CITY OF BLACK DIAMOND

July 7, 2026 Council Meeting Agenda – Revised 7/7/2026

Council Chambers, 25510 Lawson St.
Black Diamond, WA 98010

THIS IS OFFERED AS A HYBRID MEETING AND MAY BE ATTENDED IN PERSON AT THE ABOVE NOTED ADDRESS OR BY JOINING VIRTUAL/TELEPHONICALLY. CALL IN AND JOINING INFORMATION FOLLOWS:

Zoom link to join meeting: https://zoom.us/j/4454477047?pwd=eGxRY3ZEeU14SVM2cGRBcUxCSjdmZz09
(Note: You do not need a web cam to join the meeting, but you will need audio to hear the proceedings.)
Meeting ID: 445 447 7047 Password: Council

Telephone dial in options: +1 253 215 8782 US (Tacoma) +1 206 337 9723 US (Seattle) Meeting ID: 445 447 7047

7:00 P.M. CALL TO ORDER, FLAG SALUTE, ROLL CALL

AGENDA REVIEW AND APPROVAL:

PUBLIC COMMENTS: Persons wishing to address the City Council regarding items of new business are encouraged to do so at this time. When recognized by the Mayor, please come to the podium and clearly state your name. Please limit your comments to 3 minutes. If you desire a formal agenda placement, please contact the City Clerk at 360-851-4500. Thank you for attending.

APPOINTMENTS, ANNOUNCEMENTS, PROCLAMATIONS AND PRESENTATIONS:

COMMITTEE REPORTS:

DEPARTMENT REPORTS:

1) **AB26-075 –** 2026 First Quarter Financial Report — Mr. Mason

CONSENT AGENDA:

2) **Claim Checks –** June 30, 2026, Check No. 57464 through Check No. 57515 and EFTs in the amount of $590,336.55

3) **Minutes –** Work Session of June 9, 2026, and Council Meeting of June 16, 2026

4) **AB26-076**– April 2026 Monthly Financial Report — Mr. Mason

5) **AB26-077–** Resolution Accepting 2025 SR 169 Watermain Improvements Project — Mr. Sweet

6) **AB26-078**– Resolution Declaring 2006 John Deere Tractor and Shoulder Mower Attachment as Surplus and Use as Trade-In for New Mower from Pape Machinery — Mr. Hanis

7) **AB26-079** – Ordinance Amending the 2026 Salary Schedule — Ms. Martinez

8) **AB26-080** – Ordinance Adding New Chapter 10.34 to Title 10 of the Black Diamond Municipal Code, Vehicles and Traffic, Regulating E-Motorcycles, E-Bicycles, and Motorized Scooters, Amending Chapter 10.32, Skateboards, Roller Skates, Coasters, in-Line Skates, Motorized Foot Scooters, and Similar Devices for Consistency with the New Chapter — Chief Kiblinger

9) AB26-081 – Ordinance Amending Chapter 10.16 of the Black Diamond Municipal Code, Impounding and Storage of Vehicles, to Modernize the Chapter and to Add Provisions Regarding Towing Electric Motorcycles and Electric Bicycles and Motorized Scooter from Public Property and Rights-of-Way

Chief Kiblinger

10) AB26-082 – Motion Approving Quit Claim Deed in Favor of WSDOT, Releasing City's Easement Rights Over TPN 112106-9098 (aka Kombol Law Office Parcel) Mr. Hanis

PUBLIC HEARINGS:

UNFINISHED BUSINESS:

NEW BUSINESS:

11) AB26-083 – Resolution Adopting 2027 Budget Planning Calendar Mr. Mason

12) AB26-084 – Resolution Approving Addendum 1 to Coalition of Small Cities Police Agencies Interlocal Chief Kiblinger

13) AB26-085 – Ordinance Amending Black Diamond Municipal Code 10.08.020 to Revert the Speed Limit on Roberts Drive to 25 Miles Per Hour Mr. Hanis

14) AB26-086 – Resolution Establishing Black Diamond Economic Vitality Grant Program Mr. O'Neill

15) Discussion – City's Sign Code Councilor Nielsen

MAYOR'S REPORT:

COUNCIL REPORTS:

- Councilmember Reed
- Councilmember Deady
- Councilmember Nielsen
- Councilmember Peterson
- Councilmember Sorci
- Councilmember Young
- Councilmember Dal Santo

CITY ADMINISTRATOR REPORT:

ATTORNEY REPORT:

PUBLIC COMMENTS:

EXECUTIVE SESSION:

ADJOURNMENT:

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT:	**Agenda Date: July 7, 2026 AB26-075**		
2026, 1st Quarter Financial Report		Mayor - John Adler	
		City Administrator - Kevin O'Neill	
		City Attorney - David Linehan	
		City Clerk – Brenda L. Martinez	
		Com Dev – Hal Hart	
		Finance – Xavier Mason	X
		MDRT/Ec Dev – Michelle Wright	
Cost Impact (see also Fiscal Note): N/A		Police – Chief Kiblinger	
Fund Source: N/A		Public Works – Scott Hanis	
Timeline: 2026		Court – Judge Swain/Tawnya Parks	

Agenda Placement: ☐ Mayor ☐ Two Councilmembers ☐ Committee Chair ☒ City Administrator

Attachments: Black Diamond's 2026, 1st Quarter Financial Report, 1st Quarter Financial Report Presentation

SUMMARY STATEMENT:
The Black Diamond 2026, 1st Quarter Financial Report summarizes the 2026 budgeted revenues and expenditures compared to the actual revenues and expenditures received through March 31st, 2026. This report includes statements for the General Fund, Street Fund, Water Fund, Sewer Fund, Stormwater Fund, a city-wide balance sheet, and Black Diamond's investment portfolio.

General Fund Summary
The General Fund earned $1,594,941 in 2026, equaling approximately 16.6% of projected revenues for the year. The pace of revenues earned was considerably strong throughout the year; especially considering that some revenues have seasonal variations in the pace of their earnings throughout the year. The General Fund operating expenditures are $2,849,216 as of March 31, 2026, equaling approximately 21.3% of budgeted expenditures for the entire year.

Street Fund Summary
The Street Fund earned $44,790 in operational revenue for 2026, or 27% of projected revenues of what was budgeted for the year. The operating expenditures for the Street Fund for 2026 was $154,322 or 22% of projected expenditures for the year. This fund is unique in that its revenues are heavily supplemented by internal transfers, so the difference between operating revenues and operating expenditures are usual for this fund, more information could be found on pages 10 and 15 of the attached Black Diamond 2026, 1st Quarter Financial Report.

Water Fund Summary
The Water Fund earned $578,899 in 2026, or 20% of projected revenues for the year. Like the

General Fund, some revenues have some seasonal variation in the pace at which they are earned. This year's revenues were very strong. Total expenditures for 2026 was $484,362 or 18% of the budgeted expenditures for the year.

Sewer Fund Summary
The Sewer Fund operating revenue earned $669,505 or 23.1% of the projected revenues for 2026. The Sewer Fund's operating expenditures totaled $682,254 or 24% of the budgeted expenditures for the year. After all expenditures are considered, the Sewer Fund ended 2026 with a deficit of $12,362.

Stormwater Fund Summary
The Stormwater Fund earned $76,736 in 2026, or 7.6% of projected revenues. This number is significantly lower than the 25% first quarter benchmark, because stormwater revenues are received by the City via King County primarily within two tranches throughout the course of the year, mirroring the payment schedule of property taxes. Stormwater operating expenditures were $182,623 or 18.7% of budgeted operating expenditures for the year. After all expenses are considered, the Stormwater Fund ended the 1st Quarter of 2026 with a deficit of $110,563.

Balance Sheet Summary
Across all funds, the City has a total balance of reserves and cash in the amount of $20,458,408 a decrease of $780,842 since December 31, 2025, as detailed on page 17 of the Black Diamond 2026, 1st Quarter Financial Report.

Investment Report Summary
The City continues to benefit from high interest rates with an average return of 3.71% from the LGIP and 4.24% from longer-term investments. In 2026, the City has earned $171,347.87 from investments that are being utilized to support operational and capital expenditures.

Recent Additions

Debt Activity
This section has always been a component within this report; however, it was somewhat empty due to the lack of activity since 2024. During the 1st Quarter of 2026, the General Fund issued a Interfund Loan to the Public Works Department. The details of that loan and its amortization schedule are detailed in the Debt Activity section on page 26.

Fund Balance Designations
Though fund balance designations are reviewed in: (1) income statements; (2) the Audited Financial Report; (3) the Annual Report; and (4) discussed during the annual budget process; additional information has been added in the form of the Fund Balance Classifications Summary to increase accessibility and depth regarding this information.

FISCAL NOTE (Finance Department): N/A

<table>
<tr><td colspan="2">COUNCIL COMMITTEE REVIEW AND RECOMMENDATION: Reviewed by the Budget, Finance, and Administration Committee on May 26th, 2026</td></tr>
<tr><td colspan="2">RECOMMENDED ACTION: N/A</td></tr>
<tr><td colspan="2">RECORD OF COUNCIL ACTION</td></tr>
<tr><td>Meeting Date</td><td>Action Vote</td></tr>
<tr><td>July 7, 2026</td><td></td></tr>
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City of Black Diamond, Washington

City of Black Diamond

Quarterly Financial Report for the 1st Quarter of 2026

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City of Black Diamond

24301 Roberts Drive ~ PO Box 599
Black Diamond, WA 98010

Phone: (360) 851-4500
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May 12th, 2026

Financial Report: 1st Quarter 2026 Overview

The General Fund Overview

2026 First Quarter Financial Report

This report provides a comprehensive overview of the City's financial performance through March 31, 2026. It compares budgeted figures against unaudited actual revenues and expenditures for the first quarter of fiscal year 2026. To provide historical context, 2025 data is included for year-over-year analysis. This summary encompasses the General, Street, Water, Sewer, and Stormwater Funds, as well as the City's balance sheet and investment portfolio.

General Fund Operating Revenues

General Fund operating revenues for the first quarter of 2026 totaled $1,922,324, reaching 17.8% of the annual projection. This performance aligns with budget expectations, especially when accounting for seasonal revenue fluctuations. Overall, General Fund revenue streams remain robust and consistent with fiscal targets.

The following analysis highlights key revenue drivers and explains notable variances from the 2025 adopted budget.

General Fund Revenue Analysis		
Revenue	**Percentage**	**Comparison to Budget (25%)**
Property Tax	3.6%	King County assesses and issues property taxes in February, with the City receiving the bulk of these remittances in April and November. After these peak periods, the remaining revenue is distributed throughout the fiscal year according to the County's schedule. While 2025 collections concluded in alignment with budget projections, 2026 data indicates a similar trend of stability and consistency.
Sales Tax	28.6%	The City has maintained strong sales tax growth for several consecutive years. Building on the positive trends of 2025, year-end revenue reached $1,549,628, exceeding the annual budget by 12.3%. This momentum has carried into the first quarter of 2026, where revenue is currently 3.6% above the 25% quarterly benchmark.
Utility & Gambling Tax	28.5%	Utility taxes are receipted monthly; however, collections often reflect seasonal variances in utility usage. In 2025, combined utility and gambling taxes outperformed expectations, generating 8% more than the annual budget. This trend has continued into 2026; at the close of the first quarter, these revenues are 3.5% above the 25% threshold. Given these seasonal fluctuations, it is highly probable that this revenue stream will once again exceed the annual budget.

General Fund Revenue Analysis (Continued)		
Revenue	**Percentage**	**Comparison to Budget (25%)**
Cable Franchise Fees	20.9%	Cable franchise fees continue a multi-year decline as consumer habits shift toward streaming and away from traditional services. In 2025, revenues totaled $73,797, reaching only 83.9% of the annual projection, a notable drop from the 89.3% collected in 2024. In response to this consistent contraction, the 2026 budget was proactively "right-sized" to better align with realized earnings. Despite these downward adjustments, the 2026 first quarter revenues remain below the 25% quarterly benchmark.
Business Licenses	24.3%	Business license revenue for 2025 totaled $52,220, finishing just 3.3% below the annual projection. For 2026, this revenue stream is currently at 24.3% of its target—performing essentially on par with budgeted projections and the 25% quarterly benchmark.
Liquor Tax & Profits	22.6%	Liquor Tax and Profit revenues have closely tracked quarterly milestones throughout 2024 and 2025; a trend that continues into 2026. While 2025 revenues concluded slightly under projections, total earnings reached $100,416, representing a minor variance of only 3.4% below the budgeted amount.

General Fund Revenue Analysis (Continued)		
Revenue	**Percentage**	**Comparison to Budget (25%)**
Investments, Recycle Grants, and Miscellaneous Revenue	29.2%	The "Investments, Recycle Grants, and Miscellaneous" category comprises several distinct revenue streams. In 2025, these sources generated $413,355, or 97.4% of the budgeted amount, primarily driven by interest earned on General Fund reserves. In the first quarter of 2026, the General Fund has already earned $79,253 in interest, with additional grant funding expected to arrive as the year progresses.
Court Fines, Fees, and Therapeutic Court Grant	10.1%	Municipal Court revenues totaled $222,178 in 2025, finishing the year at 103.6% of the budgeted amount. Currently, 2026 revenues stand at 10.1%, which is significantly below the 25% quarterly benchmark. This variance is primarily due to the $200,000 budgeted as a placeholder for the Maple Valley contract. As the contract has not yet taken effect, these service revenues have not been realized. This will continue to impact the "percentage earned" metric until the services for that contract is provided.
Police Department Revenue	19.7%	Building on the strong performance observed in 2024, Police Department revenues remained consistently above quarterly benchmarks throughout fiscal year 2025. By the close of the fourth quarter, total earnings reached $581,333, or 112.9% of the annual budget. In 2026, first-quarter revenues stand at 19.7% of projections. This variance from the 25% threshold is due to the $125,000 Public Safety Enhancement Grant; while the grant has been awarded, the funds have not yet been remitted to the City. Once received, this revenue stream will align with budgeted projections, maintaining the consistency seen in previous years.

General Fund Revenue Analysis (Continued)		
Revenue	**Percentage**	**Comparison to Budget 25%**
Land Use & Permitting Fees	18.9%	Land Use and Permitting revenue experienced a significant rebound in 2025, totaling $3,108,400. This marked a sharp reversal from 2024, when fees fell 21% below projections. By outperforming the 2025 budget by 106.1%, this stream generated a surplus of approximately $1.6 million. This substantial variance is attributed to external market factors and accelerated development activity, highlighting the inherent volatility of growth-dependent revenues. Through the first quarter of 2026, this stream has reached 18.9% of budgeted projections, approximately 6% below the 25% quarterly benchmark.
Parks Revenue	24.8%	Park revenues remained strong through the end of 2025, totaling $75,752 and exceeding the annual budget by 1%. For 2026, Parks Department revenue is currently on par with projections at 24.8%, nearly reaching the 25% quarterly benchmark. Given the anticipated surge in activity during the summer months, this revenue stream is well-positioned to exceed budgeted expectations by year-end.
Cemetery Fees & Charges	253.3%	Revenue from cemetery fees remained well below projections in 2025, with only $250 generated for the year. However, in the first quarter of 2026, a single service totaling $1,471 was provided, bringing year-to-date revenue to 253.3% of the annual budget. While this percentage significantly exceeds the 25% quarterly benchmark, it is important to note that the total dollar amount remains immaterial to the overall General Fund.

General Fund Revenue Analysis (Continued)		
Revenue	**Percentage**	**Comparison to Budget 25%**
Developer Funding Agreement	26.9%	In alignment with the prior fiscal year, revenue from Funding Agreements concluded 2025 nearly matched budgeted projections. This steady trend continues in 2026, with the City earning 26.9% of the annual budget, slightly exceeding the 25% quarterly benchmark. As this is a cost-recovery revenue stream, the realized amount remains directly contingent upon the volume of eligible expenditures incurred throughout the year.

General Fund Operating Expenditures

At the close of the first quarter, General Fund operating expenditures totaled $2,353,412, representing 21.3% of the annual budget. Consistent with previous years, several annual obligations, such as insurance premiums and software subscriptions, are paid in full during Q1. Under the City's cash-basis accounting system, these costs are expensed at the point of payment rather than being amortized over the fiscal year. Consequently, while the full cost of 2026 insurance was recognized in January, the operational benefits extend throughout the year. This front-loading of expenses results in an initial spending spike in January, followed by a projected reduction in monthly expenditure for the remainder of the year.

General Fund Performance Summary

Overall, the General Fund concluded 2025 in a strong position, with total operating revenues significantly exceeding operating expenditures. For the first quarter of 2026, the General Fund continues to have a strong operating position, despite having an operational deficit of -$431,088 and a total deficit of -$660,963. The expectation is that throughout the year, the pace of revenues will begin to exceed the pace of expenditures, for example, the General Fund broke even in 2025 early within the third quarter.

The end of the first quarter aligns with projections, which anticipated an operational deficit as major annual and semi-annual expenditures have already been recognized earlier in the fiscal year. The expectation is that the pace of expenditures decreases while revenues continue or increase from their current pace.

Overall, the General Fund concluded 2025 in a strong position, with operating revenues significantly exceeding expenditures. This momentum continues into the first quarter of 2026. While the fund shows a total deficit of $660,963, these figures align with budgetary expectations. This temporary gap is due, in part, to the "front-loading" of major annual and semi-annual obligations already recognized in the first quarter and the issuance of an interfund loan to Public Works. As the fiscal year progresses, the pace of revenue is expected to outpace expenditures, a trend observed in 2025 when the General Fund reached its break-even point early in the third quarter.

Operational Fund Summaries: Special Revenue and Enterprise Funds

The following sections provide a detailed analysis of the City's primary operational funds outside of the General Fund, including the Street Special Revenue Fund and the Water, Sewer, and Stormwater Enterprise Funds.

These funds are managed as self-sustaining operations, apart from the Street Fund, relying on user fees, utility charges, and dedicated transfers to maintain critical infrastructure. While most funds remain stable, the Stormwater Fund continues to require close monitoring. The primary fiscal goal for Stormwater this year is to enhance stability by reducing operating expenses and eliminating discretionary transfers out of the fund.

Street Fund Performance

Street Fund revenues for 2025 totaled $881,984, reaching 99.9% of the annual budget. This performance was significantly bolstered by a $200,000 budget amendment transferred from the General Fund. Building on this momentum, the Street Fund has realized 27% of projected operating revenues in the first quarter of 2026; notably, 50% of planned transfers are scheduled to occur at the end of the second quarter.

The fund maintains a diversified revenue structure, utilizing General Fund transfers, REET II resources, and Transportation Benefit District (TBD) fees. On the expenditure side, the fund demonstrates disciplined fiscal management, ending the quarter at 22% of the total appropriation. This favorable position is particularly noteworthy as several large, non-recurring annual expenses have already been recognized.

Water Fund Performance

The Water Fund concluded 2025 in a strong fiscal position, with total revenues of $2,575,409, exceeding the annual budget by 5% and yielding a $531,016 surplus. Maintaining this momentum, the fund achieved a net surplus of $94,267 in the first quarter of 2026. While operating revenues stand at 20% of the annual budget, operating expenditures remain well-managed at 18%, comfortably below the 25% quarterly benchmark.

After accounting for non-operating expenditures and interfund transfers, the total first quarter expenditures reached $463,347. When measured against total year-to-date revenues, the fund maintains a stable trajectory with a positive net position.

Sewer Fund Performance

The Sewer Fund concluded 2025 with a deficit of $90,132, which was notably favorable as it represented approximately half of the projected budgetary deficit. For 2026, the fund is positioned for further recovery, with a budgeted year-end surplus of $10,753. At the close of the first quarter, the fund shows a minor deficit of $12,362. However, with the first quarter revenues already reaching 27% of projections, the fund remains on a clear trajectory to achieve a modest surplus by year-end.

Stormwater Fund Performance

The Stormwater Fund concluded 2025 with operating revenues of $837,614, or 88.2% of the annual budget. This variance primarily stems from a $139,409 culvert grant that was reallocated to the Street Fund due to a change in project scope. This shift negatively impacted the fund's overall stability, resulting in a $81,968 deficit for the year.

Entering 2026, the fund continues to manage structural cash-flow challenges, evidenced by the first quarter ending cash and investment balance of -$23,614. This liquidity issue is inherent to the fund's revenue cycle: while operating expenditures are incurred daily, revenues are remitted by King County only twice per year, following the property tax distribution schedule. Consequently, the fund must bridge daily operational costs until these semi-annual infusions occur. While the fund is showing improvement over the prior year, achieving long-term fiscal stability remains a primary objective.

Summary of Cash and Investment Balances - 2020 through March 31, 2026

The Cash and Investment Balance Report serves as a modified balance sheet tailored to the City's cash-basis accounting. As of March 31, 2026, the City maintained a robust total cash and investment balance of $20,458,408.

Since the close of fiscal year 2025, the City's total cash position has decreased by $780,842. This reduction was primarily concentrated within the General Fund, Water Reserve and Capital, and the Stormwater Fund, reflecting the front-loaded nature of annual expenditures and the issuance of the interfund loan. Conversely, several funds saw valuation increases, including the Water Operating Fund, Fire Impact Fees, and Public Works Capital Projects. This variance between fund balances is typical for the first quarter as the City aligns its annual outflows with staggered revenue receipts.

Fund Balance Classifications Summary

To ensure the City's financial reporting aligns with the Washington State Auditor's Office (SAO) BARS Manual and GASB Statement No. 54, the following definitions categorize cash and investment balances based on the "hierarchy of constraint." These classifications provide the Council and the public with a transparent view of the City's $21.24 million (2025) total treasury, distinguishing between legally restricted assets and funds available for discretionary use. The specific allocations for each category are detailed in the table below, with further granular data available in the dedicated Fund Balance Classifications section of the Black Diamond Investment Report.

Ending Cash and Investment Balances according to Classification (as of December 31, 2025)	
	Total for All Funds
Non-spendable	$0
Restricted	$4,651,903
Committed	$1,137,236
Assigned	$6,311,221
Unassigned	$9,145,190
Total Ending Cash and Investments	**$21,245,550**

Black Diamond Investment Portfolio Summary

The City's investment portfolio yielded strong results in 2025, generating $801,237.53 in total interest income. While initial market forecasts suggested a reduction in interest rates, persistent macroeconomic factors, including stubborn inflation, have shifted expectations. It is now anticipated that rates will remain elevated throughout the first half of 2026. In the first quarter of 2026, the City realized $171,347.87 in interest earnings.

As of March 31, the portfolio remains strategically balanced: 58% is maintained in the highly liquid Local Government Investment Pool (LGIP), and 35% is allocated to longer-term investments. This "laddered" approach ensures sufficient liquidity for daily operational needs while capturing higher yields on stable reserves. Overall, the City maintains a stable and positive financial position as it moves further into fiscal year 2026.

If you have any questions about this report, please contact Xavier Mason, Finance Director, at xmason@blackdiamondwa.gov.

Xavier Mason
Finance Director
City of Black Diamond

2026 General Fund 1st Quarter Finance Report

#	Revenues	2025 Actual	2026 Budget	1st Quarter 2026 Actuals	Variance from Budget	% Collected
2	Property Taxes	3,201,536	3,321,799	120,666	(3,201,133)	3.6%
3	Sales Taxes	1,549,628	1,551,500	444,474	(1,107,026)	28.6%
4	Utility & Gambling Taxes	1,326,893	1,325,586	377,928	(947,658)	28.5%
5	Cable Franchise Fees	73,797	80,000	16,684	(63,316)	20.9%
6	Business Licenses	52,220	54,000	13,125	(40,875)	24.3%
7	Land Use and Permitting Fees	3,108,400	1,672,800	315,962	(1,356,838)	18.9%
8	Liquor Tax & Profits	100,416	110,000	24,826	(85,174)	22.6%
9	Investments, Recycle Grants, and Miscellaneous Revenues	413,355	297,500	86,981	(210,519)	29.2%
10	Parks Revenue	75,752	71,000	17,643	(53,357)	24.8%
11	Cemetery Fees & Charges	250	625	1,471	846	235.3%
12	Police Department Revenue (Grants, Traffic School, etc.)	581,333	671,031	132,216	(538,815)	19.7%
13	Court Fines, Fees and Therapeutic Court Grant	222,178	425,150	42,966	(382,184)	10.1%
14	**Subtotal Operating Revenue**	**10,705,758**	**9,580,991**	**1,594,941**	**(7,986,050)**	**16.6%**
16	Funding Agreement-MDRT	1,161,205	1,218,985	327,383	(891,602)	26.9%
17	**Total Operating Revenue**	**11,866,963**	**10,799,976**	**1,922,324**	**(8,877,652)**	**17.8%**
19	AWC Insurance and Flex Deposit	6,750	-	2,700	2,700	N/A
20	Developer Reimb-MDRT Consultants	1,201,979	1,855,000	263,228	(1,591,772)	14.2%
21	**Total Revenue**	**13,075,692**	**12,654,976**	**2,188,252**	**(10,466,724)**	**17.3%**
22	Beginning Cash & Investment Balance	7,659,424	8,686,137	9,171,113	484,976	105.6%
23	**Total General Fund Sources**	**20,735,116**	**21,341,113**	**11,359,366**	**(9,981,747)**	**53.2%**

#	Expenditures	2025 Actual	2026 Budget	1st Quarter 2026 Actuals	Variance from Budget	% Expended
25	Legislative-Council	17,546	22,521	2,904	19,617	12.9%
26	Mayoral Department	14,979	16,272	3,421	12,851	21.0%
27	City Administrator	109,689	272,282	47,992	224,290	17.6%
28	General Government Services (Clerk/Fin/IT/HR/Cnt Svc)	755,964	827,930	305,488	522,442	36.9%
29	Legal Services - Includes Pros. Atty & Public Def.	450,689	293,000	61,363	231,638	20.9%
30	Municipal Court	574,761	835,577	144,041	691,536	17.2%
31	Police Department	3,478,663	3,985,015	966,036	3,018,979	24.2%
32	Fire Department	1,301,326	1,396,586	25,068	1,371,518	1.8%
33	Recycle/Animal Cont/Air Qual/Mntl Hlth	77,799	158,900	12,225	146,675	7.7%
34	Master Develpoment Review Team	1,059,775	1,218,985	289,287	929,698	23.7%
35	Community Development	1,466,635	1,609,327	287,083	1,322,245	17.8%
36	Parks Department	302,516	364,077	167,273	196,804	45.9%
37	Cemetery	62,803	69,675	41,231	28,444	59.2%
38	**Total Operating Expenditures**	**9,673,147**	**11,070,148**	**2,353,412**	**8,716,736**	**21.3%**
39	Transfer to Street Fund	350,000	-	-	-	N/A
40	Transfer to Future Campus	350,000	147,393	-	(147,393)	0.0%
41	Interfund Loan	-	-	327,641	327,641	0.0%
42	AWC Insurance and Flex Deposit	6,493	-	832	832	N/A
43	Developer MDRT-Consultants	1,184,364	1,855,000	167,332	(1,687,668)	9.0%
44	**Total Expenditures**	**11,564,003**	**13,072,541**	**2,849,216**	**(10,223,325)**	**21.8%**
45	**Total Surplus/(Deficit)**	**1,511,689**	**(417,565)**	**(660,963)**	**(243,399)**	**-58.3%**
46	Ending Cash and Investment at 35% of Budgeted Expenditures	3,385,601	3,874,552	823,694	3,050,858	21.3%
47	Ending Cash and Investment Developer Funds	63,000	63,000	63,000	-	100.0%
48	Ending Restricted Police Buy Funds	25,923	25,923	25,923	(0.36)	100.0%
49	Ending Unreserved Funds for Future Growth Related costs	4,184,900	3,832,015	7,597,533	3,765,518	198.3%
50	**Total Ending Cash and Investments**	**7,659,424**	**7,795,490**	**8,510,150**	**714,660**	**109.2%**
51	**Total General Fund Uses**	**20,735,116**	**21,341,113**	**11,359,366**	**9,981,747**	**53.2%**

2026 Street Fund 1st Quarter Finance Report

1	***REVENUES***	**2025 Actual**	**2026 Budget**	**1st Quarter 2026 Actual**	**Variance from Budget**	**% Collected**
2	Street Gas Tax	122,391	120,000	33,188	(86,812)	27.7%
3	Right of Way Permits	13,185	14,000	3,557	(10,443)	25.4%
4	Other Revenue	37,666	32,100	8,045	24,055	25.1%
5	**Total Operating Revenue**	**173,242**	**166,100**	**44,790**	**(73,200)**	**27%**
6	Interest	10,528	8,000	3,908	4,092	48.9%
7	Transfer in REET II	100,000	100,000	-	100,000	0.0%
8	Transfer in from General Fund	350,000	-	-	-	N/A
9	Transfer in TBD	248,214	280,000	-	280,000	0.0%
10	Property Rent	-	-	102	102	N/A
11	**Total Other Revenue**	**708,743**	**388,000**	**4,010**	**384,092**	**1%**
12	**Total Revenue**	**881,984**	**554,100**	**48,800**	**310,892**	**9%**
13	Beginning Cash and Investments	405,754	384,350	546,173	161,823	142.1%
14	**Total Street Fund Sources**	**1,287,738**	**938,450**	**594,973**	**472,715**	**63.4%**
15	***EXPENDITURES***	**2025 Actual**	**2026 Budget**	**1st Quarter 2026 Actual**	**Variance from Budget**	**% Expended**
16	Total Salaries and Benefits	428,394	430,274	108,600	321,674	25.2%
17	Office and Operating Supplies	18,333	29,600	3,699	25,901	12.5%
18	Professional Services	204,639	231,307	42,022	189,285	18.2%
19	**Total Operating Expenses**	**651,366**	**691,181**	**154,322**	**536,860**	**22%**
20	Building and Property Lease	18,511	15,813	3,281	12,532	20.7%
21	Copier Lease	1,098	1,043	186	857	17.8%
22	Water Cooler Lease	42	-	86	(86)	N/A
23	Land Acquisition	-	-	103,850	(103,850)	N/A
24	Transfer to Equipment Replacement	10,000	-	-	-	0.0%
25	**Total Expenditures**	**681,017**	**708,037**	**261,725**	**446,312**	**37%**
26	**Total Surplus/(Deficit)**	**200,967**	**(153,937)**	**(212,925)**	**(58,988)**	**-138%**
27	3 Months Operating Cash Balance	162,841	172,795	38,580	(134,215)	22.3%
28	Unreserved Cash and Investments	443,880	57,617	294,667	237,050	80.4%
29	**Total Ending Cash and Inv**	**606,721**	**230,413**	**333,248**	**102,835**	**145%**
30	**Total Street Fund Uses**	**1,287,738**	**938,450**	**594,973**	**(343,477)**	**63.4%**

2026 Water Fund 1st Quarter Finance Report

1	***REVENUES***	**2025 Actual**	**2026 Budget**	**1st Quarter 2026 Actuals**	**Variance from Budget**	**% Collected**
2	Water Charges	1,730,224	2,168,887	380,923	(1,787,964)	17.6%
3	Irrigation Sales	314,562	240,000	9,059	(230,941)	3.8%
4	Hydrant Sales	21,125	62,000	6,690	(55,310)	10.8%
5	Meter Purchases, Setting Fees, Inspections, and Misc.	450,591	360,480	46,989	(313,491)	13.0%
6	**Total Operating Revenue**	**2,516,502**	**2,831,367**	**443,660**	**(2,387,706)**	**16%**
7	Interest	41,589	19,000	12,339	(6,661)	64.9%
	Miscelllaneous Non-Operating Revenue	17,318	10,000	7,348	(2,653)	73.5%
8	Permitting-Deposits for consultants	-	40,000	-	(40,000)	0.0%
	General Fund Loan	-	-	115,552	115,552	N/A
9	**Total Other Revenue**	**58,907**	**69,000**	**135,239**	**66,239**	**196%**
10	**Total Revenue**	**2,575,409**	**2,900,367**	**578,899**	**(2,321,468)**	**20%**
11	Beg Cash and Investment Unreserved	951,250	1,592,753	1,482,266	**(110,487)**	93.1%
12	**Total Water Fund Sources**	**3,526,659**	**4,493,120**	**2,061,165**	**(2,431,955)**	**46%**
13	***EXPENDITURES***	**2025 Actual**	**2026 Budget**	**1st Quarter 2026 Actuals**	**Variance from Budget**	**% Expended**
14	Total Salaries and Benefits	560,146	636,472	141,399	495,074	22.2%
15	Total Supplies	242,621	212,280	10,328	201,952	4.9%
16	Total Services and Charges	816,224	955,249	212,251	742,997	22.2%
18	**Total Operating Expenditures**	**1,618,991**	**1,804,001**	**363,978**	**1,440,023**	**20%**
17	Building & Equipment Leases	20,402	16,856	3,951	12,905	23.4%
19	Debt Service - Water P & I	-	-	-	-	N/A
20	Consultant and Permitting Expenses	-	40,000	-	40,000	0.0%
21	Hydrant Meter Deposit Refunds	-	-	1,152	(1,152)	0.0%
22	Transfers Out - Equipment/Capital Res.	405,000	835,000	-	835,000	0.0%
23	Land Acquisition	-	-	115,552		
24	**Subtotal Other Expenditures**	**425,402**	**891,856**	**120,654**	**771,202**	**13.53%**
25	**Total Expenditures**	**2,044,393**	**2,695,857**	**484,632**	**2,211,225**	**18%**
26	**Total Surplus/(Deficit)**	**531,016**	**204,510**	**94,267**	**(110,243)**	**46%**
27	3 Month Operating Cash Balance	404,748	451,000	90,994	(360,006)	20.2%
28	Unreserved Cash and Investments	1,077,518	1,346,263	1,485,539	139,276	110.3%
29	**Total Ending Cash and Investments**	**1,482,266**	**1,797,263**	**1,576,533**	**(220,730)**	**88%**
30	**Total Water Fund Uses**	**3,526,659**	**4,493,120**	**2,061,165**	**(2,431,955)**	**46%**

2026 Sewer Fund 1st Quarter Finance Report

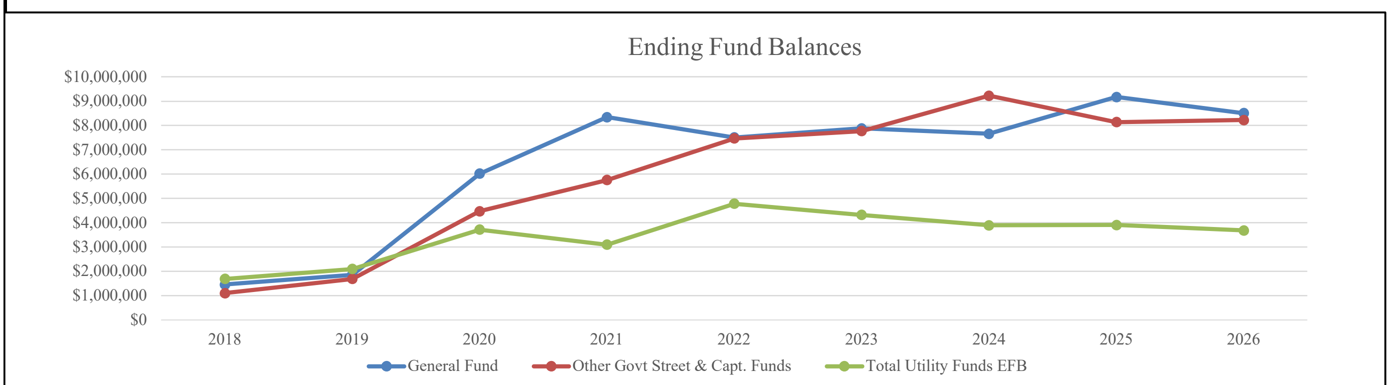
1	***REVENUE***	2025 Actual	2026 Budget	2026 1st Quarter Actual	Variance from Budget	% Collected
2	Sewer User Charges-K.C Metro	1,766,642	1,962,000	456,655	(1,505,345)	23.3%
3	Sewer User Charges-City	792,573	872,000	201,308	(670,692)	23.1%
4	Permits & Miscellaneous Revenue	79,531	62,238	11,542	(50,696)	18.5%
5	**Total Operating Revenue**	**2,638,746**	**2,896,238**	**669,505**	**(2,226,733)**	**23.1%**
6	Interest	20,998	16,000	3,799	(12,201)	23.7%
7	Property Rent	-	-	110	110	N/A
8	General Fund Loan	-	-	111,895	111,895	N/A
9	**Total Revenue**	**2,659,744**	**2,912,238**	**785,309**	**(2,126,929)**	**27.0%**
10	Beginning Cash and Investments	602,074	531,730	511,943	(19,787)	96.3%
11	**Total Sewer Fund Sources**	**3,261,818**	**3,443,968**	**1,297,251**	**(2,146,716)**	**37.7%**
12	***EXPENDITURES***	**2025 Actual**	**2026 Budget**	**2026 1st Quarter Actual**	**Variance from Budget**	**% Collected**
13	Total Salaries and Benefits	499,590	534,521	129,327	405,195	24.2%
14	Total Supplies	27,356	17,100	5,594	11,506	32.7%
15	Total Services and Charges	334,891	371,008	94,866	276,142	25.6%
16	King County Metro Sewer Charges	1,698,221	1,962,000	452,468	1,509,532	23.1%
17	**Total Operating Expenditures**	**2,560,057**	**2,884,629**	**682,254**	**2,202,375**	**24%**
18	Leases	19,818	16,856	3,521	13,335	20.9%
19	Transfers	170,000	-	-	-	N/A
20	PW Land Acquisition	-	-	111,895	(111,895)	N/A
18	**Subtotal Other Expenditures**	**189,818**	**16,856**	**115,416**	**(98,560)**	**15%**
19	**Grand Total Expenditures**	**2,749,875**	**2,901,485**	**797,671**	**2,103,814**	**27%**
20	**Total Surplus/(Deficit)**	**(90,132)**	**10,753**	**(12,362)**	**(23,115)**	**-115%**
21	3 Months Operating Cash Balance	640,014	721,157	170,564	(550,594)	23.7%
22	Unreserved Cash and Investments	(128,072)	(178,675)	329,017	507,692	-184.1%
23	**Total Ending Cash & Investments**	**511,943**	**542,483**	**499,580**	**(42,902)**	**92.1%**
24	**Total Sewer Fund Uses**	**3,261,818**	**3,443,968**	**1,297,251**	**(2,146,716)**	**37.7%**

2026 Stormwater Fund 1st Quarter Finance Report

1	***REVENUE***	**2025 Actual**	**2026 Budget**	**1st Quarter 2026 Actuals**	**Variance from Budget**	**% Collected**
2	Stormwater Charges	792,161	978,043	70,638	907,405	7.2%
3	Stormwater Inspection and Review Fees	45,452	33,931	6,098	27,833	18.0%
4	**Total Operating Revenue**	**837,614**	**1,011,974**	**76,736**	**935,238**	**7.6%**
5	Other Miscellaneous Revenue	252	-	99	(99)	N/A
	Interest Earned	4,965	3,750	276	3,474	7.4%
6	Grants	83,164	120,000	-	120,000	0.0%
	General Fund Loan	-	-	100,194	(100,194)	N/A
7	**Total Other Revenue**	**88,380**	**123,750**	**100,568**	**23,182**	**81.3%**
8	**Total Revenue**	**925,994**	**1,135,724**	**177,304**	**958,420**	**15.6%**
9	Beginning Cash and Investments	168,936	265,933	86,950	178,983	32.7%
10	**Total Stormwater Fund Sources**	**1,094,930**	**1,401,657**	**264,254**	**1,137,403**	**18.9%**
11	***EXPENDITURES***	**2025 Actual**	**2026 Budget**	**1st Quarter 2026 Actuals**	**Variance from Budget**	**% Expended**
12	Total Salaries and Benefits	525,386	567,447	131,498	435,950	23.2%
13	Office and Operating Supplies	21,177	11,280	3,592	7,688	31.8%
14	Total Services and Charges	348,624	397,485	47,533	349,951	12.0%
15	**Total Operating Expenditures**	**895,187**	**976,212**	**182,623**	**793,589**	**18.7%**
16	Leases	19,630	16,856	5,051	11,805	30.0%
18	Land Purchase	-	-	100,194	(100,194)	N/A
22	Transfers	93,164	62,000	-	(62,000)	0.0%
23	**Total Other Expenditures**	**112,794**	**78,856**	**105,245**	**62,000**	**133.5%**
24	**Total Expenditures**	**1,007,981**	**1,055,068**	**287,868**	**767,200**	**27.3%**
25	**Total Surplus/(Deficit)**	**(81,987)**	**80,656**	**(110,563)**	**(191,220)**	**-137.1%**
26	3-Month Operating Cash Balance	223,797	244,053	45,656	198,397	18.7%
27	Unreserved Cash and Investments	(136,847)	102,536	(69,270)	(171,805)	N/A
28	**Total Ending Cash and Investments**	**86,950**	**346,589**	**(23,614)**	**26,592**	**-6.8%**
29	**Total Stormwater Fund Uses**	**1,094,930**	**1,401,657**	**264,254**	**1,137,403**	**18.9%**

Cash & Investment Balance Report 1st Quarter 2026

GOVERNMENTAL FUNDS	2020	2021	2022	2023	2024	2025	2026
General Fund Ending Fund Balance	**6,022,285**	**8,346,574**	**7,506,059**	**7,880,874**	**7,659,424**	**9,171,113**	**8,510,150**
Capital and Special Revenue Funds							
Street Fund	188,158	292,205	325,924	450,146	405,754	546,173	333,248
Fire Impact Fees	1,135,891	1,623,301	1,239,869	1,142,030	1,302,154	1,415,578	1,513,312
TBD-Car Tabs	33,607	53,427	78,497	60,907	0	0	61,792
Traffic Mitigation/Impact Fees	170,342	216,654	288,438	118,986	77,287	192,238	32,031
Transferrable Development Rights	0	0	0	0	945,000	945,000	945,000
ARPA Recovery Funds	0	568,288	151,212	0	0	0	0
School Impact Fee Fund	0	0	0	0	0	0	24,906
REET I & Gen Govt Cap Proj	1,856,948	1,606,887	4,246,747	4,586,993	4,858,663	3,440,026	3,484,081
REET II, PW-Streets, and Retainage	915,195	1,275,958	1,034,878	1,334,676	1,525,454	1,402,455	1,630,477
Police Equipment Replacement	168,868	115,771	103,780	76,793	109,237	196,151	198,572
Other Government, Street & Capt.	**4,469,009**	**5,752,491**	**7,469,345**	**7,770,531**	**9,223,550**	**8,137,620**	**8,223,419**
Total Government Ending C&I	**10,491,294**	**14,099,065**	**14,975,404**	**15,651,405**	**16,882,974**	**17,308,733**	**16,733,569**
UTILITY FUNDS							
Water Operating	660,141	626,793	704,394	1,010,250	951,250	1,482,266	1,576,533
Water/WSFFA	1,240,281	498,658	257,340	212,868	178,152	79,977	69,510
Water Reserve & Capital	602,226	521,335	2,251,540	1,169,849	1,202,184	989,247	799,553
Sewer Operating	419,155	494,625	627,875	678,789	602,074	511,943	499,580
Sewer Reserve & Capital	272,463	325,312	372,446	391,799	367,819	408,394	411,876
Stormwater Operating	344,919	428,667	414,572	488,320	168,936	86,950	(23,614)
Stormwater Reserves & Capital	39,730	12,878	82,913	231,314	300,857	265,972	268,239
PW Equipment Replacement	136,577	183,239	72,304	133,340	119,393	81,895	79,888
Total Util Funds Ending C&I	**3,715,492**	**3,091,507**	**4,783,383**	**4,316,529**	**3,890,665**	**3,906,643**	**3,681,566**
Trust Funds-due to others*	**4,322**	**8,215**	**2,475**	**16,132**	**8,003**	**30,174**	**43,274**
Total Ending-Cash & Inv.**	**14,211,108**	**17,198,787**	**19,761,262**	**19,984,067**	**20,781,642**	**21,245,550**	**20,458,408**



City Wide -Balance Sheet as of March 31, 2026

	2020	2021	2022	2023	2024	2025	2026
Cash & Investments	**14,211,108**	**17,198,787**	**19,761,262**	**19,984,067**	**20,781,642**	**21,245,550**	**20,458,408**
Accounts Receivable (2019 excluded Permit	776,719	276,103	269,123	301,237	301,237	160,655	64,790
Fixed Assets & Depreciation (cash cities do	$0	$0	$0	$0	$0	$0	$0
Insured Assets (excl Str & Uti land & infra)							
Vehicles	916,827	1,973,498	2,001,289	2,051,793	2,074,507	2,388,174	2,666,546
Off Road- Mowers, Boats & trailers	396,755	416,093	574,694	881,889	1,030,483	666,602	666,602
Buildings	12,526,300	12,608,615	12,608,615	12,608,615	12,608,615	24,890,487	24,890,487
Total Assets	**$28,827,709**	**$32,473,096**	**$35,214,983**	**$35,827,601**	**$36,796,484**	**$49,351,468**	**$48,746,834**
Outstanding Accounts Payable (bills paid when due)							
Debt							
Water Public Works Trust Fund Loan-short	($306,739)	($306,739)	($306,739)	($306,739)	$0	$0	$0
Water Public Works Trust Fund Loan-long t	$1,204,452	$1,511,191	$1,817,930	$2,124,669	($284,235)	$0	$0
Total Liabilities	$897,713	$1,204,452	$1,511,191	$1,817,930	($284,235)	$0	$0
Black Diamond Fund Position (equity	**$ 29,725,422**	**$ 33,677,548**	**$ 36,726,174**	**$ 37,645,531**	**$ 36,512,249**	**$ 49,351,468**	**$ 48,746,834**

City of Black Diamond Investment Report

1st Quarter of 2026

WPTA
Washington Public Treasurers Association

CERTIFICATE OF EXCELLENCE

Investment Policy

Awarded to

City of Black Diamond

2026

The investment policy submitted for review meets the standards established by the

Washington Public Treasurers' Association

Steve Groom
Investment Policy Committee Chair

Bonnie Overfield
WPTA President

Black Diamond Investment Report: 1st Quarter of 2026

This quarterly investment report details the City's cash position and investment activity for the quarter just ended. Each investment follows the City's investment policy, state statutes, and the Black Diamond Municipal Code. The City's investment policy was approved by Mayor Benson and then reviewed by City Council on February 1st, 2024. Subsequently, in April 2026 the Washington Public Treasurers' Association awarded the City of Black Diamond the Certification of Excellence Investment Policy award.

Total Cash and Investments at the end of the first quarter of 2026, the City had a total of $21,365,916: $1,403,450 in depository banks, $12,462,466 in the State LGIP, and $7,500,000 (par value) invested in long-term securities (this amount varies from the City's financial statements due primarily to outstanding checks and the usage of Par value/Face Value rather than market value for the long-termed investments).

The City's Investment Portfolio

The City's investment activities are governed by State regulations and the City of Black Diamond's Investment Policy.

Calls or Maturities: During the last quarter, there were no investments that either matured or were called.

Purchases: The following are the City's list of investments:

Issue	Face Value	Issuer	Date of Maturity	Yield to Maturity
001	$1,000,000	Federal Farm Credit Bank	02/13/2029	4.16%
002	$1,000,000	Federal Home Loan Bank	06/09/2028	4.14%
003	$1,000,000	U.S. Treasury	01/31/2028	4.20%
004	$1,000,000	U.S Treasury	06/30/2027	4.23%
005	$1,000,000	Federal Farm Credit Bank	03/21/2029	4.165%
006	$1,000,000	Federal Farm Credit Bank	06/23/2026	4.81%
007	$500,000	U.S. Treasury	01/15/2027	4.23%
008	$1,000,000	Federal Home Loan Mortgage Corporation	12/11/2030	4.01%

Portfolio and Benchmark Yield and Maturity (as of March 31st, 2026):

	03-2025	06-2025	09-2025	12-2025	03-2026
Avg. weighted yield of City investments, excluding LGIP:	4.28%	4.28%	4.28%	4.24%	4.24%
LGIP State Pool 30-day yield Gross Earnings:	4.4052%	4.38%	4.29%	3.88%	3.71%
Weighted average maturity of City investments, excluding LGIP:	2.73 Years	2.48 Years	2.235 Years	2.35 Years	2.18 Years
Weighted average maturity of LGIP State Pool 30-day yield:	15 Days	27 Days	39 Days	43 Days	44 Days

When securities are chosen for purchase, there are several factors taken into consideration before a decision is reached. Some of those factors include cash flows from City operations, debt obligations, liquid and maturing securities.

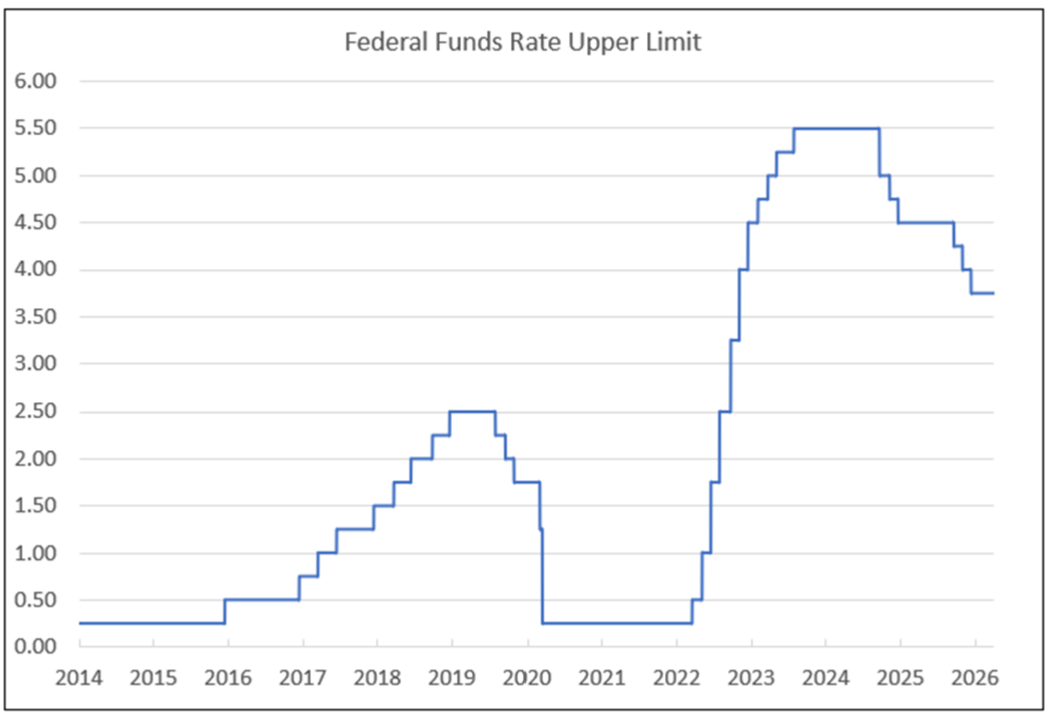
The City's Investment Portfolio consists of three general tiers which coincide with the primary considerations of prudent investing:

1. The safety portion of the Portfolio consists of funds invested in the Local Government Investment Pool (LGIP, or State Pool) managed by the Washington State Treasurer. Funds from this investment pool can be deposited or withdrawn generally within 48 hours. The liquidity that this investment vehicle provides has significant cash flow advantages for the City's operations. This allows us to adjust to unanticipated fluctuations in revenues and expenditures.
2. The liquidity portion of the Portfolio consist of demand deposit (checking) accounts at banks, Columbia Bank and U.S. Bank which are qualified public depositaries, protected above FDIC-insured balances through the actions of the Washington State Public Deposit Protection Commission (PDPC).
3. The long-term security segment of the portfolio consists of an array of Agencies, Treasuries,

and/or authorized investments with staggered maturities of up to five years. Based on an analysis of historical cash reserves and budgetary planning, this segment will not be subject to seasonal spending and will continue to be safely invested in the long term.

Economic Outlook

The federal funds rate is the interest rate for overnight loans set by the Federal Open Market Committee (FOMC). Rates offered by Local Government Investment Pools (i.e., LGIP) and money market funds correlate closely with this rate, primarily because the average maturity for LGIP investments is typically short, often around 15 days. However, as of March 31, 2026, the average maturity increased to 44 days. This change reflects the State Treasurer's Office's diligent strategy to extend investment lengths as short-term rates continue to decline. The graph below illustrates the upper bound of the federal funds rate over the last 12 years.



Source: https://fred.stlouisfed.org/series/DFEDTARU

As illustrated in the graph, the current federal funds rate remains high compared to recent historical norms. This elevated level reflects the Federal Reserve's ongoing dual effort to curb inflation and address emerging weaknesses in the labor market. Historically, the Fed reduces the federal funds rate as inflation cools, a trend that began in late 2025.

The Federal Open Market Committee (FOMC) typically meets eight times per year to determine interest rate levels. As shown in the table below, the Committee implemented four consecutive 0.25% cuts during the second half of 2025 (specifically at the July, September, October, and December meetings). These actions lowered the target range from 4.0%–4.25% to the current 3.5%–3.75%. Since December 2025, the rate has remained unchanged as the Fed evaluates shifting global and domestic market activity.

Calendar				
Announcement Date	**Time**	**Current Rate**	**For**	**Against**
3/19/2025*	11:00 AM PST	4.25-4.50%	11	1
5/7/2025	11:00 AM PST	4.25-4.50%	12	0
6/18/2025*	11:00 AM PST	4.25-4.50%	12	0
7/30/2025	11:00 AM PST	4.25-4.50%	9	2
9/17/2025*	11:00 AM PST	4.00-4.25%	11	1
10/29/2025	11:00 AM PST	3.75-4.00%	10	2
12/10/2025*	11:00 AM PST	3.50-3.75%	9	3
1/28/2026	11:00 AM PST	3.50-3.75%	10	2
3/18/2026*	11:00 AM PST	3.50-3.75%	11	1
4/29/2026	11:00 AM PST			
6/17/2026*	11:00 AM PST			
7/29/2026	11:00 AM PST			
9/16/2026*	11:00 AM PST			

*Meeting includes Summary of Economic Projections release

Source: https://www.federalreserve.gov/monetarypolicy/fomccalendars.htm

The nearly unanimous consensus among FOMC members regarding the U.S. economic outlook underscores a unified approach to the Fed's dual mandate of price stability and maximum employment. Current projections suggest additional rate cuts in 2026, with a median target range of approximately 3.375% by year-end. As illustrated in the Target Rate Table below, the Committee anticipates further easing toward a long-run terminal rate of 3.125% by 2028.

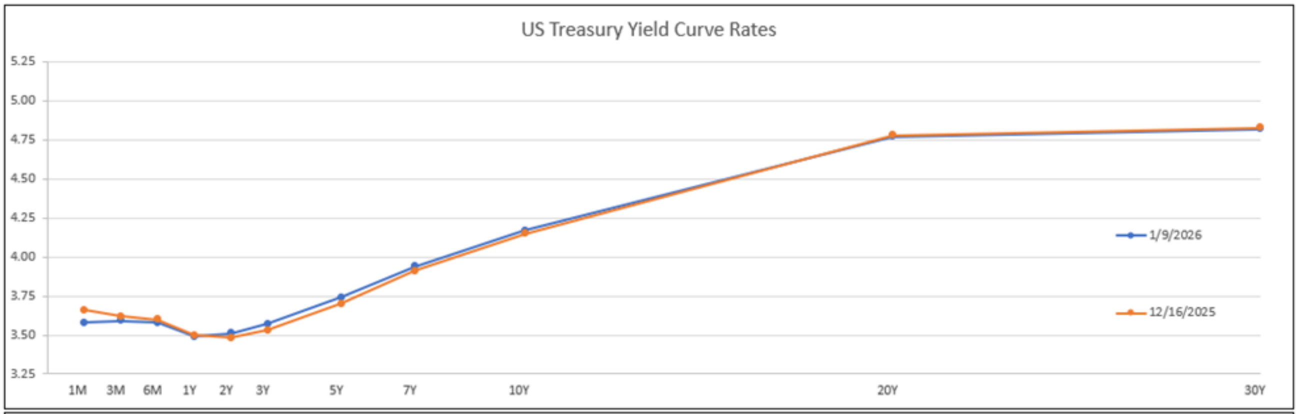
Target Rate	2026	2027	2028	Long Run
4.000				
3.875		1	1	1
3.750				1
3.625	7	3	3	1
3.500				1
3.375	7	4	3	2
3.250				1
3.125	2	6	7	3
3.000				5
2.875	2	3	3	2
2.750				
2.625	1	1	2	2
2.500				
2.375		1		
2.250				
2.125				
2.000				

Source: https://www.federalreserve.gov/monetarpolicy/fomcprojtabl20251210.htm

Current Rates.

As of March 31, 2026, the yield curve is no longer inverted, though it maintains an irregular shape; rates dip in the one-to-two-year range before rising again. This trajectory typically suggests that the bond market anticipates further near-term cuts to the federal policy rate, though the Federal Reserve's specific timeline remains uncertain. Notably, while long-term rates have risen since early September, short-term rates have declined.

Despite these trends, recent geopolitical 'black swan' events introduce significant uncertainty. These factors could keep rates elevated or even push them higher if inflation triggers widespread economic concern. Consequently, yields from the LGIP may remain stable or increase in the coming months. As a point of comparison, the City's interest earnings have shifted from 5.44% in September 2023 to 3.71% today. Had the LGIP not strategically extended its average investment maturity, returns would be lower, at approximately 3.68%. Currently, long-term securities are yielding nearly 0.5% more than the LGIP.



	1 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr	30 Yr
1/9/2026	3.580	3.590	3.580	3.490	3.510	3.570	3.740	4.170	4.820
12/16/2025	3.660	3.620	3.600	3.500	3.480	3.530	3.700	4.150	4.830
Difference	-0.080%	-0.030%	-0.020%	-0.010%	0.030%	0.040%	0.040%	0.020%	-0.010%

Source: https://www.treasury.gov/resource-center/data-chart-center/interest-rates/pages/textview.aspx?data=yield

Strategy Notes. The City of Black Diamond's investments are not typically actively traded, meaning that there are no attempts to "buy low and sell high" or efforts to "time the market" are being made. Investments purchased with the intent of providing investment income are intended to be held to maturity, relying on following a prudent course of action for income rather than predicting market direction.

Black Diamond Investment Portfolio (as of March 31, 2026)		
LGIP	$12,462,466	62.4%
Treasuries	$2,500,000	12.5%
Agencies	$5,000,000	25%
Totals	**$19,962,466**	**100%**

Debt Activity

The City's last debt payment took place in May 2024. The City of Black Diamond is completely debt free to external issuers. However, the Enterprise Funds are indebted to the General Fund due to the acquisition of land on Lawson Street. A comprehensive city-wide debt report is attached with current balances.

Interfund Borrowings and Investments

Borrowing between funds is temporary in nature, reviewed periodically by staff and is amended as circumstances change.

Within the 2026 – 2031 Capital Improvement Plan (Reference: Page 74), designated a priority to purchase the property located on 26202 Lawson Street for the purpose of enlarging Public Works physical footprint for storage and operational usage. With the passage of Ordinance No. 26 – 1247 the Black Diamond City Council authorized an interfund loan from the General Fund to the Public Works Department to facilitate the acquisition of the property located at 26202 Lawson Street. This transaction utilized existing General Fund reserves to facilitate a Capital Improvement Project. Per the terms of the ordinance, the General Fund will be made whole through the receipt of principal and interest earnings payments over the course of a three-year period. The interest rate of the interfund loan will be set as the yearly average gross earnings rate for each year of payment, for the purposes of the repayment schedule below the interest rate is estimated to be 3.7%.

26202 Lawson Street Interfund Loan Debt Payment Schedule & Allocations

Interfund Loan Cost Allocation			
Fund	**Department**	**Allocation**	**Cost**
General Fund	Parks Department	11.6%	$61,205.43
General Fund	Cemetery Department	4.1%	$21,900.65
Street Fund	Street Fund	20.3%	$107,334.32
Water Fund	Water Fund	22.6%	$119,395.55
Sewer Fund	Sewer Fund	21.9%	$115,639.64
Stormwater Fund	Stormwater Fund	19.6%	$103,525.51
	Total Costs	**100.0%**	**$529,001.09**
General Fund Payment			$190,440.39
Total Amount of Loan			**$338,560.70**

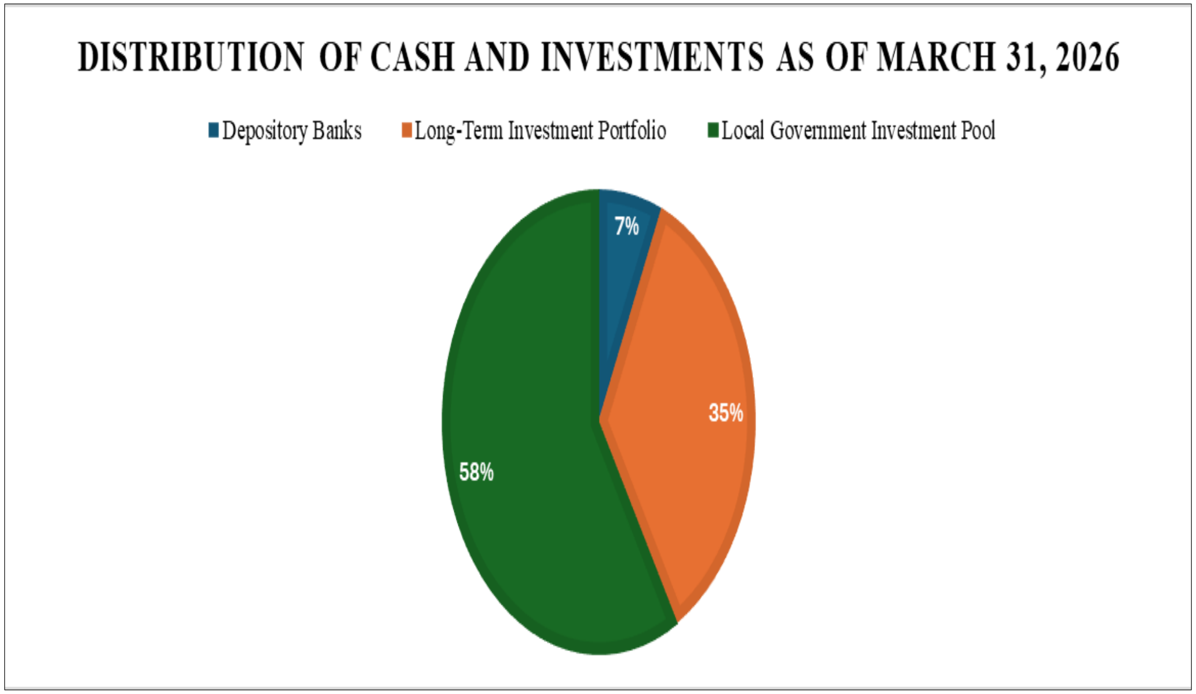
The following table outlines the Interfund Loan Payment Schedule issued to the Public Works Department for the Water, Sewer, and Stormwater Enterprise Funds. Notably, the Parks and Cemetery departments are excluded from this schedule; as they operate within the General Fund, their allocated costs did not require an interfund loan. Similarly, the Street Special Revenue Fund did not receive a loan, as its operations are already heavily supplemented by General Fund transfers.

Interfund Loan Payment Schedule				
Water Fund	**Year 1**	**Year 2**	**Year 3**	**Total Payment**
Principle Payment	$39,798.52	39798.52	39798.51	$119,395.55
Remaining Principle	$79,597.03	$39,798.51	$0.00	
Interest Payment	$4,417.64	$2,945.09	$1,472.54	$8,835.27
Total Payment	**$44,216.15**	**$42,743.61**	**$41,271.05**	**$128,230.82**
Sewer Fund	**Year 1**	**Year 2**	**Year 3**	**Total Payment**
Principle Payment	$38,546.55	$38,546.55	$38,546.55	$115,639.64
Remaining Principle	$77,093.09	$38,546.55	$0.00	
Interest Payment	$4,278.67	$2,852.44	$1,426.22	$8,557.33
Total Payment	**$42,825.21**	**$41,398.99**	**$39,972.77**	**$124,196.97**
Stormwater Fund	**Year 1**	**Year 2**	**Year 3**	**Total Payment**
Principle Payment	$34,508.50	$34,508.50	$34,508.50	$103,525.51
Remaining Principle	$69,017.01	$34,508.50	$0.00	$103,525.51
Interest Payment	$3,830.44	$2,553.63	$1,276.81	$7,660.89
Total Payment	**$38,338.95**	**$37,062.13**	**$35,785.32**	**$111,186.40**
	Year 1	**Year 2**	**Year 3**	**Total Profit**
General Fund Profit	**$12,526.75**	**$8,351.16**	**$4,175.58**	**$25,053.49**

**Estimate 3.7% interest*

Prior to the current interfund loan that was made to acquire 26202 Lawson Street, the most recent one was issued in 2017 for $160,000 to the Police Department (General Fund) from the Equipment Replacement Fund (510). The General Fund repaid the Equipment Replacement Fund $160,000 in principle and $4,000 in interest at a 2.5% interest rate, totaling $164,000 for repayment.

City of Black Diamond Distribution of Cash and Investments



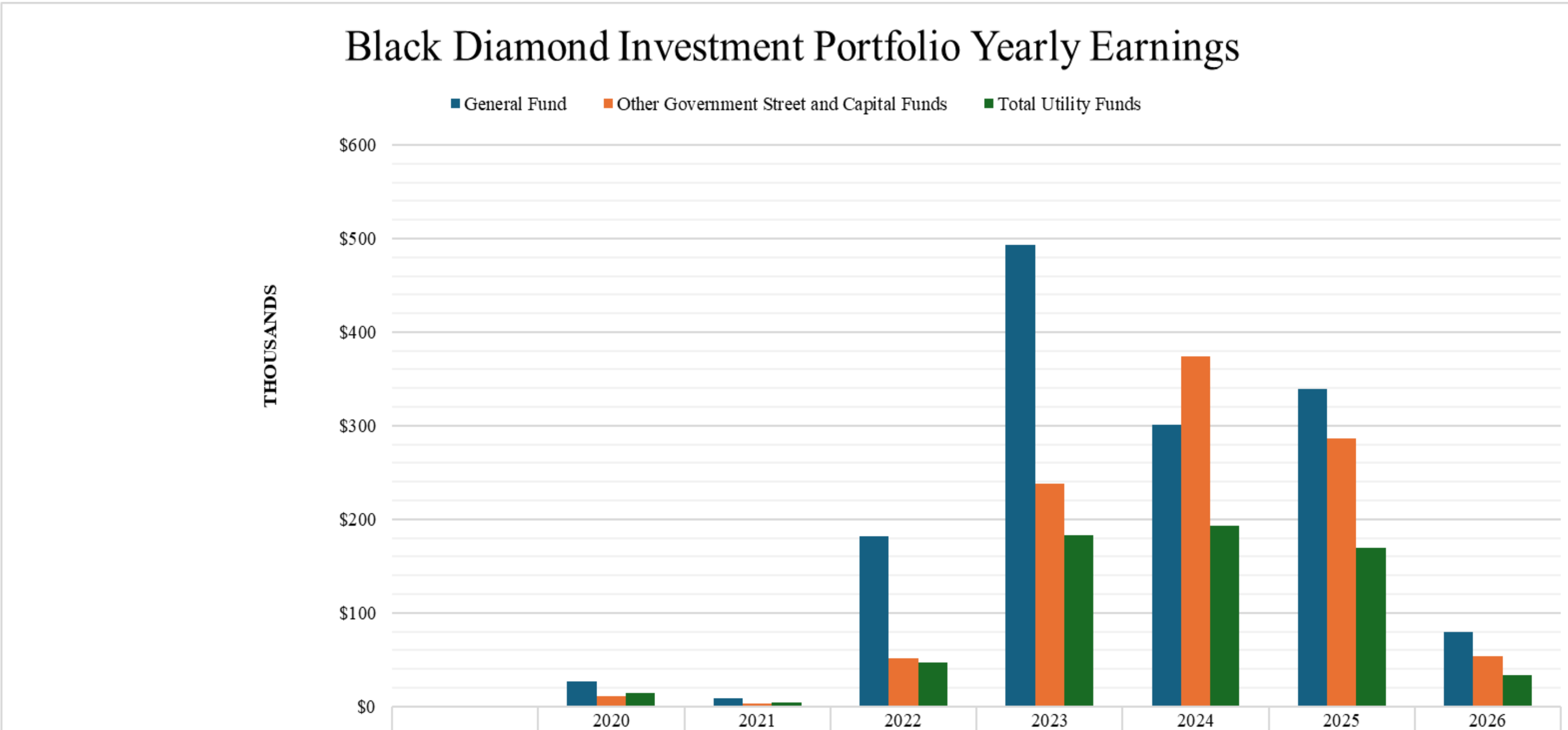
Investment Portfolio – Inventory by Agency

Investment Portfolio - Inventory by Agency							
Agency	**Inv#**	**Face Value**	**Price**	**Coupon**	**Settle**	**Maturity**	**Callable**
Federal Farm Credit Bank	001	$1,000,000	$999,462	4.16	2/21/2024	2/13/2029	No
Federal Home Loan Bank	002	$1,000,000	$971,840	4.14	2/21/2024	6/9/2028	No
United States Treasury	003	$1,000,000	$976,921	4.2	2/21/2024	1/31/2028	No
United States Treasury	004	$1,000,000	$974,347	4.23	2/21/2024	6/30/2027	No
Federal Farm Credit Bank	005	$1,000,000	$955,014	4.165	3/06/2024	3/21/2029	Yes
Federal Farm Credit Bank	006	$1,000,000	$991,036	4.81	4/15/2024	6/23/2026	No
United States Treasury	007	$500,000	$506,376	4.23%	4/18/2024	1/15/2027	No
Federal Home Loan Mortgage Corporation	008	$1,000,000	$997,500	4.008%	12/11/2025	12/11/2030	Yes

Black Diamond Investment Portfolio Earnings

	Fund	2026	2025	2024	2023	2022	2021	2020
001	General Fund	$79,253.65	$339,018.91	$300,917.64	$493,212.29	$181,420.21	$8,680.34	$26,701.59
101	City Street Fund	$3,908.12	$10,528.28	$18,517.77	$13,281.65	$4,433.97	$142.43	$242.55
107	Fire Impact Mitigation Fee Fund	$12,491.26	$69,590.80	$65,119.85	$64,183.52	$31,727.35	$1,451.63	$7,345.30
108	Transportation Benefit District Fund	$165.63	$2,416.15	$3,303.91	$4,447.15	$1,418.98	$66.09	$278.48
109	Traffic Mitigation Fund	$0.00	$1.86	$465.64	$3,751.68	$4,515.09	$181.88	$937.15
110	ARPA Recovery Federal Funds	$0.00	$0.00	$0.00	$7,451.79	$4,968.60	$333.36	$0.00
112	Traffic Impact Fees	$0.00	$6,482.09	$3,711.35	$1,702.81	$29.15	$0.00	$0.00
310	CIP Fund: General Government	$24,984.95	$139,734.84	$204,740.31	$97,137.04	$0.00	$0.00	$0.00
311	REET 1 Fund	$4,031.84	$17,328.40	$24,972.30	$28,977.58	$3,911.81	$544.74	$2,665.46
320	CIP Fund: Streets	$8,117.86	$40,151.06	$53,276.94	$16,998.50	$0.00	$0.00	$0.00
321	REET 2 Fund	$3,596.87	$6,414.74	$16,384.89	$24,239.44	$12,979.40	$726.74	$2,919.73
401	Water Fund	$12,339.25	$41,589.13	$43,298.23	$26,330.88	$7,367.87	$727.13	$4,223.62
402	WSFFA Fund	$676.89	$6,134.72	$10,346.55	$11,164.14	$3,698.01	$1,126.18	$1,420.71
404	Water Capital Fund	$8,416.98	$49,767.11	$54,762.98	$74,066.44	$14,194.74	$618.67	$2,441.84
407	Sewer Fund	$3,799.03	$20,997.98	$30,165.77	$28,365.94	$8,320.99	$427.16	$1,719.56
408	Sewer Capital Projects	$3,481.77	$15,274.86	$18,119.16	$15,953.45	$4,768.75	$240.10	$1,348.21
410	Stormwater Fund	$275.69	$4,964.63	$17,280.99	$16,818.44	$5,475.08	$388.80	$1,563.67
412	Stormwater Capital Projects	$2,267.54	$11,225.23	$7,735.90	$1,256.94	$0.00	$0.00	$0.00
510	Internal Service Fund	$2,370.48	$19,434.70	$11,703.41	$8,916.52	$2,883.54	$293.40	$1,644.92
	Grand Total	**$171,347.87**	**$801,237.53**	**$884,823.59**	**$938,256.20**	**$292,113.54**	**$15,948.65**	**$55,452.79**

Black Diamond Investment Portfolio Yearly Earnings



		2020	2021	2022	2023	2024	2025	2026
General Fund		$26,701.59	$8,680.34	$181,420.21	$493,212.29	$300,917.64	$339,018.91	$79,253.65
Other Government Street and Capital Funds		$11,468.94	$2,720.13	$51,004.95	$237,931.72	$374,108.07	$286,233.48	$53,699.66
Total Utility Funds		$14,362.53	$3,821.44	$46,708.98	$182,872.75	$193,412.99	$169,388.36	$33,627.63

Long Term Debt Schedule

Long Term Debt Schedule					
Date Issued	Maturity	Description	Note	Amount of Issue	Current Balance
2005	May 2024	Water Debt Service		$5,447,820	$0

Restricted and Committed Portion of Ending Cash and Investments

To ensure the City’s financial statements align with the Washington State Auditor’s Office (SAO) BARS Manual and GASB Statement No. 54, the following definitions categorize the City's cash and investment balances based on the "hierarchy of constraint." These classifications inform the Council and the public exactly how much of the City's funds are legally restricted, committed, assigned, or unassigned.

Fund Balance Classifications & Definitions

The City of Black Diamond reports fund balances in five specific categories (Non-spendable, Restricted, Committed, Assigned, and Unassigned). The following four are most relevant to our current cash position:

1. Restricted Fund Balance

- Definition: Resources that are subject to constraints imposed by external parties or legal mandates.
- Authority: Constraints are established by Washington State law (RCW), federal grant agencies, or bond covenants.
- City Context: This includes REET (I & II), Impact Fees, and the Street Fund (Gas Tax), which are legally "locked" for specific capital or transportation purposes and cannot be diverted to general operations.

2. Committed Fund Balance

- Definition: Resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council.
- Authority: A commitment is the City’s most binding constraint and requires a formal Ordinance or Resolution to establish or rescind.
- City Context: This represents "self-imposed" restrictions, such as the Water System Facility Funding Agreement (WSFFA) deposits or specific reserves the Council has legislatively set aside for future equipment replacement.

3. Assigned Fund Balance

- Definition: Resources that reflect the City's intended use for a specific purpose but do not meet the criteria of Restricted or Committed.
- Authority: Unlike commitments, assigned funds do not require a formal Ordinance. The Council or an authorized City official (e.g., Finance Director) may assign these funds through the budget process or a simple Motion.
- City Context: This includes "encumbrances" (funds set aside for open purchase orders) or amounts designated in the budget for specific one-time projects that have not yet begun.

4. Unassigned Fund Balance

- Definition: The residual classification for the General Fund representing all amounts not contained in the other classifications.
- Authority: These funds are fully discretionary and available for any valid municipal purpose.
- City Context: This is the City's "True Surplus." It serves as the primary safety net for emergency expenditures or as a funding source for future Council priorities.

Summary of Funding Constraints

Classification	Source of Constraint	Level of Flexibility
Restricted	External (State Law/Grantors)	None (Legally Mandated)
Committed	City Council (Ordinance/Resolution)	Low (Requires Legislation)
Assigned	Management/City Council Intent	Moderate (Budgetary Intent/Emergency Reserves)
Unassigned	Residual Fund Reserves	High (Full Discretion)

The following section provides a comprehensive breakdown of the City's fund balance classifications as of December 31, 2025. In accordance with GASB Statement No. 54 and the Washington State BARS Manual, these balances are categorized as Restricted, Committed, Assigned, or Unassigned based on the extent to which the City is bound to observe constraints on specific purposes.

Each entry details the respective fund, the year-end balance, and the specific legal or legislative authority, that governs the use of these resources. This hierarchy ensures that the City remains in full compliance with external mandates while maintaining the necessary transparency regarding the Council's discretionary fiscal capacity.[1]

Restricted Fund Balances[2]

On December 31, 2025, the City of Black Diamond had the following Restricted Fund Balances[3]:

1. **General Fund**
    - Fund: General Fund, 001
    - Amount: $25,923
    - Note: Police Drug Funds
    - Authority: RCW
2. **Fire Impact Fee Fund**
    - Fund: Fire Impact Fee Fund, 107
    - Amount: $1,415,578
    - Note: Fire Impact Fees collected by the City are legally restricted to fund specific capital projects and improvements necessitated by new development.
    - Authority: RCW 82.02.050-110
3. **General Fund Capital Improvement Plan Fund**

[1] These fund balance designations, are consistent with the following reports that are regularly reviewed by the Black Diamond City Council: (1) Income Statements, (2) the Audited Annual Financial Report, (3) the Annual Report; additionally, (4) they are thoroughly discussed during the annual budget process. This information has been added to the Quarterly Investment Report to increase accessibility to this information.

[2] Numbers are rounded to the nearest whole dollar.
[3] The ending fund balances are unaudited as of May 2026.

- Fund: General Fund Capital Improvement Plan Fund, 310
- Amount: $1,829,467
- Note: Real Estate Excise Tax (REET) revenues are subject to specific statutory restrictions and are dedicated primarily to the City's Capital Improvement Plan (CIP). Unlike General Fund operating revenues, REET collections are restricted for "capital projects and outlay," which includes the planning, construction, and improvement of public infrastructure.
- Authority: RCW 82.46.010

4. **Street Fund Capital Improvement Plan Fund**

- Fund: Street Fund, Capital Improvement Plan Fund, 320
- Amount: $1,270,785
- Note: Real Estate Excise Tax (REET) revenues are subject to specific statutory restrictions and are dedicated primarily to the City's Capital Improvement Plan (CIP). Unlike General Fund operating revenues, REET collections are restricted for "capital projects and outlay," which includes the planning, construction, and improvement of public infrastructure.
- Authority: RCW 82.16.035

5. **Water Utility Reserve and Capital Funds**

- Fund: Water Utility WSSFA Fund, 404
- Amount $79,977
- Note: A key component of the City's capital strategy is the Water System Facility Funding Agreement (WSFFA). Under this agreement, developers provide pre-funding deposits specifically designated for the design and construction of major water infrastructure projects.
- Authority: Black Diamond City Council/Developer Agreement

6. King County Treasurer's Trust

   - Fund: King County Treasurer's Trust and Washington State Treasurer's Trust, 633
   - Amount: $30,174
   - Note: The City of Black Diamond partners with the King County Treasurer for the collection and distribution of certain assessments such as community development related fees, pet licenses, and municipal court fees and other assessments.
   - Authority: RCW

7. Other Special Revenue Funds

   Special Revenue Funds are established to collect and account for revenues that are legally restricted or committed to specific purposes. These funds provide an added layer of accountability and transparency, ensuring that taxpayer dollars are used solely for their intended projects or services.

   By segregating these revenues from the General Fund, the City can clearly demonstrate how specific taxes, fees, grants, or other dedicated sources are being applied to meet public objectives such as transportation improvements, parks development, and other projects.

   - The following are other funds that are generally restricted in usage but are not listed because their balances were equal to zero at the end of December 2025. These are generally special revenue funds, which represent a significant portion of the City's funds. These funds are often transferred to appropriate operational funds or transferred to a third party such as the Enumclaw School District who would then use these funds for the purpose intended generally by either King County or Washington State.

     i. Transportation Benefit District, 108

   - Note: Transportation Benefit District Revenues are dedicated exclusively to maintaining and improving City streets. Funded activities include but are not limited to: roadway striping and pavement maintenances; pothole repair and should grading; maintenance of streetlights, signals, and sidewalks; vegetation control and traffic signage; and general street safety enhancements. This dedicated fund source plays a critical role in supplementing limited gas tax revenues, helping the City preserve a safe and functional transportation infrastructure.

ii. American Rescue Plan Act (ARPA) Federal Recovery Funds, 110

- Note: From 2021 through 2024, the City of Black Diamond utilized one-time federal funding provided through the American Rescue Plan Act (ARPA) to support community resilience and essential government services following the COVID-19 pandemic. These funds were strictly governed by U.S. Treasury Department regulations, which required all resources to be obligated and expended within specific federal timelines.

As of the 2023 fiscal year-end, the City successfully deployed 100% of its allocated ARPA recovery funds toward eligible infrastructure and public safety initiatives. While this fund now carries a zero balance and is considered "fully sunset," it remains in our financial reports for historical continuity and to document the City's compliance with federal close-out and audit requirements.

iii. School Impact Fee Fund, 111

- Note: In 2020, the Black Diamond City Council enacted legislation authorizing the collection of school impact fees from new developments within the city limits. These fees are collected on behalf of the four school districts serving our community: Enumclaw, Kent, Tahoma, and Auburn.

  In accordance with Washington State Auditor's Office (SAO) requirements, these resources are tracked within a dedicated Special Revenue Fund. This ensures full transparency and distinct separation from City operating funds. The City acts as a fiduciary agent for these districts; fees are collected during the permitting process and subsequently transferred to the respective school districts to fund growth-related infrastructure. These accounts function as "pass-through" or "sweep" accounts and do not represent discretionary City revenue.

Committed Fund Balances

On December 31, 2025, the City of Black Diamond had the following Committed Fund Balances:

1. **Transferable Development Rights Fund**
   - Fund: Transferable Development Rights, 113

- Amount: $945,000
- Note: Funds received for the Sale of Development Right Certificates and can be used for the purpose of developing, preserving, and enhancing public properties and open spaces.
- Authority: Black Diamond City Council

2. **Traffic Impact Fee Fund**
   - Fund: Traffic Impact Fee Fund, 112
   - Amount: $192,236
   - Note: Traffic Impact Fees are collected by the City and are legally restricted to fund specific capital improvements necessitated by new development.
3.

Assigned Fund Balances

On December 31, 2025, the City of Black Diamond had the following Assigned Fund Balances:

1. **Street Fund**
   - Fund: Street Fund, 101
   - Amount: $546,173
   - Note: The Street Fund's reserves are all earned or transferred to the Street Fund. Though the Street Fund does operate, it is still considered a special revenue fund; hence, its entirety of its reserves is assigned towards Street Fund usage.
   - Authority: Black Diamond City Council/Administration
2. **Traffic Mitigation**
   - Fund: General Fund, 109
   - Amount: $2
   - Note: As a special revenue fund, the entirety of this fund's balance is assigned towards traffic mitigation purposes. With this fund being a "pass-through" of sorts, the funds that this fund generates are assigned towards passing towards that transaction.
   - Authority: Black Diamond City Council/Administration
3. **General Fund Capital Fund**
   - Fund: General Fund Capital Fund, 310

- Amount: $1,610,559
- Note: These funds have been assigned, generally, during the approval of the annual budget and Capital Improvement processes
- Authority: Black Diamond City Council/Administration

4. **Street Fund Capital Fund**
   - Fund: Street Fund Capital Fund, 320
   - Amount: $103,297
   - Note: These funds have been assigned, generally, during the approval of the annual budget and Capital Improvement processes
   - Authority: Black Diamond City Council/Administration

5. **Public Works Retainage Fund**
   - Fund: Public Works Retainage Fund, 322
   - Amount: $28,374
   - Note: The entirety of this amount has been assigned to Retainage Funds and tracked within a separate special revenue fund in accordance with the Washington State Auditor's Office.
   - Authority: Black Diamond City Council/Administration

6. **Water Reserve Operating, Reserve, and Capital Fund**
   - Fund: Water Reserve and Capital Funds, 401-404
   - Amount: $2,471,513
   - Note: These funds have been assigned, generally, during the approval of the annual budget and Capital Improvement processes
   - Authority: Black Diamond City Council/Administration

7. **Sewer Operating, Reserve, and Capital Fund**
   - Fund: Sewer Operational and Capital Funds, 407-408
   - Amount: $920,337
   - Note: These funds have been assigned, generally, during the approval of the annual budget and Capital Improvement processes.
   - Authority: Black Diamond City Council/Administration

8. **Stormwater Operating, Reserve, and Capital Fund**

- Fund: Stormwater Operational and Capital Funds, 410-412
- Amount: $352,921
- Note: These funds have been assigned, generally, during the approval of the annual budget and Capital Improvement processes
- Authority: Black Diamond City Council/Administration

9. **General Fund and Public Works Equipment Funds**
   - Fund: General Fund, 510
   - Amount: $278,045
   - Note: These funds have been assigned, generally, during the approval of the annual budget and Capital Improvement processes
   - Authority: Black Diamond City Council/Administration

Unassigned Fund Balances

On December 31, 2025, the City of Black Diamond had the following Unassigned Fund Balances:

1. **General Fund**
   - Fund: General Fund, 001
   - Amount 1: $9,145,190
   - Note: The Developer Funds of $63,000 part of the agreement with the Master Developer, these funds are categorized as unassigned. Additionally, the unassigned fund balance for the General Fund includes the 35% emergency reserves.
   - Authority: Black Diamond City Council/Administration

Overview of Fund Balances

The City's cash and investment balances are classified as restricted or committed when use is constrained by external parties (such as grantors or state law) or by formal action of the City Council. To ensure the most efficient use of City resources, Black Diamond follows a "restricted-first" spending priority. When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the City's policy is to apply restricted resources first. This approach ensures that dedicated funds are utilized for their intended purposes while preserving the City's flexible, unrestricted reserves. The following table details each funds allocation towards restricted, committed, assigned, and unassigned fund balances respectively.

Summary of Fund Balances Table, as of December 31, 2025

Fund	Restricted	Committed	Assigned	Unassigned	Total	Primary Usage
General Fund	$25,923	-	-	$9,145,190	$9,171,113	General Operations/Public Safety
Street Fund	-	-	$546,173	-	$546,173	Transportation and Street Maintenance related expenditures
Fire Impact Fees	$1,415,578	-	-	-	$1,415,578	Growth-related expenditures
Transportation Benefit District	-	-	-	-	-	Transportation and Street Maintenance related expenditures
Traffic Mitigation Fees	-	-	$2	-	$2	Growth-related expenditures
School Impact Fee Fund	-	-	-	-	-	Fiduciary agent on behalf of school districts
Traffic Impact Fees	-	$192,236	-	-	$192,236	Growth-related expenditures
Transferable Development Rights	-	$945,000	-	-	$945,000	Developing, preserving, and enhancing public properties
American Rescue Plan Act (ARPA)	-	-	-	-	$0	Eligible infrastructure and public safety initiatives

Summary of Fund Balances Table, as of December 31, 2025 (continued)

Fund	Restricted	Committed	Assigned	Unassigned	Total	Primary Usage
Real Estate Excise Tax & General Government Capital Projects	$1,829,467	-	$1,610,559	-	$3,440,026	Capital Improvement Projects
Real Estate Excise Tax II, Streets, and Retainage	$1,270,785	-	$131,671	-	$1,402,455	Retainage and REET Fund Revenues
Police and Public Works Equipment Replacement	-	-	$278,045	-	$278,045	Capital Outlay
Water Operating	-	-	$1,482,266	-	$1,482,266	General Operations
Waster/WSFFA	$79,977	-	-	-	$79,977	Developer pre-funded Water Capital Projects
Water Reserve and Capital	-	-	$989,247	-	$989,247	Capital Outlay and Capital Projects
Sewer Operating	-	-	$511,943	-	$511,943	General Operations

Summary of Fund Balances Table, as of December 31, 2025 (continued)

Fund	Restricted	Committed	Assigned	Unassigned	Total	Primary Usage
Sewer Reserve and Capital	-	-	$408,394	-	$408,394	Capital Outlay and Capital Projects
Stormwater Operating	-	-	$86,950	-	$86,950	General Operations
Stormwater Reserves and Capital	-	-	$265,972	-	$265,972	Capital Outlay and Capital Projects
Trust Funds (combined)	$30,174	-	-	-	$30,174	Fiduciary agent on behalf of the State of Washington and King County
Total for All Funds	**$4,651,903**	**$1,137,236**	**$6,311,221**	**$9,145,190**	**$21,245,550**	

Black Diamond 2026 1st Quarter Financial Report

Overview

The 1st Quarter Financial Report summarizes the 2026 budgeted revenues and expenditures compared to the actual revenues and expenditures received through March 31, 2026.

Overview, Continued

This report includes statements for the General Fund, Street Fund, Water Fund, Sewer Fund, Stormwater Fund, balance sheet, and Black Diamond’s investment portfolio.

Agenda

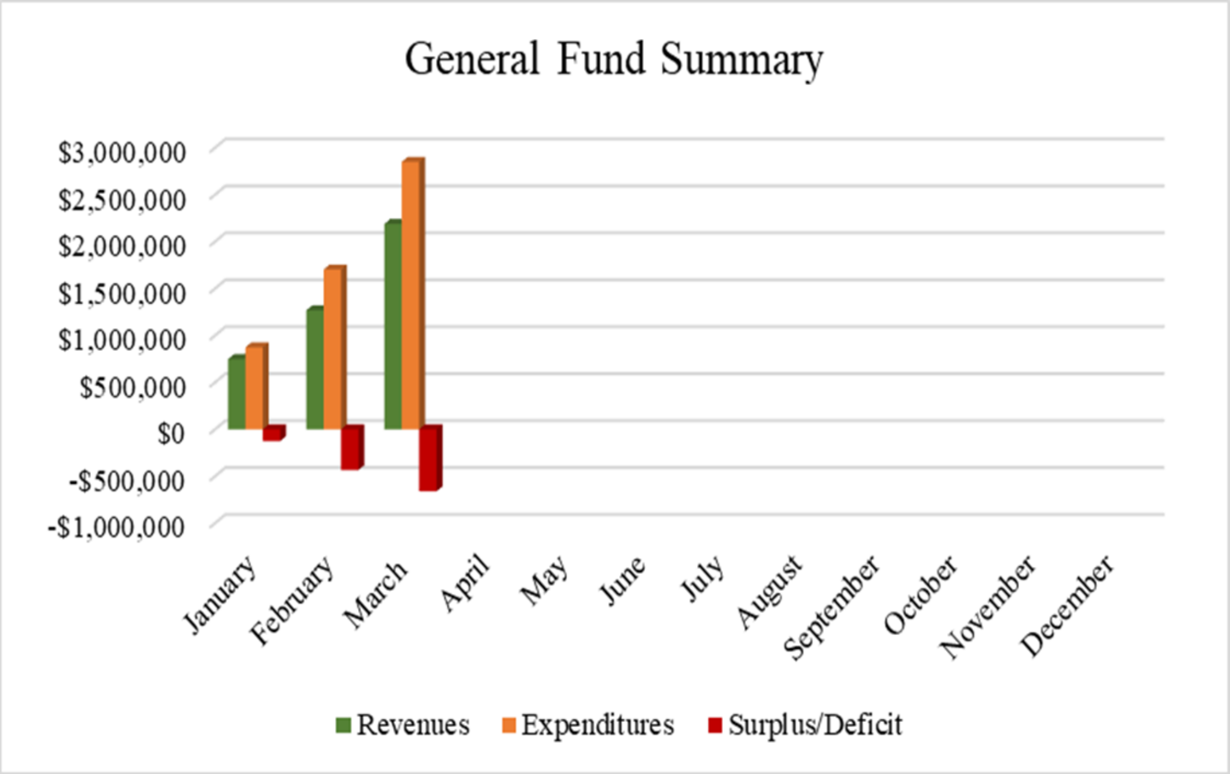
1. Fund Performance Summaries, 1st Quarter
2. Cash and Investment Balances Summary
3. Fund Balance Classification of Ending Cash and Investments

Fund Performance Summaries, 1st Quarter 2026

General Fund Summary

The General Fund ended the 1st Quarter of 2026 with the following:

	Amount	% of Budget
Total Revenues	$2,188,252	16.6% of budget
Total Expenditures	$2,849,216	21.3% of budget
Surplus/Deficit	$660,963	

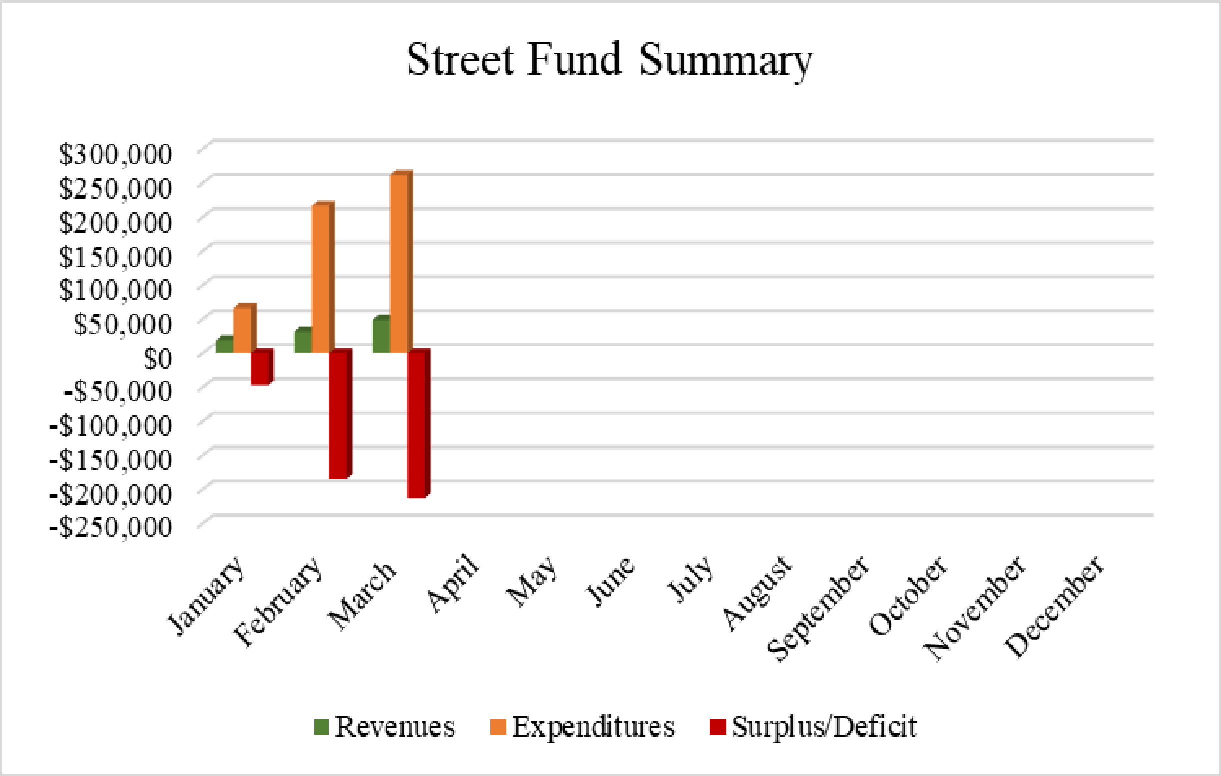


The General Fund deficit is largely due to an interfund loan to Public Works. However, this deficit is expected to decrease following the receipt of property taxes in April.

Street Fund Summary

The Street Fund ended the 1st Quarter of 2026 with the following:

	Amount	% of Budget
Total Revenues	$48,800	9% of budget
Total Expenditures	$261,725	37% of budget
Surplus/Deficit	$212,925	

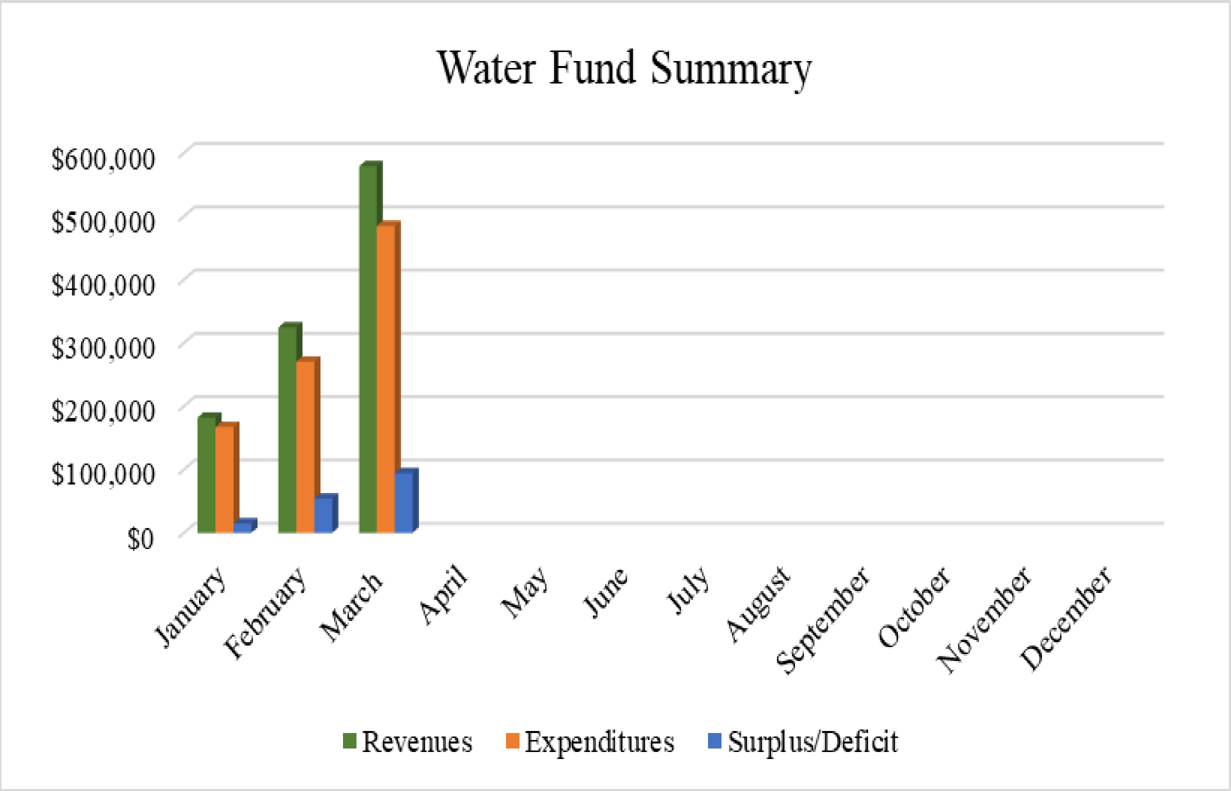


The Street Fund is heavily supplemented by internal transfers. Its deficit is largely due to one-time, large expenses paid within the first quarter, such as insurance and a recent land acquisition.

Water Fund Summary

The Water Fund ended the 1st Quarter of 2026 with the following:

	Total Amount	% of Budget
Total Revenues	$578,899	20% of budget
Total Expenditures	$484,362	18% of budget
Surplus/Deficit	$94,267	

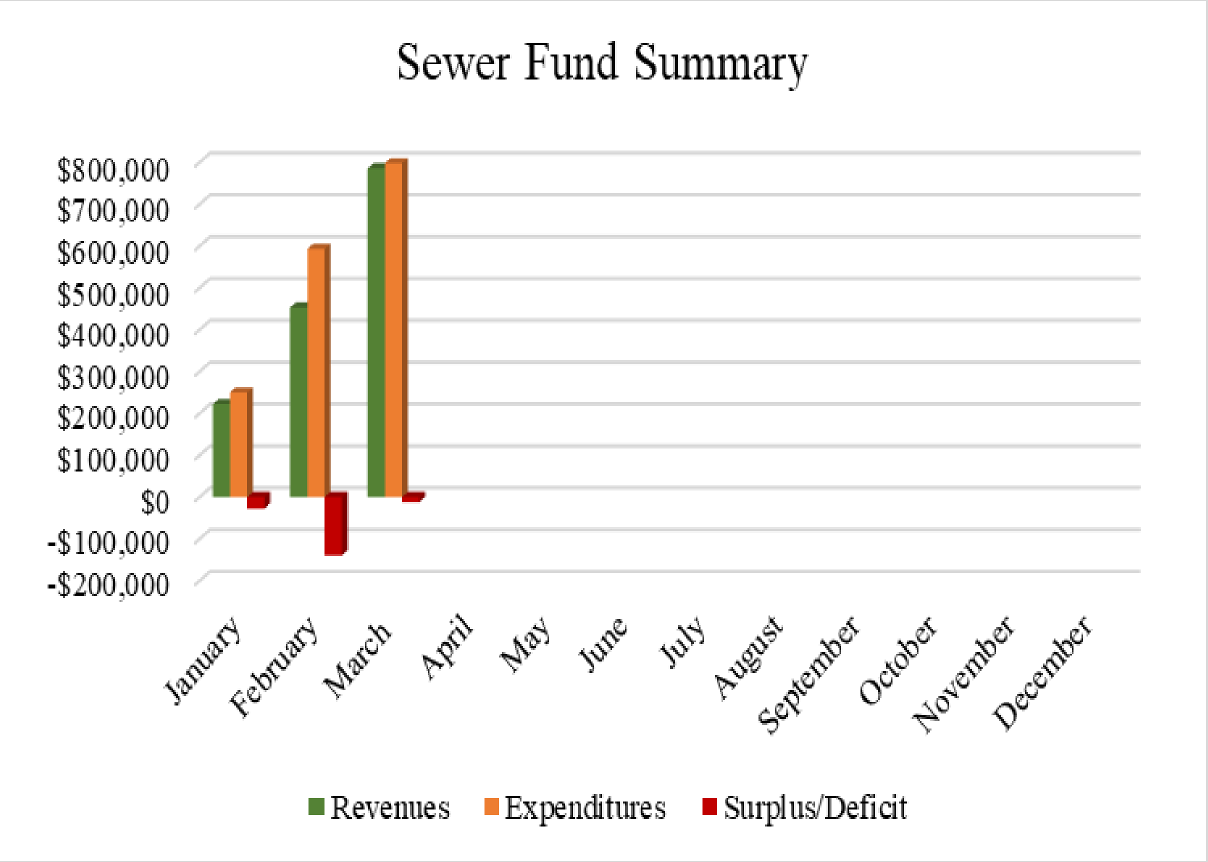


The Water Fund finished the first quarter with a surplus. Thus far, the fund is performing strongly and tracking closely to its budgeted projections. As the year progresses, both revenue rates and expenses are expected to increase, the latter driven by internal transfers for various capital needs.

Sewer Fund Summary

The Sewer Fund ended the 1st Quarter of 2026 with the following:

	Total Amount	% of Budget
Total Revenues	$785,309	27% of budget
Total Expenditures	$797,671	27% of budget
Surplus/Deficit	$12,362	

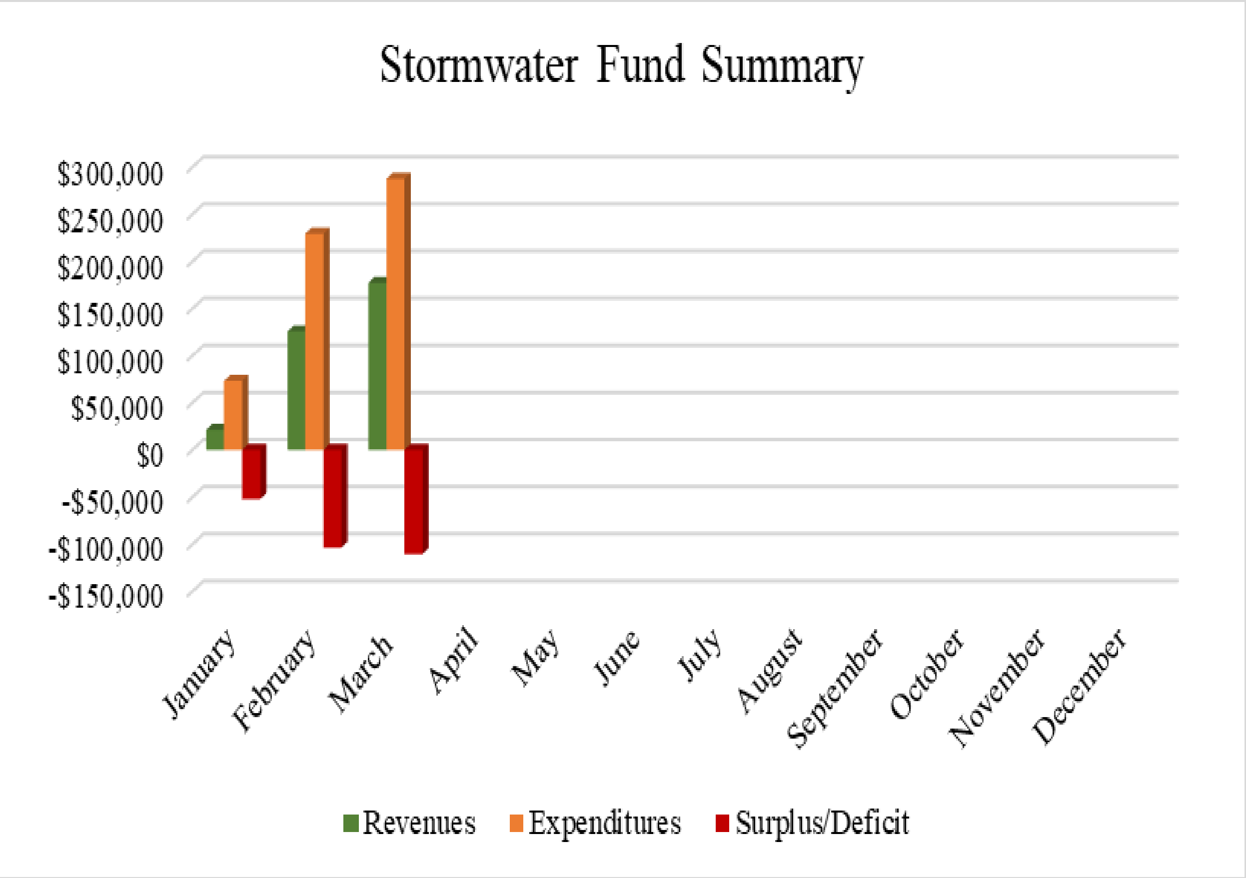


The Sewer Fund ended the first quarter with a minor deficit of $12,362. However, the fund is performing strongly and tracking closely to its budgeted projections. Because both revenues and expenditures are currently on pace with budgeted expectation and may break-even by the end of the year.

Stormwater Fund Summary

The Stormwater Fund ended the 1st Quarter of 2026 with the following:

	Total Amount	% of Budget
Total Revenues	$177,304	15.6% of budget
Total Expenditures	$287,868	27.3% of budget
Surplus/Deficit	$110,563	



The Stormwater Fund ended the first quarter with a deficit of $110,563. Because the fund collects the bulk of its revenue in two tranches throughout the year, this deficit is a timing-related cash-flow issue rather than an operational one. This shortfall has already been resolved following the receipt of the first revenue tranche in April.

Cash and Investment Balances

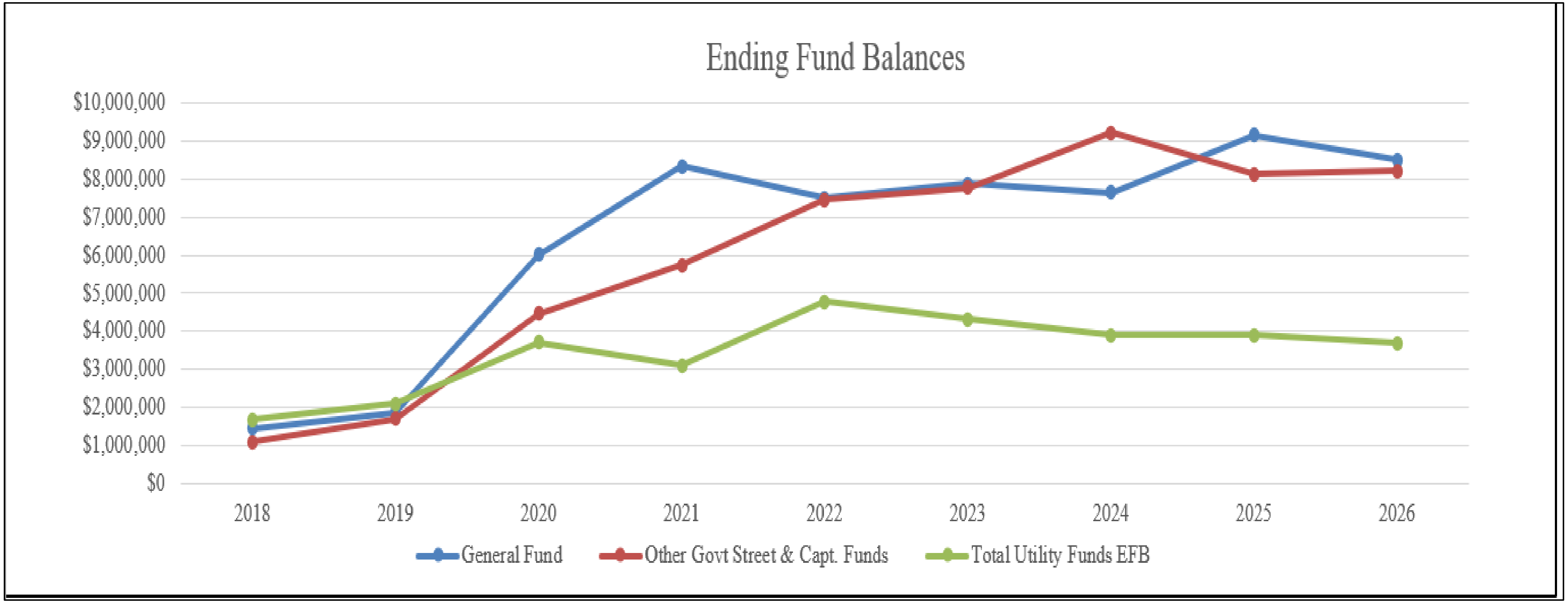
Cash and Investment Balance Report

Cash & Investment Balance Report 1st Quarter 2026

GOVERNMENTAL FUNDS	2020	2021	2022	2023	2024	2025	2026
General Fund Ending Fund Balance	**6,022,285**	**8,346,574**	**7,506,059**	**7,880,874**	**7,659,424**	**9,171,113**	**8,510,150**
Capital and Special Revenue Funds							
Street Fund	188,158	292,205	325,924	450,146	405,754	546,173	333,248
Fire Impact Fees	1,135,891	1,623,301	1,239,869	1,142,030	1,302,154	1,415,578	1,513,312
TBD-Car Tabs	33,607	53,427	78,497	60,907	0	0	61,792
Traffic Mitigation/Impact Fees	170,342	216,654	288,438	118,986	77,287	192,238	32,031
Transferrable Development Rights	0	0	0	0	945,000	945,000	945,000
ARPA Recovery Funds	0	568,288	151,212	0	0	0	0
School Impact Fee Fund	0	0	0	0	0	0	24,906
REET I & Gen Govt Cap Proj	1,856,948	1,606,887	4,246,747	4,586,993	4,858,663	3,440,026	3,484,081
REET II, PW-Streets, and Retainage	915,195	1,275,958	1,034,878	1,334,676	1,525,454	1,402,455	1,630,477
Police Equipment Replacement	168,868	115,771	103,780	76,793	109,237	196,151	198,572
Other Government, Street & Capt.	**4,469,009**	**5,752,491**	**7,469,345**	**7,770,531**	**9,223,550**	**8,137,620**	**8,223,419**
Total Government Ending C&I	**10,491,294**	**14,099,065**	**14,975,404**	**15,651,405**	**16,882,974**	**17,308,733**	**16,733,569**
UTILITY FUNDS							
Water Operating	660,141	626,793	704,394	1,010,250	951,250	1,482,266	1,576,533
Water/WSFFA	1,240,281	498,658	257,340	212,868	178,152	79,977	69,510
Water Reserve & Capital	602,226	521,335	2,251,540	1,169,849	1,202,184	989,247	799,553
Sewer Operating	419,155	494,625	627,875	678,789	602,074	511,943	499,580
Sewer Reserve & Capital	272,463	325,312	372,446	391,799	367,819	408,394	411,876
Stormwater Operating	344,919	428,667	414,572	488,320	168,936	86,950	(23,614)
Stormwater Reserves & Capital	39,730	12,878	82,913	231,314	300,857	265,972	268,239
PW Equipment Replacement	136,577	183,239	72,304	133,340	119,393	81,895	79,888
Total Util Funds Ending C&I	**3,715,492**	**3,091,507**	**4,783,383**	**4,316,529**	**3,890,665**	**3,906,643**	**3,681,566**
Trust Funds-due to others*	**4,322**	**8,215**	**2,475**	**16,132**	**8,003**	**30,174**	**43,274**
Total Ending-Cash & Inv.**	**14,211,108**	**17,198,787**	**19,761,262**	**19,984,067**	**20,781,642**	**21,245,550**	**20,458,408**

*Note: The Cash and Investment Balances includes reserve funds; whereas the earlier fund summaries do not.

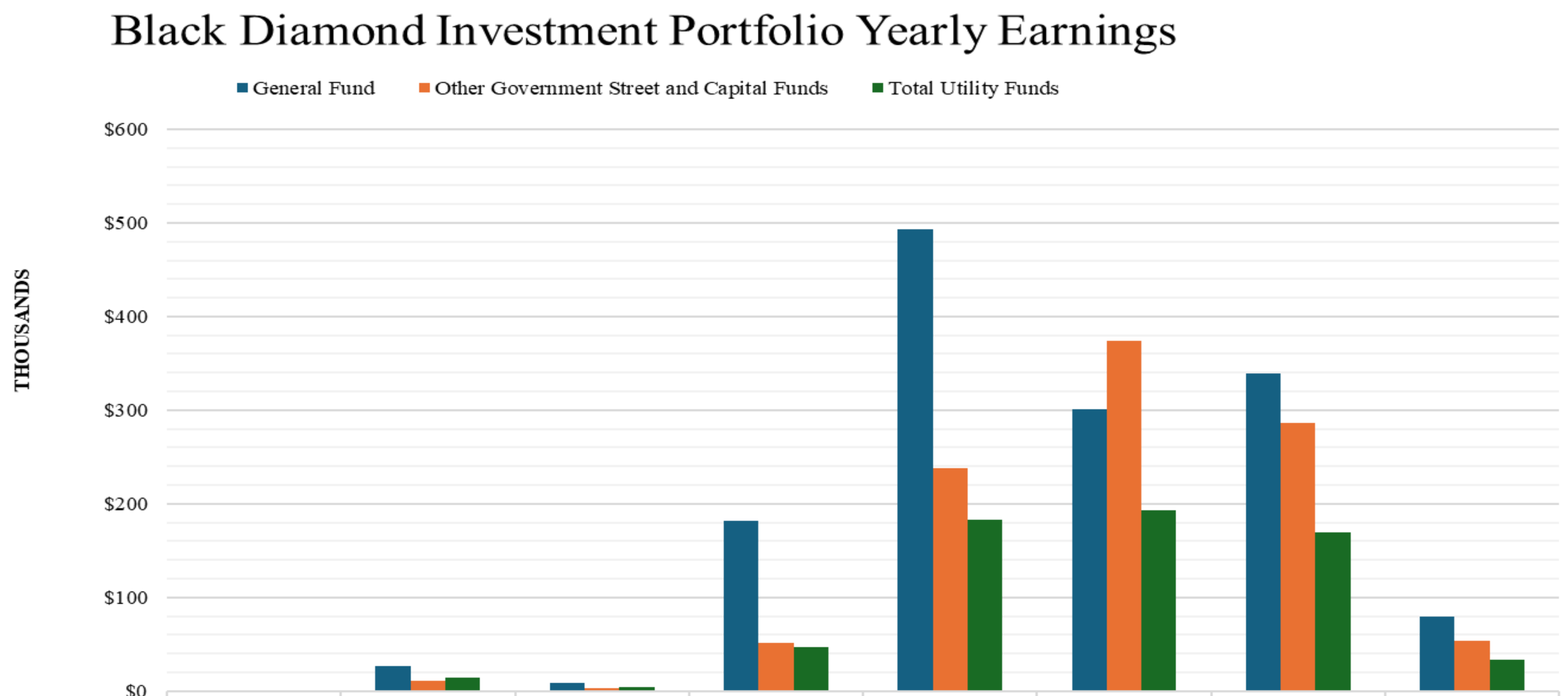
Cash and Investment Balance Report



Black Diamond Investment Portfolio Earnings

	Fund	2026	2025	2024	2023	2022	2021	2020
001	General Fund	$79,253.65	$339,018.91	$300,917.64	$493,212.29	$181,420.21	$8,680.34	$26,701.59
101	City Street Fund	$3,908.12	$10,528.28	$18,517.77	$13,281.65	$4,433.97	$142.43	$242.55
107	Fire Impact Mitigation Fee Fund	$12,491.26	$69,590.80	$65,119.85	$64,183.52	$31,727.35	$1,451.63	$7,345.30
108	Transportation Benefit District Fund	$165.63	$2,416.15	$3,303.91	$4,447.15	$1,418.98	$66.09	$278.48
109	Traffic Mitigation Fund	$0.00	$1.86	$465.64	$3,751.68	$4,515.09	$181.88	$937.15
110	ARPA Recovery Federal Funds	$0.00	$0.00	$0.00	$7,451.79	$4,968.60	$333.36	$0.00
112	Traffic Impact Fees	$0.00	$6,482.09	$3,711.35	$1,702.81	$29.15	$0.00	$0.00
310	CIP Fund: General Government	$24,984.95	$139,734.84	$204,740.31	$97,137.04	$0.00	$0.00	$0.00
311	REET 1 Fund	$4,031.84	$17,328.40	$24,972.30	$28,977.58	$3,911.81	$544.74	$2,665.46
320	CIP Fund: Streets	$8,117.86	$40,151.06	$53,276.94	$16,998.50	$0.00	$0.00	$0.00
321	REET 2 Fund	$3,596.87	$6,414.74	$16,384.89	$24,239.44	$12,979.40	$726.74	$2,919.73
401	Water Fund	$12,339.25	$41,589.13	$43,298.23	$26,330.88	$7,367.87	$727.13	$4,223.62
402	WSFFA Fund	$676.89	$6,134.72	$10,346.55	$11,164.14	$3,698.01	$1,126.18	$1,420.71
404	Water Capital Fund	$8,416.98	$49,767.11	$54,762.98	$74,066.44	$14,194.74	$618.67	$2,441.84
407	Sewer Fund	$3,799.03	$20,997.98	$30,165.77	$28,365.94	$8,320.99	$427.16	$1,719.56
408	Sewer Capital Projects	$3,481.77	$15,274.86	$18,119.16	$15,953.45	$4,768.75	$240.10	$1,348.21
410	Stormwater Fund	$275.69	$4,964.63	$17,280.99	$16,818.44	$5,475.08	$388.80	$1,563.67
412	Stormwater Capital Projects	$2,267.54	$11,225.23	$7,735.90	$1,256.94	$0.00	$0.00	$0.00
510	Internal Service Fund	$2,370.48	$19,434.70	$11,703.41	$8,916.52	$2,883.54	$293.40	$1,644.92
	Grand Total	**$171,347.87**	**$801,237.53**	**$884,823.59**	**$938,256.20**	**$292,113.54**	**$15,948.65**	**$55,452.79**

Black Diamond Investment Earnings, by Fund



	2020	2021	2022	2023	2024	2025	2026
General Fund	$26,701.59	$8,680.34	$181,420.21	$493,212.29	$300,917.64	$339,018.91	$79,253.65
Other Government Street and Capital Funds	$11,468.94	$2,720.13	$51,004.95	$237,931.72	$374,108.07	$286,233.48	$53,699.66
Total Utility Funds	$14,362.53	$3,821.44	$46,708.98	$182,872.75	$193,412.99	$169,388.36	$33,627.63

Fund Balance Classifications and Ending Cash and Investments

Fund Balance Classification of Ending Cash and Investments

Summary of Funding Constraints

Classification	**Source of Constraint**	**Level of Flexibility**
Restricted	External (State Law/Grantors)	None (Legally Mandated)
Committed	City Council (Ordinance/Resolution)	Low (Requires Legislation)
Assigned	Management/City Council Intent	Moderate (Budgetary Intent/Emergency Reserves)
Unassigned	Residual Fund Reserves	High (Full Discretion)

Fund Balance Classification of Ending Cash and Investments

Ending Cash and Investment Balances according to Classification (as of December 31, 2025)	
	Total for All Funds
Non-spendable	$0
Restricted	$4,651,903
Committed	$1,137,236
Assigned	$6,311,221
Unassigned	$9,145,190
Total Ending Cash and Investments	**$21,245,550**

CERTIFICATION

Finance Committee: June 30, 2026
Council Date: July 7, 2026

Check No.'s / EFT	Batch Name	Check / EFT Date	Amount
EFT	May 2026 EFT Batch	5/6/2026-5/29/2026	$ 69,541.53
EFT	May 2026 Credit Card Batch	5/27/2026	$ 25,250.79
57464-57514	June 2026 Regular Batch 3	7/8/2026	$ 480,506.41
57515	July 2026 Regular Batch 1	7/8/2026	$ 15,037.82
		TOTAL:	**$ 590,336.55**

I, THE UNDERSIGNED DO HEREBY CERTIFY UNDER THE PENALTY OF PERJURY, THAT THE MATERIALS HAVE BEEN FURNISHED, THE SERVICES RENDERED AND OR THE LABOR PERFORMED AS DESCRIBED HEREIN AND THAT THE CLAIM IS A JUST, DUE AND UNPAID OBLIGATION AGAINST THE CITY OF BLACK DIAMOND, AND THAT I AM AUTHORIZED TO AUTHENTICATE AND CERTIFY TO SAID CLAIM.

Xavier Mason

Xavier Mason, Finance Director

DATE: June 25, 2026

John Adler, Mayor

DATE

Register

Fiscal: 2026
Deposit Period: 2026 - July, 2026 - June, 2026 - May
Check Period: 2026 - July - 07/26 Regular Batch 1, 2026 - June - 06/26 Regular Batch 3, 2026 - May - 05/26 EFT Batch, 2026 - May - 05/26 Credit Card Batch

Name	Print Date	Amount
AHBL, Inc.	7/8/2026	$41,917.25
Alsco	7/8/2026	$118.36
Aramsco	7/8/2026	$1,100.96
Art Gamblin Motors	7/8/2026	$286.10
AT&T Mobility: First Net	7/8/2026	$3,810.27
Bigleaf Networks, Inc	7/8/2026	$264.62
Black Diamond Historical Society	7/8/2026	$343.00
Brenda Martinez	7/8/2026	$129.00
Brightly Software, Inc	7/8/2026	$13,117.75
Civic Forge LLC	7/8/2026	$3,000.00
Confidential Data Disposal	7/8/2026	$45.00
DCW - Data Center Warehouse	7/8/2026	$4,667.17
Debbie Gill	7/8/2026	$24.07
Elwalu LLC (Elephant Car Wash)	7/8/2026	$192.62
Enumclaw School District	7/8/2026	$262,946.00
GMP Consultants, LLC	7/8/2026	$225.00
Gunderson Law Firm	7/8/2026	$6,100.00
HydroCorp, LLC	7/8/2026	$12,810.00
Intercom Language Services, Inc.	7/8/2026	$935.00
Johnsons Home & Garden	7/8/2026	$120.21
King County Finance	7/8/2026	$1,813.31
Language Line Services, Inc.	7/8/2026	$48.80
LN Curtis & Sons	7/8/2026	$17.88
Madrona Law Group LLC	7/8/2026	$1,136.00
Maria Moscoso	7/8/2026	$170.00
Matzke Polygraph, LLC	7/8/2026	$250.00
McDonough & Sons, Inc.	7/8/2026	$2,338.06
Palmer Coking Coal Company	7/8/2026	$264.55
Parametrix, Inc.	7/8/2026	$11,539.18
Pierce County Clerks & Finance Officers Association	7/8/2026	$65.00
Precision Concrete Cutting, Inc.	7/8/2026	$7,967.09
Pye-Barker Fire & Safety LLC	7/8/2026	$8,382.41
Rainier Automotive	7/8/2026	$1,530.62
RH2 Engineering Inc.	7/8/2026	$56,370.35
Scheibmeir, Kelly & Nelson , P.S.	7/8/2026	$6,200.00
Seattle Times	7/8/2026	$1,775.71
Signs By Tomorrow	7/8/2026	$504.92
Smartox	7/8/2026	$900.00

Somer Johnson	7/8/2026	$500.00
South Correctional Entity	7/8/2026	$9,832.55
Tara Dunford, CPA	7/8/2026	$1,127.50
Terra Moulton	7/8/2026	$435.00
Thomson Reuters - West	7/8/2026	$249.50
Unitec Corporation	7/8/2026	$645.83
United Business Machines of WA Inc	7/8/2026	$80.30
Utilities Underground Location Center	7/8/2026	$91.08
Valley Communications Center	7/8/2026	$9,620.31
VenTek International	7/8/2026	$98.10
Vision Municipal Solutions, LLC	7/8/2026	$4,291.98
Washington State Patrol	7/8/2026	$48.00
Water Management Laboratories, Inc.	7/8/2026	$60.00
Sorci Family LLC	7/8/2026	$15,037.82
Amazon Capital Services, Inc.	5/26/2026	$2,643.42
CHS/Cenex Inc	5/26/2026	$7,032.07
Comcast	5/11/2026	$160.15
Dept of Licensing-Firearms Online	5/26/2026	$153.00
Washington State Department of Revenue	5/27/2026	$10,192.13
First Bankcard	5/27/2026	$25,250.79
Home Depot Credit Service	5/26/2026	$1,265.85
Honey Bucket	5/26/2026	$859.00
Invoice Cloud	5/11/2026	$581.40
Merchant Card Services / Vantive Holding, LLC	5/8/2026	$370.31
Puget Sound Energy	5/29/2026	$23,926.20
Republic Services #176	5/19/2026	$3,625.43
Tacoma Public Utilities	5/27/2026	$16,049.91
US Bank Equipment Finance	5/11/2026	$2,082.66
US Postal Service (CMRS-FP)	5/6/2026	$600.00
	Total	**$590,336.55**
	Total	**$590,336.55**
	Grand Total	

BLACK DIAMOND CITY COUNCIL MINUTES
Work Session of June 9, 2026
Hybrid Meeting Via Zoom and In-Person
Council Chamber, 25510 Lawson Street, Black Diamond, Washington

CALL TO ORDER, FLAG SALUTE, ROLL CALL:

Councilmember Peterson called the work session to order at 6:00 p.m. and led us all in the Flag Salute.

ROLL CALL:

PRESENT: Councilmembers Nielsen, Peterson, Dal Santo, Reed, Mayor Adler (Zoom) (Councilmember Sorci was not present during roll call and joined the meeting via Zoom at 6:04 p.m.)

Councilmember Peterson **moved** to excuse Councilmember Deady from the meeting; **second** Councilmember Nielsen. Motion **passed** with all voting in favor (5-0)

ABSENT: Councilmember Deady(excused)

Staff present: Kevin O'Neill, City Administrator; Rob Reed, IS Manager; Scott Hanis; Public Works Director; Commander Brian Martinez; Tawnya Parks, Court Administrator; Hal Hart, Community Development Director; and Brenda L. Martinez, City Clerk/HR Manager

WORK SESSION:

1) **Strategic Plan Review**

City Administrator O'Neill introduced Brian Murphy and Maddie Immel from BERK who facilitated the meeting. The meeting focused on reviewing draft materials for Black Diamond's Strategic Plan Outlook. They presented a to Council a framework that included four strategic initiatives: building a connected community and distinct identity, providing parks and recreation amenities, strengthening economic vitality and financial sustainability, and enhancing city capacity and operations.

Key topics of discussion included realistic expectations for retail development given the city's population size, the potential for small manufacturing and light industrial uses, and the importance of preserving open space while developing certain areas. Also mentioned was updating the City's branding, enhancing regional partnerships, and creating unique park features to attract visitors.

During the discussion it was clarified that the 5-year strategic plan would include high-level priorities rather than specific projects with exact timelines, with annual project-level commitments to be determined separately.

In closing, Ms. Immel reviewed with the City Council the proposed next steps, including a staff meeting on June 22nd, public review scheduled for early July, and final adoption planned for September.

ADJOURNMENT:

Councilmember Young **moved** to adjourn the meeting; **second** Councilmember Nielsen. Motion **passed** with all voting in favor (6-0). The meeting ended at 7:12 p.m.

ATTEST:

______________________________	______________________________
John Adler, Mayor	BrendaL. Martinez, City Clerk

BLACK DIAMOND CITY COUNCIL MINUTES
Council Meeting of June 16, 2026
Hybrid Meeting Via Zoom and In-Person
Council Chamber, 25510 Lawson Street, Black Diamond, Washington

CALL TO ORDER, FLAG SALUTE:
Mayor Adler called the regular meeting to order at 7:00 p.m. and led us all in the Flag Salute.

ROLL CALL:
PRESENT: Councilmembers Deady, Nielsen, Peterson, Sorci (Zoom), Young, Dal Santo, Reed

ABSENT: None

Staff present: Xavier Mason, Finance Director; Scott Hanis, Public Works Director; Hal H. Hart, Community Development Director; Rob Reed, IS Manager (Zoom); Jake Kapsandy, IT Tech II; Commander Martinez; David Linehan, City Attorney; City Administrator, Kevin O'Neill; Brenda L. Martinez, City Clerk/HR Manager, Tawnya Parks, Court Administrator; Judge Krista White Swain.

AGENDA REVIEW AND APPROVAL:
Mayor Adler added a last-minute addition to the agenda which is the approval of a task order for RH2 Engineering and would like to add as #13 to new business.

Councilmember Peterson **moved** to approve the Agenda as amended; **second** Councilmember Young. Motion **passed** with all voting in favor (7-0).

PUBLIC COMMENTS:
Elaine Parks, Black Diamond spoke to Council.

CLOSED SESSION: To Discuss Collective Bargaining Pursuant to RCW 42.30.140(4)

At 7:05 p.m. Mayor Adler announced that the City Council would be going into a closed session pursuant to RCW 42.30.140(4) to discuss collective bargaining. The closed session was anticipated to last 10 minutes with possible action to follow later in the agenda.

At 7:15 p.m. Mayor Adler called the meeting back to order.

APPOINTMENTS, ANNOUNCEMENTS, PROCLAMATIONS AND PRESENTATIONS:

1) **AB26-066** – State of the Court Presentation

Judge Swain shared with the Council at PowerPoint presentation outlining current staffing, court filing statics, therapeutic court, and future staffing needs.

2) **AB26-067** – Award Presentation – Somer Young

Judge Swain presented a Visionary Service award to Somer Young.

3) **AB26-058A** – Confirming the Mayor's Appointment of Gwen Keffel to Position 4 on the Planning Commission

Mayor Adler spoke on this item.

Councilmember Young **moved** to confirm the Mayor's appointment of Gwen Keffel to Position No. 4 of the Black Diamond Planning Commission; said term expiring on December 31, 2029; **second** Councilmember Deady. Motion **passed** with all voting in favor (7-0).

COMMITTEE REPORTS:

Public Safety Committee – Councilmember Reed shared with Council items discussed at the Public Safety Committee meeting.

Budget/Finance/Administration Committee – Councilmember Nielsen shared they are working on the budget process for 2027.

DEPARTMENT REPORTS: None

CONSENT AGENDA:

Councilmember Deady **moved** to approve the Consent Agenda; **second** Councilmember Peterson. Motion **passed** with all voting in favor (7-0). The Consent Agenda was approved as follows:

4) **Claim Checks –** June 16, 2026, Check No. 57418 through Check No. 57463 in the amount of $270,742.71

5) **Payroll –** May 2026, Check No. 20620 through Check No. 20628 and EFTs in the amount of $676,708.49

6) **Minutes –** Council Meeting of June 2, 2026

7) **AB26—068** – Resolution Approving Grant Agreement with King County Solid Waste

8) **AB26-069** – Resolution Adopting Six Year Transportation Improvement Program

9) **AB26-070** – Council Summer Break for August

PUBLIC HEARINGS:

10) **AB26-071** – Proposed E-Bike, E-Motorcycles, Motorized Foot Scooters, Impound Regulations

Commander Martinez reported to the City Council on the proposed changes.

Mayor Adler opened the public hearing at 7:54 p.m.

Trixie Hahn, Black Diamond spoke about hover boards not having handlebars and may need to add that. She noted reading through the proposed regulations and is pleased with them.

Mayor Adler closed the public hearing at 7:55 p.m.

UNFINISHED BUSINESS: None

NEW BUSINESS:

11) **AB26-072** – Resolution Regarding the Collective Bargaining Agreement with the Black Diamond Police Officers Association

City Clerk/HR Manager Martinez reported on this item.

Councilmember Deady **moved** to adopt Resolution No. 26-1750, authorizing the Mayor to execute the Collective Bargaining Agreement between the City of Black Diamond and the Black Diamond Police Officers Association; **second** Councilmember Nielsen Motion **passed** with all voting in favor (7-0).

12) **DISCUSSION** – Service Member Banner Program

Councilor Nielsen and Mr. Boje shared information regarding this program, including costs, and the process for applications. Councilmember Nielsen is hoping to get approval to start the pilot program and would like to do it for the month of November. In closing she thanked Council for the feedback and support of this pilot program.

13) **AB26-073** – Resolution Approving Task Order No. 31 with RH2 Engineering Inc. for the 288th and 216th Intersection Engineering Support

City Administrator O'Neill briefed Council on this item.

Councilmember Peterson **moved** to adopt Resolution No. 26-1751, authorizing the Mayor to execute Task Order No. 31 with RH2 Engineering, Inc. in an amount not to exceed

$25,000 for 288th and 216th Intersection engineering support; **second** Councilmember Young. Motion **passed** with all voting in favor (7-0).

MAYOR'S REPORT:

Mayor Adler reported attending the DARE graduation BDES and gave a shout out to the police department and Officer Hershaw for all his hard work on this program. He also attended the Enumclaw High School graduation and expressed it was an honored to be there. He mentioned that the last day of school for the Enumclaw School District was today. He invited everyone to the upcoming groundbreaking ceremony for the new elementary school in Ten Trails on Friday, June 26th. He also shared that he had the privileged this past weekend to attend Maple Valley Days and the World Soccer Cup along with the staff who represented the city at this event.

COUNCIL REPORTS:

Councilmember Dal Santo thanked everyone who attended the Black Diamond graduation for the old high school reunion. He thanked Mountain View Fire for the auction gift they purchased for a birthday event and applauded them for what they provided at the party.

Councilmember Reed reported on community members reaching out and he will be scheduling a meeting with the Judge. He shared that he has an upcoming meeting with Puget Sound Fire, and asked people to educate themselves on the upcoming annexation ballot measure.

Councilmember Deady reported attending the public safety committee meeting, and Heritage and Welsh Day, and the Planning/Community Services Committee meetings. She also attended the Black Diamond Kindergarten graduation, the DARE graduation at Black Diamond Elementary School and noted that more schools want to come on board with this program. She attended the WSDOT fish passage presentation today at noon and shared the businesses are concerned with the road closure and the impacts for services for police and fire. She stressed the need to step up and help our businesses during these closures. She thanked Councilmember Peterson for stepping in at the last work session and commented that the FIFA watch party was a lot of fun. She thanked the Court for their presentation She reminded everyone that Miners Day is July 11 and hopes to see everyone there.

Councilmember Nielsen thanked the Judge and her staff. She also thanked Eileen Parks and the members of the Historical Society for making the America 250 celebration a success. She shared that she has reached out to Councilmember Dunn regarding saving Druids Glen and thanked everyone for allowing her to serve on the Council.

Councilmember Peterson reported attending the Fish Passage meeting and was struck by the distress of the business owners. She shared that the only idea that came up was how to do a campaign to help support our businesses. On a personal note, she shared being involved with the annexation process and noted having some meetings coming up and if anyone is interested, they can contact her through her personal email address. She thanked everyone involved for their hard work in getting the police CBA negotiated and passed.

Councilmember Sorci asked about his inquiry to legal and the City Administrator on how to have his pay go directly to a food bank.

Councilmember Young reported attending the Heritage Festival and shared that he left that day feeling at home. He is looking forward to Miners Day as these events bring the community together. He noted on June 26 at 11 a.m. will be the groundbreaking ceremony of the new elementary school in Ten Trails.

CITY ADMINISTRATOR REPORT:

City Administrator O'Neill shared an update on the Hwy 169 fish passage meeting and noted that staff is working on getting the audio and PowerPoint up on the website. He highlighted items that were discussed at the meeting, and stressed this is not the City that is doing this and not WSDOT either, it is a state mandate. He shared with Council suggestions that came out of the meeting.

ATTORNEY REPORT: None

PUBLIC COMMENTS:

Chief Judkins spoke to Council.

Suzi Dal Santo, Black Diamond spoke to Council.

EXECUTIVE SESSION: None

ADJOURNMENT:

Councilmember Deady **moved** to adjourn the meeting; **second** Councilmember . Motion **passed** with all voting in favor (7-0). The meeting ended at 8:59 p.m.

ATTEST:

John Adler, Mayor	Brenda L. Martinez, City Clerk

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION		
SUBJECT: April 2026 Monthly Financial Report	**Agenda Date:** July 7, 2026 **AB26-076**	
	Mayor John Adler	
	City Administrator - Kevin O'Neill	
	City Attorney - David Linehan	
	City Clerk – Brenda L. Martinez	
	Com Dev – Hal Hart	
	Finance – Xavier Mason	X
	MDRT/Ec Dev – Michelle Wright	
Cost Impact (see also Fiscal Note): N/A	Police – Chief Kiblinger	
Fund Source: N/A	Public Works – Scott Hanis	
Timeline: 2026	Court – Judge Swain/Tawnya Parks	

Agenda Placement: ☐ Mayor ☐ Two Councilmembers ☐ Committee Chair ☒ City Administrator

Attachments: April 2026 Monthly Financial Report

SUMMARY STATEMENT:

The April 2026 Monthly Financial Report is meant to provide a high-level overview of the City's fiscal solvency.

The Black Diamond April 2026 Monthly Financial Report includes the following information:

- A comprehensive summary of 2026's revenues and expenditures
- An evaluation of actual General Fund revenues earned from 2022 – Present by month, for comparative purposes.
- A multi-year analysis of the General Fund's revenues and expenditures from 2019 – Present.
- A targeted analysis, General Fund Revenues Snapshot, that details property and sales tax trends (2023 - Present) accompanied with a department-level budget-to-actual expenditure comparison.
- Lastly, there is a detailed summary of the Enterprise Funds' performance from 2020 - Present, specifically tracking revenues, expenditures, and surpluses/deficits.

FISCAL NOTE (Finance Department): N/A

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION: Reviewed by the Budget, Finance, and Administration Committee on June 30th, 2026

RECOMMENDED ACTION: N/A

RECORD OF COUNCIL ACTION		
Meeting Date	***Action***	***Vote***
July 7, 2026		

Black Diamond April 2026 Monthly Financial Report

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Monthly Highlights

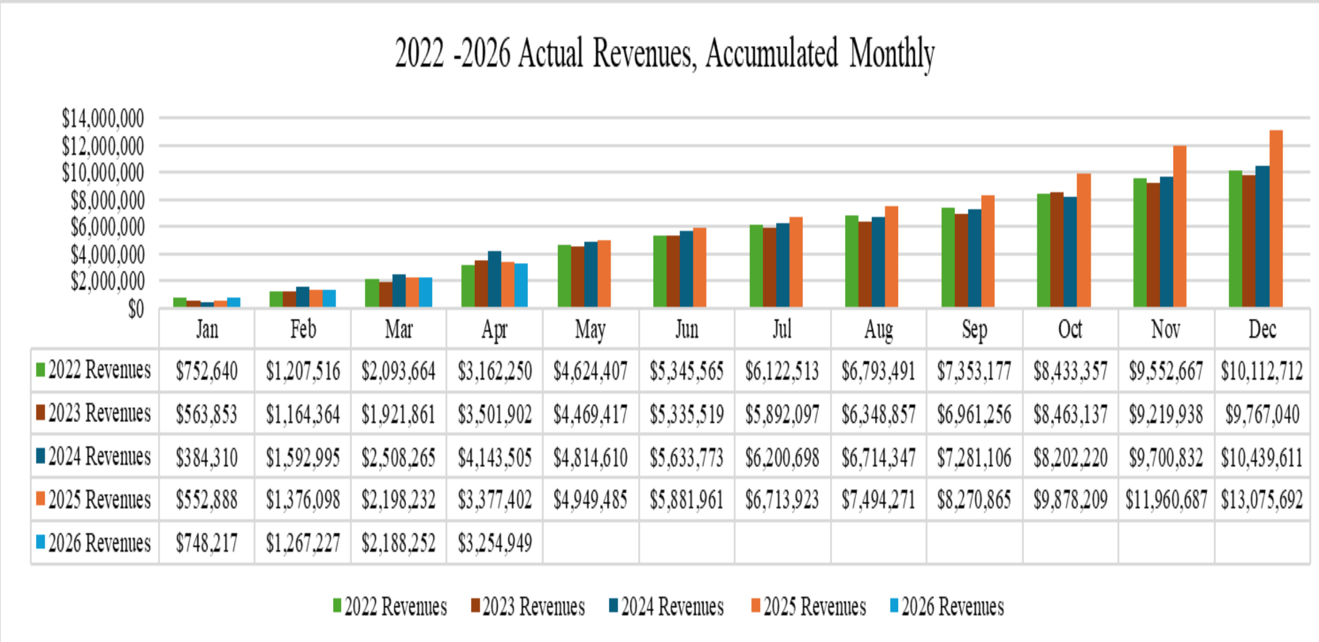
1. The General Fund deficit from March 2026, caused partially by the interfund loan, has been signifncalty reduced.
2. The Sewer Fund's deficit has erased and become a small surplus.
3. The Stormwater deficit has significantly reduced.

General Fund Revenues	Budget	Actual	Difference	% Collected
Property Taxes	$3,321,799	$667,963	$2,653,836	20.1%
Sales & Use Taxes	$1,551,500	$586,525	$964,975	37.8%
Utility and Gambling Taxes	$1,325,586	$491,417	$834,169	37.1%
Cable Franchise Fees	$80,000	$34,729	$45,271	43.4%
Business License Fees	$54,000	$17,645	$36,355	32.7%
Land Use and Permitting Fees	$1,672,800	$371,675	$1,301,125	22.2%
Liquor Tax and Profits	$110,000	$37,234	$72,766	33.8%
Investments and Miscellaneous Revenue	$297,500	$108,982	$188,518	36.6%
Parks and Gym Revenue	$71,000	$24,259	$46,741	34.2%
Cemetery Fees	$625	$1,691	$1,066	270.6%
Police Department Revenue	$671,031	$190,776	$480,255	28.4%
Municipal Court Revenue	$425,150	$75,690	$349,460	17.8%
Subtotal Operating Revenue	**$9,580,991**	**$2,608,587**	**$6,972,404**	**27.2%**
AWC Insurance and Flex Deposit	$0	$3,675	$3,675	N/A
MDRT Revenues	$3,073,985	$642,686	$2,431,299	20.9%
Total Revenue	**$12,654,976**	**$3,254,949**	**$9,400,027**	**25.7%**

General Fund Expenditures	Budget	Actual	Difference	% Expended
City Council	$22,521	$3,439	$19,082	15.3%
Mayoral Department	$16,272	$5,203	$11,069	32.0%
City Administrator	$272,282	$64,944	$207,338	23.9%
General Government	$827,930	$390,717	$437,213	47.2%
Legal Services	$293,000	$101,591	$191,409	34.7%
Municipal Court	$835,577	$202,771	$632,806	24.3%
Police Department	$3,985,015	$1,219,144	$2,765,870	30.6%
Fire Department	$1,396,586	$27,068	$1,369,518	1.9%
Recycle/ Animal Control/ Mental Health	$158,900	$12,574	$146,326	7.9%
Master Development Review Team	$1,218,985	$359,332	$859,653	29.5%
Community Development	$1,609,327	$460,840	$1,148,487	28.6%
Parks Department	$364,077	$196,940	$167,138	54.1%
Cemetery Department	$69,675	$46,426	$23,250	66.6%
Total Operating Expenditures	**$11,070,148**	**$3,090,988**	**$7,979,160**	**27.9%**
Transfers	$147,393	$0	$147,393	0.0%
AWC Insurance and Flex Deposits	$0	$832	-$832	N/A
Master Development Review Team Consultants	$1,855,000	$219,875	$1,635,125	11.9%
Interfund Loan	$0	$327,641	-$327,641	N/A
Total Expenditures	**$13,072,541**	**$3,639,336**	**$9,433,205**	**27.8%**
Surplus/Deficit	**-$417,565**	**-$384,387**	**$33,178**	**7.9%**

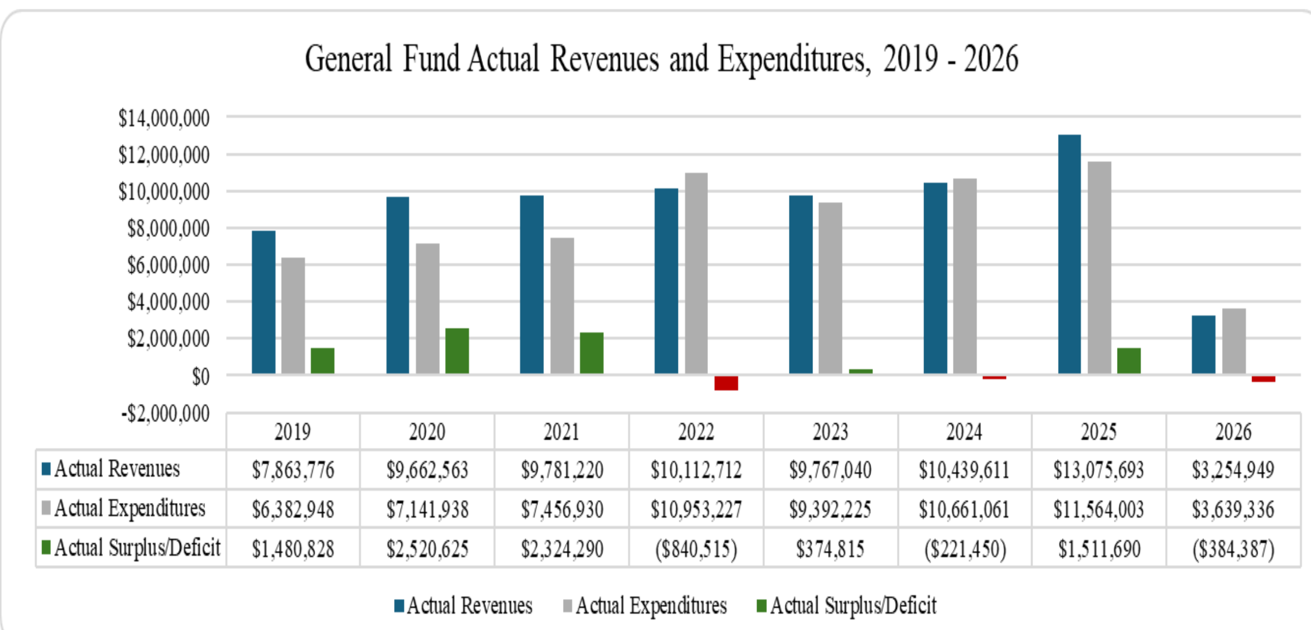
General Fund Revenue Summary

The graph below, 2022 - 2026 Actual Revenues, Accumulated Monthly is meant to provide a Year-over-Year monthly comparison of each month's General Fund Revenue earnings for comparative purposes.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022 Revenues	$752,640	$1,207,516	$2,093,664	$3,162,250	$4,624,407	$5,345,565	$6,122,513	$6,793,491	$7,353,177	$8,433,357	$9,552,667	$10,112,712
2023 Revenues	$563,853	$1,164,364	$1,921,861	$3,501,902	$4,469,417	$5,335,519	$5,892,097	$6,348,857	$6,961,256	$8,463,137	$9,219,938	$9,767,040
2024 Revenues	$384,310	$1,592,995	$2,508,265	$4,143,505	$4,814,610	$5,633,773	$6,200,698	$6,714,347	$7,281,106	$8,202,220	$9,700,832	$10,439,611
2025 Revenues	$552,888	$1,376,098	$2,198,232	$3,377,402	$4,949,485	$5,881,961	$6,713,923	$7,494,271	$8,270,865	$9,878,209	$11,960,687	$13,075,692
2026 Revenues	$748,217	$1,267,227	$2,188,252	$3,254,949								

The graph, *General Fund Actual Revenues and Expenditures* , depict the City's actual revenues and expenditures from 2019 through April 2026. For five of the past seven years, the City achieved a surplus within the General Fund. The expenditures include transfers made to other internal funds. The City, generally, transfers roughly $600,000 per year out to other funds. This year, the General Fund is transfering $147,393 to Capital Projects.

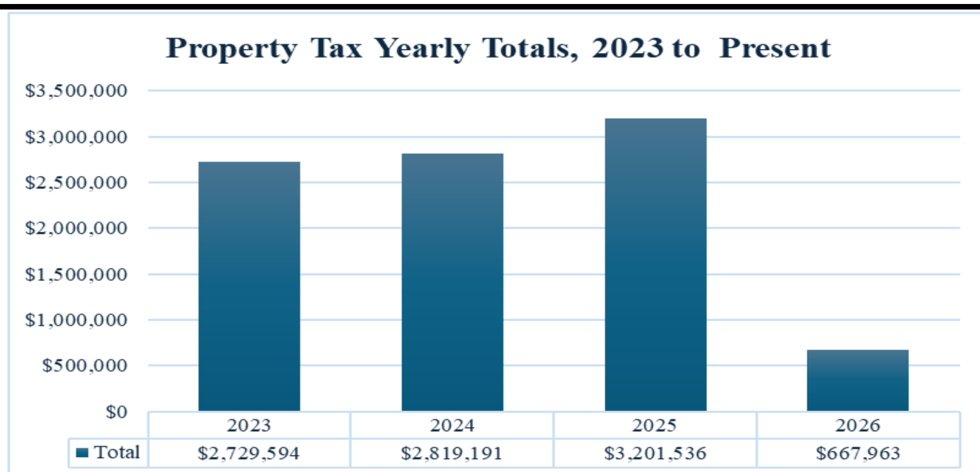


	2019	2020	2021	2022	2023	2024	2025	2026
Actual Revenues	$7,863,776	$9,662,563	$9,781,220	$10,112,712	$9,767,040	$10,439,611	$13,075,693	$3,254,949
Actual Expenditures	$6,382,948	$7,141,938	$7,456,930	$10,953,227	$9,392,225	$10,661,061	$11,564,003	$3,639,336
Actual Surplus/Deficit	$1,480,828	$2,520,625	$2,324,290	($840,515)	$374,815	($221,450)	$1,511,690	($384,387)

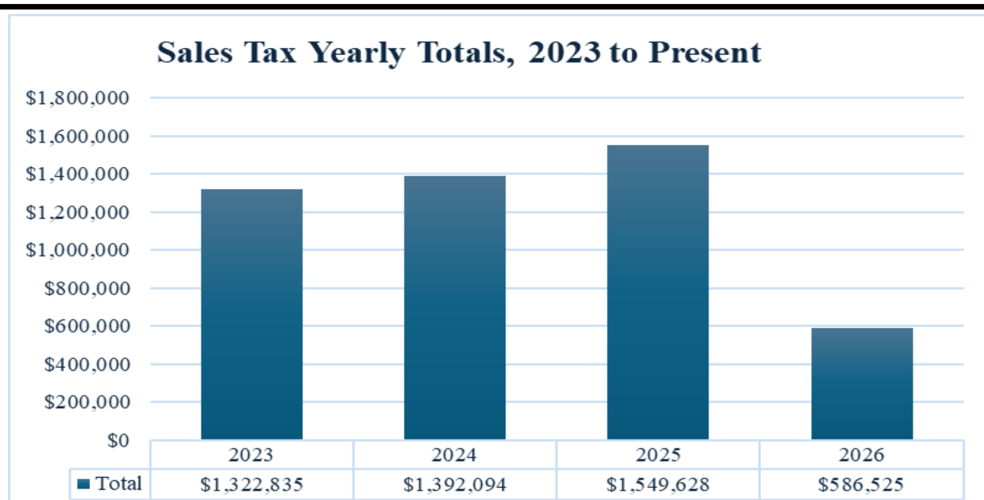
General Fund Revenues "Snapshot"

The following graphs depict the yearly totals of select General Fund revenue streams. For the year 2026, the total amounts include up to the month of April, 2026.

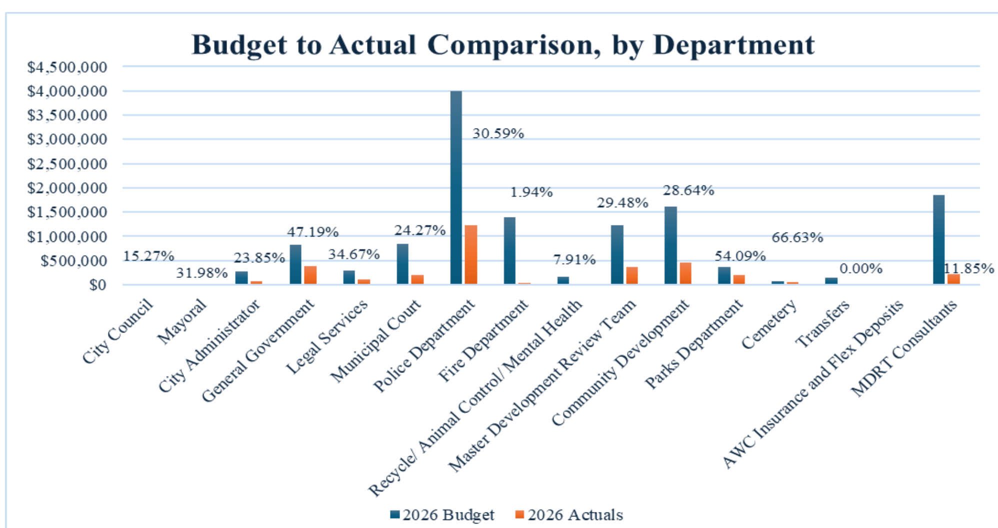
Property taxes serve as the financial backbone and single largest source of locally-generated revenue. Property Taxes in 2026, are estimated to account for 33% of General Fund revenues.



Sales taxes are a critical and flexible source of revenue. The sales taxes collected by Black Diamond are used to support the functions of General Government, with a portion being earmarked for capital projects.



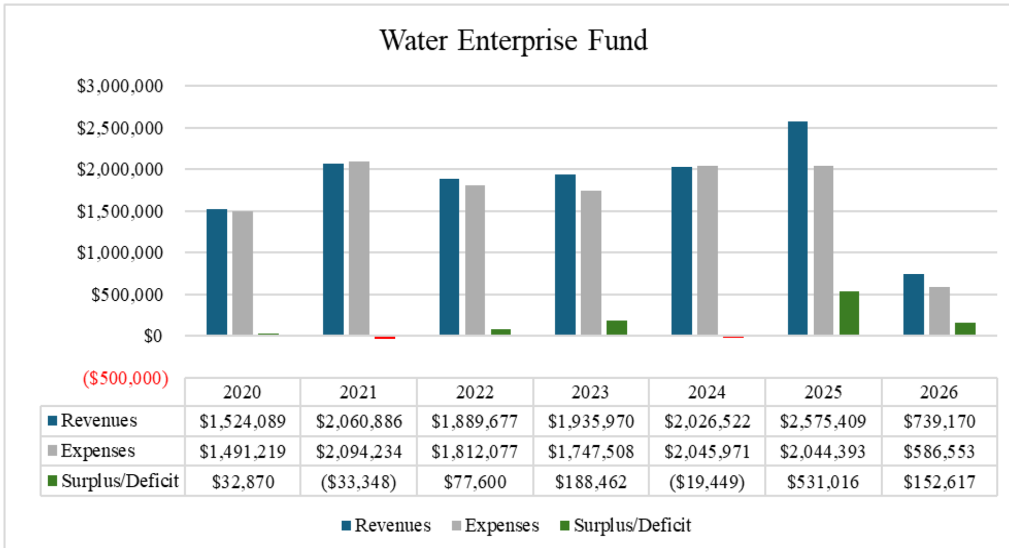
This graph, *Budget to Actual Comparison by Department,* compares each department's expenditures within the General Fund up to the the end of April, 2026.



Enterprise Funds

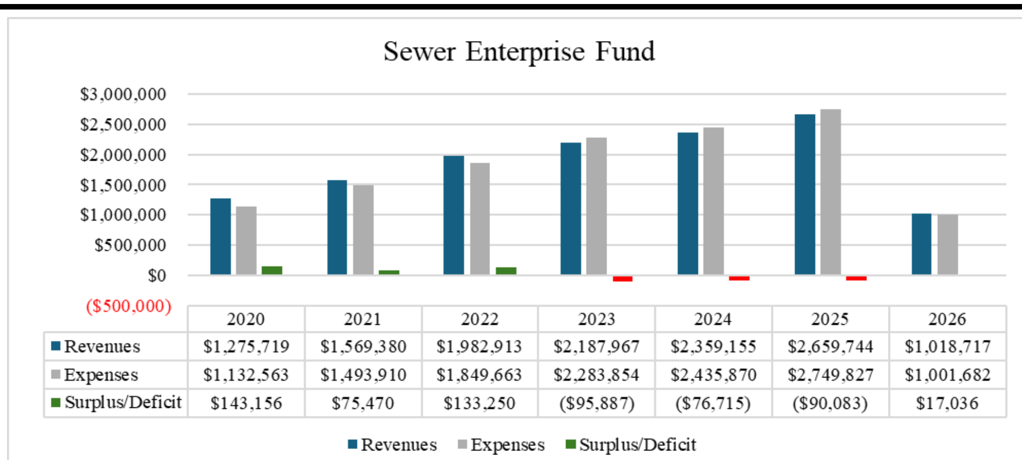
Enterprise funds operate differently from the General Fund and other Special Revenue Funds. These funds must operate similar to a private business, in that, their operational revenues must consistently and sustainably cover their operational expenditures. As a full-service City, Black Diamond has three enterprise funds: Water, Sewer, and Stormwater. The following graphs, one for each fund, depict the actual revenues and expenditures from 2020 to April, 2026. It is important to note some deficits, in prior years, were caused by internal transfers.

The Water Operational Fund is responsible for the delivering of safe, high-quality, and reliable drinking water. The core revenues are: water charges; sales from irrigation; and new meter fees due to the amount of new construction.



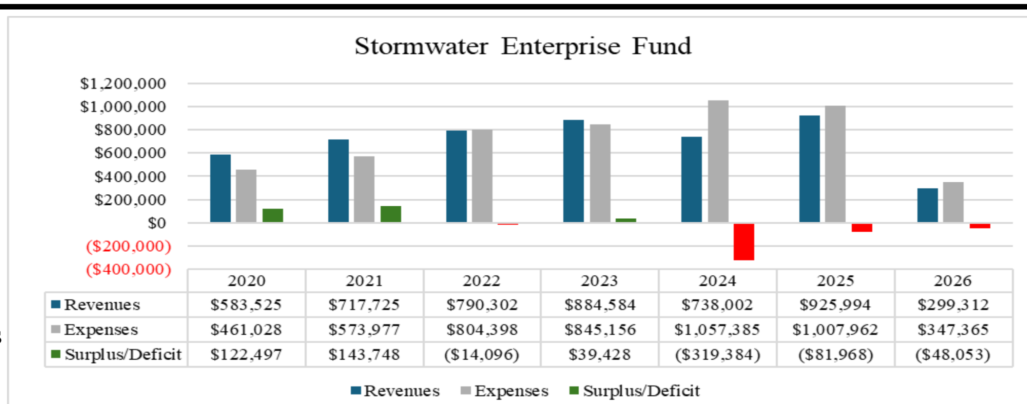
	2020	2021	2022	2023	2024	2025	2026
Revenues	$1,524,089	$2,060,886	$1,889,677	$1,935,970	$2,026,522	$2,575,409	$739,170
Expenses	$1,491,219	$2,094,234	$1,812,077	$1,747,508	$2,045,971	$2,044,393	$586,553
Surplus/Deficit	$32,870	($33,348)	$77,600	$188,462	($19,449)	$531,016	$152,617

The Sewer Operational Fund is responsible for the collection and conveyance of wastewater from homes and businesses within the City. This funds largest revenues are: sewer charges; sewer investigations; and reviews.



	2020	2021	2022	2023	2024	2025	2026
Revenues	$1,275,719	$1,569,380	$1,982,913	$2,187,967	$2,359,155	$2,659,744	$1,018,717
Expenses	$1,132,563	$1,493,910	$1,849,663	$2,283,854	$2,435,870	$2,749,827	$1,001,682
Surplus/Deficit	$143,156	$75,470	$133,250	($95,887)	($76,715)	($90,083)	$17,036

The Stormwater Operational Fund is responsible for managing the City's infrastructure to reduce flooding, protect water quality, and the roadway system. This fund's primary revenue source is Stormwater Charges.



	2020	2021	2022	2023	2024	2025	2026
Revenues	$583,525	$717,725	$790,302	$884,584	$738,002	$925,994	$299,312
Expenses	$461,028	$573,977	$804,398	$845,156	$1,057,385	$1,007,962	$347,365
Surplus/Deficit	$122,497	$143,748	($14,096)	$39,428	($319,384)	($81,968)	($48,053)

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION

SUBJECT:	**Agenda Date: July 7, 2026**	**AB26-077**
Resolution accepting the 2025 SR 169 Watermain Improvements project as complete	Mayor John Adler	
	City Administrator - Kevin O'Neill	
	City Attorney - David Linehan	
	City Clerk – Brenda L. Martinez	
	Com Dev – Hal Hart	
	Finance – Xavier Mason	
	MDRT/Ec Dev – Michelle Wright	
Cost Impact (see also Fiscal Note): N/A	Police – Chief Kiblinger	
Fund Source: Water Capital	Public Works – Scott Hanis	X
Timeline: 45 days	Court – Judge Swain/Tawnya Parks	

Agenda Placement: ☒ Mayor ☐ Two Councilmembers ☐ Committee Chair ☐ City Administrator

Attachments: Resolution

SUMMARY STATEMENT:

Ryatt Construction completed the required work for the 2025 SR 169 Watermain Improvements Project, including change order 1 for additional effort to align the watermain with the existing AC watermain on the east side of SR 169. Retainage of 5% has been held until release is received by the Department of Revenue, Department of Labor and Industries, and the Employment Security Department. Once release from these departments has been received, the City may release retainage to the contractor.

FISCAL NOTE (Finance Department): At the appropriate time, the retainage fee of 5% will be released.

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:

RECOMMENDED ACTION: **MOTION to approve Resolution No. 26-1752 authorizing the Mayor to accept the 2025 SR 169 Watermain Improvements Project by Ryatt Construction as complete according to the contract documents.**

RECORD OF COUNCIL ACTION

Meeting Date	***Action***	***Vote***
July 7, 2026		

RESOLUTION NO. 26-1752

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON REGARDING FINAL ACCEPTANCE OF THE 2025 SR 169 WATERMAIN IMPROVEMENTS PROJECT

WHEREAS, Ryatt Construction has completed the 2025 SR 169 Watermain Improvements project according to the contract; and

WHEREAS, RCW 60.28.011(2) allows a period of forty-five days to file any liens or claims with the City; and

WHEREAS, RCW 39.080.030 requires acceptance of a Public Works project as complete as a formal, public action in order to begin the forty-five day period;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City hereby accepts the 2025 SR 169 Watermain Improvements project as complete and as set forth in the contract with Ryatt Construction.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 7TH DAY OF JULY, 2026.

CITY OF BLACK DIAMOND:

____
John Adler, Mayor

Attest:

____
Brenda L. Martinez, City Clerk

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT: Declaring a 2006 John Deere Tractor and Shoulder Mower attachment as surplus, and using as a trade-in for a new mower from Pape Machinery.	**Agenda Date: July 7, 2026** **AB26-078**		
		Mayor John Adler	
		City Administrator - Kevin O'Neill	
		City Attorney - David Linehan	
		City Clerk – Brenda L. Martinez	
		Com Dev – Hal Hart	
		Finance – Xavier Mason	
		MDRT/Ec Dev – Michelle Wright	
Cost Impact (see also Fiscal Note): $20,000 revenue/trade		Police – Chief Kiblinger	
Fund Source: Trade on new equipment		Public Works – Scott Hanis	X
Timeline: July 2026		Court – Judge Swain/Tawnya Parks	

Agenda Placement: ☐ Mayor ☐ Two Councilmembers ☐ Committee Chair ☐ City Administrator

Attachments: Resolution; Comparables; Pape Trade-in Offer

SUMMARY STATEMENT:
As needed, the City discontinues use of or has no need for certain property. When this occurs, the City Council can surplus it through resolution, which the City can then sell via sealed bid, online auction, sale at a reasonable price to another agency, or other reasonable and allowable means.

The City recently purchased a tractor with shoulder mower attachment (Resolution 25-1695) and can now surplus the old mower. The City has budgeted $25,000 for the purchase of a zero-turn mower. In looking at options with Pape, Pape has a couple of mowers that might meet our requirements offered under a Sourcewell purchasing contract (which covers bidding requirements). The trade of the old John Deere will cover a significant portion of the cost of a new mower. The trade-in value looks reasonable compared to similar John Deere tractors listed for sale.

FISCAL NOTE (Finance Department): The costs of the new mower was budgeted within the 2026 Budget. The trade will be documented on the purchase paperwork for the new tractor and the net price will be pulled from the budgeted amount.

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:
PW Committee recommends consideration by the full Council on the consent agenda.

RECOMMENDED ACTION: **MOTION to adopt Resolution No. 26-1753 declaring a 2006 John Deere Tractor with shoulder mower attachment surplus to the needs of the City and authorizing a trade-in to Pape Machinery for $20,000.**

RECORD OF COUNCIL ACTION		
Meeting Date	***Action***	***Vote***
July 7, 2026		

RESOLUTION NO. 26-1753

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON DECLARING A 2006 JOHN DEERE TRACTOR WITH SHOULDER MOWER ATTACHMENT SURPLUS TO THE NEEDS OF THE CITY AND AUTHORIZING A TRADE-IN THEREOF TO PAPE MACHINERY TOWARDS THE PURCHASE OF NEW EQUIPMENT

WHEREAS, the City desires to dispose of personal property surplus to the needs of the City; and

WHEREAS, the City has determined that a 2006 John Deere tractor with shoulder mower attached will not be of further use to the City; and

WHEREAS, the City has already purchased and received a new tractor with shoulder mower attachment through Resolution 25-1695; and

WHEREAS, Public Works has planned and budgeted for a new zero-turn mower this year; and

WHEREAS, Pape Machinery has zero-turn mower options available and is willing to take the 2006 John Deere tractor and mower attachment on trade for $20,000; and

WHEREAS, City Council must deem the property to be surplus and authorize its disposal;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The 2006 John Deere tractor with shoulder mower attachment, with VIN Number L06615D479665 is hereby declared surplus to the needs of the City of Black Diamond.

Section 2. The City Council authorized the trade-in of the 2006 John Deere tractor with shoulder mower attachment, with VIN Number L06615D479665 to Pape Machinery towards the purchase of a new mower in the amount of $20,000.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 7TH DAY OF JULY, 2026.

CITY OF BLACK DIAMOND:

____

John Adler, Mayor

Attest:

Brenda L. Martinez, City Clerk

2007 JOHN DEERE 6615

USD $19,850

Machine Location: 2255 Dothan Road Bainbridge, Georgia 39817

Seller Information

Merit Auctions, LLC

Contact: JM Bryan

Phone: (229) 309-1623

Fort Madison, Iowa 52627

(229) 309-1623








Hide Thumbnails

Description

2007 John Deere 6615 Tractor, Hours: 12,489. PowerQuad 16/16 Transmission, MFWD Front End, Left Handed Reverser, Steel Wheels, Front Tires: 340/85R28, Rear Tires: 460/85R38, SN: L06615D533528.

Specifications

Year	2007	**Manufacturer**	JOHN DEERE
Model	6615	**Serial Number**	L06615D533528
Condition	Used	**Hours**	12,489
Engine Horsepower	120.3 HP	**Drive**	MFWD

Show As Paragraph

2006 JOHN DEERE 6615

USD $29,500

Machine Location: 18735 Clark Dr Linneus, Missouri 64653

Seller Information

Leid Equipment

Contact: Kurvin Leid

Phone: (660) 675-1178

Linneus, Missouri 64653

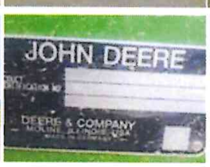
(660) 675-1178











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Description

2006 John Deere 6615 8900 Hours 16 speed synchro Tires are 90% Runs and operates as it should Call with questions

Specifications

Year	2006	**Manufacturer**	JOHN DEERE
Model	6615	**Serial Number**	L06615B512291
Condition	Used	**Hours**	8,900
Tires or Tracks	Tires	**Front Tire Configuration**	Singles
Rear Tire Configuration	Singles	**Cab**	Yes

Trade-Ins

2006 John Deere 6615

Trade-In Notes	- - -
Serial Number	L06615D479665
Stock Number	
Hour Meter	- - -

Description	**Net Trade Value**
2006 John Deere 6615	$20,000.00

Pay Off	$0.00
Total	**$20,000.00**

Factory Build Codes

Code	Description	Code	Description
059DR	6615 TRACTOR	7152	Flanged Axle, 8 Position Steel Wheels
7662	Super Comfort Seat (MSG 95) with Air Suspension, 3-In. Seat Cushion, Horizontal Suspension, Backrest Adjustable, Armrest, Mechanical Lumbar Support, Side Rails, Swivel (15 Deg. Left/20 Deg. Right), Operator's Presence	9260	Second SCV Deluxe (3 Detents) with Couplers
7040	PowrQuad 16F/16R Transmission with Mechanical Left Hand Reverser (19 mph/30 kmh)	9480	Right-hand Telescopic Draft Link
9102	Rear Windshield Wiper with Front and Rear Washer	9115	Back-Up Alarm
0250	MFWD Front Axle with Limited Slip Differential	4304	13.6-28 In. 8PR R1 Bias
9075	Taillight with Brake Light	9041	One Rear Worklight LH, H3
9988	NO TIRE PREFERENCE	1423	18.4-38 In. 8PR R1 Bias

Warranty Coverage

Type	Term	Expiration Date
BASIC WARRANTY	BASIC 24M/2000H	2008-05-12
EMISSIONS WARRANTY	EMISSION 60M/3000H	2011-05-13


JOHN DEERE
PRODUCT IDENTIFICATION NO.
DEERE & COMPANY
MOLINE, ILLINOIS, USA
MADE IN GERMANY

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT:	**Agenda Date: July 7, 2026 AB26-079**		
Ordinance amending Ordinance No. 26-1248 - 2026 Salary Schedule Exhibit A for calendar year 2026 to incorporate new wages for police officers and command staff in accordance with the adopted CBA.		Mayor John Adler	
		City Administrator - Kevin O'Neill	
		City Attorney - David Linehan	
		City Clerk – Brenda L. Martinez	X
		Com Dev – Hal Hart	
		Finance – Xavier Mason	
		MDRT/Ec Dev – Michelle Wright	
Cost Impact (see also Fiscal Note):		Police – Chief Kiblinger	
Fund Source:		Public Works – Scott Hanis	
Timeline:		Court – Judge Swain/Tawnya Parks	

Agenda Placement: ☐ Mayor ☐ Two Councilmembers ☐ Committee Chair ☒ City Administrator

Attachments: Proposed Ordinance, Amended 2026 Salary Schedule, Current 2026 Salary Schedule

SUMMARY STATEMENT:

With the adoption at the last Council meeting of the Black Diamond Police Officers Association Collective Bargaining Agreement the City needs to update the 2026 Salary Schedule to reflect the wage changes for the Black Diamond Police Officers and Command Staff.

While updating those wages It was discovered that the steps for of the Judicial Specialist II and Management Analyst positions, as adopted earlier, were incorrect, and this new schedule reflects the correct step amounts.

In addition, there were minor housekeeping changes that include rounding steps for Permit Technician and deleting the second reference to the Utilities Lead. The Finance Department has reviewed and corrected those changes, and the updated schedule reflects those two items as well.

FISCAL NOTE (Finance Department): During the construction of the 2026 Budget, the Black Diamond Police Officers Association Collective Bargaining Agreement negotiations were in consideration. The budgeted amounts within the 2026 Budget are sufficient to absorb the changes in these costs.

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:

RECOMMENDED ACTION: **MOTION to approve Ordinance No. 26-1252 amending Ordinance No. 26-1248 – 2026 Salary Schedule Exhibit A for calendar year 2026.**

RECORD OF COUNCIL ACTION		
Meeting Date	***Action***	***Vote***
July 7, 2026		

ORDINANCE NO. 26-1252

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, AMENDING ORDINANCE NO. 26-1248 - 2026 SALARY SCHEDULE EXHIBIT A FOR CALENDAR YEAR 2026

WHEREAS, the 2026 Budget was adopted by Ordinance No. 25-1240 on November 20, 2025, and included Exhibit A 2026 Salary Schedule, and

WHEREAS, on April 21, 2026 the 2026 Salary Schedule was amended by Council per Ordinance No. 26-1248; and

WHEREAS, on June 16, 2026 the City Council adopted the new Black Diamond Police Officers Association Collective Bargaining (CBA) for the years 2026-2028; and

WHEREAS, Exhibit A 2026 Salary Schedule needs to be revised to include the salary changes included in the CBA, along with other housekeeping items;

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

Section 1. The 2026 Salary Schedule Exhibit A attached to Ordinance No. 26-1248 is hereby amended as shown in Exhibit A.

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

Section 3. This Ordinance shall be in full force and effect five days after its passage, approval, posting and publication in summary form as provided by law.

Passed by a majority of the City Council on 7th day of July 2026.

____
Mayor John Adler

Attest:

____
Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

____
David Linehan, City Attorney

Published:
Posted:
Effective Date:

Exhibit A: City of Black Diamond Salary Schedule

Budgeted 2026 Positions	2026 Salary Schedule	Step 1	Step 2	Step 3	Step 4	Step 5
✓	City Administrator	14,734	15,472	16,245	17,057	17,910
	Assistant City Administrator	9,058	9,512	9,965	10,418	10,871
	City Attorney	9,203	9,663	10,146	10,653	11,185
✓	Court Administrator	9,231	9,692	10,178	10,686	11,223
✓	Judicial Specialist II	4,968	5,381	5,796	6,211	6,624
	Judicial Specialist I (hourly)	26.04	28.25	30.40	32.58	34.73
	Human Resources Director	9,654	10,169	10,686	11,200	11,721
✓	City Clerk/HR Manager	9,654	10,169	10,686	11,200	11,721
✓	Deputy City Clerk	5,791	6,197	6,602	7,006	7,412
✓	Administrative Assistant III	5,747	6,036	6,339	6,654	6,989
✓	Finance Director	10,543	11,069	11,624	12,204	12,815
✓	Deputy Finance Director	8,650	9,027	9,519	10,013	10,506
✓	Senior Accountant	6,520	6,846	7,189	7,548	7,923
✓	Accounting Clerk/Utility Billing Specialist	5,381	5,654	5,935	6,231	6,542
✓	Administrative Assistant II	4,870	5,112	5,369	5,637	5,920
	Administrative Assistant I	2,656	2,868	3,079	3,292	3,502
	Accounts Payable Clerk (hourly)	25.75	27.04	28.39	29.80	31.30
	Accountant 1 Journey (hourly)	18.73	19.66	20.63	21.67	22.76
✓	Information Services Manager	9,416	9,961	10,504	11,046	11,591
✓	Comm. & Infor. Svs/Admin Sup.Tech II	6,520	6,846	7,189	7,548	7,923
	Comm. & Infor. Svs/Admin Sup.Tech I	4,870	5,112	5,369	5,637	5,920
✓	Police Chief	14,541	15,036	15,637	16,032	16,609
✓	Police Commander	13,060	13,516	13,913	14,311	14,770
✓	Police Sergeant	11,218	11,847	-	-	-
✓	Police Officer	7,637	8,462	9,285	10,066	-
✓	Police Records Coordinator	5,791	6,197	6,602	7,006	7,412
✓	Police Clerk	4,983	5,233	5,494	5,769	6,056
	Police Clerk (hourly)	28.76	30.18	31.69	33.29	34.94
✓	MDRT & Economic Director	10,398	10,919	11,466	12,038	12,640
✓	Construction Inspector Supervisor	8,964	9,480	9,998	10,513	11,032
✓	Construction Inspector	7,534	7,968	8,405	8,837	9,271
✓	MDRT Senior Accountant (hourly)	37.62	39.50	41.48	43.54	45.71
	MDRT Planner (hourly)	29.26	31.31	33.37	35.41	37.45
✓	Community Dev/Nat Resources Director	10,398	10,919	11,466	12,038	12,640
✓	Building Official	8,964	9,480	9,998	10,513	11,032
✓	Code Compliance Officer/Building Inspector	6,382	6,701	7,037	7,388	7,756
✓	Senior Planner	8,452	8,875	9,319	9,784	10,274
✓	Associate Planner	7,220	7,581	7,960	8,358	8,776
	Permit Technician Supervisor	7,416	7,754	8,091	8,429	8,765
✓	Permit Technician	6,084	6,512	6,936	7,364	7,786
	Permit Technician (hourly)	35.10	37.58	40.02	42.49	44.92
✓	Assistant Planner / Permit Technician	5,791	6,197	6,602	7,006	7,412
	Parks Department Director	8,455	8,907	9,361	9,814	10,266
✓	Public Works Director	10,398	10,924	11,472	12,046	12,648
✓	Operations & Maintenance Superintendent	8,964	9,480	9,998	10,513	11,032
✓	Capital Projects Program Manager	8,626	9,058	9,509	9,986	10,485
✓	Stormwater Coordinator	7,307	7,563	7,827	8,101	8,427
✓	Facilities Equipment Coordinator	6,111	6,512	6,936	7,364	7,786
✓	Management Analyst	7,760	8,148	8,555	8,983	9,432
	Public Works Administrative Asst. III	5,747	6,036	6,339	6,654	6,989
✓	Utilities Lead	7,241	7,604	7,984	8,383	8,802
✓	Utility Worker II	5,812	6,104	6,408	6,730	7,066
✓	Utility Worker I	4,938	5,184	5,444	5,712	6,001
✓	Utility Worker Seasonal (hourly)	20.20	24.45	-	-	-

Exhibit A: City of Black Diamond Salary Schedule

Budgeted 2026 Positions	2026 Salary Schedule	Step 1	Step 2	Step 3	Step 4	Step 5
✓	City Administrator	14,734.00	15,472.00	16,245.00	17,057.00	17,910.00
	Assistant City Administrator	9,058.00	9,512.00	9,965.00	10,418.00	10,871.00
	City Attorney	9,203.00	9,663.00	10,146.00	10,653.00	11,185.00
✓	Court Administrator	9,231.00	9,692.00	10,178.00	10,686.00	11,223.00
✓	Judicial Specialist II	4,968.00	5,381.00	4,851.00	6,211.00	6,624.00
	Judicial Specialist I (hourly)	26.04	28.25	30.40	32.58	34.73
	Human Resources Director	9,654.00	10,169.00	10,686.00	11,200.00	11,721.00
✓	City Clerk/HR Manager	9,654.00	10,169.00	10,686.00	11,200.00	11,721.00
✓	Deputy City Clerk	5,791.00	6,197.00	6,602.00	7,006.00	7,412.00
✓	Administrative Assistant III	5,747.00	6,036.00	6,339.00	6,654.00	6,989.00
✓	Finance Director	10,543.00	11,069.00	11,624.00	12,204.00	12,815.00
✓	Deputy Finance Director	8,650.00	9,027.00	9,519.00	10,013.00	10,506.00
✓	Senior Accountant	6,520.00	6,846.00	7,189.00	7,548.00	7,923.00
✓	Accounting Clerk/Utility Billing Specialist	5,381.00	5,654.00	5,935.00	6,231.00	6,542.00
✓	Administrative Assistant II	4,870.00	5,112.00	5,369.00	5,637.00	5,920.00
	Administrative Assistant I	2,656.00	2,868.00	3,079.00	3,292.00	3,502.00
	Accounts Payable Clerk (hourly)	25.75	27.04	28.39	29.80	31.30
	Accountant 1 Journey (hourly)	18.73	19.66	20.63	21.67	22.76
✓	Information Services Manager	9,416.00	9,961.00	10,504.00	11,046.00	11,591.00
✓	Comm. & Infor. Svs/Admin Sup.Tech II	6,520.00	6,846.00	7,189.00	7,548.00	7,923.00
	Comm. & Infor. Svs/Admin Sup.Tech I	4,870.00	5,112.00	5,369.00	5,637.00	5,920.00
✓	Police Chief	14,159.00	14,641.00	15,226.00	15,611.00	16,172.00
✓	Police Commander	12,717.00	13,161.00	13,547.00	13,935.00	14,382.00
✓	Police Sergeant	10,923.00	11,536.00	-	-	-
✓	Police Officer	7,436.00	8,240.00	9,041.00	9,801.00	-
✓	Police Records Coordinator	5,791.00	6,197.00	6,602.00	7,006.00	7,412.00
✓	Police Clerk	4,983.00	5,233.00	5,494.00	5,769.00	6,056.00
	Police Clerk (hourly)	28.76	30.18	31.69	33.29	34.94
✓	MDRT & Economic Director	10,398.00	10,919.00	11,466.00	12,038.00	12,640.00
✓	Construction Inspector Supervisor	8,964.00	9,480.00	9,998.00	10,513.00	11,032.00
✓	Construction Inspector	7,534.00	7,968.00	8,405.00	8,837.00	9,271.00
✓	MDRT Senior Accountant (hourly)	37.62	39.50	41.48	43.54	45.71
	MDRT Planner (hourly)	29.26	31.31	33.37	35.41	37.45
✓	Community Dev/Nat Resources Director	10,398.00	10,919.00	11,466.00	12,038.00	12,640.00
✓	Building Official	8,964.00	9,480.00	9,998.00	10,513.00	11,032.00
✓	Code Compliance Officer/Building Inspector	6,382.00	6,701.00	7,037.00	7,388.00	7,756.00
✓	Senior Planner	8,452.00	8,875.00	9,319.00	9,784.00	10,274.00
✓	Associate Planner	7,220.00	7,581.00	7,960.00	8,358.00	8,776.00
	Permit Technician Supervisor	7,416.00	7,754.00	8,091.00	8,429.00	8,765.00
✓	Permit Technician	6,083.95	6,512.21	6,936.36	7,363.59	7,785.69
	Permit Technician (hourly)	35.10	37.58	40.02	42.49	4,492.00
✓	Assistant Planner / Permit Technician	5,791.00	6,197.00	6,602.00	7,006.00	7,412.00
	Parks Department Director	8,455.00	8,907.00	9,361.00	9,814.00	10,266.00
✓	Public Works Director	10,398.00	10,924.00	11,472.00	12,046.00	12,648.00
✓	Operations & Maintenance Superintendent	8,964.00	9,480.00	9,998.00	10,513.00	11,032.00
✓	Capital Projects Program Manager	8,626.00	9,058.00	9,509.00	9,986.00	10,485.00
✓	Stormwater Coordinator	7,307.00	7,563.00	7,827.00	8,101.00	8,427.00
✓	Facilities Equipment Coordinator	6,111.00	6,512.00	6,936.00	7,364.00	7,786.00
✓	Management Analyst	7,760.00	8,148.00	9,583.00	9,011.00	9,432.00
	Public Works Administrative Asst. III	5,747.00	6,036.00	6,339.00	6,654.00	6,989.00
✓	Utility Lead	7,734.80	8,155.31	8,584.51	9,022.39	9,468.95
✓	Utilities Lead	7,241.00	7,604.00	7,984.00	8,383.00	8,802.00
✓	Utility Worker II	5,812.00	6,104.00	6,408.00	6,730.00	7,066.00
✓	Utility Worker I	4,938.00	5,184.00	5,444.00	5,712.00	6,001.00
✓	Utility Worker Seasonal (hourly)	20.20	24.45	-	-	-

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION		
SUBJECT: Ordinance Adding Chapter 10.34 and Amending Chapter 10.32 of the Black Diamond Municipal Code to Establish Comprehensive Regulations for the Safe Operation of Electric Motorcycles, Electric-Assisted Bicycles, and Personal Electric Mobility Devices within the City of Black Diamond.	**Agenda Date: July 7, 2026**	**AB26-080**
	Mayor John Adler	
	City Administrator - Kevin O'Neill	X
	City Attorney - David Linehan	
	City Clerk – Brenda L. Martinez	
	Com Dev – Hal Hart	
	Finance – Xavier Mason	
	MDRT/Ec Dev – Michelle Wright	
Cost Impact (see also Fiscal Note): 0	Police – Chief Kiblinger	X
Fund Source: N/A	Public Works – Scott Hanis	
Timeline:	Court – Judge Swain/Tawnya Parks	

Agenda Placement: ☐ Mayor ☐ Two Councilmembers ☐ Committee Chair ☒ City Administrator

Attachments: Ordinance; Exhibit A amendments to BDMC Ch. 10.32; Exhibit B new BDMC Ch. 10.34

SUMMARY STATEMENT:

This ordinance establishes comprehensive regulations for the operation of electric motorcycles, electric-assisted bicycles, and personal electric mobility devices (PEMDs, previously referred to as "motorized foot scooters") within the City of Black Diamond by adding a new Chapter 10.34 to the Black Diamond Municipal Code. This ordinance also amends current Chapter 10.32 for consistency with related recreational device regulations. The proposed code updates are intended to address the growing popularity and use of e-mobility devices within the community and to promote public safety by establishing clear operational standards, safety requirements, and enforcement authority.

The ordinance defines classifications for electric-assisted bicycles and electric motorcycles consistent with Washington State law; establishes where these devices may and may not be operated; requires compliance with traffic laws; and creates safety requirements related to helmets, lighting, braking systems, mirrors, licensing, registration, and age restrictions. The ordinance also prohibits the unsafe or negligent operation of these devices on sidewalks, parks, trails, and higher-speed roadways where conflicts with pedestrians, bicyclists, and motorists may create safety risks. In addition, the ordinance authorizes enforcement mechanisms, including civil infractions, impound authority, and guardian responsibility for allowing minors to operate devices in violation of the code.

Feedback received by Council and the public regarding clarification to include one wheeled electric vehicles was added to the proposed ordinance under the definition of Personal Electric Mobility Device (PEMD).

Adoption of these regulations is important to provide clear and enforceable standards that help reduce unsafe riding behavior, minimize the risk of accidents and injuries, protect pedestrians and other roadway users, and ensure consistency with applicable state laws. The ordinance also gives law enforcement and the community clearer guidance regarding the lawful operation of emerging electric mobility devices, helping the City proactively address increasing use before more significant public safety concerns arise.

FISCAL NOTE (Finance Department): N/A

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:

RECOMMENDED ACTION: **MOTION to adopt Ordinance No. 26-1253 amending Black Diamond Municipal Code Chapter 10.32 as shown in attachment A; adopting a new BDMC Chapter 10.34 as shown in attachment B; providing for severability; and establishing an effective date.**

RECORD OF COUNCIL ACTION

Meeting Date	***Action***	***Vote***
July 7, 2026		

ORDINANCE NO. 26-1253

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, ADOPTING A NEW CHAPTER 10.34 OF THE BLACK DIAMOND MUNICIPAL CODE REGULATING E-MOTORCYCLES, E-BICYCLES, AND PERSONAL ELECTRIC MOBILITY DEVICES; AMENDING CHAPTER 10.32, SKATEBOARDS, ROLLER SKATES, COASTERS, IN-LINE SKATES, MOTORIZED FOOT SCOOTERS AND SIMILAR DEVICES, FOR CONSISTENCY WITH THE NEW CHAPTER; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Black Diamond has seen an increase in popularity in e-motorcycle and electric-assisted bicycle ridership within the City; and

WHEREAS, e-motorcycles and electric-assisted bicycles can pose public safety issues if not operated appropriately, including traveling at high speeds on streets and sidewalks, or when demonstrating tricks; and

WHEREAS, the City currently regulates the use of electric scooters in chapter 10.32 of the Black Diamond Municipal Code (BDMC); and

WHEREAS, the Black Diamond City Council desires to adopt regulations on the use of e-motorcycles and electric-assisted bicycles and to combine such regulations with similar regulations relating to e-scooters and related personal electric mobility devices that have, until now, resided in chapter 10.32 BDMC;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND DO ORDAIN AS FOLLOWS:

Section 1. BDMC Ch. 10.32 Amended. Black Diamond Municipal Code Chapter 10.32, Skateboards, Roller Skates, Coasters, In-line Skates, Motorized Foot Scooters and Similar Devices, is hereby amended as shown in Exhibit A attached hereto.

Section 2. BDMC Ch. 10.34 Adopted. A new Chapter 10.34, Operation of Electric Motorcycles, Electric-Assisted Bicycles, and Personal Electric Mobility Devices (PEMDs), is hereby adopted and added to Title 10 of the Black Diamond Municipal Code as shown in Exhibit B attached hereto.

Section 3. Severability. Each and every provision of this Ordinance is severable. If any provision of this Ordinance is found to be unconstitutional or otherwise unenforceable or contrary to law by a court of competent jurisdiction, that finding shall not affect the validity of the remaining provisions, which shall remain in force and effect.

Section 4. Effective Date. This Ordinance shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after the date of publication.

PASSED BY A MAJORITY OF THE CITY COUNCIL AT A MEETING HELD ON THE 7TH DAY OF JULY, 2026.

CITY OF BLACK DIAMOND:

____
John Adler, Mayor

Attest:

____
Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

____
David Linehan, City Attorney

Published: __________________

Posted: ____________________

Effective Date: ______________

EXHIBIT A

Chapter 10.32 - SKATEBOARDS, ROLLER SKATES, COASTERS, AND IN-LINE SKATES~~,~~ ~~MOTORIZED FOOT SCOOTERS AND SIMILAR DEVICES~~

10.32.010 - Definitions.

~~The following words and phrases when used in this chapter shall f~~For the purposes of this chapter~~, have the meanings respectively ascribed to them in this section~~:

"Coaster~~s~~" means a footboard mounted upon two or more wheels ~~pairs of shoes, mounted upon two sets of wheels,~~ and controlled by an upright steering handle. ~~This~~ The devic~~s~~e is most often propelled by the user in ~~usually~~ an upright position or kneeling.

"In-line skates" means a pair of shoes or boots, mounted upon three or more ~~sets of~~ wheels arranged in a line, ~~located~~ one behind the other, under the attached shoe or boot, and ~~is~~are most often propelled by the user in an upright, standing position.

~~"Motorized foot scooter" or similar device is defined as a device with two or more ten-inch or smaller diameter wheels that has handlebars, is designed to be stood or sat upon by the operator, and is powered by an internal combustion engine or electric motor that is capable of propelling the devise with or without human propulsion. It is provided, however, that the regulations of this chapter shall not apply to any vehicle used by a disabled person as defined by RCW 46.16.381.~~

"Roller skates" means a pair of shoes, mounted upon two sets of wheels arranged side-by-side, and ~~is~~are most often propelled by the user in an upright, standing position or kneeling.

"Skateboard" means a footboard mounted upon four or more wheels and is usually propelled by the user who sometimes stands, sits, kneels, or lays upon the devi~~s~~ce while it is in motion.

10.32.020 - Duty to obey traffic control devises~~d~~ and rules of the road.

A. Any person operating a skateboard, roller skates, coaster, or in-line skates~~, motorized foot scooter or similar device~~ shall obey all rules of the road applicable to vehicle or pedestrian traffic, as well as the instructions of official traffic control signals, signs, and other control devices applicable to vehicles, unless otherwise directed by a police officer.

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~~B. It shall be unlawful to operate a motorized foot scooter or similar device other than as close as practicable to the right-hand curb or right edge of the roadway.~~

B~~C~~. When preparing for a left turn, the operator shall stop and dismount as close as practical to the right-hand curb or right edge of the roadway and complete the turn by crossing the roadway on foot, subject to the restrictions placed on pedestrians in Chapter 46.61 RCW.

10.32.030 - Certain uses prohibited.

A. No skateboard, roller skates, coaster, or in-line skates~~, motorized foot scooter or similar device~~ shall be ridden or used ~~operated~~ in a negligent or unsafe manner but shall be operated with reasonable regard for the safety of the ~~operator~~ rider or user and other persons. ~~For the purposes hereof, to "operate in a negligent manner" means the operation of a motorized foot scooter or similar device in such a manner as to endanger or be likely to endanger any person or property. Examples of operating in a negligent manner include, but are not limited to, failure to obey all traffic control devices, failure to yield right-of-way to pedestrians and/or vehicular traffic. Operation of a motorized foot scooter in excess of a posted speed limit shall be prima facie evidence of operation in a manner likely to endanger any person or property.~~

B. No skateboard, roller skates, coaster, or in-line skates~~, motorized foot scooter or similar device~~ shall be ~~operated~~ ridden or used between the times of sunset to sunrise; provided, skateboards, in-line skates, and roller skates may be ridden or used in the skate park facility located at 25241 Park Street during the hours set forth in BDMC 8.28.030.

C. No skateboard~~, roller skates,~~ or coaster~~, in-line skates, motorized foot scooter or similar device~~ shall be ~~operated~~ ridden or used with any passengers in addition to the operator.

D. No skateboard, roller skates, coaster, or in-line skates~~, motorized foot scooter or similar device~~ shall be ~~operated~~ ridden or used without the rider or user~~operator~~ wearing a properly fitted helmet that meets or exceeds safety standards adopted by Standard Z-90, set by the American National Standards Institute. ~~The helmet must be worn over the head and be equipped with either a neck or chin strap that must be fastened securely while the motorized scooter is in motion.~~

~~E. No motorized foot scooter with an internal combustion engine shall be operated without a muffler in good working order.~~

~~F. No motorized foot scooter shall be operated on a city bicycle path or trail, unless the path has been posted to allow use by a motorized foot scooter.~~

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10.32.040 - Prohibited areas.

It is unlawful for any person to ~~operate or~~ ride upon or use a skateboard, roller skates, coaster, or in-line skates~~, motorized foot scooter or similar device~~ in any of the following areas:

~~A. On Lawson Street, Railroad Ave., Morgan Street, Roberts Drive and Baker Street;~~

A~~B~~. In city parks, unless designated for such use;

B~~C~~. On sidewalks within the city limits~~;~~ or

C~~D~~. On any city street with a posted maximum speed limit greater than twenty-five miles per hour.

~~**10.32.050 - Additional requirements—Motorized foot scooters.**~~

~~A. No motorized foot scooter or similar device shall be operated on streets or other public areas not otherwise prohibited by this section to motorized foot scooters unless the operator is at least sixteen years of age. No operator's license is required from the department of licensing to operate a motorized foot scooter.~~

~~B. Every motorized foot scooter shall be equipped with mirrors on the left side and right side of the handlebars which shall be so located as to give the driver a complete view of the roadway for a distance of at least two hundred feet to the rear of the scooter.~~

~~C. Every motorized foot scooter shall be equipped with a brake that will enable the operator to make the braked wheels skid on dry, level, clean pavement.~~

~~**10.32.060 - Parental responsibilities.**~~

~~It is unlawful for a parent or guardian to allow a child to operate a motorized foot scooter in violation of this chapter. For violations by people under sixteen years of age, the parent or guardian will be held responsible.~~

10.32.05~~7~~0 - Penalties.

~~A.~~ Any person violating any provision of this chapter shall be guilty of a traffic infraction and shall be punished by the imposition of a monetary penalty of not more than two hundred fifty dollars, exclusive of statutory assessments~~,~~; provided, conduct that constitutes a criminal traffic offense may be charged as such and is subject to the maximum penalties allowed for such offenses. Community service hours may be imposed in lieu of a monetary penalty.

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~~B. Police may seize the motorized foot scooter after any violation. After adjudication of the case the court shall determine the release conditions of the device.~~

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EXHIBIT B

Chapter 10.34 – OPERATION OF ELECTRIC MOTORCYCLES, ELECTRIC-ASSISTED BICYCLES, AND PERSONAL ELECTRIC MOBILITY DEVICES

10.34.010 Definitions.

For the purposes of this chapter:

"Bicycle" means every device propelled solely by human power, or an electric-assisted bicycle, upon which a person or persons may ride, having two tandem wheels either of which is 16 inches or more in diameter, or three wheels, any one of which is 20 inches or more in diameter.

"Electric-assisted bicycle" means a bicycle with two or three wheels, a saddle, fully operative pedals for human propulsion, and an electric motor. The electric-assisted bicycle's electric motor must have a power output of no more than 750 watts. The electric-assisted bicycle must meet the requirements of one of the following three classifications:

1. "Class 1 electric-assisted bicycle" means an electric-assisted bicycle in which the motor provides assistance only when the rider is pedaling and ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour;

2. "Class 2 electric-assisted bicycle" means an electric-assisted bicycle in which the motor may be used exclusively to propel the bicycle and is not capable of providing assistance when the bicycle reaches the speed of 20 miles per hour; or

3. "Class 3 electric-assisted bicycle" means an electric-assisted bicycle in which the motor provides assistance only when the rider is pedaling and ceases to provide assistance when the bicycle reaches the speed of 28 miles per hour and is equipped with a speedometer.

"Electric motorcycle" means a motorcycle, as defined by RCW 46.04.330, which is powered by electricity and:

1. Is not equipped with fully operable pedals capable of propelling it. Foot pegs are not considered pedals; or

2. Exceeds 750 watts; or

3. Is capable of going over 28 miles per hour with motor assistance.

“Guardian” means a parent, legal guardian, or adult responsible for the care and supervision of a minor.

“Minor” means any person under the age of 18.

“Personal electric mobility device” or “PEMD” means a wheeled device designed to transport a single person, powered in whole or in part by an electric motor, intended primarily for personal transportation, and not otherwise classified as a motor vehicle, motorcycle, moped, bicycle, electric-assisted bicycle, mobility aid, or other vehicle specifically regulated by this code. PEMDs include, but are not limited to, one-wheel self-balancing devices, hoverboards, electric skateboards, and similar devices.

10.34.020 – Duty to obey traffic control devices and rules of the road.

Any person operating an electric motorcycle, electric-assisted bicycle, or personal electric mobility device shall obey all rules of the road applicable to vehicle or pedestrian traffic, as well as the instructions of official traffic-control signals, signs, and other control devices applicable to vehicles, unless otherwise directed by a police officer.

10.34.030 – Prohibited operation of electric motorcycles.

A. No person under the age of 16 may operate an electric motorcycle within the city.

B. No person may operate an electric motorcycle that is not registered with the Washington State Department of Licensing and does not have a valid license plate.

C. No person may operate an electric motorcycle without a valid driver’s license with a motorcycle endorsement.

D. No person may operate an electric motorcycle on a public street or road unless it meets the requirements of RCW 46.61.705.

E. No person may operate an electric motorcycle on any sidewalk, pedestrian path, shared use path, or park trail.

F. No person may operate an electric motorcycle within any city-owned or city-controlled parks, or on any other city property, except parking lots.

10.34.040 – Prohibited operation of electric-assisted bicycles.

A. No person may operate a Class 3 electric-assisted bicycle on any sidewalk, pedestrian path, shared use path, or park trail; provided, operation on the sidewalk is permitted when there is no safe alternative or the sidewalk is part of a bicycle path.

B. No person may operate a Class 3 electric-assisted bicycle within any city-owned or city-controlled parks, or on any other city property, except parking lots.

10.34.050 – Prohibited operation of PEMDs.

A. No PEMDs shall be ridden in a negligent or unsafe manner but shall be operated with reasonable regard for the safety of the operator and other persons.

B. PEMDs are prohibited from being operated:

1. On sidewalks within the city limits;

2. In city parks;

3. On trails (including bicycle paths, bikeways, equestrian trails, hiking trails, and recreation trails) except where such trails are specifically marked stating that such use is permitted; and

4. On any city street with a posted maximum speed limit greater than 25 miles per hour.

C. No PEMD shall be operated on streets or other public areas unless the operator is at least 16 years of age. No operator's license is required from the Department of Licensing to operate a PEMD.

E. Any person operating a PEMD or riding as a passenger on a PEMD upon any public area in the city shall wear an approved helmet designed for safety that meets or exceeds the requirements of standard Z-90.4 set by the American National Standards Institute (ANSI) or the Snell Foundation, or a subsequent nationally recognized standard for helmet performance as the city may adopt. The helmet shall be worn over the head and equipped with either a neck or chin strap that shall be fastened securely while the PEMD is in motion.

F. Every PEMD with handlebars shall be equipped with mirrors on the left side and right side of the handlebars which shall be so located as to give the operator a complete view of the roadway for a distance of at least two hundred feet to the rear of the PEMD.

G. Every PEMD shall be equipped with a brake that will enable the operator to make the braked wheels skid on dry, level, clean pavement.

H. Every PEMD when in use during the hours of darkness as defined in RCW 46.37.020 shall be equipped with a lamp on the front which shall emit a white light visible from a distance of at least 500 feet to the front and with a red reflector on the rear of a type approved by the State Patrol which shall be visible from all distances up to 600 feet to the rear when directly in front of lawful lower beams of head lamps on a motor vehicle. A lamp emitting a red light visible from a distance of 500 feet to the rear may be used in addition to the red reflector. A light-emitting diode flashing taillight visible from a distance of 500 feet to the rear may also be used in addition to the red reflector.

I. Operation of PEMDs is subject to the provisions of BDMC 8.12.040 entitled "Public disturbance noises."

10.34.060 – Guardian responsibilities.

A guardian may not authorize, knowingly permit, or by insufficient control negligently allow a minor in their care to operate an electric motorcycle, electric-assisted bicycle, or PEMD in violation of this chapter. A guardian who authorizes, knowingly permits, or by insufficient control negligently allows a minor in their care to operate an electric motorcycle, electric-assisted bicycle, or PEMD in violation of this chapter shall be jointly and severally liable with the minor for the penalties set forth in BDMC 10.34.070(D).

10.34.070 – Impoundment and penalties for violation.

A. A law enforcement officer is hereby authorized to impound (as defined in BDMC 10.16.020) without notice any electric-assisted bicycles, electric motorcycles, and PEMD operated in violation of this chapter.

B. The officer must follow the impound procedures in BDMC 10.16.040 through 10.16.060.

C. The impounded vehicle may be redeemed in accordance with BDMC 10.16.055.

D. Violations of BDMC 10.34.030, Prohibited operation of electric motorcycles, are deemed civil infractions unless otherwise specified herein and are subject to the following monetary penalties:

   1. First violation: $250.00.

   2. Second violation: $500.00.

   3. Third and subsequent violations: $750.00.

E. Violations of BDMC 10.34.040, Prohibited operation of electric-assisted bicycles, are deemed civil infractions unless otherwise specified herein and are subject to the following monetary penalties:

   1. First violation: $125.00.

2. Second violation: $250.00.

3. Third and subsequent violations: $375.00.

F. Violations of BDMC 10.34.050, Prohibited operation of PEMDs, are deemed civil infractions unless otherwise specified herein and are subject to the following monetary penalties:

1. First violation: $125.00.

2. Second violation: $250.00.

F. Any person found in violation of BDMC 10.34.030(C) is guilty of misdemeanor and may be subject to criminal penalties as set forth in forth in BDMC 9.00.120 in lieu of the penalties set forth herein.

G. In addition to the penalties set out in this chapter, violators must pay the costs of impound, towing, storage, and court fees in accordance with BDMC 10.16.055(C).

10.34.080 – Enforcement authority.

The Black Diamond Police Department is authorized to enforce the provisions of this chapter and may issue civil infractions, impound vehicles, and take other lawful action necessary to protect public safety and ensure compliance.

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION

SUBJECT:	Agenda Date: July 7, 2026 AB26-081	
Ordinance amending Chapter 10.16 of the Black Diamond Municipal Code concerning the City's vehicle impound and storage regulations and procedures	Mayor John Adler	
	City Administrator - Kevin O'Neill	X
	City Attorney - David Linehan	
	City Clerk – Brenda L. Martinez	
	Com Dev – Hal Hart	
	Finance – Xavier Mason	
	MDRT/Ec Dev – Michelle Wright	
Cost Impact (see also Fiscal Note): 0	Police – Chief Kiblinger	X
Fund Source: N/A	Public Works – Scott Hanis	
Timeline:	Court – Judge Swain/Tawnya Parks	

Agenda Placement: ☐ Mayor ☐ Two Councilmembers ☐ Committee Chair ☒ City Administrator

Attachments: Ordinance; Exhibit A amendments to BDMC Ch. 10.16

SUMMARY STATEMENT:

The proposed amendments to Chapter 10.16 modernize the City's impound and vehicle storage regulations by incorporating current requirements under Chapter 46.55 RCW, clarifying definitions and impound authority, and establishing updated procedures for notice, redemption, hearings, and recordkeeping related to impounded vehicles. The ordinance also adds specific provisions authorizing the towing and impoundment of electric motorcycles, electric-assisted bicycles, and personal electric mobility devices (PEMDs) when abandoned, unlawfully parked, obstructing traffic or public access, creating a public safety hazard, or otherwise in violation of City code or state law. Additional revisions clarify officer discretion regarding impound decisions, prohibit duplicate parking infractions related solely to the impound action, and establish procedures for temporary safekeeping and owner notification prior to or following impoundment.

FISCAL NOTE (Finance Department): N/A

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:

RECOMMENDED ACTION: **MOTION to adopt Ordinance No. 26-1254 amending Chapter 10.16 of the Black Diamond Municipal Code concerning the impounding and storage of vehicles as shown in attachment A; providing for severability, and establishing an effective date.**

RECORD OF COUNCIL ACTION

Meeting Date	*Action*	*Vote*
July 7, 2026		

ORDINANCE NO. 26-1254

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AMENDING CHAPTER 10.16 OF THE BLACK DIAMOND MUNICIPAL CODE, IMPOUNDING AND STORAGE OF VEHICLES; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, vehicles illegally parked within the public right-of-way and other public areas may present a hazard to the public by impeding first responders' vehicles; impair visibility or proper use of roadways; block driveway access for homes, businesses, or public facilities; or unlawfully occupy parking reserved for certain approved uses or for the public; and

WHEREAS, Chapter 46.55 of the Revised Code of Washington ("RCW") authorizes law enforcement, authorized regional transit authority representatives, and public officials with jurisdiction to impound vehicles under circumstances set out in state law; and

WHEREAS, RCW 46.55.240 authorizes cities to, by ordinance, authorize other impound circumstances that may arise locally upon the public right-of-way or other publicly owned or controlled property; and

WHEREAS, upon recommendation of the Police Department, the City Council has determined that the City's vehicle towing and impoundment regulations need to be updated to reflect current law and best practices;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND DO ORDAIN AS FOLLOWS:

Section 1. Findings. The City Council adopts the recitals set forth above as findings in support of this Ordinance.

Section 2. Chapter 10.16 of the Black Diamond Municipal Code, Impounding and Storage of Vehicles, is hereby amended as shown in Exhibit A attached hereto.

Section 3. Each and every provision of this Ordinance is severable. If any provision of this Ordinance is found to be unconstitutional or otherwise unenforceable or contrary to law by a court of competent jurisdiction, that finding shall not affect the validity of the remaining provisions, which shall remain in force and effect.

Section 4. This Ordinance shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after the date of publication.

PASSED BY A MAJORITY OF THE CITY COUNCIL AT A MEETING HELD ON THE 7TH DAY OF JULY, 2026.

CITY OF BLACK DIAMOND:

____
John Adler, Mayor

Attest:

____
Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

____
David Linehan, City Attorney

Published: ___________________

Posted: _____________________

Effective Date: _______________

Chapter 10.16 IMPOUNDING AND STORAGE OF VEHICLES

Sections:

10.16.010 ~~Incorporation of state law by reference~~Purpose.

All impoundments authorized by the City shall be conducted in accordance with state law, as prescribed by Chapter 46.55 RCW, which is hereby adopted by reference and incorporated into this chapter. Other than impounds authorized under RCW 46.55.113(2)(e), which may include a mandatory period of impoundment, an officer's decision to have a vehicle towed and impounded under Chapter 46.55 RCW is discretionary. In using such discretion, the officer shall~~,~~ consider~~ing~~ reasonable alternatives, recognizing that a decision to impound is~~, and~~ a remedial action~~in order~~ that (i)~~to~~ preserves the public health, safety, and welfare by removing obstructions and hazards in public ways and spaces; ~~-~~(ii) reduc~~ing~~es the risk posed to public safety by a vehicle accessible to a driver who is reasonably believed to have violated traffic laws; ~~and~~or (iii) secur~~ing~~es and protect~~ing~~s property, both public and private. An impound decision is not punitive in nature. Therefore, if a police officer elects to have a vehicle towed and impounded under Chapter 46.55 RCW, the police officer shall not also issue an infraction for any civil violation that relates solely to the manner in which the vehicle is parked, stopped, or otherwise located. This limitation, however, does not apply to any criminal charges or to any infractions issued for moving, licensing, registration, inspection, or insurance violations.

10.16.020 ~~Copies available for inspection~~Definitions.

For the purpose of this chapter:

"Impoundment" means removal of a vehicle to a storage facility either by a law enforcement officer of the Black Diamond Police Department or by a contractor for towing and storage in response to a request from a law enforcement officer.

"Unauthorized vehicle" means a vehicle (regardless of physical condition) that is subject to impoundment after being left unattended in a public location under the circumstances described in BDMC 10.16.030.

"Vehicle" means device capable of being moved upon a public street and in, upon, or by which any persons or property is or may be transported or drawn upon a public street. "Vehicle" excludes a power wheelchair or device other than a bicycle moved by human or animal power or used exclusively upon stationary rails or tracks.

~~The city clerk-treasurer of the city shall have available for the public inspection during regular working hours a copy of RCW Chapter 46.55 for inspection by the public.~~

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10.16.030 Authority to impound—~~Additional situations~~Notice.

A. *Impoundment Without Notice.* A vehicle may be impounded with or without citation and without giving prior notice to its owner as required in BDMC 10.16.050 only under the following circumstances:

1. When the vehicle is impeding or is likely to impede the normal flow of vehicular or pedestrian traffic~~.~~;

2. When the vehicle is illegally parked in a conspicuously posted restricted zone where parking is limited to designated classes of vehicles or is prohibited during certain hours, on designated days or at all times, and where such vehicle is interfering with the proper and intended use of such zones~~.~~;

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3. When a vehicle without a special license plate, card, or decal indicating that the vehicle is being used to transport a disabled person as defined under Chapter 46.16A RCW, as now or hereafter amended, is parked in a stall or space clearly and conspicuously marked as reserved for disable parking, whether the space is provided on private property without charge or on public property~~.~~;

4. When the vehicle poses an immediate danger to the public safety~~.~~;

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5. When a police officer has probable cause to believe that the vehicle is stolen or used in the commission of a felony offense~~.~~;

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6. When the vehicle is in a publicly owned or controlled parking facility, properly posted under RCW 46.55.070~~.~~;

7. When the vehicle is used or operated in violation of any law, ordinance, or regulation~~.~~; or

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8. When impound without notice is otherwise authorized by law.

B. *When Notice Is Required.* A vehicle may be impounded for the reasons in subsections (B)(1) and (B)(2) of this section only after a notification sticker meeting the requirements of RCW 46.55.085 has been attached to and conspicuously displayed on the vehicle for a period of at least 24 hours prior to such impoundment. If the vehicle has current Washington registration plates, the officer shall check the records to learn the identity of the last owner of record. The officer or his or her department shall make a reasonable effort to contact the owner in person or by telephone or first-class mail in order to give the owner the information on the notification sticker.

1. When such vehicle is parked in violation of any law, ordinance, or regulation.

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2. When such vehicle is left unattended without authorization on city-owned nonhighway property not posted in accordance with RCW 46.55.070.

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C. *Removal for Safekeeping Prior to Impoundment.* Prior to an impoundment conducted pursuant to subsection A or B of this section, an officer may, but is not required to, remove

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and temporarily hold the vehicle at a ~~C~~city facility for pickup by the vehicle's owner. If arrangements for prompt pickup by the vehicle owner cannot be made, the vehicle will be impounded, and notice will be provided within 24 hours of that time pursuant to BDMC 10.16.050.

~~In accordance with Section 46.55.240 RCW the city adopts other situations in which an impound is authorized as set forth in Section 10.20.010(B).~~

10.16.040 Impound authorization form~~Impoundment of vehicle where driver is arrested for a violation of RCW 46.20.005, 46.20.015, 46.20.342, 46.20.420, 46.61.502, 46.61.504—Period of impoundment~~.

Whenever an officer impounds a vehicle pursuant to the provisions of this chapter, the officer shall complete an authorization form approved by the Chief of Police which specifies the section of this chapter or Chapter 46.55 RCW authorizing the impound and includes all other information required by law. The impound authorization form may include a law enforcement notice of infraction or citation for an offense for which an impound is authorized.

~~A. Whenever the driver of a vehicle is arrested or cited for a violation of RCW 46.20.005, 46.20.015, 46.20.342, 46.20.420, 46.61.502, 46.61.504, the vehicle is subject to impoundment at the direction of a police officer.~~

~~B. Whenever the driver of a vehicle is arrested or cited for a violation of RCW 46.20.005, 46.20.015, 46.20.420, 46.61.502, 46.61.504, or 46.20.342(1)(c) and the driver has not been convicted one or more times of a violation of RCW 46.20.342 or similar local ordinance within the past five years, then the vehicle may be released as soon as all the requirements of Section 10.16.050A are satisfied.~~

~~C. If a vehicle is impounded because the driver is arrested for a violation of RCW 46.20.342(1)(c) and the Washington Department of Licensing's records show that the driver has been convicted one time of a violation of RCW 46.20.342 or similar local ordinance within the past five years, the vehicle shall be impounded for fifteen days.~~

~~D. If a vehicle is impounded because the driver is arrested for a violation of RCW 46.20.342(1)(c) and the Washington Department of Licensing's records show that the driver has been convicted two or more times of a violation of RCW 46.20.342 or similar local ordinance within the past five years, the vehicle shall be impounded for thirty days.~~

~~E. If a vehicle is impounded because the driver is arrested for a violation of RCW 46.20.342(1)(a) or (b) and the Washington Department of Licensing's records show that the driver has not been convicted of a violation of RCW 46.20.342(1)(a) or (b) or similar local ordinance within the past five years, the vehicle shall be impounded for thirty days.~~

~~F. If a vehicle is impounded because the driver is arrested for a violation of RCW 46.20.342(1)(a) or (b) and the Washington Department of Licensing's records show that the driver has been convicted one time of a violation of RCW 46.20.342(1)(a) or (b) or similar local ordinance once within the past five years, the vehicle shall be impounded for sixty days.~~

~~G. If a vehicle is impounded because the driver is arrested for a violation of RCW 46.20.342(1)(a) or (b) and the Washington Department of Licensing's records show that the driver has been convicted of a violation of RCW 46.20.342(1)(a) or (b) or similar local ordinance two or more times within the past five years, the vehicle shall be impounded for ninety days.~~

10.16.050 Notice to owner of impounded vehicle

A. Not more than 24 hours after impoundment of any vehicle made pursuant to this chapter, a notice of impound, hereinafter referred to as the impound report, and notice of redemption and opportunity for a hearing shall be mailed to the registered owner and legal owner of an impounded vehicle, as may be disclosed by the vehicle license number, or vehicle identification number (VIN), if such is obtainable, unless the impound report is mailed to the registered owner at the address provided by the Washington State Department of Licensing or the corresponding government agency. If the person requesting the impound has reason to believe that the registered owner is residing or is in custody at some different address known to the requestor, a copy of the impound report and notice of the right of redemption and opportunity for a hearing shall be sent to that address. The impound report shall contain the particulars of the impoundment, the name, phone number and address of the tow company involved, and location of storage of the vehicle if not that company's address.

B. Written notice of redemption and opportunity for a hearing as set forth on a form with information required by Chapter 46.55 RCW and a copy of the tow and storage receipt shall be given by the tow company to each person who seeks to redeem an impounded vehicle. The tow company shall maintain a record evidenced by the redeeming person's signature that such notification was provided.

10.16.0~~60~~55 Redemption of impounded vehicles; right to a hearing.

Vehicles impounded by the city shall be redeemed only ~~under the following circumstances:~~in accordance with RCW 46.55.120.

A. Any person seeking to redeem an impounded vehicle under this section has a right to a hearing in the City of Black Diamond Municipal Court to contest the validity of the impoundment or the amount of towing and storage charges. Any request for a hearing shall be made in writing on the form provided for that purpose and must be received by the appropriate court within 10 days of the date the opportunity was provided for in this section and more than five days before the date of the auction. At the time of the filing of the hearing request, the petitioner shall pay to the court clerk a filing fee in the same amount required for the filing of a suit in said court. If the hearing request is not received by the court within the 10-day period, the right to a hearing is waived and the registered owner is liable for any towing, storage, or other impoundment charges permitted under this chapter. Upon receipt of a timely hearing request, the court shall proceed to hear and determine the validity of the impoundment.~~Only the registered owner, a person authorized by the registered owner, or one who has purchased the vehicle from the registered owner, who produces proof of ownership or authorization and signs a receipt therefor, may redeem an impounded vehicle. A person redeeming a vehicle impounded pursuant to Section 10.16.040 must prior to redemption establish that he or she has a valid driver's license and is in compliance with RCW 46.30.020. A vehicle impounded pursuant to subsections C to G of Section 10.16.040 can be released only pursuant to a written order from the court.~~

B. *Post Impoundment Hearing Procedure.*

1. The court, within five days after the request for a hearing, shall notify the registered tow truck operator, the person requesting the hearing if not the owner, the registered and legal owners of the vehicle or other item of personal property registered or titled with the department, and the person or agency authorizing the impound in writing of the hearing date and time.

2. At the hearing, the person or persons requesting the hearing may produce any relevant evidence to show that the impoundment, towing, or storage fees charged were not proper. The court may consider a written report made under oath by the officer who authorized the impoundment in lieu of the officer's personal appearance at the hearing.

3. At the conclusion of the hearing, the court shall determine whether the impoundment was proper, whether the towing or storage fees charged were in compliance with the posted rates, and who is responsible for payment of the fees. The court may not adjust fees or charges that are in compliance with the posted or contracted rates.

4. If the impoundment is found proper, the impoundment, towing, and storage fees as permitted under this chapter together with court costs shall be assessed against the person or persons requesting the hearing, unless the operator did not have a signed and valid impoundment authorization from a private property owner or an authorized agent.

5. If the impoundment is determined to be in violation of this chapter, then the registered and legal owners of the vehicle or other item of personal property registered or titled with the department shall bear no impoundment, towing, or storage fees, and any security shall be returned or discharged as appropriate, and the person or agency who authorized the impoundment shall be liable for any towing, storage, or other impoundment fees permitted under this chapter. The court shall enter judgment in

favor of the registered tow truck operator against the person or agency authorizing the impound for the impoundment, towing, and storage fees paid. In addition, the court shall enter judgment in favor of the registered and legal owners of the vehicle, or other item of personal property registered or titled with the department, for the amount of the filing fee required by law for the impound hearing petition as well as reasonable damages for loss of the use of the vehicle during the time the same was impounded against the person or agency authorizing the impound. However, if an impoundment arising from an alleged violation of RCW 46.20.342 or 46.20.345 is determined to be in violation of Chapter 46.55 RCW, then the law enforcement officer directing the impoundment and the government employing the officer are not liable for damages if the officer relied in good faith and without gross negligence on the records of the department in ascertaining that the operator of the vehicle had a suspended or revoked driver's license. If any judgment entered is not paid within 15 days of notice in writing of its entry, the court shall award reasonable attorneys' fees and costs against the defendant in any action to enforce the judgment. Notice of entry of judgment may be made by registered or certified mail, and proof of mailing may be made by affidavit of the party mailing the notice. The form of the notice shall be in accordance with the form in RCW 46.55.120(3)(e).

C. *Fees and Costs.* Responsibility for the costs of impound, towing, storage, and court fees shall be assessed in accordance with Chapter 46.55 RCW, subject to the prohibition against excessive fines in the 8th Amendment to the U.S. Constitution.

D. *Appeal.* A decision made by the Black Diamond Municipal Court may be appealed to King County Superior Court no later than 30 days following the Black Diamond Municipal Court's entry of the decision.

~~Any person so redeeming a vehicle impounded by the city shall pay the towing contractor for costs of impoundment removal, towing and storage prior to redeeming such vehicle, except as provided for by subsection C of this section. Such towing contractor shall accept payment as provided in RCW 46.55.120(1)(b) as now or hereafter amended. If the vehicle was impounded pursuant to Section 10.16.040 and was being operated by the registered owner when it was impounded, it may not be released to any person until all penalties, fines or forfeitures owed by the registered owner have been satisfied.~~

~~C. The Black Diamond Municipal Court is authorized to release a vehicle impounded pursuant to Section 10.16.040(C) to (G) prior to the expiration of any period of impoundment upon petition of the spouse of the driver based on economic or personal hardship to such spouse resulting from the unavailability of the vehicle and after consideration of the threat to public safety that may result from release of the vehicle including, but not limited to, the driver's criminal history, driving record, license status, and access to the vehicle. If such release is authorized, the person redeeming the vehicle still must satisfy the requirements of subsections A and B of this section.~~

~~D. Any person seeking to redeem a vehicle impounded as a result of a parking or traffic citation has a right to a municipal court hearing to contest the validity of an impoundment or the amount of removal, towing, and storage charges if such request for hearing is in writing, in a form approved by the Black Diamond municipal court and signed by such person, and is received by the Black Diamond municipal court within ten days (including Saturdays, Sundays and holidays) of the date the notice was given to such person by the registered tow truck operator pursuant to RCW 46.55.120(2)(a). Such hearing shall be provided as follows:~~

~~1. If all of the requirements to redeem the vehicle, including expiration of any period of impoundment under Section 10.16.040, have been satisfied, then the impounded vehicle shall be released immediately and a hearing as provided for in Section 10.16.060 shall be held within ninety days of the written request for hearing.~~

~~2. If not all of the requirements to redeem the vehicle, including expiration of any period of impoundment under Section 10.16.040, have been satisfied, then the impounded vehicle shall not be released until after the hearing provided pursuant to Section 10.16.060, which shall be held within ten days (excluding Saturdays, Sundays and holidays), but no later than the next available court date, from the written request to the court for hearing.~~

~~3. Any person seeking a hearing who has failed to request such hearing within the time specified in subsection D of this section may petition the Black Diamond municipal court for an extension of time to file a request for hearing. Such extension shall only be granted upon the demonstration of good cause as to the reason(s) the request for hearing was not timely filed. For the purposes of this section, good cause shall be defined as circumstances beyond the control of the person seeking the hearing that prevented such person from filing a timely request for hearing. In the event such extension is granted, the person receiving such extension shall be granted a hearing in accordance with this chapter.~~

~~4. If a person fails to file a timely request for hearing and no extension to file such a request has been granted, the right to a hearing is waived, the impoundment and the associated costs of impoundment are deemed to be proper, and the city shall not be liable for removal, towing, and storage charges arising from the impoundment.~~

10.16.060 Record of impounded vehicles. ~~Post-impoundment hearing procedure.~~

The Black Diamond Police Department shall keep ~~, and make available for inspection,~~ a record of all vehicles impounded under the provisions of this chapter. The record shall include at least the following information:

A. Vehicle make, year, and model;

B. Vehicle license number and state of registration;

C. Vehicle identification number, if ascertainable;

D. Such other descriptive information as the Chief of Police deems useful for purposes of vehicle identification;

E. Name of impounding officer and serial number;

F. Reason for impoundment, and the time, date, and location the approved towing company took custody; and

G. The written tow authorization form.

~~Hearings requested pursuant to Section 10.16.050 shall be held in the Black Diamond municipal court, which court shall determine whether the impoundment was proper and whether the associated removal, towing, and/or storage fees were proper.~~

~~A. At the hearing, an abstract of the driver's driving record is admissible without further evidentiary foundation and is prima facie evidence of the status of the driver's license, permit, or privilege to drive and that the driver was convicted of each offense shown on the abstract. In addition, a certified vehicle registration of the impounded vehicle is admissible without further evidentiary foundation and is prima facie evidence of the identity of the registered owner of the vehicle.~~

~~B. If the impoundment is found to be proper, the court shall enter an order so stating. In the event that the costs of impoundment, removal, towing, and storage have not been paid or any other applicable requirements of Section 10.16.050A and B have not been satisfied or any period of impoundment under Section 10.16.040 has not expired, the court's order shall also provide that the impounded vehicle shall be released only after payment to the city of any fines imposed on any underlying traffic or parking infraction and satisfaction of any other applicable requirements of Section 10.16.050A and B.~~

~~C. If the impoundment is found to be improper, the court shall enter an order so stating and order the immediate release of the vehicle. If the costs of impoundment have already been paid, the court shall enter judgment against the city and in favor of the person who has paid the costs of impoundment in the amount of the costs of the impoundment.~~

~~D. In the event that the court finds that the impound was proper, but that the removal, towing, storage fees charged for the impoundment were improper, the court shall determine the correct fees to be charged. If the costs of impoundment have been paid, the court shall enter a judgment against the city and in favor of the person who has paid the costs of impoundment for the amount of the overpayment.~~

~~E. No determination of facts made at a hearing under this section shall have any collateral estoppel effect on a subsequent criminal prosecution and such determination shall not preclude litigation of those same facts in a subsequent criminal prosecution.~~

~~F. As to any impoundment arising from an alleged violation of RCW 46.20.342 or 46.20.420, if it is determined to be improper, then the law enforcement officer directing the impoundment and the government employing the officer are not liable for damages if the~~

~~officer relied in good faith and without gross negligence on the records of the department in ascertaining that the operator of the vehicle had a suspended or revoked driver's license.~~

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION		
SUBJECT:	**Agenda Date: July 7, 2026**	**AB26-082**
Motion to approve execution of Quit Claim Deed in favor of WSDOT, releasing City's easement rights over TPN 112106-9098 (aka Kombol Law Office parcel).	Mayor John Adler	
	City Administrator - Kevin O'Neill	
	City Attorney - David Linehan	
	City Clerk – Brenda L. Martinez	
	Com Dev –Hal Hart	
	Finance – Xavier Mason	
	MDRT/Ec Dev – Michelle Wright	
Cost Impact (see also Fiscal Note):	Police – Chief Kiblinger	
Fund Source:	Public Works – Scott Hanis	X
Timeline:	Court – Judge Swain/Tawnya Parks	

Agenda Placement: ☐ Mayor ☐ Two Councilmembers ☐ Committee Chair ☒ City Administrator

Attachments: Quit Claim Deed; King County Recorder - Declaration of Easements Clarification

SUMMARY STATEMENT:

The City currently owns easement rights for ingress and egress ("access easement") over a parcel of land adjacent to SR 169, near the Roberts Drive roundabout, which is currently occupied by a structure known as the Kombol Law Office. The City inherited this access easement when it purchased the parcel immediately to the south of the Kombol Law Office to construct the underground stormwater vault and related improvements in connection with the SR 169/Roberts Drive roundabout project. The access easement "ran with" the title to the stormwater vault parcel when the City purchased it. The access easement dates back to when Palmer Coking Coal short-platted four adjacent parcels and reserved a private road and access easement to benefit the Palmer property to the west of the Kombol Law Office parcel.

To complete its fish passage project, WSDOT is acquiring fee title to the entire Kombol Law Office parcel. To clear title, WSDOT has asked the City to release its residual access easement rights across that property. The City's access easement is not needed for any reasonably foreseeable City purpose and serves no current benefit to the City, as the Kombol Law Office parcel will be owned and maintained by WSDOT as the location of its fish passage improvements.

FISCAL NOTE (Finance Department): N/A

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:

RECOMMENDED ACTION: **MOTION to authorize the Mayor to execute the attached Quit Claim Deed in favor of the Washington State Department of Transportation to release the City's interest in a residual road and access easement over, under, and across King County Tax Assessor's Parcel No. 112106-9098, legally described**

as Lot 3, City of Black Diamond Short Plat No. 89-52, Recording No. 8912089006 in the records of King County, Washington.

RECORD OF COUNCIL ACTION

Meeting Date	***Action***	***Vote***
July 7, 2026		

After recording return document to:

State of Washington
Department of Transportation
Real Estate Services Office
P O Box 47338
Olympia WA 98504-7338

Document Title: Quitclaim Deed
Reference Number of Related Documents: 8912089006; 9104090481; 2019021200408
Grantor: City of Black Diamond
Grantee: State of Washington, Department of Transportation
Legal Description: Ptn Lot 3, City of Black Diamond Short Plat No. 89-52, Rec. No 8912089006 in the SW1/4 of the SE1/4 of Section 11, T21N, R6E, WM, King County
Additional Legal Description is on Page 4 of Document
Assessor's Tax Parcel Numbers: Ptns 1121069096; 1121069097; 1121069098; 1121069099

QUITCLAIM DEED

State Route 169, Black Diamond 1930 Paving

The Grantor, CITY OF BLACK DIAMOND, a Washington municipal corporation, for and in consideration of clearing title, conveys and quitclaims to the **State of Washington, acting by and through its Department of Transportation,** Grantee, all rights in and to that certain private road easement as delineated on the face of Black Diamond Short Plat No. 89-52 recorded under Auditor's File No. 8912089006, and the access easement reserved in the Statutory Warranty Deed recorded under Auditor's File No. 9104090481, and both further described in the Declaration of Easements Clarification recorded under Auditor's File No. 20190212000408, that lies within the following described real property, and any after acquired interest therein, situated in King County, in the State of Washington, under the imminent threat of the Grantee's exercise of its rights of Eminent Domain:

For legal description and additional conditions,
see Exhibit A attached hereto and made a part hereof.

FA No. NA
Project No. 116907B
Parcel No. 1-25680

QUITCLAIM DEED

It is understood and agreed that delivery of this deed is hereby tendered and that the terms and obligations hereof shall not become binding upon the State of Washington unless and until accepted and approved hereon in writing for the State of Washington, by and through its Department of Transportation, by its authorized agent.

Dated: ________________________, 2026

CITY OF BLACK DIAMOND, a Washington municipal corporation

By: _______________________________________
JOHN ADLER, Mayor

Attest:

____
City Clerk

Accepted and Approved
STATE OF WASHINGTON
Department of Transportation

By:___________________________________
Synthia Armstrong, Northwest Region Real Estate Services Manager, Authorized Agent

Date: __________________________________

QUITCLAIM DEED

STATE OF WASHINGTON)
: ss
County of King)

On this _______ day of ______________, 2026, before me personally appeared JOHN ADLER to me known to be the Mayor of the municipal corporation that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that ___(he/she is) (they are)___ authorized to execute said instrument.

GIVEN under my hand and official seal the day and year last above written.

(SEAL)

____
Notary Public in and for the State of Washington, residing at ________________

My commission expires ________________

This notarial act was completed:
☐ In Person
☐ In Person Electronic
☐ Remote Using Communication Technology

QUITCLAIM DEED

EXHIBIT A

Parcel 1:

All that portion of the easement rights, held by the Grantors as benefitted property hereinafter described as Parcel 2, over and across the hereinafter described Tract "X".

Tract "X"
(Servient Estate)

Lot 3, City of Black Diamond Short Plat No. 89-52, recorded under Recording No. 8912089006, records of King County, Washington;

Situate in the County of King, State of Washington.

Parcel 2:
(Dominant Estate)

Lots 1, 2, 3 and 4, City of Black Diamond Short Plat No. 89-52, recorded under Recording No. 8912089006, records of King County, Washington;

Situate in the County of King, State of Washington.

AND any and all property owned by PALMER COKING COAL COMPANY, LLP, a Washington Limited Liability Partnership, that is generally located west of said Short Plat.

Herein conveyed is the extinguishment of that portion of the above-described easement, the specific details concerning all of which are to be found on sheet 2 of that certain plan entitled SR 169, Black Diamond 1930 Paving, now of record and on file in the office of the Secretary of Transportation at Olympia, and bearing date of approval April 8, 1930, revised July 10, 2025.

Grantor's Initials

Instrument Number: 20190212000408 Document:EAS Rec: $104.00 Page-1
Record Date:2/12/2019 2:13 PM
King County, WA EXCISE TAX NOT REQUIRED BY HELEN HUANG

After Recording Return Documents To:
Fikso Kretschmer Smith Dixon Ormseth PS
Attn: Stacy Clark or Tina Lieu
901 Fifth Avenue, Suite 4000
Seattle, WA 98168

20190212000408
EASEMENT Rec: $104.00
2/12/2019 2:13 PM
KING COUNTY, WA

Reference Number of Related Document: 8912089006, 9104090481
Grantors: Palmer Coking Coal Company, LLP; Barry C. Kombol
Grantees: Palmer Coking Coal Company, LLP; Barry C. Kombol
Abbreviated Legal Description: Lots 1-4, Black Diamond Short Plat No. 89-52, King County Recording No. 89120890006
Additional Legal Descriptions are on Exhibits A, B, and C.
Assessor's Property Tax Parcel or Account No.: 112106-9096, 112106-9097, 112106-9098 & 112106-9099

DECLARATION OF EASEMENTS CLARIFICATION

This Declaration of Easements Clarification ("**Declaration**") is made as of the 7th day of February, 2019, by Palmer Coking Coal Company, LLP, a Washington limited liability partnership, that is the successor in interest to Palmer Coking Coal Co., a Washington general partnership ("**Palmer**"), and Barry C. Kombol, an unmarried person ("**Kombol**").

Said document(s) was filed for record by CW Title as accommodation only. It has not been examined as to proper execution or as to its effect upon title.

The following recitals of fact are a material part of this Declaration:

A. In 1989, Palmer recorded Black Diamond Short Plat No. 89-52, under King County Recording No. 8912089006 that created four lots (each a "**Lot**") in the City of Black Diamond, County of King, State of Washington ("**Short Plat**").

B. The Short Plat also created an 80-foot wide easement for ingress, egress and utilities over portions of the lots (hereinafter referred to as the "**Short Plat Access Easement**") which Short Plat Access Easement is legally described in Exhibit B attached hereto and made a part hereof.

C. Palmer owns Lot 1, Lot 2 and Lot 4 of the Short Plat, commonly known by tax parcel numbers 112106-9096 ("**Lot 2**"), 112106-9097 ("**Lot 1**"), and 112106-9099 ("**Lot 4**"), which Lots are legally described in Exhibit A attached hereto and made a part hereof.

D. Kombol owns Lot 3 of the Short Plat commonly known by tax parcel number 112106-9098 ("**Lot 3**"), which Lot is legally described in Exhibit A attached hereto and made a part hereof.

E. In that certain Statutory Warranty Deed dated March 27, 1991 and recorded under King County Recording No. 9104090481, by which Palmer conveyed Lot 3 to Kombol, Palmer reserved an additional easement for ingress, egress, access and utilities over that portion of Lot 3 described in Exhibit C hereto ("**Deed Access Easement**").

EXCISE TAX NOT REQUIRED
King Co. Records Division
By [signature] Deputy

F. Palmer and Kombol now wish to clarify and confirm what properties are benefited by and have the right to use the Short Plat Access Easement and the Deed Access Easement.

Palmer in its capacity as the original tract owner that filed the Short Plat and in its capacity as the owner of Lot 1, Lot 2 and Lot 4, and Kombol in his capacity as the owner of Lot 3 hereby confirm that:

1. The Short Plat Access Easement and the Deed Access Easement run to the non-exclusive benefit of Lot 1, Lot 2, Lot 3 and Lot 4 and also run to the non-exclusive benefit of any and all property owned by Palmer or its affiliates that is generally located west of the Short Plat ("**Additional Benefitted Property**").

2. From time to time with no further action or consent by any of the owners of Lot 1, Lot 2, Lot 3 or Lot 4, Palmer may record one or more Declarations of Benefitted Property to provide legal descriptions for some or all of the Additional Benefitted Property.

3. Nothing contained herein shall be deemed to be a gift or dedication of any portion of the Short Plat Access Easement or the Deed Access Easement to the general public or for the general public or for any public uses whatsoever, it being the intention of the parties that this Declaration shall be strictly limited to and for the purposes herein expressed.

4. It is the intention of the parties that the Short Plat Access Easement and the Deed Access Easement shall not extinguish or terminate by operation of the doctrine of merger or otherwise by reason of existing or future common ownership of the Lots in the Short Plat or the Additional Benefitted Property.

PALMER:	PALMER COKING COAL COMPANY, LLP, a Washington limited liability partnership By: [signature] Name: WILLIAM J. KOMBOL Its: MANAGER
KOMBOL:	[signature] BARRY C. KOMBOL

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 7 day of February, 2019, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared WILLIAM J. KOMBOL, known to me to be the MANAGER of PALMER COKING COAL COMPANY, LLP, a Washington limited liability partnership, the partnership that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said partnership, for the purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

JOYCE M ROSS NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES MARCH 27, 2019

Joyce M Ross
Signature
Joyce M Ross
Print Name
NOTARY PUBLIC in and for the State of Washington, residing at Blk Dmd.
My commission expires 3/27/19.

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 7 day of February, 2019, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared BARRY C. KOMBOL, known to me to be the individual that executed the foregoing instrument, and acknowledged the said instrument to be his free and voluntary act and deed, for the purposes therein mentioned.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

SUSAN J BURNETT NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES 5-21-22

Susan J. Burnett
Signature
Susan J. Burnett
Print Name
NOTARY PUBLIC in and for the State of Washington, residing at Auburn.
My commission expires 5/21/22.

EXHIBIT A

Legal Descriptions

PALMER PARCELS:

LOTS 1, 2 AND 4, BLACK DIAMOND SHORT PLAT 89-52, RECORDED UNDER KING COUNTY RECORDING NO. 8912089006.

KOMBOL PARCEL:

LOT 3, BLACK DIAMOND SHORT PLAT 89-52, RECORDED UNDER KING COUNTY RECORDING NO. 8912089006.

EXHIBIT B

Short Plat Access Easement Description

A STRIP OF LAND 80.00 FEET IN WIDTH LYING 40.00 FEET ON EITHER SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M. IN KING COUNTY WASHINGTON; THENCE SOUTH 00°03'16" EAST, ALONG THE WEST LINE OF SAID SUBDIVISION, A DISTANCE OF 300.92 FEET TO THE TRUE POINT OF BEGINNING OF THIS EASEMENT; THENCE SOUTH 88°34'25" EAST, PARALLEL WITH CENTERLINE OF THE CITY OF TACOMA PIPELINE NO. 5 RIGHT OF WAY EASEMENT, A DISTANCE OF 302.05 FEET; THENCE NORTH 77°18'22" EAST A DISTANCE OF 147.84 FEET TO A POINT OF THE WESTERLY MARGIN OF BLACK DIAMOND-RENTON ROAD AND THE TERMINUS OF THIS EASEMENT.

EXHIBIT C

Deed Access Easement Description

THOSE PORTIONS OF LOT 3, BLACK DIAMOND SHORT PLAT 89-52, RECORDED UNDER KING COUNTY RECORDING NO. 8912089006 LYING WITHIN THE CITY OF TACOMA'S 100' WATER TRANSMISSION PIPELINE EASEMENT AS DISCLOSED IN EASEMENT DOCUMENTS RECORDED UNDER KING COUNTY RECORDER'S FILE NOS. 7503060276 AND 7702280521. THIS EASEMENT FOR INGRESS, EGRESS, ACCESS AND UTILITIES ENCUMBERS A 100' STRIP IN THE SOUTHERLY 3/4TH OF LOT 3.

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT:	**Agenda Date: July 7, 2026**		**AB26-083**
Resolution adopting 2027 Budget Planning Calendar		Mayor - John Adler	
		City Administrator - Kevin O'Neill	
		City Attorney David Linehan	
		City Clerk – Brenda L. Martinez	
		Com Dev – Hal Hart	
		Finance – Xavier Mason	X
		MDRT/Ec Dev – Michelle Wright	
Cost Impact (see also Fiscal Note): N/A		Police – Chief Kiblinger	
Fund Source: N/A		Public Works – Scott Hanis	
Timeline: July 7, 2026		Court – Judge Swain/Tawnya Parks	

Agenda Placement: ☐ Mayor ☐ Two Councilmembers ☐ Committee Chair ☒ City Administrator

Attachments: Resolution and Calendar

SUMMARY STATEMENT:
Every year, the Finance Department presents a Budget Planning Calendar detailing the various deliverables required from City Staff and the corresponding legislative actions necessary for City Council to adopt the upcoming municipal budget.

The City of Black Diamond operates on an annual budget aligned with the calendar year, beginning January 1 and ending December 31. The primary purpose of the municipal budget is to manage the City's finances effectively to provide essential services, maintain public infrastructure, and support community priorities. Specifically, the budget serves the following key functions:

- Financial Planning & Resource Allocation: Aligning projected revenues with city-wide operational and capital needs.
- Accountability & Transparency: Ensuring public funds are tracked and reported responsibly to the community.
- Policy Implementation: Translating City Council goals and strategic priorities into funded initiatives.
- Legal Framework & Performance Measurement: Establishing legal spending authority and frameworks to evaluate operational efficiency.

Current Review
The development and adoption process for the upcoming budget will mirror the timelines and procedures established in prior years. Key milestones within this process include:
1. Formulation and submission of departmental budget requests.
2. Presentation of projected revenue estimates to City Council.

3. Detailed departmental budget reviews with City Council.
4. Public hearings regarding revenue sources, including potential property tax adjustments.
5. Final City Council action to approve or deny the budget resolution.

Public Involvement
Community input is vital to the budget process. Members of the public may provide testimony during the "Public Comments" portion of any regular City Council meeting, or participate directly during the two formal public hearings scheduled later in the budget cycle.

FISCAL NOTE (Finance Department): N/A

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:

RECOMMENDED ACTION: **MOTION to approve Resolution No. 26-1754, adopting the 2026 Budget Planning Calendar for the 2027 Budget**

RECORD OF COUNCIL ACTION

Meeting Date	***Action***	***Vote***
July 7, 2026		

RESOLUTION NO. 26-1754

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, ADOPTING THE PLANNING CALENDAR FOR THE 2027 BUDGET PROCESS

WHEREAS, in accordance with Chapter 35A.33 RCW, Black Diamond has adopted an annual budget process; and

WHEREAS, Washington States RCW's provides statutory deadlines for several steps of the budget process; and

WHEREAS, The Mayor and Council of Black Diamond found in the best interest of the City to establish a 2027 Budget Planning Calendar,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. Adopting the Planning Calendar for the 2027 Budget process. The events and dates specified in Exhibit A to this Resolution shall comprise the budget planning calendar. Meetings will be posted in accordance with the Washington State Open Public Meetings Act (OPMA).

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 7TH DAY OF JULY 2026.

CITY OF BLACK DIAMOND:

____
John Adler, Mayor

Attest:

____
Brenda L. Martinez, City Clerk

CITY OF BLACK DIAMOND

2026 Calendar for 2027 Budget Meetings
As Passed by Resolution 26-XXXX

	Process	Work Session	City Council	State Law Limitations
1	**Special Meeting - Work Session 5:30 PM** - Current information from all sources as adopted in the 2026 Budget. - General Fund and Totals for all funds for 2027 Preliminary Budget. - General Fund revenues and Expenditures. - Debt Service and Property Taxes	September 15		October 05
2	**Special Meeting - Work Session 6:00 PM** Budgets for special revenue, enterprise, and capital funds.	October 06		Mid-October/Mid - November
3	**Special Meeting - Work Session 6:00 PM** General Fund 2027 Revenue review and property tax ordinances.	October 20		November 1 – November 30
4	Public Hearing for two property tax ordinances.		October 20	Mid-October/Mid -November
5	City Council Holds 1st Public Hearing on 2027 Preliminary Budget.		November 03	November 30
6	Council holds Final Budget Hearing on 2027 Budget		November 17	December 07
7	Council adopts Final 2027 Budget		November 17	December 31
8	Council amends 2026 Budget		November 17	December 31

CITY OF BLACK DIAMOND

Memorandum

To: Black Diamond City Council
From: Xavier Mason, Finance Director
Subject: 2027 Budget Meetings Overview
Date: June 15, 2026

Overview of 2027 Budget Meetings

Purpose & Timeline Overview

Each year, City Staff develops and presents the annual municipal budget to the City Council on behalf of the Mayor. Internally, staff begins this process during the third quarter of the calendar year. Once preliminary departmental tasks are complete, the budget is presented to the City Council for deliberation and discussion in the fourth quarter for deliberation, review, and ultimate adoption.

The purpose of this memorandum is to outline the structural framework of the budget and provide Councilmembers with a roadmap of what to expect during the upcoming 2027 budget cycle.

The Function of a Municipal Budget

The primary purpose of a municipal budget is to manage the City's financial resources responsibly. It serves as an operational blueprint, allocating funds to deliver essential public services, maintain infrastructure, and advance Council's long-term priorities, values, and strategic goals. Ultimately, the budget is the financial mechanism that converts the City's policy vision into reality.

Core Components of the Budget

As a municipal corporation, the City of Black Diamond adheres to accounting principles established by the Governmental Accounting Standards Board (GASB). Unlike private-sector accounting, governmental accounting emphasizes stewardship, legal compliance, budgetary control, and fiscal accountability to public stakeholders.

The budget serves as the cornerstone of this accountability. To simplify review, the budget is organized into distinct, restricted funds:

The General Fund:

The primary operating fund for the City's core daily operations. It is split into two main sectors:

- Public Safety: Historically prioritized by Council, this includes the Municipal Court, Police, Fire, Animal Control, Emergency Management, Mental Health, and Recycling.
- General Government: Comprising the Executive (Mayoral), Legislative (City Council), Administration, City Clerk, Finance, Information Technology, Central Services, Community Development, Legal, Master Development Review Team (MDRT), Parks, and the Black Diamond Cemetery.

Special Revenue Funds:

The City has several special revenues funds that hold restricted funds that were established to collect revenues legally earmarked for specific projects or purposes. These include the Street Fund, Fire Impact Fund, Transportation Benefit District (TBD) Fund, Traffic Mitigation Fund, School Impact Fees, and Traffic Impact Fees.

Utility (Enterprise) Funds

The City operates three enterprise funds for utilities the (1) Water Fund, (2) Sewer Fund, and the (3) Stormwater Fund. Each of these operational funds serves a very specific purpose in the services they offer to the public. Each utility fund operates similarly to a commercial enterprise in that the operational revenues must sustain the fund independently of another fund.

Capital Funds

A capital budget is a long-term plan financial plan that addresses major infrastructure projects and equipment demands. The capital budget executes projects approved within the 5-year Capital Improvement Plan (CIP) alongside shifting critical infrastructure needs. Recent key projects include the Street Preservation Program, Covington Creek Bridge, Morganville Lift Station Upgrade, and Gym Improvements.

City Council Budget Work Sessions

City Staff and Council will review the proposed budget during dedicated work sessions from September through October. Each session features a specific operational focus, culminating in a comprehensive review of all projected city revenues and expenditures. These touchpoints provide the opportunity for discussion, questions, direction, and general engagement with City Council.

The work session schedule is outlined below:

1. **September 15, 2026 – 2026 Baseline & Revenue Overview and General Fund Deep Dive**
   Staff will present a year-to-date comparison of actual 2026 revenues against the adopted 2026 budget to establish our baseline fiscal standing. A detailed review of General Fund departmental expenditures, focusing heavily on General Government, Public Safety, and property tax revenue structures.

2. **October 6, 2026 – Special Revenue, Enterprise, and Capital Funds**
   Staff will present the projected revenues and expenditures for all Special Revenue, Utility/Enterprise, and Capital project funds.

3. **October 20, 2026 – 2027 General Fund Revenue Projections**
   A focused presentation on 2027 General Fund revenue projections, with an emphasis on property tax calculations and the two mandatory King County tax levy ordinances.

Public Hearings & Community Involvement
To ensure complete transparency, the City actively encourages public participation throughout this cycle. Residents may provide testimony during the regular "Public Comments" portion of any Council meeting. Additionally, formal public hearings will be held ahead of legislative action on the following tentative dates:

1. October 20, 2026: Public Hearing regarding General Fund revenue sources and the proposed property tax levy ordinances.
2. November 3, 2026: First Public Hearing on the preliminary 2027 annual budget.
3. November 17, 2026: Final Public Hearing on the preliminary 2027 annual budget prior to the Council's vote for adoption.

Required Council Legislative Actions
While the budget process involves extensive discussion, the City Council will be asked to cast votes on four key legislative decisions:

1. **November 3, 2026 – Property Tax Ordinances (Two Votes)**
   - Vote 1 (Property Tax 1% Dollar Increase): Accepts the statutory 1% baseline property tax increase.

- Vote 2 (Property Tax Assessed Value & Maximum Dollar Increase): Formally accepts the certified assessed property valuations and sets the maximum dollar cap the City can collect.

2. **November 17, 2026 – 2027 Budget Ordinance Adoption**
   The statutory vote to adopt the final 2027 Annual Budget, which must legally be finalized before December 31.
3. **November 17, 2026 – 2026 Budget Amendment Ordinance**
   A vote to amend the current 2026 budget, reconciling actual year-end revenues and expenditures against the projections made last year.

The fully adopted 2027 Budget Calendar is enclosed for your reference, detailing all relevant work-study and Council meeting dates.

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION		
SUBJECT: Addendum No. 1 to the Coalition of Small Police Agencies (CSPA) Interlocal Cooperation Agreement, permitting the University of Washington Police Department (UWPD) to join the coalition as a participating agency for a one-year evaluation period.	**Agenda Date: July 7, 2026**	**AB26-084**
	Mayor John Adler	
	City Administrator Kevin O'Neil	
	City Attorney David Linehan	
	City Clerk – Brenda L. Martinez	
	Com Dev – Hal Hart	
	Finance – Xavier Mason	
	MDRT/Ec Dev – Michell Wright	
Cost Impact (see also Fiscal Note): 0	Police – Chief Kiblinger	X
Fund Source: General Fund	Public Works – Scott Hanis	
Timeline:	Court – Tawyna Parks	

Agenda Placement: ☐ Mayor ☐ Two Councilmembers ☐ Committee Chair ☒ City Administrator

Attachments: Resolution

SUMMARY STATEMENT:

The City of Black Diamond is a member of the Coalition of Small Police Agencies, a regional law enforcement partnership established through an Interlocal Cooperation Agreement dated December 2, 2002. The coalition facilitates mutual law enforcement assistance and cooperation among participating agencies pursuant to Chapter 39.34 RCW and RCW 10.93.130.

The University of Washington Police Department has requested membership in the coalition. Addendum No. 1 would allow UWPD to join as a full participating member for a period of one calendar year. During this evaluation period, UWPD would be subject to all terms and conditions of the existing agreement, including governance, liability, indemnification, insurance, and withdrawal provisions. UWPD would also have representation and voting rights on the Coalition's Administrative Board during the evaluation period.

At the conclusion of the one-year term, the Administrative Board will reassess UWPD's membership status.

FISCAL NOTE (Finance Department): There is no direct fiscal impact associated with approval of this addendum. The agreement does not create any new financial obligations for the City beyond those already established under the existing Coalition of Small Police Agencies Interlocal Cooperation Agreement.

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:

RECOMMENDED ACTION: **MOTION to approve Resolution No. 26-1755 authorizing the Mayor to Execute Addendum 1 to the Coalition of Small Police Agencies Interlocal Cooperation Agreement, permitting the University of Washington Police Department to join the coalition as a participating agency for a one-year evaluation period.**

RECORD OF COUNCIL ACTION

Meeting Date	***Action*** ***Vote***
July 7, 2026	

RESOLUTION NO. 26-1755

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE ADDENDUM NO. 1 TO THE COALITION OF SMALL POLICE AGENCIES INTERLOCAL COOPERATION AGREEMENT TO ALLOW THE UNIVERSITY OF WASHINGTON POLICE DEPARTMENT TO JOIN THE COALITION AS A COOPERATING AGENCY

WHEREAS, the City of Black Diamond is a participating member of the Coalition of Small Police Agencies ("CSPA") pursuant to the Interlocal Cooperation Agreement dated December 2, 2002; and

WHEREAS, the CSPA was established under Chapter 39.34 RCW and RCW 10.93.130 to facilitate mutual law enforcement assistance and cooperation among participating agencies; and

WHEREAS, the University of Washington Police Department ("UWPD") has requested membership in the CSPA; and

WHEREAS, the participating agencies desire to permit UWPD to join the CSPA as a full member for a one-year evaluation period pursuant to Addendum No. 1 to the Interlocal Cooperation Agreement; and

WHEREAS, under the terms of Addendum No. 1, UWPD will be subject to all provisions of the existing Interlocal Cooperation Agreement, including governance, liability, indemnification, insurance, and withdrawal provisions; and

WHEREAS, the City Council finds that authorizing execution of Addendum No. 1 promotes regional cooperation among law enforcement agencies and is in the best interests of the City and public safety;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City Council hereby authorizes the Mayor to execute Addendum No. 1 to the Coalition of Small Police Agencies Interlocal Cooperation Agreement, substantially in the form presented to the City Council, allowing the University of Washington Police Department to join the Coalition as a Cooperating Agency for a one-year evaluation period.

Section 2. The Mayor and City staff are authorized to take such actions as are necessary to implement and carry out the provisions of Addendum No. 1 and the Interlocal Cooperation Agreement.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 7TH DAY OF JULY, 2026.

CITY OF BLACK DIAMOND:

John Adler, Mayor

Attest:

Brenda L. Martinez, City Clerk

COALITION OF SMALL POLICE AGENCIES

INTERLOCAL COOPERATION AGREEMENT

ADDENDUM NO. 1

UNIVERSITY OF WASHINGTON POLICE DEPARTMENT

THIS ADDENDUM is entered into under the Interlocal Cooperation Act (Chapter 39.34 RCW) by and between the existing parties to the Coalition of Small Police Agencies Interlocal Cooperation Agreement dated December 2, 2002 ("ILA"), and the University of Washington Police Department ("UWPD").

WHEREAS, the participating agencies entered into the ILA for the purpose of providing mutual law enforcement assistance and cooperation pursuant to RCW 39.34 and RCW 10.93.130; and

WHEREAS, the ILA establishes the Coalition of Small Police Agencies (CSPA) and defines participating entities as “Cooperating Agencies”; and

WHEREAS, UWPD has requested to join the CSPA; and

WHEREAS, the participating agencies desire to allow UWPD to join as a full member for a limited term of one (1) calendar year for evaluation purposes;

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

JOINDER.

UWPD hereby agrees to join and be bound by all terms, conditions, and provisions of the ILA and shall be considered a "Cooperating Agency" for all purposes during the term of this Addendum.

TERM.

This Addendum shall take effect upon full execution and shall remain in effect for a period of one (1) calendar year from the date of final signature. At the conclusion of the term, the Administrative Board shall reassess UWPD membership.

GOVERNANCE.

During the term of this Addendum, UWPD shall be a full member of the Administrative Board and shall have full voting rights equal to all other Cooperating Agencies.

LIABILITY AND INDEMNIFICATION.

UWPD agrees to all liability, indemnification, and insurance provisions contained within the ILA. Each agency shall remain responsible for the acts and omissions of its own officers, employees, and agents.

TERMINATION.

This Addendum may be terminated prior to expiration by majority vote of the Administrative Board or by withdrawal consistent with the ILA.

NO OTHER MODIFICATIONS.

Except as expressly modified herein, all terms and conditions of the ILA remain in full force and effect.

FILING.

This Addendum shall be filed or posted as required by RCW 39.34.040 prior to its entry into force.

UNIVERSITY OF WASHINGTON POLICE DEPARTMENT

By: ____________________
Name: __________________
Title: ___________________
Date: ___________________

CITY OF ALGONA

By: ____________________
Name: __________________
Title: ___________________
Date: ___________________

CITY OF BLACK DIAMOND

By: ____________________
Name: __________________
Title: ___________________
Date: ___________________

CITY OF CLYDE HILL

By: ____________________
Name: __________________
Title: ___________________
Date: ___________________

CITY OF DUVALL

By: ____________________
Name: __________________
Title: ___________________
Date: ___________________

CITY OF ENUMCLAW

By: ____________________
Name: __________________
Title: ___________________
Date: ___________________

CITY OF ISSAQUAH

By: ____________________
Name: __________________
Title: ___________________
Date: ___________________

CITY OF LAKE FOREST PARK

By: ____________________
Name: __________________
Title: ___________________
Date: ___________________

CITY OF MEDINA

By: ____________________
Name: __________________
Title: ___________________
Date: ___________________

CITY OF MERCER ISLAND

By: ____________________
Name: __________________
Title: ___________________
Date: ___________________

CITY OF NORMANDY PARK

By: ____________________
Name: __________________
Title: ___________________
Date: ___________________

CITY OF PACIFIC

By: ____________________
Name: __________________
Title: ___________________
Date: ___________________

CITY OF SNOQUALMIE

By: ____________________
Name: __________________
Title: ___________________
Date: ___________________

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT: Ordinance to amend BDMC 10.08.020 to revert the speed limit on Roberts Drive to 25 miles per hour	**Agenda Date: July 7, 2026 AB26-085**		
		Mayor John Adler	
		City Administrator - Kevin O'Neill	
		City Attorney - David Linehan	
		City Clerk – Brenda L. Martinez	
		Com Dev – Hal Hart	
		Finance – Xavier Mason	
		MDRT/Ec Dev – Michelle Wright	
Cost Impact (see also Fiscal Note): --		Police – Chief Kiblinger	
Fund Source: --		Public Works – Scott Hanis	X
Timeline: July 2026		Court – Judge Swain/Tawnya Parks	

Agenda Placement: ☐ Mayor ☐ Two Councilmembers ☐ Committee Chair ☒ City Administrator

Attachments: Proposed Ordinance

SUMMARY STATEMENT:
With upcoming changes to Roberts Drive and as discussed with the Transportation Improvement Board as part of the grant for the Roberts Drive Rehabilitation project, along with upcoming pressures Roberts Drive will have as a detour route for WSDOT's fish passage projects on SR 169, it is appropriate to revert the speed limit for the entirety of Roberts Drive to twenty-five (25) miles per hour.

The state sets speed limits for streets in cities and towns at 25 mph. Cities have the ability to increase or decrease speeds. BDMC 10.08.020 increased the speed on Roberts Drive. With changes on Roberts Drive between Lake Sawyer Road and west city limits, along with upcoming changes to Roberts Drive, BDMC 10.08.020 needs to be cleaned up and updated to revert Roberts Drive back to the state standard. BDMC 10.08.020 will remain as a placeholder in the code, but references to Roberts Drive will be removed to make the change. On the effective date of the ordinance, Public Works will update signage on Roberts Drive according to recommendations from the Manual on Uniform Traffic Control Devices.

FISCAL NOTE (Finance Department): The 2026 Budget has enough funds to cover necessary expenditures such as signage and labor.

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:

RECOMMENDED ACTION: **MOTION to adopt Ordinance No. 26-1255 amending BDMC Section 10.08.020 to remove Roberts Drive from the list of streets with an increased speed limit above the state standard of twenty-five (25) miles per hour.**

RECORD OF COUNCIL ACTION

Meeting Date	***Action***	***Vote***
July 7, 2026		

ORDINANCE NO. 26-1255

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, AMENDING SECTION 10.08.020 OF THE BLACK DIAMOND MUNICIPAL CODE REGARDING INCREASE OF MAXIMUM STATE LAW SPEEDS; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, in 1995, pursuant to Ordinance No. 540, the Chief of Police conducted and engineering and traffic investigation to determine that the reasonable safe and maximum speed limit on Roberts Drive, in both directions, from Third Avenue (State Route 169) to the 24600 block is thirty-five (35) miles per hour; and

WHEREAS, in 2007, pursuant to Ordinance No. 07-829, the Chief of Police conducted and engineering and traffic investigation to determine that the reasonable safe and maximum speed limit on Roberts Drive, in both directions, from the 23500 block to west City limits is fifty (50) miles per hour; and

WHEREAS, conditions of Roberts Drive between State Route 169 and west City limits, in both directions, have changed and will change to warrant a lower speed limit; and

WHEREAS, RCW 46.61.400(2)(a) sets a standard maximum speed limit on city and town streets at twenty-five (25) miles per hour; and

WHEREAS, RCW 46.61.400(2) gives cities authority to alter the maximum speed from the standard set in RCW 46.61.400(2)(a); and

WHEREAS, amending BDMC 10.08.020 to remove Roberts Drive maximum speed limits will revert Roberts Drive to the state standard speed limit of twenty-five (25) miles per hour;

WHEREAS, on the effective date of the ordinance, Public Works will change signage on Roberts Drive reflecting the twenty-five (25) miles per hour speed limit according to the Manual on Uniform Traffic Control Devices (MUTCD);

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Section 10.08.020 of the Black Diamond Municipal Code is amended to read as follows:

10.08.020 Increase of State Law Maximum Speed

It is determined upon the basis of the engineering and traffic investigation conducted by the chief of police that the speed limit permitted by state law on the following streets is less than is necessary for safe operation of vehicles thereon by reason of the physical characteristics of such streets and the traffic conditions normally present thereon. It is therefore declared that the speed limits shall be as hereinafter set forth on those streets or parts of streets designated in this section:

Name of Street	Speed Limit
~~Roberts Drive eastbound and westbound, from Third Avenue (State Route 169) to the 24600 block~~	~~35 mph~~
~~Roberts Drive eastbound and westbound from the 23500 block to the west city limits~~	~~50 mph~~

Section 2. Severability. If any section, paragraph, sentence, clause, or phrase of this Ordinance, or its application to any person or circumstance, is declared unconstitutional or otherwise invalid for any reason, or if any portion of this Ordinance is pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This Ordinance shall be in full force and effect five (5) days after publication as required by law. A summary of this Ordinance may be published in lieu of the entire Ordinance, as authorized by state law.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND AT A SPECIAL MEETING THEREOF ON THE 7TH DAY OF JULY, 2026.

CITY OF BLACK DIAMOND

____
John Adler, Mayor

Attest:

____
Brenda L. Martinez, City Clerk

Approved as to form:

____
David Linehan, City Attorney

Filed with the City Clerk:
Passed by the City Council:
Ordinance No. 26-
Date of Publication:
Effective Date:

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION		
SUBJECT:	**Agenda Date: July 7, 2026**	**AB26-086**
Resolution establishing the Black Diamond Economic Vitality Grant Program	Mayor John Adler	
	City Administrator - Kevin O'Neill	X
	City Attorney - David Linehan	
	City Clerk – Brenda L. Martinez	
	Com Dev – Hal Hart	
	Finance – Xavier Mason	
	MDRT/Ec Dev – Michelle Wright	
Cost Impact (see also Fiscal Note): --	Police – Chief Kiblinger	
Fund Source: --	Public Works – Scott Hanis	
Timeline: July 2026	Court – Judge Swain/Tawnya Parks	

Agenda Placement: ☐ Mayor ☐ Two Councilmembers ☐ Committee Chair ☒ City Administrator

Attachments: Proposed Resolution; Draft Application

SUMMARY STATEMENT:
The City of Black Diamond is committed to supporting its local business community and preserving the economic vitality of the City during periods of significant disruption. The City believes that a thriving and diverse array of local enterprises in the Black Diamond business community promotes the public welfare by providing local shopping options and supporting sustainable City tax revenues. In 2026, the Washington State Department of Transportation will undertake a fish passage replacement project that will require the closure of a portion of State Route 169 for approximately 60 days. While the project will provide important long-term environmental and transportation benefits, the temporary closure is expected to substantially reduce traffic volumes and visitor activity within Black Diamond, creating economic challenges for many local businesses.

Recognizing these anticipated impacts, at the June 23 special City Council meeting, Council allocated up to $100,000 to support businesses and community initiatives during the Highway 169 closure. The proposed Economic Vitality Grant Program represents one component of the City's overall response, with up to $20,000 of the allocated funding designated to provide direct assistance to eligible businesses. The remaining funds will be used to support additional initiatives intended to promote visitation, encourage community activity, and help mitigate the economic impacts of the roadway closure.

Many Black Diamond businesses depend on visitors, pass-through traffic, and seasonal activity, particularly in the summer months. A prolonged reduction in customer access has the potential to negatively affect business operations, employment, and City sales tax revenues. To help mitigate these impacts, staff has developed the Economic Vitality Grant Program as a targeted, short-term assistance program designed to help businesses remain resilient during the road closure while encouraging activities that attract customers to the community.

The City proposes to make up to $20,000 available in Economic Vitality Grant funding during the 2026 calendar year, with the intent of providing awards to multiple eligible businesses through a competitive application process. Grant funding is intended to support the purchase of materials, supplies, and equipment necessary for businesses to participate in City-sponsored events and other activities designed to increase visitation and promote economic activity during the construction period. Eligible expenditures are limited to items that directly support business participation in these efforts and may not be used for payroll, wages, employee benefits, or other personnel-related expenses.

Applicants will be required to demonstrate how the proposed purchase will enhance their participation in City events, attract customers, and contribute to the overall economic health and vitality of the Black Diamond business community. Because funding is limited, applications will be evaluated based on demonstrated need, project feasibility, anticipated economic impact, and the overall community benefit of the proposed project.

The goals of the Business Support Grant Program are to assist businesses in maintaining operations during the temporary roadway closure, encourage participation in City events that draw residents and visitors to Black Diamond, strengthen the local economy, preserve and enhance City sales tax revenues, and position local businesses for continued success after construction is complete.

Staff recommends adoption of the Business Support Grant Program and authorization for the City Administrator to administer the program, evaluate applications, execute grant agreements, and award funding in accordance with the adopted program guidelines and available budget.

FISCAL NOTE (Finance Department):

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:

RECOMMENDED ACTION: **MOTION to adopt Resolution No. 26-1756 establishing the Economic Vitality Grant Program, authorize up to $20,000 of previously allocated Highway 169 business support funding for the program, approve the program guidelines substantially in the form presented, and authorize the City Administrator to administer the program, execute grant agreements, and approve grant awards consistent with the adopted guidelines and available budget.**

RECORD OF COUNCIL ACTION

Meeting Date	***Action***	***Vote***
July 7, 2026		

RESOLUTION NO. 26-1756

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, ESTABLISHING THE ECONOMIC VITALITY GRANT PROGRAM TO MITIGATE THE ECONOMIC IMPACTS OF THE STATE ROUTE 169 FISH PASSAGE PROJECT, AND AUTHORIZING THE CITY ADMINISTRATOR TO ADMINISTER THE PROGRAM

WHEREAS, the City Council believes that a thriving and diverse array of local enterprises in the Black Diamond business community promotes the public welfare by providing local shopping options and supporting sustainable City tax revenues; and

WHEREAS, the Washington State Department of Transportation will undertake a fish passage replacement project that will require the temporary closure of a portion of State Route 169 for approximately 60 days; and

WHEREAS, the temporary roadway closure is anticipated to significantly reduce traffic volumes and visitor activity within the City of Black Diamond, creating economic challenges for local businesses that contribute to the City's economic vitality, community character, and tax base; and

WHEREAS, the City Council recognizes the importance of supporting Black Diamond businesses during this temporary disruption and has previously allocated up to $100,000 to assist businesses and promote economic activity during the Highway 169 closure; and

WHEREAS, the City Council finds that establishing an Economic Vitality Grant Program will assist eligible businesses by providing financial assistance for materials, equipment, and supplies that support participation in City-sponsored events and other activities intended to attract customers, promote commerce, and strengthen the local economy during the construction period; and

WHEREAS, the City Council previously authorized up to $100,000 in funding for the City’s efforts to sponsor and promote community events intended to support the economic vitality of the local business community during the temporary road closure (“Economic Vitality Funding”); and

WHEREAS, the City Council desires to allocate up to $20,000 of the previously authorized Economic Vitality Funding to establish the Economic Vitality Grant Program and authorize the City Administrator to administer the program in accordance with adopted program guidelines;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City Council hereby establishes the City of Black Diamond Economic Vitality Grant Program for the purpose of supporting business community participation in City-sponsored community events, with particular emphasis on Black Diamond businesses affected by the temporary State Route 169 roadway closure associated with the Washington State Department of Transportation fish passage replacement project.

Section 2. The City Council authorizes the use of up to Twenty Thousand Dollars ($20,000) from the previously allocated Economic Vitality Funding to administer the Economic Vitality Grant Program. The City Administrator is authorized to award grants until the allocated funding has been exhausted or the program has concluded.

Section 3. The Economic Vitality Grant Program shall be administered by the City Administrator, or designee, in accordance with the program guidelines approved by the City Council. The City Administrator is authorized to:

1. Receive and evaluate grant applications;
2. Determine applicant eligibility and compliance with program requirements;
3. Approve and award grants consistent with the adopted guidelines and available funding;
4. Execute grant agreements and related documents on behalf of the City; and
5. Take such administrative actions as are necessary to implement the program.

Section 4. The Economic Vitality Grant Program Guidelines, attached as Exhibit A, are hereby approved and incorporated by reference. The City Administrator may make administrative or non-substantive revisions to the guidelines as necessary to improve program administration, provided such revisions remain consistent with the intent of this Resolution.

Section 5. This Resolution shall take effect immediately upon its adoption.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 7TH DAY OF JULY, 2026.

CITY OF BLACK DIAMOND:

____
John Adler, Mayor

Attest:

____
Brenda L. Martinez, City Clerk

CITY OF BLACK DIAMOND
ECONOMIC VITALITY **GRANT PROGRAM**
2026 Application

The City of Black Diamond is pleased to offer grant funding to eligible Black Diamond businesses. **A total of $????? in** Economic Vitality **Grant funding is available for the 2026 calendar year.** It is the city's intent to fund multiple businesses in 2026.

The City of Black Diamond recognizes that the upcoming fish passage replacement project and associated 60-day road closure of a portion of Highway 169 may create significant challenges for local businesses. Our business community is an essential part of the City's economic vitality, character, and quality of life. To help businesses remain resilient during this period and position themselves for long-term success, the City is offering the Business Support Grant Program.

The purpose of this grant is to assist eligible businesses with the purchase of materials, equipment, and supplies necessary to participate in the City events events that will help sustain operations, attract customers to promote economic health and vitality of the Black Diamond business community, and preservation and enhancement of City sales tax revenue.

Grant funds must be used for eligible materials/supplies, and equipment-related expenses that benefits the City to help the City meet its goals and objectives for events, and may not be used for payroll, wages, benefits, or other personnel costs. Applicants need to demonstrate how the proposed purchase will benefit their business to participate in events and contribute to the overall economic health and vitality of the City.

Funding is limited and provided on a reimbursement basis. Applications will be evaluated based on demonstrated need, project feasibility,anticipated impact, and community benefits.

Applications and supporting documents may be mailed, hand delivered, or e-mailed to:

City of Black Diamond
Attn: Kevin O'Neill
24301 Roberts Drive/PO Box 599
Black Diamond, WA 98010
koniell@blackdiamondwa.gov

Grant applications are **due by [insert date and time].**

For questions, contact Kevin O'Neill by phone at 360.851.4504 or by email: koniell@blackdiamondwa.gov. Eligible grant applications will be awarded [insert date]

SECTION I—CONTACT INFORMATION

Please use this template for your submission for funding from the Business Support Grant Program for use in the calendar year of 2026. Please attach any supporting documents or materials to the end of this application.

Name of Primary Contact: ______________________________

Title/Role: ______________________________

Business Name: ______________________________

Address: ______________________________

Phone Number: ______________________________

E-mail Address: ______________________________

Website (if applicable): ______________________________

***Legal Tax Status of your Organization:** ______________________________
**Please provide documentation of tax status (i.e., your W9 or equivalent).*

Secondary Contact Information:

Name: ______________________________

Phone Number: ______________________________

E-mail Address: ______________________________

SECTION II—EQUIPMENT, TECHNOLOGY DESCRIPTION

Please complete the following questions and attached any supporting documentation as appropriate:

1. **This request is for (state total dollar amount for 2026):** $________________

2. **What is the funding request for? Please be specific and clear.**

3. **Explain how the proposed purchase will help your business maintain operations during the road closure and attend city events.**

4. **Please indicate and describe the funding priority goal(s) your purchase addresses:**

❐ Community Promotion/Economic Development—Specify:

___

❐ Community Event—Specify:

___

❐ Other—Specify:

___

5. **Please provide a work plan, timeline, and pertinent activities for your purchase.**

6. **Please describe how this purchase furthers Black Diamond's event goals.**

7. **How will this investment contribute to the economic vitality of the City?**

8. **Have the materials, equipment or necessary supplies been identified?**

9. **If awarded funding, when do you expect to complete the purchase?**

10. **Please describe the target area/audience the event is intended to serve, how it will be accessible to the public and what the benefit will be for participating in the City events.**

11. **Please ?????**

SECTION III—MATERIALS, EQUIPMENT, SUPPLIES BUDGET

Please summarize budget information for your grant request below.

BUDGET ITEM/DESCRIPTION	ANTICIPATED COST
TOTAL REQUEST FROM CITY OF BLACK DIAMOND	

COMMUNITY PARTNER	REVENUE/PRIVATE MATCH	AMOUNT
	TOTAL REVENUE/PRIVATE MATCH	

SECTION IV— INSURANCE CERTIFICATE AND CERTIFICATION

Please include a copy of your organization's **certificate of insurance** along with this application. Without this attachment, your application will be considered incomplete.

I certify that:

- The information provided is true and accurate.
- Grant funds will be used only for approved eligible expenses.
- Grant funds will not be used for payroll, wages, salaries, benefits, or other personnel costs.
- Receipts and supporting documentation will be provided as required for reimbursement.
- I understand that funding is not guaranteed and is subject to available program funds.

Applicant Signature: Date:

For assistance, contact Kevin O'Neill by phone (360-851-4504) or email: koneill@blackdiamondwa.gov.