

Council Information Requests

Attachment A

STAFF COLLECT QUESTIONS FROM EACH COUNCIL MEETING ON THE BUDGET. THIS VERSION IS UPDATED AS OF THE SEPTEMBER 24, 2024, COUNCIL MEETING AND SUBSEQUENT COUNCILMEMBER COMMUNICATIONS.

COUNCIL REQUEST TRACKING

The following table tracks the requests received during the budget deliberations by the date and order they were received. The pages that follow have the question listed as noted. You may also click on the number of the question to be taken directly to the answer.

If staff has misunderstood your question, did not answer the question or if you have additional questions, please contact John Resha at 425-452-7863 or JResha@BellevueWA.gov.

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September 17, 2024 Council Meeting

Mayor Robinson

1. Can you please explain again why this biennial budget is smaller than our last one?

Answer: The 2025-2026 Preliminary Budget is smaller compared to the current Amended 2023-2024 Budget due to two primary factors. First, the City has historically appropriated (budgeted) the cash set aside for reserves which, would show that the City was intending to spend a much larger amount than expected. The City’s reserves are set aside for several purposes from health benefits, public safety pensions, land acquisition, a significant natural disaster, among others and, would only be accessed in rare circumstances. Therefore, budgeting them along with planned spending makes it harder to hold the City accountable for outcomes committed to in the budget. As a result, staff has omitted them from the budget.

The second reason is for what financial professionals refer to as, “double budgeting” which is when the City budgets for services conducted by and then received by two departments within the City. For example, City departments paying the Information Technology Department (ITD) for its services would result in budgeting the costs of providing the services in ITD and within the other departments as an expense for those services. In reviewing the City’s Comprehensive Financial Policies and what is mandated by accounting standards, staff decided to eliminate these historic practices in most of the City’s budget with exceptions for the City’s utilities and Capital Improvement Programs (CIP).

The result of these two actions is a more streamlined budget which more clearly defines the planned spending occurring in the 2025-2026 biennium.

2. **Is there a way to fund Lifespring’s request for rental assistance funding? Can we use council contingency? What is the process for that?**

Answer: The decision to allocate council contingency to this purpose is a viable option for the Council. The City Manager will continue to work with Council to intake priorities for the contingency and, to evaluate specific impacts. The Council may submit amendments during the process however, past practice has been to have amendments voted on by Council during the meeting immediately prior to budget adoption so the Council can communicate those approved amendments as part of final direction to bring back the budget for adoption.

Deputy Mayor Malakoutian

3. **How does the budget prioritize essential services while considering inflationary pressures?**

Answer: The Preliminary Budget balances the challenges of providing essential services while also considering the impact of inflation on the costs of providing those services born by the City as well as being mindful about that burden being felt by Bellevue residents and businesses. In doing so, the Preliminary Budget limits revenue adjustments to the 1 percent property tax adjustment and cost recovery for the development services and utilities lines of business. When taking into account the costs of providing services, the City has taken on additional costs of personnel by adjusting salaries and wages to remain an employer of choice while limiting the growth of nonpersonnel costs to existing contractual obligations and similar arrangements.

4. **Can you explain how the community input received at the July public hearing was incorporated into the preliminary budget? Reaching our environmental goal, bike, innovation/smart city, human resources and traffic.**

Answer: The feedback received on July 9 during the initial public hearing confirmed the path taken by staff during the budget development process to further sustain these investments and, where possible, accelerate their delivery.

As will be detailed more in the October 8 presentation on the Safe and Efficient Transportation System Strategic Target Area, there are many multimodal projects that have been designed and will initiate construction in 2025 or where public engagement efforts will bring the community in to prioritize the next round of investments for improving connections for people walking, biking and rolling throughout the City. Some of the highlights include neighborhood safety and mobility, continued work on the Mountains to Sound Greenway, Eastrail connections, 130th Avenue NE, among others.

Additionally, staff heard the continued engagement around climate change and the City's role in curbing greenhouse emissions. As a result, the Preliminary 2025-2026 Preliminary budget sustains and implements the investments made within the 2023-2024 Amended Budget. These investments include programmatic staffing and resources to implement the community-facing aspects of the Environmental Stewardship Plan (ESP). Further invests in greening the City's operations with projects for EV charging, greening the fleet, including an electric fire truck, as well as retrofitting the Bellevue Service Center building with more efficient lighting, heating and cooling systems. Investments in the Environmental Stewardship Initiative (ESI) will be part of the High Quality Built and Natural Environment presentation on October 15.

5. **If we had unlimited resources, what innovative projects or services could be included in this budget to make Bellevue an even better place to live.**

Answer: There is always the opportunity to do more as a city and the resources needed fully support city residents and businesses are incalculable. Therefore, there are always good ideas that won't make it into the budget due to resource constraints. However, with this 2025-2026 Preliminary Budget, staff have put forth their best answer in balancing the resources available with the near-term and long-term needs of the city. To keep innovation at the forefront of budget processes going forward, proposed in this budget is the establishment of an innovation fund to allow city staff to pilot new innovative approaches to service delivery. Governed by a new multi-departmental steering team, pilots would be approved by the steering team and seeks to fund 2-5 innovative pilots per biennium, giving staff the ability to try new technologies, systems, and processes. If successful, staff can propose ongoing funding sources in subsequent budget cycles.

6. **Beyond traditional sources of revenue, are there any alternative funding strategies we should consider to support our budget goals?**

Answer: State law provides the City with opportunities to receive additional revenues from its existing revenue sources and others not pursued by the City. Currently, staff is not recommending additional revenue adjustments beyond the 1 percent property tax, development services fees and utilities rates. A comprehensive list of potential revenue sources for local jurisdictions is maintained by the Municipal Research and Services Center (MRSC) in its annual [*Revenue Guide for Washington Cities and Towns*](#).

7. How can we use budget data to track progress towards achieving our DEI goals throughout the budget cycle?

Answer: Staff are in the process of developing an accountability framework and reporting system that will provide transparency and accountability on the City's performance on DEI efforts as well as the City's Strategic Target Areas and related objectives. Staff is currently working with the Diversity Advantage Team to incorporate the Diversity Action Plan 2.0 initiative with this framework for reporting in 2025.

Councilmember Hamilton

8. Information on what property tax goes to in the city and what is the impact of the 1 percent increase on the average Bellevue household? (Paraphrased)

Answer: Property taxes serve as one of the primary tax sources for the City of Bellevue and fund many of the general governmental functions of the City's operations and capital investments from parks, public safety, transportation, community services, administrative staff and, much more. Of the annual property tax bills received by Bellevue property owners, approximately 12% goes to the City. The remaining portions go to the local school districts, the State of Washington education levy, King County, Sound Transit and other smaller agencies.

The median home in Bellevue is worth \$1.19 million; a resulting 1% increase to the City of Bellevue property taxes would be a yearly impact of between \$11-\$12.

Councilmember Nieuwenhuis

9. Council had partially funded a 2nd Fire Battalion previously, is there funding within this Preliminary Budget to make that whole? If not, would like to see that included. (Paraphrased).

Answer: The Fire Department's traditional staffing model for a battalion required 4.3 FTEs. The 2023-2024 budget funded 1 additional FTE and the city, with the agreement of the IAFF, was able to bridge most of the difference via reclassifications and an agreement not to staff B102 for up to 66 days of the year. Fire, however, capably utilizes a shared leadership and support model plus overtime to meet operational needs. This Preliminary Budget Proposal does not provide additional monies to further address the matter within the Battalion. It should also be noted that this matter is a currently a subject of bargaining between the city and the IAFF.

10. Understanding that council was going to increase signing bonuses for police officer laterals. Is that in this the Preliminary Budget? If not, why? Same question for police officer retention bonuses. Are they included? If not, why?

Answer: The current and any potential increase to signing or retention bonuses is not included in the 2025-26 preliminary budget. Savings from existing police vacancies is sufficient to cover the expenses of these programs. There is a small code change necessary to facilitate this program, which is anticipated to be on the October 8th Council Agenda for consideration.

Nationwide, agencies have struggled to keep pace with the attrition of officers and Bellevue is not an exception. Our experience has been that recruiting police officers is still very competitive and that many of our local comparable jurisdictions have increased their lateral hiring bonuses since we began our current program in 2018. There are, however, possible mandatory subjects of bargaining involved with modifying our current signing bonus and with any possible retention program. These issues need to be negotiated between the City and Police Guild, after which, any program will be presented to Council for ratification.

11. Answer: Council has prioritized increasing arts funding and in this budget seems flat in terms of the arts at a time where two of Bellevue's most prominent cultural attractions are on the cusp of leaving. Wants more details on this subject as well as KidsQuest. (Paraphrased).

Answer: Bellevue's funding for arts and cultural institutions is critical for small efforts and large cultural institutions which anticipate Bellevue to be one of their streams of support. Flat funding reflects a unified approach to nonpersonnel spending applied to all aspects of the 2025-2025 Preliminary Budget which only included inflationary increases for existing City obligations. Utilizing council contingency to expand existing funding is a viable option for consideration by the body.

Potential funding for KidsQuest has been identified at \$2.5 million each year through 2028 within the Long-Term Planning Reserve. It is not currently budgeted within the 2025-2026 Preliminary Budget as there is not an existing funding agreement between the City and KidsQuest. Also, due to the size of the dollar amount, Council action would be required to approve the agreement per the City's Comprehensive Financial Policies. Any such agreement would then come forward with a budget appropriation increase to access the funds set aside in the reserves.

12. Clarity is needed on the investment mentioned during the presentation regarding police transparency and DEI in this budget. What is the investment adding in dollars and value above what already exists? (Paraphrased)

Answer: In the presentation regarding the Budget Equity Toolkit (BET), the mention of investments regarding the Police Department reflect what the Department is currently doing with its existing dollars. The BET is oriented to examining the current state of the City's DEI efforts to identify potential gaps and investment opportunities to mitigate those gaps. In this case, Police is a positive example of using robust data collection for several purposes. Below is the excerpt from the BET on the Police Department:

[The] Police Department is committing to community engagement and relationship building, especially with Police Advisory Councils, comprised of community members with diverse backgrounds. The department also shows a strong collection of data, including its Commission on Accreditation for Law Enforcement Agencies certification, Specialized Police Intelligence and Data Resource technology and a data dashboard that shares essential information with racial and other disaggregated identifying characteristics on Police workforce, crime, arrests, use of force and more. The department is also investing in multiple programs aimed at providing direct services and resources to vulnerable communities, such as CCAT and domestic violence staffing. Staff capacity and training is also a priority, with mental health intervention training for police officers and staffing focused on community engagement and data analysis that will increase DEIB. (2025-2026 Preliminary Budget, Chapter 1, PDF Page 52)

Councilmember Zahn

13. Regarding permitting support for small businesses and special events – is that to streamline permitting? There is a distinction between support and streamlining so that special events can move forward quickly.

Answer: The additional investment includes both streamlining and support for small businesses, special events and activities associated with public space activation. Community Development would work in partnership with other City departments to streamline the system that can require external partners to engage with several City departments with different deadlines and expectations into a more unified point of entry for utilizing public space going forward. The Development Services Department would also be adding in pre-application support for these stakeholders to complement the public space management program.

14. Regarding funds and plans for public art funding, public art can be part of the arts budget and CIP. For some government agencies they fund through the CIP that is public-facing. Would like to know what is the City's approach is taking in this budget and what considerations there are. (Paraphrased)

Answer: The City's approach to funding arts investments between the operating and capital budget is dependent on what the planned spending will cover. The City follows the Governmental Accounting Standard Board's (GASB) definition of what qualifies as a capital asset, usually items above \$100,000. The City has had a practice of accumulating funding and budget appropriation within the CIP for yet to be identified art installations that would exceed any one year of budget. As the City is moving away from accumulating resources in the CIP for unplanned expenditures, the funding for these capital installations resides in the Arts Reserve and can be appropriated by Council as these opportunities are identified. Operating funding for the City and associated grants programs resides within the City's operating funds to adhere to the standards alluded to above.

15. An investment into the cross-cultural center is mentioned in the presentation as resources and site selection analysis. Is that only the site selection or does that include preliminary design of the cross-cultural center?

Answer: The investment included in the 2025-2026 Preliminary Budget supports the continuing the studies of a future Cross-Cultural Center, which has been funded previously through CIP project G-118. Work will expand on a previously completed site selection analysis. In this phase, site analysis will be conducted using more recent data for siting opportunities, with the goal of identifying a suitable site or sites. This may potentially include conceptual design work and environmental review.

16. Investments in economic development for small and mid-sized businesses is a positive. Are we confident there will be enough resources included in this budget for both the small and mid-sized businesses? If resources are limited, should the City be focusing on small businesses first before we expand in size and scope?

Answer: The resources include funding that will exhaust the remaining American Recovery Plan Act (ARPA) dollars allocated to the City by the federal government and while staff anticipates there will be benefits to both small and mid-sized businesses, the primary focus will be that of small businesses.

17. Would like to understand as the conversation moves to the CIP about how the City is considering educating staff on methodologies in capital project management with the hope of maximizing delivery of the CIP.

Answer: In early 2025, staff will be working with an external consultant to evaluate the current capital delivery practices maintained by the capital delivery departments and identify potential best practices to enhance delivery. These may include, resource allocation and planning, training (which could include

capital delivery methodology), project management tools, contract and data management, among others. The full scope has yet to be established. Staff will provide more details throughout the process next year.

Email Received September 24 2024

Councilmember Nieuwenhuis

18. Request for an independent or third-party PSE reliability study.

Answer: Pending

19. Explanation regarding the need for an Office of Housing. How much will cost, what is this office focused on, and what will it do that we are not already doing?

Answer: This topic will be returning to Council during the High Quality Built and Natural Environment STA overview on October 15.

September 24, 2024 Council Meeting

Councilmember Hamilton

20. What kind of feedback has the City received in terms of the DS fee changes?

Answer: Did not receive feedback from BDC last month. Would not characterize lack of feedback as support or opposition. DS has left feedback loop open for BDC. Additionally, DS will have another meeting with BDC to solicit feedback.

21. What is the status of the Affordable Housing Permit Review and Inspection Fee Reduction program? Is that complete or is there more work to be done?

Answer: This program was born out council's "Next Right Work" and was structured around council's policy direction. DS has implemented the program based on council direction. If there's interest in changing or expanding that program, council has the discretion to do so. During the STA discussions, DS can further discuss the progress of the program as well as the next Council conversation regarding the, "Next Right Work."

Councilmember Nieuwenhuis

22. Within the 2025 Property Tax Distribution graph, can you break down the Other Jurisdictions bucket of 11% to what the Other Jurisdictions are?

Answer: The other taxing jurisdictions levying a property tax in Bellevue include the following and their percentage of the property tax bill.

- Port of Seattle – 1.3%
- King County Libraries – 3.7%
- Emergency Medical Services (EMS) – 2.9%
- King County Flood Control District -- 0.9%
- Sound Transit – 2.1%

23. In regards to SB 5290, is it a 90-day review timeline or a sliding scale timeline depending upon the permit type?

Answer: It is a sliding scale of 65 days, 100 days, and 170 days based upon the project permit type.

24. With the City's expected economic growth and activity, and with what's in the current pipeline, how do we ensure the accuracy of permit reviews and inspections (other than adding FTE/LTEs)?

Answer: Through several ways, including the help of the BDC. DS focuses on relationship building with applicants so that they can have discussions with their reviewers and inspectors; education for customers and internal staff to help understand changes; the BDC meetings has created a forum for customers to bring issues and zero in on after-action reports if there's something DS staff need to educate themselves on.

25. If mid-project something changes, who bears the responsibility for that permit that is already being issued?

Answer: Ultimately, everything needs to be up to code, but DS will work with the customer to address the issue and minimize the impact for the customer.

26. If an emergency/urgency arises for a project that impacts the permitting process, does the City offer any kind of expedited or special service so that the project isn't in jeopardy?

Answer: The City does not have anything specifically structured to address these types of situations; however, DS is committed to providing excellent customer services. When issues arise, DS adjusts and works with the unique needs of the customer.

27. Why has the Issaquah single family impact fees changed dramatically from year to year?

Answer: This is largely due to not having an elementary school growth related project, the increase in high school generation rates, and the application of the state's one-time school construction assistance funding.

28. Can you define the HS student generation rate?

Answer: For every new development and housing unit, it is assigned a value as to how many students from elementary, middle, and high school age will be generated from that project. There is typically more elementary age students generated than high school students. This year the high school generation rate was much lower than normal and didn't have any elementary students. As a result, the Issaquah school district can only collect on the High School generation rate. The calculation and collections are shown in the Capital Facilities plan.

Councilmember Lee

29. For Reserves, how does the City's budgeted reserve levels compare to past?

Answer: Majority of the reserves is close to what the historical levels have been. Capital reserves is a bit larger because of the integration of planned spend for the CIP. These new reserves are things that have existed in different places at these levels. It is important to note, a number of these reserves are guided by the actuary dictated by RCW or the Washington Administrative Code (WAC). The City has always met or exceeded these prescribed targets.

30. What percentage of the planning reserve is part of the City's entire reserve buckets?

Answer: The planning reserve, which includes parks, fire, municipal, housing, and arts is roughly 90-91 million dollars out of the current 400 million set of reserves. The goal of this reserve is hold them, but to utilize and keep them visible so that it doesn't just sit and collect interest.

31. For property tax, what's the total 1% at the current assessed value? How much do we raise for a 1% property tax increase?

Answer: If we raise the 1% property tax, it equates to \$903k. It is important to acknowledge that 41% will go to voter approved levy type projects with exception of the 2008 parks levy. Of the approximately \$903k, \$531k is associated with the General Regular Levy and will flow into the General Fund.

32. Given the code can be open to interpretation from staff, developers, and other customers, how do we make sure we have excellent customer service (particularly with commercial projects that hasn't been making progress)? Are there conversations and/or incentives the City provides?

Answer: There will be a small percentage that will fall under these circumstances, which will require DS to pursue an after action. Additionally, DS has a customer experience program that allows customers to address any issues and provide information regarding process improvements. BDC has also worked closely with DS to identify priority issues that should be addressed, which are now in a work schedule and/or work program where DS prioritizes issues.

33. In the proposed fees table, why are the fees for single family 500 Sq. FT. Addition almost as high as the minor commercial project?

Answer: For single family permits, DS charges a flat fee that is derived from an hourly rate and the average time it takes to review that permit. The valuation-based fee is based on the nationally recognized internationally code council table that is published twice a year that DS adopts. Along with the adjustment of the CPI-W. The fees for the two project examples provided in the presentation are proportional to the scope and scale of each example.

Councilmember Zahn

34. Because the budget is packaged differently, the Council is seeing differences in figures showing \$1.75 billion in expenditures, while also seeing \$1.65 billion. Please make sure to address these nuances during the STA presentations. Also addressing the nuances of the reserves, since there a couple of tables with different numbers depending on the presentation.

Answer: In the overview of the STAs, staff will draw these pieces together for a consistent narrative and staff will produce charts and other relevant information to provide greater clarity in this area for the Monday October 7 edition of this memory bank.

35. Would like to understand the revenue options the City has in order to possibly accelerate investments.

Answer: A comprehensive list of potential revenue sources for local jurisdictions is maintained by the Municipal Research and Services Center (MRSC) in its annual *Revenue Guide for Washington Cities and Towns*. Additionally, the City's Banked Property Tax capacity equals approximately \$7 million.

36. Regarding the November election, if some of the measures pass (specifically 2117) what is the impact on the City's revenues and budgeting process?

Answer: I-2117 would repeal the Washington Climate Commitment Act, which would likely remove certain grant funding sources from which Bellevue has benefitted. As future grant awards are not counted on, the revenue and budget impact will likely be minimal. However, programmatically, this will create gaps in supporting the City's Environmental Stewardship Initiative goals.

37. Are opportunities to take advantage of AI for DS' permitting process?

Answer: DS has been partnering with IT to look at technologies to help DS, particularly with low-risk tools. DS gets frequently contacted by AI startups and companies in this space and are figuring out ways how this can help future work. However, DS has yet to see a premier or preferred tool that has emerged as a tool for permitting.

38. Does the City have method of expediting permits for green buildings, affordable housing, and/or other projects of that nature?

Answer: DS is currenting looking at expedited options and getting closer to having a better understanding of where DS would like to go. As part of the Next Right Work for affordable housing DS initiated an expedited permitting program for 100% affordable housing projects as a method to incentivize these types of projects based on Council direction.

Email Received September 29, 2024

Deputy Mayor Malakoutian

39. Given the ongoing economic uncertainties, how does the City plan to mitigate the potential risks associated with the revenue projections in the Preliminary Budget? Are there contingency plans or alternative revenue sources that can be considered if the economic situation worsens? Any scenario planning? There are several assumptions that may not become reality.

Answer: All forecasts contain risk. Should the forecasted revenue not materialize, the City Manager would first review spending to curtail or slow non-critical services. If those actions are not sufficient, staff would engage with Council regarding revenue sources available and tradeoffs with programmatic reductions.

40. Beyond the immediate concerns of the 2025-2026 budget, what are the City's long-term financial sustainability strategies? Are there any initiatives or policies being considered to address potential structural deficits or revenue shortfalls in the future?

Answer: The 2025-2026 preliminary budget contemplates future focused planning including understanding future service levels and capital needs, in order to engage about prioritization and long-term funding. Additionally, should a spike in economic activity occur, staff will also look at future revenue stabilization reserve strategies to offset future economic fluctuations.

41. How can technology, AI, and innovation be leveraged to improve the efficiency and effectiveness of budget management and financial operations? Are there any specific investments or pilot programs planned to explore new technologies in this area?

Answer: Artificial Intelligence is an emerging space within financial and budget management that the City is maintaining a close eye on from both the financial as well as IT perspectives. Underlying the more simplified budget structure is the first of many steps the City anticipates taking over the near-term to streamline financial systems (IT and business). Streamlining and becoming less unique will allow the City to more efficiently conduct its business while also preparing for the replacement of its enterprise resource planning (ERP) system, JD Edwards. Many products currently on the market are leveraging AI and the City will explore its application to financial processes during product evaluation and selection.

Email Received October 4, 2024

Mayor Robinson

42. We have talked about losing King County prosecutors. Can we budget to contribute funds to retain these positions? Is it possible to use any of the opioid settlement money?

Answer: Pending