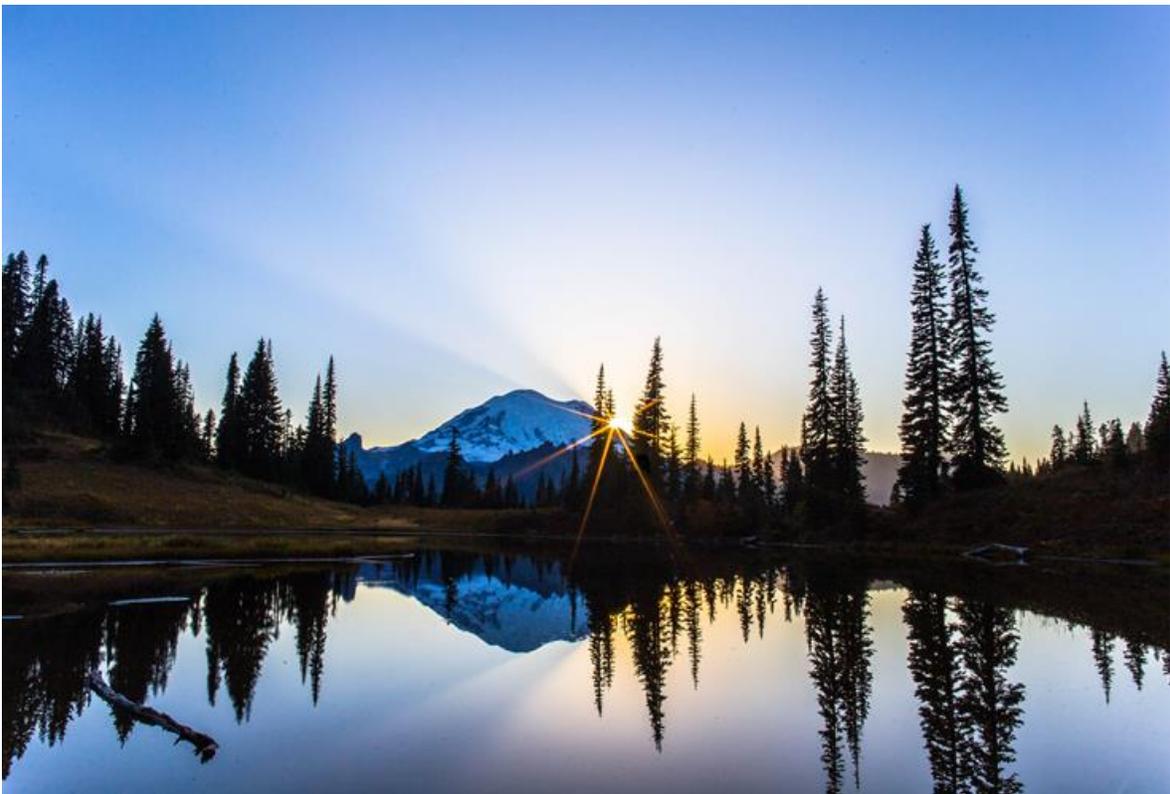


**City of Black
Diamond
Preliminary
Budget**

2016



(many photos in this document are courtesy of [Craig Goodwin](#))

TABLE OF CONTENTS

Mayor’s Letter _____ 3

About Black Diamond _____ 5

Elected Officials _____ 6

Council Committees _____ 7

Organization Chart _____ 8

Employee Allocations by Fund _____ 9

Combined Operating Statement _____ 10

General Fund _____ 11

General Fund Ending Fund Balance 6 Year Forecast _____ 13

General Fund Functions Supported by Revenue Sources _____ 14

General Fund Budget Comparisons 2014 - 2016 _____ 15

Funding Agreement _____ 17

General Fund Revenue _____ 18

General Fund Expenditures _____ 31

Legislative _____ 31

Executive _____ 31

City Clerk/HR _____ 32

Finance _____ 32

Information Services _____ 33

Legal _____ 33

Municipal Court _____ 34

Police Department _____ 35

Fire Department _____ 37

Emergency Management _____ 38

Special Programs _____ 38

Community Development _____ 39

Master Development Review Team & Consultants _____ 40

Parks and Recreation _____ 41

Cemetery _____ 42

Facilities _____ 42

Central Services _____ 43

Special Revenue Funds _____ 45

Street Fund _____ 47

Street Fund 6 year Forecast _____ 48

Fire Impact Fee Fund _____ 49

Transportation Benefit District Fund _____ 50

| | |
|---|----|
| <u>Internal Service Fund</u> _____ | 51 |
| Equipment Replacement Funds _____ | 52 |
| | |
| <u>Utility Funds</u> _____ | 55 |
| Water Fund _____ | 56 |
| Water Fund 6 Year Forecast _____ | 57 |
| Water Debt Analysis _____ | 58 |
| Sewer Fund _____ | 59 |
| Sewer 6 year Forecast _____ | 60 |
| Stormwater Fund _____ | 61 |
| Stormwater Fund 6 Year Forecast _____ | 62 |
| | |
| <u>Capital Funds</u> _____ | 63 |
| Real Estate Excise Tax 1 (REET 1) _____ | 64 |
| General Government Capital Projects 310 _____ | 65 |
| Real Estate Excise Tax 2 (REET 2) _____ | 66 |
| Public Works Capital Projects Fund _____ | 67 |
| WSFFA Fund 402 _____ | 68 |
| Water Capital Fund 404 _____ | 69 |
| Sewer Capital Project Fund 408 _____ | 70 |
| Stormwater Capital Project Fund 410 _____ | 71 |
| | |
| Financial Management Policies _____ | 72 |
| Salary Schedule _____ | 78 |
| Budget Calendar _____ | 79 |
| Statistics _____ | 80 |

From the Mayor's Desk

October 29, 2015

City Council and Black Diamond Residents,

It is my pleasure to present to you the 2016 budget for the City of Black Diamond. Following a series of meetings with staff I am happy to report the 2016 Budget is in balance for all funds. The General Fund ending balance will be increasing by \$114,035 to a total of \$759,115. This is 18% of the General Fund operating expenditures and exceeds the recommendation of 10%. Fortunately, the economy is slowly improving with a sales tax increase of about 6% due to building within the City and the expected increases in 2016 for the construction of the new elementary school. In addition, the water, sewer and stormwater budgets are also in balance for 2016, with a rate study expected in the spring of 2016.

Since first taking office as your Mayor, on Dec. 2, 2014, I have remained focused on improving the quality of life for Black Diamond residents. This includes working to help new and existing businesses along with streamlining governmental processes. The continued challenge facing the City, like many other cities, is to maintain current service levels while at the same time balancing costs, which are increasing at a faster pace than our resources.

The restructure of our Fee Schedule was a major accomplishment this year with participation from City Staff, City Council and our City Attorney. Our revenues now more closely match our expenditures. We are also in the process of setting up a new payment structure for Utility Bills, Permits, Business Licenses and other City payments through Invoice Cloud, which will streamline Credit Card payments and will save the City time and money. New Accounting processes were established to better track Accounts Receivables and Stormwater Utility billings, with a much needed education segment to inform customers.

The Police Dept. faced some challenges with Commander Goral out on medical leave most of the year and finally passing away from his cancer on August 16, 2015. We are currently in the process of replacing that position. The Boots and Badges Charity Basketball Game for Cops with Cancer was a big success bringing in over \$36,000 for Commander Goral and his family. The Department transitioned all officers to cell phone for use as hot spots; camera, video and audio. Sgt. Lynch attended the National DARE conference and successfully completed the 10 week course for the 5th graders at Black Diamond Elementary School.

We received a Grant approving the \$1.4 mil. Roberts Drive and bridge improvements, including a pedestrian walkway. We will also be doing some street overlays, repairs and sign replacement. We have applied for a TIB Grant for the Jones Lake overlay.

Our new Community Development Director is focusing on the Comprehensive Plan update which should be ready for adoption by the 2nd Qtr. of 2016. Her goals are to develop strategies to streamline the permitting process and create a business friendly building and permitting process. We have seen an increase in the issuance of building permits by almost 20% and need to make sure we have the staff available to serve this additional capacity. Enumclaw School District passed a bond issue to replace Black Diamond Elementary School, which will occur in 2016.

The City Clerk is responsible for the implementation of the City's new Wellness Program for 2016, which could earn the City an insurance discount in future years. She is also responsible for streamlining the Business License application review and issuance process. We are improving the quality of communication with the public by again including the quarterly newsletter in our utility billing as well as being posted to the City website.

The Master Planned Development Review Team (MDRT) has been working on current and up-coming projects with YarrowBay the developer and applicant. They have approved Clearing and Grading of the stockpile area in PP1A and anticipate approving Clearing and Grading of PP2c, which a permit is expected to be issued before the

end of the year. The Villages offsite Watermain, that is routed through the Palmer Coking Coal site, has been approved and the permit issued. The applicant has turned in an additional application for the Offsite Watermain for Roberts Drive. They have also been working with King County Wastewater Treatment Division for the connection to the sewer system and the design of an additional lift station.

I appreciate the hard work and dedication of City Staff in providing the City and Council with a balanced budget. As the economy continues to improve, I am confident that we will eventually adopt a budget that will allow the city a sustainable financial future. I am proud that the City has maintained a responsible level of service and makes this city a better place to live, work, play and do business.

Sincerely,

Carol Benson
Mayor

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 4,200 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 Mountain View Fire and Rescue (formerly Fire District 44) 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.

Black Diamond Elected Officials



Back Row: Ron Taylor, Craig Goodwin, Tamie Deady - Mayor Pro-tem
Front Row: Erica Morgan, Mayor Carol Benson, Janie Edelman

Mayor
Carol Benson
Appointed Position
Expires 12/31/2015

Position 3
Janie Edelman
Two Year Term
Expires 12/31/2015

Position 1
Tamie Deady
Mayor Pro-tem
Four Year Term
Expires 12/31/2015

Position 4
Craig Goodwin
Expires 12/31/2015

Position 2
Erika Morgan
Four Year Term
Expires 12/31/17

Position 5
Ron Taylor
Four Year Term
Expires 12/31/2015

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 Edelman

Council Member Deady

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 Morgan

Council Member Goodwin

The Parks and Cemetery Committee in conjunction with City Staff may consider matters related to planning and implementation of park and recreational facilities, the capital improvement program, local trails and the 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 Deady

Council Member Taylor

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

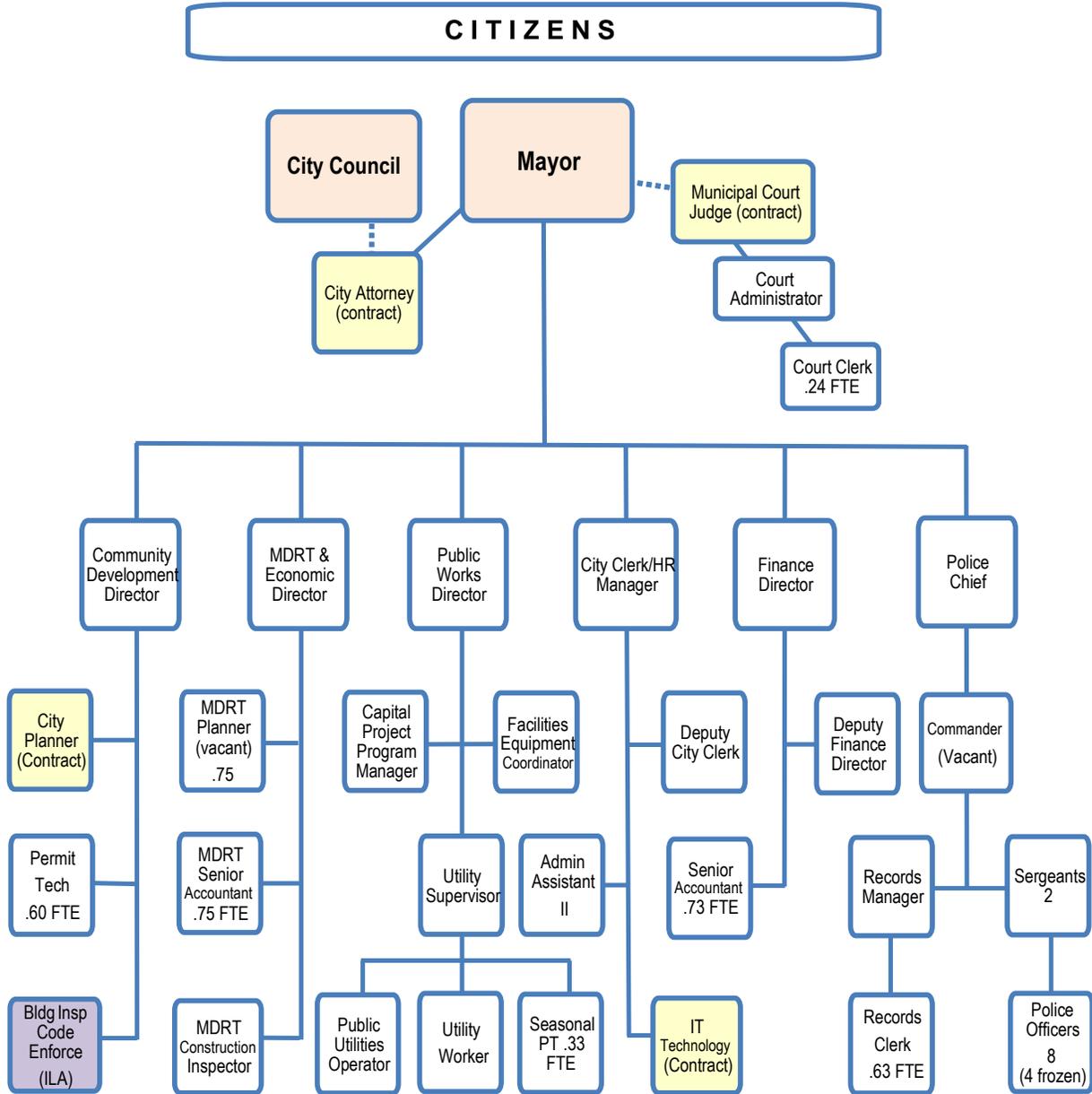
Public Works Committee

Chair - Council Member Taylor

Council Member Goodwin

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

City of Black Diamond 2016 Organization Chart



This Chart represents budgeted positions for 2016.

Each position is filled by 1 FTE, unless otherwise noted.

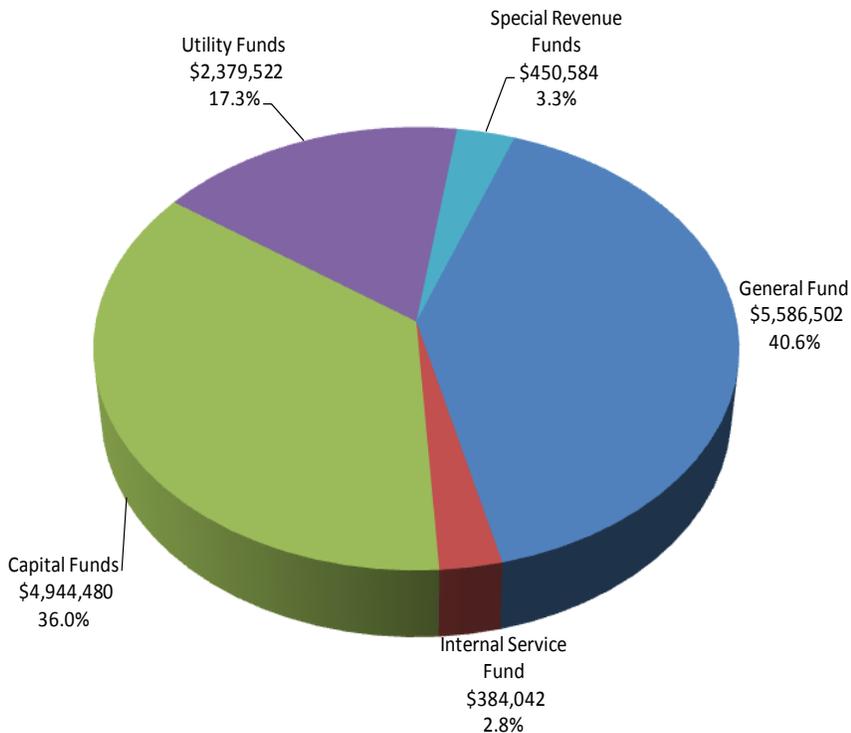
Black Diamond is served by Mountain View Fire and Rescue.

- Elected Positions
- Consultant
- Contract

| 2016 Employee Allocations by Funding Source | | | | | | | |
|---|----------------------------|-------------------|--------------|-------------|-------------|-------------|------------------|
| Positions | Full Time Equivalent (FTE) | Funding Agreement | General Fund | Street Fund | Water Fund | Sewer Fund | Storm water Fund |
| Administration | | | | | | | |
| Administrative Assistant 2 | 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/HR Manager | 1.00 | 1.00 | | | | | |
| Deputy City Clerk | 1.00 | | 0.50 | 0.04 | 0.15 | 0.15 | 0.16 |
| Total City Clerk | 2.00 | 1.00 | 0.50 | 0.04 | 0.15 | 0.15 | 0.16 |
| Finance Department | | | | | | | |
| Finance Director | 1.00 | | 0.70 | | 0.10 | 0.10 | 0.10 |
| Deputy Finance Director | 1.00 | | 0.72 | | 0.09 | 0.10 | 0.09 |
| Senior Accountant | 0.73 | | 0.44 | 0.03 | 0.09 | 0.09 | 0.08 |
| Total Finance | 2.73 | | 1.86 | 0.03 | 0.28 | 0.29 | 0.27 |
| Police Department | | | | | | | |
| Police Chief | 1.00 | | 1.00 | | | | |
| Police Commander (vacant) | 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 |
| Municipal Court | | | | | | | |
| Court Administrator | 1.00 | | 1.00 | | | | |
| Court Clerk | 0.24 | | 0.24 | | | | |
| Total Court | 1.24 | | 1.24 | 0.0 | 0.0 | 0.0 | 0.0 |
| Community Development | | | | | | | |
| Community Development Director | 1.00 | | 1.00 | | | | |
| Permit Technician | 0.60 | | 0.60 | | | | |
| Total Community Development | 1.60 | | 1.60 | | | | |
| Master Dev Review Team (MDRT) | | | | | | | |
| MDRT & Economic Dev Director | 1.00 | 1.00 | | | | | |
| Utilities Construction Supervisor | 1.00 | 1.00 | | | | | |
| Senior Planner (vacant) | 0.75 | 0.75 | | | | | |
| Senior Accountant | 0.75 | 0.75 | | | | | |
| Total MDRT Review Team | 3.50 | 3.50 | 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 |
| Public Works | | | | | | | |
| Public Works Director | 1.00 | | 0.06 | 0.26 | 0.23 | 0.23 | 0.22 |
| Capital Project/Program Manager | 1.00 | | | 0.25 | 0.25 | 0.25 | 0.25 |
| Utilities Supervisor | 1.00 | | 0.05 | 0.23 | 0.24 | 0.24 | 0.24 |
| 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 Maintenance | 0.33 | | 0.16 | 0.06 | 0.06 | | 0.05 |
| Total Public Works | 5.33 | | 0.47 | 1.10 | 1.28 | 1.22 | 1.26 |
| Total Budget Positions (FTE's) | 28.03 | 4.50 | 16.20 | 1.22 | 2.06 | 2.01 | 2.04 |

| All Funds Preliminary Budget Summary | Beginning Fund Balance | 2016 Revenue | Total Sources | 2016 Expenditures | Ending Fund Balance | Total Uses |
|--------------------------------------|------------------------|-------------------|-------------------|-------------------|---------------------|-------------------|
| General Fund 001 | 1,072,660 | 4,513,842 | 5,586,502 | 4,667,387 | 919,115 | 5,586,502 |
| Special Revenue Funds | | | | | | |
| 101 Street Fund | 111,645 | 217,334 | 328,979 | 215,291 | 113,688 | 328,979 |
| 107 Fire Impact Fees | 43,575 | 18,030 | 61,605 | | 61,605 | 61,605 |
| 108 Trans. Benefit District Fund | | 60,000 | 60,000 | 60,000 | | 60,000 |
| Utility Funds | | | - | | | - |
| 401 Water Fund | 161,635 | 798,248 | 959,883 | 790,943 | 168,940 | 959,883 |
| 407 Sewer Fund | 117,641 | 846,260 | 963,901 | 874,239 | 89,662 | 963,901 |
| 410 Stormwater Fund | 105,818 | 349,920 | 455,738 | 370,796 | 84,942 | 455,738 |
| Capital Funds | | | - | | | - |
| 310 Gen. Government CIP Fund | 170,819 | 156,424 | 327,243 | 327,243 | | 327,243 |
| 311 REET 1 Gen Govt | 133,341 | 95,150 | 228,491 | 128,000 | 100,491 | 228,491 |
| 320 Street CIP Fund | 225,967 | 1,817,244 | 2,043,211 | 2,043,211 | | 2,043,211 |
| 321 REET 2 Street Projects | 116,024 | 95,120 | 211,144 | 110,000 | 101,144 | 211,144 |
| 402 Water Supply and Facility Fund | 70,000 | 560,150 | 630,150 | 560,000 | 70,150 | 630,150 |
| 404 Water Capital Fund | 287,700 | 429,001 | 716,701 | 560,771 | 155,930 | 716,701 |
| 408 Sewer Capital Fund | 711,000 | 26,540 | 737,540 | 153,000 | 584,540 | 737,540 |
| 410 Stormwater Capital Fund | | 50,000 | 50,000 | 50,000 | | 50,000 |
| Internal Service Fund 510 | | | - | | | - |
| 1 - Fire Equipment Reserve Fund | 48,876 | 25,050 | 73,926 | 73,926 | | 73,926 |
| 2 - Street Equipment Reserve Fund | 253,096 | 47,200 | 300,296 | 76,000 | 224,296 | 300,296 |
| 3 - Police Equipment Reserve Fund | 9,800 | 20 | 9,820 | 9,820 | | 9,820 |
| Total All Funds | 3,639,597 | 10,105,533 | 13,745,130 | 11,070,627 | 2,674,503 | 13,745,130 |

Total Budget
\$13,745,130



General Fund

The General Fund is the primary fund of the City. It is similar to a firm's general ledger account, and records all assets and liabilities of the entity that are not assigned to a special purpose fund. It provides the resources necessary to sustain the day-to-day activities and thus pays for administrative and operating expenses.



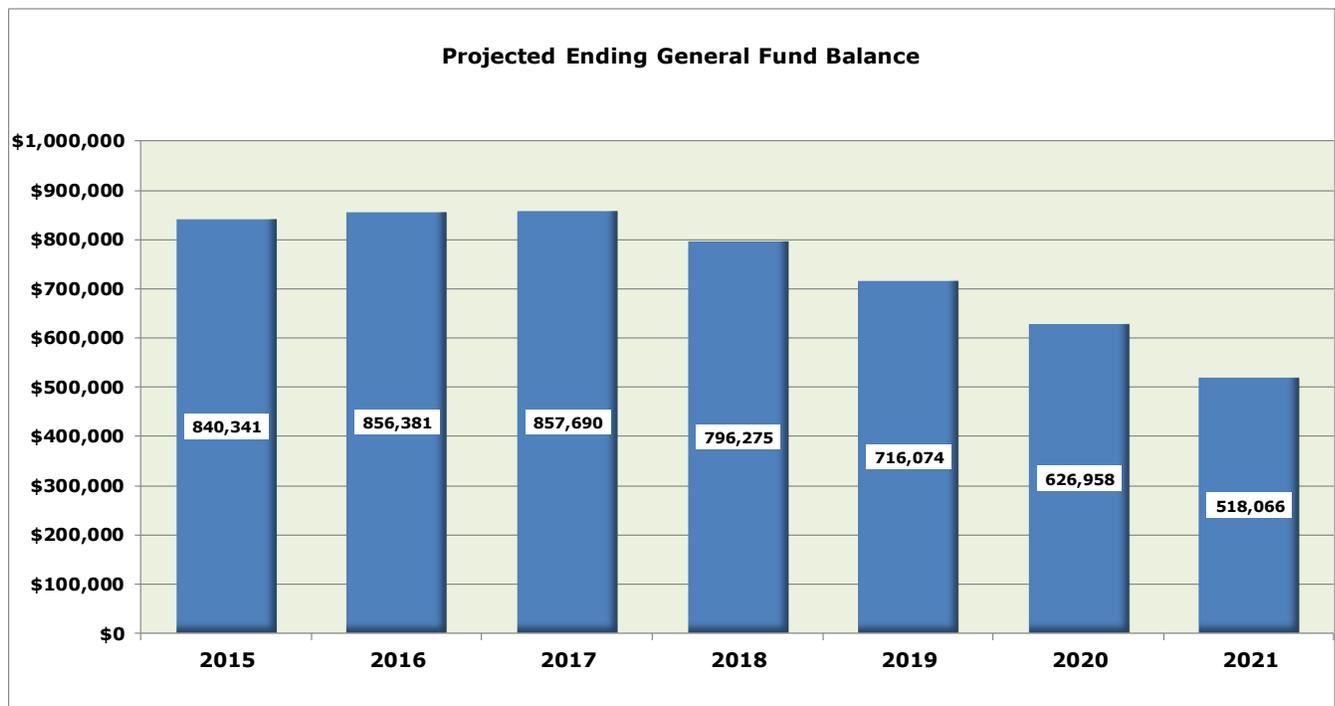
Jones Lake at Dusk

General Fund 2016 Preliminary Budget

| | 2014 Actuals | 2015 Budget | Estimate Year End 2015 | 2016 Budget | Budget \$ Change inc/(dec) | Budget % Change |
|--|------------------|------------------|------------------------------|------------------|----------------------------------|-----------------------|
| REVENUE | | | | | | |
| 1 Property Tax | 1,438,112 | 1,436,203 | 1,436,000 | 1,465,908 | 29,705 | 2.1% |
| 2 Sales Tax | 302,927 | 280,000 | 310,750 | 326,250 | 46,250 | 16.5% |
| 3 Utility & Gambling Tax | 582,921 | 581,400 | 570,040 | 563,500 | (17,900) | -3.1% |
| 4 Business & Other Licenses & Fees | 21,995 | 23,500 | 22,110 | 22,000 | (1,500) | -6.4% |
| 5 Cable Franchise Fees | 62,438 | 61,000 | 64,000 | 66,000 | 5,000 | 8.2% |
| 6 Land Use and Permitting Fees | 112,715 | 86,970 | 135,000 | 181,310 | 94,340 | 108.5% |
| 7 Liquor Tax & Profits | 44,887 | 35,700 | 41,200 | 54,750 | 19,050 | 53.4% |
| 8 State Sales Tax Assistance | 72,195 | 60,000 | 70,000 | 78,460 | 18,460 | 30.8% |
| 9 KC EMS Levy, Recycle Grants & Misc | 70,648 | 70,125 | 71,293 | 71,991 | 1,866 | 2.7% |
| 10 Charges for Services, Passport | 92,298 | 114,430 | 113,611 | 101,400 | (13,030) | -11.4% |
| 11 Parks Parking Fees | 22,274 | 21,000 | 25,000 | 25,000 | 4,000 | 19.0% |
| 12 Gym Revenue | | | 6,100 | 9,940 | 9,940 | |
| 13 Cemetery Fees & Charges | 10,371 | 12,700 | 10,100 | 12,600 | (100) | -0.8% |
| 14 Police Grants, Crim Justice & Misc | 153,933 | 131,850 | 154,882 | 152,215 | 20,365 | 15.4% |
| 15 Court Fines and Fees | 114,777 | 125,000 | 108,175 | 109,521 | (15,479) | -12.4% |
| 16 Miscellaneous Revenue | 7,108 | 1,975 | 8,000 | 2,500 | 525 | 26.6% |
| Subtotal Operating Revenue | 3,109,599 | 3,041,853 | 3,146,261 | 3,243,345 | 201,492 | 11.9% |
| 18 Insurance Recovery-Legal Svcs | | | 25,000 | - | - | |
| 19 Funding Agreement-MDRT | 1,310,097 | 1,045,069 | 830,688 | 822,497 | (222,572) | -21.3% |
| Total General Fund Op Revenue | 4,419,696 | 4,086,922 | 4,001,949 | 4,065,842 | (21,080) | -0.5% |
| 21 Developer Reimb-SEPA Legal | 4,263 | 10,000 | 200 | 10,000 | - | 0.0% |
| 22 Developer Reimb-MDRT Consultants | 342,972 | 470,000 | 470,000 | 438,000 | (32,000) | -6.8% |
| 23 Developer Reimb-Makers Consulting | 92,233 | | - | | | |
| Grand Total Revenue | 4,859,164 | 4,566,922 | 4,472,149 | 4,513,842 | (53,080) | -1.2% |
| 25 Beg Cash & Inv Bal General Govt | 644,198 | 601,492 | 842,526 | 912,660 | 311,168 | 51.7% |
| 26 Beg Cash & Investment By Dev | 299,129 | 278,000 | 190,103 | 160,000 | (118,000) | -42.4% |
| Total Sources | 5,802,491 | 5,446,414 | 5,504,778 | 5,586,502 | 140,088 | 2.6% |
| EXPENDITURES | | | | | | |
| 29 Legislative-Council | 11,782 | 14,702 | 14,000 | 15,711 | 1,009 | 6.9% |
| 30 Executive-Mayor | 14,507 | 14,950 | 14,500 | 15,118 | 168 | 1.1% |
| 31 Administration | 117,435 | - | - | - | - | |
| 32 City Clerk/Human Resources | 220,118 | 220,309 | 225,000 | 227,588 | 7,279 | 3.3% |
| 33 Finance | 268,152 | 173,477 | 190,000 | 181,014 | 7,537 | 4.3% |
| 34 Information Services | 45,659 | 49,700 | 53,700 | 31,175 | (18,525) | -37.3% |
| 35 Legal Service | 110,594 | 75,400 | 60,000 | 55,000 | (20,400) | -27.1% |
| 36 Legal Services-Investigation/Other | 122,263 | | - | - | - | |
| 37 Legal-Pros Atty & Pub Defender | 61,000 | 61,250 | 37,000 | 61,250 | - | 0.0% |
| 38 Municipal Court | 139,944 | 160,208 | 160,000 | 168,769 | 8,561 | 5.3% |
| 39 Police Department | 1,652,792 | 1,639,816 | 1,600,000 | 1,700,472 | 60,656 | 3.7% |
| 40 Fire Department | 454,496 | 483,526 | 464,000 | 500,375 | 16,849 | 3.5% |
| 41 Natural Resources | 76,382 | | - | - | - | |
| 42 Recycle/Air Qual/Mntl Hlth/Animal Cont | 27,344 | 28,800 | 25,800 | 32,166 | 3,366 | 11.7% |
| 43 Master Development Review Team | 442,931 | 714,381 | 500,000 | 657,325 | (57,056) | -8.0% |
| 44 Hearing Examiner-SEPA | 709 | 10,000 | 5,000 | 5,000 | (5,000) | -50.0% |
| 45 Comm Deve-Permitting | 121,283 | 122,992 | 128,706 | 201,688 | 78,696 | 64.0% |
| 46 Comm Deve-Planning | 91,177 | 79,080 | 118,294 | 119,636 | 40,556 | 51.3% |
| 47 Facilities-Staff & Misc | 89,780 | 82,322 | 88,000 | 47,876 | (34,446) | -41.8% |
| 48 Facilities Bldg Mtc-Staff & Equip | 110,373 | 75,236 | 90,000 | 73,200 | (2,036) | -2.7% |
| 49 Emergency Management | 184 | 2,500 | - | 5,000 | 2,500 | 100.0% |
| 50 Parks | 37,228 | 44,432 | 42,000 | 51,206 | 6,774 | 15.2% |
| 51 Parks Museum | 7,394 | 8,090 | 6,870 | 7,551 | (539) | -6.7% |
| 52 Parks Community Center | 3,169 | 2,696 | 13,815 | - | (2,696) | -100.0% |
| 53 Parks Gym | 2,502 | 2,147 | 9,000 | 11,316 | 9,169 | 427.1% |
| 54 Cemetery | 17,680 | 15,285 | 16,000 | 18,598 | 3,313 | 21.7% |
| 55 Cntrl Svcs Reimb-Paper, Post, Print Cks | 31,276 | 30,035 | 30,000 | 32,353 | 2,318 | 7.7% |
| 56 Insurance and Unanticipated Costs | | | 15,000 | | | |
| Total General Fund Op Exp | 4,278,154 | 4,111,334 | 3,906,685 | 4,219,387 | 108,053 | 2.6% |
| 58 Developer Exp-GFC-Prior Year Planning | 55,168 | | 55,233 | | | |
| 59 Developer MDRT-Consultants | 426,603 | 470,000 | 470,000 | 438,000 | (32,000) | -6.8% |
| 60 Developer Legal SEPA Reimb | 9,937 | 10,000 | 200 | 10,000 | - | 0.0% |
| Total Expenditures | 4,769,862 | 4,591,334 | 4,432,118 | 4,667,387 | 76,053 | 1.7% |
| 62 Ending Cash & Inv Bal Gen Govt | 842,526 | 645,080 | 912,660 | 759,115 | 114,035 | 17.7% |
| 63 Ending Cash & Inv Bal Developer | 190,103 | 210,000 | 160,000 | 160,000 | (50,000) | -23.8% |
| Total Uses | 5,802,491 | 5,446,414 | 5,504,778 | 5,586,502 | 140,088 | 2.6% |

General Fund Ending Fund Balance Forecast

| General Fund Revenue | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
|---------------------------|--------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------|
| | | Actual | Budget | Fcst |
| 1 | Property Tax | 1,438,112 | 1,436,203 | 1,465,908 | 1,480,567 | 1,480,567 | 1,495,373 | 1,495,373 | 1,510,326 | 1% |
| 2 | Sales Tax | 302,927 | 280,000 | 285,600 | 291,312 | 291,312 | 297,138 | 294,225 | 300,110 | 2% |
| 3 | Utility Taxes | 582,921 | 581,400 | 563,500 | 574,770 | 574,770 | 586,265 | 580,518 | 592,128 | 2% |
| 4 | Other Revenue ** | 785,639 | 744,319 | 928,337 | 946,904 | 965,842 | 985,159 | 985,159 | 1,004,862 | 2% |
| 5 | Funding Agreement | 1,310,097 | 1,045,000 | 822,497 | 908,414 | 939,490 | 954,976 | 970,772 | 970,775 | 2% |
| 7 | Total Operating Revenue | 4,419,696 | 4,086,922 | 4,065,842 | 4,201,967 | 4,251,981 | 4,318,911 | 4,326,046 | 4,378,201 | |
| | | | | | | | | | | |
| General Fund Expenditures | | P/S 3% | P/S 2% | Fcst |
| 8 | Public Safety (P/S) | 2,317,709 | 2,357,300 | 2,443,866 | 2,492,743 | 2,542,598 | 2,593,450 | 2,593,450 | 2,645,319 | 2% |
| 10 | Comm Deve-Gen Govt | 289,551 | 212,072 | 326,324 | 332,850 | 339,507 | 346,298 | 346,298 | 353,224 | 2% |
| 11 | Comm Deve-MDRT | 442,931 | 714,381 | 657,325 | 743,242 | 789,804 | 805,600 | 821,712 | 821,712 | 2% |
| 12 | Support Services-Clk, HR, Fin, CS | 519,546 | 423,821 | 440,955 | 449,774 | 458,770 | 467,945 | 467,945 | 477,304 | 2% |
| 13 | Mtc Bldgs. Grds, Equip | 331,836 | 298,708 | 263,088 | 268,350 | 273,717 | 279,191 | 279,191 | 284,775 | 2% |
| 14 | Legal Services | 232,857 | 75,400 | 55,000 | 56,100 | 57,222 | 58,366 | 58,366 | 59,534 | 2% |
| 15 | Legislative & Administration | 143,724 | 29,652 | 30,829 | 31,446 | 30,330 | 30,330 | 30,936 | 30,936 | 2% |
| 16 | Total Operating Spending | 4,278,154 | 4,111,334 | 4,217,387 | 4,374,505 | 4,491,948 | 4,581,180 | 4,597,899 | 4,672,804 | |
| | | | | | | | | | | |
| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| 19 | Change in Reserves | 141,542 | (24,412) | (151,545) | (172,538) | (239,967) | (262,269) | (271,852) | (294,603) | |
| 20 | Add Addtl Rev & Savings-YE 4% | | 86,886 | 167,585 | 173,847 | 178,552 | 182,068 | 182,737 | 185,710 | |
| 21 | Ending Reserves | 842,526 | 840,341 | 856,381 | 857,690 | 796,275 | 716,074 | 626,958 | 518,066 | |
| 22 | End Reserve % of GF Operating | 19.69% | 20.44% | 20.31% | 19.61% | 17.73% | 15.63% | 13.64% | 11.09% | |



** 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,
 23 Model assumes no growth, no new revenue and continued Funding Revenue at the 2015 level. Assumes 2% Revenue Growth, except prop tax at 1%.
 24 Expenditures are assumed to grow at 2%.
 Model assumes that due to modest budgeting, year end fund balance will end with an over collection of rev and exp under budget by a total of 4% of 26 expenditures.
 If growth occurs, the model will change significantly. If the Funding Agreement has further reductions, the expenditures would need to be reduced by 27 an equal amount.

| Which GF Revenues Pay for What Expenses? | | | | | Public Safety | General Govt | YB/MDRT |
|---|------------------|------------------|---------------------|--------------|------------------|------------------|----------------|
| General Fund | 2015 Budget | 2016 Budget | Chg \$ 2015 to 2016 | Change % | | | |
| REVENUE | | | | | | | |
| Public Safety Revenue Support | | | | | | | |
| 1 Property Taxes | 1,436,423 | 1,465,908 | 29,485 | 2.1% | 1,465,908 | | |
| 2 Utility & Gambling Taxes | 581,400 | 563,500 | (17,900) | -3.1% | 563,500 | | |
| 3 Criminal Justice Sales Tax | 97,100 | 111,200 | 14,100 | 14.5% | 111,200 | | |
| 4 Liquor Tax | | 18,600 | 18,600 | | 18,600 | | |
| 5 Liquor Profits | 35,700 | 36,150 | 450 | 1.3% | 36,150 | | |
| 6 Court Fines and Fees | 125,000 | 109,521 | (15,479) | -12.4% | 109,521 | | |
| 7 Fire EMS Taxes | 54,200 | 56,000 | 1,800 | 3.3% | 56,000 | | |
| 8 Police Grants & Chg for Svc & Misc. | 34,750 | 41,015 | 6,265 | 18.0% | 41,015 | | |
| 9 Subtotal Public Safety Revenue | 2,364,573 | 2,401,894 | 37,321 | 1.6% | 2,401,894 | | |
| General Govt Revenue Support | | | | | | | |
| 11 Sales Tax | 280,000 | 326,250 | 46,250 | 16.5% | | 326,250 | |
| 12 Land Use and Permitting Fees | 86,970 | 181,310 | 94,340 | 108.5% | | 181,310 | |
| 13 State Assistance | 60,000 | 78,400 | 18,400 | 30.7% | | 78,400 | |
| 14 Recycle Grants & Misc. Grants | 15,925 | 15,991 | 66 | 0.4% | | 15,991 | |
| 15 Cable Franchise Fee | 61,000 | 66,000 | 5,000 | 8.2% | | 66,000 | |
| 16 Parks & Cemetery Fees | 33,700 | 47,540 | 13,840 | 41.1% | | 47,540 | |
| 17 Passport Fees | 20,300 | 21,900 | 1,600 | 7.9% | | 21,900 | |
| 18 Alloc SftWre Mtc-CC Fees-TR/AP post-prt | 24,130 | 20,500 | (3,630) | -15.0% | | 20,500 | |
| 19 Alloc Code Update Code, Clk, Perm. Mtc | 70,000 | 55,000 | (15,000) | -21.4% | | 55,000 | |
| 20 Other Misc Revenue | 25,255 | 28,560 | 3,305 | 13.1% | | 28,560 | |
| 21 Subtot General Govt Revenue | 677,280 | 841,451 | 164,171 | 24.2% | | 841,451 | |
| 22 Subtotal Operating Revenue | 3,041,853 | 3,243,345 | 201,492 | 6.6% | | | |
| 23 YarrowBay Funding Agmt - Prelim | 1,045,069 | 822,497 | (222,572) | -21.3% | | 165,172 | 657,325 |
| 24 Total General Fund Oper Rev | 4,086,922 | 4,065,842 | (21,080) | -0.5% | 2,401,894 | 1,006,623 | 657,325 |
| EXPENDITURES | | | | | | | |
| Public Safety Expenditures | | | | | | | |
| 27 Police Department | 1,639,816 | 1,700,472 | 60,656 | 3.7% | 1,700,472 | | |
| 28 Fire Department | 483,526 | 500,375 | 16,849 | 3.5% | 500,375 | | |
| 29 Municipal Court | 160,208 | 168,769 | 8,561 | 5.3% | 168,769 | | |
| 30 Court Public Defender | 37,250 | 37,250 | - | 0.0% | 37,250 | | |
| 31 Court Prosecution | 24,000 | 24,000 | - | 0.0% | 24,000 | | |
| 32 Animal Control | 10,000 | 10,000 | - | 0.0% | 10,000 | | |
| 33 Emergency Management | 2,500 | 5,000 | 2,500 | 100.0% | 5,000 | | |
| 34 Subtotal P Safety Expenditures | 2,357,300 | 2,445,866 | 88,566 | 3.8% | 2,445,866 | | |
| 35 Executive | 14,950 | 15,118 | 168 | 1.1% | | 15,118 | |
| 36 Legislative | 14,702 | 15,711 | 1,009 | 6.9% | | 15,711 | |
| 37 Administration/ Natural Resources | 0 | 0 | - | | | 0 | |
| 38 City Clerk | 220,309 | 227,588 | 7,279 | 3.3% | | 227,588 | |
| 39 Finance | 173,477 | 181,014 | 7,537 | 4.3% | | 181,014 | |
| 40 Information Services | 49,700 | 31,175 | (18,525) | -37.3% | | 31,175 | |
| 41 Legal | 75,400 | 55,000 | (20,400) | -27.1% | | 55,000 | |
| 42 Recycling Gr./Air Q/M. Health | 18,800 | 22,166 | 3,366 | 17.9% | | 22,166 | |
| 43 Master Development Review Team | 714,381 | 657,325 | (57,056) | -8.0% | | | 657,325 |
| 44 Community Development | 202,072 | 321,324 | 119,252 | 59.0% | | 321,324 | |
| 45 Hearing Examiner (+ SEPA Appeal) | 10,000 | 5,000 | (5,000) | -50.0% | | 5,000 | |
| 47 Facilities - Staff and Miscellaneous | 82,322 | 47,876 | (34,446) | -41.8% | | 47,876 | |
| 48 Facilities Bldg Mtc Rnt-Land-Copiers | 75,236 | 73,200 | (2,036) | -2.7% | | 73,200 | |
| 49 Parks | 57,365 | 70,073 | 12,708 | 22.2% | | 70,073 | |
| 50 Cemetery | 15,285 | 18,598 | 3,313 | 21.7% | | 18,598 | |
| 51 Central Services & Emp Recognition | 30,035 | 32,353 | 2,318 | 7.7% | | 32,353 | |
| 52 Subtotal General Government | 1,754,034 | 1,773,521 | 19,487 | 1.1% | | 1,116,196 | 657,325 |
| 53 Total GF Operating Expenditures | 4,111,334 | 4,219,387 | 108,053 | 2.6% | 2,445,866 | 1,116,196 | 657,325 |
| 54 Surplus/(Deficit) | (24,412) | (153,545) | (129,133) | | (43,972) | (109,573) | |

General Fund Expenditures

| General Fund Net Budget Comparison 2014 - 2016 | | | | |
|--|------------------|------------------|------------------|-----------------|
| General Fund Expenses by Type | 2014 Actual | 2015 Budget | 2016 Budget | Net Change |
| Public Safety | | | | |
| 1 Police | 1,652,792 | 1,639,816 | 1,700,472 | 60,656 |
| 2 Fire | 454,496 | 483,526 | 500,375 | 16,849 |
| 3 Municipal Court | 139,944 | 160,208 | 168,769 | 8,561 |
| 4 Court Public Defender | 37,000 | 37,250 | 37,250 | |
| 5 Prosecuting Attorney | 24,000 | 24,000 | 24,000 | |
| 6 Animal Control | 9,293 | 10,000 | 10,000 | |
| 7 Emergency Management | 184 | 2,500 | 5,000 | 2,500 |
| 8 Total Public Safety | 2,317,709 | 2,357,300 | 2,445,866 | 88,566 |
| Development of Community | | | | |
| 9 Com Development/Permitting | 121,283 | 122,992 | 201,688 | 78,696 |
| 10 Com Development/Planning | 91,177 | 79,080 | 119,636 | 40,556 |
| 11 Com Development-Hearing Examiner | 709 | 10,000 | 5,000 | (5,000) |
| 12 Natural Resources | 76,382 | | | |
| 13 Master Development Review Team | 788,042 | 714,381 | 657,325 | (57,056) |
| 14 Total Dev of Community | 1,077,593 | 926,453 | 983,649 | 57,196 |
| Mtc of Bldg, Grounds & Equipment | | | | |
| 15 Building & Grounds Maintenance | 200,153 | 157,558 | 121,076 | (36,482) |
| 16 Parks Maintenance | 50,293 | 57,365 | 70,073 | 12,708 |
| 17 Cemetery Maintenance | 17,680 | 15,285 | 18,598 | 3,313 |
| 18 Recycle/Air Qual/Mental Health | 18,051 | 18,800 | 22,166 | 3,366 |
| 19 Information Technology & Tech Mtc. | 45,659 | 49,700 | 31,175 | (18,525) |
| 20 Total Mtc of Bld, Grounds & Equip | 331,836 | 298,708 | 263,088 | (35,620) |
| Legislative & Administration | | | | |
| 21 Legislative - City Council | 11,782 | 14,702 | 15,711 | 1,009 |
| 22 Executive - Mayor | 14,507 | 14,950 | 15,118 | 168 |
| 23 City Administrator | 117,435 | | | |
| 24 Total Legislative & Administration | 143,724 | 29,652 | 30,829 | 1,177 |
| Support Services | | | | |
| 25 City Clerk/Human Resources | 220,118 | 220,309 | 227,588 | 7,279 |
| 26 Finance | 268,152 | 173,477 | 181,014 | 7,537 |
| 27 Central Services | 31,276 | 30,035 | 32,353 | 2,318 |
| 28 Total Support Services | 519,546 | 423,821 | 440,955 | 17,134 |
| Legal Services | | | | |
| 29 General Legal Services | 41,442 | 50,000 | 30,000 | (20,000) |
| 30 Public Disclosure Legal Review | 7,344 | 4,000 | 5,000 | 1,000 |
| 31 Labor Contract & Employee Legal | 61,808 | 17,400 | 10,000 | (7,400) |
| 32 Legal Svs-Investigation | 97,602 | | | |
| 33 Misc specific Canibus, Res Cov. Etc. | 24,661 | 4,000 | 10,000 | 6,000 |
| 34 Total Legal Services | 232,857 | 75,400 | 55,000 | (20,400) |
| 35 Total General Fund | 4,623,265 | 4,111,334 | 4,219,387 | 108,053 |

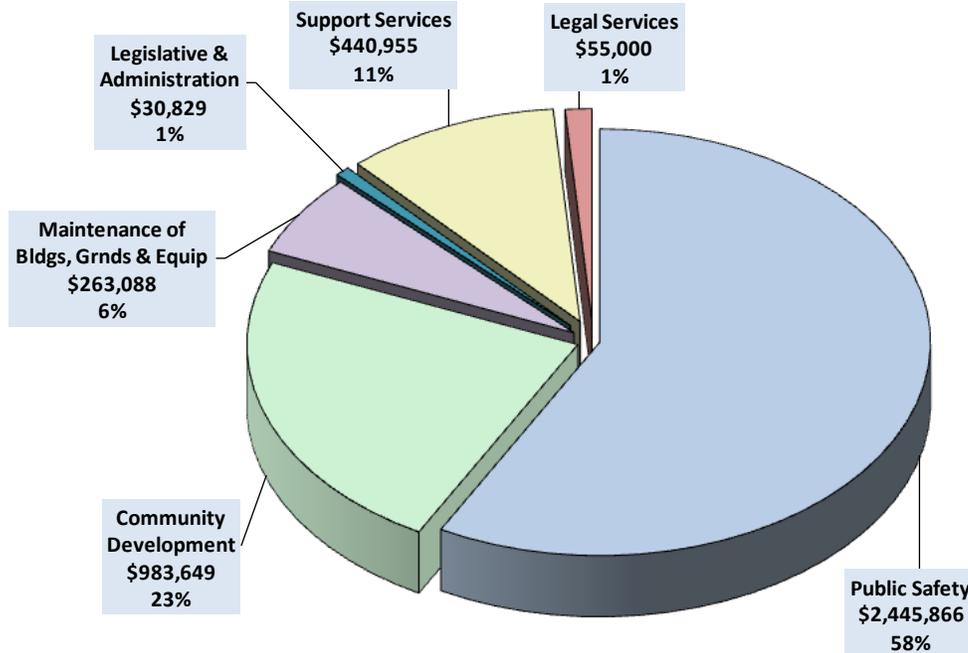
**City of Black Diamond 2016
Summary
General Fund**

Functional Comparisons for 2014 - 2016

| | 2014 Actual | 2015 Budget | 2016 Budget | 2015/2016 Changes |
|--|------------------|------------------|------------------|-------------------|
| 1 Public Safety | 2,317,709 | 2,357,300 | 2,445,866 | 88,566 |
| 2 Development of Community | 732,482 | 926,453 | 983,649 | 57,196 |
| 3 Maint of Bldgs, Grounds, Equip | 331,836 | 298,708 | 263,088 | (35,620) |
| 4 Legislative & Administration | 143,724 | 29,652 | 30,829 | 1,177 |
| 5 Support Services | 519,546 | 423,821 | 440,955 | 17,134 |
| 6 Legal Services | 232,857 | 75,400 | 55,000 | (20,400) |
| 7 Total General Fund-Operations | 4,278,154 | 4,111,334 | 4,219,387 | 108,053 |

2016 General Fund Budget by Function

\$4,219,387



Funding Agreement

| | MDRT | | | | | | | |
|----|---|------------------------|-----------------------------|----------------------|---|--------------------------------------|--|---------------------------|
| | | 2015 Funded FTE | 2014 Adjusted Budget | 2015 Estimate | 2015 Request w/no 2015 reduction | 2015 Target Core @2.65 months | 2015 Budget-MDRT & Core Funding w/Limited wind-down | 2016 Prelim Budget |
| 1 | MDRT & Economic Development Director | 1.00 | 143,563 | 141,768 | 146,509 | 146,509 | 146,509 | 148,362 |
| 2 | Comm Dev Director-FT -Jan-June 2014 | | 58,270 | 146,879 | | | | |
| 3 | Comm Dev/Nat Res Dir.-50% -July-Dec 2014 | | 37,308 | (73,439) | 75,842 | 75,842 | 75,842 | 67,520 |
| 4 | Construction Support | 1.00 | 123,745 | 126,637 | 143,681 | 143,681 | 143,681 | 135,800 |
| 5 | Add MDRT Sr Planner-75% position | 0.75 | 71,160 | 120,100 | 95,226 | 95,226 | 95,226 | 97,800 |
| 6 | MDRT Senior Accountant/Adm Asst | 0.75 | 73,736 | 75,419 | 75,419 | 75,419 | 75,419 | 77,974 |
| 7 | City Clerk/Resources Manager | 1.00 | 148,117 | 146,816 | 146,816 | 146,816 | 146,816 | 153,256 |
| 8 | Subtotal MDRT Staff | 4.50 | 655,899 | 537,364 | 683,493 | 683,493 | 683,493 | 680,712 |
| 9 | MDRT-Expenses | | 33,659 | 44,663 | 32,500 | 32,500 | 32,500 | 38,673 |
| 10 | MDRT-Alloc PW Dir, Finance | | | | 30,000 | 30,000 | 30,000 | 20,000 |
| 11 | MDRT One Vehicle/Computers | | 30,000 | 50,000 | 50,000 | 50,000 | 50,000 | 0 |
| 12 | FF&E- MDRT | | 61,129 | 90,000 | 81,505 | 81,505 | 81,505 | 71,195 |
| 13 | FF&E - City Clerk/HR | | | | | | | 11,917 |
| 14 | Total MDRT | 4.50 | 780,687 | 722,027 | 877,498 | 877,498 | 877,498 | 822,497 |
| | Balance of Core Agreement (254) | | | | | | | |
| 15 | Public Works Director | | 74,620 | 0 | 74,620 | | 19,774 | |
| 16 | Natural Res Parks Dir-Jan-June 2014 | | 74,616 | 0 | | | | |
| 17 | Comm Dev/Hr Director-50% July-Dec 2014 | | 37,308 | 73,440 | 73,540 | | 19,488 | |
| 18 | Information Svs-Contracted | | 92,176 | 56,000 | 49,000 | | 12,985 | |
| 19 | Finance Director | | 123,725 | 119,477 | 119,477 | | 31,661 | |
| 20 | Deputy Finance Director | | 111,990 | 109,674 | 109,674 | | 29,064 | |
| 21 | Permit Center Supervisor 2014 Budget | | 103,041 | | | | | |
| 22 | Re-allocate vacant Permit Center Supervisor | | (94,977) | 0 | | | | |
| 23 | Core Planner -Contract thru 3/19/14 | | 52,200 | 70,000 | 80,168 | | 21,246 | |
| 24 | Add Permit Center Tech-Feb-Dec 2014 | | 37,636 | 41,978 | 41,978 | | 11,123 | |
| 25 | Facilities Equipment Coordinator | | 80,418 | 81,195 | 93,605 | | 24,805 | |
| 26 | Subtotal Core Balance @ 2.65 months | | 692,753 | | 642,062 | 170,146 | 170,146 | 0 |
| 27 | Core 2015 FF&E-limited wind-down @ 2.65 Months | | 112,320 | | 64,899 | 17,199 | 17,199 | |
| 28 | Total Core balance @ 2.65 months | | 805,073 | 0 | 706,961 | 187,345 | 187,345 | 0 |
| 29 | Total Funding Agree Op Costs-Funding Revenue | | 1,585,760 | 722,027 | 1,584,459 | 1,064,843 | 1,064,843 | 822,497 |
| 30 | MDRT Legal & Consultant Reimb | | 485,000 | 485,000 | 470,000 | 470,000 | 470,000 | 438,000 |
| 31 | Grand Total Funding Agreement | | 2,070,760 | 1,207,027 | 2,054,459 | 1,534,843 | 1,534,843 | 1,260,497 |

Funding Agreement Operating Budget Reduction 2014 - 2016



Since 2014, the Funding Agreement has been reduced by \$763,263, or 49.1%.

General Fund Revenues

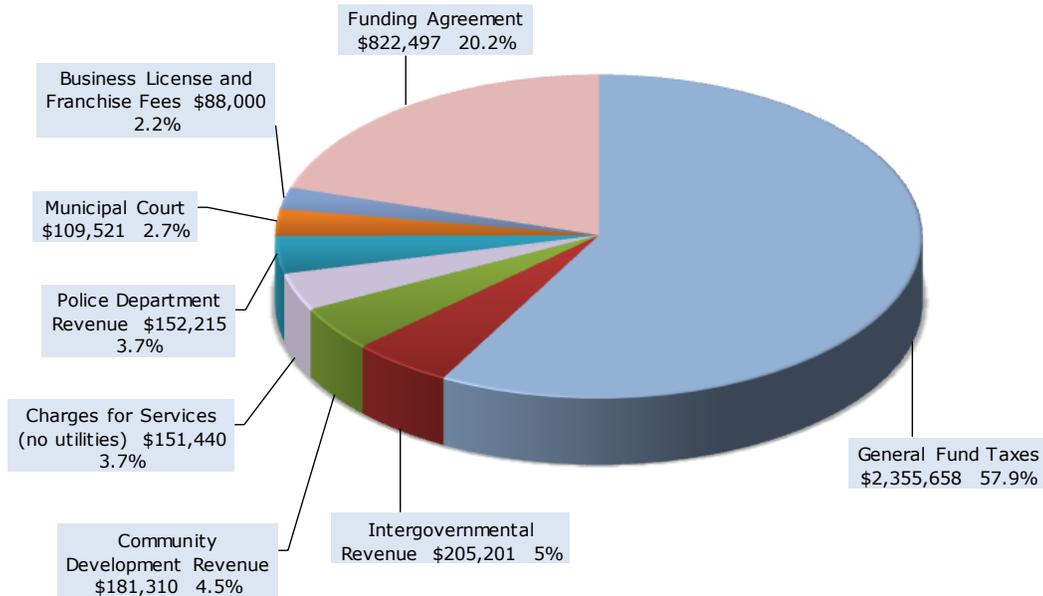
The General Fund budget refers to the expenditures and revenues associated with the delivery of City services in Black Diamond that are funded with property, sales, and utility taxes, charges & fees, and state shared revenues. Services provided under the general fund include police and fire, municipal court, parks maintenance, building permits, development review, and administrative functions in the City. The General Fund includes close to one half of Black Diamond's total budget.

| Top Twenty General Fund Revenue Sources | | Preliminary Budget 2016 |
|---|--|-------------------------|
| 1 | General Property Taxes | 1,465,908 |
| 2 | Sales Taxes | 326,250 |
| 3 | Electrical Utility Tax | 211,000 |
| 4 | Police: Local Criminal Justice Funds | 110,600 |
| 5 | Municipal Court Fines and Fees | 109,521 |
| 6 | Building Permits | 105,500 |
| 7 | Telephone Tax | 90,000 |
| 8 | Sales Tax Assistance from State | 78,460 |
| 9 | Cable TV Utility Tax | 76,000 |
| 10 | Plan Check and Land Use Fees | 75,810 |
| 11 | Cable Franchise Fees | 66,000 |
| 12 | Stormwater Utility Tax | 64,000 |
| 13 | KC EMS VLS Contract | 56,000 |
| 14 | Liquor Board Tax & Profits | 54,750 |
| 15 | Sewer Utility Tax | 44,900 |
| 16 | Water Utility Tax | 40,900 |
| 17 | Parks: Parking & Gym Fees | 34,940 |
| 18 | Solid Waste Utility Tax | 32,800 |
| 19 | Traffic School & Vessel Reg. Boat Safety | 27,515 |
| 20 | Business Licenses | 22,000 |

| General Fund Revenue | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|-----------------------|----------------------|
| 1 General Fund Taxes | 2,237,697 | 2,323,960 | 2,297,603 | 1,271,080 | 2,355,658 | 58,055 | 2.5% |
| 2 Intergovernmental Revenue | 172,552 | 187,728 | 165,825 | 136,785 | 205,201 | 39,376 | 23.7% |
| 3 Community Development Revenue | 80,068 | 112,715 | 87,470 | 105,608 | 181,310 | 93,840 | 107.3% |
| 4 Police Department Revenue | 162,180 | 153,934 | 131,850 | 100,700 | 152,215 | 20,365 | 15.4% |
| 5 Municipal Court | 104,826 | 114,777 | 125,000 | 63,465 | 109,521 | (15,479) | -12.4% |
| 6 Cable Franchise & Business Licenses | 84,633 | 84,433 | 84,000 | 71,689 | 88,000 | 4,000 | 4.8% |
| 7 Charges for Services (no utilities) | 122,511 | 132,051 | 150,105 | 128,650 | 151,440 | 1,335 | 0.9% |
| 8 Funding Agreement | 1,412,069 | 1,328,939 | 1,045,069 | 472,659 | 822,497 | (222,572) | -21.3% |
| 9 Total GF Operating Revenue | 4,376,536 | 4,438,538 | 4,086,922 | 2,350,635 | 4,065,842 | (21,080) | -0.5% |
| 10 MPD and Funding Agreement | 401,145 | 420,626 | 480,000 | 313,633 | 448,000 | (32,000) | -6.7% |
| 11 Total General Fund Revenue | 4,777,681 | 4,859,164 | 4,566,922 | 2,664,269 | 4,513,842 | (53,080) | -1.2% |

Total 2016 General Fund Operating Revenue

\$4,065,842

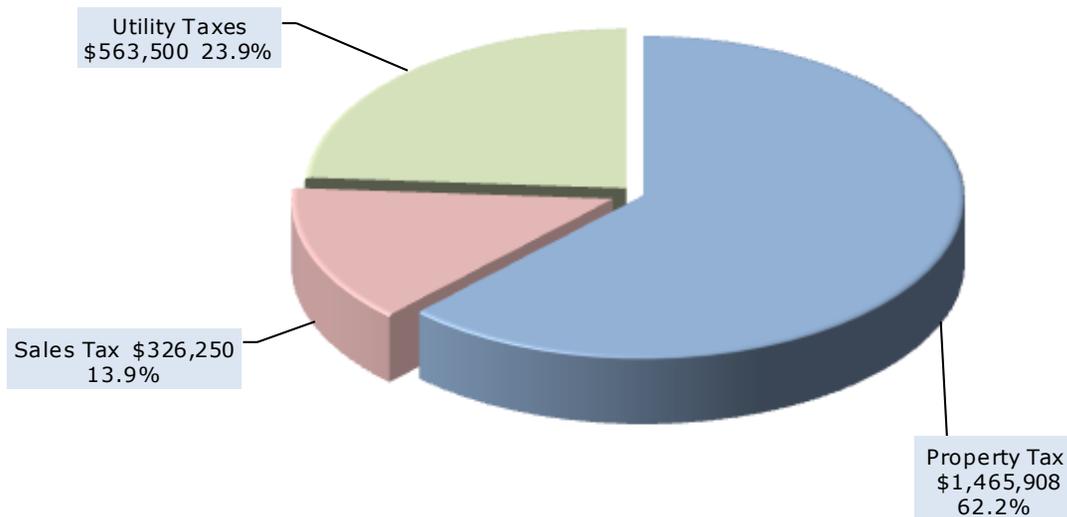


General Fund Taxes

Locally levied taxes represent Black Diamond’s largest portion of revenues of \$2,355,658 or 57.9% 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. A 2.5% increase of \$58,055 is estimated in 2016. The sales tax estimation increase of 16.5% is due to trend as increased development and remodeling is picking up. Property taxes have increased slightly, and estimates for electrical and utility taxes have been reduced to be more in line with trend.

| General Fund Tax Revenue | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|-----------------------|----------------------|
| 1 General Property Taxes | 1,400,391 | 1,438,113 | 1,436,203 | 752,979 | 1,465,908 | 29,705 | 2.1% |
| 2 Sales Taxes | 290,796 | 302,927 | 280,000 | 168,817 | 326,250 | 46,250 | 16.5% |
| 3 Electrical Tax | 217,881 | 220,845 | 225,000 | 138,201 | 211,000 | (14,000) | -6.2% |
| 4 Water Utility Tax | 31,603 | 39,520 | 39,000 | 23,730 | 40,900 | 1,900 | 4.9% |
| 5 Stormwater Utility Tax | 40,764 | 63,798 | 60,000 | 37,528 | 64,000 | 4,000 | 6.7% |
| 6 Sewer Utility Tax | 44,329 | 43,683 | 44,900 | 26,279 | 44,900 | - | 0.0% |
| 7 Solid Waste Tax | 35,624 | 32,834 | 32,500 | 19,002 | 32,800 | 300 | 0.9% |
| 8 Cable TV Utility Tax | 56,580 | 72,109 | 70,500 | 44,648 | 76,000 | 5,500 | 7.8% |
| 9 Telephone Tax | 114,818 | 106,162 | 105,000 | 57,886 | 90,000 | (15,000) | -14.3% |
| 10 Gas Utility Tax | 337 | 366 | 500 | 194 | 300 | (200) | -40.0% |
| 11 Pull Tabs and Punch Board Tax | 4,573 | 3,604 | 4,000 | 1,816 | 3,600 | (400) | -10.0% |
| 12 Total Taxes | 2,237,697 | 2,323,960 | 2,297,603 | 1,271,080 | 2,355,658 | 58,055 | 2.5% |

**2016 General Fund Tax Revenue
\$2,355,658**

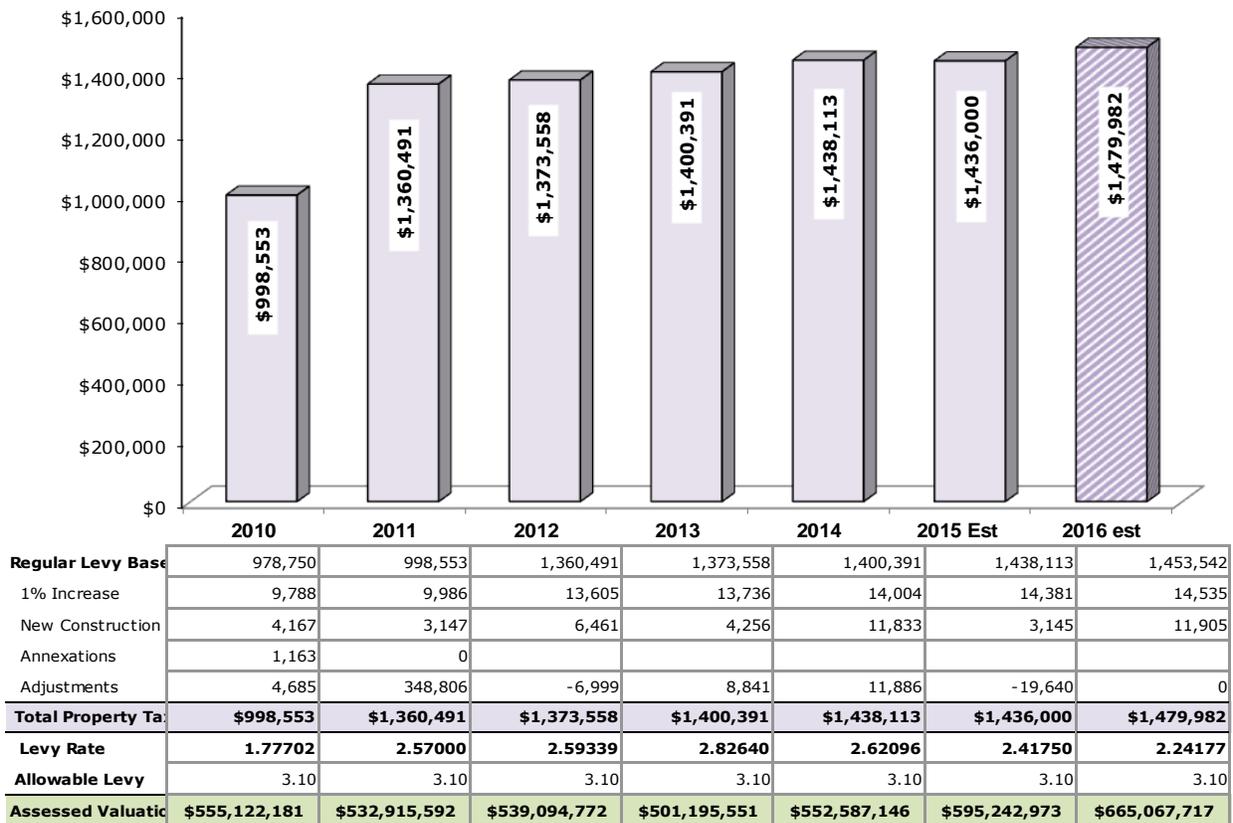


Property taxes make up 62.2% of the General Fund's tax revenue and estimated to generate \$1,465,908 in revenue for the City in 2016. All revenues from property taxes go directly to the General Fund to support public safety for police, fire protection and emergency services. The City of Black Diamond depends heavily on property tax collections, as the City has a small commercial base.

In Washington cities such as Black Diamond, property tax increases are limited to a 1% total dollar annual increase per year unless voters approve a lid-lift or larger percent increases. King County sets assessed valuation on property and calculates levy rates.

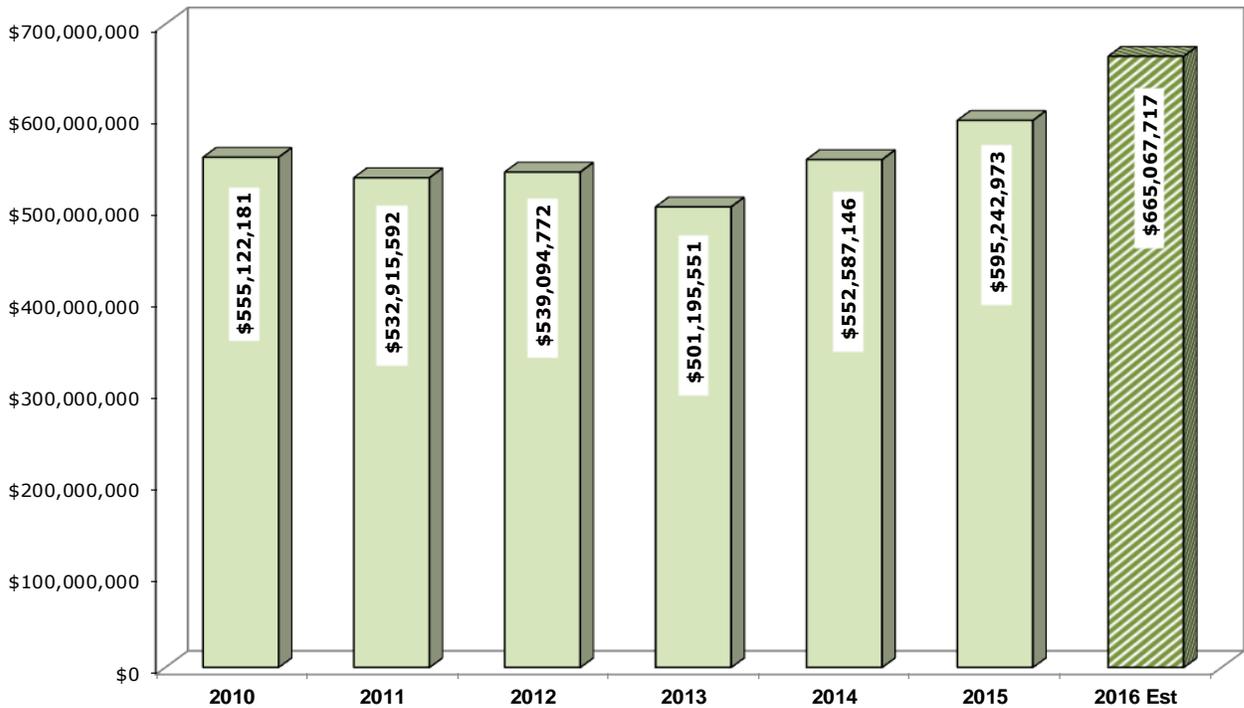
Each taxing authority receives a portion of the tax amount, which King County collects and then passes on. In Black Diamond, there are three school districts with separate rates, so depending on which school district the property is in, the taxing amount will vary.

Property Tax Collection, Levy Rates and 2016 Estimate



| | KING COUNTY, WASHINGTON | UNITED STATES |
|--|-------------------------|---------------|
| Owner-occupied housing unit rate, 2009-2013 | 58.2% | 64.9% |
| Median value of owner-occupied housing units, 2009-2013 | \$377,300 | \$176,700 |
| Median selected monthly owner costs -with a mortgage, 2009-2013 | \$2,254 | \$1,540 |
| Median selected monthly owner costs -without a mortgage, 2009-2013 | \$681 | \$452 |
| Median gross rent, 2009-2013 | \$1,131 | \$904 |
| Building permits, 2014 | 14,703 | 1,046,363 |
| Households, 2009-2013 | 802,606 | 115,610,216 |
| Persons per household, 2009-2013 | 2.42 | 2.63 |
| Living in same house 1 year ago, percent of persons age 1 year+, 2009-2013 | 81.5% | 84.9% |
| Language other than English spoken at home, percent of persons age 5 years+, 2009-2013 | 25.9% | 20.7% |

Assessed Valuation History and 2016 Estimate



| | | | | | | | |
|---------------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Base Assessed Valuation | 552,382,312 | 529,857,064 | 536,580,666 | 499,553,614 | 548,399,243 | 593,190,272 | 660,150,221 |
| New Construction | 2,739,869 | 3,058,528 | 2,514,106 | 1,641,937 | 4,187,903 | 2,052,701 | 4,917,496 |
| Final Assessed Valuation | \$555,122,181 | \$ 532,915,592 | \$ 539,094,772 | \$ 501,195,551 | \$ 552,587,146 | \$ 595,242,973 | \$ 665,067,717 |
| % change from prior year | -12.8% | -5.0% | 0.7% | -6.9% | 9.8% | 9.5% | 10.5% |
| Population | 4,155 | 4,180 | 4,190 | 4,160 | 4,160 | 4,170 | 4,200 |
| Property Tax Rate | 1.77702 | 2.57 | 2.59339 | 2.8264 | 2.62096 | 2.41750 | 2.24177 |



For Sale 388,888



Recently Sold \$234,900



For Sale \$408,500

Black Diamond Real Estate - Current Trends*

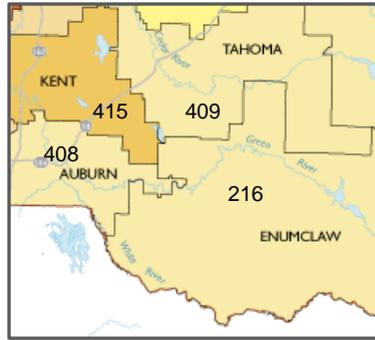
Houses for Sale July 2015 vs. Prev. Month vs. Prev. Year

| | | | |
|-------------------------|--------|-------|-------|
| Homes for Sale | 15 | 11.8% | 6.2% |
| Median List Price | \$458K | 27.7% | 19.7% |
| Median List Price/SqFt. | \$193 | 12.2% | 2.1% |

Houses Sold July 2015 vs. Prev. Month vs. Prev. Year

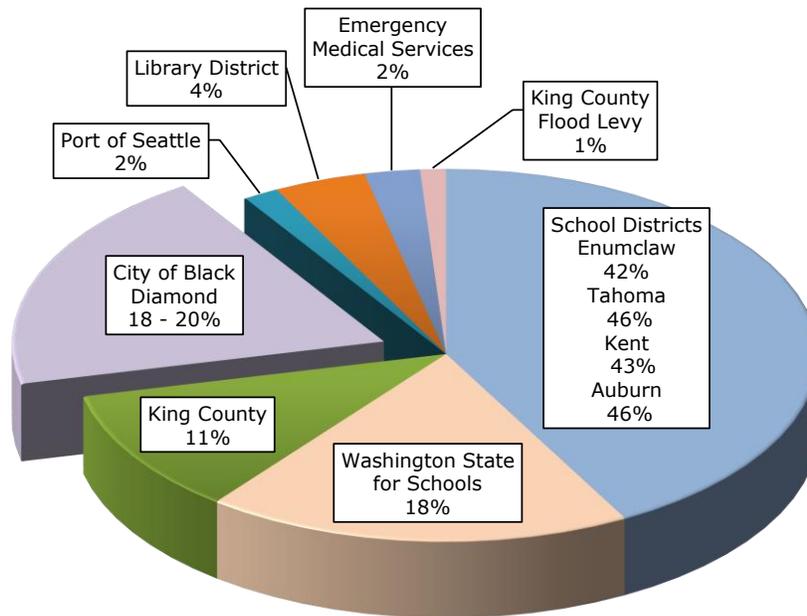
| | | | |
|-------------------------|--------|-------|-------|
| # Homes Sold | 11 | 57.1% | 57.1% |
| Median Sold Price | \$455K | 8.1% | 10.8% |
| Median Sold Price/SqFt. | \$183 | 12% | 2.7% |

Black Diamond School Districts



The total property tax rates in Black Diamond vary because of the four different school districts within our city limits. The pie chart below shows the property tax distribution for the Enumclaw School District in 2015.

| 2015 Rates | Enumclaw | Tahoma | Kent | Auburn |
|------------------------------|----------------|----------------|----------------|----------------|
| Local School District | 5.21 | 6.16 | 5.41 | 6.14 |
| Washington State for Schools | 2.29 | 2.29 | 2.29 | 2.29 |
| King County | 1.34 | 1.34 | 1.34 | 1.34 |
| City of Black Diamond | 2.42 | 2.42 | 2.42 | 2.42 |
| Port of Seattle | .19 | .19 | .19 | .19 |
| Library District | .50 | .50 | .50 | .50 |
| Emergency Medical Services | .30 | .30 | .30 | .30 |
| King County Flood Levy | .14 | .14 | .14 | .14 |
| Total Levy Rate | \$12.39 | \$13.34 | \$12.59 | \$13.32 |



Black Diamond receives between 18% and 20% of the total property tax collected depending on which school district the property is in. In the Enumclaw district, if a home is appraised at \$300,000, the tax collected is \$12.39 X 300, or \$3,717, and the Black Diamond portion of that total is \$726.

Sales tax revenue for the 2016 budget is forecast to be \$326,250 or 13.9% 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 fact, a considerable portion of our sales taxes are collected for construction services such as installing, repairing, cleaning, improving and other home services.

Sales taxes are higher in Washington than many other states, and are our State’s largest revenue source, but because there are no income taxes collected here, the sales tax is necessarily higher than most other states, so the impacts of taxation should be looked at collectively.

There are exemptions to sales tax collection in Washington. Common exemptions include:

- Food
- Prescription Drugs
- Sales to Nonresidents
- Federal Government Sales
- Sales to Indians or Indian Tribes

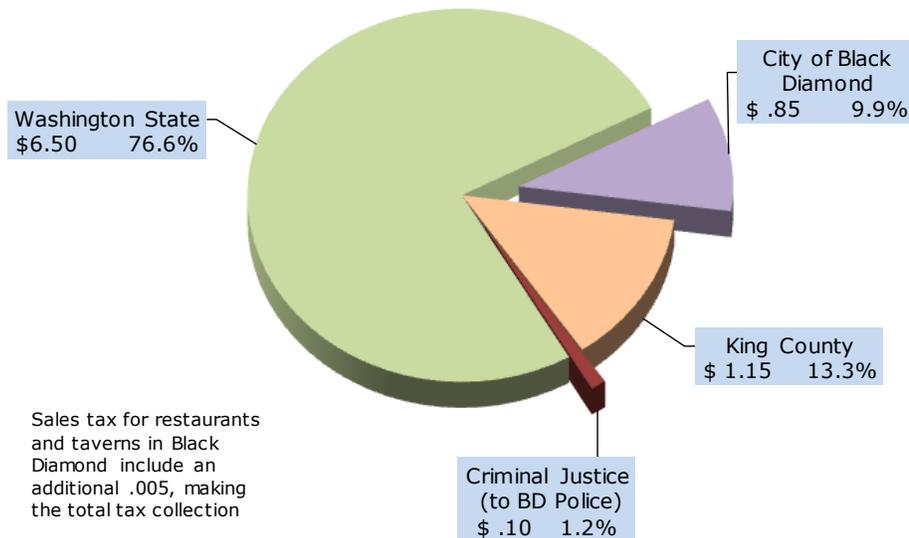
Recent Black Diamond Sales Tax Revenue

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-----------|-----------|-----------|-----------|----------------------------|---------------------|
| \$297,333 | \$262,974 | \$290,795 | \$302,927 | \$310,750 Est Actual | \$326,250 Budget |

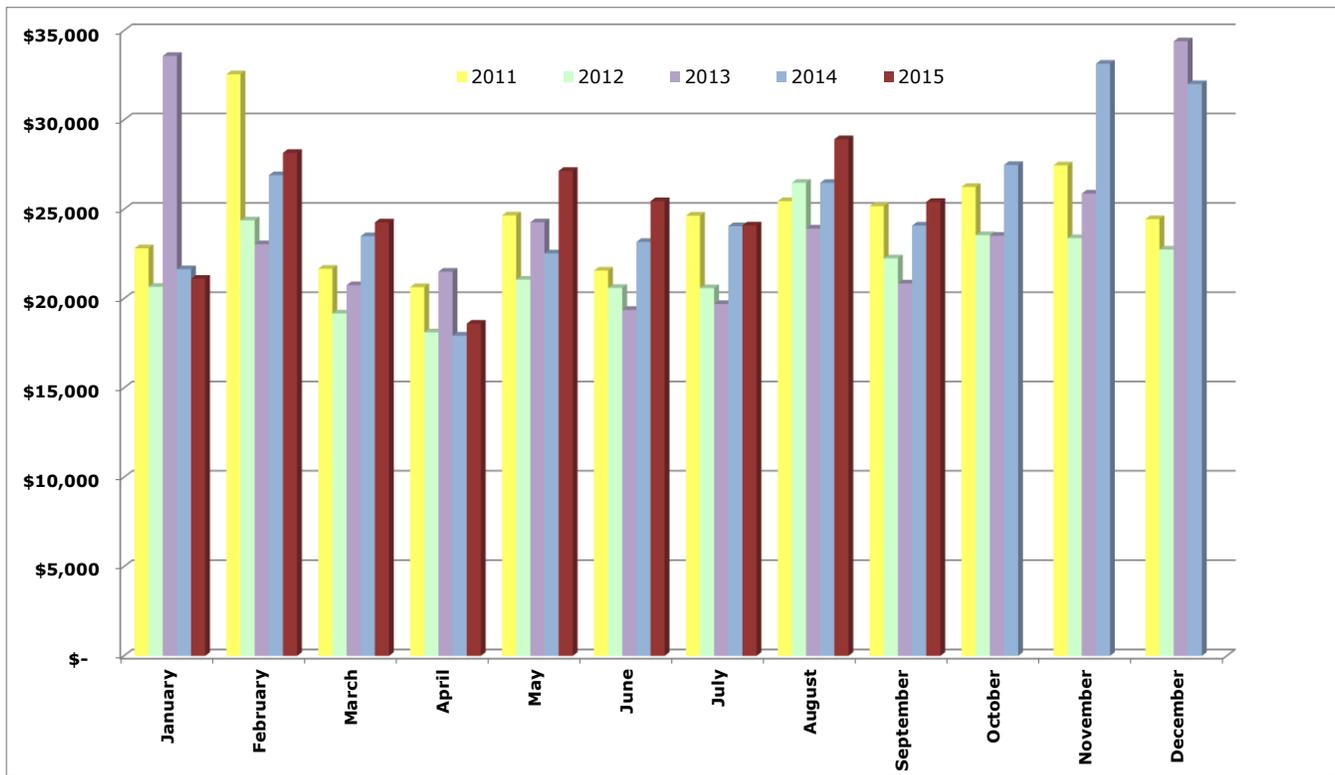
City of Black Diamond 2016 Sales Taxes

Taxed amount is 8.6% of retail sales

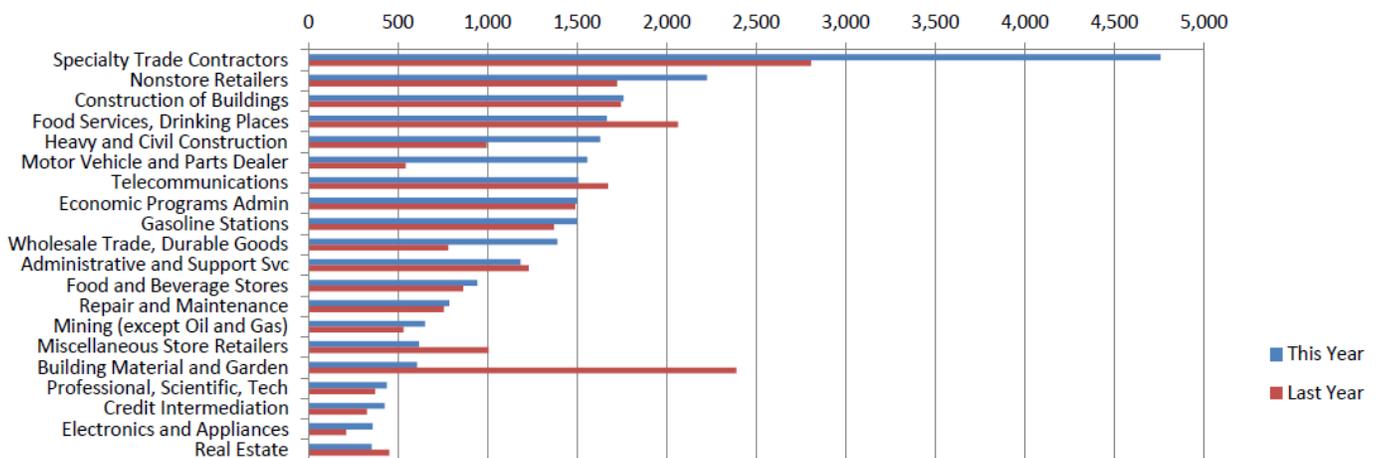
Based on a \$100 sale, retail sales tax collected is \$8.60, and is distributed the following way:



Black Diamond Historical Sales Tax Collection by Month



Sales Tax Collection by Type August 2015

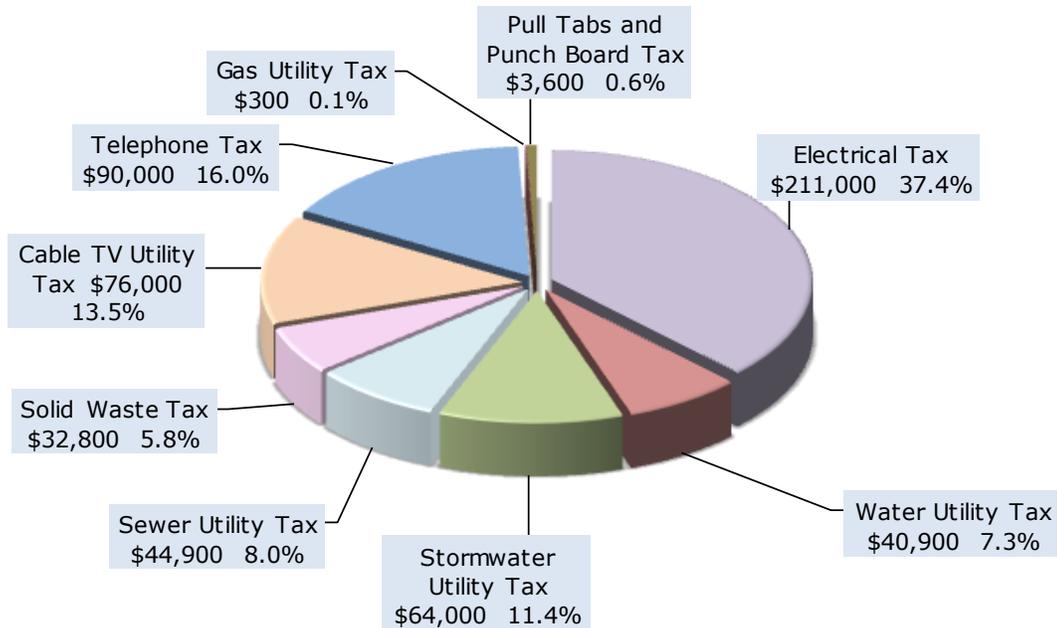


Criminal Justice taxes are an additional local sales/use tax of 0.1 percent to be used for criminal justice programs. This tax is levied by the county and is imposed countywide, but the receipts are shared with King County cities, based on population. Of the revenues collected for criminal justice, 1 percent is retained for administration, 10 percent is distributed to the county and 90 percent goes to cities on a per-capita basis based on their official April 1 populations. Black Diamond’s population is currently 4,200.

Utility Taxes are collected for the City at the rate of 6% for electrical, telephone, wastewater, water and gas utilities. The stormwater utility tax is 18% and a 1% tax is collected for Cable TV services. Overall in 2016, utility taxes have been estimated at conservative levels and to reflect recent trend.

| Utility Taxes | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) | | | | | | | | | | | | | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|------------------|-----------------------|----------------------|---------------------------------|-------|-------|-------|-------|-------|-------|--------|-------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------|--------------|
| 1 Electrical Tax | 217,881 | 220,845 | 225,000 | 138,201 | 211,000 | (14,000) | -6.2% | | | | | | | | | | | | | | | | |
| 2 Water Utility Tax | 31,603 | 39,520 | 39,000 | 23,730 | 40,900 | 1,900 | 4.9% | | | | | | | | | | | | | | | | |
| 3 Stormwater Utility Tax | 40,764 | 63,798 | 60,000 | 37,528 | 64,000 | 4,000 | 6.7% | | | | | | | | | | | | | | | | |
| 4 Sewer Utility Tax | 44,329 | 43,683 | 44,900 | 26,279 | 44,900 | - | 0.0% | | | | | | | | | | | | | | | | |
| 5 Solid Waste Tax | 35,624 | 32,834 | 32,500 | 19,002 | 32,800 | 300 | 0.9% | | | | | | | | | | | | | | | | |
| 6 Cable TV Utility Tax | 56,580 | 72,109 | 70,500 | 44,648 | 76,000 | 5,500 | 7.8% | | | | | | | | | | | | | | | | |
| 7 Telephone Tax | 114,818 | 106,162 | 105,000 | 57,886 | 90,000 | (15,000) | -14.3% | | | | | | | | | | | | | | | | |
| 8 Gas Utility Tax | 337 | 366 | 500 | 194 | 300 | (200) | -40.0% | 9 Pull Tabs and Punch Board Tax | 4,573 | 3,604 | 4,000 | 1,816 | 3,600 | (400) | -10.0% | 10 Total Utility Taxes | 546,510 | 582,921 | 581,400 | 349,283 | 563,500 | (17,900) | -3.1% |
| 9 Pull Tabs and Punch Board Tax | 4,573 | 3,604 | 4,000 | 1,816 | 3,600 | (400) | -10.0% | | | | | | | | | | | | | | | | |
| 10 Total Utility Taxes | 546,510 | 582,921 | 581,400 | 349,283 | 563,500 | (17,900) | -3.1% | | | | | | | | | | | | | | | | |

**Utility Tax Revenue
\$563,500**



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 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.

In 2016 Liquor Excise Tax which had been reduced dramatically in recent years, has been reinstated at prior levels for late 2015 and in 2016. The State assistance revenue is also expected to be a greater share than in prior years.

| Intergovernmental Revenue | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|-----------------------------------|----------------|----------------|----------------|----------------|------------------|-----------------------|----------------------|
| 1 Sales Tax Assistance from State | 61,645 | 72,192 | 60,000 | 40,575 | 78,460 | 18,460 | 30.8% |
| 2 Liquor Excise Tax | 2,794 | 7,836 | - | 6,601 | 18,600 | 18,600 | |
| 3 Liquor Board Profits | 37,484 | 37,052 | 35,700 | 18,316 | 36,150 | 450 | 1.3% |
| 4 Recycle Grant-KC WRR Grant | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | - | 0.0% |
| 5 KC Recycle Grant D37318D | 5,926 | 5,944 | 5,925 | 5,991 | 5,991 | 66 | 1.1% |
| 6 KC EMS VLS Contract | 54,704 | 54,704 | 54,200 | 55,302 | 56,000 | 1,800 | 3.3% |
| 7 Total Intergovernmental | 172,552 | 187,728 | 165,825 | 136,785 | 205,201 | 39,376 | 23.7% |

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. This revenue does not include revenues from the Master Plan Development. Estimates next year are promising, as this office's indications show significant increases in building activity.

| Community Development Revenue | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|-----------------------------------|---------------|----------------|---------------|----------------|------------------|-----------------------|----------------------|
| 1 Building Permits | 31,979 | 43,609 | 32,000 | 45,035 | 80,000 | 48,000 | 150.0% |
| 2 Mechanic Permits | 3,301 | 5,048 | 4,000 | 4,320 | 12,000 | 8,000 | 200.0% |
| 3 Plumbing Permits | 2,215 | 4,268 | 3,000 | 2,818 | 10,000 | 7,000 | 233.3% |
| 4 Other Permits | 7,433 | 1,946 | 8,260 | 1,893 | 3,500 | (4,760) | -57.6% |
| 5 Total Permits | 44,928 | 54,871 | 47,260 | 54,065 | 105,500 | 58,240 | 123.2% |
| 6 Plan Check Fees | 15,904 | 30,493 | 25,000 | 33,669 | 60,000 | 35,000 | 140.0% |
| 7 Fire Plan Check Fees | 1,535 | 773 | 1,500 | 1,280 | 2,000 | 500 | 33.3% |
| 8 Land Use Fees | 1,051 | 7,484 | 2,300 | 2,259 | 4,500 | 2,200 | 95.7% |
| 9 Shoreline Fees | 625 | 840 | 1,000 | 1,079 | 2,000 | 1,000 | 100.0% |
| 10 Other Misc. Fees | 1,663 | 4,525 | 2,710 | 1,453 | 1,210 | (1,500) | -55.4% |
| 11 Total Fees | 20,777 | 44,115 | 32,510 | 39,740 | 69,710 | 37,200 | 114.4% |
| 12 Hearing Examiner | - | 692 | 1,000 | 880 | 1,000 | - | - |
| 13 Cost Recovery & Other Fees | 1,102 | 4,084 | 2,600 | 4,301 | 5,000 | 2,400 | 92.3% |
| 14 Copying Services, Map Sales | 308 | 280 | 100 | 42 | 100 | - | |
| 15 Deposits and Pass Through | 12,953 | 8,674 | 4,000 | 6,579 | - | (4,000) | -100% |
| 16 Total Community Dev Rev | 80,068 | 112,715 | 87,470 | 105,608 | 181,310 | 93,840 | 107.3% |

Police Department Revenue includes largely intergovernmental funding including grants, criminal justice funds and payments for police services provided by the City to other governmental entities. Other revenue includes traffic school, gun permits and fingerprinting revenue as well as donations and other minor sources. An increase in the criminal justice distribution is expected next year.

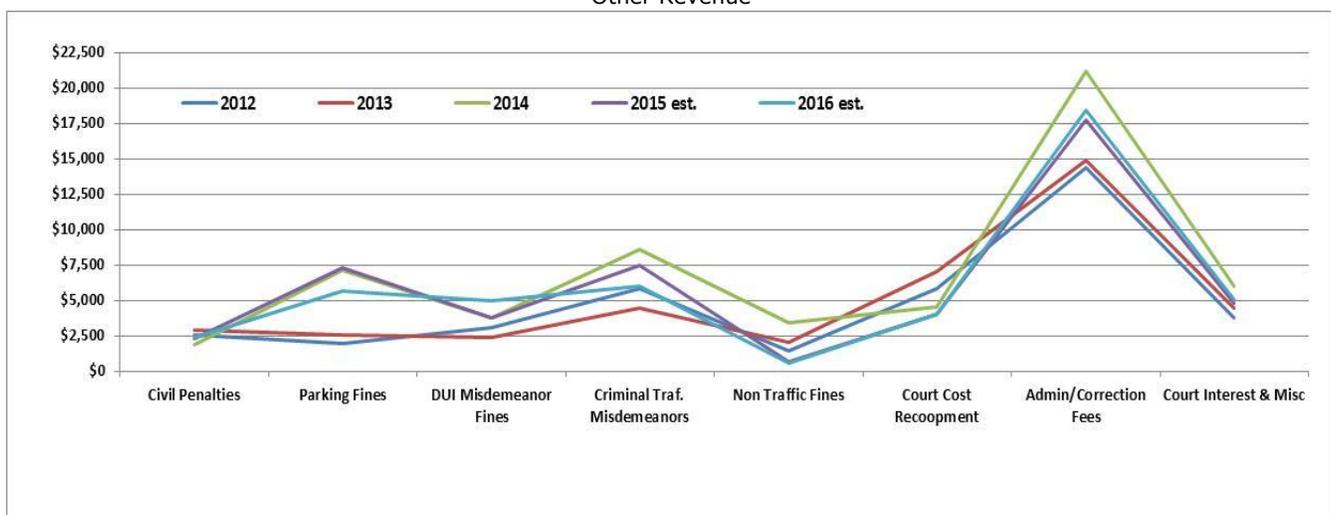
| Police Department Revenue | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|-----------------------------------|----------------|----------------|----------------|----------------|------------------|-----------------------|----------------------|
| 1 Criminal Justice Distribution | 98,083 | 104,811 | 97,100 | 63,495 | 110,600 | 13,500 | 13.9% |
| 2 Police Traffic School Fee | 11,800 | 13,018 | 10,000 | 10,400 | 15,000 | 5,000 | 50.0% |
| 3 Vessel Registration Boat Safety | 11,260 | 12,391 | 12,000 | 12,515 | 12,515 | 515 | 4.3% |
| 4 Overtime Reimbursement | 4,543 | 12,040 | 3,100 | 5,495 | 6,000 | 2,900 | 93.5% |
| 5 Grants | 29,938 | 4,509 | 3,000 | 3,655 | 3,900 | 900 | 30.0% |
| 6 Gun Permits and Fingerprinting | 2,042 | 1,405 | 1,400 | 705 | 1,300 | (100) | -7.1% |
| 7 Work Crew and Other Fees | 1,010 | 1,305 | 1,150 | 784 | 1,500 | 350 | 30.4% |
| 8 DUI Cost Recovery | 3,737 | 1,493 | 3,000 | 2,580 | - | (3,000) | -100.0% |
| 9 Donations | (762) | 2,166 | 600 | 500 | 600 | - | 0.0% |
| 10 Records and Services | 530 | 795 | 500 | 571 | 800 | 300 | 60.0% |
| 11 Total Police Revenue | 162,180 | 153,934 | 131,850 | 100,700 | 152,215 | 20,365 | 15.4% |

Municipal Court Revenue has been estimated downward in 2016 due to current trend. This revenue comes from the City's portion of fines and forfeits collected on citations and fees. Traffic citations contribute close to 60% of this department's revenue.

| Municipal Court Revenue | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---|----------------|----------------|----------------|----------------|------------------|-----------------------|----------------------|
| 1 Court Traffic Infractions | 64,089 | 58,176 | 70,000 | 36,219 | 60,000 | (10,000) | -14.3% |
| 2 Administration/Correction Fees | 14,929 | 21,176 | 18,000 | 10,044 | 18,400 | 400 | 2.2% |
| 3 Court Criminal Misd. | 4,431 | 8,620 | 9,100 | 2,737 | 7,000 | (2,100) | -23.1% |
| 4 Court Parking Fines | 2,580 | 7,155 | 6,400 | 5,319 | 7,046 | 646 | 10.1% |
| 5 Court DUI Fines | 2,372 | 3,793 | 4,500 | 2,514 | 5,000 | 500 | 11.1% |
| 6 Court Interest | 4,437 | 5,967 | 6,200 | 2,704 | 5,000 | (1,200) | -19.4% |
| 7 Court Cost Recoopment | 7,002 | 4,501 | 4,600 | 2,155 | 4,000 | (600) | -13.0% |
| 8 Court Mand. Insurance Costs | 2,887 | 1,872 | 3,000 | 1,368 | 2,400 | (600) | -20.0% |
| 9 Court Other Fees | 2,097 | 3,518 | 3,200 | 405 | 675 | (2,525) | -78.9% |
| 10 Total Municipal Court Revenue | 104,826 | 114,777 | 125,000 | 63,465 | 109,521 | (15,479) | -12.4% |

Municipal Court Revenue History

| | 2012 | 2013 | 2014 | 2015 est. | 2016 est. |
|---------------------|--------|--------|--------|-----------|-----------|
| Traffic Infractions | 57,787 | 64,097 | 58,176 | 60,119 | 60,000 |
| Other Revenue | | | | | |



Cable Franchise Fees and Business Licenses are collected 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.

| Cable Franchise & Bus. License Revenue | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---|--------------------|--------------------|--------------------|-----------------------|-------------------------|------------------------------|-----------------------------|
| 1 Cable Franchise Fees | 61,563 | 62,438 | 61,000 | 49,649 | 66,000 | 5,000 | 8.2% |
| 2 Business License | 23,070 | 21,995 | 23,000 | 22,040 | 22,000 | (1,000) | -4.3% |
| 3 Total | 84,633 | 84,433 | 84,000 | 71,689 | 88,000 | 4,000 | 4.8% |

Other General Fund Revenue sources include parking fees at Lake Sawyer, passport revenue, gym rental, the cemetery, and allocation of revenue from other city funds, for General Fund services and supplies. The City's estimate of a 6.6% overall increase next year is due to current trend and new gym revenue. The City took over the Gym's management in 2015.

| Other General Fund Revenue | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|--|--------------------|--------------------|--------------------|-----------------------|-------------------------|------------------------------|-----------------------------|
| 1 Passport Revenue | 15,200 | 20,534 | 20,300 | 12,405 | 21,900 | 1,600 | 7.9% |
| 2 Lake Sawyer Parking Fees | 15,186 | 21,536 | 19,200 | 18,272 | 25,000 | 5,800 | 30.2% |
| 3 Gym Rental -Teen Programs | - | - | - | 4,034 | 7,500 | 7,500 | |
| 4 Gym Rental- Jazzercise Contract | - | - | - | 1,423 | 2,440 | 2,440 | |
| 5 Cemetery Revenue | 9,128 | 10,371 | 12,700 | 5,217 | 12,600 | (100) | -0.8% |
| 6 Other Charges for Service | 2,514 | 784 | 1,800 | 1,367 | 4,000 | 2,200 | |
| 7 Central Service Allocation | 15,443 | 19,807 | 24,130 | 12,642 | 20,500 | (3,630) | -15.0% |
| 8 General Fund Allocation | 56,364 | 51,912 | 70,000 | 40,852 | 55,000 | (15,000) | -21.4% |
| 9 Interest and Other Reimbursements | 8,676 | 7,108 | 1,975 | 32,439 | 2,500 | 525 | 26.6% |
| 10 Total Other Gen Fund Revenue | 122,511 | 132,051 | 150,105 | 128,650 | 151,440 | 1,335 | 0.9% |

Funding Agreement revenue includes the General Fund portion of the Funding Agreement of ongoing costs in 2016.

| Funding Agreement Revenue | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|--------------------------------------|--------------------|--------------------|--------------------|-----------------------|-------------------------|------------------------------|-----------------------------|
| 1 Partner - Funding Agreement | 1,412,069 | 1,328,939 | 1,045,069 | 472,659 | 822,497 | (222,572) | -21.3% |
| 2 Total General Fund Oper REV | 4,376,536 | 4,438,538 | 4,086,922 | 2,350,635 | 4,065,842 | (21,080) | -0.5% |

City Hall
24301 Roberts Drive
Black Diamond, WA
98010

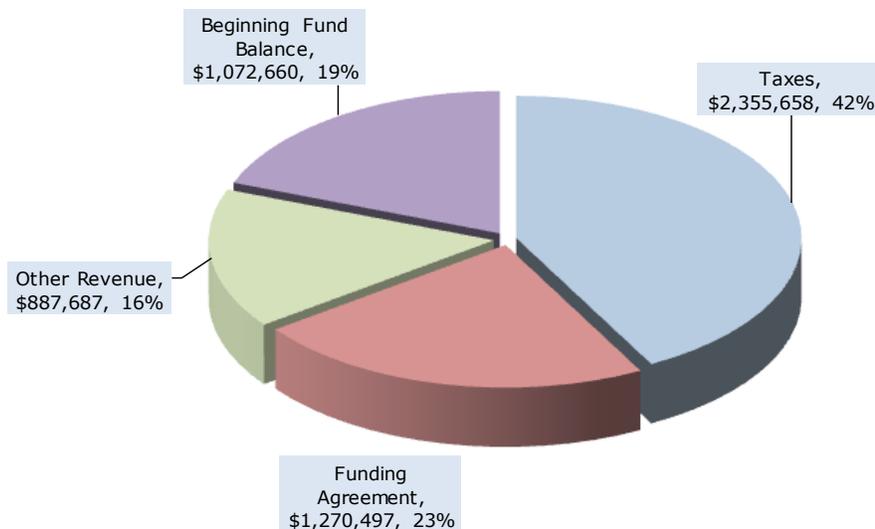


| MPD SEPA Revenue | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---|--------------------|--------------------|--------------------|-----------------------|-------------------------|------------------------------|-----------------------------|
| 1 Miscellaneous Reimbursement | 130,820 | 96,496 | 10,000 | 198 | 10,000 | - | - |
| Funding Agreement Consultant REV | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
| 2 MDRT-Civil Engineering Reimburse | 177,510 | 243,827 | 250,000 | 196,098 | 250,000 | - | |
| 3 MDRT-Legal Reimbursement | 16,823 | 20,001 | 50,000 | 25,408 | 50,000 | - | |
| 4 MDRT-Traffic Reimbursements | 11,044 | 14,050 | 30,000 | (13,187) | 30,000 | - | |
| 5 MDRT- Environmental Reimbursement | 18,357 | 13,507 | 30,000 | 14,231 | 30,000 | - | |
| 6 MDRT-Hearing Exam-Pim Plat | 15,502 | 377 | 30,000 | 16,724 | 30,000 | - | |
| 7 MRDT-Geotech Reimbursement | - | 6,331 | 50,000 | - | 25,000 | (25,000) | -50.0% |
| 8 MDRT-CH2M Hill | - | - | - | 67,095 | | - | |
| 9 MRDT-Surveyor Reimbursement | - | - | 20,000 | 6,336 | 20,000 | - | 0.0% |
| 10 MDRT-Fiscal Reimbursements | 31,089 | 26,037 | 10,000 | 731 | 3,000 | (7,000) | -70.0% |
| 11 Total MDRT Consultant REV | 270,325 | 324,130 | 470,000 | 313,435 | 438,000 | (32,000) | -6.8% |

| Beginning Fund Balance | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|-----------------------------------|--------------------|--------------------|--------------------|-----------------------|-------------------------|------------------------------|-----------------------------|
| 1 Beginning Cash and Invest. City | 397,817 | 644,198 | 601,492 | 842,526 | 912,660 | 311,168 | 51.7% |
| 2 Beginning Cash and Invest. Dev | 261,219 | 299,129 | 278,000 | 190,103 | 160,000 | (118,000) | -42.4% |
| 3 Total Beginning Cash | 659,036 | 943,327 | 879,492 | 1,032,629 | 1,072,660 | 193,168 | 22.0% |

| | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|----------------|-------------|
| Grand Total General Fund Revenue | 5,436,717 | 5,802,491 | 5,446,414 | 3,696,898 | 5,586,502 | 140,088 | 2.6% |
|---|------------------|------------------|------------------|------------------|------------------|----------------|-------------|

**Total General Fund Revenue
Including Beginning Fund Balance
\$5,586,502**



General Fund Expenditures

Legislative – City Council

This department budget supports the 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 receive a stipend of \$160 per month, and the Mayor Pro Tem receives \$200 per month.

| Legislative - City Council | Actual | Actual | Budget | Thru July | Prelim Bdgt | Bdgt Chg | Bdgt % |
|--------------------------------|--------------|---------------|---------------|--------------|---------------|--------------|-----------|
| | 2013 | 2014 | 2015 | 2015 | 2016 | inc/(dec) | Chg |
| Wages | 2,080 | 9,880 | 10,080 | 5,040 | 10,080 | - | 0% |
| Benefits | 169 | 821 | 822 | 414 | 831 | 9 | 1% |
| Subtotal Salaries and Benefits | 2,249 | 10,701 | 10,902 | 5,454 | 10,911 | 9 | 0% |
| Services | 1,628 | 1,081 | 3,800 | 612 | 4,800 | 1,000 | 26% |
| Total Department | 3,876 | 11,782 | 14,702 | 6,067 | 15,711 | 1,009 | 7% |

The budget for the Council has been increased \$1,000 in 2016 to provide funds for training for possible new Councilmembers.

Executive – Mayor’s Office

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 include telephone, travel and fees for the Association of Washington Cities Annual Conference and Mayor’s Exchange.

| Executive | Actual | Actual | Budget | Thru July | Prelim Bdgt | Bdgt Chg | Bdgt % |
|--------------------------------|---------------|---------------|---------------|--------------|---------------|------------|-----------|
| | 2013 | 2014 | 2015 | 2015 | 2016 | inc/(dec) | Chg |
| Wages | 12,000 | 12,000 | 12,000 | 7,000 | 12,000 | - | 0% |
| Benefits | 957 | 1,001 | 980 | 610 | 1,068 | 88 | 9% |
| Subtotal Salaries and Benefits | 12,957 | 13,001 | 12,980 | 7,610 | 13,068 | 88 | 1% |
| Supplies | - | 8 | 100 | - | - | (100) | -100% |
| Services | 967 | 1,497 | 1,870 | 1,315 | 2,050 | 180 | 10% |
| Total Department | 13,924 | 14,507 | 14,950 | 8,925 | 15,118 | 168 | 1% |

A couple of minor increases in labor and industry hours as well as additional travel expenses have been added to the Mayor’s budget in 2016, to better reflect trend.

City Clerk/Human Resources

The City Clerk and Human Resource office 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/Human Resources Manager, Deputy City Clerk and a 5% allocation of the Administrative Assistant 2. The Deputy City Clerk had an allocation change in 2016, with 50% to the General Fund and 50% to Public Works Funds. Also reflected in this budget are service expenses for voter costs of \$15,000, code updates at \$3,500, postage for passports, insurance, training, advertising and other Clerk related expenditures.

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

| City Clerk | Actual | Actual | Budget | Thru July | Prelim Bdgt | Bdgt Chg | Bdgt % |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|--------------|-----------|
| | 2013 | 2014 | 2015 | 2015 | 2016 | inc/(dec) | Chg |
| Wages | 62,160 | 140,270 | 125,921 | 73,528 | 133,602 | 7,681 | 6% |
| Benefits | 30,008 | 63,176 | 66,830 | 35,153 | 65,924 | (906) | -1% |
| Subtotal Salaries and Benefits | 92,168 | 203,445 | 192,751 | 108,682 | 199,526 | 6,775 | 4% |
| Supplies | 28 | 70 | 200 | 29 | 200 | - | |
| Services | 24,708 | 16,603 | 27,358 | 13,671 | 27,862 | 504 | 2% |
| Total Department | 116,904 | 220,119 | 220,309 | 122,381 | 227,588 | 7,279 | 3% |

The City Clerk/HR's budget increased 3% in 2016, primarily due to the elimination of furlough days. There were also increases due to trend in passport postage, memberships, and travel costs for 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.

The Finance Director leads the department. There is also a Deputy Finance Director and a 73% full time Senior Accountant. The Sr. Accountant is allocated 60% to the General Fund, 4% to Street and 12% each to Water, Sewer and Stormwater Funds.

| Finance | Actual | Actual | Budget | Thru July | Prelim Bdgt | Bdgt Chg | Bdgt % |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|---------------|------------|
| | 2013 | 2014 | 2015 | 2015 | 2016 | inc/(dec) | Chg |
| Wages | 198,798 | 216,760 | 124,274 | 94,240 | 173,466 | 49,192 | 40% |
| Benefits | 33,155 | 36,560 | 28,798 | 17,501 | 32,652 | 3,854 | 13% |
| MDRT Allocation | | | (35,109) | (5,891) | (35,000) | 109 | -0.3% |
| Subtotal Salaries and Benefits | 231,953 | 253,321 | 117,963 | 105,850 | 171,118 | 53,155 | 45% |
| Supplies | 213 | 272 | 300 | 65 | 300 | | 0% |
| Services | 11,714 | 14,559 | 20,105 | 3,452 | 9,596 | (10,509) | -52% |
| Total Department | 243,879 | 268,152 | 138,368 | 109,367 | 181,014 | 42,646 | 31% |

The increase in Finance salaries is due to the elimination of furloughs, a PERS retirement increase for the full year, an upgraded Sr. Accountant position and a new Deputy Director. The state audit is performed once every two years and because 2016 is an off year, the budget was reduced by \$9,190. The Funding Agreement reimburses Finance \$10,000 for the support the department provides the MDRT team. The Finance Director and Deputy Director are allocated 15,000 for capital projects and CIP management.

Information Services

The City has contracted for technology services with the City of Milton at a significant cost savings from prior years. Tech support is budgeted for \$54,200 in 2016, an increase of \$7,200 from 2015's budget. Vision software support is \$2,000, with \$500 set aside for technology repairs. An allocation credit of \$25,525 to support to Public Works and the MDRT team brings the budget down to \$31,175.

| Information Technology | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt Chg inc/(dec) | Bdgt % Chg |
|---------------------------------------|------------------------|------------------------|------------------------|---------------------------|-----------------------------|-------------------------------|-----------------------|
| Wages | 104,556 | - | - | - | - | | |
| Benefits | 33,561 | (99) | - | - | - | | |
| Subtotal Salaries and Benefits | 138,117 | (99) | - | - | - | | |
| Supplies | 291 | 39 | 200 | - | - | (200) | -100% |
| Services | 4,921 | 45,718 | 49,500 | 17,749 | 56,700 | 7,200 | 15% |
| Technology Allocation | 125 | - | - | - | (25,525) | (25,525) | |
| Total Department | 143,329 | 45,659 | 49,700 | 17,749 | 31,175 | (18,525) | -37% |

Legal Department

The City Attorney provides 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 MDRT, Street and Utility Fund budgets. The General Fund portion of Legal was reduced to \$55,000, a 27% drop in 2016 due to completion of three union contract negotiations.

| Legal | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt Chg inc/(dec) | Bdgt % Chg |
|-------------------------|------------------------|------------------------|------------------------|---------------------------|-----------------------------|-------------------------------|-----------------------|
| General Government | 43,937 | 41,442 | 50,000 | 9,166 | 30,000 | (20,000) | -40% |
| Employment | 7,876 | 15,538 | 1,400 | 976 | 5,000 | 3,600 | 257% |
| Union Negotiation | 7,159 | 46,270 | 16,000 | 19,993 | 5,000 | (11,000) | -69% |
| Public Disclosure | 3,244 | 7,344 | 4,000 | 2,090 | 5,000 | 1,000 | 25% |
| Other Legal | 4,348 | 122,263 | 4,000 | 44 | 10,000 | 6,000 | 150% |
| Total Department | 66,564 | 232,857 | 75,400 | 32,269 | 55,000 | (20,400) | -27% |

Municipal Court

The Black Diamond Municipal Court operates adjacent to the Police Department on Lawson Street, and is a court of limited jurisdiction. Since 2011, the City has averaged 1,082 filings per year. This includes both criminal and noncriminal cases and the projected numbers for 2015. 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. Budget for the Court includes a full time Court Administrator, one part-time on call clerk, and contracted services provided by a judge. Budget is also provided for security and other miscellaneous expenses such as interpreters, office supplies and training. The prosecuting attorney and public defender budgets were held at 2015 levels.

| Municipal Court | Actual | Actual | Budget | Thru July | Prelim Bdgt | Bdgt Chg | Bdgt % |
|---------------------------------------|----------------|----------------|----------------|---------------|----------------|--------------|-----------|
| | 2013 | 2014 | 2015 | 2015 | 2016 | inc/(dec) | Chg |
| Wages | 61,223 | 72,532 | 82,810 | 50,315 | 87,939 | 5,129 | 6% |
| Benefits | 18,946 | 21,100 | 24,053 | 13,975 | 26,202 | 2,149 | 9% |
| Subtotal Salaries and Benefits | 80,169 | 93,632 | 106,863 | 64,291 | 114,141 | 7,278 | 7% |
| Supplies | 1,579 | 1,525 | 1,600 | 877 | 2,600 | 1,000 | 63% |
| Services | 16,161 | 13,659 | 17,745 | 10,809 | 18,028 | 283 | 2% |
| Protem Judge | 24,000 | 24,000 | 24,000 | 14,000 | 24,000 | - | 0% |
| Police Security OT | 7,943 | 7,128 | 10,000 | 5,845 | 10,000 | - | 0% |
| Total Department | 129,851 | 139,944 | 160,208 | 95,822 | 168,769 | 8,561 | 5% |

Increases to salaries in 2016 are due to a 100 hour per year increase for the support clerk, a full year PERS retirement increase, and the elimination of furlough. Operating supplies were increased \$1,000, and printing and binding increased \$500 to reflect current trend. The budget for the judge remains the same, at \$24,000.

| Court Legal | Actual | Actual | Budget | Thru July | Prelim Bdgt | Bdgt Chg | Bdgt % |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|-----------|--------|
| | 2013 | 2014 | 2015 | 2015 | 2016 | inc/(dec) | Chg |
| Court Legal-Pros Attorney | 24,000 | 24,000 | 24,000 | 14,000 | 24,000 | - | |
| Court Legal-Public Defender | 22,050 | 37,000 | 36,000 | 12,750 | 36,000 | - | |
| Public Defender-Interpreters | - | - | 500 | - | 500 | - | |
| Public Defender - Investigation | - | - | 750 | - | 750 | - | |
| Total Department | 46,050 | 61,000 | 61,250 | 26,750 | 61,250 | - | |



The Council Chamber and Municipal Court Furniture was replaced in 2015

Police Department



Black Diamond Police Department with Mayor Benson

Black Diamond Police Vision

With our values at the forefront, the Black Diamond Police Department will be an open, friendly, and community-minded organization devoted to quality public service. We aspire to be a model of character and service. We will emphasize the development of professional knowledge and leadership skills at every level of our organization. We will promote an atmosphere of public trust and confidence through professional conduct, being responsive to community needs, and accountable to those we serve.

Black Diamond Police Mission Statement

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.

In June of 2015, Black Diamond was listed as the 22nd safest city in Washington State. A key component of how we keep our crime rate low is taking a proactive approach to being highly visible in the Patrol Unit and providing educational and public safety services to all who reside, work and visit the City.

In addition to patrol duties our Marine Unit is responsible for maintaining a safe boating environment on Lake Sawyer. Police enforce state and local laws, participate in Washington State Parks emphases, conduct vessel safety inspections, and investigate vessel crashes.

Other responsibilities in our department include proactive crime prevention tactics, problem-solving in a collaborative manner with community groups, crime reduction action plans, criminal investigations, traffic enforcement, accident investigations, traffic school education, reserve officer program, and instruction of the DARE program.

| Police Department | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt Chg inc/(dec) | Bdgt % Chg |
|---------------------------------------|------------------|------------------|------------------|-------------------|---------------------|-----------------------|---------------|
| Wages | 885,077 | 954,202 | 922,176 | 500,368 | 928,973 | 6,797 | 1% |
| Benefits | 315,062 | 332,946 | 343,930 | 194,401 | 339,944 | (3,986) | -1% |
| Subtotal Salaries and Benefits | 1,200,139 | 1,287,148 | 1,266,106 | 694,769 | 1,268,917 | 2,811 | 0% |
| Supplies | 46,687 | 50,726 | 47,750 | 15,900 | 51,000 | 3,250 | 7% |
| Services | 61,857 | 79,165 | 76,220 | 54,665 | 79,469 | 3,249 | 4% |
| Safety Equipment | 998 | 17 | 9,000 | 3,713 | 1,500 | (7,500) | -83% |
| Jail Costs | 48,565 | 39,324 | 33,800 | 35,515 | 53,500 | 19,700 | 58% |
| Building Maintenance | 21,616 | 22,588 | 22,990 | 9,652 | 23,485 | 495 | 2% |
| Civil Service | 3,776 | 1,129 | 1,900 | 188 | 3,100 | 1,200 | 63% |
| Communications | 135,283 | 134,570 | 144,000 | 71,470 | 179,301 | 35,301 | 25% |
| Marine | 14,951 | 19,540 | 13,750 | 6,817 | 14,500 | 750 | 5% |
| Criminal Justice | 19,691 | 18,584 | 24,300 | 18,821 | 25,700 | 1,400 | 6% |
| Total Department | 1,553,562 | 1,652,792 | 1,639,816 | 911,510 | 1,700,472 | 60,656 | 4% |

Although wages and benefits overall increased in 2016 by a minimal amount, it was largely offset by a LEOFF 1 retiree’s medical insurance reduction due to age eligibility for Medicare.

Communications is broken down into several categories including, Valley Communications costs (dispatch, MDC, net motion, access charges), King County 800 MHz radio cost, Auburn’s monitoring of after-hours WSP access, telephone, cell phone, DSL, King County I-Net, WSP Access, postage, and King County Maintenance and Repair (which covers both in-car radios and portables), air-cards for MDC’s. I estimate 2-3 antennas (\$31.00/each) and 2-3 batteries (\$34.00/each) and clips. Dispatch costs in 2015 increased from \$3.46 per call to \$40.94, a 9.23% increase so a 5% increase was estimated for 2016.

Valley Communications 2016 Estimate

2014 Calls For Service 2503 x \$41 = \$ 102,472 +5% = \$107,595
 2014 Traffic Stops 1294 x \$20.47 = \$ 26,488 + 5% = \$27,812
 2014 Mobile Traffic 601 x 0 = No charge

King County Radio costs the City \$1366 a month. The WSP ACCESS user fee of \$534 is paid quarterly, the Valley Communications ACCESS fee is paid quarterly at \$574, and King County I-NET bills the City \$375 monthly.

Jail Costs 2016 This budget increased by \$19,700 in 2016 in line with current trend. Jail expenses cover the cost of confinement, electronic home monitoring, work crew, and medical costs associated with offenders serving time through Black Diamond Municipal Court. SCORE has notified us of their intent to increase their rates 10% (due to an increase in staffing needed for medical and mental health issues). The City’s primary booking facilities are the Enumclaw Jail (daily rate of \$60.00), Issaquah (daily rate of \$97.00/no booking fee) and the SCORE Jail (daily rate of \$135.00/ no booking fee). The King County Correctional Facility (KCCF) is used primarily as a back-up facility. In addition, prisoners who have certain medical conditions, such as mental health concerns or who pose an unusual danger to themselves or others is booked into the KCCF (\$146.65 daily plus \$217.46 booking fee). Yakima County is currently used for long term sentences only. Yakima’s current contract rate is a daily rate of \$54.75.

Fire Department

The City of Black Diamond contracts with Mountain View Fire and Rescue, formerly 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 3.1 percent increase in the 2016 budget recognizes cost of living increases agreed to in the 2008 Interlocal Agreement between the City and Fire District. The 2016 increase in the Fire Department budget is due to increased salaries and benefits for the Fire District.

| Fire Department | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt Chg inc/(dec) | Bdgt % Chg |
|---------------------------|------------------------|------------------------|------------------------|---------------------------|-----------------------------|-------------------------------|-----------------------|
| Fire District 44 Services | 442,300 | 449,912 | 478,621 | 230,255 | 495,011 | 16,390 | 3.4% |
| KC Fire Investigation | 3,620 | 1,715 | 2,000 | - | 2,000 | - | 0% |
| Other Operating Costs | 2,344 | 2,869 | 2,905 | 1,808 | 3,364 | 459 | 15.8% |
| Total Department | 448,264 | 454,496 | 483,526 | 232,063 | 500,375 | 16,849 | 3.5% |



Refurbished 1948 Fire Truck at the Historical Museum

Emergency Management includes the purchase of emergency supplies and emergency training for employees.

| Emergency Management | Actual | Actual | Budget | Thru July | Prelim Bdgt | Bdgt Chg | Bdgt % |
|-------------------------|--------------|------------|--------------|-----------|--------------|--------------|-------------|
| | 2013 | 2014 | 2015 | 2015 | 2016 | inc/(dec) | Chg |
| Supplies | 2,884 | 184 | 1,000 | - | 2,500 | 1,500 | 150% |
| Training | 830 | - | 1,500 | - | 2,500 | 1,000 | 67% |
| Total Department | 3,714 | 184 | 2,500 | - | 5,000 | 2,500 | 100% |

Special Programs Animal Control costs are paid to King County for services to Black Diamond. The King County Mental Health program includes chemical abuse and dependency services that are partially funded with a 2% portion of quarterly liquor profits, and liquor excise tax revenue from cities in the county. The Puget Sound Clean Air Assessment is a per capita fee paid to this agency for the protection of air quality in the area. A 10 cent increase per capita has been adopted by the agency for next year. The Recycle Program is 100% funded through King County’s Solid Waste Division, and includes a grant for recycling events and educational materials.

| Special Programs | Actual | Actual | Budget | Thru July | Prelim Bdgt | Bdgt Chg | Bdgt % |
|------------------------------|---------------|---------------|---------------|---------------|---------------|--------------|------------|
| | 2013 | 2014 | 2015 | 2015 | 2016 | inc/(dec) | Chg |
| Animal Control | 8,659 | 9,293 | 10,000 | 7,827 | 10,000 | - | |
| Puget Sound Clean Air Assess | 2,294 | 2,262 | 2,300 | 2,183 | 3,111 | 811 | 35% |
| KC Mental Health | 939 | 845 | 1,500 | 462 | 1,000 | (500) | -33% |
| Recycling Program | 14,926 | 14,944 | 15,000 | 14,991 | 18,055 | 3,055 | 20% |
| Total Department | 26,818 | 27,344 | 28,800 | 25,462 | 32,166 | 3,366 | 12% |



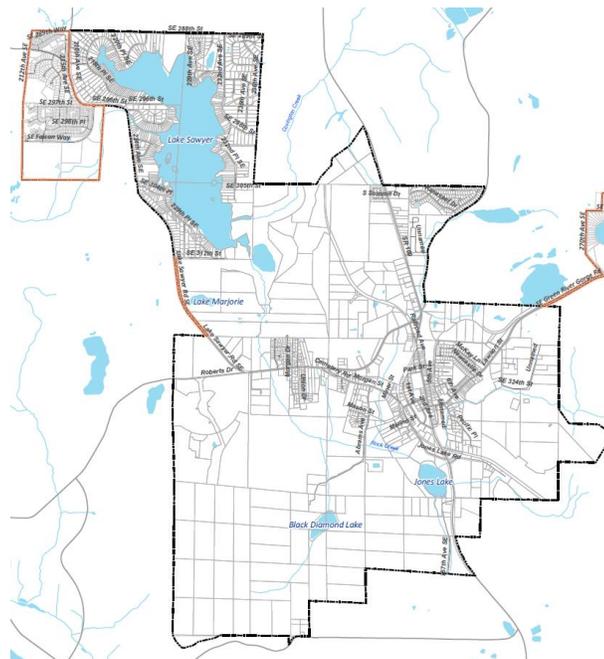
Miner Days 2015

Community Development

This department provides 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. The department consists of a Director and a part-time Permit Technician. The City has contracted AHBL for planning services. The City entered into a cost-saving interlocal (ILA) agreement with the City of Covington and Maple Valley for building and planning services in January 2015. Our City’s share of the budget is \$48,000 for the Building Official and \$40,000 for a shared Plans Examiner.

| Community Development | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt Chg inc/(dec) | Bdgt % Chg |
|---------------------------------------|----------------|----------------|----------------|----------------|------------------|--------------------|-------------|
| Permitting | | | | | | | |
| Wages | 79,475 | 46,824 | 50,166 | 25,717 | 73,572 | 23,406 | 47% |
| Benefits | 22,474 | 9,974 | 13,845 | 5,842 | 19,782 | 5,937 | 43% |
| Subtotal Salaries and Benefits | 101,949 | 56,798 | 64,011 | 31,558 | 93,354 | 29,343 | 46% |
| Supplies | 2,079 | 1,341 | 1,250 | 294 | 1,450 | 200 | 16% |
| Services | 16,321 | 34,939 | 33,731 | 16,646 | 58,884 | 25,153 | 75% |
| Building Official (ILA) | 39,049 | 28,208 | 24,000 | 11,753 | 48,000 | 24,000 | 100% |
| Plans Examiner (ILA) | - | 17,615 | 20,000 | 3,561 | 40,000 | 20,000 | 100% |
| Total Permitting | 159,398 | 121,286 | 122,992 | 60,251 | 201,688 | 78,696 | 64% |
| Planning | | | | | | | |
| Wages | | 18,207 | 35,285 | 14,835 | 15,071 | (20,214) | -57% |
| Benefits | | 7,937 | 16,124 | 5,315 | 5,185 | (10,939) | -68% |
| Subtotal Salaries and Benefits | - | 26,145 | 51,409 | 20,150 | 20,256 | (31,153) | -61% |
| Supplies | 185 | 809 | - | 405 | 800 | 800 | |
| Services | 8,560 | 11,991 | 6,425 | 4,807 | 3,580 | (2,845) | -44% |
| General Govt Planner | - | 52,233 | 21,246 | 36,655 | 95,000 | 73,754 | 347% |
| Total Planning | 8,744 | 91,177 | 79,080 | 62,018 | 119,636 | 40,556 | 51% |
| Hearing Examiner | 2,791 | 709 | 10,000 | - | 5,000 | (5,000) | -50% |
| Total Department | 170,934 | 213,172 | 212,072 | 122,269 | 326,324 | 114,252 | 54% |

The 2016 budget increase is due to anticipated expenditures for plan check and building permits, as well as the need for a contracted planner two days per week.



Black Diamond Planning Area

Master Development Review Team

This department 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.

| MDRT Team | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt Chg inc/(dec) | Bdgt % Chg |
|---------------------------------------|------------------------|------------------------|------------------------|---------------------------|-----------------------------|-------------------------------|-----------------------|
| Wages | 277,437 | 224,141 | 361,639 | 148,813 | 349,817 | (11,822) | -3% |
| Benefits | 96,660 | 89,548 | 175,038 | 68,544 | 177,640 | 2,602 | 1% |
| Subtotal Salaries and Benefits | 374,097 | 313,689 | 536,677 | 217,358 | 527,457 | (9,220) | -2% |
| Supplies | 3,496 | 2,943 | 5,000 | 1,534 | 5,500 | 500 | 10% |
| Services | 16,841 | 66,867 | 57,500 | 31,574 | 53,173 | (4,327) | -8% |
| Computers/Vehicles | 765 | - | 50,000 | 32,389 | - | (50,000) | -100% |
| Building Maintenance | 56,027 | 59,432 | 65,204 | 31,134 | 71,195 | 5,991 | 9% |
| Total Department | 451,226 | 442,931 | 714,381 | 313,989 | 657,325 | (57,056) | -8% |

The MDRT budget was primarily reduced due to the elimination of budget for a vehicle purchased in 2015.

| MDRT Consultants | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt Chg inc/(dec) | Bdgt % Chg |
|------------------------------|------------------------|------------------------|------------------------|---------------------------|-----------------------------|-------------------------------|-----------------------|
| Legal Services | 12,214 | 26,289 | 50,000 | 23,846 | 50,000 | | |
| Henderson & Young | 31,283 | 25,757 | 10,000 | - | 3,000 | (7,000) | -70.0% |
| RH2 Engineering | 184,930 | 278,325 | 250,000 | 148,759 | 250,000 | - | |
| Parametrix | 3,808 | 13,943 | 30,000 | 4,142 | 30,000 | - | |
| Perteet | 11,365 | 19,168 | 30,000 | 9,620 | 30,000 | - | |
| SubTerra | - | 6,331 | 50,000 | - | 25,000 | (25,000) | -50.0% |
| Survey Parmetrix | 1,620 | 1,051 | 20,000 | 5,571 | 20,000 | - | |
| CH2M Hill UTRC | - | 53,530 | - | 17,165 | - | - | |
| MDRT Environmental Consultar | - | 2,210 | 30,000 | 14,892 | 30,000 | - | |
| Total Department | 245,219 | 426,603 | 470,000 | 223,995 | 438,000 | (32,000) | -6.8% |

| Funding Agreement SEPA | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt Chg inc/(dec) | Bdgt % Chg |
|-----------------------------------|------------------------|------------------------|------------------------|---------------------------|-----------------------------|-------------------------------|-----------------------|
| EIS SEPA Legal | 32,925 | - | 10,000 | - | 10,000 | - | |
| MPD Villages & Lawson | 11,587 | 4,938 | - | 44 | - | - | |
| Gen Govt Facility Study-Makers | 106,705 | 55,168 | - | - | - | - | |
| Prof. Planning Services | - | 5,000 | - | 55,233 | - | - | |
| Total Department | 151,217 | 65,105 | 10,000 | 55,277 | 10,000 | | |

MDRT consultants and legal expenses are 100% reimbursed by the funding agreement.

Parks Department

The Parks Department operates and maintains the following amenities: a basketball court, tennis court, skate park, 3 picnic areas, a boat launch, 5 coal car City entry monuments, BMX bike track, swimming area, 143 acres of passive lake front park with trails, City center viewing park, Historical monument park, 2 playground facilities and landscaping around the police building. The Park Department provides the insurance, utilities and maintenance for the Recreation Center and utilities plus insurance coverage for the local museum. Costs associated with the ownership of resource lands also falls to the Park Department. The Public Works staff provides the administration and planning functions for the Park Department. The City provides these services for about \$2/ household per month.

| Parks | Actual | Actual | Budget | Thru July | Prelim Bdgt | Bdgt Chg | Bdgt % |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|
| | 2013 | 2014 | 2015 | 2015 | 2016 | inc/(dec) | Chg |
| Wages | 11,397 | 14,606 | 15,940 | 9,139 | 24,104 | 8,164 | 51% |
| Benefits | 4,873 | 5,134 | 6,259 | 3,231 | 8,172 | 1,913 | 31% |
| Subtotal Salaries and Benefits | 16,270 | 19,740 | 22,199 | 12,370 | 32,276 | 10,077 | 45% |
| Supplies | 6,641 | 5,985 | 7,653 | 486 | 5,868 | (1,785) | -23% |
| Services | 11,064 | 11,503 | 14,580 | 6,722 | 13,062 | (1,518) | -10% |
| Gym Costs | 5,689 | 2,502 | 2,147 | 5,173 | 11,316 | 9,169 | 427% |
| Community Center Ins | 4,453 | 3,169 | 2,696 | 2,225 | - | (2,696) | -100% |
| Museum Costs | 2,277 | 7,394 | 8,090 | 4,032 | 7,551 | (539) | -7% |
| Total Department | 46,394 | 50,293 | 57,365 | 31,008 | 70,073 | 12,708 | 22% |



Resident Otters at Lake Sawyer in Black Diamond

Black Diamond Cemetery

The Cemetery operates and maintains the historic Black Diamond Cemetery. This involves coordinating burials, sale of plots, providing physical burial, and maintaining the grounds. The burial fees are set to cover the costs associated with the services. 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 or so for the drier months during the growing season. Public Works staff provide the planning and administration services for the Cemetery Department.

| Cemetery | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt Chg inc/(dec) | Bdgt % Chg |
|--------------------------------|----------------|----------------|----------------|-------------------|---------------------|-----------------------|---------------|
| Wages | 9,265 | 9,913 | 7,541 | 5,936 | 9,829 | 2,288 | 30% |
| Benefits | 4,195 | 4,266 | 3,774 | 2,591 | 4,333 | 559 | 15% |
| Subtotal Salaries and Benefits | 13,460 | 14,179 | 11,315 | 8,527 | 14,162 | 2,847 | 25% |
| Supplies | 1,190 | 1,819 | 1,822 | 728 | 1,932 | 110 | 6% |
| Services | 1,118 | 1,681 | 2,148 | 879 | 2,504 | 356 | 17% |
| Total Department | 15,768 | 17,680 | 15,285 | 10,134 | 18,598 | 3,313 | 22% |

The Cemetery budget increased due to more allocation of the Public Works and support staff to reflect trend.



Black Diamond Historic Cemetery
It is supposedly haunted!

Facilities and Grounds 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, equipment and two vehicles. The Funding Agreement covered 100% of the cost through March 19, 2015. In 2016 the City assumed the cost of the facilities staff position. The 2016 budget reflects allocation of a portion of costs to the MDRT Building and Public Works.

| Facilities and Grounds | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt Chg inc/(dec) | Bdgt % Chg |
|---------------------------------------|----------------|----------------|----------------|-------------------|---------------------|-----------------------|---------------|
| Wages | 69,221 | 58,856 | 54,205 | 33,006 | 57,114 | 2,909 | 5% |
| Benefits | 24,592 | 23,732 | 21,322 | 12,086 | 21,971 | 649 | 3% |
| Subtotal Salaries and Benefits | 93,812 | 82,588 | 75,527 | 45,091 | 79,085 | 3,558 | 5% |
| Supplies | 1,105 | 1,432 | 1,780 | 968 | 1,785 | 5 | 0% |
| Services | 3,095 | 5,760 | 5,015 | 6,378 | 5,414 | 399 | 8% |
| Allocation (staff & vehicle) | 226 | | | | (38,408) | (38,408) | |
| Building Rental | 107,492 | 107,491 | 89,540 | 44,399 | 76,625 | (12,915) | -14% |
| Other Leases & Maintenance | 45,453 | 49,246 | 39,300 | 20,429 | 36,412 | (2,888) | -7% |
| Communications | 11,356 | 8,340 | 8,200 | 4,520 | 6,963 | (1,237) | -15% |
| Upgrade Computer System | 3,948 | 4,727 | 3,400 | | | (3,400) | -100% |
| FF&E Allocation Credit | (56,027) | (59,432) | (65,204) | (16,302) | (46,800) | 18,404 | -28% |
| Total Department | 210,461 | 200,153 | 157,558 | 105,483 | 121,076 | (36,482) | -23% |

Central Services

Central Services provide the budget that captures shared costs for General Fund 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 | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt Chg inc/(dec) | Bdgt % Chg |
|-------------------------------|----------------|----------------|----------------|-------------------|---------------------|-----------------------|---------------|
| City Hall Supplies | 3,692 | 6,687 | 8,000 | 3,310 | 7,000 | (1,000) | -13% |
| City Hall Services | 9,886 | 11,460 | 7,950 | 3,901 | 5,500 | (2,450) | -31% |
| Memberships | 6,056 | 5,279 | 6,989 | 5,534 | 6,489 | (500) | -7% |
| Central Supplies | 62 | 330 | 500 | 344 | 700 | 200 | 40% |
| Central Services & Misc. | 3,486 | 2,010 | 4,596 | 3,139 | 9,164 | 4,568 | 99% |
| Retreat, Travel, Train, Recog | 2,953 | 4,502 | 1,000 | 310 | 2,500 | 1,500 | 150% |
| Economic Development | 1,084 | 1,008 | 1,000 | 950 | 1,000 | - | 0% |
| Total Department | 27,218 | 31,276 | 30,035 | 17,488 | 32,353 | 2,318 | 8% |

| Former Departments | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt Chg inc/(dec) | Bdgt % Chg |
|-------------------------------|----------------|----------------|----------------|-------------------|---------------------|-----------------------|---------------|
| Natural Resources | 150,858 | 76,382 | | | | | |
| Administration (city manager) | 227,236 | 117,435 | | | | | |
| Total Department | 378,094 | 193,817 | | | | | |

The budget for Natural Resources and for a City Administrator was eliminated in 2015 and 2016.

| Gen Fund Totals & Ending Balances | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt Chg inc/(dec) | Bdgt % Chg |
|--|------------------------|------------------------|------------------------|---------------------------|-----------------------------|-------------------------------|-----------------------|
| Total GF Operating Exp | 4,493,390 | 4,769,864 | 4,591,334 | 2,473,898 | 4,667,387 | 76,053 | 1.7% |
| End Cash & Invest Gen Govt | 644,198 | 842,526 | 645,080 | 905,000 | 759,115 | 114,035 | 17.7% |
| End Cash & Invest Developer | 299,129 | 190,103 | 210,000 | 160,000 | 160,000 | (50,000) | -23.8% |
| Grand Total GF Uses | 5,436,717 | 5,802,493 | 5,446,414 | 3,538,898 | 5,586,502 | 140,088 | 2.6% |



Lake Sawyer Regional Park

Special Revenue Funds

These are funds established by governments to collect money that must be used for a specific project. Special revenue funds provide an extra level of accountability and transparency to taxpayers that their tax dollars will go toward an intended purpose.



Seahawk Fever in Black Diamond – Raising the 12 Flag

Street Fund

Street Department responsibilities include maintaining, planning and upgrading public streets and sidewalks. Major maintenance activities include maintaining the street signs, pavement stripes and markings, roadside brush, trees and vegetation control, street lights, pavement, signals, sidewalks and shoulder grading. Other activities include managing the right of way, street capital planning, seeking grant funds and addressing traffic safety issues. The City provides these services for 28 miles of roads at a cost of \$11/household per month.

Street revenue from gas tax is the primary source of funds for the Street Department. Road upkeep is expensive. For example, street lighting alone costs the City \$31,000 per year. In September 2015 the City established a Transportation Board District (TBD), which receives \$20 per car registered to Black Diamond residents or businesses. This money is required to be used exclusively for road maintenance and operations. In recent years, including 2016, the Street Fund has required a transfer of additional Real Estate Excise Tax (funds for street improvement projects) to maintain the City’s roads and sidewalks.

| Street Fund 101 | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|------------------------------------|--------------------|--------------------|--------------------|-----------------------|-------------------------|------------------------------|-----------------------------|
| REVENUE | | | | | | | |
| 1 Street Gas Tax | 86,206 | 86,017 | 84,600 | 40,984 | 90,594 | 5,994 | 7% |
| 2 Right of Way Permit | 3,084 | 8,416 | 5,200 | 9,731 | 15,000 | 9,800 | 188% |
| 3 Chg for Service/Civil Inspection | 8,033 | 2,412 | 550 | 1,216 | 1,600 | 1,050 | 191% |
| 4 Subtotal Operating Revenue | 97,323 | 96,846 | 90,350 | 51,931 | 107,194 | 16,844 | 19% |
| 5 Developer Sal & Ben Reimb. | 36,696 | 18,660 | 19,774 | 18,654 | | (19,774) | -100% |
| 6 LGIP Investment Interest | 351 | 150 | 100 | 96 | 140 | 40 | 40% |
| 7 Transfer in from TBD Fund | - | - | - | - | 60,000 | 60,000 | |
| 8 Transfer in - REET II | - | 50,000 | 50,000 | 50,000 | 50,000 | - | 0% |
| 9 Subtotal Other Revenue | 37,047 | 68,810 | 69,874 | 68,750 | 110,140 | 40,266 | 58% |
| 10 Total All Revenue | 134,371 | 165,655 | 160,224 | 120,681 | 217,334 | 57,110 | 36% |
| 11 Beginning Cash and Investments | 262,584 | 186,952 | 142,222 | 153,589 | 111,645 | (30,577) | -21% |
| 12 Total Street Sources | 396,955 | 352,607 | 302,446 | 274,270 | 328,979 | 26,533 | 9% |

| Street Fund 101 | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|--|--------------------|--------------------|--------------------|-----------------------|-------------------------|------------------------------|-----------------------------|
| EXPENDITURES | | | | | | | |
| 1 Salaries and Benefits | 121,918 | 114,764 | 123,554 | 69,596 | 102,040 | (21,514) | -17% |
| 2 Supplies | 7,946 | 6,101 | 9,900 | 3,479 | 10,347 | 447 | 5% |
| 3 Services and Charges | 70,139 | 70,216 | 71,327 | 38,094 | 92,904 | 21,577 | 30% |
| 4 Total Operating Expenditures | 200,003 | 191,081 | 204,781 | 111,168 | 205,291 | 510 | 0% |
| 5 Transfer for Equipment-CIP | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | - | 0% |
| 6 Total Expenditures | 210,003 | 201,081 | 214,781 | 121,168 | 215,291 | 510 | 0% |
| 7 Three Months Cash and Investments | 56,202 | 47,770 | 51,195 | - | 51,323 | 128 | 0% |
| 8 Unreserved C&I Balance | 130,750 | 103,756 | 36,470 | 153,102 | 62,365 | 25,895 | 71% |
| 9 Total Ending Cash & Investments | 186,952 | 151,526 | 87,665 | 153,102 | 113,688 | 26,023 | 30% |
| 10 Total Street Uses | 396,955 | 352,607 | 302,446 | 274,270 | 328,979 | 26,533 | 9% |



Lawson Sidewalk



Railroad Avenue

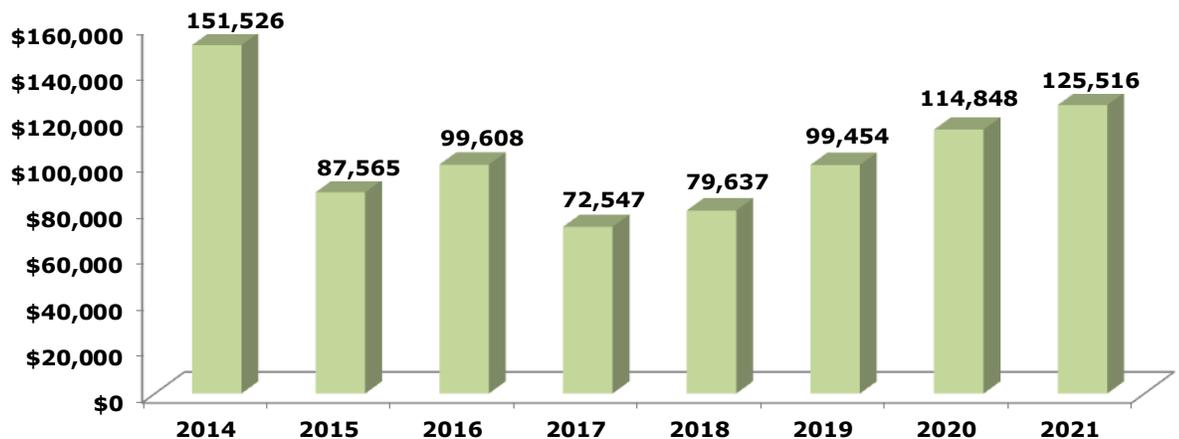


Road Rehab 288th Street Overlay

Street Fund 101 - 6 year Forecast

| | 2014 Actual | 2015 Budget | Prelim 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget | 2021 Budget | |
|------------------------------------|----------------|----------------|--------------------------|----------------|----------------|----------------|----------------|----------------|----|
| 1 Gas Tax (31.60 per capita) | 86,017 | 84,600 | 90,594 | 91,500 | 91,500 | 92,415 | 93,339 | 94,272 | 1% |
| 2 Right of Way Permits | 8,416 | 5,200 | 15,000 | 15,300 | 15,606 | 15,918 | 16,236 | 16,561 | 2% |
| 3 Other Revenue | 2,562 | 650 | 1,740 | 1,775 | 1,810 | 1,847 | 1,883 | 1,921 | 2% |
| 4 Fund Agreement | 18,660 | 19,774 | | | | | | | |
| 5 Transfer In-REET II ** | 50,000 | 50,000 | 50,000 | | | | | | |
| 6 Transfer in- TBD-Car Tab Fee | | | 60,000 | 100,000 | 140,000 | 160,000 | 163,200 | 166,464 | 2% |
| 7 Total Operating Revenue | 165,655 | 160,224 | 217,334 | 208,575 | 248,916 | 270,180 | 274,659 | 279,219 | |
| 8 Street Fund Expenditures | | | | | | | | | |
| 9 Salaries | 100,100 | 117,813 | 99,828 | 101,825 | 101,825 | 103,861 | 105,938 | 108,057 | 2% |
| 10 Benefits | 42,292 | 46,772 | 43,712 | 45,898 | 48,192 | 50,602 | 53,132 | 55,789 | 5% |
| 11 Grant/Proj Adm -alloc | (27,628) | (40,931) | (41,500) | (20,000) | (21,000) | (22,050) | (23,153) | (24,310) | 5% |
| 12 Supplies | 6,101 | 9,900 | 10,347 | 10,864 | 11,408 | 11,978 | 12,577 | 13,206 | 5% |
| 13 Street Lights | 29,663 | 31,000 | 31,000 | 32,550 | 34,178 | 35,886 | 37,681 | 39,565 | 5% |
| 14 Other Services & Charges | 40,553 | 40,327 | 51,904 | 54,499 | 57,224 | 60,085 | 63,090 | 66,244 | 5% |
| 15 Transfers to Cap Equip | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | |
| 16 Total Operating Spending | 201,081 | 214,881 | 205,291 | 235,636 | 241,826 | 250,363 | 259,265 | 268,550 | |
| Change in Reserves | (35,426) | (54,657) | 12,043 | (27,061) | 7,090 | 19,817 | 15,394 | 10,669 | |
| Ending Reserves | 151,526 | 87,565 | 99,608 | 72,547 | 79,637 | 99,454 | 114,848 | 125,516 | |
| | 75.36% | 40.75% | 48.52% | 30.79% | 32.93% | 39.72% | 44.30% | 46.74% | |
| Policy Reserves-10% | 20,108 | 214,881 | 205,291 | 23,564 | 24,183 | 25,036 | 25,927 | 26,856 | |

Projected Street Fund Ending Fund Balance



** REET 2 transfer for Capital Operating Costs legislation expires in 2016. Unknow if this will be re-authorized by State Legislators.

Note: 2017 Transportation Benefit District forecast includes a car tab fee increase from \$20 to \$40 .

Fire Impact Fee Fund

Per City Ordinance 12-980, Fire Impact Fees have been put in place for new development and building expansions within the City limits. For a new residential home in Black Diamond, the fee is \$1,783.13.

The implementation of the fee came after a 2011 Fire Impact Fee Study, which developed the methodology and to ensure compliance with Washington laws and City Code. Future capital costs will be funded with a combination of impact fees and city funds.

| Fire Impact Fees Fund | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|--|--------------------|--------------------|--------------------|-----------------------|-------------------------|------------------------------|-----------------------------|
| REVENUE | | | | | | | |
| 1 Fire Impact Fees | 10,366 | 18,616 | 10,000 | 12,482 | 17,830 | 7,830 | 78% |
| 2 LGIP Interest Income | | | | 271 | 200 | | |
| 3 Subtotal Revenue | 10,366 | 18,616 | 10,000 | 12,753 | 18,030 | 8,030 | 80% |
| 4 Transfer in Fire Equipment Fund | | | | 15,366 | | | |
| 5 Total Fire Impact Fee Revenue | 10,366 | 18,616 | 10,000 | 28,119 | 18,030 | 8,030 | 80% |
| 6 Beginning Cash and Investments | | 10,366 | 5,000 | 13,616 | 43,575 | 38,575 | 772% |
| 7 Total Fire Impact Fee Sources | 10,366 | 28,982 | 15,000 | 41,735 | 61,605 | 46,605 | 311% |

| Fire Impact Fees Fund | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|-------------------------------------|--------------------|--------------------|--------------------|-----------------------|-------------------------|------------------------------|-----------------------------|
| EXPENDITURES | | | | | | | |
| 1 Transfer to Fire Equipment Fund | | 15,366 | 10,000 | | | (10,000) | -100% |
| 2 Subtotal Expenditures | | 15,366 | 10,000 | | | (10,000) | -100% |
| 3 Ending C & I Balance | 10,366 | 13,616 | 5,000 | 41,735 | 61,605 | 56,605 | 1132% |
| 4 Total Fire Impact Fee Uses | 10,366 | 28,982 | 15,000 | 41,735 | 61,605 | 46,605 | 311% |



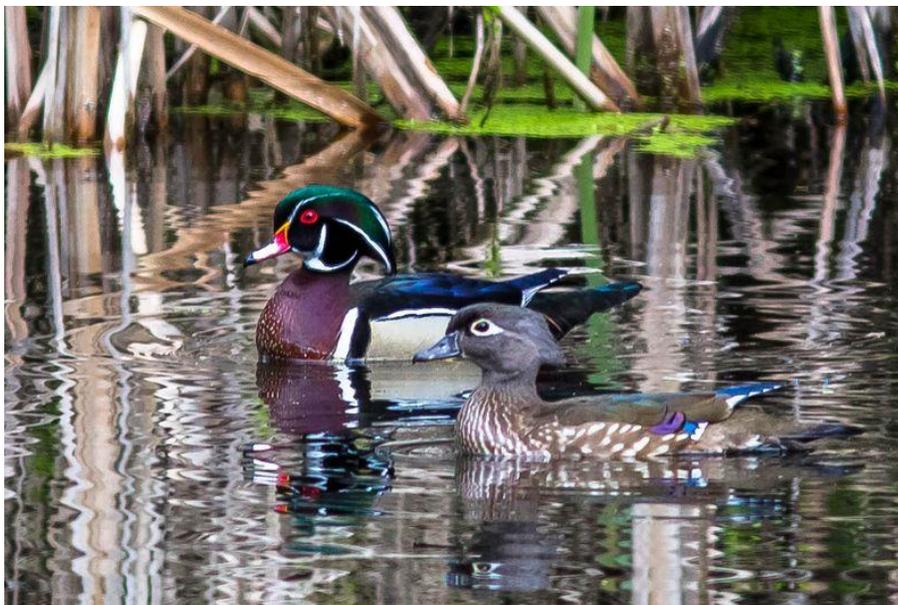
Labor Day 2015 Fire Truck Display

Transportation Benefit District Fund

In order to address declining revenues that support the Street Department, the City has established a new fund, the Transportation Benefit District. The City has authorizing a twenty dollar (\$20.00) vehicle license fee pursuant to RCW 36.73.065 and RCW 82.80.140. Currently there are more than 75 TBD districts in Washington State. Due to a lag in distribution and start up, the City expects to receive about seven months of TBD revenue in 2016.

| Transportation Benefit District Fund 108 | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---|--------------------|--------------------|--------------------|-----------------------|-------------------------|------------------------------|-----------------------------|
| 1 REVENUE | | | | | | | |
| 2 TBD Car Tab Fees | | | | | 60,000 | 60,000 | |
| 3 Total TBD Sources | | | | | 60,000 | 60,000 | |

| Transportation Benefit District Fund 108 | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---|--------------------|--------------------|--------------------|-----------------------|-------------------------|------------------------------|-----------------------------|
| EXPENDITURES | | | | | | | |
| 1 Transfer to Street Fund | | | | | 60,000 | 60,000 | |
| 2 Total TBD Uses | | | | | 60,000 | 60,000 | |



Lake Sawyer inhabitants include Wood Ducks

Internal Service Funds

This fund is used for operations serving other funds or departments within the City. Black Diamond has one such fund, Equipment Replacement that collects money from other departments to build up resources to replace capital equipment, such as Police and Fire vehicles as well as Public Works equipment.



Miners Day is held on the second Saturday in July on Railroad Avenue. It is a whole day of old timey fun with vendors, contests, races, live music and entertainment, chalk art, and roaming characters of the old times.



Equipment Replacement Funds

Equipment Replacement Funds 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.

| Fire Equipment Fund 510 - 100 | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Budget 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|--|------------------------|------------------------|------------------------|---------------------------|-----------------------------------|--------------------------------------|-------------------------------------|
| REVENUE | | | | | | | |
| 1 LGIP Investment Interest | 28 | 11 | - | 51 | 50 | 50 | |
| 2 Fire Equipment Surplus | 2,201 | - | 125,000 | - | - | (125,000) | -100% |
| 3 Loan for Fire Engine | | - | 240,000 | - | - | (240,000) | -100% |
| 4 Subtotal Revenue | 2,229 | 11 | 365,000 | 51 | 50 | (364,950) | -100% |
| 5 Transfer in Reet 1 | | 69,219 | - | - | 25,000 | 25,000 | |
| 6 Transfer from Fire Impact Fund | | 15,366 | 10,000 | - | - | (10,000) | -100% |
| 8 Subtotal Transfers In | - | 84,585 | 10,000 | | 25,000 | 15,000 | 150% |
| 9 Beginning Cash and Investments | 1,378 | 3,507 | 73,950 | 83,962 | 48,876 | (25,074) | -34% |
| 10 Total Fire Equip Fund Sources | 3,607 | 88,103 | 448,950 | 84,013 | 73,926 | (375,024) | -84% |

| Fire Equipment Fund 510 - 100 | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Budget 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|--|------------------------|------------------------|------------------------|---------------------------|-----------------------------------|--------------------------------------|-------------------------------------|
| EXPENDITURES | | | | | | | |
| 1 Fire Truck Repairs & Maint External | 100 | 4,141 | 10,000 | 9,771 | 38,926 | 28,926 | 289% |
| 2 Capital Facility Study | | | | | 25,000 | 25,000 | |
| 3 Future Fire Bldg/Equip | | - | 365,000 | - | - | (365,000) | -100% |
| 4 Fire SCBA Air Bottles | | - | 20,000 | 10,000 | 10,000 | (10,000) | -50% |
| 5 Transfer to Fire Impact Fund | | - | - | 15,366 | - | - | |
| 6 Subtotal Expenditures | 100 | 4,141 | 395,000 | 35,137 | 73,926 | (321,074) | -81% |
| 7 Ending Cash and Investments | 3,507 | 83,962 | 53,950 | 48,876 | - | | |
| 8 Total Fire Equipment Uses | 3,607 | 88,103 | 448,950 | 84,013 | 73,926 | (375,024) | -84% |



| Public Works Equipment Fund 510 - 200 | | | | | Prelim Budget 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---------------------------------------|---|----------------|----------------|----------------|--------------------|-----------------------|----------------------|
| | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | | | |
| REVENUE | | | | | | | |
| 1 | LGIP Investment Interest- Public Works | 198 | 200 | 200 | 188 | 200 | - |
| 2 | Public Works Equipment Surplus | 472 | 5,600 | - | - | - | - |
| 3 | Subtotal Revenue | 670 | 5,800 | 200 | 188 | 200 | - |
| 4 | Transfer in From REET 2 | | - | 7,000 | 7,000 | 7,000 | - |
| 5 | Transfer in From Water Operating | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | - |
| 6 | Transfer in From Sewer Operating | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | - |
| 7 | Transfer in from Stormwtr Fund | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | - |
| 8 | Transfer in From Street Fund | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | - |
| 9 | Subtotal Transfers In | 40,000 | 40,000 | 47,000 | 47,000 | 47,000 | - |
| 10 | Beginning Cash and Investments | 150,321 | 153,793 | 170,710 | 183,501 | 253,096 | 82,386 |
| 11 | Total Public Works Equip Sources | 190,991 | 199,594 | 217,910 | 230,689 | 300,296 | 82,386 |
| | | | | | | | 38% |

| Public Works Equipment Fund 510 - 200 | | | | | Prelim Budget 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---------------------------------------|--------------------------------------|----------------|----------------|----------------|--------------------|-----------------------|----------------------|
| | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | | | |
| EXPENDITURES | | | | | | | |
| 1 | Surplus Costs PW Vehicles | 123 | 244 | - | - | - | - |
| 2 | Various Mower | | 10,537 | 15,000 | 6,151 | 6,000 | (9,000) |
| 3 | PW Shop Heat & Air | | - | - | 4,757 | - | - |
| 4 | Utility Truck Purchase | 32,707 | - | - | - | - | - |
| 5 | Computers & Radios for Utilities | 838 | - | - | 1,000 | - | - |
| 6 | PW Sander/Snow Plow | | - | - | - | 20,000 | 20,000 |
| 7 | Shop Generator | 3,531 | - | - | - | - | - |
| 8 | Grader Engine Repair | | 5,311 | - | 543 | - | - |
| 9 | 4 wheel Dr. Truck | | - | 45,000 | - | 50,000 | 5,000 |
| 10 | Vactor | | - | - | 9,955 | - | - |
| 11 | Subtotal Expenditures | 37,199 | 16,092 | 60,000 | 22,407 | 76,000 | 16,000 |
| 12 | Ending Cash and Investments | 153,792 | 183,501 | 157,910 | 208,282 | 224,296 | 66,386 |
| 13 | Total Public Works Equip Uses | 190,991 | 199,594 | 217,910 | 230,689 | 300,296 | 82,386 |
| | | | | | | | 38% |



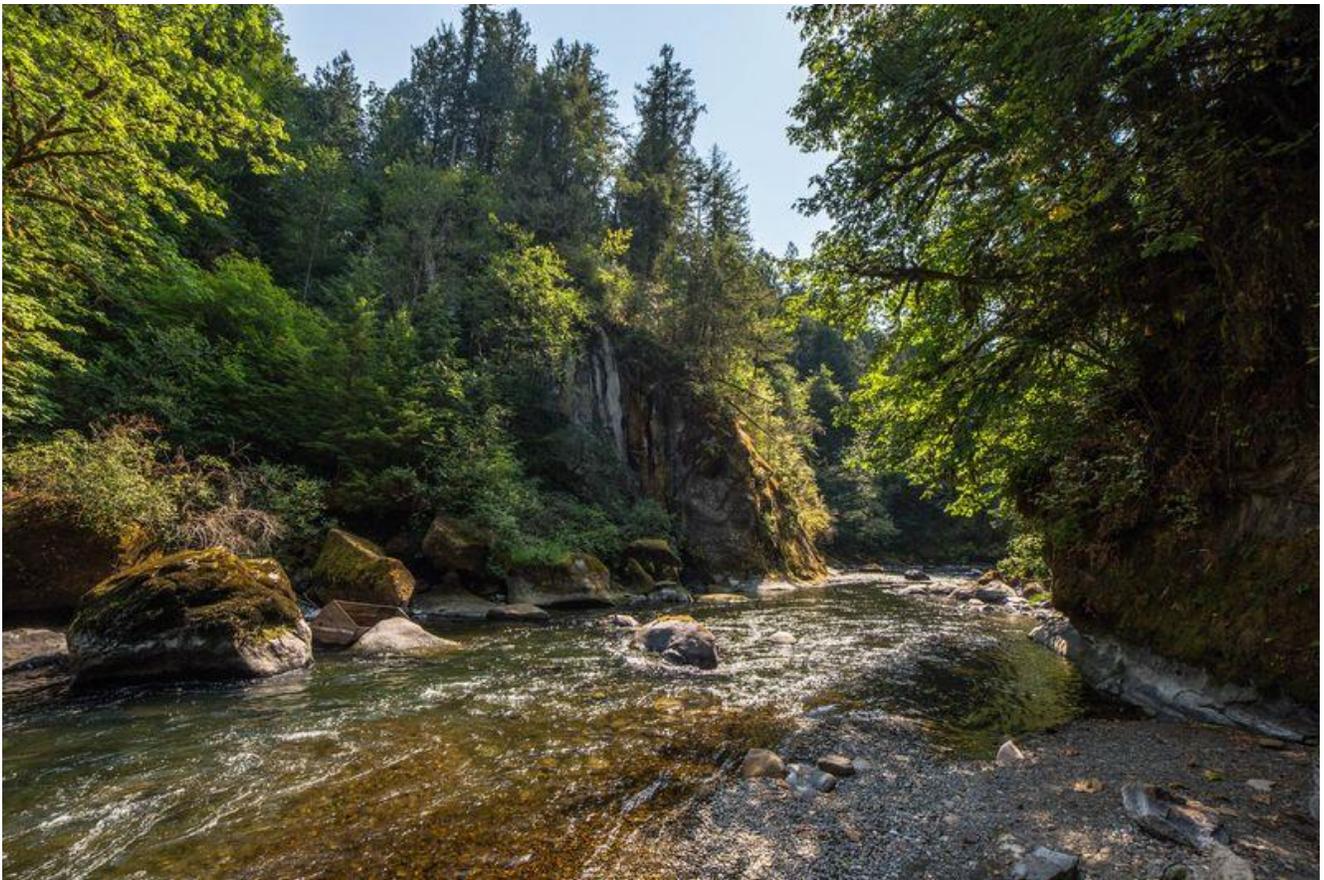
| Police Equipment Fund 510 - 300 | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Budget 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|--|------------------------|------------------------|------------------------|---------------------------|-----------------------------------|--------------------------------------|-------------------------------------|
| REVENUE | | | | | | | |
| 1 Vehicle Conversion Grant-Radar | | 1,000 | - | - | - | | |
| 2 LGIP Investment Interest- Police | 8 | 11 | - | 23 | 20 | | |
| 3 Police Sale of Surplus | 1,641 | 1,275 | - | - | - | | |
| 4 Subtotal Revenue | 1,649 | 2,286 | - | 23 | 20 | | |
| 5 Transfer from REET 1 | 10,000 | 20,000 | - | - | - | | |
| 6 Subtotal Transfers In | 10,000 | 20,000 | - | - | - | | |
| 7 Beg Cash & Invest- Police Equip | 11,051 | 21,993 | 27,347 | 28,296 | 9,800 | | |
| 8 Total Police Equipment Sources | 22,700 | 44,279 | 27,347 | 28,319 | 9,820 | (17,527) | -64% |

| Police Equipment Fund 510 - 300 | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Budget 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|--|------------------------|------------------------|------------------------|---------------------------|-----------------------------------|--------------------------------------|-------------------------------------|
| EXPENDITURES | | | | | | | |
| 1 Surplus Costs Police | 707 | 50 | 500 | - | 500 | - | |
| 2 Police Radios | | 5,871 | 9,300 | - | 9,320 | 20 | |
| 3 Police Vehicle Conversion Costs | | 10,061 | - | 855 | - | - | |
| 4 Subtotal Expenditures | 707 | 15,983 | 9,800 | 855 | 9,820 | 20 | |
| 5 Ending Cash and Investments | 21,993 | 28,296 | 17,547 | 27,464 | - | (17,547) | -100% |
| 6 Total Police Equipment Uses | 22,700 | 44,279 | 27,347 | 28,319 | 9,820 | (17,527) | -64% |



Utility Funds

Utility funds are used for services provided to the public on a user charge basis, similar to the operation of a commercial enterprise. Black Diamond has Water, Wastewater and Stormwater utilities.



Black Diamond is adjacent to gorgeous views of Green River

Water Fund 401

The Water Department provides safe high quality reliable drinking water to the residents of Black Diamond except for the residents on the Covington Water District around Lake Sawyer. The water utility is responsible for the operation and maintenance of the City’s springs, fences, access roads, power lines, backup power, control systems, water storage tanks, water treatment systems, pump stations, water main, water quality testing, fire hydrants, meter reading and maintenance, and billing. The average Black Diamond household receives very high quality drinking water delivered to their house under pressure to drink, wash dishes, wash clothes, shower and bathe, brush teeth, cook, water plants and landscape, mop and clean, flush toilets and provide fire protection all for approximately \$57 per month.

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, thus the City has not been able to set aside any operations revenue toward pipe replacement in recent years.

| Water Fund | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---|--------------------|--------------------|--------------------|-----------------------|-------------------------|------------------------------|-----------------------------|
| REVENUE | | | | | | | |
| 1 Water Charges | 466,250 | 582,792 | 642,000 | 380,942 | 660,000 | 18,000 | 3% |
| 2 Water Late Fees & Name Changes | 17,068 | 18,409 | 18,000 | 12,867 | 19,000 | 1,000 | 6% |
| 3 Water Meter and Setting | 2,000 | 4,110 | 6,000 | 1,381 | 2,500 | (3,500) | -58% |
| 4 Water Miscellaneous Rev | 1,755 | 28,733 | - | 660 | 1,200 | 1,200 | |
| 5 Subtotal Operating Revenue | 487,073 | 634,044 | 666,000 | 395,851 | 682,700 | 16,700 | 3% |
| 6 Funding Staff Reimbursement | 39,520 | 18,660 | - | - | 2,500 | 2,500 | |
| 7 LGIP and Miscellaneous | 137 | 5,973 | 100 | 96 | 200 | 100 | 100% |
| 8 Debt Service - Developer Contribution | 669,596 | 99,362 | 98,891 | 98,499 | 102,848 | 3,957 | 4% |
| 9 Transfer from Water Capital Fund | 150,000 | 80,000 | 10,000 | 40,000 | 10,000 | - | 0% |
| 10 Subtotal Other Revenue | 859,253 | 203,995 | 108,991 | 138,595 | 115,548 | 6,557 | 6% |
| 11 Total Water Revenue | 1,346,326 | 838,039 | 774,991 | 534,446 | 798,248 | 23,257 | 3% |
| 12 Beginning C & I Balance | 107,982 | 125,340 | 129,219 | 160,301 | 161,635 | 32,416 | 25% |
| 13 Total Water Sources | 1,454,308 | 963,379 | 904,210 | 694,747 | 959,883 | 55,673 | 6% |
| EXPENDITURES | | | | | | | |
| 1 Salaries and Benefits | 159,044 | 166,579 | 179,260 | 101,958 | 185,066 | 5,806 | 3% |
| 2 Supplies | 24,407 | 27,646 | 29,154 | 19,138 | 33,846 | 4,692 | 16% |
| 3 Services and Charges | 182,254 | 212,181 | 214,034 | 101,188 | 241,601 | 27,567 | 13% |
| 4 Total Operating Expenditures | 365,705 | 406,406 | 422,448 | 222,284 | 460,513 | 38,065 | 9% |
| 5 Transfer for Equipment-CIP | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 0 | 0% |
| 7 WW Interfund Loan for Meters | 46,221 | 46,460 | 46,460 | 46,460 | 0 | (46,460) | -100% |
| 8 Debt Service | 907,042 | 335,212 | 306,285 | 332,292 | 320,430 | 14,145 | 5% |
| 9 Transfer to Water portion Comp Plan | | 5,000 | | | | | |
| 10 Subtotal Other Expenditures | 963,263 | 396,672 | 362,745 | 388,752 | 330,430 | (46,460) | -13% |
| 11 Total Expenditures | 1,328,968 | 803,078 | 785,193 | 611,036 | 790,943 | 5,750 | 1% |
| 12 Three Months Cash and Investments | 91,426 | 95,937 | 104,935 | | 115,128 | 10,193 | 10% |
| 13 Unreserved C&I Balance | 33,914 | 64,364 | 14,082 | 83,711 | 53,812 | 39,730 | 282% |
| 14 Total Ending Cash & Investments | 125,340 | 160,301 | 119,017 | 83,711 | 168,940 | 49,923 | 42% |
| 15 Total Water Uses | 1,454,308 | 963,379 | 904,210 | 694,747 | 959,883 | 55,673 | 6% |

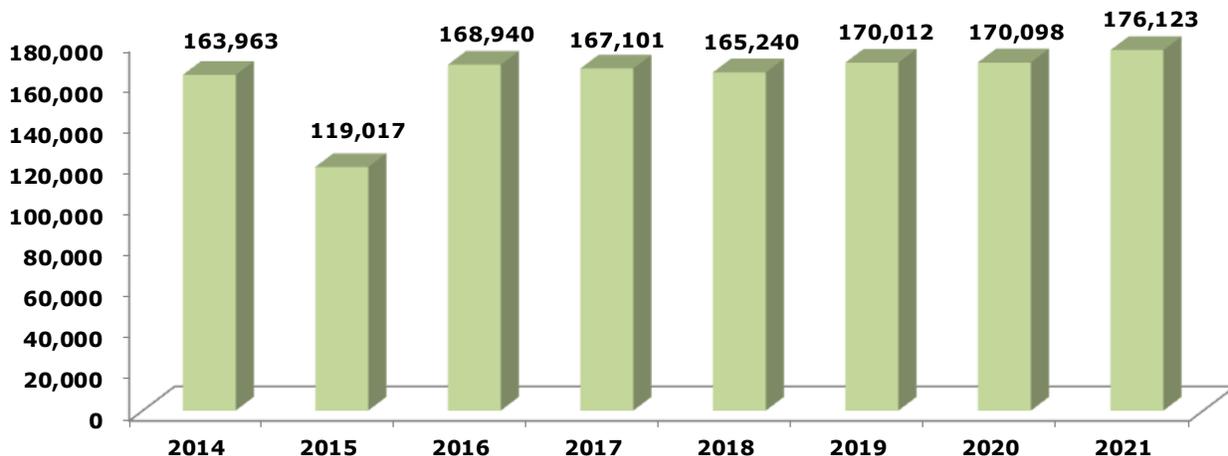
Water Fund 6 Year Forecast

| City of Black Diamond, WA Water Utility Fund Six Year Forecast | | NO MPD Growth | | 10/15/2015 DRAFT | | | | | MODEL A | |
|--|----------------|----------------|----------------|---------------------|----------------|----------------|----------------|----------------|---------|--|
| Water Fund | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget | 2020 Budget | | |
| 1 Rate Increase | 01/14 15% | 01/15 15% | | | | | | | | |
| 2 Operating Begin Cash Bal | 125,340 | 129,219 | 161,635 | 168,940 | 167,101 | 165,240 | 170,012 | 170,098 | | |
| 3 | | | | | | | | | | |
| 4 Operating Revenue | 608,708 | 642,000 | 660,000 | 675,000 | 688,500 | 702,270 | 702,270 | 716,315 | 2% | |
| 5 Misc. Revenue | 31,289 | 24,100 | 25,400 | 25,908 | 26,426 | 26,955 | 26,955 | 27,494 | 2% | |
| 6 Funding Reimbursement | 18,660 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 7 Developer Debt Reimb | 99,382 | 98,891 | 102,848 | 97,902 | 96,923 | 95,954 | 94,995 | 94,995 | | |
| 8 Transfer from Reserve | 80,000 | 10,000 | 10,000 | 20,000 | 15,000 | 15,000 | 10,000 | 10,000 | | |
| 9 Total Water Revenue | 838,039 | 774,991 | 798,248 | 818,810 | 826,849 | 840,179 | 834,220 | 848,804 | | |
| 10 Water Fund Expenditures | | | | | | | | | | |
| 11 Salaries & Bene | 181,776 | 208,190 | 217,566 | 221,917 | 226,356 | 230,883 | 230,883 | 235,500 | 2% | |
| 12 Allocation to Capt Projects | (15,197) | (28,930) | (32,500) | (20,000) | (20,400) | (20,808) | (21,224) | (21,649) | 2% | |
| 13 Caustic | 13,646 | 12,500 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 | 0% | |
| 14 Supplies | 14,000 | 16,654 | 19,848 | 20,245 | 20,650 | 21,063 | 21,063 | 21,484 | 2% | |
| 15 Electricity & Utilities | 30,285 | 36,490 | 31,575 | 31,575 | 31,575 | 31,575 | 31,575 | 31,575 | 0% | |
| 16 Insurance | 41,456 | 28,335 | 26,056 | 27,359 | 28,727 | 30,163 | 30,163 | 31,671 | 5% | |
| 17 Repairs & Maintenance | 19,605 | 11,150 | 25,394 | 25,902 | 26,420 | 27,080 | 27,757 | 28,451 | 2% | |
| 18 Services & Charges | 44,465 | 67,059 | 83,074 | 84,735 | 86,430 | 86,430 | 86,430 | 88,159 | 2% | |
| 19 B&O & Util Tax | 71,370 | 71,000 | 75,500 | 78,520 | 80,090 | 81,692 | 81,692 | 83,326 | 2% | |
| 20 Transfers to Cap Equip/Comp PI | 15,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | | |
| 21 Sub Total Operating Uses | 416,406 | 432,448 | 470,513 | 494,253 | 503,848 | 512,079 | 512,339 | 522,518 | | |
| 22 Tacoma Water Debt | | | | | | | | | | |
| 23 PWTF Debt Svs | 336,090 | 306,285 | 320,430 | 318,896 | 317,362 | 315,828 | 314,294 | 312,761 | | |
| 24 Water Meters- Sewer Loan | 46,920 | 46,460 | | | | | | | | |
| 25 New Debt Ser-CBDG Prj | | | | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | | |
| 26 Subtotal Debt Service | 383,010 | 352,745 | 320,430 | 326,396 | 324,862 | 323,328 | 321,794 | 320,261 | | |
| 27 Total Water Fund Uses | 799,416 | 785,193 | 790,943 | 820,649 | 828,710 | 835,407 | 834,133 | 842,779 | | |
| 28 | | | | | | | | | | |
| 29 Change in Cash & Inv | 38,623 | (10,202) | 7,305 | (1,839) | (1,861) | 4,772 | 86 | 6,025 | | |
| 30 | | | | | | | | | | |
| 31 Ending Cash & Invest Bal | 163,963 | 119,017 | 168,940 | 167,101 | 165,240 | 170,012 | 170,098 | 176,123 | | |

Cash & Investment Balance needs to cover three months of operating expenditures per city resolutions No. #08-850 & 13-866.

2017 & beyond includes revenue from water sales to 10 additional homes due to completion of Shake n Bake project
 The six year forecast does not include any additional revenue from Yarrow Bay development
 The Water Operating Fund will need to have continual support of \$10,000 to \$20,000 per year unless rates are increase or growth increases.
 The Operating Revenue only covers operating expenditures and debt. Water Capital improvements will need to be funded by Water Capital Facility Charges or rate increases.

Projected Water Fund - Ending Fund Balance



Water Debt Analysis

City of Black Diamond, Washington 2016

Budgeted Water Debt Analysis as of December 31, 2015-For 2016 Budget

| Issue Date | Issue Amount | Type | Purpose | Maturity Date | 12/31/2015 debt owed | 2016 Principal | 2016 Interest | 2016 Debt Svs | 2016 | | | Total Debt Service | | |
|---|-----------------------------------|-----------|-----------------------|---------------|----------------------|----------------|---------------|---------------|------------------|-----------------|------------------|--------------------|----------------|---------|
| | | | | | | | | | Water Operating | Water Capt Res | Total Water | | | |
| 1995 | 200,000 | PWTF | Wtr Repair | 2015 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | |
| 2006 | 180,000 | PWTF | Cor Contrl | 2022 | 78,750 | 11,250 | 394 | 11,644 | 11,644 | | 11,644 | 0 | 11644 | |
| 2005 | 3,407,063 256,064 1,784,693 | PWTF | Tac 500mg | 2024 | 1,773,625 | 197,070 | 8,868 | 205,938 | 165,938 | 40,000 | 205,938 | | 205,938 | |
| | | | Tac city 1st | 2024 | | | | | | | | | 102,848 | 102,848 |
| | | | Pump Fac, Res & lines | 2024 | 885,771 | 98,419 | 4,429 | 102,848 | | | | | 102,848 | 102,848 |
| | 5,447,820 | PWTF | | | 2,659,396 | 295,489 | 13,297 | 308,786 | 165,938 | 40,000 | 205,938 | 102,848 | 308,786 | |
| 2004 | 11,334,510 | Tac Water | Tac Wtr 1 | 2013 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Totals | 17,162,330 | | | | 2,659,396 | 306,739 | 13,691 | 320,430 | 177,582 | 40,000 | 217,582 | 102,848 | 320,430 | |
| Total net Water fund 2013 Debt Service | | | | | | | | | \$177,582 | \$40,000 | \$217,582 | 102,848 | 320,430 | |
| 2011 | 230,000 | Int. Loan | Meters Sys | 2015 | 0 | 0 | 0 | 0 | \$0 | | \$0 | | 0 | |
| Totals | 17,392,330 | | | | 2,659,396 | 306,739 | 13,691 | 320,430 | 177,582 | 40,000 | 217,582 | 102,848 | 320,430 | |

Less developer Responsibility Palmer \$885,771

Net City Liability 1,773,625

*Black diamond hold a letter of credit from Palmer Coking for their balance owing of \$885,771 of PWTF Loan. included 2016 Est Interest. 10/27/2015



Rafting on Green River

Sewer Fund 407

The Sewer Department collects sewage from the homes and businesses in the old section of Town for treatment and discharge. The area around Lake Sawyer is primarily served by individual on site waste water disposal septic system and a small area at the Northwest end of the Lake served by the Soos Creek Sewer system. The sewer utility provides for the planning, operation and maintenance of 17.5 miles of sewer lines and manholes, and 4 pump stations and provides local customer service and billing. This sewer utility also contracts with the King County for transmission and sewage treatment plant in Renton for treatment, discharge and bio-solids handling. The City provides the local sewer collection services for approximately \$25/household per month.

The revenue collected by the sewer utility has not been covering the cost of the operations, maintenance, administration and services provided for several years now. At some point the City will need to raise the local charges to bring the fund into balance.

| Sewer Fund 407 | | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|-----------------------|-----------------------------------|------------------------|------------------------|------------------------|---------------------------|-----------------------------|--------------------------------------|-------------------------------------|
| REVENUE | | | | | | | | |
| 1 | User Charges | 692,136 | 705,607 | 737,000 | 436,598 | 742,000 | 5,000 | 1% |
| 2 | Operating Revenue | 692,136 | 705,607 | 737,000 | 436,598 | 742,000 | 5,000 | 1% |
| 3 | Misc Reimbursements | 7,797 | 3,694 | 2,500 | 840 | 4,000 | 1,500 | 60% |
| 4 | Developer PW Director Reimb. | 38,199 | 18,660 | | | | | |
| 5 | Investment Interest | 108 | 100 | 100 | 124 | 260 | 160 | 160% |
| 6 | Insur Recov/Civil Insp Fee & Misc | 595 | | | 1,072 | | | |
| 7 | Transfer from Capital/Operating | 85,000 | 80,000 | 80,000 | 80,000 | 100,000 | 20,000 | 25% |
| 8 | Total Other Revenue | 131,699 | 102,454 | 82,600 | 82,036 | 104,260 | 21,660 | 26% |
| 9 | Total Revenue | 823,835 | 808,061 | 819,600 | 518,634 | 846,260 | 26,660 | 3% |
| 10 | Total Beg Cash and Investments | 87,738 | 126,682 | 118,383 | 141,292 | 117,641 | (742) | -1% |
| 11 | Total Wastewater Sources | 911,573 | 934,743 | 937,983 | 659,926 | 963,901 | 25,918 | 3% |

| Sewer Fund | | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---------------------|--|------------------------|------------------------|------------------------|---------------------------|-----------------------------|--------------------------------------|-------------------------------------|
| EXPENDITURES | | | | | | | | |
| 1 | Salaries and Benefits | 169,383 | 164,804 | 176,112 | 107,445 | 184,190 | 8,078 | 5% |
| 2 | Supplies | 11,037 | 10,575 | 12,184 | 6,068 | 12,326 | 142 | 1% |
| 3 | Services and Charges | 121,646 | 121,414 | 139,140 | 64,897 | 149,723 | 10,583 | 8% |
| 4 | Subtotal Operating Expenditures | 302,066 | 296,793 | 327,436 | 178,410 | 346,239 | 18,803 | 6% |
| 5 | King County Metro | 472,825 | 481,658 | 511,700 | 301,187 | 518,000 | 6,300 | 1% |
| 6 | Total Operating Expenditures | 774,891 | 778,451 | 839,136 | 479,597 | 864,239 | 25,103 | 3% |
| 7 | Transfer for Equipment-CIP | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | - | |
| 8 | Transfer for Sewer Comp Plan | | 5,000 | | | | | |
| 9 | Total All Expenditures | 784,891 | 793,451 | 849,136 | 489,597 | 874,239 | 25,103 | 3% |
| 10 | Three Months Cash & Investments | 75,517 | 78,500 | 81,859 | | 89,662 | 7,803 | 10% |
| 11 | Unreserved C & I Balance | 51,165 | 62,792 | 6,988 | | 0 | (6,988) | -100% |
| 12 | Total Ending Cash & Investments | 126,682 | 141,292 | 88,847 | 170,329 | 89,662 | 815 | 1% |
| 13 | Total Wastewater Uses | 911,573 | 934,743 | 937,983 | 659,926 | 963,901 | 25,918 | 3% |

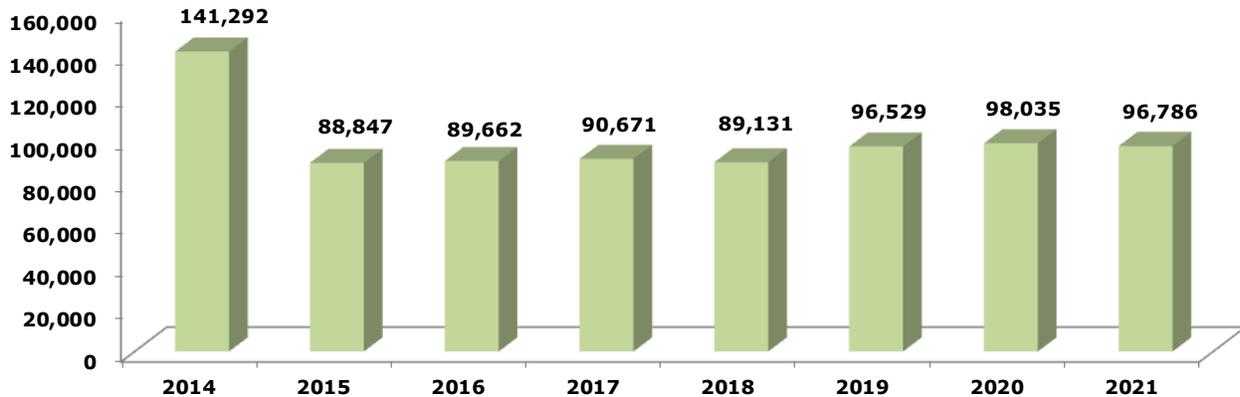
Sewer Fund 6 Year Forecast

| City of Black Diamond | | No MPD Growth | | Draft | | Model A | | | |
|---------------------------------|----------|---------------|----------|------------|----------|----------|----------|----------|----|
| Sewer Utility Operating Fund | | | | 10/15/2015 | | | | | |
| Six Year Forecast-2015 | | | | | | | | | |
| Sewer Fund | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| | Actual | Budget | Budget | Budget | Budget | Budget | Budget | Budget | |
| 1 City Monthly Sewer Rate | 19.52 | 19.97 | 20.37 | 20.78 | 21.19 | 21.62 | 22.05 | 22.49 | 2% |
| 2 Operating Begin Cash Bal | 126,682 | 118,383 | 117,641 | 89,662 | 90,671 | 89,131 | 96,529 | 98,035 | |
| 3 | | | | | | | | | |
| 4 Operating Revenue-City | 223,949 | 225,300 | 224,000 | 230,876 | 235,494 | 240,203 | 240,203 | 245,007 | 2% |
| 5 Operating Revenue-Metro | 481,658 | 511,700 | 518,000 | 550,004 | 554,769 | 565,864 | 577,182 | 588,729 | |
| 6 Misc Revenue | 3,794 | 2,600 | 4,260 | 4,388 | 4,519 | 4,519 | 4,519 | 4,655 | 3% |
| 7 Funding Reimbursement | 18,660 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 8 Transfer fr Reserves/Rate Inc | 80,000 | 80,000 | 100,000 | 140,000 | 140,000 | 150,000 | 150,000 | 150,000 | |
| 9 Sewer Operating Revenue | 808,061 | 819,600 | 846,260 | 925,268 | 934,782 | 960,587 | 971,905 | 988,391 | |
| 10 Sewer Fund Expenditures | | | | | | | | | |
| 11 Salaries & Benefits | 179,992 | 206,498 | 216,690 | 221,024 | 225,444 | 229,953 | 234,552 | 239,243 | 2% |
| 12 Allocation to Capital Proj | (15,197) | (30,386) | (32,500) | (22,500) | (23,400) | (24,336) | (25,309) | (26,322) | 2% |
| 13 Supplies | 10,575 | 12,184 | 12,326 | 12,573 | 12,824 | 13,080 | 13,342 | 13,609 | 2% |
| 14 Insurance | 14,257 | 14,622 | 14,700 | 15,435 | 16,207 | 17,017 | 17,868 | 18,761 | 5% |
| 15 Services & Charges | 56,570 | 70,718 | 80,623 | 82,235 | 83,880 | 83,880 | 83,880 | 85,558 | 2% |
| 16 B&O & Util Tax | 50,596 | 53,800 | 54,400 | 55,488 | 56,598 | 57,730 | 58,884 | 60,062 | 2% |
| 17 Metro Reimbursement | 481,658 | 511,700 | 518,000 | 550,004 | 554,769 | 565,864 | 577,182 | 588,729 | |
| 18 Transfers to Cap Equip | 15,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | |
| 19 Sub Total Operating Uses | 793,451 | 849,136 | 874,239 | 924,259 | 936,322 | 953,189 | 970,399 | 989,640 | |
| 20 | | | | | | | | | |
| 21 Change in Cash & Inv | 14,610 | (29,536) | (27,979) | 1,009 | (1,540) | 7,398 | 1,506 | (1,249) | |
| 22 | | | | | | | | | |
| 23 Ending Cash & Invest Bal | 141,292 | 88,847 | 89,662 | 90,671 | 89,131 | 96,529 | 98,035 | 96,786 | |

Cash & Investment Balance needs to cover three months of operating expenditures per City resolutions No. #08-850 & 13-866.

Growth or rate increases will need to be in place to cover costs. While the Sewer Reserves still has approximately \$585,000 at the end of 2016, the reserves would be depleted by 2019 if growth, rate increases or structural changes are not made. The Metro rate increases cause increases in State and City taxes which need to be covered out of the City share of the rate. The modest inflationary increases to the city portion are not keeping pace with expenditure increases. A rate study is planned for spring of 2016.

Projected Sewer Fund - Ending Fund Balance



Stormwater Fund 410

The stormwater Utility maintains 9 storm ponds, 9 miles of storm pipe, 572 catch basins, two bio-infiltration systems, one stormwater filter system and approximately 20 miles of ditches and flow paths. These activities help preserve the public road system and protect the environment. The City also is in charge of various activities dealing with controlling storm water quality including education, enforcing stormwater codes on construction and new development, monitoring private stormwater systems maintenance, monitoring the effectiveness of City programs, monitoring water quality in the City, participation in WIRA 9 Water Quality Initiative providing coverage for the from the Endangered Species Act claims and reporting to Department of Ecology. In summary this utility mitigates the storm water impact of urban living on the environment for \$16 per month per household.

| Stormwater Fund | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|-------------------------------------|------------------------|------------------------|------------------------|---------------------------|-----------------------------|--------------------------------------|-------------------------------------|
| REVENUE | | | | | | | |
| 1 Stormwater Charges | 293,430 | 331,801 | 334,000 | 214,189 | 343,000 | 9,000 | 3% |
| 2 Subtotal Operating Revenue | 293,430 | 331,801 | 334,000 | 214,189 | 343,000 | 9,000 | 3% |
| 3 Civil & Insp Fee, Miscellaneous | 8,214 | 4,048 | | | 6,800 | 6,800 | |
| 4 YarrowBay-PW Dir Reimburse | 41,720 | 18,505 | | | | | |
| 5 Investment Interest | 60 | 86 | 100 | 86 | 120 | 20 | 20% |
| 6 Total Revenue | 343,424 | 354,440 | 334,100 | 214,275 | 349,920 | 15,820 | 5% |
| 7 Total Beg. Cash and Investments | 82,200 | 81,656 | 106,292 | 90,498 | 105,818 | (474) | 0% |
| 8 Total Stormwater Sources | 425,624 | 436,096 | 440,392 | 304,773 | 455,738 | 15,346 | 3% |

| Stormwater Fund | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|--|------------------------|------------------------|------------------------|---------------------------|-----------------------------|--------------------------------------|-------------------------------------|
| EXPENDITURES | | | | | | | |
| 1 Salaries and Benefits | 165,373 | 166,063 | 165,506 | 107,759 | 182,548 | 17,042 | 10% |
| 2 Supplies | 10,949 | 10,599 | 13,594 | 6,468 | 13,186 | (408) | -3% |
| 3 Services and Charges | 124,918 | 143,836 | 154,474 | 65,763 | 165,062 | 10,588 | 7% |
| 4 Subtotal Operating Expenditures | 301,240 | 320,498 | 333,574 | 179,990 | 360,796 | 27,222 | 8% |
| 5 Transfer for Equipment-CIP | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | | |
| 6 Debt Service | 10,010 | 10,100 | | | | | |
| 7 Transfer for SW portion Comp Plan | | 5,000 | | | | | |
| 8 Total All Expenditures | 321,250 | 345,598 | 343,574 | 189,990 | 370,796 | 27,222 | 8% |
| 9 Three Month Cash and Investments | 75,047 | 80,125 | 83,393 | | 81,822 | (1,571) | -2% |
| 10 Unreserved C & I Balance | 6,609 | 10,373 | 13,425 | 114,783 | | | |
| 11 Total Ending Cash & Investments | 81,656 | 90,498 | 96,818 | 114,783 | 84,942 | (11,876) | -12% |
| 12 Total Stormwater Uses | 402,906 | 436,096 | 440,392 | 304,773 | 455,738 | 15,346 | 3% |

Stormwater Fund 6 Year Forecast

Stormwater Utility Fund
Six Year Financial Forecast

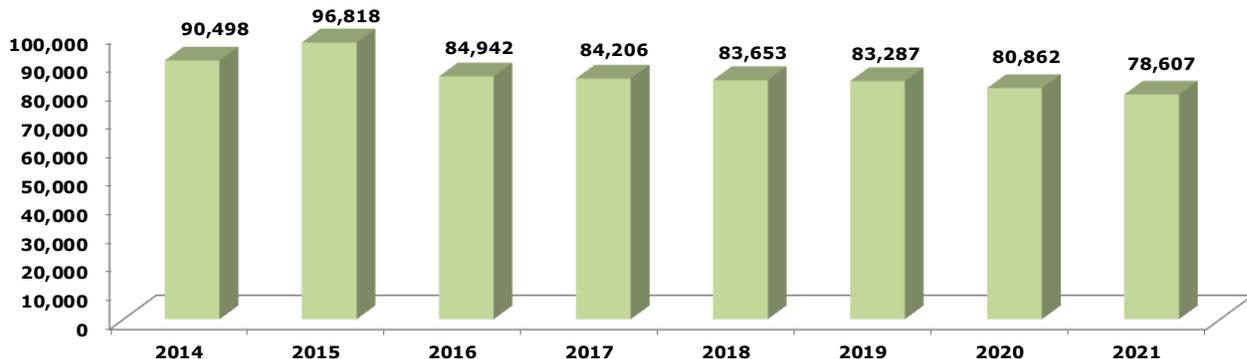
DRAFT

| Stormwater Fund | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget | 2021 Budget | |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----|
| 1 Possible Monthly Rates | 16.00 | 16.00 | 16.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | |
| 2 Operating Begin Cash Bal | 81,656 | 106,292 | 105,818 | 84,942 | 84,206 | 83,653 | 83,267 | 80,862 | |
| 3 | | | | | | | | | |
| 4 Operating Revenue-City | 331,801 | 334,000 | 343,000 | 390,326 | 398,133 | 406,095 | 406,095 | 414,217 | 2% |
| 5 Misc Revenue | 4,134 | 100 | 6,920 | 100 | 100 | 100 | 100 | 100 | |
| 6 Funding Reimbursement | 18,505 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 7 Total Stormwater Fund Sources | 354,440 | 334,100 | 349,920 | 390,426 | 398,233 | 406,195 | 406,195 | 414,317 | |
| 8 Stormwater Fund Expenditures | | | | | | | | | |
| 9 Salaries & Bene | 175,260 | 198,835 | 215,048 | 219,349 | 223,736 | 228,211 | 228,211 | 232,775 | 2% |
| 10 Proj Mgmt-S&B allocation | (15,197) | (33,329) | (32,500) | (20,000) | (20,400) | (20,808) | (20,808) | (21,224) | 2% |
| 11 Supplies | 10,599 | 13,594 | 13,186 | 13,450 | 13,719 | 13,993 | 13,993 | 14,273 | 2% |
| 12 Services & Charges | 74,421 | 86,334 | 96,072 | 97,993 | 99,953 | 101,952 | 103,991 | 106,071 | 2% |
| 13 Add Street Cleaning & Mtc. | | | | 0 | 0 | 0 | 0 | 0 | |
| 14 B&O & Util Tax | 75,415 | 68,140 | 68,990 | 70,370 | 71,777 | 73,213 | 73,213 | 74,677 | 2% |
| 15 Transfers to Cap Equip/Comp | 15,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 0 |
| 16 Sub Total Operating Uses | 335,498 | 343,574 | 370,796 | 391,162 | 398,785 | 406,561 | 408,600 | 416,572 | |
| 17 Debt Svs-Sewer Loan | 10,100 | | | | | | | | |
| 18 Total Stormwater Fund Uses | 345,598 | 343,574 | 370,796 | 391,162 | 398,785 | 406,561 | 408,600 | 416,572 | |
| 19 | | | | | | | | | |
| 20 Change in Cash & Inv | 8,842 | (9,474) | (20,876) | (736) | (553) | (366) | (2,405) | (2,255) | |
| 21 | | | | | | | | | |
| 22 Ending Cash & Invest Bal | 90,498 | 96,818 | 84,942 | 84,206 | 83,653 | 83,287 | 80,862 | 78,607 | |

Cash & Investment Balance needs to cover three months of operating expenditures per city resolutions No. #08-850 & 13-866.

Stormwater Scenario includes the adopted 2014 rates @ 16.00 per month. A rate study is planned for spring of 2016. A potential \$2.00 rate increase was calculated for 2017 to show how this would affect cash balances. 2017 Revenues also include revenue from the completion of 10 shake n Bake homes. Operating Revenue does not support Street Cleaning and Maintenance which has been covered by DOE Grants the past few years. It is not known if these grants will be available in the future. Growth from Yarrow Bay projects are not included in the calculations.

Projected Stormwater Fund - Ending Fund Balance



Capital Funds

Capital projects funds are used to account for the construction or acquisition of buildings, equipment and roads. Depending on its use, a fixed asset may instead be financed by a special revenue fund or a proprietary fund. A capital project fund exists only until completion of the project.



Before



After



Gomer Evans and friends refurbished the Green River Queen Float for the 2015 Labor Day Parade, making an appearance for the first time in over 50 years!

Real Estate Excise Tax 1 – 311 (REET 1)

Washington State levies a real estate excise tax (REET) on all property sales of 1.28% of a property's full selling price. A locally-imposed tax is also authorized, though the rate and uses of the funds differ by population size and whether the city or county is planning under the Growth Management Act (GMA). All cities are allowed to levy a 0.25% tax on property sales (REET 1), cities and counties that are planning under the GMA may also levy a second quarter percent tax (REET 2).

Black Diamond levies both REET 1 and REET 2, combined to bring total Real Estate Excise Tax to 1.78%. Every city in King County levies both REET 1 and 2, with the exception of Skykomish, which collects .25%. In 2011 the Washington State Legislature authorized for five years the usage of up to \$100,000 in REET money for the maintenance of capital assets. This Fund is specifically to be used for General Government Capital Projects, Fund 310, and General Government Capital Expenditures in the 510 Fund.

| REET 1 General Government Capital Project Fund | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Budget 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---|--------------------|--------------------|--------------------|-----------------------|---------------------------|------------------------------|-----------------------------|
| REVENUE | | | | | | | |
| REET 1 .25% Home Sales Excise tax | 57,929 | 65,059 | 75,000 | 53,635 | 95,000 | 20,000 | 27% |
| LGIP Investment Interest | 381 | 178 | 150 | 101 | 150 | - | 0% |
| Subtotal Revenue | 58,310 | 65,237 | 75,150 | 53,736 | 95,150 | 20,000 | 27% |
| Beginning Cash and Investments REET 1 | 283,984 | 229,144 | 202,121 | 186,508 | 133,341 | (68,780) | -34% |
| Total REET 1 Sources | 342,294 | 294,381 | 277,271 | 240,244 | 228,491 | (48,780) | -18% |
| EXPENDITURES | | | | | | | |
| Trans. to 310 General Gov Capital Fund | 103,150 | 62,873 | 126,277 | 111,077 | 96,000 | (30,277) | -24% |
| Trans. to 510 Fund - Equip Replacement | 10,000 | 45,000 | 7,000 | 7,000 | 32,000 | 25,000 | 357% |
| Subtotal Expenditures | 113,150 | 107,873 | 133,277 | 118,077 | 128,000 | (5,277) | -4% |
| Ending Cash and Investments REET 1 | 229,144 | 186,508 | 143,994 | 122,167 | 100,491 | (43,503) | -30% |
| Total REET 1 Uses | 342,294 | 294,381 | 277,271 | 240,244 | 228,491 | (48,780) | -18% |

General Government Capital Projects Fund 310

The 310 General Government Capital Project Fund is primarily funded by REET 1 and grants. Projects planned for 2016 include funds to acquire land for the Ginder Creek Trail. Also money has been set aside for the Comp Plan Update, Police and Government Technology, and In Forest closing costs.

| Fund 310 General Government Capital Projects | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Budget 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---|--------------------|--------------------|--------------------|-----------------------|---------------------------|------------------------------|-----------------------------|
| REVENUE | | | | | | | |
| 1 Transfers in From REET 1 | 103,150 | 62,873 | 126,277 | 111,077 | 96,000 | (30,277) | -24% |
| 2 King County Cons. Futures Grant | | | | | 35,000 | 35,000 | |
| 3 Aquatic Weed Grant King County | | | | | 16,424 | 16,424 | |
| 4 King County Parks Tax Levy | 8,579 | 9,202 | 10,000 | 4,681 | 9,000 | (1,000) | -10% |
| 5 Trans in from PW Funds for Comp Plan | | 15,000 | | | | | |
| 6 Comp Plan Update Grant | | 9,000 | 9,000 | | | (9,000) | -100% |
| 7 Tree Mitigation | | (25) | 500 | | | (500) | -100% |
| 8 DOE Grant for Lake S. Weed Mgmt | 2,984 | 6,635 | | | | | |
| 9 Grant Matching | | 21,000 | | | | | |
| 10 Subtotal Revenue | 114,714 | 123,684 | 145,777 | 115,758 | 156,424 | 10,647 | 7% |
| 11 Beginning Cash and Inv. Projects | 261,546 | 280,382 | 100,409 | 201,200 | 170,819 | 70,410 | 70% |
| 12 Total Gen Govt Project Sources | 376,259 | 404,067 | 246,186 | 316,958 | 327,243 | 81,057 | 33% |

| Fund 310 General Government Capital Projects | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Budget 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---|--------------------|--------------------|--------------------|-----------------------|---------------------------|------------------------------|-----------------------------|
| EXPENDITURES | | | | | | | |
| 2 Council Chamb, Police & Court Updates | 214 | 43,033 | | 26,008 | 4,374 | 4,374 | |
| 4 Ginder Creek Trail & Trail Projects | | 14,444 | 10,000 | | 90,000 | 80,000 | 800% |
| 6 Grant Matching for Projects | | 21,000 | 2,500 | | 7,500 | 5,000 | 200% |
| 11 Gen Govt and Court Technology | 23,841 | 28,685 | 33,909 | 1,944 | 40,653 | 6,744 | 20% |
| 11 Police Technology | 16,729 | 11,059 | 26,590 | 2,071 | 30,532 | 3,942 | 15% |
| 16 Tree Mitigation | 1,187 | 426 | 500 | | 88 | (412) | -82% |
| 18 Trans. Benefit District Costs | | | | | 14,000 | 14,000 | |
| 20 In Forest Open Space Land | 147 | 5,905 | | | 19,096 | 19,096 | |
| 21 Lake Sawyer Weed Management | 12,825 | | | 16,423 | | | |
| 25 Comp Plan Update-Prof Svs | | 15,978 | 157,487 | 63,101 | 96,000 | (61,487) | -39% |
| 28 Capital Facility Allocation | 870 | 18,119 | 15,200 | | 25,000 | 9,800 | 64% |
| Prior Projects | 40,064 | 44,219 | | | | | |
| Subtotal Expenditures | 95,877 | 202,868 | 246,186 | 109,547 | 327,243 | 81,057 | 33% |
| Ending Cash and Investments Proj. | 280,382 | 201,200 | - | 207,411 | | - | |
| Total Gen Govt Project Uses | 376,260 | 404,067 | 246,186 | 316,958 | 327,243 | 81,057 | 33% |

Real Estate Excise Tax 2

The collection of REET 2 is 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 2 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 REET 2 Public Works Capital Projects Fund | | | | | Prelim Budget 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|--|--------------------|--------------------|--------------------|-----------------------|---------------------------|------------------------------|-----------------------------|
| | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | | | |
| REVENUE | | | | | | | |
| 1 REET 2 1/4% REET Tax-K/C | 57,929 | 65,059 | 75,000 | 53,635 | 95,000 | 20,000 | 27% |
| 2 LGIP Investment Interest | 453 | 188 | 500 | 96 | 120 | (380) | -76% |
| 3 Subtotal Revenue | 58,382 | 65,248 | 75,500 | 53,731 | 95,120 | 19,620 | 26% |
| 4 Beg Cash & Investments-REET 2 | 329,674 | 278,056 | 171,357 | 155,904 | 116,024 | (55,333) | -32% |
| 5 Total REET 2 Sources | 388,056 | 343,304 | 246,857 | 209,635 | 211,144 | (35,713) | -14% |

| 321 REET 2 Public Works Capital Projects Fund | | | | | Prelim Budget 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|--|--------------------|--------------------|--------------------|-----------------------|---------------------------|------------------------------|-----------------------------|
| | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | | | |
| 6 EXPENDITURES | | | | | | | |
| 7 Transfer out 320 PW Capital | 80,000 | 77,700 | 80,000 | 70,000 | 60,000 | (20,000) | -25% |
| 8 Transfer out to Street Fund | - | 50,000 | 50,000 | 50,000 | 50,000 | - | 0% |
| 9 Transfer to Rock Cr Br Project | - | 53,700 | - | - | - | - | |
| 10 Transfer to Makers GFC Project | - | 6,000 | - | - | - | - | |
| 11 Transfer to 5th Ave Wtr Project | 30,000 | - | - | - | - | - | |
| 12 Subtotal Expenditures | 110,000 | 187,400 | 130,000 | 120,000 | 110,000 | (20,000) | -15% |
| 13 Ending Cash & Investments-REET 2 | 278,056 | 155,904 | 116,857 | 89,635 | 101,144 | (15,713) | -13% |
| 14 Total REET 2 Uses | 388,056 | 343,304 | 246,857 | 209,635 | 211,144 | (35,713) | -14% |

Public Works Capital Projects Fund 320

The Public Works Capital Projects Fund 320 receives funds largely from grants and REET 2, for street, sidewalk, trail and capital facilities projects. Projects in the budget for 2016 include Roberts Drive rehabilitation, a sidewalk project, Jones Lake overlay, citywide chip and seal, and general street overlays and repairs.

| Fund 320 Public Works Capital Projects | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Budget 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---|--------------------|--------------------|--------------------|-----------------------|---------------------------|------------------------------|-----------------------------|
| REVENUE | | | | | | | |
| 1 TIB Gr-Roberts Drive | | | | | 1,225,903 | 1,225,903 | |
| 2 CDBG Grant Sidewalk Project | | | | | 210,000 | 210,000 | |
| 3 TIB Grant Jones Lake | | | | | 135,219 | 135,219 | |
| 4 TIB Grant Chip Seal | | | | | 117,087 | 117,087 | |
| 5 Transfer in Grant Matching | 14,000 | 23,931 | - | - | 69,035 | 69,035 | |
| 6 Transfer in REET 2 | 80,000 | 137,400 | 80,000 | 70,000 | 60,000 | (20,000) | -25% |
| 7 TIB Grant Roberts Drive Rehab | - | - | - | 25,864 | - | - | |
| 8 TIB Gr-Lawson SW | - | 269,199 | - | - | - | - | |
| 9 DOT Grant-Traffic Safety Signs | - | 20,431 | - | - | - | - | |
| 10 TIB Grant (288th) | 143,507 | - | - | - | - | - | |
| 11 TIB Grant (Roberts Sidewalk) | 69,802 | - | - | - | - | - | |
| 12 FEMA - Storm Cleanup | 250 | - | - | - | - | - | |
| 13 Sales of Surplus/Scrap | - | 771 | - | - | - | - | |
| 14 Transfer in Street Preservation | - | 17,417 | - | - | - | - | |
| 15 Transfer in 288th Project | - | 24,405 | - | - | - | - | |
| 16 Subtotal Revenue | 307,559 | 493,553 | 80,000 | 95,864 | 1,817,244 | 1,737,244 | 2172% |
| Beginning Cash and Inv. Projects | 181,022 | 158,544 | - | 140,329 | 225,967 | 225,967 | |
| Total Pub Works Project Sources | 488,581 | 652,097 | 80,000 | 236,193 | 2,043,211 | 1,963,211 | 2454% |

| Fund 320 Public Works Capital Projects | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Budget 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---|--------------------|--------------------|--------------------|-----------------------|---------------------------|------------------------------|-----------------------------|
| EXPENDITURES | | | | | | | |
| 1 2 Street Overlays, Chip, Seal & Signs | 182,080 | 92,808 | 30,000 | 2,146 | 178,097 | 148,097 | 494% |
| 2 13 Grant Matching for Projects | 46,200 | 83,931 | 40,000 | | 48,646 | 8,646 | 22% |
| 3 16 Abrahms Project | 8,426 | 3,046 | | 1,733 | | | |
| 4 20 Roberts Drive Rehab | | 9,314 | | 25,864 | 1,431,224 | 1,431,224 | |
| 5 23 Jones Lake Overlay | | | | | 165,244 | 165,244 | |
| 6 25 Capital Projects Allocation | | | 10,000 | 22 | 10,000 | | 0% |
| 7 28 Sidewalk Project CDBG | | | | | 210,000 | 210,000 | |
| 8 Lawson Creek Sidewalk | | 284,640 | | 293 | | | |
| 9 Roberts Sidewalk | 81,923 | 24,405 | | | | | |
| 10 Capital Facility Plan | | 13,625 | | | | | |
| 11 Subtotal Expenditures | 318,629 | 511,768 | 80,000 | 30,058 | 2,043,211 | 1,963,211 | 2454% |
| 12 Ending Cash and Investments Proj. | 169,952 | 140,329 | | 206,135 | - | | |
| 13 Total Pub Works Project Uses | 488,581 | 652,097 | 80,000 | 236,193 | 2,043,211 | 1,963,211 | 2454% |

WSFFA Fund 402

The Water Supply Facility Funding Agreement (WSFFA) holds the budget for implementation of various water sources, storage, springs rehabilitation and water transmission projects, funded by major property owners within the City according to the Water Supply and Facilities Funding Agreements.

| WSSFA Fund 402 | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|------------------------------|----------------|----------------|----------------|----------------|------------------|-----------------------|----------------------|
| REVENUE | | | | | | | |
| 1 Developer Contribution | 13,997 | 88,761 | 120,000 | | 560,000 | 440,000 | 367% |
| 2 Investment Interest | 131 | 63 | | 85 | 150 | 150 | |
| 3 PCC Contribution Springs 3 | | 29,059 | | | | - | |
| 4 Subtotal Revenue | 14,128 | 117,883 | 120,000 | 85 | 560,150 | 440,150 | 367% |
| 5 Beg Cash and Investments | 120,011 | 59,851 | 70,000 | 157,282 | 70,000 | - | 0% |
| 6 Total WSFFA Sources | 134,139 | 177,734 | 190,000 | 157,367 | 630,150 | 440,150 | 232% |

| WSSFA Fund 402 | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|-------------------------------------|----------------|----------------|----------------|----------------|------------------|-----------------------|----------------------|
| EXPENDITURES | | | | | | | |
| 1 Permit, Water Rights, Engr, Ease. | 359 | | | 7,770 | 300,000 | 300,000 | |
| 2 Design Engr Springs Task 3 | 57,028 | 20,319 | 120,000 | 17,079 | 100,000 | (20,000) | -17% |
| 3 Chlorine | | | | | 90,000 | 90,000 | |
| 4 Legal, Management, Admin | 517 | 132 | | | 70,000 | 70,000 | |
| 5 BD Staff Allocation | 13,869 | | | | | - | |
| 6 Transfer Out | 2,515 | | | | | - | |
| 7 Subtotal Expenditures | 74,288 | 20,451 | 120,000 | 24,849 | 560,000 | 440,000 | 367% |
| 8 Ending Cash and Investments | 59,851 | 157,283 | 70,000 | 132,518 | 70,150 | 150 | 0.2% |
| 9 Total WSFFA Uses | 134,139 | 177,734 | 190,000 | 157,367 | 630,150 | 440,150 | 232% |



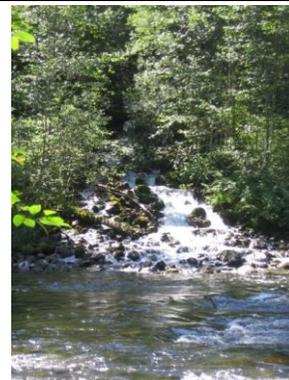
Lake Sawyer Boat Launch Park

Water Capital Fund 404

Capital Projects associated with the water utility are included here. 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. 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.

| Water Capital Fund 404 | Actual 2013 | Actual 2014 | Budget 2015 | Estimate Year End 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---------------------------------------|--------------------|--------------------|--------------------|-------------------------------|-------------------------|------------------------------|-----------------------------|
| REVENUE | | | | | | | |
| 1 CDBG Grant | 146,857 | | | | 191,171 | 191,171 | |
| 2 Loan from Drink Wtr State Fund | | | | | 140,000 | 140,000 | |
| 3 Water Connection Charges | 23,906 | 26,439 | 20,400 | 4,183 | 41,830 | 21,430 | 105% |
| 4 Transfers in from Reserves | 30,000 | | | | 56,000 | 56,000 | |
| 5 Loan from Wastewater | | | 157,000 | | | (157,000) | -100% |
| 6 Transfer in Grant Matching | 32,200 | | | | | | |
| 7 LGIP Interest | 625 | 368 | 600 | 254 | | (600) | -100% |
| 8 Misc Deposit and Corr. | 2,515 | 1,000 | | | | | |
| 9 Subtotal Revenue | 236,103 | 27,807 | 178,000 | 4,437 | 429,001 | 251,001 | 141% |
| 10 Beg Cash & Investments | 504,126 | 441,809 | 292,027 | 331,666 | 287,700 | (4,327) | -1% |
| 11 Total Water Capital Sources | 740,228 | 469,616 | 470,027 | 336,104 | 716,701 | 246,674 | 52% |

| Water Capital Fund 404 | Actual 2013 | Actual 2014 | Budget 2015 | Estimate Year End 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|------------------------------------|--------------------|--------------------|--------------------|-------------------------------|-------------------------|------------------------------|-----------------------------|
| EXPENDITURES | | | | | | | |
| 2 Downtown Water Replacement | | 44 | | 48,158 | 356,171 | 356,171 | |
| 3 Water Comp Plan | | | 80,000 | 357 | 111,000 | 31,000 | 39% |
| 4 Telemetry | | | | | 13,000 | 13,000 | |
| 5 7 Water Rate Study | | | | | 5,000 | 5,000 | |
| 6 Transfer to Water Fund for De | 150,000 | 80,000 | 10,000 | 40,000 | 10,000 | - | 0% |
| 7 Reservoir Evaluation | - | 31,796 | 157,000 | 12,140 | 9,600 | (147,400) | -94% |
| 8 5th Ave Water Main Replace | 145,653 | 3,313 | | | | | |
| 9 Replace Poles at Spring | - | 22,797 | | | | | |
| 10 Subtotal Expenditures | 295,653 | 137,949 | 247,000 | 100,654 | 504,771 | 257,771 | 104% |
| 11 Ending Cash & Investments | 444,575 | 331,666 | 223,027 | 235,450 | 211,930 | (11,097) | -5% |
| 12 Total Water Capital Uses | 740,228 | 469,616 | 470,027 | 336,104 | 716,701 | 246,674 | 52% |



Sewer Capital Fund 408

This Capital Fund holds the budget for 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 times allows and decommission the Old Sewer Lagoon.

| 408 Sewer Capital Project Fund | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---------------------------------------|----------------|----------------|----------------|----------------|------------------|-----------------------|----------------------|
| REVENUE | | | | | | | |
| 1 Connection Hook Up Fees | 6,400 | 7,871 | 6,000 | 6,350 | 16,540 | 10,540 | 176% |
| 2 Debt Repayment | 116,349 | 56,584 | 46,000 | 46,460 | | (46,000) | -100% |
| 3 Sale of Scrap | | 758 | | | | | |
| 4 Transfer in from Reserves | | | | | 10,000 | | |
| 5 LGIP Interest | 1,273 | 798 | 700 | 711 | | (700) | -100% |
| 6 Subtotal Revenue | 124,022 | 66,011 | 52,700 | 53,521 | 26,540 | (26,160) | -50% |
| 7 Beg Cash & Investments | 870,554 | 900,860 | 703,353 | 791,642 | 711,000 | 7,647 | 1% |
| 8 Total Wstwtr Capital Sources | 994,576 | 966,871 | 756,053 | 845,162 | 737,540 | (18,513) | -2% |

| 408 Sewer Capital Project Fund | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---|----------------|----------------|----------------|----------------|------------------|-----------------------|----------------------|
| EXPENDITURES | | | | | | | |
| 9 Wastewater Rate Study | 2,767 | | | | 3,000 | 3,000 | |
| 10 Preserve Sewer Lagoon | | | | | 15,000 | 15,000 | |
| 11 Infiltration and Inflow | | | | | 25,000 | 25,000 | |
| 12 Morganville Sewer Lift Station | | 30,830 | | 31,543 | | | |
| 13 Preserve Sewer Treatment Plant | 5,951 | 9,592 | | 10,616 | | | |
| 14 Lawson Lift Station | | 40,017 | | | | | |
| 15 Transfer out to Sewer I & I Project | | | | | 10,000 | | |
| 16 Transfer out to Wastewater Oper. | 85,000 | 80,000 | 80,000 | 80,000 | 100,000 | 20,000 | 25% |
| 17 Subtotal Expenditures | 93,718 | 160,439 | 80,000 | 122,159 | 153,000 | 73,000 | 91% |
| 18 Ending Cash & Investments | 900,858 | 806,432 | 676,053 | 8,906 | 584,540 | (91,513) | -14% |
| 19 Total Wastewater Capital Uses | 994,576 | 966,871 | 756,053 | 131,065 | 737,540 | (18,513) | -2% |



Taking care of business

Stormwater Capital Fund 410

Stormwater capital funds provide the City with stormwater improvement projects. The City has been fortunate to receive Department of Ecology grants in recent years.

| 410 Stormwater Capital Projects Fund | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---|--------------------|--------------------|--------------------|-----------------------|-------------------------|------------------------------|-----------------------------|
| REVENUE | | | | | | | |
| 1 Grant Matching | | 60,000 | | | | | |
| 2 Stormwater DOE Grants | | | 30,000 | 143,791 | 50,000 | 20,000 | 67% |
| 3 Department of Ecology Grant | 113,171 | | | | | | |
| 4 Subtotal Revenue | 113,171 | 60,000 | 30,000 | 143,791 | 50,000 | 20,000 | 67% |
| 5 Beg Cash & Investments | (53,014) | | | 20,528 | | | |
| 6 Total Storm Capital Sources | 60,156 | 60,000 | 30,000 | 164,319 | 50,000 | 20,000 | 67% |

| 410 Stormwater Capital Projects Fund | Actual 2013 | Actual 2014 | Budget 2015 | Thru July 2015 | Prelim Bdgt 2016 | Bdgt \$ Chg inc/(dec) | Bdgt % Chg inc/(dec) |
|---|--------------------|--------------------|--------------------|-----------------------|-------------------------|------------------------------|-----------------------------|
| 7 EXPENDITURES | | | | | | | |
| 8 Stormwtr Pond Design & Misc | | 34,446 | | 59,714 | | | |
| 9 Stormwater Improvements | 36,805 | | 30,000 | 44,974 | 50,000 | 20,000 | 67% |
| 10 Street Sweeping | 23,351 | | | | | | |
| 11 Subtotal Expenditures | 60,156 | 34,446 | 30,000 | 104,688 | 50,000 | 20,000 | 67% |
| 12 Ending Cash & Investments | | 25,554 | | 59,631 | | - | |
| 13 Total Storm Capital Uses | 60,156 | 60,000 | 30,000 | 164,319 | 50,000 | 20,000 | 67% |



Contech Training - Storm Filter Maintenance



City of Black Diamond

Financial Management Policies

Per Resolution 08-560

Updated for Long Term Planning Per Resolution 13-866

Background and Purpose

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

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

Operating Budget Policies

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

Citizen Involvement

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

Service Level Determinations

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

Conservative Budgeting

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

Long Term Financial Planning

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

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

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

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

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.

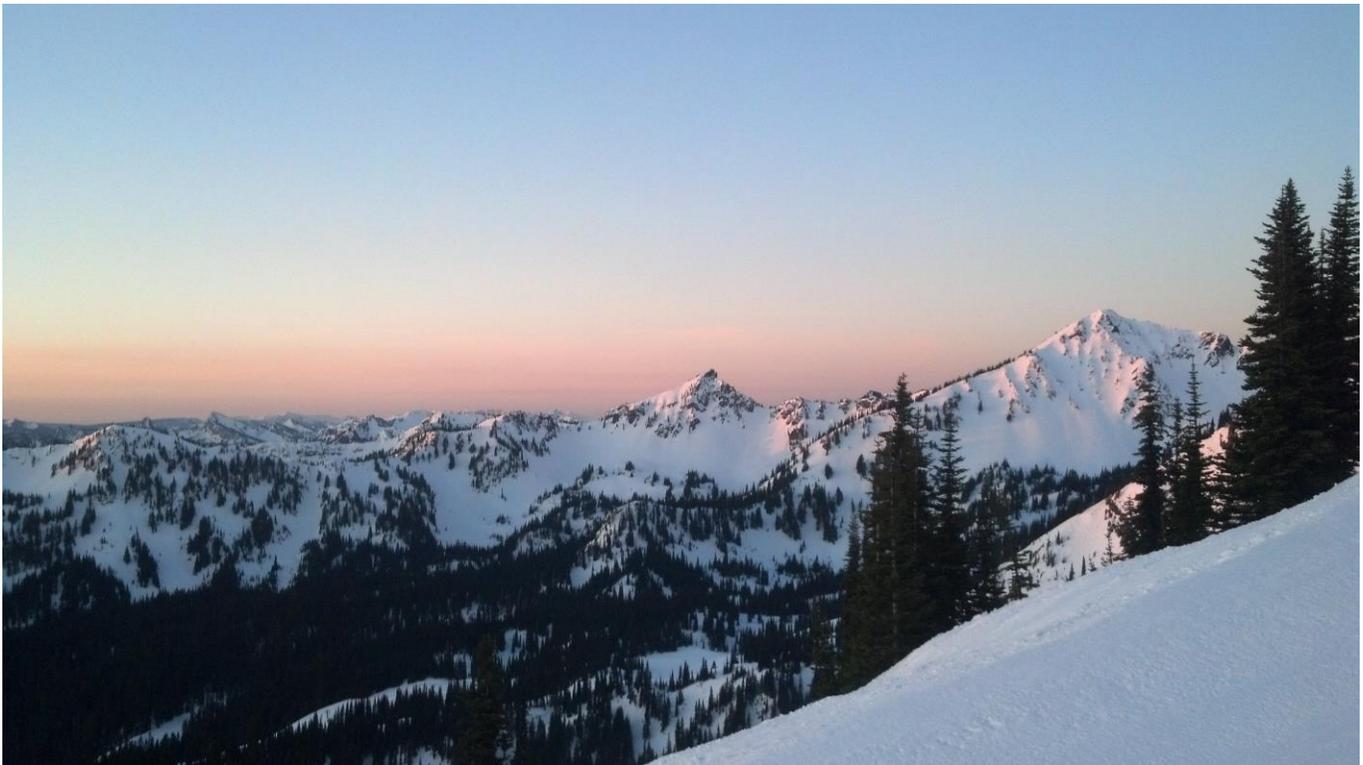
Reporting Improvements-The City will strive to continue to make improvements in its financial reporting so that information available to the public, the City's governing bodies and other city departments is clear and the best available for sound financial decisions.

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.



Black Diamond is on the way to (and not far from) Crystal Mountain Ski Resort

| 2016 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 (24% 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 73% (hourly) | 25.79 | 27.08 | 28.43 | 29.86 | 31.35 |
| Accountant 1 Journey (hourly) | 16.61 | 17.43 | 18.30 | 19.22 | 20.18 |
| 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 (60% 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 |
| Capital Project/Program Manager | 5,355 | 5,622 | 5,903 | 6,198 | 6,508 |
| 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 | - | - | - | - |

2015 Budget Calendar for 2016 Budget

| | Process | Committee Meeting | Workstudy Meeting | City Council Meeting | State Law Limitations |
|----|---|--------------------------------------|-------------------|----------------------|-----------------------|
| 1 | Budget requests and instructions go out to all departments | | | | Sept 8 |
| 2 | Finance prepares revenue sources and preliminary expenditures for salaries and benefits | | | | N/A |
| 3 | Departments provide budget requests to City Administrator's Office | | | | N/A |
| 4 | Estimates to be filed with the City Clerk and Administration | | | | Sept 28 |
| 5 | City Clerk submits to CAO the proposed preliminary budget setting forth the complete financial program | | | | Oct 5 |
| 6 | CAO provides Council with current info on Revenue from all sources as adopted in 2015 Budget, provides the Clerk's proposed Preliminary 2016 Budget for General Fund and 2016 budget totals for all funds | | Oct 1 | | Oct 5 |
| 7 | Finance Committee Meeting | Oct 8 | | | Oct 30 |
| 8 | Public Works Committee Meeting- 3:00 Public Safety Committee Meeting -1:00 Parks and Cemetery Committee-3:00 Finance Committee Meeting 3:00 | Oct 16 Oct 16 Oct 22 Oct 29 | | | Oct 30 |
| 9 | 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 - Special Meeting | | Oct 29 | | |
| 10 | City Clerk publishes notice of public hearing on 2016 Budget and filing of preliminary budget – once a week for two consecutive weeks – Draft budget submittal ready | | | | Nov 2-13 |
| 11 | Copies of preliminary budget made available to public | | | | Nov 19 |
| 12 | Public Hearing of Property Tax for 2016 | | | Nov 5 | Nov 5-19 |
| 13 | Preliminary 2016 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 2016 | | | Nov 19 | Nov 5-30 |
| 14 | Council holds final public hearing on 2016 Budget, and Amends 2015 Budget | | | Dec 3 | Dec 7 |
| 15 | City Council adopts Final 2016 Budget and transmits to the State Auditor's Office (plus possible amendment to property taxes) | | | Dec 3/17 | Dec 31 |

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

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

Special Districts: Soos Creek Water and Sewer, Covington Water District, 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

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

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

Council Meetings: 1st & 3rd Thu - 7:00pm

Work Sessions: On 2nd Thursdays - 6:00pm

County: King

Incorporation 1959: Although the City has been around for more than one hundred years as a coal mining town, the City of Black Diamond did not incorporate until 1959. It was determined by a favorable majority vote on January 20, 1959; and the first official meeting of the Black Diamond City Council was held on March 3, 1959.

Black Diamond location: on Hwy 169, south of Interstate 90, in southeast King County about 30 miles southeast of Seattle. It is near Renton (18 miles), and Enumclaw (8 miles). Black Diamond is positioned 47.31 degrees north of the equator and 122.00 degrees west of the prime meridian.

Population and land area: The population of Black Diamond is approximately 4,200 (2015). 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.

Area Attractions: Hiking, Biking, Golfing, Fishing and Country Drives featuring

Black Diamond Historical Business District

Lake Sawyer Regional Park

Flaming Geyser State Park

Black Diamond Historical Museum

PO Box 232

32627 Railroad Ave at Baker Street

Black Diamond WA 98010

Phone: 360-886-2142

This museum in the old Railroad Depot has exhibits of 19th century machinery, coal mining, a jail and much more. Open on Thursdays - Call for hours - Free Admission

Major Businesses:

Anesthesia Supply Company

Enumclaw School District

City of Black Diamond

Palmer Coking Coal Co.

Average commute: 38 minutes

Educational Level: 90.6% high school diploma or higher

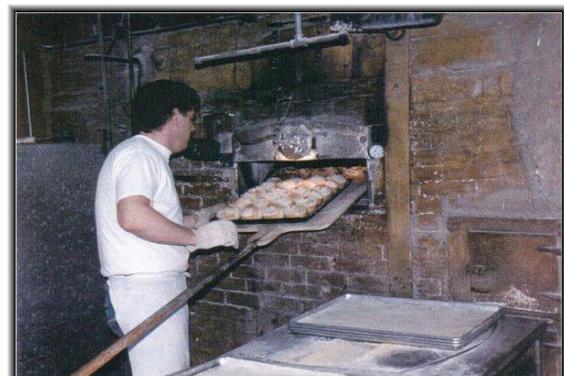
20.3% Bachelor's degree or higher *City-Data.com*

Sales Tax History

| Year | Sales Taxes |
|------|-------------|
| 2000 | 178,553 |
| 2001 | 171,913 |
| 2002 | 202,713 |
| 2003 | 178,703 |
| 2004 | 230,263 |
| 2005 | 227,760 |
| 2006 | 289,613 |
| 2007 | 305,497 |
| 2008 | 286,610 |
| 2009 | 249,526 |
| 2010 | 265,177 |
| 2011 | 297,333 |
| 2012 | 262,974 |
| 2013 | 290,795 |
| 2014 | 302,927 |

Property Tax History

| | Assessed Valuation | New Construction | Final Assessed Valuation | Levy Rate |
|------|--------------------|------------------|--------------------------|-----------|
| 2000 | 294,620,050 | 8,162,011 | 302,782,061 | 2.206 |
| 2001 | 322,721,666 | 11,613,750 | 334,335,416 | 2.196 |
| 2002 | 353,992,917 | 4,667,520 | 358,660,437 | 2.097 |
| 2003 | 356,571,798 | 2,394,661 | 358,966,459 | 1.981 |
| 2004 | 401,497,572 | 1,943,946 | 403,441,518 | 1.904 |
| 2005 | 427,240,702 | 4,372,118 | 431,612,820 | 2.032 |
| 2006 | 446,214,893 | 3,578,995 | 449,793,888 | 2.003 |
| 2007 | 497,642,229 | 2,397,737 | 500,039,966 | 1.839 |
| 2008 | 560,299,568 | 7,314,478 | 567,614,046 | 1.651 |
| 2009 | 626,088,991 | 10,806,265 | 636,895,256 | 1.521 |
| 2010 | 552,382,312 | 2,739,869 | 555,122,181 | 1.777 |
| 2011 | 529,857,064 | 3,058,528 | 532,915,592 | 2.570 |
| 2012 | 536,580,666 | 2,514,106 | 539,094,772 | 2.593 |
| 2013 | 499,553,614 | 1,641,937 | 501,195,551 | 2.830 |
| 2014 | 548,399,243 | 4,187,903 | 552,587,146 | 2.620 |
| 2015 | 593,190,272 | 2,052,701 | 595,242,973 | 2.425 |
| 2016 | 660,150,221 | 4,917,496 | 665,067,717 | 2.242 |



The Black Diamond Historic Bakery