

MEMORANDUM

☐ Action
☐ Discussion
☒ Information

DATE: February 6, 2020

TO: Environmental Services Commission

FROM: Lucy Liu, Assistant Director – Resource Management and Customer Service Division
Jolie Liu, Fiscal Manager

SUBJECT: 2021-2022 Budget Planning Overview and Calendar

Action Required at this Time

No action by the Commission is required at this time. This is an informational briefing on the development process for the 2021-2022 Utilities budget.

Fiscal Impact

The Utilities budget represents a significant investment of utility resources for the next two years. New investments or changes to existing funded investments may impact utility rates during and beyond that period.

Policy Issues

No policy issues are included in this briefing. However, future Commission briefings on the proposed 2021-2022 Utilities budget will include proposed policy considerations.

Background

As the City's chief administrator, the City Manager has the responsibility for development and presentation of the City's operating and capital budgets, which includes the resources needed to provide City services to the residents and stakeholders of Bellevue, to City Council for approval. The Utilities Department's biennial budget is a part of the City's budget, and represents the strategies and policies that the Department uses to address key financial and operational challenges over the biennium.

On February 6, staff will kick off the 2021-2022 budget development process and review the following with the Commission:

- Commission's role and responsibility in reviewing the Utilities Department budget and rates.
- Overview of the Utilities budget development process.
- Commission's budget review calendar and key milestones.

Commission's Role in Reviewing Utilities Budget and Rates

As a part of the Environmental Services Commission's charge, over the next several months, the Commission will have the opportunity to review in detail the Utilities Department's capital investment

program (CIP), capital and operating budget proposals, relevant policies, and the projected rate increases to implement the proposed Utilities budget for the 2021-2022 biennium. Staff will respond to questions, incorporate the Commission's comments, and request the Commission's concurrence with the proposed Utilities budget and rates. The Commission's review will culminate in a Utilities budget and rates recommendation to City Council in October.

2021-2022 Budget Development Process

Staff has initiated development of the 2021-2022 Utilities Operating Budget and 2021-2027 Utilities CIP, which will be adopted by the City Council concurrent with the 2021-2022 City Budget in December 2020. The Commission's budget review calendar is planned as follows:

Utilities 2021-2022 Operating and 2021-2027 CIP Budget Review Calendar

Date	Topic
January 16	<ul style="list-style-type: none"> Utilities 2021-2027 CIP budget development process overview
February 6	<ul style="list-style-type: none"> 2021-2022 budget planning overview Utilities finances overview
March 5	<ul style="list-style-type: none"> Proposed 2021-2027 CIP
April 2	<ul style="list-style-type: none"> Early outlook rates forecast 2019 financial performance CIP Open House results
May 7	<ul style="list-style-type: none"> Operating budget proposals CIP budget proposals
June 4	<ul style="list-style-type: none"> Rates review Budget proposal recommendation to Leadership Team and City Manager
July 2	<ul style="list-style-type: none"> CIP tour
September 3	<ul style="list-style-type: none"> Budget follow-up Preliminary rates forecast Budget and rates public hearing
October 1	<ul style="list-style-type: none"> Budget and rates recommendation to City Council