

**CITY COUNCIL AGENDA TOPIC**

Ordinance adopting the modification of the 2023-2024 Biennium Budget and 2023-2029 Capital Investment Program Plan, as both have been previously amended; setting forth the estimated revenues and appropriations; establishing job classifications and pay ranges; and establishing an effective date.

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**EXECUTIVE SUMMARY****ACTION**

This Ordinance adopts the City of Bellevue's 2023-2024 Mid-Biennial adjustments and updated 2023-2029 Capital Investment Program (CIP) Plan; sets forth the estimated revenues and appropriations; and establishes job classifications and pay.

**RECOMMENDATION**

Move to adopt Ordinance No. 6764.

**BACKGROUND/ANALYSIS**

This Ordinance is the last Council action required to fully implement the 2023-2024 mid-biennium budget. The Ordinance adopts the total appropriation by fund (Attachment A), establishes pay plans for 2024 (Attachment C), notifies Council of accepted Grants of less than \$350,000 as received from November 1, 2022 to October 31, 2023 (Attachment D), provides a list of donations under \$350,000 received from November 1, 2022 to October 31, 2023 (Attachment E), the 2023-2029 Capital Investment Program Cashflow (Attachment B) and, a list of 2023-2024 Full-Time Equivalent (FTE) Positions by Fund (Attachment F).

Council actions earlier tonight to fully implement the 2023-2024 mid-biennium budget include the following items that have been incorporated into the umbrella Ordinance:

- Development Services Fee Ordinance: Set the Development Service rates.
- 2024 Property Tax Levy Ordinance: Adopt 2024 property tax levy (RCW 35A.34.230)
- 2024 Property Tax Banked Capacity Resolution: Preserve the full levy amount available to the City (RCWs 84.55.005, 84.55.0101 and, 84.55.092).

Council will not be required to adopt the 2023 Utilities Rates as they were included in the 2023-2024 Adopted Budget via Ordinance Nos. 6693, 6694 and, 6695.

**Background**

Ordinance No. 6698 adopted the 2023-2024 Budget and the 2023-2029 CIP Plan on November 21, 2022. The mid-biennium budget update provides an opportunity for modifications to the 2023-2024 operating budget and the 2023-2029 CIP Plan in accordance with RCW 35A.34.130. The proposed mid-biennium budget updated contains limited technical changes at the fund level as adopted in

Ordinance No. 6698 and amended thereafter.

The proposed mid-biennium budget continues the Council direction on the 2023-2024 Amended Budget and 2023-2029 CIP Plan. It also makes technical adjustments to revenues, personnel salaries, and benefits among other minor expenditures. The Ordinance also includes the one percent councilmanic property tax adjustment for 2024 which was assumed in the Adopted 2023-2024 Budget passed in November 2022. An overview and additional details can be found in the [October 16, 2023 agenda materials](#).

### **Previous Council Discussions**

On October 9, staff reviewed the mid-biennium proposed budget calendar with Council and reviewed the actions necessary for budget adoption ([10/9 Agenda Materials](#)).

On October 16, staff presented the proposed technical updates to the 2023-2024 Operating Budget and 2023-2029 CIP Plan as well as a presentation on the General Fund forecast ([10/16 Agenda Materials](#)).

On October 23, staff present the Development Services fees update including fees for City-provided services and passthrough impact fees for the Renton and Issaquah school districts ([10/23 Agenda Materials](#)).

On November 13, the City Council held a public hearing regarding the proposed 2023-2024 mid-biennium budget. The City Clerk did not receive written communications regarding the proposed mid-biennium budget in advance of the meeting. Additionally, no oral communications were provided by the public as part of the meeting. At the closure of the public hearing, staff outlined a potential remedy for transportation maintenance shortfalls. The solution would transfer \$1.65 million in funding from the General CIP Fund to the Transportation Department's operating budget within the General Fund. The source of funding comes from a delayed Transportation project at the intersection of 114<sup>th</sup> Avenue SE and SE 8<sup>th</sup> Street (Project Number: PW-R-207). The project's remaining budget will have sufficient funding to continue with its design phase in 2024 with additional funding needed in 2025-2026 to complete construction.

Council directed staff to return on November 20, 2023, with all legislation needed to adopt the mid-biennium budget update and, that those materials include the aforementioned solution to transportation maintenance in 2024 ([11/13 Agenda Materials](#)).

### **City of Bellevue Pay Plans**

Pay plans for represented employees were established in accordance with their respective labor agreements. As part of the budget Ordinance, the Council is approving the 2024 City of Bellevue Pay Plans (Attachment C) which include the effect of a 2024 general wage increase (GWI) of 4 percent for non-represented employees.

RCW 41.50.152 requires disclosure of "excess compensation" costs (e.g., overtime payments that exceed twice the regular rate of pay, termination or severance payments, and cash out of unused annual leave in excess of 240 hours for a limited number of eligible employees). This legislation was designed to avoid the situation where significant future liability was unknowingly accepted as part of a compensation agreement. The provisions of the pay plans for non-represented employees are estimated to increase these future retirement billings by \$1,053 or 9.7 percent (from \$11,427 to

\$11,884). Any increases in excess compensation for union contract settlements are communicated in agenda memos when the contracts are proposed for Council approval.

### **Grants and Donations**

Per Ordinance No. 6728 updates Bellevue City Code (BCC) to increase the administrative approval for all procurement types that are set in the BCC to \$350,000. As such, staff has provided a list grants (Attachment D) and donations (Attachment E) below that threshold that were received in the most recent annual period of November 1, 2022, through October 31, 2023.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

RCW 35A.34.130: State law requires that a mid-biennium budget review be completed between September 1 and the end of the first year of the biennium and that a public hearing be held on the mid-biennium review.

RCW 35A.34.230: Council action on the City's 2024 property tax levy is required by State law in conjunction with the budget update.

RCW 84.55.092: Protection of future levy capacity for tax levies below the level that otherwise could be imposed.

### **Fiscal Impact**

Mid-biennium fiscal impacts, if appropriated in their current form, are as noted by fund in Attachment A: 2023-2024 Mid-Biennium Changes by Fund.

## **OPTIONS**

1. Adopt the Ordinance adopting the modification of the 2023-2024 Biennium Budget and 2023-2029 Capital Investment Program Plan, as both have been previously amended; setting forth the estimated revenues and appropriations; establishing job classifications and pay ranges; and establishing an effective date.
2. Do not adopt the Ordinance and provide alternative direction to staff.

## **ATTACHMENTS**

- A. 2023-2024 Mid-Biennium Changes by Fund
- B. 2023-2029 Capital Investment Program Cashflow
- C. 2024 City of Bellevue Pay Plans
- D. Summary of Grants Accepted
- E. Summary of Donations Accepted
- F. 2023-2024 Full-Time Equivalent (FTE) Positions by Fund  
Proposed Ordinance No. 6764

## **AVAILABLE IN COUNCIL LIBRARY**

N/A