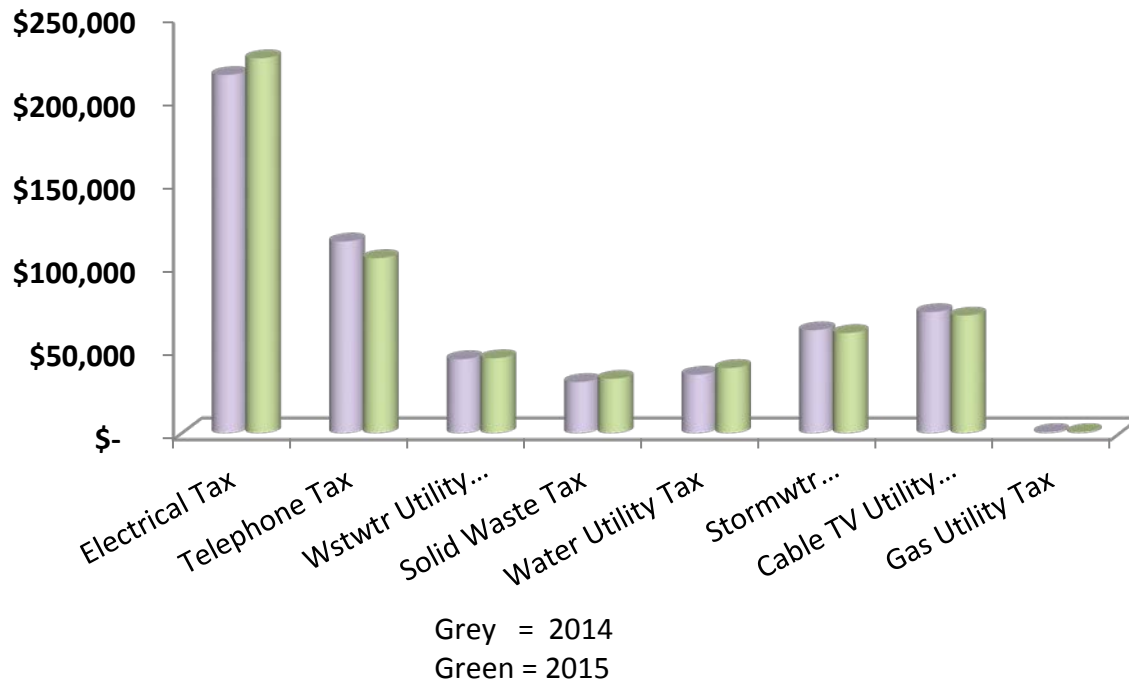
Black Diamond’s sales tax revenues are dependent on retail sales of products and services sold or delivered to Black Diamond, as well as tax on new construction. In July 2009 sales tax streamlining went into effect in Washington State. This law shifts sales tax collections to the *delivered destination* rather than the place of purchase. This has provided some improved sales tax collections here.



Sales Tax Monthly Data Analysis 2013 & 2014






Utility & Gambling taxes for Black Diamond in 2015 are projected to be \$581,400 or 25.2% 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 18%. Projected revenues include decreases in telephone and Stormwater and increases in electricity, water and solid waste.



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 2014 budget.

| Business License and Cable Franchise Fee Revenue | 2013 Actual | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|--|---------------|---------------|---------------|---------------|------------------------|-----------------|
| Business Licenses | 23,070 | 23,000 | 21,995 | 23,000 | | |
| Cable Franchise Fees | 61,563 | 55,000 | 62,438 | 61,000 | 6,000 | 10.9% |
| Tree Permit Inspection Fee | | 2,000 | | 500 | (1,500) | 100.0% |
| Total Gen Fund Bus. License & Cable Fee Revenue | 84,633 | 80,000 | 84,433 | 84,500 | 4,500 | 5.6% |

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 | 2013 Actual | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|--|----------------|----------------|----------------|----------------|---|--------------------|
| Permitting Revenue | | | | | | |
| Building Permit Fees | 31,979 | 25,000 | 43,609 | 32,000 | 7,000  | 0% |
| Special Events Permits | 1,723 | 600 | 971 | 2,000 | 1,400 | 233.3% |
| Grading & Clearing Permits | 3,915 | 5,000 | 55 | 5,000 | | |
| Mechanic Permits | 3,301 | 2,500 | 5,048 | 4,000 | 1,500 | 60.0% |
| Plumbing Permits | 2,215 | 2,000 | 4,268 | 3,000 | 1,000 | 50.0% |
| Demolition Permits | 720 | 360 | 360 | 360 | | |
| Sprinkle/Alarm, Firework Permit | 835 | 500 | 415 | 600 | 100 | 20.0% |
| Permit Fee Cost Recovery Increase | 1,767 | 850 | 4,122 | 2,600 | 1,750 | 205.9% |
| Sign Permits | 240 | 500 | 145 | 300 | (200) | -40.0% |
| Total Permitting Revenue | 46,695 | 37,310 | 58,993 | 49,860 | 12,550 | 0.34 |
| Land Use Fees | | | | | | |
| TDR Application/Credit | | 300 | | 300 | | |
| Various Land Use Fees | 1,051 | 2,000 | 7,484 | 2,000 | | |
| Various Shoreline Fees | 625 | 525 | 840 | 1,000 | 475 | 90.5% |
| Watchperson Fees | 210 | 210 | 105 | 210 | | |
| SEPA Fees and Appeals | 788 | 750 | 2,153 | 2,000 | 1,250 | 63% |
| Total Land Use Fees | 2,674 | 3,785 | 10,582 | 5,510 | 1,725 | 45.6% |
| Plan Check Fees | | | | | | |
| Plan Check Review Fees | 15,904 | 16,500 | 31,055 | 25,000 | 8,500  | 0% |
| Fire Plan Check Fees | 1,535 | 1,500 | 773 | 1,500 | | |
| Total Plan Check Fees | 17,439 | 18,000 | 31,828 | 26,500 | 8,500 | 47.2% |
| Other Community Dev. Revenue | | | | | | |
| King County Rec. fees & code fines, etc. | 70 | | | | | |
| Copying Services | 238 | 200 | 240 | 100 | (100)  | -50.0% |
| CD Reimbursement Revenue | | 4,000 | 3,476 | 4,000 | | 0% |
| Community Development Deposits | 17,953 | | 6,903 | | | |
| Hearing Examiner Fees | | 1,000 | 692 | 1,000 | | 0% |
| Total Other Community Dev | 18,261 | 5,200 | 11,311 | 5,100 | (100) | -1.9% |
| Total Community Development Rev | 85,069 | 64,295 | 112,714 | 86,970 | 22,675 | 35.3% |

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 | 2013 Actual | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|--|----------------|----------------|----------------|----------------|------------------------------|--------------------|
| Police Intergovernmental Revenue | | | | | | |
| Marine Grant-USCG 97-012/Wa Parks | 26,839 | | | | | |
| WTSC- X52 Speeding | | | | | | 0% |
| St. training CJ Grant | 3,080 | 2,500 | 2,640 | 500 | (2,000) | |
| WASPC Traffic Safety Equip-Radar | 1,275 | 1,000 | 525 | 2,000 | 1,000 | 100.0% |
| WTSC- X52DUI/DHGN | 744 | 1,000 | 781 | | (1,000) | -100.0% |
| WTSC- Nighttime Seat Belt Enforce | 698 | 1,000 | 625 | 1,000 | | |
| Police CETED ST EQ Grant | | | | | | 0% |
| Vessel Registration Boat Safety | 11,260 | 11,260 | 12,391 | 12,000 | 740 | 0% |
| WASPC/DOJ Bulletproof Vest Grant (CFDA16.607) | 382 | | 1,855 | | | |
| Vessel Reg. Boat Safety Carryover | | 10,000 | | | (10,000) | 100% |
| Total Police Intergovernmental Revenue | 44,278 | 26,760 | 18,817 | 15,500 | (11,260) | -0.42 |
| Police Charges for Service | | | | | | |
| Police Traffic School Fee | 11,800 | 15,000 | 13,018 | 10,000 | (5,000) | 0% |
| Police Overtime Reimb | 1 | 6,000 | 7,221 | 2,600 | (3,400) | -131% |
| Police Traffic Reimb | 1,463 | 2,500 | 2,179 | | (2,500) | |
| Police Finger Print Fee | 200 | 200 | 250 | 150 | (50) | |
| Police Records and Services | 530 | 700 | 795 | 500 | (200) | -40% |
| Police-DUI Cost Recovery | 3,737 | 4,100 | 2,217 | 3,000 | (1,100) | -26.8% |
| DRE-Drug Recognition Expert Services | | | | | | -100% |
| Electronic Home Monitoring | 200 | 250 | 1,000 | 800 | 550 | 220.0% |
| Work Crew Screening and per Day State Fee | 610 | 900 | 55 | 200 | (700) | -77.8% |
| Reimbursement from Labor & Industries | | | | | | |
| Total Police Charges for Service | 18,540 | 29,650 | 26,735 | 17,250 | (12,400) | -41.8% |
| Police Confiscated, Donation, DARE, etc. | | | | | | |
| Donation for Marine | | | | | | |
| Gun Permits and Fingerprinting | 2,042 | 2,600 | 1,405 | 1,400 | (1,200) | -46.2% |
| DARE Donations from Private Sources | 663 | 2,500 | 605 | 600 | (1,900) | -76.0% |
| K-9 Donation | (1,561) | | 1,561 | | | |
| Unclaimed/ Found Property | 136 | | | | | |
| Total Police Confiscated, Donated Revenue | 1,280 | 5,100 | 3,571 | 2,000 | (3,100) | -60.8% |
| Police Criminal Justice Revenue | | | | | | |
| Local Criminal Justice Funds | 92,567 | 90,500 | 98,988 | 92,000 | 1,500 | 1.7% |
| Criminal Justice - Violent Crimes/Population | 1,025 | 1,000 | 1,099 | 1,000 | | |
| Criminal Justice Dcd 1 | | 200 | | | (200) | -100.0% |
| Criminal Justice - Special Programs | 3,733 | 3,500 | 3,973 | 3,500 | | |
| DUI and Other Criminal Justice Assistance | 758 | 600 | 751 | 600 | | |
| Total Criminal Justice Revenue | 98,083 | 95,800 | 104,811 | 97,100 | 1,300 | 1.4% |
| Total Police General Fund Revenue | 162,180 | 157,310 | 153,934 | 131,850 | (25,460) | -16.2% |

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 Liquor Excise Tax for 2015 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) | 2013 Actual | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|--|----------------|----------------|----------------|----------------|------------------------------|--------------------|
| Sales Tax Assistance from State | 61,645 | 49,000 | 72,192 | 60,000 | 11,000 | 22.4% |
| Recycle Grants, King County and State | 15,926 | 15,925 | 15,944 | 15,925 | | |
| Liquor Excise Tax | 2,794 | | 7,836 | | | |
| Liquor Board Profits | 37,484 | 37,500 | 37,052 | 35,700 | (1,800) | -4.8% |
| KC EMS VLS Contract | 54,704 | 54,700 | 54,704 | 54,200 | (500) | 0% |
| Total Intergovernmental Rev | 172,552 | 157,125 | 187,728 | 165,825 | 8,700 | 5.5% |

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 | 2013 Actual | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|--|----------------|----------------|----------------|----------------|------------------------------|--------------------|
| Misc Charges for Services | 1,387 | 2,100 | 46 | | (2,100) | -100.0% |
| Passport Fee | 15,200 | 18,100 | 20,534 | 20,300 | 2,200 | 0% |
| Grant Reimbursements and Other | | | | | | |
| Lake Sawyer Parking Fee | 15,186 | 11,000 | 21,536 | 19,200 | 8,200 | 74.5% |
| Parks Special Events | 1,127 | 1,700 | 738 | 1,800 | 100 | 100.0% |
| Cemetery Revenue | 9,128 | 15,800 | 10,371 | 12,700 | (3,100) | -19.6% |
| Central Service & GF Allocations | 71,807 | 80,260 | 71,719 | 94,130 | 13,870 | 17.3% |
| Total Charges for Service (non-police) | 113,835 | 128,960 | 124,943 | 148,130 | 19,170 | 14.9% |

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 | 2013 Actual | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|--|----------------|----------------|----------------|----------------|------------------------------|--------------------|
| Court Mand. Insurance Costs | 2,887 | 3,000 | 1,872 | 3,000 | | |
| Court Traffic Infractions | 64,089 | 62,000 | 58,176 | 70,000 | 8,000 | 12.9% |
| Court Other Non Traffic Infr. | 8 | | | | | 0% |
| Court Parking Fines | 2,580 | 2,100 | 7,155 | 6,400 | 4,300 | 204.8% |
| Court DUI Fines | 2,372 | 3,200 | 3,793 | 4,500 | 1,300 | 40.6% |
| Court Criminal Traffic Misd. | 4,431 | 5,500 | 8,620 | 9,100 | 3,600 | 65.5% |
| Nontraffic Fees and Infractions | 9,043 | 10,200 | 7,952 | 7,700 | (2,500) | -24.5% |
| Administration/Correction Fees | 14,929 | 16,800 | 21,176 | 18,000 | 1,200 | 7.1% |
| Court Interest and Miscellaneous Fees | 4,486 | 3,700 | 6,034 | 6,300 | 2,600 | 70.3% |
| Total Municipal Court Revenue | 104,826 | 106,500 | 114,778 | 125,000 | 18,500 | 17.4% |

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 | 2013 Actual | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|--|----------------|----------------|----------------|----------------|------------------------------|--------------------|
| LGIP Investment and Misc. Interest | 1,876 | 2,300 | 1,430 | 1,075 | (1,225) | -53.3% |
| Surplus GF Equipment | 600 | | | | | 0% |
| Animal Control | 2,061 | 4,700 | 4,503 | | (4,700) | 0% |
| Misc Revenue | 4,140 | 1,050 | 1,176 | 900 | (150) | -14.3% |
| Total Miscellaneous Revenue | 8,676 | 8,050 | 7,108 | 1,975 | (6,075) | -75.5% |

Funding Agreement revenue includes the General Fund portion of the Funding Agreement of ongoing costs for 2015 of \$1,511,140 and the Master Planned Development (MPD) for Lawson Hills and the Villages of \$669,000.

| Funding Agreement Revenue - General Fund | 2013 Actual | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|---|------------------------|------------------------|------------------------|------------------------|---------------------------------------|----------------------------|
| Partner-Funding Agreement | 1,412,069 | 1,511,140 | 1,310,097 | 1,045,069 | (466,071) | -30.84% |
| Total Operating General Fund Revenue | 2,969,467 | 2,983,323 | 3,109,599 | 3,041,853 | 58,530 | 1.96% |

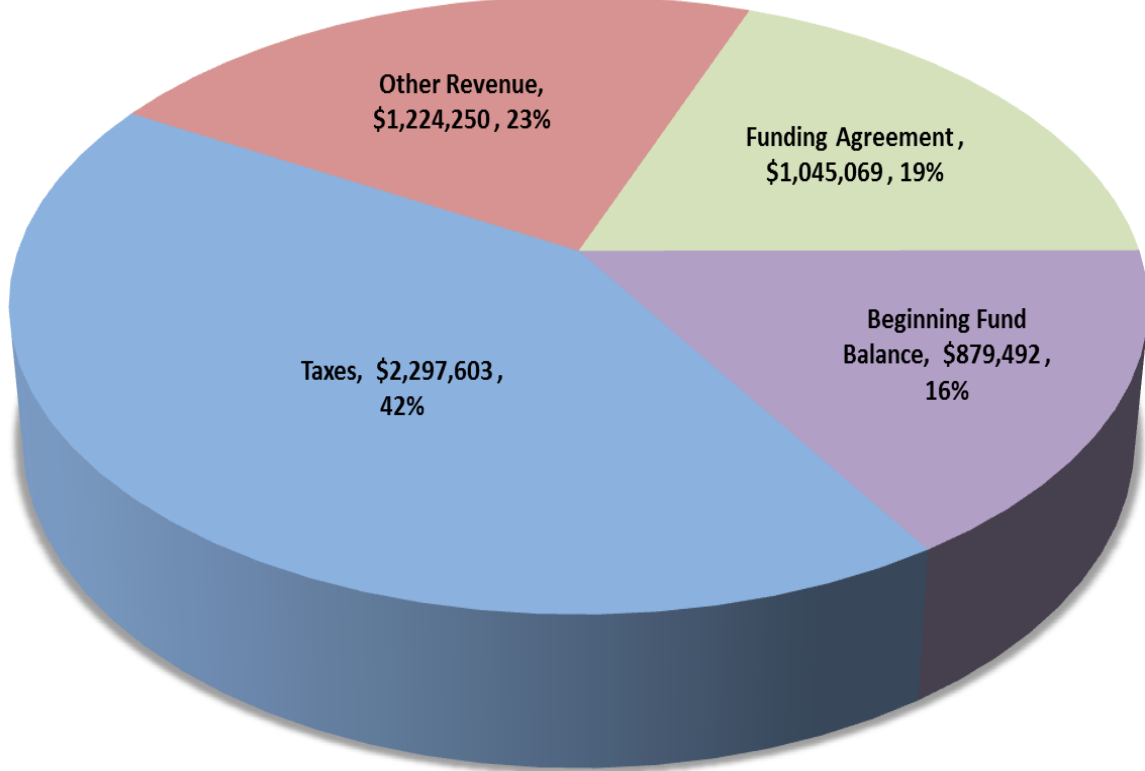
| Funding Agreement-SEPA | 2013 Actual | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|---|------------------------|------------------------|------------------------|------------------------|---------------------------------------|----------------------------|
| MPD/Dev Agree-Misc Reimbursements | 46,420 | 84,000 | 4,263 | 10,000 | (74,000) | -88.1% |
| Gen Facility-Makers Reimbursement | 79,400 | 100,000 | 92,233 | | (100,000) | -100.0% |
| Total Operating General Fund Revenue | 125,820 | 184,000 | 96,496 | 10,000 | (174,000) | -94.57% |

| Funding Agreement-Consultants | 2013 Actual | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|--|------------------------|------------------------|------------------------|------------------------|---------------------------------------|----------------------------|
| MDRT-Consultant Deposit | | | | | | |
| MDRT-Fiscal Reimbursements | 31,089 | 60,000 | 26,037 | 10,000 | (50,000) | -83.3% |
| MDRT-Civil Engineering Reimbursements | 177,510 | 200,000 | 243,827 | 250,000 | 50,000 | 25.0% |
| MDRT-Traffic Reimbursements | 11,044 | 50,000 | 32,892 | 30,000 | (20,000) | -40.0% |
| MDRT-Legal Reimbursements | 16,823 | 60,000 | 20,001 | 50,000 | (10,000) | -16.7% |
| MDRT-Environmental Reimbursements | 18,357 | 55,000 | 13,507 | 30,000 | (25,000) | -45.5% |
| MDRT-Geotech Reimbursements | | 30,000 | 6,331 | 50,000 | 20,000 | 66.7% |
| MDRT-Surveyor Reimbursements | | 30,000 | | 20,000 | (10,000) | -33.3% |
| MDRT-Hearing Examiner Reimbursement | 15,502 | | 377 | 30,000 | 30,000 | |
| Total MPD & EIS/SEPA Dev Reimbursements | 270,325 | 485,000 | 342,971 | 470,000 | (15,000) | -3.1% |

| Beginning Fund Balance - General Fund | 2013 Actual | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|--|------------------------|------------------------|------------------------|------------------------|---------------------------------------|----------------------------|
| Beginning Cash & Investments (City) | 397,816 | 644,198 | 644,198 | 601,492 | (42,706) | -6.6% |
| Beginning Cash & Investments (Developer) | 261,220 | 299,129 | 299,129 | 278,000 | (21,129) | -7.1% |
| Total Beginning Cash and Investments | 659,036 | 943,327 | 943,327 | 879,492 | (63,835) | -6.8% |
| Grand Total General Fund Revenue | 5,436,717 | 6,106,790 | 5,802,491 | 5,446,414 | (660,376) | -10.8% |

2015 General Fund Total Revenue

(including non-operating)



Total Revenue \$5,446,414

| General Fund Summary | | | | | 2015 Detail by Category | | | |
|---|------------------|------------------|-------------------------|---------------|-------------------------|-----------------|---------------------------|----------------|
| | 2014 Budget | 2015 Budget | Chg \$ 2014- 2015 | Change % | Public Safety | General Govt | Yarrow Ba: to Gen Govt | YB MDRT |
| REVENUE | | | | | | | | |
| Public Safety Revenue support | | | | | | | | |
| Property Taxes | 1,421,983 | 1,436,423 | 14,440 | 1.0% | 1,436,423 | | | |
| Utility & Gambling Taxes | 579,100 | 581,400 | 2,300 | 0.4% | 581,400 | | | |
| Criminal Justice Sales Tax | 95,800 | 97,100 | 1,300 | 1.4% | 97,100 | | | |
| Liquor Tax | 0 | 0 | 0 | 0.0% | 0 | | | |
| Liquor Profits | 37,500 | 35,700 | -1,800 | -4.8% | 35,700 | | | |
| Court Fines and Fees | 106,500 | 125,000 | 18,500 | 17.4% | 125,000 | | | |
| Fire EMS Taxes | 54,700 | 54,200 | -500 | -0.9% | 54,200 | | | |
| Police Grants & Charges for Service & Misc. | 61,510 | 34,750 | -26,760 | -43.5% | 34,750 | | | |
| Subtotal Public Safety Revenue | 2,357,093 | 2,364,573 | 7,480 | 0.3% | 2,364,573 | | | |
| General Government Support | | | | | | | | |
| Sales Tax | 280,000 | 280,000 | 0 | 0.0% | | 280,000 | | |
| Land Use and Permitting Fees | 64,295 | 86,970 | 22,675 | | | 86,970 | | |
| State Assistance | 49,000 | 60,000 | 11,000 | 22.4% | | 60,000 | | |
| Recycle Grants & Misc. Grants | 15,925 | 15,925 | 0 | | | 15,925 | | |
| Cable Franchise Fee | 55,000 | 61,000 | 6,000 | | | 61,000 | | |
| Parks & Cemetery Fees | 28,500 | 33,700 | 5,200 | 18.2% | | 33,700 | | |
| Passport Fees | 18,100 | 20,300 | 2,200 | 12.2% | | 20,300 | | |
| Alloc for software Mtc, Cr Card Fees, TR/AP post-pr | 28,330 | 24,130 | -4,200 | -14.8% | | 24,130 | | |
| Alloc for code update. It, Fin, Permit Mtc-non YB | 51,930 | 70,000 | 18,070 | 34.8% | | 70,000 | | |
| Other Misc Revenue | 35,150 | 25,255 | -9,895 | -28.2% | | 25,255 | | |
| Subtotal General Government Revenue | 626,230 | 677,280 | 51,050 | 8.2% | | 677,280 | | |
| Subtotal Operating Revenue | 2,983,323 | 3,041,853 | 58,530 | 2.0% | | | | |
| YarrowBay Funding Agreement - MDRT | 632,570 | 714,381 | 81,811 | 12.9% | | | | 714,381 |
| YarrowBay Funding Agreement - Core | 878,570 | 330,688 | -547,882 | -62.4% | | | 330,688 | |
| Total General Fund Operating Revenue | 4,494,463 | 4,086,922 | -407,541 | -9.1% | 2,364,573 | 677,280 | 330,688 | 714,381 |
| EXPENDITURES | | | | | | | | |
| Public Safety Expenditures | | | | | | | | |
| Police Department | 1,642,082 | 1,639,816 | -2,266 | -0.1% | 1,639,816 | | | |
| Fire Department | 474,711 | 483,526 | 8,815 | 1.9% | 483,526 | | | |
| Municipal Court | 147,399 | 160,208 | 12,809 | 8.7% | 160,208 | | | |
| Court Public defender | 36,000 | 37,250 | 1,250 | 3.5% | 37,250 | | | |
| Court Prosecution | 24,000 | 24,000 | 0 | 0.0% | 24,000 | | | |
| Animal Control | 9,293 | 10,000 | 707 | 7.6% | 10,000 | | | |
| Emergency Management | 2,500 | 2,500 | 0 | 0.0% | 2,500 | | | |
| Subtotal Public Safety Expenditures | 2,335,985 | 2,357,300 | 21,315 | 0.9% | 2,357,300 | | | |
| Executive | 14,876 | 14,450 | -426 | -2.9% | | 14,450 | | |
| Legislative | 14,709 | 14,702 | -7 | 0.0% | | 14,702 | | |
| Administration | 125,031 | 0 | -125,031 | -100.0% | | 0 | | |
| City Clerk | 228,749 | 220,309 | -8,440 | -3.7% | | 73,493 | 146,816 | |
| Finance | 271,891 | 173,477 | -98,414 | -36.2% | | 112,752 | 60,725 | |
| Information Services | 87,520 | 49,700 | -37,820 | -43.2% | | 36,735 | 12,965 | |
| Legal | 227,950 | 75,400 | -152,550 | -66.9% | | 75,400 | | |
| Natural Resources/Parks | 93,430 | 17,300 | -76,130 | -81.5% | | 17,300 | | |
| Master Development Review Team | 634,042 | 714,381 | 80,339 | 12.7% | | | | 714,381 |
| Community Development | 197,180 | 202,072 | 4,892 | 2.5% | | 150,195 | 51,877 | |
| Hearing Examiner(including SEPA Appeal) | 30,000 | 10,000 | -20,000 | -66.7% | | 10,000 | | |
| Economic Development | 1,550 | 1,500 | -50 | -3.2% | | 1,500 | | |
| Facilities-staff & Misc | 89,894 | 82,322 | -7,572 | -8.4% | | 57,517 | 24,805 | |
| Facilities Bldg Mtc-Funding agreement | 112,322 | 75,236 | -37,086 | -33.0% | | 41,736 | 33,500 | |
| Parks | 56,225 | 57,365 | 1,140 | 2.0% | | 57,365 | | |
| Cemetery | 16,728 | 15,285 | -1,443 | -8.6% | | 15,285 | | |
| Central Services and Employee Recognition | 35,126 | 30,535 | -4,591 | -13.1% | | 30,535 | | |
| Subtotal General Government | 2,237,223 | 1,754,034 | -483,189 | -21.6% | | 708,965 | 330,688 | 714,381 |
| Total General Fund Operating Expenditures | 4,573,208 | 4,111,334 | -461,874 | -10.1% | 2,357,300 | 708,965 | 330,688 | 714,381 |
| Surplus/Decrease | -78,745 | -24,412 | | | 7,273 | -31,685 | 0 | 0 |

2015 Budget

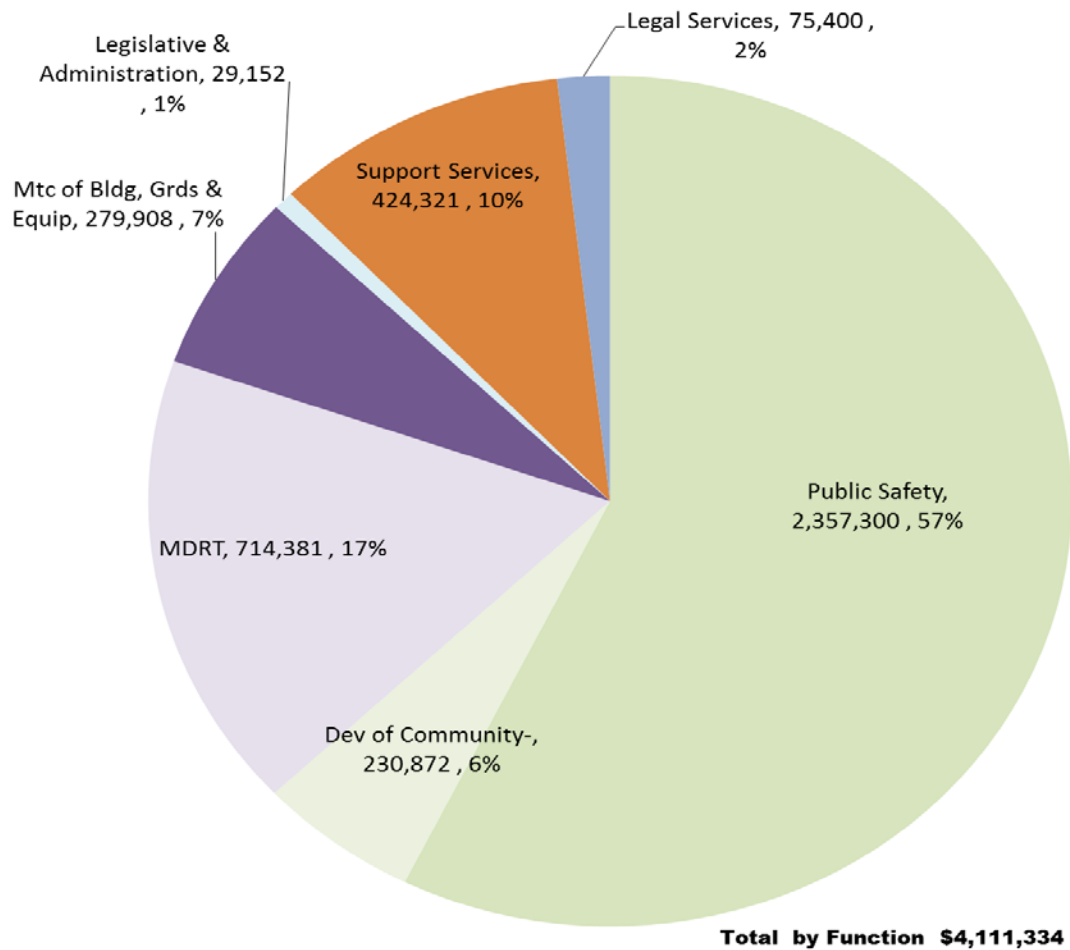
Funding Agreement-Limited Wind-down- with proposed 10 days Furlough

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

| City of Black Diamond | | | | |
|--|--------------------|------------------|--------------------|-------------------|
| 2015 Budget with Funding Reduction | | | | |
| General Fund Budget Comparison 2013 2014 and 2015 | | | | |
| Function | 2013 Actual | 2014 Bud | 2015 Budget | net Change |
| Public Safety | | | | |
| Police | 1,553,562 | 1,642,082 | 1,639,816 | (2,266) |
| Fire | 448,264 | 474,711 | 483,526 | 8,815 |
| Municipal Court | 129,851 | 147,399 | 160,208 | 12,809 |
| Court Public Defender | 22,050 | 36,000 | 37,250 | 1,250 |
| Prosecuting Attorney | 24,000 | 24,000 | 24,000 | 0 |
| Animal Control | 8,659 | 9,293 | 10,000 | 707 |
| Emergency Management | 3,714 | 2,500 | 2,500 | 0 |
| Total Public Safety | 2,190,100 | 2,335,985 | 2,357,300 | 21,315 |
| Dev of Community- | | | | |
| Com Development/Nat Res | 170,934 | 227,180 | 212,072 | (15,108) |
| Economic Develop | 1,084 | 1,550 | 1,500 | (50) |
| Natural Resources | 168,077 | 93,430 | 17,300 | (76,130) |
| Master Dev Rev Team | 451,226 | 634,042 | 714,381 | 80,339 |
| Total Dev of Comm | 791,321 | 956,202 | 945,253 | (10,949) |
| Mtc of Bldg, Grds & Equip | | | | |
| Bldgs & Grnds Mtc. | 210,461 | 202,216 | 157,558 | (44,658) |
| Parks Maintenance | 46,394 | 56,225 | 57,365 | 1,140 |
| Cemetery Maintenance | 15,768 | 16,728 | 15,285 | (1,443) |
| Information Technology | 143,454 | 87,520 | 49,700 | (37,820) |
| Total Mtc of Bldg, Grd, Eq | 416,077 | 362,689 | 279,908 | (82,781) |
| Legislative & Administration | | | | |
| Legislative-Council | 3,876 | 14,709 | 14,702 | (7) |
| Executive Mayor | 13,924 | 14,876 | 14,450 | (426) |
| City Administrator | 132,650 | 125,031 | 0 | (125,031) |
| Total Legislative & Administration | 150,450 | 154,616 | 29,152 | (125,464) |
| Support Services | | | | |
| Adm Asst/City Clerk/Human Res | 211,490 | 228,749 | 220,309 | (8,440) |
| Finance | 243,879 | 271,891 | 173,477 | (98,414) |
| Central Services | 27,073 | 35,126 | 30,535 | (4,591) |
| Total Support Services | 482,442 | 535,766 | 424,321 | (111,445) |
| Legal Services | | | | |
| General Legal Services | 43,936 | 50,000 | 50,000 | 0 |
| Public Disclosure Legal Review | 3,244 | 2,500 | 4,000 | 1,500 |
| Labor Contract & Employee Legal | 15,035 | 52,650 | 17,400 | (35,250) |
| Misc specific Enforcement -Code | 4,380 | | 4,000 | 4,000 |
| Subtotal Legal Services | 66,595 | 105,150 | 75,400 | (29,750) |
| BC- Legal Investigation | 0 | 97,800 | 0 | (97,800) |
| Extra one time legal Projects | 0 | 25,000 | 0 | (25,000) |
| Total Legal Services | 66,595 | 227,950 | 75,400 | (152,550) |
| Total General Fund | 4,096,985 | 4,573,208 | 4,111,334 | (461,874) |

| 2015 Preliminary Budget- General Fund Functional Comparisons 2013, 2014, 2015 | | | | | |
|--|--|------------------|------------------|------------------|----------------------|
| | | 2013 Actual | 2014 Budget | 2015 Budget | 2014/2015 Changes |
| Public Safety | | 2,190,100 | 2,326,285 | 2,357,300 | 31,015 |
| Development of Community | | 791,321 | 956,202 | 945,253 | (10,949) |
| Maint of Bldgs, Grds, Equip | | 416,077 | 358,389 | 279,908 | (78,481) |
| Legislative & Administration | | 150,450 | 166,201 | 29,152 | (137,049) |
| Support Services | | 482,442 | 531,866 | 424,321 | (107,545) |
| Legal Services | | 68,595 | 216,365 | 75,400 | (140,965) |
| Total General Fund-Operations | | 4,098,985 | 4,555,308 | 4,111,334 | (443,974) |

2015 Draft Budget: General Fund Operating Expenditures by Fund



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.

City of Black Diamond

2015 Budget

| Legislative (110) | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|---|--|
| Wages | 0 | 2,080 | 10,080 | 9,880 | 10,080 | 0 | 0% |
| Benefits ¹ | 0 | 169 | 828 | 821 | 822 | -6 | -1% |
| Wages & Benefits Subtotal | 0 | 2,249 | 10,908 | 10,701 | 10,902 | -6 | 0% |
| Services ² | 2,500 | 1,628 | 3,800 | 1,081 | 3,800 | 0 | 0% |
| Legislative Total | 2,500 | 3,876 | 14,708 | 11,782 | 14,702 | -6 | 0% |

¹The only change in 2015 is a reduction in the City's Industrial Insurance Premium rate.

² Includes \$3,500 for training related costs.



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 2015 Budget | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|---|--|
| Executive (130) | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
| Wages | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 0 | 0% |
| Benefits ¹ | 986 | 957 | 986 | 1,001 | 980 | -6 | -1% |
| Wages & Benefits Subtotal | 12,986 | 12,957 | 12,986 | 13,001 | 12,980 | -6 | 0% |
| Supplies | 100 | 0 | 100 | 8 | 100 | 0 | 0% |
| Services ² | 600 | 967 | 1,790 | 1,497 | 1,370 | -420 | -23% |
| Executive Total | 13,686 | 13,924 | 14,876 | 14,507 | 14,450 | -426 | -3% |
| ¹ The only change in 2015 is a reduction in the City's Industrial Insurance Premium rate. | | | | | | | |
| ² Includes telephone & \$600 subsistence for meetings. Training cut from budget. | | | | | | | |



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. The City Administrator position is vacant and unfilled for 2015.

| City of Black Diamond 2015 Budget | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|---|--|
| Administration (135) | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
| Wages | 112,528 | 145,088 | 98,974 | 95,359 | 0 | -98,974 | NoBudget |
| Benefits | 44,689 | 43,573 | 15,099 | 14,754 | 0 | -15,099 | NoBudget |
| Wages & Benefits Subtotal | 157,217 | 188,661 | 114,073 | 110,112 | 0 | -114,073 | NoBudget |
| Supplies | 200 | 220 | 200 | 87 | 0 | -200 | NoBudget |
| Services | 102,928 | 38,355 | 10,758 | 7,236 | 0 | -10,758 | NoBudget |
| Administration Total | 260,345 | 227,236 | 125,031 | 117,435 | 0 | -125,031 | NoBudget |
| Executive Administration position has been left vacant for 2015 and Executive Administrative costs eliminated. | | | | | | | |



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, business licensing and also maintaining and developing the City's website.

This department includes the City Clerk/HR Manager and Deputy City Clerk. The Deputy City Clerk is allocated 60% to the General Fund and 40% to Public Works funds. Also reflected in this budget are expenses for voter costs, code updates, advertising and other Clerk related expenditures.

The City Clerk is 100% reimbursed per the funding agreement.

| City of Black Diamond 2015 Budget | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|---|--|
| City Clerk (137) | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
| Wages ¹ | 36,275 | 62,160 | 140,278 | 140,270 | 125,921 | -14,357 | -10% |
| Benefits ² | 19,248 | 30,008 | 64,177 | 63,176 | 66,830 | 2,653 | 4% |
| Wage & Benefit Subtotal | 55,523 | 92,168 | 204,455 | 203,445 | 192,751 | -11,704 | -6% |
| Supplies | 250 | 28 | 250 | 70 | 200 | -50 | -20% |
| Services ³ | 25,605 | 24,708 | 24,044 | 16,603 | 27,358 | 3,314 | 14% |
| City Clerk Total | 81,378 | 116,904 | 228,749 | 220,119 | 220,309 | -8,440 | -4% |
| ¹ Wage reduction due to increased furlough days (2 to 10) and \$10,000 MDRT Allocation. Clerk/Human Resource Manager position is 100% reimbursed by the Funding Agreement. | | | | | | | |
| ² Benefit increase from Medical premium and Department of Retirement contribution increases. | | | | | | | |
| ³ Services includes \$15,000 election costs, \$4,000 code updates, advertising, \$1,200 passport postage and \$2,910 membership and training. | | | | | | | |

Finance

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

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

This department has a Finance Director, Deputy Finance Director and Accounts Receivable Clerk. The Finance Director and Deputy Finance Director salaries and benefits are reimbursed for 2.65 months by the Funding Agreement. The AP Clerk is allocated 45% to the General Fund, 4 % to Street and 8% each to Water, Sewer and Stormwater Funds.

| City of Black Diamond | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|---|--|
| 2015 Budget | | | | | | | |
| Finance (140) | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
| Wages ¹ | 198,817 | 198,798 | 219,193 | 216,760 | 124,274 | -94,919 | -43% |
| Benefits ² | 42,965 | 33,155 | 37,252 | 36,560 | 28,798 | -8,454 | -23% |
| Wage & Benefit Subtotal | 241,782 | 231,953 | 256,445 | 253,321 | 153,072 | -103,373 | -40% |
| Supplies ³ | 400 | 213 | 300 | 272 | 300 | 0 | 0% |
| Services ⁴ | 16,155 | 11,714 | 15,146 | 14,559 | 20,105 | 4,959 | 33% |
| Finance Total | 258,337 | 243,879 | 271,891 | 268,152 | 173,477 | -98,414 | -36% |
| ¹ Wage reduction due to increased furlough days from 2 - 10 and \$10,000 allocation to MDRT. Also includes allocation of a percent of Finance to Water, Sewer, and Stormwater to cover utility fund costs of budgeting, CIP, Annual Reporting, Payroll, Accounts Payable and monthly reporting. Finance positions reimbursable in Funding Agreement through 3/19/2015. | | | | | | | |
| ² Benefits related to salaries. | | | | | | | |
| ³ Office Supplies. | | | | | | | |
| ⁴ Includes \$10,590 audit costs (every other year), advertising, insurance advertising, tax service and training. | | | | | | | |

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. In the 2014 budget Council eliminated the Information Technology position and outsourced the technology services to the City of Auburn and Vision Technology & Accounting Services. 2015 technology costs are reimbursed for 2.65 months by funding agreement.

| City of Black Diamond 2015 Budget | | | | | | | |
|---|----------------|----------------|---------------|---------------|---------------|-------------------|-------------------|
| Information Services (145) | Budget | Actual | Budget | Actual | Budget | Budget | Budget |
| | 2013 | 2013 | 2014 | 2014 | 2015 | Increase/ | Increase/ |
| | | | | | | (Decrease) | (Decrease) |
| | | | | | | \$ | % |
| Wages | 101,025 | 104,556 | 0 | 0 | 0 | 0 | NoBudget |
| Benefits | 34,790 | 33,561 | 0 | -99 | 0 | 0 | NoBudget |
| Wage & Benefit Subtotal | 135,815 | 138,117 | 0 | -99 | 0 | 0 | NoBudget |
| Supplies | 300 | 291 | 50 | 39 | 200 | 150 | 300% |
| Services ¹ | 7,994 | 5,046 | 87,470 | 45,718 | 49,500 | -37,970 | -43% |
| Finance Total | 144,109 | 143,454 | 87,520 | 45,659 | 49,700 | -37,820 | -43% |
| ¹ Reductions resulting from lower IT Info-Tech services costs from the City of Auburn and Vision Software. Technology services reimbursed through the Funding Agreement through 3-19-2014. | | | | | | | |

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 reimbursed for 2.65 months by the Funding Agreement.

| City of Black Diamond 2015 Budget | | | | | | | |
|--|----------------|---------------|---------------|---------------|---------------|-------------------|-------------------|
| Facilities (181) | Budget | Actual | Budget | Actual | Budget | Budget | Budget |
| | 2013 | 2013 | 2014 | 2014 | 2015 | Increase/ | Increase/ |
| | | | | | | (Decrease) | (Decrease) |
| | | | | | | \$ | % |
| Wages ¹ | 69,236 | 69,221 | 56,373 | 58,856 | 54,205 | -2,168 | -4% |
| Benefits ² | 25,483 | 24,592 | 24,046 | 23,732 | 21,322 | -2,724 | -11% |
| Wage & Benefit Subtotal | 94,719 | 93,812 | 80,419 | 82,588 | 75,527 | -4,892 | -6% |
| Supplies ³ | 3,100 | 1,105 | 3,000 | 1,432 | 1,780 | -1,220 | -41% |
| Services ⁴ | 4,284 | 3,321 | 6,475 | 5,760 | 5,015 | -1,460 | -23% |
| Finance Total | 102,103 | 98,239 | 89,894 | 89,780 | 82,322 | -7,572 | -8% |
| ¹ Reduction from furlough increase from 2 - 10 days, facilities salary & benefits are funded through the Funding Agreement through 3-19-2015. | | | | | | | |
| ² Benefit increase from Medical premium and Department of Retirement contribution increases. | | | | | | | |
| ³ Building supplies, fuel, uniforms and small tools. The 2015 budget is reduced due to budget cuts. | | | | | | | |
| ⁴ Vehicle maintenance costs, telephone, insurance and training. 2015 increase for insurance increase. | | | | | | | |

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.

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 2015 Budget | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|---|--|
| Legal (150) | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
| Legal Services-All ¹ | 62,750 | 64,496 | 227,950 | 232,857 | 75,400 | -152,550 | -202% |
| Declaratory Judgement & Capital | 0 | 0 | 0 | 0 | 0 | 0 | NoBudget |
| Facilities | 0 | 2,068 | 0 | 0 | 0 | 0 | NoBudget |
| Legal Total | 62,750 | 66,564 | 227,950 | 232,857 | 75,400 | -152,550 | -202% |
| The General Fund portion of Legal Services are a percentage of Legal Services, the balance of Legal Service costs are, as in the past, charged to the Street, Water, Sewer or Stormwater Funds. The 2015 Budget is proposed at a 19% increase over 2014 level. The 2015 Budget includes \$50,000 for General Services, \$17,400 for Union and employment services, \$4,000 for public disclosure and \$4,000 for miscellaneous services. The decrease from 2014 Budget is a result of not rebudgeting the 2014 investigation and high level of negotiating for the Police and Teamsters contracts. | | | | | | | |



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 Friday from 8:30 a.m. to 5:00 p.m.

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

| City of Black Diamond 2015 Budget | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|---|--|
| Municipal Court (120) | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
| Wages ¹ | 61,783 | 61,223 | 72,039 | 72,532 | 82,810 | 10,771 | 15% |
| Benefits ² | 19,058 | 18,946 | 21,442 | 21,100 | 24,053 | 2,611 | 12% |
| Total Wage & Benefits | 80,841 | 80,169 | 93,481 | 93,632 | 106,863 | 13,382 | 14% |
| Supplies ³ | 1,600 | 1,579 | 1,470 | 1,525 | 1,600 | 130 | 9% |
| Services ⁴ | 42,881 | 40,161 | 42,448 | 37,659 | 41,745 | -703 | -2% |
| Police Security Overtime ⁵ | 6,806 | 7,943 | 10,000 | 7,128 | 10,000 | 0 | 0% |
| Total Municipal Court | 132,128 | 129,851 | 147,399 | 139,944 | 160,208 | 12,809 | 9% |
| ¹ Wages includes increase from 85% to 100% less reduction due to furlough days increase from 2 - 10 days. Court Revenue covers increased cost. | | | | | | | |
| ² Benefit increase from Medical premium and Department of Retirement contribution increases. | | | | | | | |
| ³ Operating Supplies. | | | | | | | |
| ⁴ Includes \$24,000 for judge, \$2,000 Court Interpreter, printing forms, postage, advertising, insurance & training. | | | | | | | |
| ⁵ Police Security Overtime. | | | | | | | |

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

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 2014. The police department also has a full time records manager and a part-time records clerk.

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

2015 Budget Development

| Police Department (210) | Budget | Actual | Budget | Actual | Budget | Budget Increase/ (Decrease) | Budget Increase/ (Decrease) |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|-----------------------------|-----------------------------|
| | 2013 | 2013 | 2014 | 2014 | 2015 | \$ | % |
| Operations | | | | | | | |
| Wages ¹ | 907,840 | 885,077 | 926,520 | 954,202 | 922,176 | -4,344 | 0% |
| Benefits ² | 338,129 | 315,062 | 353,619 | 332,946 | 343,930 | -9,689 | -3% |
| Wage & Benefits Subtotal | 1,245,969 | 1,200,139 | 1,280,139 | 1,287,148 | 1,266,106 | -14,033 | -1% |
| Supplies ³ | 57,650 | 46,687 | 51,100 | 50,726 | 47,500 | -3,600 | -7% |
| Services | 88,690 | 61,857 | 80,863 | 79,165 | 76,470 | -4,393 | -5% |
| Operating Total | 1,392,309 | 1,308,683 | 1,412,102 | 1,417,039 | 1,390,076 | -22,026 | -2% |
| Police Safety Equipment | | | | | | | |
| Police Safety Equipment | 1,000 | 998 | 1,000 | 17 | 9,000 | 8,000 | 800% |
| Jail Expenses | | | | | | | |
| Jail Costs | 29,300 | 48,565 | 33,800 | 39,324 | 33,800 | 0 | 0% |
| Police Facilities | | | | | | | |
| Police Bldg Mtc Sup | 23,298 | 21,616 | 22,880 | 22,588 | 22,990 | 110 | 0% |
| Civil Service | | | | | | | |
| Civil Service Test Supplies | 2,550 | 3,776 | 2,950 | 1,129 | 1,900 | -1,050 | -36% |
| Communication | | | | | | | |
| Communication 4 | 122,100 | 135,283 | 123,100 | 134,570 | 144,000 | 20,900 | 17% |
| Marine Policing | | | | | | | |
| Marine Staff Reimbursement | 36,000 | 14,951 | 17,800 | 19,540 | 13,750 | -4,050 | -23% |
| Criminal Justice | | | | | | | |
| CJ Education Supplies 6 | 23,850 | 19,691 | 28,450 | 18,584 | 24,300 | -4,150 | -15% |
| Police Department Total | 1,630,407 | 1,553,562 | 1,642,082 | 1,652,792 | 1,639,816 | -2,266 | 0% |

¹Wage reduction due to Support Staff furlough day expansion from 2 to 10.

²Benefits reduction a result of lower estimated unfilled 2014 position medical costs and actual known personnel in the 2015 Budget.

³Police uniforms, fuel, firearms. Reductions due to 2015 budget cuts.

⁴Communication cost increase a result of higher ValleyCom Dispatch rates and growth in dispatcher.

⁵Reductions in Marine Overtime & Training costs.

⁶Spillman maintenance costs \$11,800, proficiency training \$7,500, lexipole \$3,000 and miscellaneous.Reductions due to cuts and elimination of Tiberon system maintenance.

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 2015 budget recognizes the cost of services agreed to in the 2008 Interlocal Agreement between the City and Fire District.

| City of Black Diamond - City Clerk | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|---|--|
| 2015 Budget | | | | | | | |
| Fire (530) | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
| Fire Dist 44 Prof Svcs ¹ | 455,569 | 442,300 | 469,236 | 449,912 | 478,621 | 9,385 | 2% |
| PR Svcs KC Fire Investigation ² | 1,503 | 3,620 | 2,800 | 1,715 | 2,000 | -800 | -29% |
| Other Operating Costs ³ | 1,657 | 2,344 | 2,675 | 2,869 | 2,905 | 230 | 9% |
| Fire Total | 458,729 | 448,264 | 474,711 | 454,496 | 483,526 | 8,815 | 2% |
| ¹ Fire District contract 2% increase due to CPI. | | | | | | | |
| ² King County Fire Investigation. | | | | | | | |
| ³ King County Property tax \$1200, City utilities at old Station 99. | | | | | | | |

Animal Control

Expenditures represent the payment to King County for providing animal control services.

| City of Black Diamond | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|---|--|
| 2015 Budget | | | | | | | |
| Animal Control (182) | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
| Animal Control Prof Svcs | 8,368 | 8,659 | 9,293 | 9,293 | 10,000 | 707 | 8% |
| Animal Control Total | 8,368 | 8,659 | 9,293 | 9,293 | 10,000 | 707 | 8% |
| Increase cost represents possible King County pass through cost increase. | | | | | | | |

Emergency Management expenditures go toward the purchase emergency supplies.

| Emergency Management (191) | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget Request 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
|--|----------------|----------------|----------------|----------------|---------------------------|---|--|
| Supplies ¹ | 0 | 0 | 0 | 184 | 1,000 | 1,000 | 100% |
| EMS MGMT Repeater | 2,500 | 2,884 | 0 | 0 | 0 | 0 | NoBudget |
| Training ² | 2,500 | 830 | 2,500 | 0 | 1,500 | -1,000 | -40% |
| Emergency Management Total | 5,000 | 3,714 | 2,500 | 184 | 2,500 | 0 | 0% |
| ¹ Supplies are for emergency management supplies. | | | | | | | |
| ² Training reduction for 2015 due to budget cuts. | | | | | | | |

Community Development/Natural Resources 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 one half a position as Director Community Development/Natural Resources and a part-time Permit Technician. The Senior Planner position is funded for 2.65 months. 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 reimbursed for 2.65 months 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 2015 Budget | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|---|--|
| Community Development (240) | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
| Planning | 7,408 | 8,744 | 82,316 | 91,177 | 79,082 | (3,234) | -4% |
| Permitting | 128,857 | 156,880 | 114,864 | 121,286 | 122,992 | 8,128 | 7% |
| Code Enforcement | 773 | 2,518 | - | - | - | - | #DIV/0! |
| Hearing Examiner | 13,100 | 2,791 | 30,000 | 709 | 10,000 | (20,000) | -67% |
| Community Development Total | 150,138 | 170,934 | 227,180 | 213,172 | 212,074 | (15,106) | -7% |
| Planning | | | | | | | |
| Wages ¹ | - | - | 18,207 | 18,207 | 35,285 | 17,078 | 48% |
| Benfits ² | - | - | 7,909 | 7,937 | 16,124 | 8,215 | 51% |
| Wage & Benefits Subtotal | - | - | 26,116 | 26,145 | 51,409 | 25,293 | 49% |
| Supplies | 300 | 185 | - | 809 | - | - | NoBudget |
| Services | 7,108 | 8,560 | 56,200 | 64,224 | 27,671 | (28,529) | -103% |
| Planning Total | 7,408 | 8,744 | 82,316 | 91,177 | 79,080 | (3,236) | -4% |
| Permitting | | | | | | | |
| Wages | 79,430 | 79,475 | 46,363 | 46,824 | 50,166 | 3,803 | 8% |
| Benfits | 21,737 | 22,474 | 10,534 | 9,974 | 13,845 | 3,311 | 24% |
| Wage & Benefits Subtotal | 101,167 | 101,949 | 56,897 | 56,798 | 64,011 | 7,114 | 11% |
| Supplies | 2,050 | 2,079 | 1,700 | 1,341 | 1,250 | (450) | -36% |
| Services ³ | 25,640 | 52,852 | 56,267 | 63,147 | 57,731 | 1,464 | 3% |
| Permitting Total | 128,857 | 156,880 | 114,864 | 121,286 | 122,992 | 8,128 | 7% |
| Code Enforcement | | | | | | | |
| Wages | - | - | - | - | - | - | NoBudget |
| Benfits | - | - | - | - | - | - | NoBudget |
| Wage & Benefits Subtotal | - | - | - | - | - | - | NoBudget |
| Supplies | 50 | 15 | - | - | - | - | NoBudget |
| Services | 723 | 2,503 | - | - | - | - | NoBudget |
| Code Enforcement Total | 773 | 2,518 | - | - | - | - | NoBudget |
| Hearing Examiner | | | | | | | |
| Prof Serv-Hearing Examiner | 13,100 | 2,791 | 30,000 | 709 | 10,000 | (20,000) | -67% |
| ¹ Community Development includes 50% Community Development/Natural Resources Director and 60% Part-Time Permit Technician. Funding agreement reimburses both through 3-19-2015. The Community Development/Natural Resources Director savings from furlough from 2 - 5 days. | | | | | | | |
| ² Benefit increase from Medical premium and Department of Retirement contribution increases. | | | | | | | |
| ³ Permitting includes \$44,000 for ILA with the City of Covington for plan checking and permitting. Also includes \$9,000 permit software maintenance, merchant card fees, insurance and training. | | | | | | | |

City of Black Diamond

2015 Budget

| Natural Resources (230) | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
|---|----------------|----------------|----------------|----------------|----------------|---|--|
| Wages ¹ | 102,719 | 102,971 | 52,832 | 56,000 | 0 | -52,832 | NoBudget |
| Benefits ¹ | 44,735 | 44,007 | 22,589 | 18,748 | 0 | -22,589 | NoBudget |
| Total Wage & Benefits | 147,454 | 146,978 | 75,421 | 74,748 | 0 | -75,421 | NoBudget |
| Supplies | 100 | 142 | 50 | 9 | 0 | -50 | NoBudget |
| Services ² | 6,103 | 5,889 | 3,771 | 3,886 | 2,300 | -1,471 | -64% |
| Recycle Grant ³ | 15,920 | 14,926 | 15,000 | 14,944 | 15,000 | 0 | 0% |
| Total | 169,577 | 167,936 | 94,242 | 93,588 | 17,300 | -76,942 | -82% |
| ¹ Natural Resources Director position remains vacant for 2015. | | | | | | | |
| ² Puget Sound Clean Air Assessment \$2,300. | | | | | | | |
| ³ Recycle Cost \$15,000 are reimbursed by Grants. | | | | | | | |



Lake Sawyer Regional Park

Master Development Review Team

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

The Master Development Team also works closely with Consultants hired to assist with Financial Analysis, Civil and Traffic Engineering, Environmental, Surveying and Geotechnical services. Their services are used to provide consulting and review of the Master Plan Developments according to the Development Agreements.

| City of Black Diamond 2015 Budget | | | | | | | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|---|--|
| MDRT (246) | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
| Wages ¹ | 284,891 | 276,799 | 307,941 | 224,141 | 361,639 | 53,698 | 17% |
| Benefits ² | 97,409 | 97,298 | 128,682 | 89,548 | 175,038 | 46,356 | 36% |
| Total Wage & Benefits | 382,300 | 374,097 | 436,623 | 313,689 | 536,677 | 100,054 | 23% |
| Supplies ³ | 2,400 | 3,496 | 4,400 | 2,943 | 5,000 | 600 | 14% |
| Services ⁴ | 26,050 | 16,841 | 101,890 | 66,867 | 57,500 | -44,390 | -44% |
| FF&E Allocation ⁵ | 57,857 | 56,027 | 61,129 | 59,432 | 65,204 | 4,075 | 7% |
| Capital ⁶ | 45,000 | 765 | 30,000 | 0 | 50,000 | 20,000 | 67% |
| Total | 513,607 | 451,226 | 634,042 | 442,931 | 714,381 | 80,339 | 13% |
| ¹ Includes removal of all furlough days for MDRT team, upgrade to Level 4 Utilities Construction Supervisor wage \$19,936 and increase for Senior Planner to 75% for full year, 2014 Budget only included July - December. | | | | | | | |
| ² Benefits related to above changes, plus increase in medical costs due to 5% rate increase and for employees with full family coverages. | | | | | | | |
| ³ Office and operating supplies, fuel. | | | | | | | |
| ⁴ MDRT allocation of \$10,000 each for City Clerk/HR, Finance Director and Public Works Director. Postage and advertising of \$15,000, vehicle repairs and maintenance \$1,000, vehicle and City liability insurance \$12,000, training related costs of \$7,500.00 | | | | | | | |
| ⁵ FF&E allocation increase due to .25% employee addition. | | | | | | | |
| ⁶ Vehicle cost increased from \$30,000 to \$50,000. | | | | | | | |

City of Black Diamond

2015 Budget

MDRT Consultants (257)

| | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
|--|----------------|----------------|----------------|----------------|----------------|---|--|
| Legal Services | 60,000 | 12,214 | 60,000 | 26,289 | 50,000 | -10,000 | -17% |
| Fiscal Analysis-Henderson & Young | 50,000 | 31,283 | 60,000 | 25,757 | 10,000 | -50,000 | -83% |
| Civil Engineering-RH2 | 200,000 | 184,930 | 200,000 | 278,325 | 250,000 | 50,000 | 25% |
| Traffic Engineering-Parametrix | 55,000 | 3,808 | 50,000 | 13,943 | 30,000 | -20,000 | -40% |
| Environmental Consulting-Perteet | 30,000 | 11,365 | 55,000 | 19,168 | 30,000 | -25,000 | -45% |
| Geotech-HWA Geosources | 30,000 | 0 | 30,000 | 6,331 | 50,000 | 20,000 | 67% |
| Surveyor Parametrix | 50,000 | 1,620 | 30,000 | 1,051 | 20,000 | -10,000 | -33% |
| CH2M Hill Engineering | 0 | 0 | 0 | 53,530 | 0 | 0 | NoBudget |
| Hearing Examiner | 0 | 0 | 0 | 2,210 | 30,000 | 30,000 | |
| MDRT Consultant Cost | 475,000 | 245,219 | 485,000 | 426,603 | 470,000 | -5,000 | -1% |
| All MDRT consultant costs are 100% reimbursed under Funding Agreement. | | | | | | | |

City of Black Diamond

2015 Budget

Funding Agreement
SEPA (255)

| | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
|---|----------------|----------------|----------------|----------------|----------------|---|--|
| Funding Agreement SEPA Costs | 59,000 | 41,452 | 84,000 | 4,938 | 10,000 | -74,000 | -88% |
| Capital Facilities District | 25,000 | 3,059 | 0 | 0 | 0 | 0 | NoBudget |
| General Facilities Costs-Makers ¹ | 200,000 | 106,705 | 100,000 | 55,168 | 0 | -100,000 | NoBudget |
| Deposit Refunds | 0 | 0 | 0 | 5,000 | 0 | 0 | NoBudget |
| Funding Agreement SEPA Total | 284,000 | 151,217 | 184,000 | 65,105 | 10,000 | -174,000 | -95% |
| ¹ Reduction due to completion of projects. | | | | | | | |

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 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%. Parking fees were increased in 2013 to help cover costs.

| City of Black Diamond 2015 Budget | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|---|--|
| Parks (270) | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
| Wages ¹ | 14,901 | 11,397 | 15,049 | 14,606 | 15,940 | 891 | 6% |
| Benefits ² | 5,919 | 4,873 | 6,054 | 5,134 | 6,259 | 205 | 3% |
| Total Wage & Benefits | 20,820 | 16,270 | 21,103 | 19,740 | 22,199 | 1,096 | 5% |
| Supplies ³ | 5,378 | 6,641 | 7,829 | 5,985 | 7,653 | -176 | -2% |
| Services ⁴ | 20,741 | 23,484 | 27,293 | 24,568 | 27,513 | 220 | 1% |
| Total | 46,939 | 46,394 | 56,225 | 50,293 | 57,365 | 1,140 | 2% |
| ¹ Wage & Benefits increase resulting from increased summer help hours budgeted to 4 months. | | | | | | | |
| ² Related to wages. | | | | | | | |
| ³ Community event supplies reduced \$200 due to budget cuts. Parks supplies, fuel, uniforms and tools. | | | | | | | |
| ⁴ Portable restrooms \$3,265, Lake Sawyer Pay Station \$3,200, balance utilities, waste disposal, Parks share of vehicle maintenance and shop costs, insurance, training and miscellaneous. | | | | | | | |



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 @ 2%.

| City of Black Diamond | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|---|--|
| 2015 Budget | | | | | | | |
| Cemetery (280) | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
| Wages ¹ | 8,410 | 9,265 | 7,464 | 9,913 | 7,541 | 77 | 1% |
| Benefits ¹ | 3,983 | 4,195 | 3,633 | 4,266 | 3,774 | 141 | 4% |
| Total Wage & Benefits | 12,393 | 13,460 | 11,097 | 14,179 | 11,315 | 218 | 2% |
| Supplies ² | 1,270 | 1,190 | 3,720 | 1,819 | 1,822 | -1,898 | -51% |
| Services ³ | 1,294 | 935 | 1,611 | 1,497 | 1,948 | 337 | 21% |
| Taxes/Transfers/Other ⁴ | 400 | 183 | 300 | 183 | 200 | -100 | -33% |
| Total | 15,357 | 15,768 | 16,728 | 17,680 | 15,285 | -1,443 | -9% |
| ¹ Wage & Benefit Increase due to increased Summer Help hours and Retirement system contribution increase. | | | | | | | |
| ² Vaults-liners \$750 are billed and reimbursed, fuel, tools, uniforms, supplies. | | | | | | | |
| ³ Utilities, waste disposal, Cemetery share vehicle and shop costs, insurance, training and miscellaneous. | | | | | | | |
| ⁴ Cemetery excise tax. | | | | | | | |

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

| Central Services (180) | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
|-----------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---|--|
| Supplies ¹ | 5,476 | 4,597 | 8,500 | 7,017 | 9,000 | 500 | 6% |
| Services ² | 30,184 | 21,537 | 25,126 | 23,251 | 20,035 | -5,091 | -20% |
| KC Mental Health | 1,300 | 939 | 1,500 | 845 | 1,500 | 0 | 0% |
| Central Services Total | 36,960 | 27,073 | 35,126 | 31,113 | 30,535 | -4,591 | -13% |

¹Central Services costs for supplies includes copy machine paper, envelopes and other general office and building supplies that benefit all departments. Reduction due to trend and cost cutting.

²Services includes printing of receipts, vouchers, checks and other forms, shredding service, merchant card fees, bank fees, advertising, postage for mailing voucher checks, W2's and other City mail, postage machine rental and ink, a portion of vision software maintenance, pool car maintenance and gas and insurance, council retreat and employee recognition as well as PS Regional Council membership, Sound Cities membership, MRSC Small works roster, AWC membership and other miscellaneous costs. 2015 decrease includes reduction of Council retreat training budget from \$3,000 to \$500 and elimination of \$500 employee recognition event.

City of Black Diamond

2015 Budget

| Economic Development (245) | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|---|--|
| Wages | 0 | 0 | 0 | 0 | 0 | 0 | NoBudget |
| Benefits | 0 | 84 | 300 | 9 | 300 | 0 | 0% |
| Total Wage & Benefits | 0 | 84 | 300 | 9 | 300 | 0 | 0% |
| Supplies | 500 | 0 | 200 | 0 | 200 | 0 | 0% |
| Services ¹ | 550 | 1,000 | 1,050 | 999 | 1,000 | -50 | -5% |
| Total | 1,050 | 1,084 | 1,550 | 1,008 | 1,500 | -50 | -3% |

¹Service costs are for the Maple Valley/Black Diamond Chamber of Commerce brochure advertising.

Capital Facilities Department

The Capital Facilities Department provides for City Hall, Public Works land and building leases, and the associated utility and building costs. These costs are provided through the Funding Agreement for 2.65 months plus the annual amount for the City Clerk/Human Resources Position.

| City of Black Diamond 2015 Budget | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|---|--|
| General Government Facilities (254) | Budget 2013 | Actual 2013 | Budget 2014 | Actual 2014 | Budget 2015 | Budget Increase/ (Decrease) \$ | Budget Increase/ (Decrease) % |
| Supplies | 4,333 | 0 | 1,031 | 726 | 1,000 | -31 | -3% |
| Services ¹ | 113,810 | 108,274 | 106,291 | 104,920 | 70,836 | -35,455 | -33% |
| Capital Outlay | 4,000 | 3,948 | 5,000 | 4,727 | 3,400 | -1,600 | -32% |
| Central Services Total | 122,143 | 112,222 | 112,322 | 110,373 | 75,236 | -37,086 | -33% |
| ¹ Service cost reductions related to City Hall core employees moving into modules by 3-31-2015. Savings on City Hall lease, utilities and custodial costs. | | | | | | | |

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.

2015 Budget-Street Fund

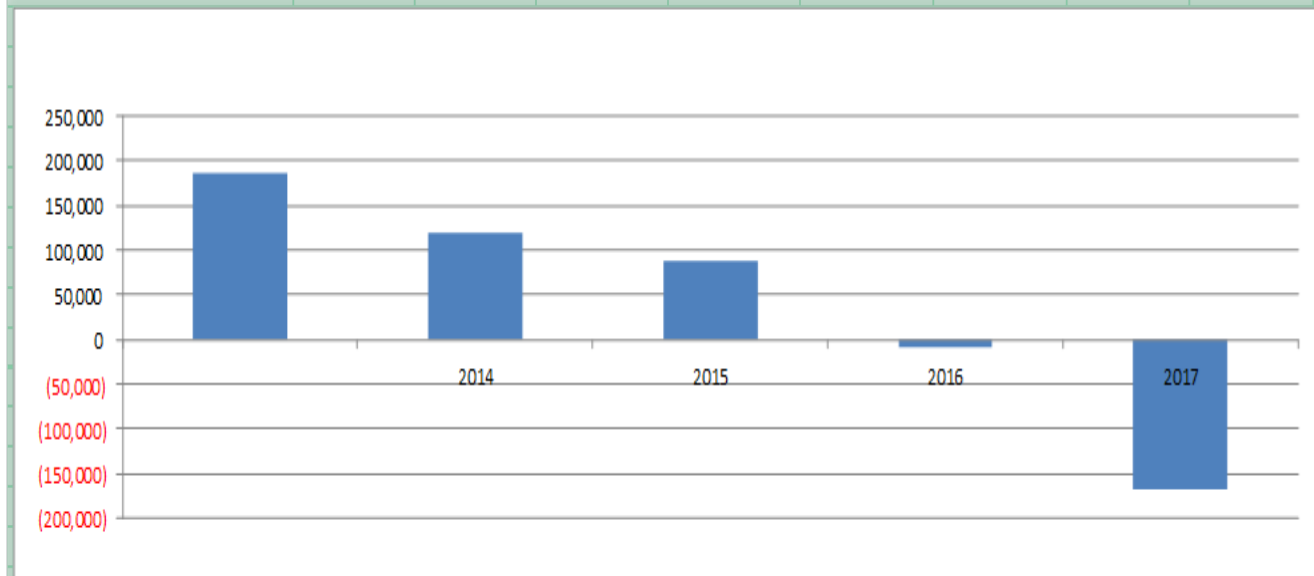
| STREET FUND REVENUE | 2013 Actual | 2014 Budget | 2014 Actual | 2015 Budget | 2015 - 2014 NET CHANGE \$ | 2015 - 2014 NET CHANGE % |
|---|----------------|----------------|----------------|----------------|---------------------------------|--------------------------------|
| Street Gas Tax | 86,206 | 85,700 | 86,017 | 84,600 | (1,100) | -1.3% |
| Transfer In-REET II | | 50,000 | 50,000 | 50,000 | 0 | 0.0% |
| Street/Sidewalk cut/Curb variance | 300 | 1,000 | 0 | 0 | (1,000) | -100.0% |
| Street Civil Inspection Fees | 7,016 | 0 | 1,067 | 0 | 0 | |
| Right of way permit | 2,784 | 3,600 | 8,416 | 5,200 | 1,600 | 44.4% |
| Grant Reim. Proj mgmt | | | | | 0 | |
| Charges for service/Misc | 1,017 | 600 | 1,345 | 550 | (50) | -8.3% |
| Operating Revenue | 97,322 | 140,900 | 146,845 | 140,350 | (550) | -0.4% |
| YarrowBay-Sal & Ben Reimb | 36,697 | 18,655 | 18,660 | 19,774 | 1,119 | 6.0% |
| Investment Interest | 351 | 600 | 150 | 100 | (500) | -83.3% |
| Total Other Revenue | 37,048 | 19,255 | 18,810 | 19,874 | 619 | 3.2% |
| Total All Revenue | 134,370 | 160,155 | 165,655 | 160,224 | 69 | 0.0% |
| Beginning Cash & Invest. Balance -Unreserved | 262,584 | 186,952 | 186,952 | 142,222 | (44,730) | -23.9% |
| Total Sources | 396,955 | 347,107 | 352,607 | 302,446 | (44,661) | -12.9% |
| STREET FUND EXPENDITURES | | | | | | |
| Total Salaries & Benefits | 121,918 | 124,028 | 114,764 | 123,554 | (474) | -0.4% |
| Total Supplies | 7,946 | 10,571 | 6,101 | 9,900 | (671) | -6.3% |
| Total Services & Charges | 70,139 | 83,441 | 70,216 | 71,327 | (12,114) | -14.5% |
| Total Operating Expenses | 200,003 | 218,040 | 191,081 | 204,781 | (13,259) | -6.1% |
| Transfer out-CIP Street Preservation | | | | | 0 | |
| Transfer back from RR Ave Project | | | | | 0 | |
| Transfer to 310 Fund | | | | | 0 | |
| Transfer for Equipment-CIP | 10,000 | 10,000 | 10,000 | 10,000 | 0 | 0.0% |
| Transfer out Abrams | | | | | 0 | |
| Total Other Expenditures | 10,000 | 10,000 | 10,000 | 10,000 | 0 | 0.0% |
| Total All Expenditures | 210,003 | 228,040 | 201,081 | 214,781 | (13,259) | -5.8% |
| Total Ending Cash & Investments | 186,952 | 119,067 | 151,526 | 87,665 | (31,402) | -26.4% |
| Total Uses | 396,955 | 347,107 | 352,607 | 302,446 | (44,661) | -12.9% |

City of Black Diamond, Washington
Street Fund Six Year Forecast

draft 10/30/2014

MODEL A

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|
| General Fund Revenue | Actual Act | Budget | Budget | Budget | Budget | Budget | Budget | Budget | |
| Gas Tax (31.60 per capita) | 86,206 | 85,700 | 84,600 | 85,446 | 86,300 | 86,300 | 87,163 | 88,035 | 1% |
| Right of Way Permits | 2,784 | 3,600 | 5,200 | 5,304 | 5,410 | 5,518 | 5,629 | 5,741 | 2% |
| Other Revenue | 8,684 | 2,200 | 650 | 663 | 676 | 690 | 704 | 718 | 2% |
| Fund Agreement | 36,697 | 18,655 | 19,774 | | | | | | |
| Transfer In-REET II ** | | 50,000 | 50,000 | 50,000 | | | | | |
| Total Operating Revenue | 134,371 | 160,155 | 160,224 | 141,413 | 92,387 | 92,509 | 93,496 | 94,494 | 0 |
| Street Fund Expenditures | | | | | | | | | |
| Salaries | 96,080 | 101,736 | 116,112 | 118,434 | 120,803 | 120,803 | 123,219 | 125,683 | 2% |
| Benefits | 40,584 | 42,292 | 46,772 | 49,111 | 51,566 | 54,144 | 56,852 | 59,694 | 5% |
| Grant/Proj Adm -alloc | (14,746) | (20,000) | (39,330) | (25,000) | (20,000) | (21,000) | (22,050) | (23,153) | 5% |
| Supplies | 7,946 | 10,571 | 9,900 | 10,395 | 10,915 | 11,460 | 12,034 | 12,635 | 5% |
| Street Lights | 31,426 | 31,000 | 31,000 | 32,550 | 34,178 | 35,886 | 37,681 | 39,565 | 5% |
| Other Services & Charges | 38,713 | 52,441 | 40,327 | 42,343 | 44,461 | 46,684 | 49,018 | 51,469 | 5% |
| Transfers to Cap Equip | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | |
| Total Operating Spending | 210,003 | 228,040 | 214,781 | 237,833 | 251,922 | 257,978 | 266,753 | 275,894 | |
| Change in Reserves | (75,632) | (67,885) | (54,557) | (96,420) | (159,535) | (165,469) | (173,257) | (181,400) | |
| Ending Reserves | 186,952 | 119,067 | 87,665 | (8,755) | (168,290) | (333,759) | (507,016) | (688,416) | |
| | 89.02% | 52.21% | 40.82% | -3.68% | -66.80% | -129.38% | -190.07% | -249.52% | |
| Policy Reserves-10% | 21,000 | 22,804 | 21,481 | 22,154 | 22,856 | 23,087 | 23,829 | 24,601 | |



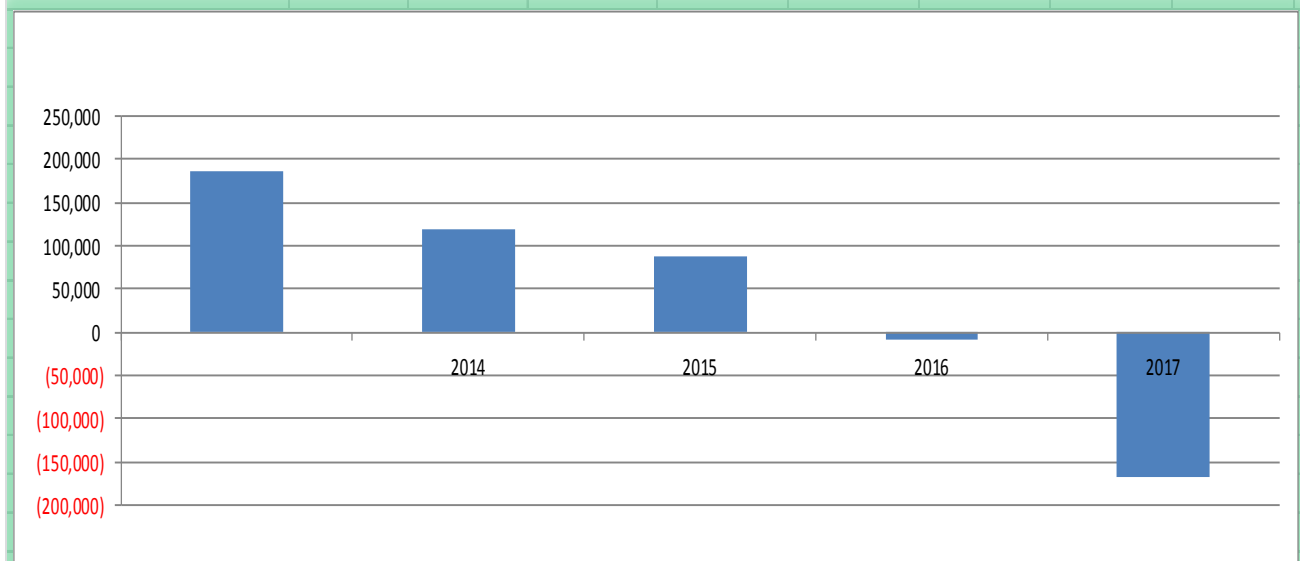
** REET II transfer for Capital Operating Costs legislation expires in 2016. Unknown if this will be re-authorized by State Legislators.

City of Black Diamond, Washington
Street Fund Six Year Forecast

draft 10/30/2014

MODEL B

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
|---------------------------------|------------|----------|----------|----------|----------|----------|----------|----------|----|
| General Fund Revenue | Actual Act | Budget | Budget | Budget | Budget | Budget | Budget | Budget | |
| Gas Tax (31.60 per capita) | 86,206 | 85,700 | 84,600 | 85,446 | 86,300 | 87,163 | 88,035 | 88,915 | 1% |
| Gas Tax Increase w growth | | | | | 3,160 | 6,446 | 13,150 | 26,826 | 1% |
| Right of Way Permits | 2,784 | 3,600 | 5,200 | 5,304 | 5,410 | 5,518 | 5,629 | 5,741 | 2% |
| Other Revenue | 8,684 | 2,200 | 650 | 663 | 676 | 690 | 704 | 718 | 2% |
| Fund Agreement | 36,697 | 18,655 | 19,774 | | | | | | |
| Transfer In-REET II ** | | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | |
| Add \$20 car tab-% for M&O | | | | 45,000 | 46,100 | 47,022 | 47,962 | 48,922 | 2% |
| New Revenue source ?? | | | | | 60,000 | 60,000 | 60,000 | 60,000 | |
| Total Operating Revenue | 134,371 | 160,155 | 160,224 | 186,413 | 251,647 | 256,840 | 265,480 | 281,122 | 0 |
| Street Fund Expenditures | | | | | | | | | |
| Salaries | 96,080 | 101,736 | 116,112 | 118,434 | 120,803 | 120,803 | 123,219 | 125,683 | 2% |
| Benefits | 40,584 | 42,292 | 46,772 | 49,111 | 51,566 | 51,566 | 54,144 | 56,852 | 5% |
| Grant/Proj Adm -alloc | (14,746) | (20,000) | (39,330) | (25,000) | (20,000) | (21,000) | (22,050) | (23,153) | 5% |
| Supplies | 7,946 | 10,571 | 9,900 | 10,395 | 10,915 | 11,460 | 12,034 | 12,635 | 5% |
| Street Lights | 31,426 | 31,000 | 31,000 | 32,550 | 34,178 | 35,886 | 37,681 | 39,565 | 5% |
| Other Services & Charges | 38,713 | 52,441 | 40,327 | 42,343 | 44,461 | 46,684 | 49,018 | 51,469 | 5% |
| Transfers to Cap Equip | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | |
| Total Operating Spending | 210,003 | 228,040 | 214,781 | 237,833 | 251,922 | 255,399 | 264,045 | 273,051 | |
| Change in Reserves | (75,632) | (67,885) | (54,557) | (51,420) | (275) | 1,440 | 1,434 | 8,071 | |
| Ending Reserves | 186,952 | 119,067 | 87,665 | 36,245 | 35,970 | 37,410 | 38,844 | 46,915 | |
| | 89.02% | 52.21% | 40.82% | 15.24% | 14.28% | 14.65% | 14.71% | 17.18% | |
| Policy Reserves-10% | 21,000 | 22,804 | 21,481 | 22,154 | 22,856 | 23,087 | 23,829 | 24,601 | |



** REET II transfer for Capital Operating Costs legislation expires in 2016. Assumes Legislature will re-authorize in 2016.

| 107 Fire Impact Fees | Actual 2013 | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|--|--------------------|--------------------|--------------------|--------------------|-------------------------------|------------------------|
| REVENUE | | | | | | |
| Fire Impact Fees | 10,366 | 15,000 | 18,616 | 10,000 | | |
| LGIP Investment Interest | | | | | | |
| Subtotal Fire Impact Fees Revenue | 10,366 | 15,000 | 18,616 | 10,000 | | |
| Beg Cash & Investments | | 10,366 | 10,366 | 5,000 | | |
| Total Fire Impact Fees Fund Sources | 10,366 | 25,366 | 28,982 | 15,000 | (10,366) | 100.0% |
| EXPENDITURES | | | | | | |
| Transfer to Fire Equipment Reserves | | 25,366 | 15,366 | 10,000 | | |
| Total Fire Impact Fees Expenditures | | 25,366 | 15,366 | 10,000 | | |
| Ending Cash & Investments | 10,366 | | 13,616 | 5,000 | 5,000 | |
| Total Fire Impact Fees Fund Uses | 10,366 | 25,366 | 28,982 | 15,000 | 15,000 | 100.0% |

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 Replacement | Actual 2013 | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|---|--------------------|--------------------|--------------------|--------------------|-------------------------------|------------------------|
| REVENUE | | | | | | |
| Transfer from Fire Impact Fees | | 25,366 | 15,366 | 10,000 | | |
| LGIP Investment Interest Fire Equipment | 28 | 99 | 11 | | | |
| Transfer in REET I | | 69,219 | 69,219 | | | |
| Sale of Fire Surplus Vehicles | 2,201 | | | 125,000 | | |
| Loan Proceeds | | | | 240,000 | | |
| Subtotal Revenue | 2,229 | 94,684 | 84,596 | 375,000 | | |
| Beg Cash & Invest Unreserved - Fire Equip | 1,378 | 3,506 | 3,507 | 73,950 | | |
| Total Fire Equipment Revenue | 3,607 | 98,190 | 88,103 | 448,950 | 350,760 | 357.2% |
| EXPENDITURES | | | | | | |
| Repairs & Maintenance - Surplusing | 100 | 500 | | | | |
| Replace Primary Engine | | | | 365,000 | | |
| Fire Equipment Repair | | 72,690 | 4,142 | 10,000 | | |
| Replace SCBA Bottles (Air Bottles) | | | | 20,000 | | |
| Future Fire Bldg/Equip | | 25,000 | | | | |
| Subtotal Fire Expenditures | 100 | 98,190 | 4,142 | 395,000 | | |
| Ending Cash & Investments - Fire | 3,507 | | 83,961 | 53,950 | | |
| Subtotal 510 Fire Equipment Uses | 3,607 | 98,190 | 88,103 | 448,950 | 350,760 | 357.2% |

| 510 -2 PW Equipment Replacement | Actual 2013 | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|--|--------------------|--------------------|--------------------|--------------------|-------------------------------|------------------------|
| REVENUE | | | | | | |
| LGIP Investment Interest City Equipment | 198 | 300 | 200 | 200 | (100) | -33.3% |
| Sale of PW Equip | 472 | | 5,600 | | | |
| Subtotal Interest & Other Revenue | 670 | 300 | 5,800 | 200 | (100) | |
| Transfer in from REET II (Parks & Cemetery) | | | | 7,000 | 7,000 | |
| Transfer in from Water Fund | 10,000 | 10,000 | 10,000 | 10,000 | | |
| Transfer in from Sewer Fund | 10,000 | 10,000 | 10,000 | 10,000 | | |
| Transfer in from Stormwater Fund | 10,000 | 10,000 | 10,000 | 10,000 | | |
| Transfer in from Street Fund | 10,000 | 10,000 | 10,000 | 10,000 | | |
| Subtotal 510 Fund Transfers | 40,000 | 40,000 | 40,000 | 47,000 | 7,000 | 17.5% |
| Subtotal 510 Fund Revenue | 40,670 | 40,300 | 45,800 | 47,200 | 6,900 | 17.1% |
| Beg Cash & Invest Unreserved - City Equip | 150,321 | 153,793 | 153,793 | 170,710 | | |
| Total 510 Fire Equip. Fund Sources | 190,991 | 194,093 | 199,593 | 217,910 | 23,817 | 12.3% |
| EXPENDITURES | | | | | | |
| Grader Engine Repair | | 10,000 | 5,311 | | | |
| Grass mower Deck or Attachment | | 13,793 | 10,537 | 15,000 | | |
| Shop Generator | 3,531 | | | | | |
| Utility Truck Purchase | 32,707 | | | | | |
| Ford 2000 4 wheel drive | | | | 45,000 | | |
| Pw Utility Trailer | | | | | | |
| Radios for Utilities | 837 | 5,000 | | | | |
| Surplus Costs | 123 | | 244 | | | |
| Subtotal City Equipment Expenditures | 37,198 | 28,793 | 16,092 | 60,000 | | |
| Ending Cash & Investments - City | 153,793 | 165,300 | 183,501 | 157,910 | | |
| Total 510 City Equip. Fund Sources | 190,991 | 194,093 | 199,593 | 217,910 | 23,817 | 12.3% |

| 510 -3 Police Vehicle Replacement | Actual 2013 | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|--|--------------------|--------------------|--------------------|--------------------|-------------------------------|------------------------|
| REVENUE | | | | | | |
| LGIP Interest Income | 8 | | 11 | | | |
| Transfer in REET I | 10,000 | 20,000 | 20,000 | | | |
| Vehicle Conversion Grant | | | 1,000 | | | |
| Police Sale of Surplus Equipment | 1,641 | 6,900 | 1,275 | | | |
| Subtotal Police Vehicle Revenue | 11,649 | 26,900 | 22,286 | | | |
| Beginning Cash & Investments | 11,051 | 21,993 | 21,993 | 27,347 | | |
| Total Police Equipment Revenue | 22,700 | 48,893 | 44,279 | 27,347 | (21,546) | 100% |
| EXPENDITURES | | | | | | |
| Police Vehicles Conversion Costs | | 10,893 | 10,061 | | | |
| Replace Police Radios | | 37,500 | 5,871 | 9,300 | | |
| Surplus Costs Police | 707 | 500 | 50 | 500 | | |
| Subtotal Police Vehicle Expenditure | 707 | 48,893 | 15,983 | 9,800 | | |
| Ending Cash & Investments - City | 21,993 | | 28,296 | 17,547 | | |
| Total Police Vehicle Expenditures | 22,700 | 48,893 | 44,279 | 27,347 | (21,546) | 100% |

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.

| 2015 BUDGET- Water Operating Fund | | | | | | |
|--|------------------------|------------------------|------------------------|------------------------|--|---------------------------------------|
| WATER FUND REVENUE | 2013 Actual | 2014 Budget | 2014 Actual | 2015 Budget | 2015-2014 NET CHANGE \$ | 2015-2014 NET CHANGE % |
| User Charges | 459,233 | 596,500 | 581,725 | 642,000 | 45,500 | 7.6% |
| Civil Inspections Fee | 7,017 | | 1,067 | 0 | 0 | 0.0% |
| Late Charges & Name Changes | 17,068 | 16,000 | 18,409 | 18,000 | 2,000 | 12.5% |
| Subtotal Operating Revenue | 483,319 | 612,500 | 601,201 | 660,000 | 47,500 | 7.8% |
| YarrowBay PW Reimbursement | 39,520 | 18,655 | 18,660 | 0 | -18,655 | -100.0% |
| Deposits and Reimbursements/Misc | 1,755 | 3,000 | 28,733 | 0 | -3,000 | -100.0% |
| New water meter setting | 2,000 | 2,000 | 4,110 | 6,000 | 4,000 | 200.0% |
| Investment Interest | 136 | 130 | 93 | 100 | -30 | -23.1% |
| Insurance Reimbursement | | | 5,880 | | 0 | 0.0% |
| Transfer from Water Capital Fund | 150,000 | 80,000 | 80,000 | 10,000 | -70,000 | -87.5% |
| Debt Reimb from Developer | 669,597 | 99,833 | 99,362 | 98,891 | -942 | -0.9% |
| Subtotal Other Revenue | 863,007 | 203,618 | 236,838 | 114,991 | -88,627 | -43.5% |
| Total Revenue | 1,346,326 | 816,118 | 838,039 | 774,991 | -41,127 | -5.0% |
| Total Beg Cash & Investment | 107,982 | 125,340 | 125,340 | 129,219 | 3,879 | 3.1% |
| Total Sources | 1,454,308 | 941,458 | 963,379 | 904,210 | -37,248 | -4.0% |
| WATER FUND EXPENDITURES | | | | | | |
| Total Salaries and Benefits | 159,044 | 173,038 | 166,579 | 179,260 | 6,222 | 3.6% |
| Total Supplies | 24,407 | 34,393 | 27,646 | 29,154 | -5,239 | -15.2% |
| Total Services & Charges | 182,254 | 228,751 | 212,181 | 214,034 | -14,717 | -6.4% |
| Total Operating Expenditures | 365,705 | 436,182 | 406,406 | 422,448 | -13,734 | -3.1% |
| Transfer for Equipment-CIP | 10,000 | 10,000 | 10,000 | 10,000 | 0 | 0.0% |
| Transfer for Water Comp Plan update | | 5,000 | 5,000 | 0 | -5,000 | |
| WW Interfund Loan for Meters | 46,000 | 46,920 | 46,460 | 46,460 | -460 | -1.0% |
| Debt Services | 907,263 | 336,090 | 335,212 | 306,285 | -29,805 | -8.9% |
| Subtotal Other Expenditures | 963,263 | 398,010 | 396,672 | 362,745 | -568,443 | -58.8% |
| Total Expenditures | 1,328,968 | 834,192 | 803,078 | 785,193 | -550,430 | -40.7% |
| Total Ending Cash & Investments | 125,340 | 107,266 | 160,301 | 119,017 | 11,751 | 11.0% |
| Total Uses | 1,454,308 | 941,458 | 963,379 | 904,210 | -37,248 | -4.0% |

| | | | | | | | | |
|---|-----------|---------------|-----------|-----------|----------|----------|----------|----------|
| City of Black Diamond, Washington | | NO MPD Growth | | 11/3/2014 | | | | |
| Water Utility Fund | | DRAFT | | | | MODEL A | | |
| Six Year Forecast | | | | | | | | |
| Water Fund | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| | Actual | Budget | Budget | Budget | Budget | Budget | Budget | Budget |
| Rate Increase | 2 yr-15% | 01/14 15% | 01/15 15% | | | | | |
| Operating Begin Cash Bal | 107,982 | 125,340 | 129,219 | 119,017 | 119,740 | 74,256 | 32,557 | (708) |
| | | | | | | | | |
| Operating Revenue | 459,234 | 580,300 | 642,000 | 654,840 | 667,937 | 681,296 | 694,921 | 708,820 |
| Misc. Revenue | 27,976 | 19,130 | 24,100 | 24,582 | 25,074 | 25,575 | 26,087 | 26,608 |
| Funding Reimbursement | 39,520 | 18,655 | 0 | 0 | 0 | 0 | 0 | 0 |
| Developer Debt Reimb | 669,596 | 99,833 | 98,891 | 97,902 | 97,902 | 96,923 | 95,954 | 94,995 |
| Transfer from Reserve | 150,000 | 80,000 | 10,000 | | | | | |
| Total Water Revenue | 1,346,326 | 797,918 | 774,991 | 777,324 | 790,912 | 803,794 | 816,962 | 830,423 |
| Water Fund Expenditures | | | | | | | | |
| Salaries & Bene | 120,942 | 133,086 | 147,815 | 150,771 | 153,787 | 156,862 | 160,000 | 163,200 |
| Allocation to Capt Projects | (14,028) | (15,000) | (28,930) | (22,000) | (18,000) | (18,000) | (18,000) | (18,000) |
| Benefits | 52,388 | 54,952 | 60,375 | 62,790 | 65,302 | 67,914 | 67,914 | 70,630 |
| Caustic | 10,092 | 12,500 | 12,500 | 13,000 | 13,520 | 14,061 | 14,623 | 15,208 |
| Supplies | 14,315 | 20,393 | 16,654 | 16,987 | 17,327 | 17,673 | 18,027 | 18,387 |
| Electricity & Utilities | 33,932 | 33,662 | 37,156 | 37,899 | 38,657 | 39,430 | 40,219 | 41,023 |
| Insurance | 30,570 | 37,689 | 28,335 | 29,752 | 31,239 | 32,801 | 34,441 | 36,163 |
| Services & Charges | 64,204 | 74,700 | 77,543 | 79,482 | 81,469 | 83,505 | 83,505 | 85,593 |
| B&O & Util Tax | 53,290 | 66,000 | 71,000 | 72,420 | 73,868 | 75,346 | 76,853 | 78,390 |
| Transfers to Cap Equip/Comp | 10,000 | 15,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Sub Total Operating Uses | 375,705 | 432,982 | 432,448 | 451,101 | 467,169 | 479,593 | 487,582 | 500,595 |
| Tacoma Water Debt | 569,764 | | | | | | | |
| PWTF Debt Svs | 337,278 | 336,090 | 306,285 | 325,500 | 328,788 | 325,500 | 322,245 | 319,023 |
| Water Meters- Sewer Loan | 46,221 | 46,920 | 46,460 | | | | | |
| New Debt Ser-Res Paint | | | | | 40,400 | 40,400 | 40,400 | 40,400 |
| Sub total Debt Service | 953,263 | 383,010 | 352,745 | 325,500 | 369,188 | 365,900 | 362,645 | 359,423 |
| Total Water Fund Uses | 1,328,968 | 815,992 | 785,193 | 776,601 | 836,357 | 845,493 | 850,227 | 860,018 |
| | | | | | | | | |
| Change in Cash & Inv | 17,358 | (18,074) | (10,202) | 723 | (45,444) | (41,699) | (33,265) | (29,595) |
| | | | | | | | | |
| Ending Cash & Invest Bal | 125,340 | 107,266 | 119,017 | 119,740 | 74,296 | 32,557 | (708) | (30,303) |
| | | | | | | | | |
| Cash & Investment Balance needs to cover three months of operating expenditures per city Resolutions No. #08-850 & 13-866. | | | | | | | | |
| Note Beginning Cash & Investment Balance | | | | | | | | |
| | | | | | | | | |
| Either growth or rate increases will be needed by 2017 to cover maintenance and debt costs. Forecast does not include and funds for water line replacement or any capital projects. Existing PWTF debt will not be paid off until 2024. | | | | | | | | |

| | | | | | | | | |
|---|-----------|---------------|-----------|-----------|----------|----------|----------|----------|
| City of Black Diamond, Washington | | NO MPD Growth | | 11/3/2014 | | | | |
| Water Utility Fund | | | | DRAFT | | MODEL B | | |
| Six Year Forecast | | | | | | | | |
| Water Fund | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| | Actual | Budget | Budget | Budget | Budget | Budget | Budget | Budget |
| Rate Increase | 2 yr-15% | 01/14 15% | 01/15 15% | | 10% | | | |
| Operating Begin Cash Bal | 107,982 | 125,340 | 129,219 | 119,017 | 119,740 | 141,075 | 167,490 | 203,702 |
| Operating Revenue | 459,234 | 580,300 | 642,000 | 654,840 | 667,937 | 681,296 | 694,921 | 708,820 |
| Misc. Revenue | 27,976 | 19,130 | 24,100 | 24,582 | 25,074 | 25,575 | 26,087 | 26,608 |
| Funding Reimbursement | 39,520 | 18,655 | 0 | 0 | 0 | 0 | 0 | 0 |
| Developer Debt Reimb | 669,596 | 99,833 | 98,891 | 97,902 | 97,902 | 96,923 | 95,954 | 94,995 |
| Transfer from Reserve | 150,000 | 80,000 | 10,000 | | | | | |
| Possible Rate increase- | | | | | 66,779 | 68,115 | 69,477 | 70,866 |
| Total Water Revenue | 1,346,326 | 797,918 | 774,991 | 777,324 | 857,691 | 871,908 | 886,439 | 901,290 |
| Water Fund Expenditures | | | | | | | | |
| Salaries & Bene | 120,942 | 133,086 | 147,815 | 150,771 | 153,787 | 156,862 | 160,000 | 163,200 |
| Allocation to Capt Projects | (14,028) | (15,000) | (28,930) | (22,000) | (18,000) | (18,000) | (18,000) | (18,000) |
| Benefits | 52,388 | 54,952 | 60,375 | 62,790 | 65,302 | 67,914 | 67,914 | 70,630 |
| Caustic | 10,092 | 12,500 | 12,500 | 13,000 | 13,520 | 14,061 | 14,623 | 15,208 |
| Supplies | 14,315 | 20,393 | 16,654 | 16,987 | 17,327 | 17,673 | 18,027 | 18,387 |
| Electricity & Utilities | 33,932 | 33,662 | 37,156 | 37,899 | 38,657 | 39,430 | 40,219 | 41,023 |
| Insurance | 30,570 | 37,689 | 28,335 | 29,752 | 31,239 | 32,801 | 34,441 | 36,163 |
| Services & Charges | 64,204 | 74,700 | 77,543 | 79,482 | 81,469 | 83,505 | 83,505 | 85,593 |
| B&O & Util Tax | 53,290 | 66,000 | 71,000 | 72,420 | 73,868 | 75,346 | 76,853 | 78,390 |
| Transfers to Cap Equip/Comp | 10,000 | 15,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Sub Total Operating Uses | 375,705 | 432,982 | 432,448 | 451,101 | 467,169 | 479,593 | 487,582 | 500,595 |
| Tacoma Water Debt | 569,764 | | | | | | | |
| PWTF Debt Svs | 337,278 | 336,090 | 306,285 | 325,500 | 328,788 | 325,500 | 322,245 | 319,023 |
| Water Meters- Sewer Loan | 46,221 | 46,920 | 46,460 | | | | | |
| New Debt Ser-Res Paint | | | | | 40,400 | 40,400 | 40,400 | 40,400 |
| Sub total Debt Service | 953,263 | 383,010 | 352,745 | 325,500 | 369,188 | 365,900 | 362,645 | 359,423 |
| Total Water Fund Uses | 1,328,968 | 815,992 | 785,193 | 776,601 | 836,357 | 845,493 | 850,227 | 860,018 |
| Change in Cash & Inv | 17,358 | (18,074) | (10,202) | 723 | 21,335 | 26,415 | 36,212 | 41,272 |
| Ending Cash & Invest Bal | 125,340 | 107,266 | 119,017 | 119,740 | 141,075 | 167,490 | 203,702 | 244,974 |
| Cash & Investment Balance needs to cover three months of operating expenditures per city Resolutions No. #08-850 & 13-866. | | | | | | | | |
| Note Beginning Cash & Investment Balance | | | | | | | | |
| | | | | | | | | |
| Either growth or rate increases will be needed by 2017 to cover maintenance and debt costs. Forecast does not include and funds for water line replacement or any capital projects. Existing PWTF debt will not be paid off until 2024. | | | | | | | | |

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 2014.

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 2013 | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|---|--------------------|--------------------|--------------------|--------------------|-------------------------------|------------------------|
| REVENUE | | | | | | |
| LGIP Investment Interest | 625 | 900 | 368 | 600 | | |
| Water Connection Charges | 23,905 | 20,000 | 27,439 | 20,400 | | |
| Developer Contributions | | 12,253 | | | | |
| Transfer In WSFFA Corr | 2,515 | | | | | |
| CDBG Grant 5th Avenue Water Main | 146,856 | | | | | |
| Transfer In REET II-5th Ave Wtr | 15,000 | | | | | |
| Transfer In Grant Matching | 32,200 | | | | | |
| Transfer in REET II-Paint Reservoir | 15,000 | | | | | |
| Loan to Paint Water Tower | | | | 157,000 | | |
| Downtown Water Line Replacement Grant | | 225,000 | | | | |
| Downtown Water Line Replacement Grant | | 25,000 | | | | |
| Subtotal Water Capital Fund Revenue | 236,101 | 283,153 | 27,807 | 178,000 | | |
| Beg Cash & Investment Unreserved | 504,127 | 441,809 | 441,809 | 292,027 | | |
| Total Water Capital Fund Sources | 740,228 | 724,962 | 469,616 | 470,027 | (254,935) | -35.2% |
| EXPENDITURES | | | | | | |
| 5th Ave Water Main Replacement | 139,843 | 21,254 | 2,455 | | | |
| 5th Ave Water Main Retainage | 5,810 | | 858 | | | |
| Water Comprehensive Plan Update | | | | 80,000 | | |
| New Water Meters | | 5,000 | | | | |
| Water Design Study | | 1,281 | | | | |
| Reservoir Painting & Mtc. | | 40,000 | 31,796 | 157,000 | | |
| Water Rate Study | 2,767 | | | | | |
| Replace Poles at Springs | | 23,000 | 22,797 | | | |
| Transfer out to Water Fund 401-for debt | 150,000 | 80,000 | 80,000 | 10,000 | | |
| Downtown Water Line Replacement | | 250,000 | 44 | | | |
| Water Telemetry Project | | 12,000 | | | | |
| Subtotal Water Capital Fund Expenditures | 298,420 | 432,535 | 137,950 | 247,000 | | |
| Ending Cash & Investments | 441,808 | 292,427 | 331,666 | 223,027 | | |
| Total Water Capital Fund Uses | 740,228 | 724,962 | 469,616 | 470,027 | (254,935) | -35.2% |

Water Debt Payment Schedule

City of Black Diamond, Washington 11 Months of Payments only-2015

EXHIBIT B

Budgeted Water Debt Analysis as of December 31, 2014-For 2015 Budget

| | | | | | | | | | 2015 | | | | |
|--|--------------|-----------|-----------------------|---------------|----------------------|----------------|---------------|---------------|-----------------|----------------|-------------|-----------------|--------------------|
| Issue Date | Issue Amount | Type | Purpose | Maturity Date | 12/31/2014 debt owed | 2015 Principal | 2014 Interest | 2015 Debt Svs | Water Operating | Water Capt Res | Total Water | Developer Reimb | Total Debt Service |
| | | | | | | | | | | | | | |
| 1995 | 200,000 | PWTF | Wtr Repair | 2015 | 10,650 | 10,650 | 489 | 11,139 | 11,139 | | 11,139 | 0 | 11,139 |
| | | | | | | | | | | | | | |
| 2006 | 180,000 | PWTF | Cor Contrl | 2022 | 90,000 | 10,313 | 413 | 10,726 | 10,726 | | 10,726 | 0 | 10726 |
| 2005 | 3,407,063 | PWTF | Tac 500mg | 2024 | 2,013,180 | 184,542 | 9,227 | 193,769 | 153,769 | 40,000 | 193,769 | | 193,769 |
| | 256,064 | PWTF | Tac city 1st | 2024 | | | | | | | | | |
| | 1,784,693 | PWTF | Pump Fac, Res & lines | 2024 | 941,820 | 86,334 | 4,317 | 90,651 | | | | 90,651 | 90,651 |
| | 5,447,820 | PWTF | | | 2,955,000 | 270,876 | 13,544 | 284,420 | 153,769 | 40,000 | 193,769 | 90,651 | 284,420 |
| 2004 | 11,334,510 | Tac Water | Tac Wtr 1 | 2013 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Totals | 17,162,330 | | | | 2,955,000 | 291,839 | 14,446 | 306,285 | 175,634 | 40,000 | 215,634 | 90,651 | 306,285 |
| Total net Water fund 2013 Debt Service | | | | | | | | | \$175,634 | \$40,000 | \$215,634 | 90,651 | 306,285 |

| | | | | | | | | | | | | | |
|------|---------|-----------|------------|------|--------|--------|-----|--------|----------|--|----------|--|--------|
| 2011 | 230,000 | Int. Loan | Meters Sys | 2015 | 46,000 | 46,000 | 460 | 46,460 | \$46,460 | | \$46,460 | | 46,460 |
|------|---------|-----------|------------|------|--------|--------|-----|--------|----------|--|----------|--|--------|

| | | | | | | | | | | | | | |
|--------|------------|--|--|--|-----------|---------|--------|---------|---------|--------|---------|--------|---------|
| Totals | 17,392,330 | | | | 3,001,000 | 337,839 | 14,906 | 352,745 | 222,094 | 40,000 | 262,094 | 90,651 | 352,745 |
|--------|------------|--|--|--|-----------|---------|--------|---------|---------|--------|---------|--------|---------|

Less developer responsibility Palmer \$941,820

| | |
|--------------------|-----------|
| Net City Liability | 2,059,180 |
|--------------------|-----------|

*Black diamond holds a letter of credit from Palmer Coking for their balance owing of \$946,528.30 of PWTF Loan.
included 2015 Est Interest.

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 2013 | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|---|--------------------|--------------------|--------------------|--------------------|-------------------------------|------------------------|
| *Water Supply Facility Funding Agreement | | | | | | |
| REVENUE | | | | | | |
| Developer Contribution Springs/Task 3 | 13,997 | 3,132 | 3,136 | 120,000 | | |
| Springs/Task 3 | | 102,197 | 114,684 | | | |
| LGIP Investment Interest | 131 | | 63 | | | |
| Subtotal WSFFA Revenue | 14,128 | 105,329 | 117,883 | 120,000 | | |
| Beg Cash & Investments | 120,011 | 59,851 | 59,851 | 70,000 | | |
| Total WSFFA Fund Sources | 134,139 | 165,180 | 177,734 | 190,000 | 24,820 | 15.0% |
| EXPENDITURES | | | | | | |
| Reservoir Construction-Tacoma Water | | | | | | |
| Springs/Task 3- Engineering | 57,028 | 95,180 | 20,319 | 120,000 | | |
| WSFFA Legal Services | 517 | | 132 | | | |
| WSFFA-BD Staff Cost Alloc | 13,869 | | | | | |
| WSFFA other costs | 359 | | | | | |
| Transfer Corr to 404 Acct | 2,515 | | | | | |
| Total WSFFA Expenditures | 74,288 | 95,180 | 20,451 | 120,000 | | |
| Ending Cash & Investments Unreserved | 59,851 | 70,000 | 157,282 | 70,000 | | |
| Total WSFFA Fund Uses | 134,139 | 165,180 | 177,733 | 190,000 | 24,820 | 15.0% |

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 Sewer 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 Sewer department.

| 2015 Budget - Sewer Fund | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|----------------------------------|---------------------------------|
| SEWER FUND REVENUE | 2013 Actual | 2014 Budget | 2014 Actual | 2015 Budget | 2015 - 2014 Net Change \$ | 2015 - 2014 Net Change % |
| User Charges | 692,136 | 705,850 | 705,607 | 737,000 | 31,150 | 4.4% |
| Operating Revenue | 692,136 | 705,850 | 705,607 | 737,000 | 31,150 | 4.4% |
| Other Revenues | | | | | | |
| Civil Inspection Fee | 5,847 | - | 999 | - | - | - |
| Misc Reimb | 2,545 | 1,825 | 2,695 | 2,500 | 675 | 37.0% |
| YarrowBay PW Director Reimburse | 38,199 | 18,655 | 18,660 | - | (18,655) | -100.0% |
| Investment Interest | 108 | 100 | 100 | 100 | - | 0.0% |
| Insurance Recovery | | - | | - | - | #DIV/0! |
| Transfer from Capital or Operating | 85,000 | 80,000 | 80,000 | 80,000 | - | 0.0% |
| Total Other Revenue | 131,699 | 100,580 | 102,454 | 82,600 | -17,980 | -17.9% |
| Total Revenue | 823,835 | 806,430 | 808,061 | 819,600 | 13,170 | 1.6% |
| Beg Cash & Investments - Unreserved | 87,738 | 126,682 | 126,682 | 118,383 | -8,299 | -6.6% |
| Beg C&I Bal-Reserved | | | | | 0 | |
| Total Beg Cash and Investments | 87,738 | 126,682 | 126,682 | 118,383 | -8,299 | -6.6% |
| Total Sources | 911,573 | 933,112 | 934,743 | 937,983 | 4,871 | 0.5% |
| SEWER FUND EXPENDITURES | | | | | | |
| Total Salaries & Benefits | 169,383 | 169,311 | 164,804 | 176,112 | 6,801 | -1.6% |
| Total Supplies | 11,037 | 14,510 | 10,575 | 12,184 | -2,326 | 8.7% |
| Total Services & Charges | 121,647 | 134,443 | 121,414 | 139,140 | 4,697 | -11.0% |
| Subtotal Operating Expenses | 302,066 | 318,264 | 296,793 | 327,436 | 9,172 | -5.2% |
| Other Expenses | | | | | | |
| King County Metro | 472,825 | 474,600 | 481,658 | 511,700 | 37,100 | |
| Total Payment Sewer Treatment | 472,825 | 474,600 | 481,658 | 511,700 | 37,100 | |
| Total Operating Expenditures | 774,891 | 792,864 | 778,451 | 839,136 | 46,272 | -4.4% |
| Capital Expenses | | | | | | |
| Transfer for Equipment-CIP | 10,000 | 10,000 | 10,000 | 10,000 | - | |
| Transfer for Sewer portion Comp Pl | - | 5,000 | 5,000 | | (5,000) | |
| Subtotal Other Expenditures | 10,000 | 15,000 | 15,000 | 10,000 | (5,000) | |
| Total Expenses | 784,891 | 807,864 | 793,451 | 849,136 | 41,272 | -3.8% |
| Total Ending Cash and Investments | 126,682 | 125,248 | 141,292 | 88,847 | -36,401 | 50.7% |
| Total Uses | 911,573 | 933,112 | 934,743 | 937,983 | 4,871 | 1.8% |

City of Black Diamond, Washington
Sewer Loan and repayment schedule

| Loan year | purpose | Fund | Amount | Reason | | | | | | | | | | | | |
|------------|-----------------|--------------------|--------|-------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--|
| 2007 | Gen Fund | 1 | 75000 | Capital Furniture | | | | | | | | | | | | |
| 2008 | Tech-Police | 310 | 200000 | Capital Police Software | | | | | | | | | | | | |
| 2008 | SW Start up | 410 | 100000 | Start up | | | | | | | | | | | | |
| 2009 | SW start up | 410 | 50000 | Start up | | | | | | | | | | | | |
| 2010 | Wtr meters | 404 | 230000 | Capital -Water Meter Project | | | | | | | | | | | | |
| 2015 | wtr-Paint Res | 404 | 214000 | Capital-Water-Paint Reservoir | | | | | | | | | | | | |
| | Total | | 869000 | | | | | | | | | | | | | |
| | Sewer | Repayment Schedule | | | | | | | | | | | | | | |
| | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Total | |
| | General Fund | | 75000 | | | | | | | | | | | | \$75,000 | |
| | Tech police | | | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | | | | | | | \$200,000 | |
| | SW 2008 | | | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | | | | | | | \$100,000 | |
| | SW 2009 | | | | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | | | | | | \$50,000 | |
| | Wtr Meters | | | | | \$46,000 | \$46,000 | \$46,000 | \$46,000 | \$46,000 | | | | | \$230,000 | |
| | Wtr-Paint Res | | | | | | | | | | \$42,800 | \$42,800 | \$42,800 | \$42,800 | \$171,200 | |
| | Total Principal | | 75000 | 60000 | 70000 | 116000 | 116000 | 116000 | \$56,000 | \$46,000 | \$42,800 | \$42,800 | \$42,800 | \$42,800 | \$826,200 | |
| 10/21/2014 | | | | | | | | | | | | | | | | |
| | | Interest rate Est | | | | | | | | | | | | | | |
| | Tech Police | | | 2000 | 800 | 1500 | 120 | 100 | | | | | | | | |
| | Drg 2008 | | | 400 | 400 | 1000 | 60 | 50 | | | | | | | | |
| | Drg 2009 | | | | 250 | 500 | 45 | 50 | 200 | | | | | | | |
| | Wtr Meters | | | | | 2875 | 276 | 345 | 920 | 920 | | | | | | |
| | WStr-Paint Res | | | | | | | | | | 5136 | 5136 | 4180 | 2140 | | |

| | | | | | | | | | |
|---|---------|----------|---------------|----------|-----------|-----------|-----------|-----------|----|
| City of Black Diamond, Washington | | | No MPD Growth | | Draft | | | | |
| Sewer Utility Operating Fund | | | | | 11/3/2014 | | Model A | | |
| Six Year Forecast-2015 | | | | | | | | | |
| Sewer Fund | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | |
| City Monthly Sewer Rate | 19.16 | 19.52 | 19.97 | 20.37 | 20.78 | 21.20 | 21.62 | 21.62 | |
| Operating Begin Cash Bal | 87,738 | 126,682 | 118,383 | 88,847 | 27,451 | (39,581) | (192,719) | (342,187) | |
| Operating Revenue-City | 219,311 | 220,150 | 225,300 | 229,806 | 234,402 | 239,090 | 243,872 | 248,749 | 2% |
| Operating Revenue-Metro | 472,825 | 474,600 | 511,700 | 511,700 | 544,960 | 554,769 | 565,864 | 577,182 | |
| Operating possible Rate Inc. | | | | | | | | | |
| Misc Revenue | 8,500 | 1,925 | 2,600 | 2,678 | 2,758 | 2,841 | 2,841 | 2,926 | |
| Funding Reimbursement | 38,199 | 18,655 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Transfer in from Reserves | 85,000 | 80,000 | 80,000 | 80,000 | 80,000 | | | | |
| Total Sewer Fund Sources | 823,835 | 795,330 | 819,600 | 824,184 | 862,120 | 796,700 | 812,577 | 828,858 | |
| Sewer Fund Expenditures | | | | | | | | | |
| Salaries & Bene | 119,570 | 129,986 | 142,638 | 146,917 | 151,325 | 155,864 | 155,864 | 160,540 | |
| Benefits | 52,126 | 54,325 | 56,498 | 58,758 | 61,108 | 63,553 | 63,553 | 66,095 | |
| Allocation to Capital Proj | (2,313) | (15,000) | (27,180) | | | | | | |
| Supplies | 11,037 | 14,510 | 12,184 | 12,671 | 13,178 | 13,705 | 13,705 | 14,254 | |
| Services & Charges | 69,494 | 78,723 | 89,496 | 91,733 | 94,027 | 96,377 | 96,377 | 98,787 | |
| B&O & Util Tax | 52,152 | 52,620 | 53,800 | 53,800 | 54,555 | 55,570 | 56,681 | 57,815 | |
| Metro Reimbursement | 472,825 | 474,600 | 511,700 | 511,700 | 544,960 | 554,769 | 565,864 | 577,182 | |
| Transfers to Cap Equip | 10,000 | 15,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | |
| Sub Total Operating Uses | 784,891 | 804,764 | 849,136 | 885,580 | 929,153 | 949,839 | 962,045 | 984,672 | |
| Change in Cash & Inv | 38,944 | (9,434) | (29,536) | (61,396) | (67,032) | (153,138) | (149,468) | (155,814) | |
| Ending Cash & Invest Bal | 126,682 | 117,248 | 88,847 | 27,451 | (39,581) | (192,719) | (342,187) | (498,001) | |
| Cash & Investment Balance needs to cover three months of operating expenditures per city resolutions No. #08-850 & 13-866. | | | | | | | | | |
| Note Beginning Cash & Investment Balance | | | | | | | | | |
| Growth or rate increases will need to be in place for city portion of Sewer rates by 2016 City portion of rate needs to be increases to cover the cost of State and City Utility Taxes, which are paid from city share of rates. Rate reviews need to be updated in spring of 2015. | | | | | | | | | |

| | | | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----|
| City of Black Diamond, Washington | | No MPD Growth | | Draft | | | | | |
| Sewer Utility Operating Fund | | | | 11/3/2014 | | | | | |
| Six Year Forecast-2015 | | | | Model B | | | | | |
| Sewer Fund | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | |
| City Monthly Sewer Rate | 19.16 | 19.52 | 19.97 | 20.37 | 20.78 | 21.20 | 21.62 | 21.62 | |
| Operating Begin Cash Bal | 87,738 | 126,682 | 118,383 | 88,847 | 80,451 | 88,619 | 86,895 | 89,569 | |
| Operating Revenue-City | 219,311 | 220,150 | 225,300 | 229,806 | 234,402 | 239,090 | 243,872 | 248,749 | 2% |
| Operating Revenue-Metro | 472,825 | 474,600 | 511,700 | 511,700 | 544,960 | 554,769 | 565,864 | 577,182 | |
| Operating possible Rate Inc. | | | | | | | | | |
| Misc Revenue | 8,500 | 1,925 | 2,600 | 2,678 | 2,758 | 2,841 | 2,841 | 2,926 | |
| Funding Reimbursement | 38,199 | 18,655 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Transfer in from Reserves | 85,000 | 80,000 | 80,000 | 80,000 | 80,000 | 50,000 | 25,000 | | |
| City Share Rate Inc 15% | | | | 35,000 | 35,700 | 36,414 | 37,142 | 37,885 | |
| Growth of 100 homes yr | | | | | 24,500 | 50,000 | 75,000 | 100,000 | |
| Total Sewer Fund Sources | 823,835 | 795,330 | 819,600 | 859,184 | 922,320 | 933,114 | 949,719 | 966,743 | |
| Sewer Fund Expenditures | | | | | | | | | |
| Salaries & Bene | 119,570 | 129,986 | 142,638 | 146,917 | 151,325 | 155,864 | 155,864 | 160,540 | |
| Benefits | 52,126 | 54,325 | 56,498 | 58,758 | 61,108 | 63,553 | 63,553 | 66,095 | |
| Allocation to Capital Proj | (2,313) | (15,000) | (27,180) | (18,000) | (15,000) | (15,000) | (15,000) | (15,000) | |
| Supplies | 11,037 | 14,510 | 12,184 | 12,671 | 13,178 | 13,705 | 13,705 | 14,254 | |
| Services & Charges | 69,494 | 78,723 | 89,496 | 91,733 | 94,027 | 96,377 | 96,377 | 98,787 | |
| B&O & Util Tax | 52,152 | 52,620 | 53,800 | 53,800 | 54,555 | 55,570 | 56,681 | 57,815 | |
| Metro Reimbursement | 472,825 | 474,600 | 511,700 | 511,700 | 544,960 | 554,769 | 565,864 | 577,182 | |
| Transfers to Cap Equip | 10,000 | 15,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | |
| Sub Total Operating Uses | 784,891 | 804,764 | 849,136 | 867,580 | 914,153 | 934,839 | 947,045 | 969,672 | |
| Change in Cash & Inv | 38,944 | (9,434) | (29,536) | (8,396) | 8,168 | (1,724) | 2,674 | (2,929) | |
| Ending Cash & Invest Bal | 126,682 | 117,248 | 88,847 | 80,451 | 88,619 | 86,895 | 89,569 | 86,640 | |
| Cash & Investment Balance needs to cover three months of operating expenditures per city resolutions No. #08-850 & 13-866. | | | | | | | | | |
| Note Beginning Cash & Investment Balance | | | | | | | | | |
| Growth or rate increases will need to be in place for city portion of Sewer rates by 2016 City portion of rate needs to be increases to cover the cost of State and City Utility Taxes, which are paid from city share of rates. Rate reviews need to be updated in spring of 2015. Rates do not include any capital projects. | | | | | | | | | |

Sewer Capital Fund 408 services include the budget for those Sewer 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 sewer pump station.

| 408 Sewer Capital Fund | Actual 2013 | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|--|--------------------|--------------------|--------------------|--------------------|-------------------------------|------------------------|
| REVENUE | | | | | | |
| Connection/Hook up Fees | 6,400 | 6,000 | 7,871 | 6,000 | | |
| Loan Repay - Stormwater | 30,064 | 10,000 | 10,000 | | | |
| Loan Repay - Technology | 40,064 | | | | | |
| Loan Repay - Water Meters | 46,221 | 46,000 | 46,000 | 46,000 | | |
| Loan repay, Interfund | | | 584 | | | |
| LGIP Investment Interest | 1,273 | 2,000 | 798 | 700 | | |
| Sale of Scrap pipe-Lagoon Proj | | | 758 | | | |
| Insurance Claim recovery | | | | | | |
| Trans in from Sewer Projects | | | | | | |
| Subtotal Sewer Capital Revenue | 124,022 | 64,000 | 66,011 | 52,700 | | |
| Beginning Cash & Investments | 870,554 | 900,858 | 900,858 | 703,353 | | |
| Total Sewer Capital Sources | 994,576 | 964,858 | 966,869 | 756,053 | (208,805) | -21.6% |
| EXPENDITURES | | | | | | |
| Infiltration & Inflow | | 30,000 | 14,791 | 25,000 | | |
| Lawson Lift Station Engineering | | 50,000 | 40,017 | | | |
| Preserve Sewer Treatment Plant | 5,951 | 18,505 | 9,592 | | | |
| Professional Services | | | | | | |
| Sewer Storage Project/RH2 Engineering | | | | | | |
| Sewer Rate Study | 2,767 | 3,000 | | | | |
| Morganville Sewer Lift Station | | 80,000 | 30,830 | | | |
| Transfer to Sewer Operating Fund | 85,000 | 80,000 | 80,000 | 80,000 | | |
| Internal Loan - Paint Water Reservoir | | | | | | |
| Subtotal Sewer Capital Expenditures | 93,718 | 261,505 | 175,230 | 105,000 | | |
| Ending Cash & Investments | 900,858 | 703,353 | 791,642 | 651,053 | | |
| Total Sewer Capital Fund Uses | 994,576 | 964,858 | 966,871 | 756,053 | (208,805) | -21.6% |

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.

| 2015 BUDGET-Stormwater Fund-Operation | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--|---|
| STORMWATER REVENUE FUND | 2013 Actual | 2014 Budget | 2014 Actual | 2015 Budget | 2015 - 2014 NET CHANGE \$ | 2015 - 2014 NET CHANGE % |
| REVENUE | | | | | | |
| Stormwater Charges | 293,430 | 334,000 | 331,801 | 334,000 | 0 | 0.0% |
| Operating Revenue | 293,430 | 334,000 | 331,801 | 334,000 | 0 | 13.2% |
| Other Revenue | | | | | 0 | |
| Civil Inspection Fees | 3,508 | 0 | 534 | | 0 | |
| YarrowBay-PW Dir Reimburse | 41,720 | 18,655 | 18,505 | 0 | (18,655) | -100.0% |
| Miscellaneous Revenue | 990 | 1,650 | 3,515 | | (1,650) | |
| Insurance recovery | | | | | 0 | |
| Investment Interest | 60 | 50 | 86 | 100 | 50 | 100.0% |
| Total Other Revenue | 46,278 | 20,355 | 22,640 | 100 | (20,255) | 0 |
| Total Revenue | 339,708 | 354,355 | 354,441 | 334,100 | (20,255) | -5.7% |
| Beg Cash & Inv Bal-Unreserved | 82,200 | 81,657 | 81,656 | 106,292 | 24,635 | 30.2% |
| Total Sources | 421,908 | 436,012 | 436,097 | 440,392 | 4,380 | 1.0% |
| EXPENDITURES | | | | | | |
| Total Salaries & Benefits | 165,373 | 170,897 | 166,064 | 165,506 | (5,391) | -3.2% |
| Total Supplies | 10,949 | 14,726 | 10,599 | 13,594 | (1,132) | -7.7% |
| Total Service & Charges | 123,865 | 155,936 | 143,836 | 154,474 | (1,462) | -0.9% |
| Total Operating Expenses | 300,188 | 341,559 | 320,499 | 333,574 | (7,985) | -2.3% |
| Transfer for Equipment-CIP | 10,000 | 10,000 | 10,000 | 10,000 | 0 | 0.0% |
| Debt repayment-100,000 | 30,064 | 5,000 | 15,100 | 0 | (5,000) | -100.0% |
| Debt Repayment-50,000 | | 10,200 | | | (10,200) | -100.0% |
| Grant Expenditures | | | | | 0 | |
| Comp Plan | | 0 | | | 0 | |
| Total Other Expenditures | 40,064 | 25,200 | 25,100 | 10,000 | (15,200) | -60.3% |
| Total Expenditures | 340,252 | 366,759 | 345,599 | 343,574 | (23,185) | -6.3% |
| Total Ending Cash & Investments | 81,656 | 69,253 | 90,498 | 96,818 | 27,565 | 39.8% |
| Total Uses | 421,908 | 436,012 | 436,097 | 440,392 | 4,380 | 1.0% |

| | | | | | | | | | |
|--|------------------|----------|------------------|----------|----------|-----------|-----------|-----------|-------|
| City of Black Diamond, Washington | No MPD Growth | | NO Rate Increase | | Model A | | | | |
| Stormwater Utility Fund | | | | | | | | | |
| Six Year Financial Forecast | 10/30/2014 DRAFT | | | | | | | | |
| Stormwater Fund | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| | Actual | Budget | Budget | Budget | Budget | Budget | Budget | Budget | |
| Possible Monthly Rates | 14.00 | 16.00 | 16.00 | 16.00 | 16.00 | 16.00 | 16.00 | 16.00 | |
| Operating Begin Cash Bal | 82,200 | 81,656 | 106,292 | 96,816 | 36,458 | (32,380) | (104,438) | (179,855) | |
| Operating Revenue-City | 293,430 | 334,000 | 334,000 | 340,680 | 347,494 | 354,443 | 361,532 | 368,763 | 2% |
| Misc Revenue | 4,558 | 50 | 100 | 100 | 100 | 100 | 100 | 100 | |
| Funding Reimbursement | 41,720 | 18,655 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Stormwater Fund Source: | 339,708 | 352,705 | 334,100 | 340,780 | 347,594 | 354,543 | 361,632 | 368,863 | |
| Stormwater Fund Expenditures | | | | | | | | | |
| Salaries & Bene | 120,168 | 123,067 | 139,051 | 141,832 | 144,669 | 147,562 | 150,513 | 153,524 | 2% |
| Proj Mgmt-S&B allocation | (7,033) | (10,000) | (33,329) | (25,000) | (20,000) | (20,400) | (20,808) | (21,224) | 2% |
| Benefits | 52,238 | 53,830 | 59,784 | 62,175 | 64,662 | 67,249 | 69,939 | 72,736 | 4% |
| Supplies | 10,949 | 14,726 | 13,594 | 14,138 | 14,703 | 15,291 | 15,903 | 16,539 | 4% |
| Services & Charges | 78,537 | 80,299 | 86,334 | 88,492 | 90,705 | 92,972 | 95,297 | 97,679 | 2.50% |
| Add St Clng & Mtc. | | | | 40,000 | 40,800 | 41,616 | 42,448 | 43,297 | 2.00% |
| B&O & Util Tax | 45,329 | 71,837 | 68,140 | 69,503 | 70,893 | 72,311 | 73,757 | 75,232 | 2% |
| Transfers to Cap Equip/Comp | 10,000 | 15,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 0 |
| Sub Total Operating Uses | 310,188 | 348,759 | 343,574 | 401,140 | 416,432 | 426,601 | 437,049 | 447,783 | |
| Debt Svs-Sewer Loan | 30,064 | 10,200 | | | | | | | |
| Total Stormwater Fund Uses | 340,252 | 358,959 | 343,574 | 401,140 | 416,432 | 426,601 | 437,049 | 447,783 | |
| Change in Cash & Inv | (544) | (6,254) | (9,474) | (60,360) | (68,838) | (72,058) | (75,417) | (78,920) | |
| Ending Cash & Invest Bal | 81,656 | 75,402 | 96,818 | 36,456 | (32,380) | (104,438) | (179,855) | (258,775) | |
| Cash & Investment Balance needs to cover three months of operating expenditures per city resolutions No. #08-850 & 13-866. | | | | | | | | | |
| Note Beginning Cash & Investment Balance | | | | | | | | | |
| Stormwater Scenario includes the adopted 2014 rates @ 16.00 per month. A DOE Grant will cover the Street | | | | | | | | | |
| Sweeping/Debris Disposal costs through 2015. If future DOE Grants are not continued the Stormwater Fund will need | | | | | | | | | |
| Growth or rate increases to cover operating cost deficit and Street Cleaning costs in 2015 and beyond. | | | | | | | | | |
| 2016 assumes Stormwater will need to pick up street sweeping and cleaning costs. No Capital Projects are included. | | | | | | | | | |
| Without growth, a series of rate increases will be needed to fund operating costs. | | | | | | | | | |

| | | | | | | | | | |
|---|---------|--------------------|----------|----------|----------|----------|----------|----------|-------|
| City of Black Diamond, Washington | | Modest Growth-2018 | | | | Model B | | | |
| Stormwater Utility Fund | | | | | | | | | |
| Six Year Financial Forecast | | 10/30/2014 DRAFT | | | | | | | |
| Stormwater Fund | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| | Actual | Budget | Budget | Budget | Budget | Budget | Budget | Budget | |
| Possible Monthly Rates | 14.00 | 16.00 | 16.00 | 18.00 | 20.00 | 20.00 | 20.00 | 20.00 | |
| Operating Begin Cash Bal | 82,200 | 81,656 | 106,292 | 96,818 | 68,324 | 64,405 | 73,349 | 84,755 | |
| Operating Revenue-City | 293,430 | 334,000 | 334,000 | 340,680 | 347,494 | 354,443 | 361,532 | 368,763 | 2% |
| Growth @ 100 Sold Homes-yr | | | | | | 23,630 | 48,000 | 72,000 | |
| Rate inc 2016 & 2017 | | | | 42,500 | 83,600 | 83,600 | 83,600 | 83,600 | |
| Misc Revenue | 4,558 | 50 | 100 | 100 | 100 | 100 | 100 | 100 | |
| Funding Reimbursement | 41,720 | 18,655 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Stormwater Fund Source: | 339,708 | 352,705 | 334,100 | 383,280 | 431,194 | 461,773 | 493,232 | 524,463 | |
| Stormwater Fund Expenditures | | | | | | | | | |
| Salaries & Bene | 120,168 | 123,067 | 139,051 | 141,832 | 144,669 | 147,562 | 150,513 | 153,524 | 2% |
| Proj Mgmt-S&B allocation | (7,033) | (10,000) | (33,329) | (25,000) | (20,000) | (20,400) | (20,808) | (21,224) | 2% |
| Benefits | 52,238 | 53,830 | 59,784 | 62,175 | 64,662 | 67,249 | 69,939 | 72,736 | 4% |
| Supplies | 10,949 | 14,726 | 13,594 | 14,138 | 14,703 | 15,291 | 15,903 | 16,539 | 4% |
| Services & Charges | 78,537 | 80,299 | 86,334 | 88,492 | 90,705 | 92,972 | 95,297 | 97,679 | 2.50% |
| B&O & Util Tax | 45,329 | 71,837 | 68,140 | 71,837 | 73,274 | 74,739 | 76,234 | 77,759 | 2% |
| Transfers to Cap Equip/Comp | 10,000 | 15,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 0 |
| Add Street Cng & Mtc | | | | 40,000 | 40,800 | 41,616 | 42,448 | 43,297 | 2% |
| Add State & City UT Tax | | | | 8,300 | 16,300 | 19,800 | 24,300 | 28,700 | |
| Add Growth expense | | | | | | 4,000 | 8,000 | 16,000 | |
| Sub Total Operating Uses | 310,188 | 348,759 | 343,574 | 411,774 | 435,113 | 452,830 | 471,826 | 495,010 | |
| Debt Svs-Sewer Loan | 30,064 | 10,200 | | | | | | | |
| Total Stormwater Fund Uses | 340,252 | 358,959 | 343,574 | 411,774 | 435,113 | 452,830 | 471,826 | 495,010 | |
| Change in Cash & Inv | (544) | (6,254) | (9,474) | (28,494) | (3,919) | 8,944 | 21,406 | 29,453 | |
| Ending Cash & Invest Bal | 81,656 | 75,402 | 96,818 | 68,324 | 64,405 | 73,349 | 94,755 | 114,208 | |
| Cash & Investment Balance needs to cover three months of operating expenditures per city resolutions No. #08-850 & 13-866. | | | | | | | | | |
| Note Beginning Cash & Investment Balance | | | | | | | | | |
| Stormwater Scenario includes the adopted 2014 rates @ 16.00 per month. A DOE Grant will cover the Street | | | | | | | | | |
| Sweeping/Debris Disposal costs through 2015. Model assumes rates will need to cover street cleaning costs beginning in 2016 | | | | | | | | | |
| A possible rate increase to 18.00 a month will be needed by 2016 to cover basic costs. | | | | | | | | | |
| If approximately 100 new homes are sold a year beginning in 2018, revenues & expenditures will both increase. | | | | | | | | | |
| No capital projects are included in Models, and if added will need increased growth or rate increases. | | | | | | | | | |

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 2013 | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|--|--------------------|--------------------|--------------------|--------------------|-------------------------------|------------------------|
| REVENUE | | | | | | |
| Department of Ecology Grant #2 | 113,171 | | | | | |
| DOE 2014/15 Grant | | 50,000 | | 30,000 | | |
| Design Stormwater Pond - Grant | | 120,000 | | | | |
| Transfer In - Storm Pond Gr Mtc | | 60,000 | 60,000 | | | |
| Transfer from Stormwater operating for capital | | | | | | |
| Total Stormwater Capital Revenue | 113,171 | 230,000 | 60,000 | 30,000 | | |
| Beginning Cash & Investments | (53,014) | | | | | |
| Total Stormwater Capital Sources | 60,156 | 230,000 | 60,000 | 30,000 | (200,000) | -87.0% |
| EXPENDITURES | | | | | | |
| DOE Grant 14/15 Grant Exp | | 50,000 | 5,026 | 30,000 | | |
| Dept of Ecology Grant #2 | 36,805 | | | | | |
| DOE Grant #2 Street Sweeping | 23,351 | | | | | |
| Stormwater Pond Parametrix Design | | 126,000 | 34,446 | | | |
| Storm Pond Other Costs | | 54,000 | | | | |
| Total Stormwater Capital Expenditures | 60,156 | 230,000 | 39,472 | 30,000 | | |
| Ending Cash & Investments | | | 20,528 | | | |
| Total Stormwater Capital Uses | 60,156 | 230,000 | 60,000 | 30,000 | (200,000) | -87.0% |

Capital Project Funds



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 2015 are on the next page.

| 311-000 REET I Gen Gov't Fund | Actual 2013 | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|--|--------------------|--------------------|--------------------|--------------------|-------------------------------|------------------------|
| REVENUE | | | | | | |
| R1 1/4% REET | 57,929 | 63,700 | 65,059 | 75,000 | | |
| LGIP Investment Interest | 381 | 500 | 178 | 150 | | |
| Transfer in from REET II | | | | | | |
| Subtotal Revenue | 58,310 | 64,200 | 65,237 | 75,150 | | |
| Beginning Cash & Investments | 283,984 | 229,143 | 229,144 | 202,121 | | |
| Total REET I 104 Fund Sources | 342,294 | 293,343 | 294,381 | 277,271 | (16,072) | -5.5% |
| EXPENDITURES | | | | | | |
| Transfer to 310 Gen Gov't Capital Fund | 103,150 | 62,873 | 62,873 | 126,277 | | |
| Trans 510 Fund - Police & Fire Equipment | 10,000 | 45,000 | 45,000 | 7,000 | | |
| Subtotal Expenditures | 113,150 | 107,873 | 107,873 | 133,277 | | |
| Ending Cash & Investments | 229,144 | 185,470 | 186,508 | 143,994 | | |
| Total REET I 104 Fund Uses | 342,294 | 293,343 | 294,381 | 277,271 | (16,072) | -5.5% |

General Government Capital Fund 310 provides the 2015 budget for the General Government portion of the Capital plan for year 2014. 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 2013 | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|---|--------------------|--------------------|--------------------|--------------------|-------------------------------|------------------------|
| REVENUE | | | | | | |
| Transfer in REET I | 103,150 | 83,873 | 83,873 | 50,578 | | |
| Transer in - Water, Sewer, Storm for Comp Plan | | 15,000 | 15,000 | | | |
| Comp Plan Update Grant | | 9,000 | 9,000 | 9,000 | | |
| King Co Parks Tax Levy | 8,579 | 8,000 | 9,201 | 10,000 | | |
| Tree Mitigation | | 1,000 | (25) | 500 | | |
| RCO Boat Launch Grant | | | | | | |
| DOE Grant for Lake Sawyer Weed Management | 2,984 | 22,016 | 6,635 | | | |
| King Co Regional Park Environmental Grant | | | | | | |
| Environmental Grant | | | | | | |
| In Kind Grant Matching | | 15,000 | | | | |
| KC Conservation Grant-Cultural | | | | | | |
| DOE Grant for Shoreline MP | | | | | | |
| Conservation Grant-Futures | | | | | | |
| Future Fire Eq/Bldg In Kind Donation | | | | | | |
| Subtotal Revenue | 114,714 | 153,889 | 123,684 | 70,078 | | |
| Beginning Cash & Investments | 261,546 | 280,383 | 280,383 | 176,108 | | |
| Total 310 Govt Capital Fund Sources | 376,259 | 434,272 | 404,067 | 246,186 | (188,086) | -43.3% |
| EXPENDITURES | | | | | | |
| Grant Matching | | 33,892 | | 2,500 | | |
| Comp Plan Update | | 74,000 | 15,978 | 157,487 | | |
| Capital Project Allocation | | | | 15,200 | | |
| Cemetery Shed-update | | 1,500 | 1,990 | | | |
| Police Roof Replacement | | | | | | |
| City Campus Improvements | | 7,500 | 4,823 | | | |
| General Government technology | 23,841 | 39,430 | 28,166 | 33,909 | | |
| Council Chambers, Police & Court Building Remodel | 214 | 55,000 | 36,221 | | | |
| Police Technology | 5,679 | 25,000 | 11,059 | 26,590 | | |
| King County Trail Project | | | | 10,000 | | |
| Trf to in-city forest Pjt | | 15,000 | 15,000 | | | |
| Tree Mitigation | 1,187 | 1,539 | 426 | 500 | | |
| Capital Fees Study & Consulting | | 20,500 | 4,494 | | | |
| Capital Facility Plan & Charge-Gen Govt | | 13,700 | 13,625 | | | |
| Lake Sawyer Acuatic Weed Mgmt Plan | 12,825 | 27,129 | | | | |
| Ginder Creek Trail Restoration | | 35,363 | | | | |
| St. Pond-Ginder Wetland Assmt | | 7,500 | 7,444 | | | |
| St Pond KC Trails Survey | | 7,000 | 7,000 | | | |
| Trf to Fire Eq Repl Fd | | 44,219 | 44,219 | | | |
| Trf Makers Gen Gov GFC prj | | 6,000 | 6,000 | | | |
| Court Technology | | | 519 | | | |
| In-Forest Open Space Land | 147 | 15,000 | 5,905 | | | |
| Police Tiberon required revision-added | 11,050 | | | | | |
| Police record system loan payment - principal fund 2013 | 40,000 | | | | | |
| Police record system loan - interest | 64 | | | | | |
| Fire Station 99 study & design | 870 | | | | | |
| Carry Over Park Signs | | 5,000 | | | | |
| Subtotal General Govt Capital Projects | 95,876 | 434,272 | 202,868 | 246,186 | | |
| Ending Cash & Investments | 280,383 | | 201,199 | | | |
| Total 310 Gen Govt Capital Fund Uses | 376,259 | 434,272 | 404,067 | 246,186 | (188,086) | -43.3% |

* 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.

| 321-000 REET II Public Works Capital Projects | Actual 2013 | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|--|--------------------|--------------------|--------------------|--------------------|-------------------------------|------------------------|
| REVENUE | | | | | | |
| R2 1/4% REET Tax | 57,929 | 63,700 | 65,059 | 75,000 | | |
| LGIP Investment Interest | 453 | 1,000 | 188 | 500 | | |
| Subtotal REET II Fund Revenue | 58,382 | 64,700 | 65,247 | 75,500 | | |
| Beg Cash & Investments | 329,674 | 278,057 | 278,056 | 171,357 | | |
| Total REET II Fund Sources | 388,056 | 342,757 | 343,304 | 246,857 | (95,900) | -28.0% |
| EXPENDITURES | | | | | | |
| Transfer to REET I | | | | | | |
| Transfer to Rock Cr Br Pj | | 53,700 | 53,700 | | | |
| Transfer to Makers GFC Pj | | 6,000 | 6,000 | | | |
| Transfer out 320 PW Capital | 80,000 | 77,700 | 77,700 | 80,000 | | |
| Transfer out to 404 Water Projects | 30,000 | | | | | |
| Transfer out to Street | | 50,000 | 50,000 | 50,000 | | |
| Total REET I Fund Expenditures | 110,000 | 187,400 | 187,400 | 130,000 | | |
| Ending Cash & Investments | 278,056 | 155,357 | 155,904 | 116,857 | | |
| Total REET II Fund Uses | 388,056 | 342,757 | 343,304 | 246,857 | (95,900) | -28.0% |

Public Works Capital Fund 320 provides the 2015 budget for the Public Works portion of the Capital plan for year 2014. 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 2013 | 2014 Budget | 2014 Actual | 2015 Budget | 14 to 15 Budget Change | % Budget Change |
|--|--------------------|--------------------|--------------------|--------------------|-------------------------------|------------------------|
| REVENUE | | | | | | |
| Misc. Overlays | 143,507 | | | | | |
| Transfers REET II | 80,000 | 203,153 | 203,153 | 80,000 | | |
| Roberts Sidewalk TIB Grant | 69,802 | | | | | |
| Reflective Street Signs Grant | | 20,857 | 20,431 | | | |
| Lawson TIB Grant | | 264,691 | 269,199 | | | |
| Rock Creek Bridge - Grant | | 474,300 | | | | |
| Rock Creek Bridge - Developer Contribution | | 46,000 | | | | |
| Grant Matching | 14,000 | | | | | |
| FEMA Disaster Clean up | 250 | | | | | |
| Misc. Contribution | | 600 | | | | |
| Sale of Scrap Signs | | | 771 | | | |
| Subtotal PW Capital Fund Revenue | 307,559 | 1,009,601 | 493,553 | 80,000 | | |
| Beginning Cash & Investments | 181,022 | 158,546 | 158,544 | | | |
| Total PW Capital Fund Sources | 488,581 | 1,168,147 | 652,097 | 80,000 | (1,088,147) | -93.2% |
| EXPENDITURES | | | | | | |
| St Mtc, Asphalt, Chip Seal, Striping, Signs | 13,572 | 87,536 | 55,963 | 30,000 | | |
| Grant Matching | | 13,681 | | 40,000 | | |
| Capital Project Allocation | | | | 10,000 | | |
| Abrams | | 17,417 | 17,417 | | | |
| Lawson Sidewalk Mtc | | 23,931 | 23,931 | | | |
| St. Pond Match | | 60,000 | 60,000 | | | |
| Transfer from GR Mtc to 188th | 14,000 | | | | | |
| Transfer from GR Mtc to 5th Ave | 32,200 | | | | | |
| Roberts-Trf out Abrams prj | | 24,405 | 24,405 | | | |
| Rock Creek Bridge-Eng | | 110,000 | 9,314 | | | |
| Rock Creek Bridge-Const Cost | | 417,000 | | | | |
| Rock Creek Bridge-Mgmt Cost | | 47,000 | | | | |
| Reflective Street Signs | 8,027 | 12,830 | 12,403 | | | |
| Abrahms project costs | 8,426 | 45,000 | 3,046 | | | |
| Lawson Creek Sidewalks Project | | 278,622 | 262,720 | | | |
| Lawson Sidewalk-Prj Mgmt | | 10,000 | 21,919 | | | |
| 288th Street Overlay | 152,079 | | | | | |
| 288th Project Mgmt-Labor Allocation | 8,403 | 7,025 | 7,025 | | | |
| Roberts Sidewalk/ Morgan St to KC Library | 78,993 | | | | | |
| Roberts Drive Lighting | 2,930 | | | | | |
| Capital Facility Plan & Charge-PW | | 13,700 | 13,625 | | | |
| FEMA Disaster Clean up | 11,408 | | | | | |
| Subtotal PW Capital Fund Projects | 330,037 | 1,168,147 | 511,768 | 80,000 | | |
| Ending Cash & Investments Unreserved | 158,544 | | 140,329 | | | |
| Total PW Capital Fund Uses | 488,581 | 1,168,147 | 652,097 | 80,000 | (1,088,147) | -93.2% |



City of Black Diamond



Capital Improvement Plan 2015 – 2020

Capital Improvement Plan 2015 – 2020

(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 2015-2020 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. The 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 storm water 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, work study sessions and a public hearing are held, the proposed plan is brought before Council for approval. The Capital Improvement Calendar for 2015 – 2020 is part of this document in the appendix section.



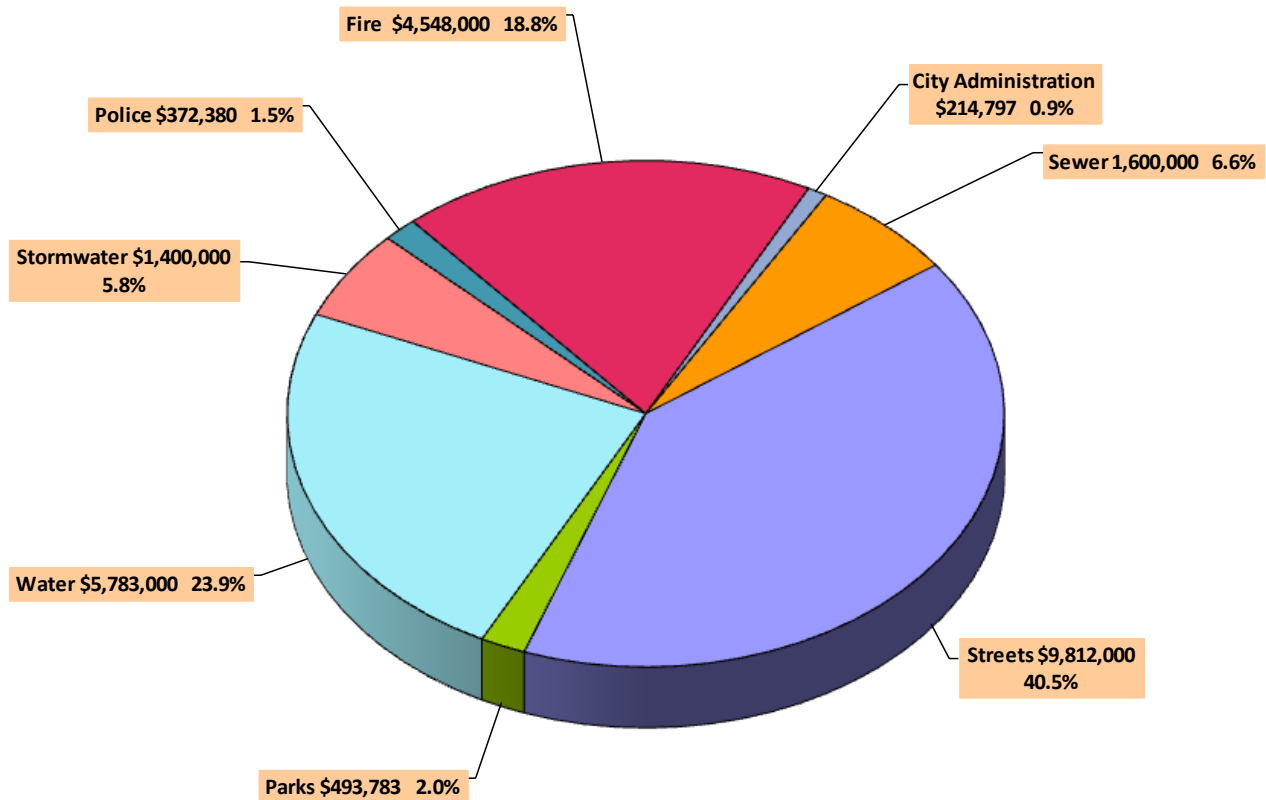
Aerial view of Lake Sawyer

Capital Improvement Plan 2015 - 2020

Total Summary by Department (includes debt payments)

| <i>CAPITAL PROJECTS</i> | | | | | | | |
|----------------------------|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Departments | Total \$ Project 2015 - 2020 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Street Department | 9,812,000 | 517,000 | 1,420,000 | 209,000 | 366,000 | 2,150,000 | 5,150,000 |
| Water Department | 5,783,000 | 367,000 | 590,000 | 2,381,000 | 65,000 | 1,120,000 | 1,260,000 |
| Sewer Department | 1,600,000 | 35,000 | 35,000 | 70,000 | 330,000 | 555,000 | 575,000 |
| Stormwater Department | 1,400,000 | 10,000 | 160,000 | 1,110,000 | 10,000 | 50,000 | 60,000 |
| Parks and Recreation | 493,783 | 82,783 | 10,500 | 32,000 | 26,500 | 79,000 | 263,000 |
| Police Department | 372,380 | 36,290 | 37,041 | 73,551 | 67,018 | 77,339 | 81,141 |
| Fire Department | 4,548,000 | 385,000 | 20,000 | 18,000 | 125,000 | 4,000,000 | |
| City Administration | 214,797 | 33,909 | 30,068 | 31,418 | 60,959 | 29,184 | 29,259 |
| TOTAL Project COSTS | \$24,223,960 | \$1,466,982 | \$2,302,608 | \$3,924,969 | \$1,050,478 | \$8,060,523 | \$7,418,400 |

Total CIP: 24,223,960



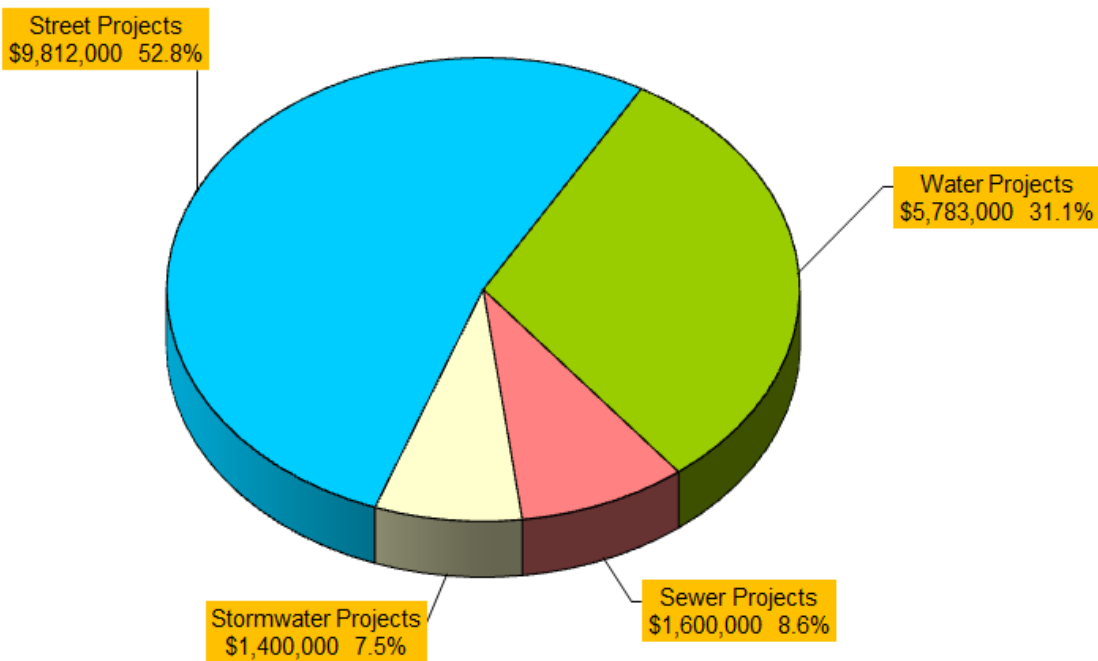
Public Works Fund Summary

Capital Improvement Plan 2015 - 2020

| Funds | Total \$ Project 2015 - 2020 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------------|------------------------------------|------------------|--------------------|--------------------|------------------|--------------------|--------------------|
| | | | | | | | |
| Street Projects | 9,812,000 | 517,000 | 1,420,000 | 209,000 | 366,000 | 2,150,000 | 5,150,000 |
| Water Projects | 5,783,000 | 367,000 | 590,000 | 2,381,000 | 65,000 | 1,120,000 | 1,260,000 |
| Sewer Projects | 1,600,000 | 35,000 | 35,000 | 70,000 | 330,000 | 555,000 | 575,000 |
| Stormwater Projects | 1,400,000 | 10,000 | 160,000 | 1,110,000 | 10,000 | 50,000 | 60,000 |
| TOTAL Project COSTS | \$ 18,595,000 | \$929,000 | \$2,205,000 | \$3,770,000 | \$771,000 | \$3,875,000 | \$7,045,000 |

Public Works CIP by Fund

Total: \$18,595,000



CIP Public Works Summary

Capital Improvement Plan 2015 - 2020

| | | Total \$ Project 2015 - 2020 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|---|------------------------------------|----------------|------------------|------------------|----------------|------------------|------------------|
| STREET PROJECTS | | | | | | | | |
| T1 | General Street Improvement | 180,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| T2 | Roberts Drive/State Rt 169 Roundabout | 7,070,000 | | | | 210,000 | 1,790,000 | 5,070,000 |
| T3 | Roberts Drive Rehabilitation | 1,520,000 | 305,000 | 1,215,000 | | | | |
| T4 | Grant Matching Fund | 240,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| T5 | Lawson Street Sidewalk Phase II | 356,000 | | | | 76,000 | 280,000 | |
| T6 | Jones Lake Road | 122,000 | 122,000 | | | | | |
| T7 | 228th & 224th & 216th Chip Seal | 129,000 | | | 129,000 | | | |
| T10 | Sidewalk Safety | 135,000 | 10,000 | 125,000 | | | | |
| (T)ER | Equipment Replacement | 60,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| STREET PROJECTS | | 9,812,000 | 517,000 | 1,420,000 | 209,000 | 366,000 | 2,150,000 | 5,150,000 |
| WATER PROJECTS | | | | | | | | |
| W1 | Springs & Transmission Reconstruction | 2,916,000 | 120,000 | 480,000 | 2,316,000 | | | |
| W3 | Salmon Enhancement & Green Energy | 1,415,000 | | 45,000 | 55,000 | 55,000 | 210,000 | 1,050,000 |
| W4 | Fire Flow Loop - North Commercial Area | 800,000 | | | | | 800,000 | |
| W6 | Water Comprehensive Plan Update | 135,000 | 80,000 | 55,000 | | | | |
| W7 | 4.3 Mil Gal Tank Maintenance & Repairs | 30,000 | | | | | 30,000 | |
| W8 | Asbestos Water Main Replacement Program | 270,000 | | | | | 70,000 | 200,000 |
| W9 | 0.5 MG Water Reservoir Recoat | 157,000 | 157,000 | | | | | |
| (W)ER | Equipment Replacement | 60,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| WATER PROJECTS | | 5,783,000 | 367,000 | 590,000 | 2,381,000 | 65,000 | 1,120,000 | 1,260,000 |
| SEWER PROJECTS | | | | | | | | |
| S1 | Infiltration and Inflow Reduction Program | 150,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| S2 | Public Works Facilities and Equipment | 600,000 | | | | | 500,000 | 100,000 |
| S3 | Morganville Force Main Reroute | 460,000 | | | | | 20,000 | 440,000 |
| S4 | Cedarbrook Sewer Main | 330,000 | | | 35,000 | 295,000 | | |
| (S)ER | Equipment Replacement | 60,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| SEWER PROJECTS | | 1,600,000 | 35,000 | 35,000 | 70,000 | 330,000 | 555,000 | 575,000 |
| STORMWATER PROJECTS | | | | | | | | |
| D1 | Cov. Creek Culvert; Safety and Salmon Imp. | 320,000 | | 70,000 | 250,000 | | | |
| D2 | North Commercial and SR 169 Stormwater Treatment Pond | 870,000 | | 20,000 | 850,000 | | | |
| D4 | Ginder Creek Headwall | 90,000 | | | | | 40,000 | 50,000 |
| D6 | Lawson Hills Estates Storm Pond | 60,000 | | 60,000 | | | | |
| (D)ER | Equipment Replacement | 60,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| STORMWATER PROJECTS | | 1,400,000 | 10,000 | 160,000 | 1,110,000 | 10,000 | 50,000 | 60,000 |
| TOTAL PUBLIC WORKS CAPITAL PROJECTS | | 18,595,000 | 929,000 | 2,205,000 | 3,770,000 | 771,000 | 3,875,000 | 7,045,000 |

CIP Public Works Summary

FUNDING SUMMARY

| Capital Improvement Plan 2015 - 2020 | | Total \$ Project 2015 - 2020 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|---|------------------------------------|----------------|----------------|------------------|----------------|------------------|------------------|
| REET II Funding | | | | | | | | |
| T1 | General Street Improvement | 180,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| T4 | Grant Matching Fund | 240,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| W9 | 0.5 MG Water Reservoir Recoat | 10,000 | 10,000 | | | | | |
| Total REET II Funding | | 430,000 | 80,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| Water Rates | | | | | | | | |
| W6 | Water Comprehensive Plan Update | 80,000 | 80,000 | | | | | |
| W7 | 4.3 Mil Gal Tank Maintenance & Repairs | 30,000 | | | | | 30,000 | |
| Total Water Rates | | 110,000 | 80,000 | | | | 30,000 | |
| Water Connection Fees | | | | | | | | |
| W4 | Fire Flow Loop - North Commercial Area | 800,000 | | | | | 800,000 | |
| Total Water Connection Fees | | 800,000 | | | | | 800,000 | |
| Sewer Connection Fees/Reserves | | | | | | | | |
| S1 | Infiltration and Inflow Reduction Program | 150,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| S3 | Morganville Force Main Reroute | 20,000 | | | | | 20,000 | |
| Total Sewer Connection Fees/Reserves | | 170,000 | 25,000 | 25,000 | 25,000 | 25,000 | 45,000 | 25,000 |
| Stormwater Funding | | | | | | | | |
| D4 | Lawson Hills Estates Storm Pond | 60,000 | | 60,000 | | | | |
| Total Stormwater Funding | | 60,000 | | 60,000 | | | | |
| Developer, Impact Fees and/or SEPA | | | | | | | | |
| T2 | Roberts Drive/State Rt 169 Roundabout | 3,535,000 | | | | 210,000 | 1,060,000 | 2,265,000 |
| T5 | Lawson Street Sidewalk Phase II | 41,000 | | | | 21,000 | 20,000 | |
| W6 | Water Comprehensive Plan Update | 55,000 | | 55,000 | | | | |
| Total Developer, Street Impact and/or SEPA Fees | | 3,631,000 | | 55,000 | | 231,000 | 1,080,000 | 2,265,000 |
| WSFFA | | | | | | | | |
| W1 | Springs & Transmission Reconstruction | 2,916,000 | 120,000 | 480,000 | 2,316,000 | | | |
| Total WSFFA | | 2,916,000 | 120,000 | 480,000 | 2,316,000 | | | |
| Museum In-Kind Contribution | | | | | | | | |
| T10 | Sidewalk Safety | 30,000 | | 30,000 | | | | |
| Total Museum In-Kind Contribution | | 30,000 | | 30,000 | | | | |

| FUNDING SUMMARY CONT. | | Total \$ Project 2015 - 2020 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|------------------------------------|----------------|------------------|------------------|----------------|------------------|------------------|
| Grants (TIB,CDBG,DOE, etc) | | | | | | | | |
| T2 | Roberts Drive/State Rt 169 Roundabout | 3,535,000 | | | | | 730,000 | 2,805,000 |
| T3 | Roberts Drive Rehabilitation | 1,314,800 | 229,225 | 1,085,575 | | | | |
| T5 | Lawson Street Sidewalk Phase II | 165,000 | | | | 55,000 | 110,000 | |
| T5 | Lawson Street Sidewalk Phase II | 150,000 | | | | | 150,000 | |
| T6 | Jones Lake Road | 110,000 | 110,000 | | | | | |
| T7 | 228th & 224th & 216th Chip Seal | 116,000 | | | 116,000 | | | |
| T10 | Sidewalk Safety | 5,000 | | 5,000 | | | | |
| T10 | Sidewalk Safety | 80,000 | | 80,000 | | | | |
| W3 | Grant (Green Energy) | 550,000 | | | | 40,000 | | 510,000 |
| W3 | Grant (Salmon mitigation) | 540,000 | | | | | | 540,000 |
| D1 | Cov. Creek Culvert; Safety and Salmon Imp. | 320,000 | | 70,000 | 250,000 | | | |
| D2 | North Commercial and SR 169 Stormwater Treatment Pond | 850,000 | | | 850,000 | | | |
| Total Grants | | 7,735,800 | 339,225 | 1,240,575 | 1,216,000 | 95,000 | 990,000 | 3,855,000 |
| Grant Matching | | | | | | | | |
| T3 | Roberts Drive Rehabilitation | 205,200 | 35,775 | 169,425 | | | | |
| T6 | Jones Lake Road | 12,000 | 12,000 | | | | | |
| T7 | 228th & 224th & 216th Chip Seal | 13,000 | | | 13,000 | | | |
| T10 | Sidewalk Safety | 20,000 | 10,000 | 10,000 | | | | |
| D2 | North Commercial and SR 169 Stormwater Treatment Pond | 20,000 | | 20,000 | | | | |
| D4 | Ginder Creek Headwall | 90,000 | | | | | 40,000 | 50,000 |
| Total Grant Matching | | 360,200 | 57,775 | 199,425 | 13,000 | | 40,000 | 50,000 |
| Public Works Trust Fund Loans | | | | | | | | |
| W3 | Salmon Enhancement & Green Energy | 325,000 | 40,000 | 5,000 | 55,000 | 15,000 | 210,000 | |
| W8 | Asbestos Water Main Replacement Program | 270,000 | | | | | 70,000 | 200,000 |
| W9 | 0.5 MG Water Reservoir Recoat | 147,000 | 147,000 | | | | | |
| S3 | Morganville Force Main Reroute | 440,000 | | | | | | 440,000 |
| S4 | Cedarbrook Sewer Main | 330,000 | | | 35,000 | 295,000 | | |
| Total PWTF Loans | | 1,512,000 | 187,000 | 5,000 | 90,000 | 310,000 | 280,000 | 640,000 |
| Loans or Bonding Funding | | | | | | | | |
| S2 | Public Works Facilities and Equipment | 600,000 | | | | | 500,000 | 100,000 |
| Total Loans or Bonding Funding | | 600,000 | | | | | 500,000 | 100,000 |
| Equipment Replacement Schedule | | | | | | | | |
| (T)ER | Street | 60,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| (W)ER | Water | 60,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| (S)ER | Sewer | 60,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| (D)ER | Stormwater | 60,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Total Equipment Replacement Schedule Funding | | 240,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Grand Total Public Works CIP Funding | | 18,595,000 | 929,000 | 2,205,000 | 3,770,000 | 771,000 | 3,875,000 | 7,045,000 |

Loan Service Schedule

| | | | | | | | | |
|---------------------------------------|---------------------------------------|------------------|----------|---------------|---------------|---------------|---------------|------------------|
| | | - | | | | | | |
| | | - | | | | | | |
| W2 | Reservoir Painting and Maintenance | 189,814 | | 37,963 | 37,963 | 37,963 | 37,963 | 37,963 |
| | Total Developer Funded | - | | | | | | |
| Public W | | - | | | | | | |
| S2 | Public Works Facilities and Equipment | 2,500,000 | | | | | | 2,500,000 |
| Total Loan Service Expenditure | | 2,689,814 | - | 37,963 | 37,963 | 37,963 | 37,963 | 2,537,963 |

REET II ANALYSIS SUMMARY (Fund 320)

Capital Improvement Plan 2015 - 2020

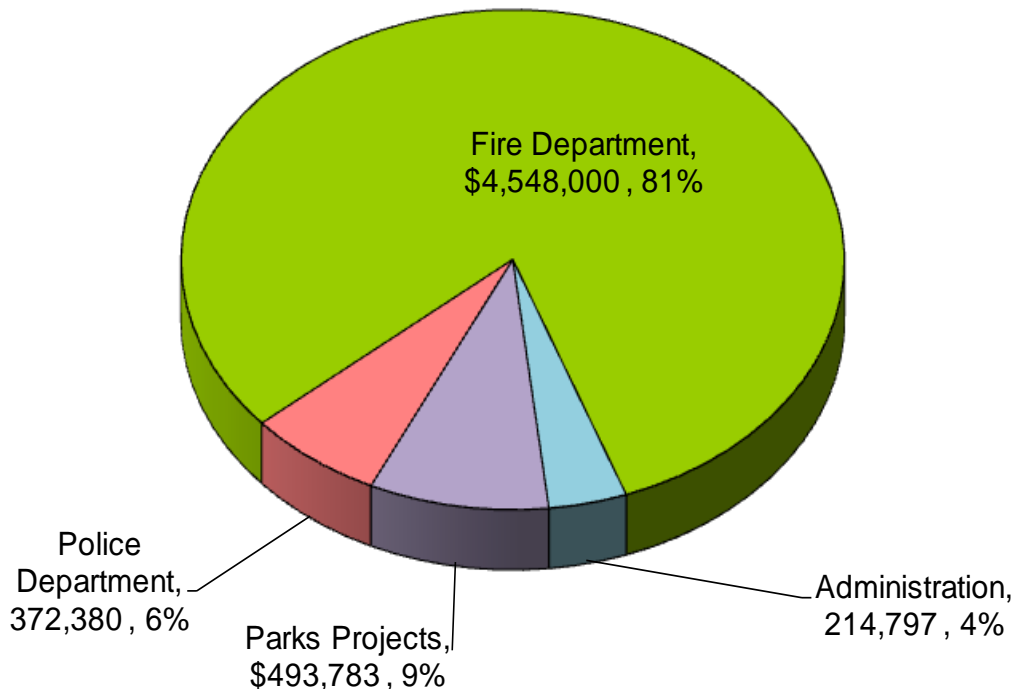
| REET II - REVENUE | | Capital Improvement Plan 2015 - 2020 | | | | | |
|---|------------------------------------|--------------------------------------|-----------|-----------|-----------|-----------|----------|
| | Total \$ Project 2015 - 2020 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Beg Fund Balance 321 | 180,741 | 180,741 | 113,241 | 60,241 | 66,179 | 76,804 | 104,804 |
| REET Revenue (annual) | | | | | | | |
| 1/4 of 1% REET - Existing Property | 450,938 | 59,500 | 63,000 | 68,438 | 75,000 | 90,000 | 95,000 |
| 1/4 of 1% REET - Other new homes | 37,125 | 3,000 | 4,000 | 7,500 | 5,625 | 8,000 | 9,000 |
| Subtotal REET II Revenue | 488,063 | 62,500 | 67,000 | 75,938 | 80,625 | 98,000 | 104,000 |
| | | | | | | | |
| TOTAL Avail. Balance for Gen Govt Projects | 668,804 | 243,241 | 180,241 | 136,179 | 146,804 | 174,804 | 208,804 |
| REET II - PROJECT EXPENDITURES | | Capital Improvement Plan 2015 - 2020 | | | | | |
| | Total \$ Project 2015 - 2020 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Street Projects | | | | | | | |
| T1 General Street Improvement | 180,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| T4 Grant Matching Fund | 240,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| W9 0.5 MG Water Reservoir Recoat | 10,000 | 10,000 | | | | | |
| Total REET II Projects | 430,000 | 80,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| Total Transfer to Street Fund | 100,000 | 50,000 | 50,000 | | | | |
| TOTAL REET II | 530,000 | 130,000 | 120,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| REET II left for next year (Ending Balance) | 138,804 | 113,241 | 60,241 | 66,179 | 76,804 | 104,804 | 138,804 |
| REET based on Houses sold | | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Existing Property Sales (in 000's) | | 69 @\$336 | 70 @\$340 | 72 @\$350 | 75 @\$365 | 80 @\$375 | 90 @400 |
| Other new home sales (in 000's) | | 2 @\$336 | 2 @\$340 | 3 @\$350 | 4 @\$365 | 6 @\$375 | 8 @\$400 |

General Government Department Summary

Capital Improvement Plan 2015 - 2020

| | Total \$ Project 2015 - 2020 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------------------------------|------------------------------------|-------------------|------------------|-------------------|-------------------|---------------------|-------------------|
| Parks Department | 493,783 | 82,783 | 10,500 | 32,000 | 26,500 | 79,000 | 263,000 |
| Public Safety | | | | | | | |
| Police Department (incl Tech) | 372,380 | 36,290 | 37,041 | 73,551 | 67,018 | 77,339 | 81,141 |
| Fire Department | 4,548,000 | 385,000 | 20,000 | 18,000 | 125,000 | 4,000,000 | - |
| Subtotal | 4,920,380 | 421,290 | 57,041 | 91,551 | 192,018 | 4,077,339 | 81,141 |
| General Government | | | | | | | |
| City Technology (not Police) | 189,797 | 33,909 | 30,068 | 31,418 | 35,959 | 29,184 | 29,259 |
| Reroof Police Building | 25,000 | - | - | - | 25,000 | - | - |
| Subtotal | 214,797 | 33,909 | 30,068 | 31,418 | 60,959 | 29,184 | 29,259 |
| TOTAL Projected Expenditures | \$ 5,628,960 | \$ 537,982 | \$ 97,608 | \$ 154,969 | \$ 279,478 | \$ 4,185,523 | \$ 373,400 |

General Government CIP by Type of Funding Total: \$5,628,960



| Capital Improvement Plan 2015 - 2020 | | | | | | | | |
|---|--|------------------|----------------|---------------|----------------|----------------|------------------|----------------|
| CIP General Government Summary of Projects | | | | | | | | |
| | Total \$ Project 2015 - 2020 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| POLICE PROJECTS | | | | | | | | |
| L1 | Police Technology | 135,811 | 26,990 | 24,641 | 12,455 | 17,105 | 26,178 | 28,444 |
| L2 | Patrol Car Replacement Plan | 202,469 | | | 48,696 | 49,914 | 51,162 | 52,697 |
| L3 | Police Radio Replacement | 34,100 | 9,300 | 12,400 | 12,400 | | | |
| TOTAL POLICE PROJECTS | | 372,380 | 36,290 | 37,041 | 73,551 | 67,018 | 77,339 | 81,141 |
| FIRE DEPARTMENT PROJECTS | | | | | | | | |
| F1 | Replace Primary Fire Engine 98 | 365,000 | 365,000 | | | | | |
| F2 | Replace Reserve Engine | 600,000 | | | | 600,000 | | |
| F3 | Replace Aid Car | 225,000 | | | | 225,000 | | |
| F4 | Replace Brush Truck Chassis | 85,000 | | | | 85,000 | | |
| F5 | New Fire Station and Equipment (Growth) | 3,215,000 | | | 125,000 | 3,090,000 | | |
| F6 | Replace SCBA Bottles (Air Bottles) | 58,000 | 20,000 | 20,000 | 18,000 | | | |
| TOTAL FIRE PROJECTS | | 4,548,000 | 385,000 | 20,000 | 18,000 | 125,000 | 4,000,000 | |
| PARKS PROJECTS | | | | | | | | |
| P1 | Ginder Creek Trail and Site Restoration | 31,283 | 31,283 | | | | | |
| P2 | Grant Matching Funds | 35,000 | 2,500 | 2,500 | 5,000 | 5,000 | 10,000 | 10,000 |
| P3 | Tree Planting Program | 84,500 | 2,000 | 1,000 | 20,000 | 14,500 | 22,000 | 25,000 |
| P4 | Regional Trail System | 240,000 | | | | 40,000 | | 200,000 |
| P5 | Lake Sawyer Mitigation Bank Improvements | 10,000 | | | | | | 10,000 |
| P6 | Pond to Parks Improvement (Eagle Creek) | 11,000 | | | | | | 11,000 |
| P7 | Parks Equipment and Upgrades | 42,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |
| P8 | Park's Plan Update | 40,000 | 40,000 | | | | | |
| TOTAL PARKS PROJECTS | | 493,783 | 82,783 | 10,500 | 32,000 | 26,500 | 79,000 | 263,000 |
| ADMINISTRATION & CITY PROJECTS | | | | | | | | |
| A1 | City Technology Upgrades | 189,797 | 33,909 | 30,068 | 31,418 | 35,959 | 29,184 | 29,259 |
| A2 | Reroof Police Building | 25,000 | | | | 25,000 | | |
| TOTAL ADMINISTRATION & CITY PROJECTS | | 214,797 | 33,909 | 30,068 | 31,418 | 60,959 | 29,184 | 29,259 |
| TOTAL GENERAL GOVT CAPITAL PROJECTS | | 5,628,960 | 537,982 | 97,608 | 154,969 | 279,478 | 4,185,523 | 373,400 |

| CIP General Government FUNDING Summary (Continued) | | | | | | | | |
|--|--|------------------------------------|----------------|---------------|----------------|----------------|------------------|----------------|
| Capital Improvement Plan 2013 - 2018 | | Total \$ Project 2015 - 2020 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| REET I FUNDING | | | | | | | | |
| L1 | Police Technology | 135,811 | 26,990 | 24,641 | 12,455 | 17,105 | 26,178 | 28,444 |
| L2 | Patrol Car Replacement Plan | 202,469 | | | 48,696 | 49,914 | 51,162 | 52,697 |
| P2 | Grant Matching Funds | 35,000 | 2,500 | 2,500 | 5,000 | 5,000 | 10,000 | 10,000 |
| P5 | Lake Sawyer Mitigation Bank Improvements | 10,000 | | | | | | 10,000 |
| P7 | Parks Equipment and Upgrades | 42,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |
| A1 | City Technology Upgrades | 189,797 | 33,909 | 30,068 | 31,418 | 35,959 | 29,184 | 29,259 |
| A2 | Reroof Police Building | 25,000 | | | | 25,000 | | |
| Total REET I Funding for Gen Govt CIP PROJECTS | | 640,077 | 70,399 | 64,208 | 104,569 | 139,978 | 123,523 | 137,400 |
| PROJECT FUND BALANCE FUNDING | | | | | | | | |
| L3 | Police Radio Replacement | 34,100 | 9,300 | 12,400 | 12,400 | | | |
| F6 | Replace SCBA Bottles (Air Bottles) | 58,000 | 20,000 | 20,000 | 18,000 | | | |
| Total Project Fund Balance Use | | 92,100 | 29,300 | 32,400 | 30,400 | | | |
| LOANS TO FINANCE PROJECTS | | | | | | | | |
| F1 | Engine 98 Replace (10 yr) | 240,000 | 240,000 | | | | | |
| Total Loans to Finance Projects | | 240,000 | 240,000 | | | | | |
| FUNDING FROM GROWTH OR BOND SALES | | | | | | | | |
| F3 | Replace Aid Car (12 yr) | 225,000 | | | | | 225,000 | |
| F4 | Replace Brush Truck Chassis (5 yr) | 82,000 | | | | | 82,000 | |
| F2 | Replace Reserve Engine | 600,000 | | | | | 600,000 | |
| F5 | New Fire Station and Equipment | 3,215,000 | | | | 125,000 | 3,090,000 | |
| Total Funding from Growth or Bond Sales | | 4,122,000 | | | | 125,000 | 3,997,000 | |
| FUNDING FROM SURPLUS SALES | | | | | | | | |
| F1 | Replace Engine 98 (Surplus Funding) | 125,000 | 125,000 | | | | | |
| F4 | Brush Truck Chassis (Surplus Funding) | 3,000 | | | | | 3,000 | |
| Total Funding From Surplus Sales | | 128,000 | 125,000 | | | | 3,000 | |
| KING COUNTY CONSERVATION DISTRICT FUNDING | | | | | | | | |
| P6 | Pond to Parks Improvement (Eagle Creek) | 11,000 | | | | | | 11,000 |
| Total King County Conservation District Funding | | 11,000 | | | | | | 11,000 |
| KING COUNTY PARKS & RECREATION COST SHARE | | | | | | | | |
| P5 | Regional Trail System | 200,000 | | | | | | 200,000 |
| Total KC Parks & Recreation Cost Share | | 200,000 | | | | | | 200,000 |
| TREE MITIGATION FUND | | | | | | | | |
| P3 | Tree Planting Program | 84,500 | 2,000 | 1,000 | 20,000 | 14,500 | 22,000 | 25,000 |
| Total Tree Mitigation Fund | | 84,500 | 2,000 | 1,000 | 20,000 | 14,500 | 22,000 | 25,000 |
| COUNTY TAX LEVY FOR PARKS | | | | | | | | |
| P1 | Ginder Creek Trail and Site Restoration | 31,283 | 31,283 | | | | | |
| P4 | Regional Trail System | 40,000 | | | | | 40,000 | |
| Total County Levy Fund | | 71,283 | 31,283 | | | | 40,000 | |
| UNKNOWN FUNDING SOURCE | | | | | | | | |
| P8 | Park's Plan Update | 40,000 | 40,000 | | | | | |
| TOTAL GENERAL GOVT CAPITAL PROJECTS | | 5,628,960 | 537,982 | 97,608 | 154,969 | 279,478 | 4,185,523 | 373,400 |
| LOAN PAYMENTS REET I | | | | | | | | |
| F1 | Replace Primary Fire Engine 98 | 96,538 | | 19,308 | 19,308 | 19,308 | 19,308 | 19,308 |
| LOAN PAYMENTS Fire Impact Fees | | | | | | | | |
| F1 | Replace Primary Fire Engine (2000) | 50,000 | | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Total Funding for Loan Payments (not in total) | | 146,538 | | 29,308 | 29,308 | 29,308 | 29,308 | 29,308 |

REET I ANALYSIS SUMMARY (Fund 310)

Capital Improvement Plan 2015 - 2020

REET I - REVENUE

Capital Improvement Plan 2015 - 2020

| | Total \$ Project 2015 - 2020 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------------------------------------|--------------------------------------|-----------|-----------|-----------|------------|------------|
| Beg Fund Balance 104 | 187,770 | 187,770 | 179,871 | 153,355 | 95,417 | 6,756 | (48,075) |
| REET Revenue (annual) | | | | | | | |
| 1/4 of 1% REET - Existing Property | 450,938 | 59,500 | 63,000 | 68,438 | 75,000 | 90,000 | 95,000 |
| 1/4 of 1% REET - Other new homes | 37,125 | 3,000 | 4,000 | 7,500 | 5,625 | 8,000 | 9,000 |
| Subtotal REET I Revenue | 488,063 | 62,500 | 67,000 | 75,938 | 80,625 | 98,000 | 104,000 |
| Reet II Transfer | | | | | | | |
| TOTAL Avail. Balance for Gen Govt Projects | 675,833 | 250,270 | 246,871 | 229,293 | 176,042 | 104,756 | 55,925 |
| REET I - PROJECT EXPENDITURES | | Capital Improvement Plan 2015 - 2020 | | | | | |
| | Total \$ Project 2015 - 2020 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| General Government | | | | | | | |
| A1 City Technology Upgrades | 189,797 | 33,909 | 30,068 | 31,418 | 35,959 | 29,184 | 29,259 |
| A2 Reroof Police Building | 25,000 | | | | 25,000 | | |
| Subtotal General Government | 214,797 | 33,909 | 30,068 | 31,418 | 60,959 | 29,184 | 29,259 |
| Parks | | | | | | | |
| P2 Grant Matching Funds | 35,000 | 2,500 | 2,500 | 5,000 | 5,000 | 10,000 | 10,000 |
| P5 Lake Sawyer Mitigation Bank Improvements | 10,000 | | | | | | 10,000 |
| P7 Parks Equipment and Upgrades | 42,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |
| Subtotal Parks | 87,000 | 9,500 | 9,500 | 12,000 | 12,000 | 17,000 | 27,000 |
| Public Safety | | | | | | | |
| L1 Police Technology | 135,811 | 26,990 | 24,641 | 12,455 | 17,105 | 26,178 | 28,444 |
| L2 Patrol Car Replacement Plan | 202,469 | | | 48,696 | 49,914 | 51,162 | 52,697 |
| Total Public Safety | 338,280 | 26,990 | 24,641 | 61,151 | 67,018 | 77,339 | 81,141 |
| Total REET I Projects | 640,077 | 70,399 | 64,208 | 104,569 | 139,978 | 123,523 | 137,400 |
| Total REET I Debt | 146,538 | | 29,308 | 29,308 | 29,308 | 29,308 | 29,308 |
| TOTAL REET I | 786,615 | 70,399 | 93,516 | 133,876 | 169,285 | 152,831 | 166,708 |
| REET I left for next year (Ending Balance) | (110,782) | 179,871 | 153,355 | 95,417 | 6,756 | (48,075) | (110,782) |
| REET based on Houses sold | | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| 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) | | 5 @\$250 | 10 @\$255 | 10 @\$260 | 11 @\$265 | 12 @\$270 | 17 @\$275 |

Appendix



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

ORDINANCE NO. 14-1038

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF BLACK DIAMOND, KING COUNTY, WASHINGTON,
ADOPTING THE BUDGET FOR CALENDAR YEAR 2015

WHEREAS, the Preliminary Budget was submitted to the City Council by the Mayor on October 2, 2014; and

WHEREAS, the City Council held public hearings on November 20, 2014, and December 1, 2014 and work studies on October 2, 16, 23 and 30, 2014; 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 2015 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 2015.

Section 2. The budget and information contained herein remain provisional to the extent they are subject to mandatory bargaining with the City's collectively bargained employees as required by Washington law.

Section 3. The total estimated revenue from all sources and expenditures by fund as set forth in the 2015 budget document adopted by reference, are as follows:


| Fund # | Fund Name | Estimated Revenues | Estimated Expenditures |
|--------------|---------------------------------|--------------------|------------------------|
| 001 | General Fund | 5,446,414 | 5,446,414 |
| 101 | Street Fund | 302,446 | 302,446 |
| 107 | Fire Impact Fund | 15,000 | 15,000 |
| 310 | Capital Fund-General Government | 246,186 | 246,186 |
| 311 | REET Fund-General Government | 277,271 | 277,271 |
| 320 | Capital Fund-Street Projects | 80,000 | 80,000 |
| 321 | REET Fund-Street Projects | 246,857 | 246,857 |
| 401 | Water Fund | 904,210 | 904,210 |
| 402 | Water Capital Facility Fund | 190,000 | 190,000 |
| 404 | Water Capital Fund | 470,027 | 470,027 |
| 407 | Wastewater Fund | 937,983 | 937,983 |
| 408 | Wastewater Capital Fund | 756,053 | 756,053 |
| 410 | Stormwater Fund | 440,392 | 440,392 |
| 410 | Stormwater Capital Fund | 30,000 | 30,000 |
| 510 | Equipment Reserve Funds | 694,207 | 694,207 |
| Total | | 11,037,046 | 11,037,046 |

Section 4. This Ordinance shall include the 2015 Salary Schedule as shown in the attachment as Exhibit A.

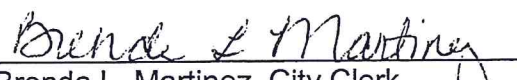
Section 5. This Ordinance shall be in full force and effect five days after its passage, approval, posting and publication in summary form as provided by law.

Introduced the 1st day of December, 2014.

Passed by a majority of the City Council at a special meeting held on the 1st day of December, 2014.


 Mayor Carol Benson

Attest:


 Brenda L. Martinez, City Clerk



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

Background and Purpose

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

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

Operating Budget Policies

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

Citizen Involvement

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

Service Level Determinations

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

Conservative Budgeting

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

Long Term Financial Planning

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

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

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

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

Maintenance of Facilities and Equipment

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

Sustainable Revenue Sources

Ongoing operating program costs will not exceed the amount of ongoing revenue to finance those costs. The ongoing revenue will be identified along with new program costs. Cash balances in excess of the amount required to maintain strategic reserves will be used to fund one-time or non-recurring

costs. In the event a fund has an emergency or economic downturn, resources from reserves may be used provided that they are replaced within the next five years.

Cost Recovery

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

Fund Balance Reserve Policies

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

Operating Fund Balance Reserves

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

Contingency Reserve Fund

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

Utility Operating Policies

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

Utility Rates and Fees

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

Utility Fund Reserves

All utilities will be operated in a manner to ensure an ending annual reserved fund balance in an amount equal to 90 days of annual operational appropriations. In the event that the fund balance falls below that amount or a new utility is formed, the City will work to restore the balance to that

level with cost reductions, rate increases and other measures within five fiscal years. The City may use reserves to “smooth” rate increases over a period of years and avoid large jumps in ratepayer bills.

Debt Management Policies

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

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

Interfund Loans

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

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

Bond Rating

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

Cash Management and Investment Policies

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

Cash Sufficiency

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

Investment Goals

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

Allocation of Investment Income

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

Alternative Financing Schemes and Derivative Products

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

Capital Projects and Planning Policies

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

Capital Improvement Plan

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

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

Capital Improvement Plan (CIP) Participation

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

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

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

Internal Consistency

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

Funding Sources

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

Relationship between Operating Budget and Capital Improvement Plan

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

Accounting, Financial Reporting and Auditing Policies

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

Accounting and Budgeting System

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

Financial Reporting

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

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

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

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

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

Audit Policy

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

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 entireties; 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: B. 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: B. 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

2014 Calendar for 2015 Budget

| | Process | Internal Due Date | Committee Meeting | Workstudy Meeting | City Council Meeting | State Law Limitations |
|----|---|---------------------|--|-------------------|----------------------|-----------------------|
| 1 | Budget requests and instructions go out to all departments | July 30 | | | | Sept 8 |
| 2 | Finance prepares revenue sources and preliminary expenditures for salaries and benefits | Aug 15 | | | | N/A |
| 3 | Departments provide budget requests to City Administrator's Office | Aug 15 | | | | N/A |
| 4 | Estimates to be filed with the City Clerk and Administration | Sept 11 | | | | Sept 22 |
| 5 | City Clerk submits to CAO the proposed preliminary budget setting forth the complete financial program | Sept 26 | | | | Oct 1 |
| 6 | CAO provides Council with current info on Revenue from all sources as adopted in 2014 Budget, and provides the Clerk's proposed Preliminary budget Totals for 2015 at 6:00 pm | Sept 24 | | Oct 2 | | Oct 6 |
| 7 | Finance Committee Meeting Special 4:00 pm | | Oct 6 | | | Oct 31 |
| 8 | Community Development Comm. -Canceled Public Safety Committee Meeting 6:00 Parks and Cemetery Committee -Canceled Public Works Committee Meeting- 4:00 Finance Committee Meeting 4:00 PM | | Oct 14 Oct 15 Oct 16 Oct 17 Oct 30 | | | Oct 31 |
| 9 | Mayor and department heads review General Fund Revenue & expenditure budgets with Council 6:00 PM | Oct 2 | | Oct 16 Oct 23 | | Oct 31 |
| 10 | Council workstudy - Public Works budgets for revenue and expenditures for all Public Works budgets including Street, Water, Sewer, Stormwater, REET 1 & 2 and Gen Govt, Utilities & Capital Projects. 6:00 PM | | | Oct 30 | | |
| 11 | City Clerk publishes notice of public hearing on 2014 Budget and filing of preliminary budget – once a week for two consecutive weeks – Draft budget submittal ready | Oct 24 and Nov 1 | | | | Nov 3-14 |
| 12 | Copies of preliminary budget made available to public | | | | | Nov 20 |
| 13 | Public Hearing of Property Tax for 2015 | | | | Nov 6 | Nov 3-28 |
| 14 | Preliminary 2015 Budget Document Ready. City Council holds 1 st public hearing on revenue sources and expenditures for the upcoming budget year including possible increases in property tax revenue/Adopt Property Tax 2014 | | | | Nov 20 | Nov 3-28 |
| 15 | City Council holds final public hearing on 2014 Budget – Special Meeting 7:00 PM | | | | Dec 1 | Dec 1 |
| 16 | City Council adopts Final 2014 Budget and transmits to the State Auditor's Office (plus possible amendment to property taxes) –Special Meeting | | | | Dec 1 | Dec 31 |

City of Black Diamond 2015 Budget Ordinance 14-1043 Exhibit "A"

| 2015 Salary Schedule | Step 1 | Step 2 | Step 3 | Step 4 | 5 & On |
|---|---------------|---------------|---------------|---------------|-------------------|
| City Administrator | 9,345 | 9,649 | 10,112 | 10,478 | 10,848 |
| Assistant City Administrator | 8,033 | 8,435 | 8,837 | 9,238 | 9,640 |
| Court Administrator | 5,891 | 6,159 | 6,427 | 6,694 | 6,962 |
| Interim Court Administrator | 5,305 | - | - | - | - |
| Court Clerk (50% hourly) | 18.54 | 20.09 | 21.63 | 23.18 | 24.72 |
| Accounts Payable Clerk (Hourly) | 17.91 | 19.34 | 20.89 | 22.56 | 24.93 |
| MDRT & Economic Director | 7,498 | 7,899 | 8,301 | 8,703 | 9,104 |
| City Attorney | 8,161 | 8,569 | 8,997 | 9,447 | 9,919 |
| City Clerk/HR Manager | 7,498 | 7,899 | 8,301 | 8,703 | 9,104 |
| Deputy City Clerk | 4,499 | 4,814 | 5,128 | 5,443 | 5,757 |
| Finance Director | 7,498 | 7,899 | 8,301 | 8,703 | 9,104 |
| Deputy Finance Director | 6,631 | 7,013 | 7,396 | 7,778 | 8,161 |
| Utility Clerk | 3,213 | 3,481 | 3,749 | 4,017 | 4,284 |
| Senior Accountant 75% (hourly) | 25.79 | 27.08 | 28.43 | 29.86 | 31.35 |
| Accountant 1 Journey (hourly) | 17 | 17 | 18 | 19 | 20 |
| Administrative Assistant 2 | 3,213 | 3,481 | 3,749 | 4,017 | 4,284 |
| Administrative Assistant 1 | 2,356 | 2,544 | 2,731 | 2,919 | 3,106 |
| Information Services Manager | 6,962 | 7,364 | 7,766 | 8,167 | 8,569 |
| Police Chief | 10,236 | 10,585 | 11,008 | 11,287 | 11,692 |
| Police Commander | 8,422 | 8,702 | 8,984 | 9,264 | 9,588 |
| Police Sergeant | 8,292 | 8,757 | - | - | - |
| Police Officer | 5,037 | 5,645 | 6,255 | 6,863 | 7,440 |
| Police Records Coordinator | 4,499 | 4,814 | 5,128 | 5,443 | 5,757 |
| Police Clerk 62.5% (hourly) | 15.05 | 16.51 | 17.96 | 18.98 | 20.87 |
| Facilities Equipment Coordinator | 4,499 | 4,814 | 5,128 | 5,443 | 5,757 |
| Human Resources Director | 7,498 | 7,899 | 8,301 | 8,703 | 9,104 |
| Community Dev/Natural Resources Dir | 7,498 | 7,899 | 8,301 | 8,703 | 9,104 |
| Permit Center Supervisor | 5,891 | 6,159 | 6,427 | 6,694 | 6,962 |
| Permit Technician | 4,499 | 4,814 | 5,128 | 5,443 | 5,757 |
| Permit Technician (Hourly) | 25.96 | 27.77 | 29.59 | 31.40 | 33.22 |
| Compliance Officer | 4,499 | 4,814 | 5,128 | 5,443 | 5,757 |
| Senior Planner | 5,355 | 5,622 | 5,903 | 6,198 | 6,508 |
| Planner | 4,499 | 4,814 | 5,128 | 5,443 | 5,757 |
| Associate Planner | 4,482 | 4,707 | 4,942 | 5,189 | 5,448 |
| Assistant Planner | 4,181 | 4,391 | 4,610 | 4,840 | 5,082 |
| Building Official | 6,962 | 7,364 | 7,766 | 8,167 | 8,569 |
| Parks Department Director | 7,498 | 7,899 | 8,301 | 8,703 | 9,104 |
| Public Works Director | 7,498 | 7,899 | 8,301 | 8,703 | 9,104 |
| Utilities Superintendent | 6,962 | 7,364 | 7,766 | 8,167 | 8,569 |
| Construction Inspector | 6,962 | 7,364 | 7,766 | 8,167 | 8,569 |
| Public Utilities Operator | 4,713 | 4,794 | 4,889 | 4,982 | 5,076 |
| Public Works Administrative Asst 3 | 4,250 | 4,463 | 4,686 | 4,920 | 5,167 |
| Utility Worker-Facility/Eq/Utility Worker | 3,323 | 3,644 | 3,965 | 4,287 | 4,629 |
| Utility Worker Seasonal (hourly) | 13.24 | - | - | - | - |

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

County: King

Work Session followed by a Town Hall Meeting

2nd Thu Beginning at 6PM

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 (2014). 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

| Sales Tax History | | | | Assessed | New | Final Assessed | |
|-------------------|-------------|--|------|-------------|--------------|----------------|-----------|
| Year | Sales Taxes | | | Valuation | Construction | Valuation | Levy Rate |
| 2000 | 178,553 | | 2000 | 294,620,050 | 8,162,011 | 302,782,061 | 2.206 |
| 2001 | 171,913 | | 2001 | 322,721,666 | 11,613,750 | 334,335,416 | 2.196 |
| 2002 | 202,713 | | 2002 | 353,992,917 | 4,667,520 | 358,660,437 | 2.097 |
| 2003 | 178,703 | | 2003 | 356,571,798 | 2,394,661 | 358,966,459 | 1.981 |
| 2004 | 230,263 | | 2004 | 401,497,572 | 1,943,946 | 403,441,518 | 1.904 |
| 2005 | 227,760 | | 2005 | 427,240,702 | 4,372,118 | 431,612,820 | 2.032 |
| 2006 | 289,613 | | 2006 | 446,214,893 | 3,578,995 | 449,793,888 | 2.003 |
| 2007 | 305,497 | | 2007 | 497,642,229 | 2,397,737 | 500,039,966 | 1.839 |
| 2008 | 286,610 | | 2008 | 560,299,568 | 7,314,478 | 567,614,046 | 1.651 |
| 2009 | 249,526 | | 2009 | 626,088,991 | 10,806,265 | 636,895,256 | 1.521 |
| 2010 | 265,177 | | 2010 | 552,382,312 | 2,739,869 | 555,122,181 | 1.777 |
| 2011 | 297,333 | | 2011 | 529,857,064 | 3,058,528 | 532,915,592 | 2.570 |
| 2012 | 262,974 | | 2012 | 536,580,666 | 2,514,106 | 539,094,772 | 2.593 |
| 2013 | 290,795 | | 2013 | 499,553,614 | 1,641,937 | 501,195,551 | 2.830 |
| 2014 | 302,927 | | 2014 | 548,399,243 | 4,187,903 | 552,587,146 | 2.620 |
| | | | 2015 | 600,330,427 | 1,198,061 | 601,528,488 | 2.425 |