



CITY OF BLACK DIAMOND
November 5, 2020 Special Meeting Agenda
VIRTUAL MEETING VIA ZOOM

THIS IS OFFERED AS A ZOOM MEETING ONLY.
CALL IN AND JOINING INFORMATION FOLLOWS:

Zoom link to join meeting:

<https://zoom.us/j/4454477047?pwd=eGxRY3ZEeU14SVM2cGRBcUxCSjdmZz09>

(Note: You do not need a web cam to join the meeting, but you will need audio to hear the proceedings.)

Meeting ID: 445 447 7047

Password: Council

Telephone dial in options:

+1 253 215 8782 US (Tacoma)

+1 206 337 9723 US (Seattle)

Meeting ID: 445 447 7047

Password:426953 (phone in only)

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

WORK SESSION:

- 1) Review of 2021 Preliminary Budget of Revenue Sources Including Possible Increase in Property Taxes

Ms. Miller

ADJOURNMENT:

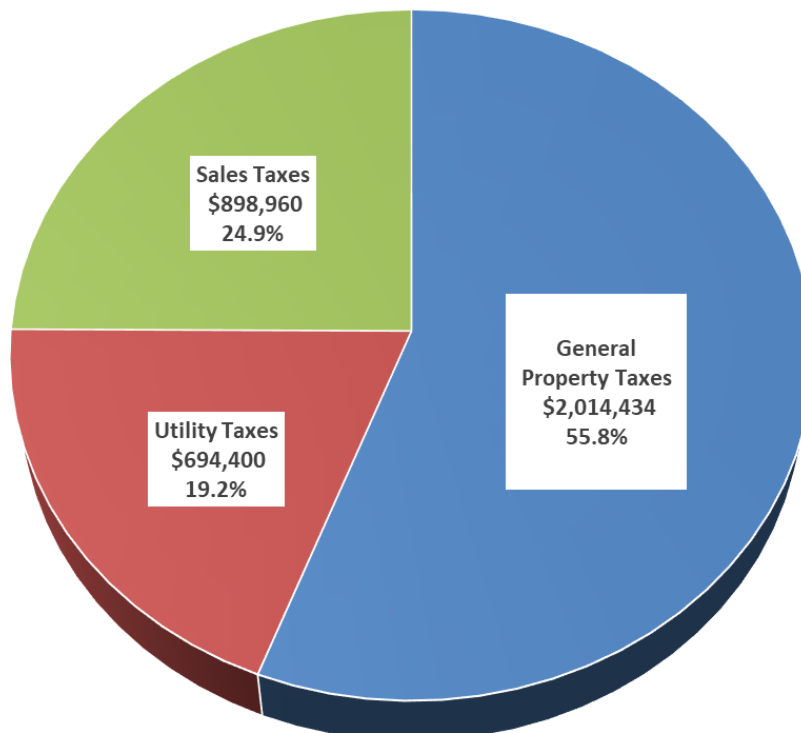
City of Black Diamond Property Taxes

2021

Property taxes make up 56% of the General Fund’s tax revenue and estimated to generate \$2,014,434 in revenue for the city. All revenues from property taxes go directly to the General Fund to support public safety for police, fire protection and emergency services. Black Diamond depends heavily on property tax collections, as the city has a small commercial base for generating sales tax revenue.

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

2021 General Fund Taxes



General Fund Revenue Projection for 2021	2020			2021		
	Budget	Actuals Thru June	Estimated Year End	Prelim Budget	\$ Budget Change	% Budget Change
REVENUES						
1 Beginning Cash and Investments	2,387,486	3,501,660	3,501,660	4,334,539	1,947,053	81.6%
2 General Property Taxes	1,889,434	972,042	1,851,645	2,014,434	125,000	6.6%
3 Sales Taxes	760,000	504,693	946,273	898,960	138,960	18.3%
4 State Sales Tax Assistance	5,000	3,692	4,500	-	(5,000)	-100.0%
5 Utility Tax and Gambling Tax	659,650	389,120	664,100	694,400	34,750	5.3%
6 Cable Franchise Fees	73,000	36,502	73,000	69,350	(3,650)	-5.0%
7 Business License	31,000	16,985	28,830	29,450	(1,550)	-5.0%
8 Liquor Profits & Excise Tax	65,700	31,142	62,300	63,600	(2,100)	-3.2%
9 KC EMS Levy, Recycle Grants & Misc	78,700	2,026	74,000	81,100	2,400	3.0%
10 Community Development Rev	1,202,550	1,103,731	2,300,000	2,000,000	797,450	66.3%
11 Police Department Revenue	362,300	144,529	312,800	336,200	(26,100)	-7.2%
12 Municipal Court Revenue	145,000	49,575	117,500	130,000	(15,000)	-10.3%
13 Parks Revenue	35,400	16,179	29,900	32,200	(3,200)	-9.0%
14 Cemetery Revenue	8,500	1,500	5,500	5,700	(2,800)	-32.9%
15 Charges for Services & misc Rev.	70,300	27,069	35,600	33,000	(37,300)	-53.1%
16 Funding Agreement - MDRT	906,176	343,561	906,176	958,814	52,638	5.8%
17 Total Operating Revenues	6,292,710	3,642,346	7,412,124	7,347,208	1,054,498	16.8%
18 COVID Grants	-	-	213,625	-		
19 AWC 2019 Acct change	-	102,950	205,750	249,500	249,500	
19 Devel Reimb-MDRT Conslt	1,835,000	663,343	1,835,000	1,845,000	10,000	0.5%
20 TOTAL GENERAL FUND SOURCES	10,515,196	7,910,298	13,168,159	13,776,247	3,261,051	31.0%

General Fund Expenditure Projection for 2021	2020			2021		
	Budget	Actuals Thru June	Estimated Year End	Prelim Budget	\$ Budget Change	% Budget Change
EXPENDITURES						
1 Legislative - Council	22,341	8,578	17,800	23,972	1,631	7.3%
2 Executive - Mayor	15,757	6,856	14,150	15,761	4	0.0%
3 Administrative Services	581,476	250,214	537,850	624,847	43,371	7.5%
4 Legal Services	200,000	51,567	140,000	204,000	4,000	2.0%
5 Prosecuting Atty and Public Defender	95,000	34,456	87,500	100,850	5,850	6.2%
6 Municipal Court	322,062	107,916	292,000	348,334	26,272	8.2%
7 Police Department	2,343,031	1,136,473	2,340,000	2,824,483	481,452	20.5%
8 Fire Department	571,376	280,553	605,775	613,853	42,477	7.4%
9 EMS/Recyl/Anim Cont/Mental Health	42,000	4,336	35,200	44,400	2,400	5.7%
10 Master Development Review Team	906,176	389,871	906,176	958,814	52,638	5.8%
11 Community Development	1,091,399	286,172	965,250	1,587,184	495,785	45.4%
12 Facilities	186,708	82,261	162,150	230,305	43,597	23.4%
13 Parks Department	128,146	50,932	118,290	143,338	15,192	11.9%
14 Cemetery	28,760	7,206	24,250	29,507	747	2.6%
15 Total Operating Expenditures	6,534,232	2,697,391	6,246,391	7,749,648	1,215,416	18.6%
16 Covid Costs	-	38,187	213,625	50,000	50,000	
17 AWC Acct. chg for 2019 fr beg cash	-	182,854	182,854	-	0	
18 AWC Insurance 2020 Acct Pmt	-	127	205,750	249,500	249,500	
19 Transfer to Street Fund	-	-	150,000	170,000	170,000	
20 Developer MDRT Consultants	1,835,000	360,289	1,835,000	1,845,000	10,000	0.5%
21 Total Expenditures	8,369,232	3,278,848	8,833,620	10,064,148	1,694,916	20.3%
22 Ending Cash and Investments	2,145,964	4,631,450	4,334,539	3,712,099	1,566,135	73.0%
23 TOTAL GENERAL FUND USES	10,515,196	7,910,298	13,168,159	13,776,247	3,261,051	31.0%

General Fund Functions Supported by Types of Revenue	2020 Budget	2021 Prelim Budget	\$ Change	% Change	Public Safety	General Gov't	MDRT
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REVENUES

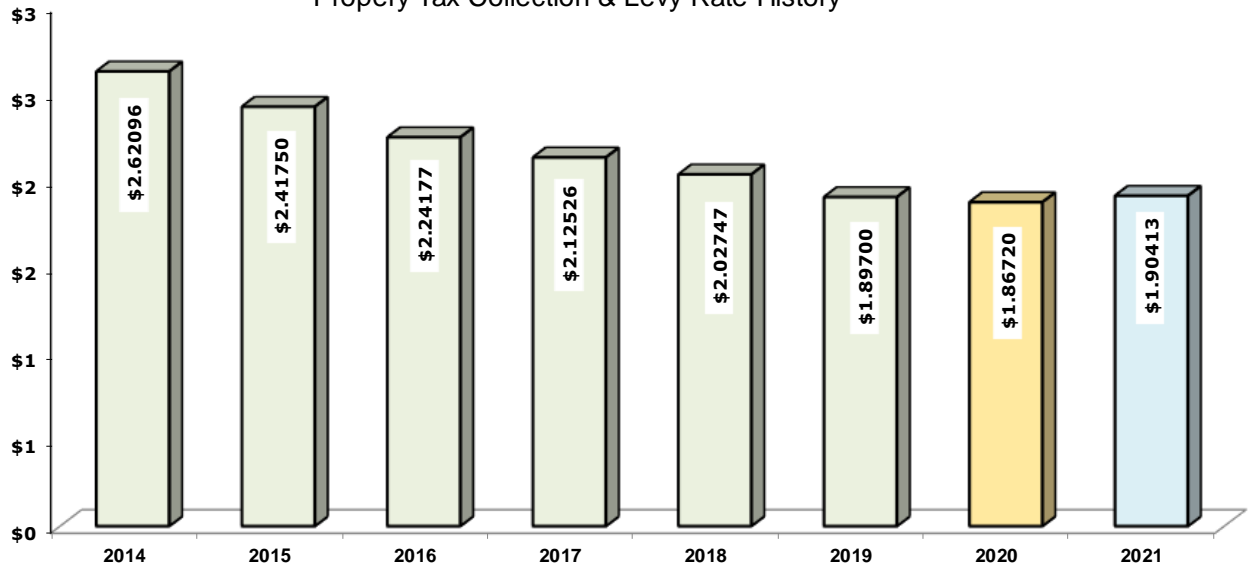
1	Beginning Cash and Investments	2,387,486	4,334,539	1,947,053	81.6%	26,531	4,245,008	63,000
2	Public Safety Revenue Funded With:							
3	General Property Taxes	1,889,434	2,014,434	125,000	6.6%	2,014,434		
4	Utility Tax and Gambling Tax	659,650	694,400	34,750	5.3%	694,400		
5	Criminal Justice Sales Tax	138,000	137,500	(500)	-0.4%	137,500		
6	Liquor Excise Tax and Profits	65,700	63,600	(2,100)	-3.2%	63,600		
7	Municipal Court Revenue	145,700	130,000	(15,700)	-10.8%	130,000		
8	EMS Levy Taxes	62,000	65,100	3,100	5.0%	65,100		
9	Business License	31,000	29,450	(1,550)	-5.0%	29,450		
10	Police Charges for Service, Grants, Misc	224,300	198,700	(25,600)	-11.4%	198,700		
11	Total Public Safety Revenue	3,215,784	3,333,184	117,400	3.7%	3,333,184		
12	General Government Funded With:							
13	Sales Taxes	760,000	898,960	138,960	18.3%		898,960	
14	Land Use and Permitting Fees	1,202,550	2,000,000	797,450	66.3%		2,000,000	
15	Cable Franchise Fees	73,000	69,350	(3,650)	-5.0%		69,350	
16	Sales Tax Assist	5,000	-	(5,000)	-100.0%		-	
17	Grants, Passports, Charges for Svs	86,300	49,000	(37,300)	-43.2%		49,000	
18	Parks Revenue	35,400	32,200	(3,200)	-9.0%		32,200	
19	Cemetery Revenue	8,500	5,700	(2,800)	-32.9%		5,700	
20	Total General Government Revenue	2,170,750	3,055,210	884,460	40.7%		3,055,210	
21	Funding Agreement - MDRT	906,176	958,814	52,638	5.8%			958,814
22	Total GF Operating Revenue	6,292,710	7,347,208	1,054,498	16.8%	3,333,184	3,055,210	958,814

EXPENDITURES

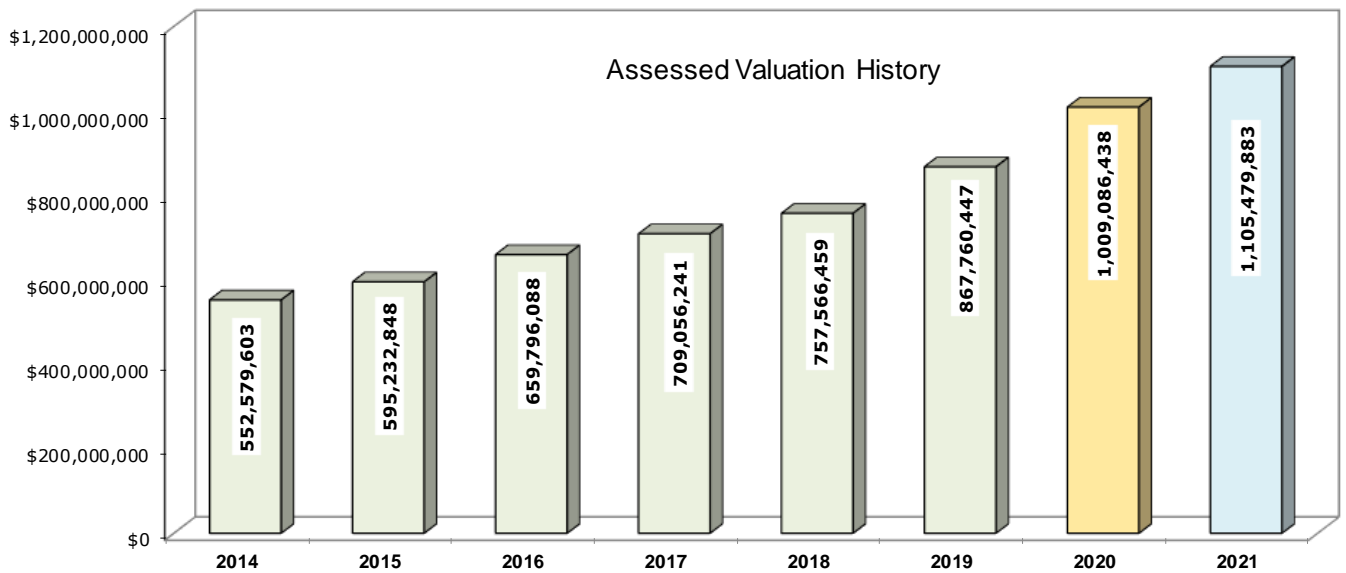
24	Public Safety (Fire, Police, Court)	3,373,469	3,931,920	558,451	16.6%	3,931,920		
25	Community Development	1,091,399	1,587,184	495,785	45.4%		1,587,184	
26	Bldg, Grounds, Parks, Cemetery	343,614	403,150	59,536	17.3%		403,150	
27	Legislative and adm. Services	619,574	664,580	45,006	7.3%		664,580	
28	Legal Services	200,000	204,000	4,000	2.0%		204,000	
28	Master Development Review Team MDRT	906,176	958,814	52,638	5.8%			958,814
29	Total Operating Expenditures	6,534,232	7,749,648	1,215,416	18.6%	\$3,931,920	2,858,914	958,814
30	Trf to Street Fund/2021 COVID \$\$		220,000				220,000	
31	Ending Cash and Investments	2,145,964	3,712,099	1,566,135	73.0%	(572,205)	4,221,304	63,000

* Analysis doesn't include MDRT Consultant Revenues and Expenses in 2020 or 2021

Property Tax Collection & Levy Rate History

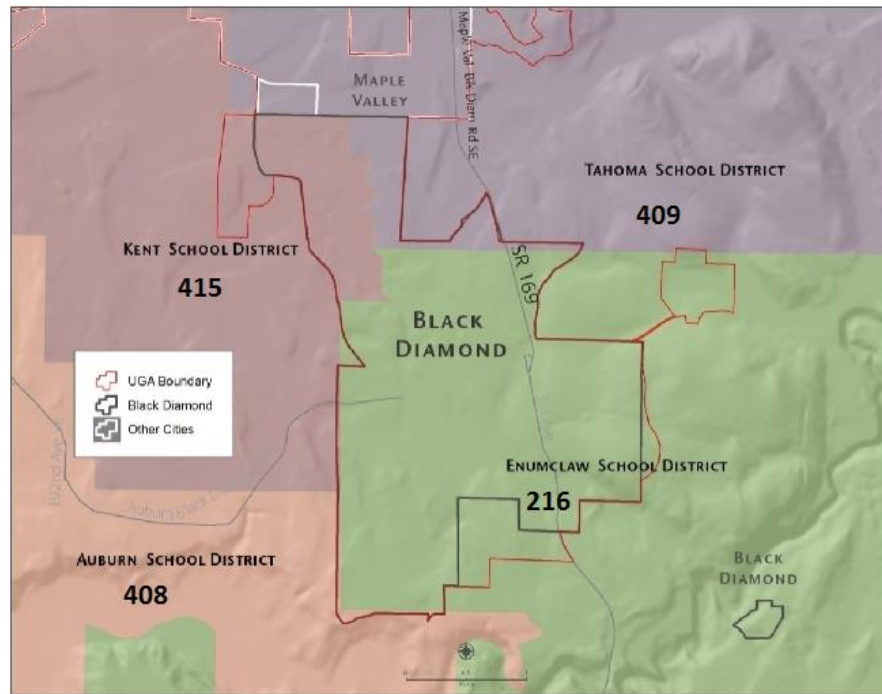


	2014	2015	2016	2017	2018	2019	2020	2021
Regular Levy Base	1,400,391	1,438,114	1,462,890	1,481,033	1,475,350	1,535,244	1,647,702	1,884,197
1% Increase	14,004	14,381	14,629	14,810	14,753	15,352	16,477	18,842
New Construction	11,833	3,145	11,905	13,378	11,470	95,541	219,986	200,801
Annexations								
Adjustments	11,886	5,137	-14,074	-534	698			1,136
Total Property Taxes	\$1,438,114	\$1,460,777	\$1,475,350	\$1,508,687	\$1,502,271	\$1,646,137	\$1,884,165	\$2,104,976
Levy Rate per \$1000 AV	\$ 2.62096	\$ 2.41750	\$ 2.24177	\$ 2.12526	\$ 2.02747	\$ 1.89700	\$ 1.86720	\$ 1.90413
Allowable Levy	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Assessed Valuation	\$552,579,603	\$595,232,848	\$659,796,088	\$709,056,241	\$757,566,459	\$867,760,447	\$1,009,086,438	\$1,105,479,883



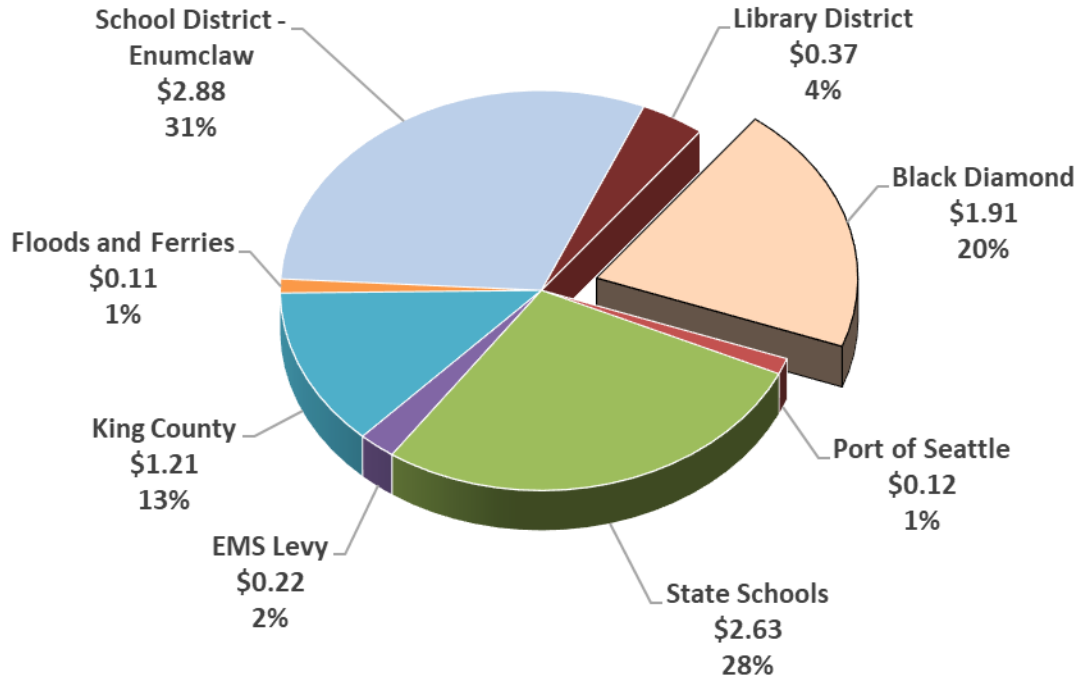
	2014	2015	2016	2017	2018	2019	2020	2021
Base Assessed Valuation	552,567,770	595,229,703	659,784,183	709,042,863	757,554,989	867,664,906	1,008,866,452	1,105,279,082
New Construction	11,833	3,145	11,905	13,378	11,470	95,541	219,986	200,801
Final Assessed Valuation	552,579,603	595,232,848	659,796,088	709,056,241	757,566,459	867,760,447	1,009,086,438	1,105,479,883
% change from prior year	10%	8%	11%	7%	7%	15%	16%	10%
Population	4,370	4,420	4,450	4,470	4,480	4,500	4,520	5,205
Property Tax Levy Rate	2.621	2.418	2.242	2.125	2.027	1.897	1.867	1.904
Increase in Base value	51,394,641	42,653,245	64,563,240	49,260,153	48,510,218	110,193,988	141,325,991	96,393,445
Percentage increase in base	10%	8%	11%	7%	7%	15%	16%	10%

School Districts in Black Diamond



The total property tax rates in Black Diamond vary because of the four different school districts within our city limits.				
	Enumclaw	Tahoma	Kent	Auburn
2020 Rates				
Local School District	2.88	3.47	3.64	3.81
Washington State for Schools Part 1	1.92	1.92	1.92	1.92
*McCleary Decision for Schools Part 2	0.71	1.01	1.01	1.01
King County	1.21	1.21	1.21	1.21
City of Black Diamond	1.91	1.91	1.91	1.91
Port of Seattle	0.12	0.12	0.12	0.12
Library District	0.37	0.37	0.37	0.37
Emergency Medical Services	0.22	0.22	0.22	0.22
King County Flood Levy	0.11	0.11	0.11	0.11
Total Levy Rate 2020	9.45	10.34	10.51	10.68
* McCleary Part 2 was reduced by State				
Total 2019 Levy Rates	11.45	12.60	11.37	13.48

MONTHLY 2020 Property Tax Rates on a \$386,000 Appraised Home
 Translate to:
 Total Monthly Taxes of \$298.18
 Black Diamond's Portion: \$55.57



King County Taxing District	Levy Rate per \$1000 in Value	Percent of Property Taxes Collected	2020 Annual Tax on a \$386,000 Home	Monthly Tax on a \$386,000 Home
Port of Seattle	0.12266	1%	\$47.35	\$3.95
State Schools	2.62922	28%	\$1,014.88	\$84.57
EMS Levy	0.21762	2%	\$84.00	\$7.00
King County	1.20894	13%	\$466.65	\$38.89
Floods and Ferries	0.10672	1%	\$41.19	\$3.43
School District - Enumclaw	2.88249	31%	\$1,112.64	\$92.72
Library District	0.37441	4%	\$144.52	\$12.04
Subtotal	7.54206	80%	\$2,911.24	\$242.60
Black Diamond	1.90542	20%	\$666.90	\$55.57
Total	9.44748	100%	\$3,578.13	\$298.18

PRELIMINARY

LEVY LIMIT WORKSHEET – 2021 Tax Roll

TAXING DISTRICT: City of Black Diamond

The following determination of your regular levy limit for 2021 property taxes is provided by the King County Assessor pursuant to RCW 84.55.100.

Annexed to Library District

(Note 1)

Estimated Library rate: 0.33289

Using Limit Factor For District	Calculation of Limit Factor Levy	Using Implicit Price Deflator
1,884,197	Levy basis for calculation: (2020 Limit Factor) (Note 2)	1,884,197
1.0100	x Limit Factor	1.0060
1,903,039	= Levy	1,895,502
106,633,204	Local new construction	106,633,204
0	+ Increase in utility value (Note 3)	0
106,633,204	= Total new construction	106,633,204
1.88310	x Last year's regular levy rate	1.88310
200,801	= New construction levy	200,801
2,103,840	Total Limit Factor Levy	2,096,303
Annexation Levy		
0	Omitted assessment levy (Note 4)	0
2,103,840	Total Limit Factor Levy + new lid lifts	2,096,303
1,105,479,883	= Regular levy assessed value less annexations	1,105,479,883
1.90310	= Annexation rate (cannot exceed statutory maximum rate)	1.89628
0	x Annexation assessed value	0
0	= Annexation Levy	0
Lid lifts, Refunds and Total		
0	+ First year lid lifts	0
2,103,840	+ Limit Factor Levy	2,096,303
2,103,840	= Total RCW 84.55 levy	2,096,303
1,136	+ Relevy for prior year refunds (Note 5)	1,136
2,104,976	= Total RCW 84.55 levy + refunds	2,097,439
	Levy Correction: Year of Error (±)	
2,104,976	ALLOWABLE LEVY (Note 6)	2,097,439
Increase Information (Note 7)		
1.90413	Levy rate based on allowable levy	1.89731
1,889,462	Last year's ACTUAL regular levy	1,889,462
13,577	Dollar increase over last year other than N/C – Annex	6,040
0.72%	Percent increase over last year other than N/C – Annex	0.32%
Calculation of statutory levy		
	Regular levy assessed value (Note 8)	1,105,479,883
	x Maximum statutory rate	3.26711
	= Maximum statutory levy	3,611,724
	+Omitted assessments levy	0
	=Maximum statutory levy	3,611,724
	Limit factor needed for statutory levy	Not usable

ALL YEARS SHOWN ON THIS FORM ARE THE YEARS IN WHICH THE TAX IS PAYABLE.

Please read carefully the notes on the reverse side.

PRELIMINARY

LEVY LIMIT WORKSHEET – 2021 Tax Roll

TAXING DISTRICT: City of Black Diamond

The following determination of your regular levy limit for 2021 property taxes is provided by the King County Assessor pursuant to RCW 84.55.100.

Annexed to Library District (Note 1) Estimated Library rate: 0.33289

Using Limit Factor For District	Calculation of Limit Factor Levy	Using Implicit Price Deflator
1,884,197	Levy basis for calculation: (2020 Limit Factor) (Note 2)	1,884,197
1.0100	x Limit Factor	1.0060
1,903,039	= Levy	1,895,502
106,634,442	Local new construction	106,634,442
0	+ Increase in utility value (Note 3)	0
106,634,442	= Total new construction	106,634,442
1.88310	x Last year's regular levy rate	1.88310
200,803	= New construction levy	200,803
2,103,842	Total Limit Factor Levy	2,096,305
Annexation Levy		
0	Omitted assessment levy (Note 4)	0
2,103,842	Total Limit Factor Levy + new lid lifts	2,096,305
1,105,517,883	÷ Regular levy assessed value less annexations	1,105,517,883
1.90304	= Annexation rate (cannot exceed statutory maximum rate)	1.89622
0	x Annexation assessed value	0
0	= Annexation Levy	0
Lid lifts, Refunds and Total		
0	+ First year lid lifts	0
2,103,842	+ Limit Factor Levy	2,096,305
2,103,842	= Total RCW 84.55 levy	2,096,305
1,136	+ Relevy for prior year refunds (Note 5)	1,136
2,104,978	= Total RCW 84.55 levy + refunds	2,097,441
	Levy Correction: Year of Error (+or-)	
2,104,978	ALLOWABLE LEVY (Note 6)	2,097,441
Increase Information (Note 7)		
1.90407	Levy rate based on allowable levy	1.89725
1,889,462	Last year's ACTUAL regular levy	1,889,462
13,577	Dollar increase over last year other than N/C – Annex	6,040
0.72%	Percent increase over last year other than N/C – Annex	0.32%
Calculation of statutory levy		
	Regular levy assessed value (Note 8)	1,105,517,883
	x Maximum statutory rate	3.26711
	= Maximum statutory levy	3,611,849
	+Omitted assessments levy	0
	=Maximum statutory levy	3,611,849
	Limit factor needed for statutory levy	Not usable

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

ORDINANCE NO. 20-XXXX

AN ORDINANCE OF THE CITY OF BLACK DIAMOND, WASHINGTON, RELATING TO THE GENERAL PROPERTY TAX LEVY AND SPECIFYING THE INCREASE CALCULATED BY KING COUNTY BASED ON LAST YEARS ACTUAL LEVY COMMENCING ON JANUARY 1, 2021 WITH CERTAIN CHANGES REQUIRED BY KING COUNTY IN THE MANNER IN WHICH THE AMOUNTS ARE CALCULATED. SUCH PROPERTY TAX LEVY SHALL APPLY TO ALL PROPERTY BOTH REAL AND PERSONAL, SUBJECT TO TAXATION, FOR THE PURPOSE OF PROVIDING REVENUE FOR PUBLIC SAFETY FOR THE CITY OF BLACK DIAMOND, ALL AS REQUIRED BY LAW, AND ESTABLISHING THE EFFECTIVE DATE.

WHEREAS, the Council of the City of Black Diamond has met and considered its budget for the calendar year 2021 and

WHEREAS, the Council thereafter gave notice of public hearings and held public hearings on November 5, 2020, and

WHEREAS, the City's actual King County levy amount from the previous actual year base levy of \$1,884,197 is a base increase of **\$18,842 or .72%**; and

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

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

Section 1. Levy and Percentage of Increase. An increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2021 tax year. The dollar amount of the increase over the actual base levy amount authorized from King County for the previous year shall be \$18,842, which is a percentage increase of .72% from the previous year. Also adopted is a re levy of \$1,136. These increases are exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, and any increase in the value of state assessed property, and any annexations that have occurred.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by State or Federal law or regulations, such decisions or preemptions shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

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

PASSED by the Council and approved by the Mayor of the City of Black Diamond, Washington, this 19th day of November 2020

Carol Benson, Mayor

Attest:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

David A Linehan, City Attorney

Published:

Posted:

Effective Date:

ORDINANCE NO. 20-XXXX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, LEVYING THE GENERAL PROPERTY TAXES FOR THE CITY FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2021 ON ALL PROPERTY BOTH REAL AND PERSONAL, SUBJECT TO TAXATION, FOR THE PURPOSE OF PROVIDING REVENUE FOR PUBLIC SAFETY FOR THE CITY OF BLACK DIAMOND FOR THE ENSUING YEAR AS REQUIRED BY LAW AND ESTABLISHING THE EFFECTIVE DATE.

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

WHEREAS, the City Council has properly given notice of the Public Hearings held on November 5, 2020 to consider the City's 2020 Property Tax Levy and the Preliminary Budget including the Revenue Sources, pursuant to RCW 84.55.120; and

WHEREAS, the City Council of Black Diamond, Washington has met and considered the Public Safety budgets for the year of 2021; and

WHEREAS, a public hearing was held on November 5, 2020 regarding the 2021 Revenue Sources and Public safety budget and the property tax levy, and

WHEREAS, King County requires that the 2021 Property Tax Levies be submitted by November 30, 2020; and

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

Section 1. Amount. The preliminary assessed valuation of **\$1,105,479,883** is adopted. A regular property tax for 2021 is hereby levied in the maximum amount **\$2,144,976** which includes an additional \$40,000 for any additional King County increases resulting from additional new construction, improvements to property, newly constructed wind turbines, and any increase in the value of state assessed property or any annexations that have occurred after the preliminary worksheets and adjustment made by the county. The final dollar amount of Property Taxes is determined by King County and reduced to the actual amount allowed.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by State or Federal law or regulations, such decisions or preemptions shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

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

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Carol Benson, Mayor

Attest:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

David A. Linehan, City Attorney

Posted:

Published:

Effective Date: