

*SPONSORED BY: Council Member Taylor and Council Member Benson*

**CITY OF BLACK DIAMOND  
WASHINGTON**

**RESOLUTION NO. 13-866**

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**A RESOLUTION OF THE CITY OF BLACK DIAMOND,  
WASHINGTON, AMENDING THE FINANCIAL  
MANAGEMENT POLICIES, PROVIDING FOR LONG-  
TERM FINANCIAL PLANNING**

WHEREAS, the City Council has, pursuant to Resolution No. 08-560, adopted written financial management policies to define the practices that will be used by the City to meet its financial obligations and operate in a financially prudent manner; and

WHEREAS, the Financial Management Policies assist City staff and elected officials in evaluating whether individual budget decisions reflect the overall goals of the City Council and community at large; and

WHEREAS, the City Council desires to amend the current Financial Management Policies to include long-term financial planning focusing on financial sustainability and resiliency by supporting a financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets, financial policies, and service policies, including emergency services, utility service, and land use services;

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

Section 1. Amendment of Financial Management Policies. The City of Black Diamond Financial Management Policies adopted pursuant to Resolution No. 08-560 are hereby amended by the addition of the following, to be inserted in to the "Operating Budget Policies" section following the paragraph entitled "Conservative Budgeting":

**Long Term Financial Planning**

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

The City shall, utilizing best available, cost-effective practices, engage in collaborative long-term

financial planning as part of its overall budget process. To provide insight into future financial planning, such long-term financial planning should combine financial forecasting and analysis with a strategic operational perspective. The overall goals of long-term financial planning\* are to:

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

\*Note: See, Government Finance Officers Association, Long-Term Financial Planning for Governments, [www.gfoa.org/lftp](http://www.gfoa.org/lftp) - [lftp@gfoa.org](mailto:lftp@gfoa.org).

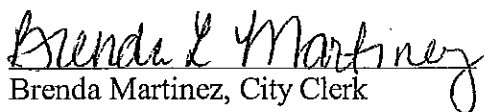
PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE  
18 DAY OF April, 2013.

CITY OF BLACK DIAMOND



Rebecca Olness, Mayor

ATTEST/AUTHENTICATED:



Brenda Martinez, City Clerk

Approved as to form:

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Chris Bacha,  
Kenyon Disend, PLLC  
City Attorney

Filed with the City Clerk:  
Passed by the City Council:  
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