



CITY OF BLACK DIAMOND
October 17, 2024 Special Meeting Agenda
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

Password: 426953 (phone in only)

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

WORK SESSION:

- 1) Work Session on 2025 General Fund Revenue Sources Including Possible Increases in Property Tax and Ordinances - Mr. Mason

ADJOURNMENT:

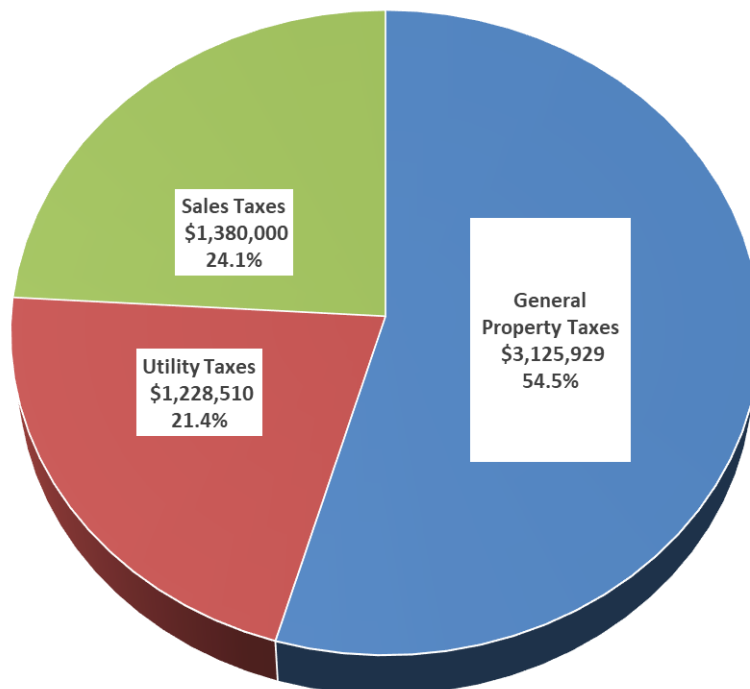
City of Black Diamond Property Taxes

2025

Property taxes make up 54.5% of the General Fund's tax revenue and is estimated to generate \$3,125,929 in revenue for the city. All revenues from property taxes go directly to the General Fund to support public safety for police, fire protection and emergency services. Black Diamond depends heavily on property tax collections, as the city has a small commercial base for generating sales tax revenue.

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

2025 General Fund Taxes



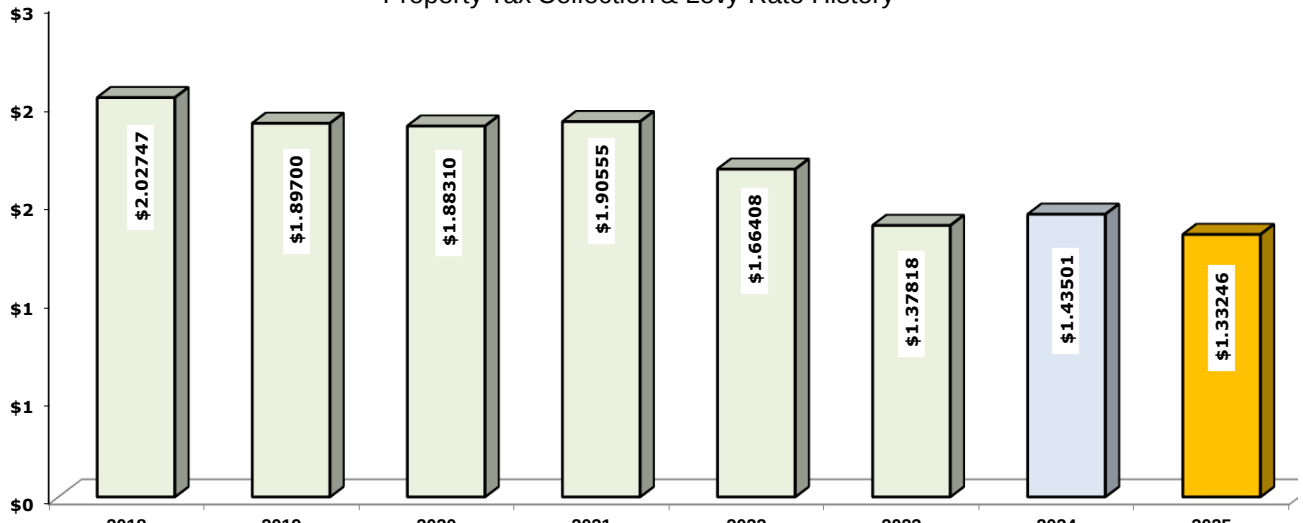
General Fund Revenue Projection	2024			2025		
	Budget	Actuals thru June	Estimated Year End	Budget	\$ Budget Change	% Budget Change
REVENUES						
1 Beginning Cash and Investments	7,380,687	8,005,313	8,005,313	8,548,678	1,167,991	15.8%
2 General Property Taxes	2,830,000	1,547,490	3,094,980	3,125,929	295,929	10.5%
3 Sales Taxes	1,300,000	671,965	1,320,000	1,380,000	80,000	6.2%
4 State Sales Tax Assistance	26,000	-	-	-	(26,000)	-100.0%
5 Utility Tax and Gambling Tax	1,141,100	663,217	1,157,608	1,228,510	87,410	7.7%
6 Cable Franchise Fees	85,000	38,527	85,000	88,000	3,000	3.5%
7 Business License	50,000	27,935	52,000	54,000	4,000	8.0%
8 Liquor Profits & Excise Tax	102,000	49,961	102,000	104,000	2,000	2.0%
9 KC Recycle Grants	16,500	-	16,500	16,500	-	0.0%
10 Municipal Court Revenue	169,720	122,132	192,749	214,540	44,820	26.4%
11 Police Department Revenue	479,914	248,409	520,041	515,060	35,146	7.3%
12 Community Development Rev	1,403,000	814,893	1,489,629	1,508,370	105,370	7.5%
13 Parks Revenue	75,000	29,446	73,000	75,000	-	0.0%
14 Cemetery Revenue	4,000	1,600	1,600	4,000	-	0.0%
15 Investment Interest & Misc Rev.	457,000	125,371	456,110	408,000	(49,000)	-10.7%
16 Funding Agreement - MDRT	1,161,779	579,902	1,087,253	1,186,530	24,751	2.1%
17 Total Operating Revenues	9,301,013	4,920,846	9,648,469	9,908,439	607,426	6.5%
18 AWC Insurance Payment & Flex	526,045	242,547	505,566	603,452	77,407	14.7%
19 Devel Reimb-MDRT Conslt	1,905,000	707,864	1,200,530	1,855,000	(50,000)	-2.6%
20 TOTAL GENERAL FUND SOURCES	19,112,745	13,876,569	19,359,878	20,915,569	1,802,824	9.4%

General Fund Expenditure Projection	2024			2025		
	Budget	Thru June	Year End	Budget	Change	Change
EXPENDITURES						
1 Legislative - Council	25,574	10,934	22,935	24,007	(1,567)	-6.1%
2 Executive - Mayor	15,837	7,491	15,102	16,516	679	4.3%
3 Administration - City Administrator	216,154	-	-	195,236	(20,918)	-9.7%
4 General Government	779,287	339,395	756,714	846,631	67,344	8.6%
5 Legal Services	253,000	79,132	119,800	164,500	(88,500)	-35.0%
6 Public Defender / Prosecuting Attorney	157,400	58,500	105,000	115,000	(42,400)	-26.9%
7 Municipal Court	456,779	221,500	449,362	596,116	139,337	30.5%
8 Police Department	3,770,123	1,788,594	3,554,455	3,793,520	23,397	0.6%
9 Fire Department	1,165,055	573,169	1,151,555	1,353,961	188,906	16.2%
10 Recycle/Anim Cont/Mental Health	81,200	50,843	70,800	161,400	80,200	98.8%
11 Community Development	1,588,584	554,176	1,125,810	1,586,666	(1,918)	-0.1%
12 Facilities	82,647	26,881	50,555	9,132	(73,515)	-89.0%
13 Parks Department	418,096	149,833	402,756	386,155	(31,941)	-7.6%
14 Cemetery	61,512	21,226	45,579	63,957	2,445	4.0%
15 Master Development Review Team	1,161,779	501,965	1,087,243	1,186,530	24,751	2.1%
16 Total Operating Expenditures	10,233,027	4,383,640	8,957,666	10,499,327	266,300	2.6%
17 AWC Insurance Payment & Flex	526,045	385,496	526,045	604,952	78,907	15.0%
18 Transfer to Fire Study	-	-	-	-	-	
19 Transfer to Street	200,000	200,000	200,000	150,000	(50,000)	-25.0%
20 Developer MDRT Consultants	1,905,000	537,063	1,127,488	1,855,000	(50,000)	-2.6%
21 Total Expenditures	12,864,072	5,506,198	10,811,200	13,109,279	245,207	1.9%
22 30% Reserved Cash and Investments	3,069,908	2,511,111	2,687,300	3,149,798	79,890	2.6%
23 Unreserved Cash and Investments	3,178,765	5,859,260	5,861,378	4,656,492	1,477,727	46.5%
24 Total Ending Cash and Investments	6,248,673	8,370,371	8,548,678	7,806,290	1,557,617	24.9%
25 TOTAL GENERAL FUND USES	19,112,745	13,876,569	19,359,878	20,915,569	1,802,824	9.4%

General Fund Functions Supported by Types of Revenue		2024 Budget	2025 Prelim Budget	\$ Change	% Change	Public Safety	General Gov't	MDRT
REVENUES								
1	Beginning Cash and Investments	7,380,687	8,548,678	1,167,991	15.8%	21,908	8,463,770	63,000
2	Public Safety Revenue Funded With:							
3	General Property Taxes	2,830,000	3,125,929	295,929	10.5%	3,125,929		
4	Utility Tax and Gambling Tax	1,141,100	1,228,510	87,410	7.7%	1,228,510		
5	Criminal Justice Sales Tax	221,114	241,200	20,086	9.1%	241,200		
6	Liquor Excise Tax and Profits	102,000	104,000	2,000	2.0%	104,000		
7	Municipal Court Revenue	169,720	214,540	44,820	26.4%	214,540		
8	Business License	50,000	54,000	4,000	8.0%	54,000		
9	Police Charges for Service, Grants, Misc	258,800	273,860	15,060	5.8%	273,860		
10	Total Public Safety Revenue	4,772,734	5,242,039	469,305	9.8%	5,242,039		
11	General Government Funded With:							
12	Sales Taxes	1,300,000	1,380,000	80,000	6.2%		1,380,000	
13	Land Use and Permitting Fees	1,403,000	1,508,370	105,370	7.5%		1,508,370	
14	Cable Franchise Fees	85,000	88,000	3,000	3.5%		88,000	
15	Sales Tax Assist	26,000	-	(26,000)	-100.0%		-	
16	Reinvested Interest, Grants and Charges for Services	473,500	424,500	(49,000)	-10.3%		424,500	
17	Parks Revenue	75,000	75,000	0	0.0%		75,000	
18	Cemetery Revenue	4,000	4,000	0	0.0%		4,000	
19	AWC Insurance and Flex	526,045	603,452	77,407	14.7%		603,452	
20	Funding Agreement - MDRT	1,161,779	1,186,530	24,751	2.1%			1,186,530
21	Total Gen Fund Operating Revenue	5,054,324	5,269,852	215,528	4.3%		4,083,322	1,186,530
22	Total General Fund Revenue	9,827,058	10,511,891	684,833	14.1%	5,242,039	4,083,322	1,186,530
23	Public Safety: Municipal Court	614,179	711,116	96,937	15.8%	711,116		
24	Public Safety: Police Department	3,770,123	3,793,520	23,397	0.6%	3,793,520		
25	Public Safety: Fire Department	1,165,055	1,353,961	188,906	16.2%	1,353,961		
26	Public Safety: Animal Control/Emergency Management/Mental Health/Recycling	81,200	161,400	80,200	98.8%	161,400		
27	Community Development	1,588,584	1,586,666	(1,918)	-0.1%		1,586,666	
28	Facilities, Parks, Cemetery	562,255	459,244	(103,011)	-18.3%		459,244	
29	Legislative, City Administrator and Administrative Services	1,036,852	1,082,390	45,538	4.4%		1,082,390	
30	Legal Services	253,000	164,500	(88,500)	-35.0%		164,500	
31	AWC Insurance and Flex	526,045	604,952	78,907	15.0%		604,952	
32	Transfer to Street Fund	200,000	150,000	(50,000)	-25.0%		150,000	
33	Master Development Review Team MDRT	1,161,779	1,186,530	24,751	2.1%			1,186,530
34	Total Operating Expenditures	10,959,072	11,254,279	295,207	2.7%	6,019,997	4,047,752	1,186,530
35	Ending Cash & Investments	6,248,673	7,806,290	1,557,617	24.9%	(756,050)	8,499,340	63,000

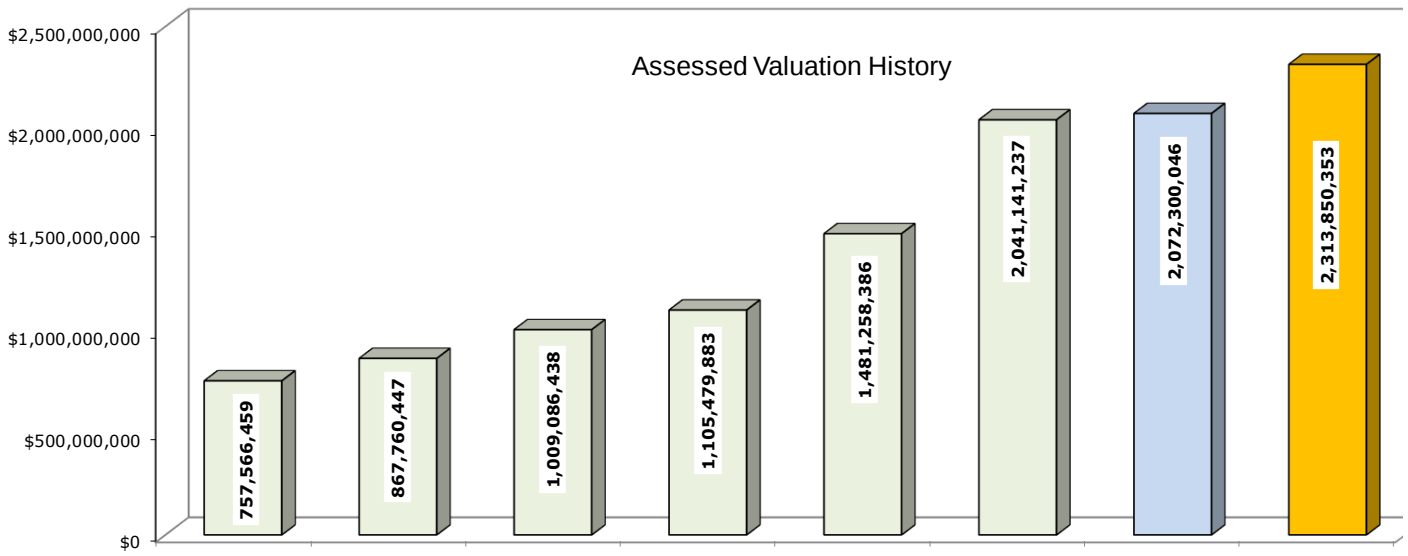
* Analysis doesn't include MDRT Consultant Revenues and Expenses in 2024 or 2025

Property Tax Collection & Levy Rate History



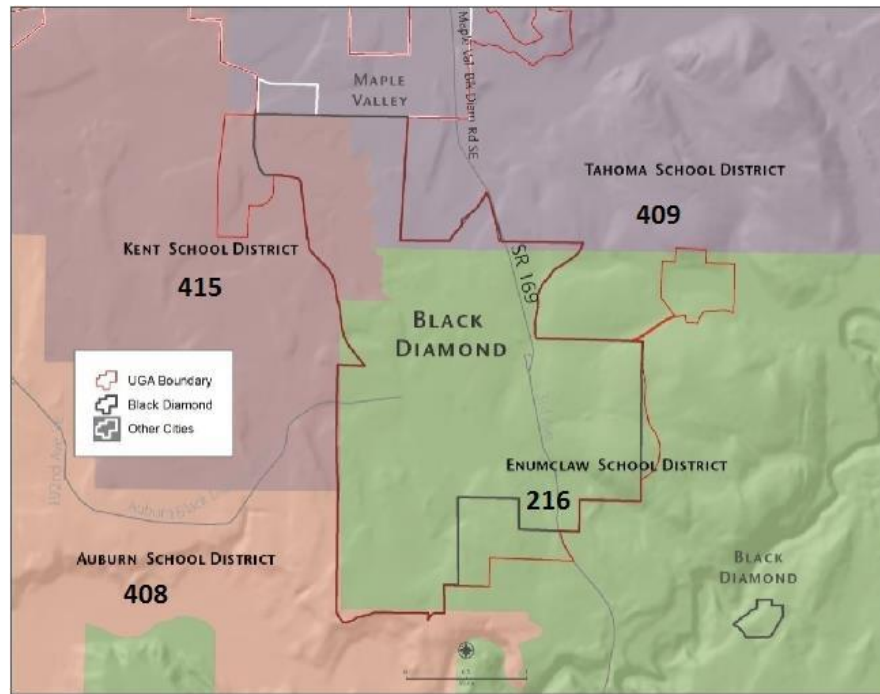
Regular Levy Base	1,475,350	1,535,244	1,647,702	1,884,197	2,105,311	2,467,477	2,807,775	2,976,005
1% Increase	14,753	15,352	16,477	18,842	21,053	24,675	28,078	25,582
New Construction Levy	11,470	95,541	219,986	202,272	338,567	316,184	133,789	114,745
Annexations								
Adjustments	698			1,136		6,954	4,137	10,867
Total Property Taxes	\$1,502,271	\$1,646,137	\$1,884,165	\$2,106,447	\$2,464,931	\$2,815,290	\$2,973,779	\$3,127,199
Levy Rate per \$1000 AV	\$ 2.02747	\$ 1.89700	\$ 1.88310	\$ 1.90555	\$ 1.66408	\$ 1.37818	\$ 1.43501	\$ 1.33246
Allowable Levy	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Assessed Valuation	\$757,566,459	\$867,760,447	\$1,009,086,438	\$1,105,479,883	\$1,481,258,386	\$2,041,141,237	\$2,072,300,046	\$2,313,850,353

Assessed Valuation History



Base Assessed Valuation	757,554,989	867,664,906	1,008,866,452	1,104,833,418	1,480,919,819	2,040,825,053	2,072,166,257	2,313,735,608
New Construction	11,470	95,541	219,986	202,272	338,567	316,184	133,789	114,745
Final Assessed Valuation	757,566,459	867,760,447	1,009,086,438	1,105,479,883	1,481,258,386	2,041,141,237	2,072,300,046	2,313,850,353
% change from prior year	7%	15%	16%	10%	34%	38%	1.5%	11.7%
Population	4,480	4,500	4,520	5,207	5,990	6,145	6,880	7,195
Property Tax Levy Rate	2.027	1.897	1.883	1.906	1.664	1.378	1.435	1.332
Increase in Base value	48,510,218	110,193,988	141,325,991	96,393,445	375,778,503	559,882,851	31,158,809	241,550,307
Percentage increase in base	7%	15%	16%	10%	34%	38%	1.5%	11.7%

School Districts in Black Diamond



The total property tax rates in Black Diamond vary because of the four different school districts within our city limits. 2024 Levy Rates	Enumclaw	Tahoma	Kent	Auburn
Local School District	2.91	3.82	2.96	4.71
Washington State for Schools Part 1	1.85	1.85	1.85	1.85
McCleary Decision for Schools Part 2	0.97	0.97	0.97	0.97
King County	1.22	1.22	1.22	1.22
City of Black Diamond	1.44	1.44	1.44	1.44
Port of Seattle	0.11	0.11	0.11	0.11
Library District	0.33	0.33	0.33	0.33
Emergency Medical Services	0.25	0.25	0.25	0.25
King County Flood & Ferry Levy	0.09	0.09	0.09	0.09
Total 2024 Levy Rates	9.17	10.08	9.22	10.96
Total 2023 Levy Rates	9.09	9.77	10.03	10.90

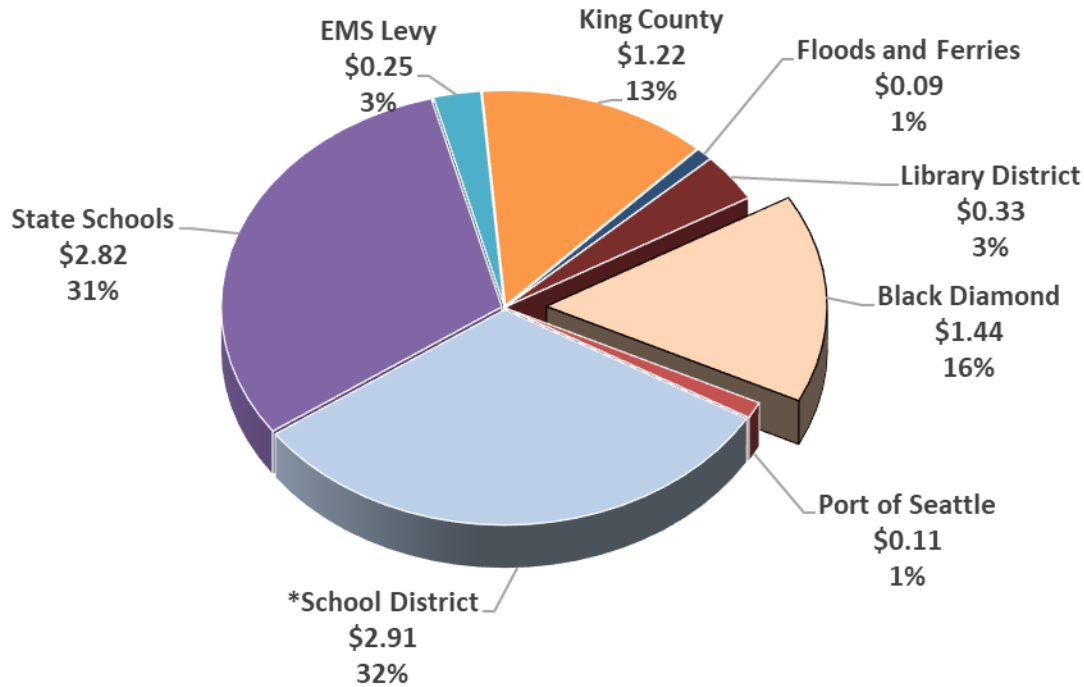
2025 Levy Rates official rates weren't posted as of 10/10/2024

MONTHLY 2024 Property Tax Rates on a \$500,000 Appraised Home

Translate to:

Total Monthly Taxes of \$384.27

Black Diamond's Portion: \$69.58



King County Taxing District	Levy Rate per \$1000 in Value	Percent of Property Taxes Collected	2024 Annual Tax on a \$500,000 Home	Monthly Tax on a \$500,000 Home
Port of Seattle	0.11258	1%	\$56.29	\$4.69
*School District	2.91	32%	\$1,455.34	\$121.28
State Schools	2.82	31%	\$1,410.00	\$117.50
EMS Levy	0.25	3%	\$125.00	\$10.42
King County	1.22	13%	\$610.00	\$50.83
Floods and Ferries	0.09	1%	\$45.00	\$3.75
Library District	0.33	4%	\$165.00	\$13.75
Subtotal	7.73325	84%	\$3,866.63	\$322.22
Black Diamond	1.44	16%	\$717.50	\$59.79
Total	9.16825	100%	\$4,584.13	\$382.01

*Based on Enumclaw school district as it covers the majority of Black Diamond
2024 Levy Rates

Preliminary Worksheet 10.03.2024

TAXING DISTRICT		City of Black Diamond		2024 Levy for 2025 Taxes		IPD: 1.02570	
A. Highest regular tax which could have been lawfully levied beginning with the 1985 levy (refund levy not included).							
Year	2024	2,971,868	x	1.01000	=	3,001,587	
		Highest Lawful Levy Since 1985	Limit Factor/Max Increase 101%				
B. Current year's assessed value of new construction, improvements, and wind turbines, solar, biomass, and geothermal facilities in original districts before annexation occurred times last year's levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).							
80,093,442	*	1.43264	÷	1,000	=	114,745	
A.V.		Last Year's Levy Rate					
C. Tax Increment finance area increment AV increase (RCW 84.55.010(1)€) (value included in B & D cannot be included in C)							
0	*	1.43264	÷	1,000	=	0	
A.V.		Last Year's Levy Rate					
D. Current year's state assessed property value less last year's state assessed property value. The remainder is to be multiplied by last year's regular levy rate (or the rate that should have been levied).							
0	-	8,098,567	=	0			
Current Year's A.V.		Previous Year's A.V.					
0	*	1.43264	÷	1,000	=	0	
Remainder from Line D		Last Year's Levy Rate					
E. Regular property tax limit:				A+B+C+D	=	3,116,332	
Parts F through H are used in calculating the additional levy limit due to annexation.							
F. To find the rate to be used in F, take the levy limit as shown in Line E above and divide it by the current assessed value of the district, excluding the annexed area.							
3,116,332	÷	2,329,730,433	*	1,000	=	1.33763	
Total in Line E		Assessed Value Less Annexed AV					
G. Annexed area's current assessed value including new construction and improvements, times the rate in Line E.							
0	*	1.33763	÷	1,000	=	0	
Annexed Area's A.V.		Last Year's Levy Rate					
H. Regular property tax limit including annexation				E+G	=	3,116,332	
I. 1 st Year Lid Lift & Limit Factor>1%							
J. Statutory maximum calculation							
Only enter fire/RFA rate, library rate, & firefighter pension fund rate for cities annexed to a fire/RFA or library or has a firefighter pension fund.							
3.60000	-	0.25014	+	0.00000	=	3.34986	
District base levy rate		Fire or RFA Rate	Library Rate	Firefighter Pension Fund	Statutory Rate Limit		
2,329,730,433	*	3.34986	÷	1,000	=	7,804,271	
Regular Levy AV		Reg Statutory Rate Limit		Reg Statutory Amount			
2,313,850,353	*	0.00000	÷	1,000	=	0	
Excess Levy AV		Excess Statutory Rate Limit		Excess Statutory Amount			
						7,804,271	
						Statutory Amount	
K. Highest Lawful Levy For This Tax Year (Lesser of H+I and J)					=	3,116,332	
New highest lawful levy since 1985 (Lesser of H+I and J minus C, unless A (before limit factor increase) is greater than Lesser of H+I and J minus C, then A before the limit factor increase)						3,116,332	
M. Lesser of J and K						3,116,332	
N. Refunds						10,867	
O. Total: M+N (unless stat max)						3,127,199	
P. Levy Corrections					Year of Error:		
1. Minus amount over levied (if applicable)						0	
2. Plus amount under levied (if applicable)						0	
Q. Total Allowable Levy						3,127,199	
R. Tax Base For Regular Levy							
1. Total district taxable value (including state-assessed property, and excluding boats, timber assessed value, and the senior citizen exemption for the regular levy)						2,329,730,433	
S. Tax Base for Excess, Voted Bond Levies and Sr Exempt Lid Lifts							
2. Excess AV						2,313,850,353	
3. Plus Timber Assessed Value (TAV)						208,013	
4. Tax base for excess and voted bond levies					(2+3)	2,314,058,366	
T. Increase Information							
1. Levy rate based on allowable levy						1.34230	
2. Last year's ACTUAL regular levy						2,976,005	
3. Dollar Increase over last year other than New Construction (-) Annexation						25,582	
4. Percent Increase over last year other than New Construction (-) Annexation						0.85960%	

ORDINANCE NO. 24-XXXX

AN ORDINANCE OF THE CITY OF BLACK DIAMOND, WASHINGTON, RELATING TO THE GENERAL PROPERTY TAX LEVY AND SPECIFYING THE INCREASE CALCULATED BY KING COUNTY BASED ON LAST YEARS ACTUAL LEVY COMMENCING ON JANUARY 1, 2025, WITH CERTAIN CHANGES REQUIRED BY KING COUNTY IN THE MANNER IN WHICH THE AMOUNTS ARE CALCULATED. SUCH PROPERTY BOTH REAL AND PERSONAL, SUBJECT TO TAXATION, FOR THE PURPOSE OF PROVIDING REVENUE FOR PUBLIC SAFETY FOR THE CITY OF BLACK DIAMOND, ALL AS REQUIRED BY LAW, AND ESTABLISHING THE EFFECTIVE DATE.

WHEREAS, the Council of the City of Black Diamond has met and considered its budget for the calendar year 2025; and

WHEREAS, the Council thereafter gave notice of public hearings and held public hearings on October 17, 2024, and

WHEREAS, the City's actual King County levy amount from the previous actual year base levy of \$2,976,005 is a base increase of \$25,582 or 0.85960%; and

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

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

Section 1. Levy and Percentage of Increase. An increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2025 tax year. The dollar amount of the increase over the actual base levy amount authorized from King County for the previous year shall be \$25,582, which is a percentage increase of 0.85960% from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, and any increase in the value of state assessed utility property, or any annexations that have occurred.

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

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

PASSED by the Council and approved by the Mayor of the City of Black Diamond, Washington, this 7th day of November 2024.

Carol Benson, Mayor

Attest:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

David A Linehan, City Attorney

Published:

Posted:

Effective Date:

ORDINANCE NO. 24-XXXX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, KING COUNTY, WASHINGTON, LEVYING THE GENERAL PROPERTY TAXES FOR THE CITY FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2025, ON ALL PROPERTY BOTH REAL AND PERSONAL, SUBJECT TO TAXATION, FOR THE PURPOSE OF PROVIDING REVNUUE FOR PUBLIC SAFETY FOR THE CITY OF BLACK DIAMOND FOR THE ENSUING YEAR AS REQUIRED BY LAW AND ESTABLISHING THE EFFECTIVE DATE.

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

WHEREAS, the City Council has properly given notice of the Public Hearings held on October 17, 2024 to consider the City's 2025 Property Tax Levy and the Preliminary Budget including the Revenue Sources, pursuant to RCW 84.55.120; and

WHEREAS, the City Council of Black Diamond, Washington has met and considered the Public Safety budgets for the year of 2025; and

WHEREAS, a public hearing was held on October 17, 2024 regarding the 2025 Revenue Sources and Public safety budget and the property tax levy, and

WHEREAS, King County requires that the 2024 Property Tax Levies be submitted by November 30, 2025; and

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

Section 1. Amount. The preliminary assessed valuation of **\$2,329,730,125** is adopted. A regular property tax for 2024 is hereby levied in the maximum amount of **\$3,327,199** which includes an additional \$200,000 for any additional revenue resulting from new construction; construction of wind turbines, solar, biomass, and geothermal facilities, if such facilities generate electricity; improvements to property; any increase in the value of State assessed property; and any annexations that have occurred and refunds made by King County. The final dollar amount of Property Taxes is determined by King County and reduced to the actual amount levied.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by State

or Federal law or regulations, such decisions or preemptions shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

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

PASSED by the Council and approved by the Mayor of the City of Black Diamond, Washington, this 7th day of November 2024.

Carol Benson, Mayor

Attest:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

David A. Linehan, City Attorney

Posted:

Published:

Effective Date: