



CITY OF BLACK DIAMOND
October 2, 2014 Special Meeting Agenda
25510 Lawson St., Black Diamond, Washington

6:00 P.M. – CALL TO ORDER, FLAG SALUTE, ROLL CALL

1) **Work Session** – 2015 Preliminary Budget

Mayor Gordon, Ms. Miller

ADJOURNMENT:



CITY OF BLACK DIAMOND INTEROFFICE MEMO

September 26, 2014

To: City Council

From: May Miller, Finance Director

Re: Council Workstudy meeting October 2, 2014

- Review of the Proposed 2015 General Fund Budget Summary
- Review of 2015 Funding Agreement Limited Wind-down Funding.
- Review of 2015 Estimated Budgets for all Funds
- Review of current year operating fund Revenues and Expenditures (material will be handed out and reviewed at the workstudy meeting)

During the first 2015 Budget meeting, I will be reviewing the current year Revenues and Expenditures of the General Fund and Public Works operating funds. This information provides the basis for estimating Revenues and Expenditures for next year's budget

Proposed 2015 General Fund Budget summary and Funding Agreement Limited Wind-Down will be reviewed together. Due to the Funding Agreement Limited Wind-down notice we received late last week, the Mayor and management staff have been working diligently to provide the associated reductions that will have the least severe impact on city services. The effective date for the reduction to begin after March 19, 2015 did provide a limited amount of continuing Funding Revenue for the Core Funding Agreement of \$187,345. After this core revenue the total Funding Revenue reduction was still \$520,917. This was a significant reduction, with City revenues only increasing 2.58% or \$76,403. The Proposed Funding Agreement page shows the current year Funding Level, the Limited Reduction Revenue and the continuing Funding Revenue through March 19, 2015 in the last column.

The Proposed 2015 General Fund Budget is in balance with no lay-off of positions. To achieve this balance, many items were included. The proposed budget includes savings from increasing the furlough days from 2 to 10, No Step increase or Cola's, vacant positions were left vacant and no new positions added. Managers reviewed every line of every Expenditure Budget and made numerous cuts. A portion of Finance Staff costs were also allocated to the Utility Funds. The Utility Fund will then need to allocate some of their costs to capital projects so they remain in balance.

The Proposed 2015 General Fund Budget is in balance with an increase to the 2014 Ending Fund Balance of \$565,453 to \$636,837 in 2015, an increase of \$ \$71,384. This is within \$7,361 of the actual 2013 Ending Fund Balance. If you have any questions, please give me a call at 360-886-5700.

2015 Proposed General Fund Budget with Funding Agreement-Limited wind-down

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	Actuals				Budget	
	2013 Actuals	2014 Adj Budget	2014 Est Dec. Actual	2015 Budget	Inc/Dec	%
1 REVENUE						
2 Property Tax	1,400,391	1,421,983	1,386,433	1,436,203	14,220	1.00%
3 Sales Tax	290,796	280,000	272,000	280,000	0	
4 Utility & Gambling Tax	546,510	579,100	576,700	581,400	2,300	0.40%
5 Business & Other Licenses & Fees	23,070	23,700	22,000	23,500	(200)	-0.84%
6 Cable Franchise Fees	61,563	55,000	61,000	61,000	6,000	10.91%
7 Land Use and Permitting Fees	80,068	66,295	80,000	86,970	20,675	31.19%
8 Liquor Tax & Profits	40,278	37,500	40,000	35,700	(1,800)	-4.80%
9 State Sales Tax Assistance	61,645	49,000	59,000	60,000	11,000	22.45%
10 KC EMS Levy, Recycle Grants & misc	70,630	70,625	70,625	70,125	(500)	
11 Chrgs for Svcs, Passport	88,393	93,560	95,000	114,430	20,870	22.31%
12 Parks Parking Fees & other Parks Chg	16,313	12,700	21,000	21,000	8,300	65.35%
13 Cemetery Fees & Charges	9,128	13,500	10,000	12,700	(800)	-5.93%
14 Police Grants, Crim Justice & Misc	162,180	153,310	132,000	131,850	(21,460)	-14.00%
15 Court Fines and Fees	104,826	106,500	116,000	125,000	18,500	17.37%
16 Miscellaneous Revenue	8,676	2,650	2,200	1,975	(675)	-25.47%
17 Subtotal Operating Revenue	2,964,467	2,965,423	2,943,958	3,041,853	76,430	2.58%
18 Funding Agreement-MDRT		632,570		714,381	81,811	
19 Funding Agreement-Core		878,570		330,716	(547,854)	
20 Funding Agreement Contribution	1,412,069		1,274,140		0	
21 Total General Fund Op Revenue	4,376,536	4,476,563	4,218,098	4,086,950	(389,613)	-8.70%
22 Developer Reimb-SEPA legal	51,420	84,000	15,000	10,000		
23 Developer Reimb-MDRT Consultants	270,325	485,000	230,000	470,000		
24 Developer Reimb-Makers Consulting	79,400	100,000	71,376			
25 Developer-Dup Plat & Land Use Fees				0		
26 Grand Total Revenue	4,777,681	5,145,563	4,534,474	4,566,950	(578,613)	-11.24%
27 Beg Cash & Inv Bal General Govt	397,817	644,198	644,198	601,492		
28 Beg Cash & Investment Ba Deve	261,219	299,129	299,129	278,000		
29 Total Sources	5,436,717	6,088,890	5,477,801	5,446,442	(642,448)	-10.55%
30 EXPENDITURES						
31 Legislative	3,876	14,709	14,709	14,702	(7)	-0.05%
32 Executive	13,924	14,876	14,876	14,450	(426)	-2.86%
33 Administration	227,236	125,031	113,000		(125,031)	
34 City Clerk	116,904	228,749	225,749	220,509	(8,240)	-3.60%
35 Finance	243,879	271,891	264,813	173,477	(98,414)	-36.20%
36 Information Services	143,454	87,520	40,000	49,700	(37,820)	-43.21%
37 Legal Service	66,564	227,950	230,000	70,000	(157,950)	-69.29%
38 Legal-Pros Atty & Pub Defender	24,000	60,000	60,000	61,250	1,250	
39 Municipal Court	151,901	147,399	140,445	164,908	17,509	11.88%
40 Police Department	1,553,562	1,632,382	1,601,385	1,638,516	6,134	0.38%
41 Fire Department	448,264	474,711	453,000	485,526	10,815	2.28%
42 Natural Resources-Recycle & Air Qualit	168,077	94,901	91,300	17,300	(77,601)	-81.77%
43 Master Development Review Team	451,226	632,571	480,000	714,381	81,810	12.93%
44 Hearing Examiner-SEPA	2,791	30,000	10,000	10,000	(20,000)	-66.67%
45 Community Development	168,143	197,180	185,000	204,475	7,295	3.70%
46 Economic Development	1,084	1,550	1,200	1,500	(50)	-3.23%
47 Facilities-staff & Misc	98,239	87,894	87,894	87,990	96	0.11%
48 Facilities Bldg Mtc-FA-Core	112,222	112,322	109,322	75,236	(37,086)	-33.02%
49 Animal Control	8,659	9,293	9,293	10,000	707	7.61%
50 Emergency Management	3,714	2,500	2,500	2,500	0	
51 Parks	46,394	56,225	53,225	57,365	1,140	2.03%
52 Cemetery	15,768	14,428	13,000	15,285	857	5.94%
53 Central Services/City Memberships	27,073	31,226	40,000	30,535	(691)	-2.21%
54 three month Insurance -all depts			27,000		0	
55 Total General Fund Op Exp	4,096,954	4,555,308	4,267,711	4,119,605	(435,703)	-9.56%
56 Developer Exp-GFC-Makers	106,705	100,000	75,598			
57 Developer MDRT-Consultants	245,220	485,000	250,000	470,000		
58 Developer Legal SEPA Reimb	44,511	84,000	5,000	10,000		
59 Developer Refund Dup Plat Fees						
60 Total Expenditures	4,493,390	5,224,308	4,598,309	4,599,605	(624,703)	-11.96%
61 Ending Cash & Inv Bal Gen Govt	644,198	565,453	601,492	636,837	71,384	12.62%
62 Ending Cash & Inv Bal Developer	299,129	299,129	278,000	210,000	(89,129)	-29.80%
63 Total Uses	5,436,717	6,088,890	5,477,801	5,446,442	(642,448)	-10.55%

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2015 Preliminary Budget

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

	2015 Funded FTE	2014 Adjsted Budget	2015 Request w/no 2015 reduction	2015 Target Core @2.65 months	2015 Budget- MDRT & Core Funding w/Limited wind-down	2016 senerio with possible full core wind down
MDRT						
1 MDRT & Ec Deve Dir	1.00	143,563	146,509	146,509	146,509	146,509
2 Comm Dev Director-FT -Jan-June 2014		58,270				
3 Comm Dev/Nat Res Dir.-50% -July-Dec 2014	0.50	37,308	75,842	75,842	75,842	75,842
4 Utilities/Const Sup-	1.00	123,745	143,681	143,681	143,681	143,681
5 Add MDRT Sr Planner-75% position	0.75	71,160	95,226	95,226	95,226	95,226
6 MDRT Senior Accountant/Adm Asst	0.75	73,736	75,419	75,419	75,419	75,419
7 Subtotal MDRT Staff	4.00	507,782	536,677	536,677	536,677	536,677
8 MDRT-Expenses		33,659	32,500	32,500	32,500	32,500
9 MDRT-Alloc PW Dir, Asst CA, Finance			30,000	30,000	30,000	30,000
10 MDRT one Vehicle		30,000	50,000	50,000	50,000	50,000
11 FF&E-4 MDRT Emp @ \$16,301= \$65,204		61,129	65,204	65,204	65,204	65,204
12 Total MDRT	4.00	632,570	714,381	714,381	714,381	714,381
13 Core-Limited Wind down funded position-w 10 Day Furlough						
14 City Clerk/Resources Manager	1.00	148,117	146,816	146,816	146,816	0
15 City Clerk/Res Mgr-FF&E-one employee			16,301	16,301	16,301	0
16 Sub total MDRT & one Funded Position	5.00	780,687	877,498	877,498	877,498	714,381
17						
18 Balance of Core Agreement (254)						
19 Core positions w 10 day furlough						
20 Public Works Director		74,620	74,620		19,774	
21 Natural ResParks Dir-Jan-June 2014		74,616				
22 Comm Dev/Hr Director-50% July-Dec 2014		37,308	73,540		19,488	
23 Information Svs-Contracted		92,176	49,000		12,985	
24 Finance Director		123,725	119,477		31,661	
25 Deputy Finance Director		111,990	109,674		29,064	
26 Permit Center Supervisor 2014 Budget		103,041				
27 Re-allocate vacant Permit Center Supervisor		(94,977)				
28 Core Planner -Contract thru 3/19/14		52,200	80,168		21,246	
29 Add Permit Center Tech-Feb-Dec 2014		37,636	41,978		11,123	
30 Facilities Equipment Coordinator		80,418	93,605		24,805	
31 Sub Total Core balance @ 2.65 months		692,753	642,062	170,146	170,146	0
32 Core 2015 FF&E-limited wind-down @ 2.65 Months		112,320	64,899	17,199	17,199	
33 Total Core balance @ 2.65 months		805,073	706,961	187,345	187,345	0
34 Total Funding Agree Op Costs-Funding Revenue		1,585,760	1,584,459	1,064,843	1,064,843	714,381
35 MDRT Legal & Consultant Reimb		485,000	470,000	470,000	470,000	470,000
36 Grand Total Funding Agreement	5.00	2,070,760	2,054,459	1,534,843	1,534,843	1,184,381
37 * RECAP:						
38 2013 City Budget		1,844,306				
39 YB Feb 2013 Cost Inspec		123,745				
40 2013 Base Budget		1,968,051				
41 less 2014 reduction		(360,000)				
42 Change in MDRT Exp Red		(22,291)				
43 Total Funding wo Consultants		1,585,760				
44 General Fund MDRT		632,753			714,381	714,383
45 General Fund-Core		878,387			330,718	0
46 Public Works funds		74,620			19,744	0
47 Total Funding Budget-wo contultants		1,585,760			1,064,843	714,383
48 recap						
49 Base Funding Revenue					1,585,760	1,064,843
50 Less 2015 Funding Revenue Total with Limited Wind-down-2016 Possible Full Core wind-down					(1,064,843)	(714,383)
51 Total 2015 limited wind-down reduction /2016 possible Core additional reduction					520,917	350,460

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**City of Black Diamond
2015 Budget- Early Estimated Revenue & Expenditures**

	Revenue	Expenditures
Operating Funds		
General Fund/Cemetery	5,458,406	5,458,406
Street Fund	309,142	309,142
Water Fund	889,331	889,331
Sewer Fund	947,798	947,798
Stormwater Fund	429,492	429,492
Total Operating funds	8,034,169	8,034,169
Capital & Reserve funds-Early Estimates		
Fire Impact Fees	6,000	6,000
REET I General Government	245,470	245,470
REET II Public Works	218,357	218,357
Capital Proj-Gen Gov	161,782	161,782
Capital Proj-Pub Works	102,800	102,800
WSFAA-Water Projects	190,000	190,000
Water Res/Capt Projects	654,628	654,628
Sewer Res/Capt Projects	785,218	785,218
Stormwtr Capt Projects	70,000	70,000
Police Equipment Replacement	22,571	22,571
Pw Equipment replace	152,800	152,800
Fire Impact Fees	74,585	74,585
Total 2015 Capital/Res Budget Est.	2,684,211	2,684,211
Total Early 2015 Budget Estimates	10,718,380	10,718,380