



City of Bellevue

2023-2024 Mid-Biennium Update

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Finance & Asset Management
October 16, 2023



Information Only

Tonight, is the second of several discussions. Staff will provide the overview of the mid-biennium adjustments and an overview of the General Fund forecast.

AGENDA



Calendar & Actions



2023-2024 Adopted Budget Recap



Overview of Proposed Mid-Bi Adjustments



Review of General Fund Forecast

Mid-Biennium Key Dates



October 9: Mid-Bi Calendar Overview



October 16: Overview of Mid-Bi Adjustments



October 23: Development Services Update



November 13: Council Follow-up & Public Hearing



November 20: Adoption

2023-2024 Adopted Budget Recap





Mid Biennium Overview

Required by RCW to adjust for known fiscal condition updates mid way through the 2-year budget.

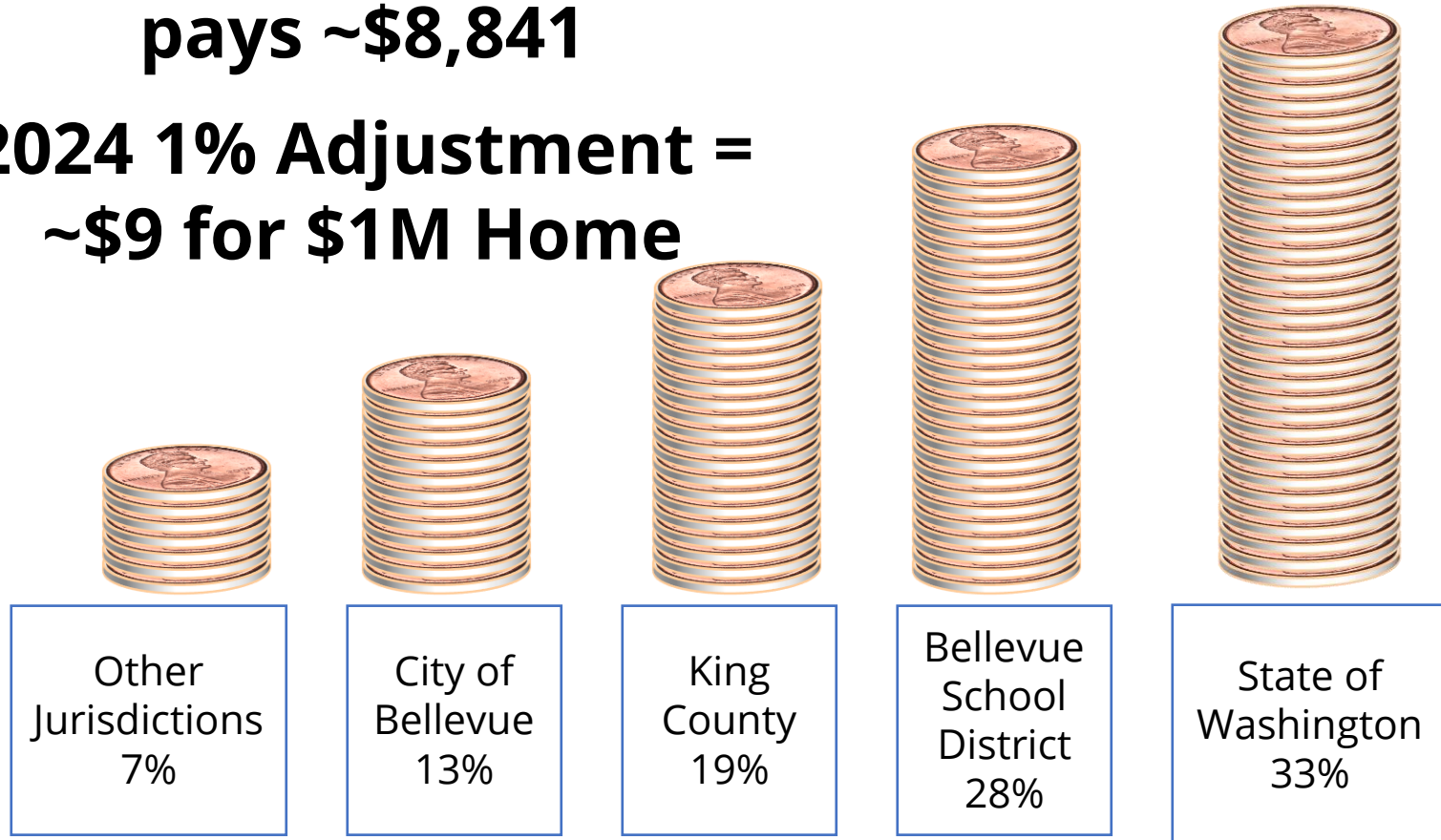
Mid-Biennium Overview

- Continues the Council direction from Adopted Budget including
 - 1% Property Tax Adjustment for 2024
 - Critical Investments for Growth
- Updates revenues for current fiscal knowledge
- Expenditures that impact most funds
 - Inflation 6.5% - impacts personnel and others expenditures.

2023 Property Tax:

2023 \$1M AV home
pays ~\$8,841

2024 1% Adjustment =
~\$9 for \$1M Home



Mid-Biennium Highlights

- General Fund:
 - Updated revenues
 - Technical and other items (primarily personnel)
 - Biennium funding for Keep Bellevue Beautiful Program
 - Funding for Homelessness Program Support pilot and evaluation
- Other Funds:
 - CIP: Affordable Housing Permit & Fee Reduction Project
 - Hotel/Motel: Added funding for TPA revenues
 - Utilities: Rate relief subsidy & Donation Program



General Fund Forecast

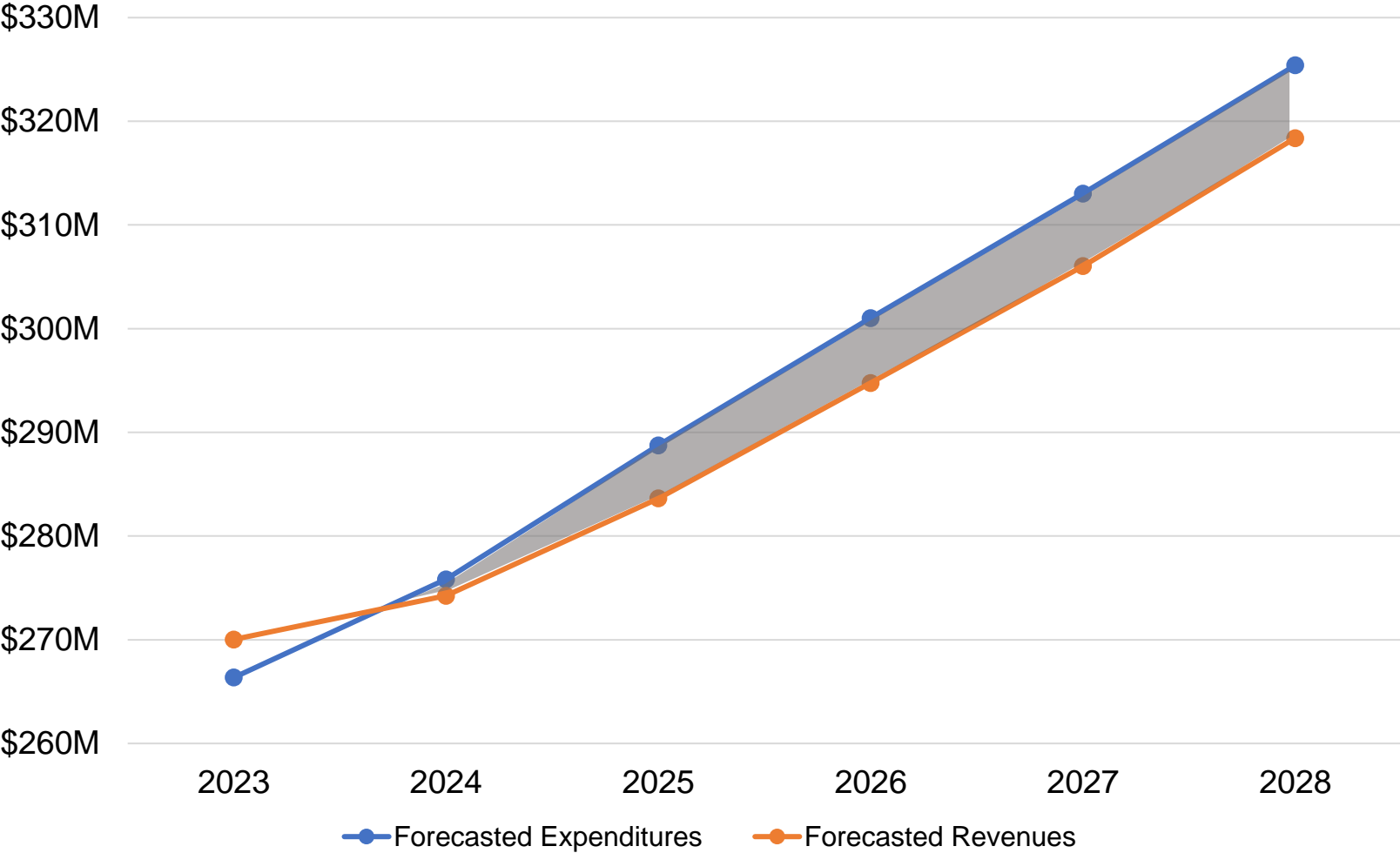
A financial forecast is an estimate of financial future. It is based on best information today. Its purpose is to provide out year fiscal information that assists in informing financial decisions.

Forecast Takeaways

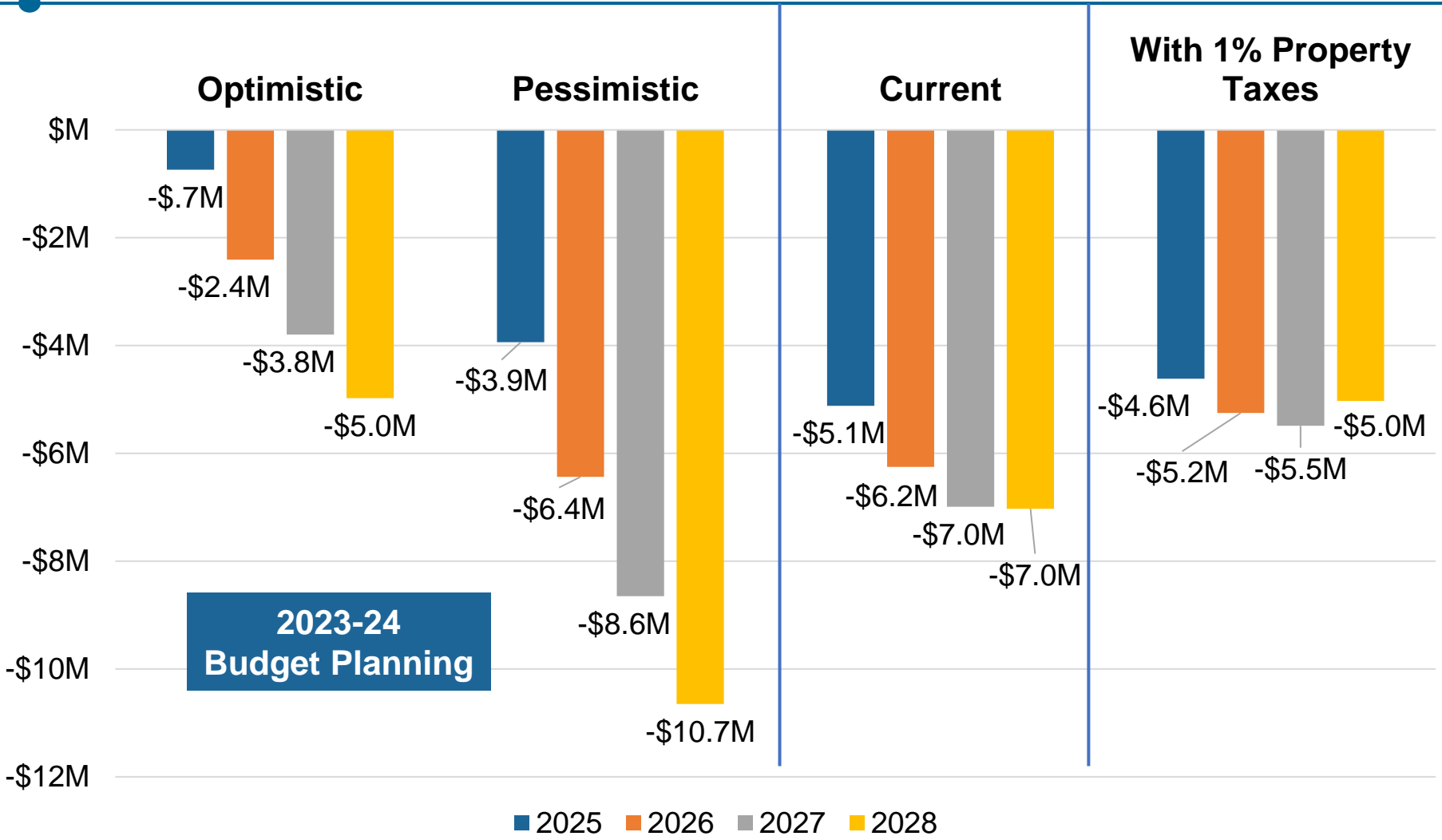
- Development cooling after historic highs
 - Hybrid work and higher interest rates impacting near-term growth
- Bellevue amenities continue to retain and attract businesses
- Sales Tax and B&O Taxes projected to average 5 percent growth
- Inflation is expected to decrease gradually to historical averages by the mid-to-late 2020s

2023	2024	2025	2026	2027	2028
6.5%	3.70%	3.43%	2.81%	2.65%	2.53%

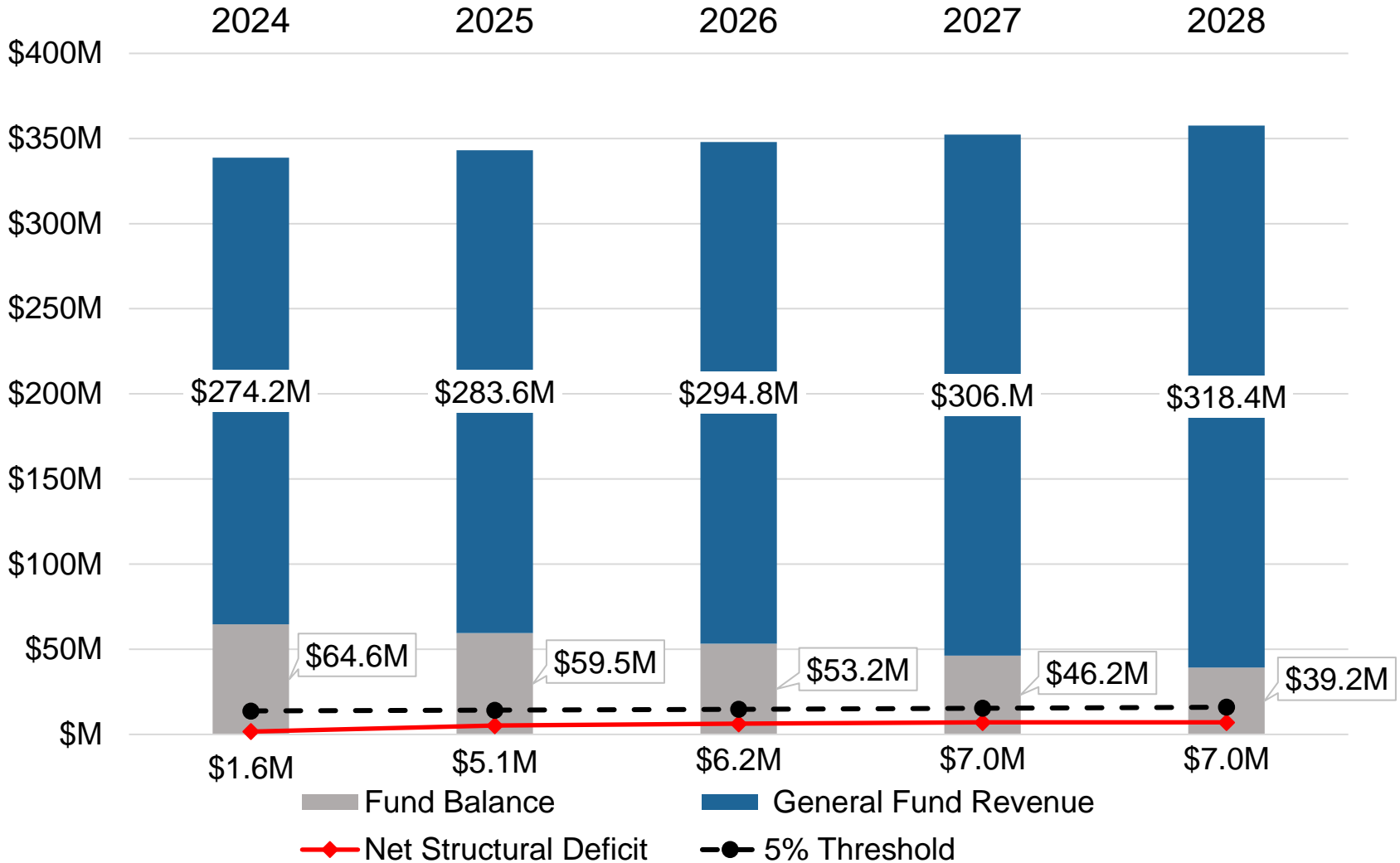
Forecasted Revenues & Expenditures (2023-2028)



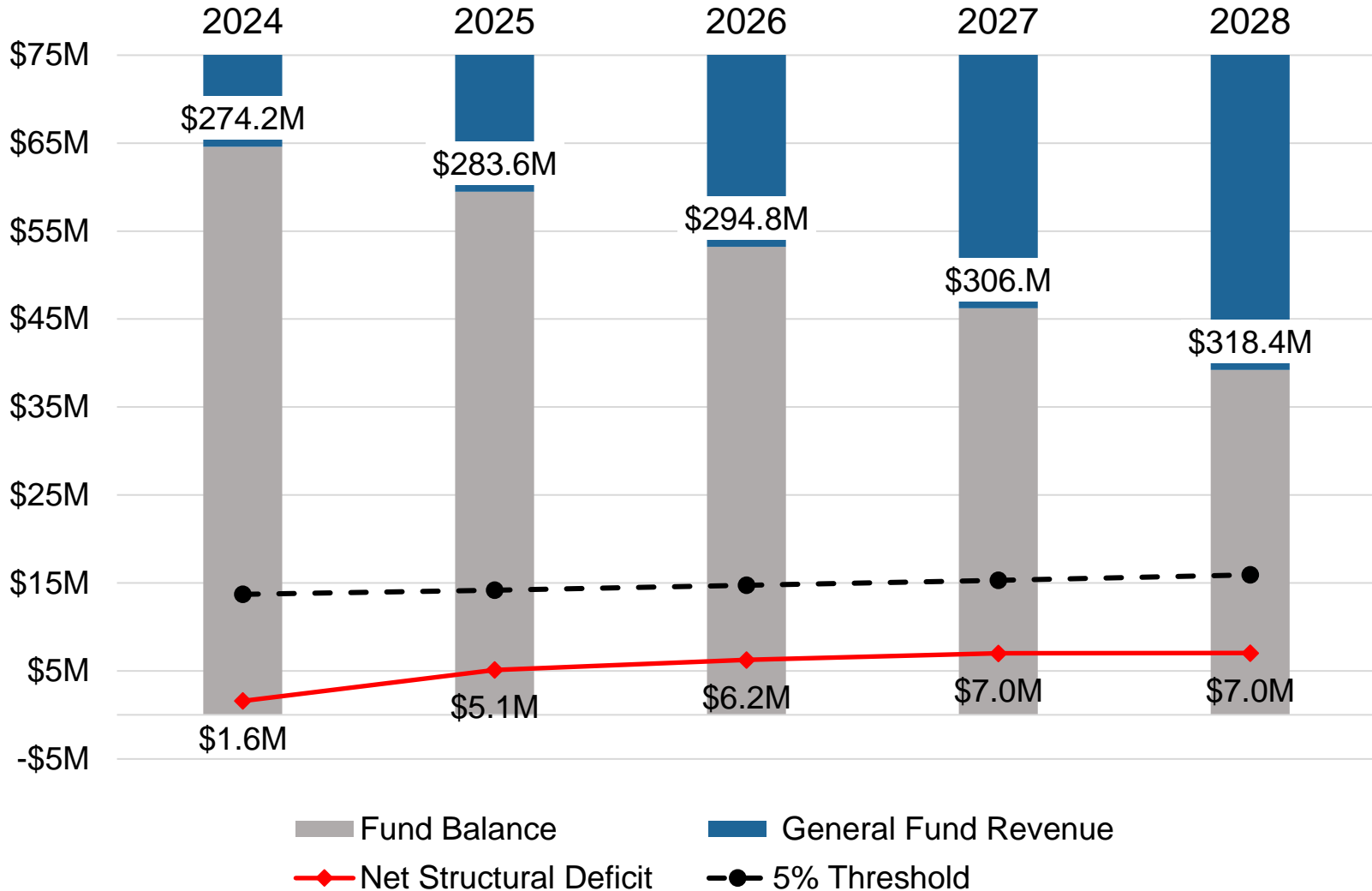
General Fund Planning (2025-2028)



Managing Structural Deficits

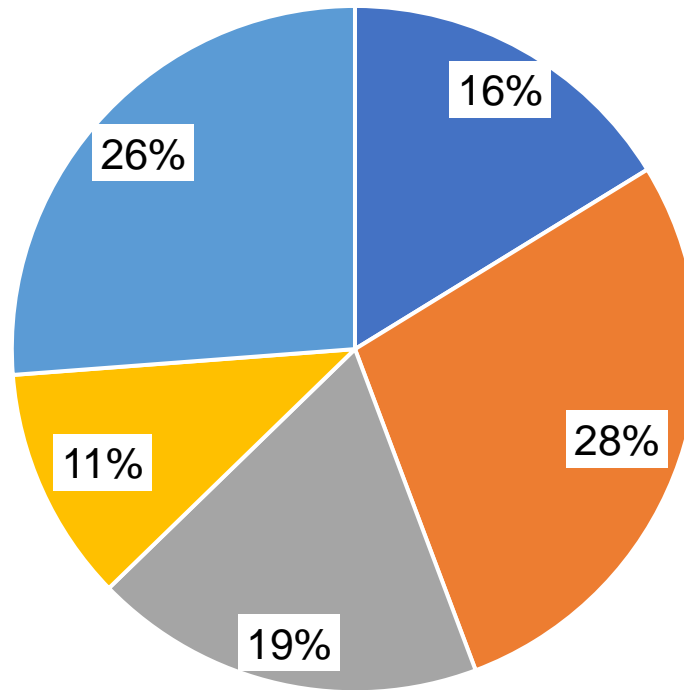


Managing Structural Deficits



General Fund Revenue Distribution

2024 Forecasted



■ Property Tax ■ Sales Tax ■ B&O Tax ■ Utility Tax ■ Miscellaneous

Setting the Table for 2025-2026

- Celebrating the City's legacy of strong fiscal stewardship and revenue diversification.
- Taking the opportunity to evaluate our policies, practices, code and RCWs.
- Calibrating the City's finances with the Strategies and Council's Vision

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