

CITY COUNCIL AGENDA TOPIC

Public Hearing on the 2025-2026 Budget and 2025-2030 Capital Improvement Program Plan Mid-Biennium Update

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Finance & Asset Management Department

EXECUTIVE SUMMARY**DIRECTION**

The public hearing is an opportunity for residents and other stakeholders to provide input on the proposed Mid-Biennium Budget update, including all proposed levies, taxes, fees, and rates to aid the City Council in updating the 2025-2026 Budget and 2025-2030 Capital Improvement Program (CIP) Plan. Following the public hearing, staff seeks direction to either bring back all necessary legislation to adopt the full Mid-Biennium Budget on November 18 or provide alternate direction to staff.

RECOMMENDATION

Hold the legally required public hearing on the 2025-2026 Budget and 2025-2030 CIP Plan Mid-Biennium Update. Following the public hearing, consider directing staff to finalize all necessary legislation to adopt the full mid-biennium budget for Council consideration and action on November 18.

BACKGROUND/ANALYSIS

The City adopts a two-year or biennial budget. Tonight is the public hearing on the Mid-Biennium Budget. The purpose of the public hearing is to enable the City Council to hear public comment on the proposed 2025-2026 Budget and 2025-2030 CIP Plan Mid-Biennium budget update. This public hearing is in keeping with Bellevue's long history of citizen involvement with the budget process. The public is invited to provide testimony on the operating and capital budget, as well as on levies, taxes, fees, and rates.



Following the public hearing, staff seeks direction to either bring back all needed legislation to adopt the full mid-biennium on November 18 or provide alternate direction to staff.

This public hearing is required by State law and gives the public an opportunity to provide feedback to the Council before a final decision is made. Notice of the public hearing was published in *The Seattle Times* on October 29 and November 5.

Ordinance No. 6822 adopted the 2025-2026 Budget and the 2025-2030 CIP Plan on November 19, 2024. The Mid-Biennium Budget update provides an opportunity for modifications to the 2025-2026 operating budget and 2025-2030 CIP Plan in accordance with RCW 35A.34.130. The proposed Mid-Biennium Budget update contains adjustments at the fund level to the budget and CIP as adopted in Ordinance No. 6822. The changes included are technical in nature and reflect appropriation changes.

Prior Discussion with Council

On October 28, staff reviewed the proposed mid-biennium budget calendar with Council, reviewed the actions necessary for budget adoption, presented the proposed technical updates and adjustments to the 2025-2026 Operating Budget and 2025-2030 CIP Plan. ([10/28 Agenda Materials](#))

Additionally, staff presented adjustments to Utilities 2026 sewer rates. ([10/28 Agenda Materials](#))

Lastly, staff presented the Development Services fees update including fees for City-provided services and passthrough impact fees for the Renton and Issaquah school districts, and Transportation Small Wireless Facility Fees. ([10/28 Agenda Materials](#))

Council Contingency

Council asked Development Services if use of Council Contingency would help or advance their process improvement implementation. At this time Development Services has identified that they have sufficient resources to advance their process improvement work, and is proceeding with their identified improvements, funded through Development Services rate revenue, reserves, and contingencies.

With growing needs in supporting Human Services, Council asked if there were investments which could support these needs through our community partner relationships or other mechanisms.

Specifically, Council discussed:

- Immigrant and Refugee Legal Services and Advocacy
- Food and Basic Needs
- Financial Assistance

Staff believe the most expeditious means of impact would be to amend existing agreements for services with Bellevue's Human Services providers rather than an additional request for proposal process.

Council also discussed an interest in adding Navigator and/or linked services to the My Bellevue app. The My Bellevue community facing technology is at its end of vendor support and is going through a replacement and transformation process. This functionality will be included in the requirements development, but it is not feasible to get a change to this technology in this financial period.

Mid-Biennium Council Action

There are several items that will be required to adopt the 2025-2026 Mid-Biennium Budget and 2025-2030 CIP Plan updates which include:

Ordinance/Resolution Title	Brief Explanation
Human Services CDBG Funding Ordinance	Adopting the 2026 funding recommendations for CDBG funds
Pay Plan Adoption Ordinance	Adopting the 2026 Pay Plans
School Impact Fee Ordinance	Set School impact fees
2026 Development Services Fee Ordinance	Set Development Services 2026 Rates
Utilities Sewer Ordinance	Set Sewer Utility 2026 Rates
Transportation Wireless Fee Ordinance	Formalizing Wireless Communication Fee Schedule
2026 Bank Capacity Resolution	Preserve the full levy amount available to the City
2026 Property Tax Ordinance	Adopt 2026 property tax levies (RCW 35A.34.230 and RCW 84.55.092
2025-2026 Mid-Biennium Budget Ordinance	Adopt “umbrella” budget ordinance which includes appropriation approval by fund, 2026 pay plans, and summarizations of grants and donations accepted that are less than \$350,000.

POLICY & FISCAL IMPACTS

Policy Impact

RCW 35A.34.130: requires that the Council hold a public hearing for the purpose of modifying the City’s biennial budget. This legally required public hearing must be held prior to the Council adopting the mid-biennium budget modification. Consistent with this requirement, public notice was provided on October 29 and November 5 regarding the public hearing for Council’s consideration of a mid-biennium budget update.

Fiscal Impact

Mid-Biennium fiscal impacts, if appropriated in their current form, are as noted by fund in Attachment B: 2025-2026 Mid-Biennium Changes by Fund. At budget adoption, Council budget amendments will be updated through November 12 in the Mid-Biennium Changes by Fund attachment.

OPTIONS

1. Hold the public hearing and, following the hearing, direct staff to finalize the necessary legislation to adopt the 2025-2026 Budget and 2025-2030 Capital Improvement Program Plan Mid-Biennium Update for Council consideration and action on November 18.
2. Provide alternative direction to staff.

ATTACHMENTS

- A. Public Hearing Notice
- B. 2025-2026 Mid-Biennium Changes by Fund

AVAILABLE IN COUNCIL LIBRARY

N/A