

CITY COUNCIL AGENDA TOPIC

Ordinance adopting the City of Bellevue’s 2025-2026 Biennial Budget and 2025-2030 Capital Improvement Program (CIP) Plan; setting forth the estimated revenues and appropriations; incorporating by reference pay grades and employment classifications; and establishing an effective date.

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EXECUTIVE SUMMARY

ACTION

As directed by Council on November 12, this Ordinance adopts the 2025-2026 Biennial Budget and the 2025-2030 Capital Improvement Program (CIP) Plan.

RECOMMENDATION

Move to adopt Ordinance No. 6822

BACKGROUND/ANALYSIS

This is the final action to implement the 2025-2026 Biennial Budget. The Ordinance adopts the total appropriation by fund (Attachment A) and summarized in the table below and notifies Council of the acceptance of grants less than \$350,000 as received from November 1, 2023 to October 31, 2024 (Attachment B), and provides a list of donations received from October 1, 2023 to October 31, 2024 (Attachment C).

The total of the 2025-2026 Budget is \$1.86 billion and is summarized by major fund category in the table below. All numbers reflect changes through November 12 as directed by Council (See Council Amendments below)

2025-2026 General Fund Budget*	\$816,942,233
2025-2026 Other Operating Funds Budget	\$116,828,563
2025-2026 Enterprise Funds Budget*	\$477,859,375
2025-2026 Special Purpose Funds Budget	\$87,251,611
2025-2026 Capital Improvement Program Budget**	\$364,113,048
Total 2025-2026 Budget	\$1,862,994,830

*Budget totals reflect contingencies in funds

**CIP Budget reflects CIP spending plan that differs from CIP appropriation which includes contracted encumbrances for 2027-2030 (\$227.7m).

Previous City Council Deliberations & Topic Areas

- September 17:
 - Introduction and Overview of the Preliminary Budget and CIP Plan with Key Investments
 - Next Steps in a Budget Equity Toolkit
- September 24:
 - Second Public Hearing
 - Updated Citywide Financial Policies & Fund Structure
 - Citywide Revenues & Resources
 - Development Serves & School Impact Fees Update
- October 8:
 - Strategic Target Area Overviews:
 - Safe Community & Health
 - Safe & Efficient Transportation System
 - Utilities Rates Update
- October 15:
 - Strategic Target Area Overviews:
 - Vibrant Economy
 - High-Quality Built & Natural Environment
- October 22:
 - Strategic Target Area Overviews:
 - High-Performance Government
 - Thriving People & Communities
- October 29:
 - Overview of Key Discussion & Memory Bank Topics
 - Discussion of City Council Contingency Interests
- November 12,
 - Final Public Hearing
 - Overview of Adoption Actions & Technical Adjustments
 - Discussion of Potential Council Amendments
 - Direction Given to Return with Adoption Materials

Council-Directed Amendments

The following list by Council interest outlines the Council-directed amendments that were incorporated into tonight's budget adoption materials as directed on November 12.

Community Event Support

1. Community Event Fee Relief, \$25,000, One-Time, 2025
 - Council directed staff to return with funding to subsidize City-generated event fees at City locations while staff reviews and analyzes existing fee structures for these and similar events.
2. Cultural & PopUp Event Support, \$50,000, One-Time, 2025
 - Council directed staff to return with one-time funding for 2025 that includes \$50,000 for cultural popups to better support small businesses and community activation. This allotment includes a funding category for farmers markets.

3. City Hall Activation Pilot, \$250,000, One-Time, 2025 & 2026
 - Council directed staff to include \$250,000 in funding during the biennium to support a City Hall activation pilot. The pilot program would provide funding to support routine building functions (e.g. HVAC, electricity, security) during extended hours on select Fridays and Saturdays. Staff have included \$100,000 in 2025 and \$150,000 in 2026.

Council Resources

4. Council Member Travel & Education, \$80,000, One-Time, 2025
 - Council directed staff to provide one-time additional funding in 2025 in the amount of \$80,000.

Environmental Stewardship

5. Electric Vehicle (EV) Charging at Affordable Housing Units, \$50,000, One-Time, 2025-2026
 - Council directed staff to include \$50,000 in 2025 to support the development of electric vehicle charging at 100-150 affordable housing units during the year.
6. Energy Smart Eastside Initiatives, \$50,000, One-Time, 2025-2026
 - Council directed staff to include incentives to support the implementation of the updated Sustainable Bellevue Environmental Stewardship Plan (plan to be updated in 2025).

Human Services

7. Human Services Investments Targeted Toward Youth Services, Rental Assistance and, Shelters/Housing, \$290,000, One-Time, 2025-2026
 - Council directed staff to return with an additional \$290,000 for the biennium to support human services spending in youth services, shelters/housing and financial/rent assistance. This Ordinance adopts the spending authority for this amendment while another Resolution on tonight's agenda grants staff the authority to enter into contractual agreements with the organizations providing the human services outlined in the above categories.

Supporting Growth

8. Energy Capacity Needs and Gap Analysis, \$100,000, One-Time, 2025
 - Council directed staff to return with \$100,000 of one-time funding in 2025 to support an energy needs and gap analysis relating to the growth targets outlined in the updated 2044 comprehensive plan update.

Grants and Donations

Per 4.28.200 of the Bellevue City Code (BCC), the city manager or his/her designee is authorized to apply for grants in any amount and to execute grant contracts for grants up to \$350,000. The city manager or his/her designee shall not execute grants exceeding \$350,000 without council approval. The city manager or his/her designee shall notify Council periodically of such grant contracts.

The requirements of BCC related to grants have been satisfied during the budget adoption process. The list of these grants received in the last reporting period (November 1, 2023 through October 31,

2024) can be found in Attachment B. Similarly, donations accepted by the City during the same period can be found in Attachment C.

Other Adoption Actions

Tonight, earlier actions have been brought forward to fully implement the 2025-2026 Biennial Budget which included the following legislations:

- 2025 Development Services Fee Ordinance: Updates fees charged for development services applications requiring construction, land use, fire, survey, sign, transportation, utility and clearing and grading review and inspection services effective January 1, 2025
- 2025-2026 Utilities Rates Ordinances: Increases water consumption, water standby capacity charges and water, sewer, and, stormwater service fees effective January 1, 2025. These increases are necessary to support the Utilities’ 2025-2026 operating budget and 2025-2030 CIP Plan funding needs. The table below displays the service fee increase for each utility.

Utility	2025 Service Fee Adjustment	2026 Service Fee Adjustment
Water	6.8%	4.9%
Sewer	7.4%	7.6%
Storm & Surface Water	9.2%	9%

- 2025-2026 Human Services Fund Funding Resolution: Human Services Commission’s 2025-2026 Human Services Fund funding recommendations
- 2025-2026 Behavioral Health and Housing Related Services Funding Resolution: Human Services Commission’s 2025-2026 Behavioral Health and Housing Related services funding recommendations
- 2025 Community Development Block Grant (CDBG) Ordinance: Recommendations for the use of 2025 CDBG funds as transmitted by the Human Services Commission
- 2025-2026 One-Time Human Services Funding Resolution: Human Services recommendations for a one-time investment as directed at the November 12 Council meeting
- Waterworks Utilities Financial Policies Sunset Resolution: Sunsets the Waterworks Utilities Financial Policies to be replaced by the City’s Comprehensive Financial Policies.
- Property Tax Ordinance and Resolutions
 - Property Tax Levy Ordinance – Regular and voted property tax including new construction and other increase allowed under RCW 84.55.010 and refund amount, including the statutorily available 1 percent allowable increase for 2025.
 - Banking of Levy Capacity Resolution – Preserving the full regular levy amount available to the City to ensure sufficient capacity to fund operating costs of new facilities and maintain current levels of service.

Key Budget Investments by Strategic Target Area (STA)

High-Performance Government

- Improves municipal planning and performance with funds for long-range facilities plan and staffing for data analytics and accountability team.
- Continues staffing on municipal energy efficiency projects and LEED/Clean Fuels Incentives.

- Establishes a municipal innovation advisory committee to conceptualize new technologies.
- Funds City Hall major maintenance and interim space/planning.
- Begins process to replace and enhance citywide IT systems.

Vibrant Economy

- Funds programs in workforce development, entrepreneurship, and small business support to add focus on small and mid-sized businesses.
- Permitting support for small businesses, special events, and activities for public space activation.
- Funds and plans for public art.

Safe & Efficient Transportation System

- Funds protecting and maintaining the city's transportation system and current levels of service.
- Allocates funding for Vision Zero implementation, including technologies to enhance vehicle collision deterrence.
- Capital investments to complete major projects underway (124th and 130th) and focus new investments in neighborhood connectivity, bicycle and pedestrian facilities, and safety.
- Fills gaps in transportation network for bike, pedestrian and motorized users.
- Continues design work on non-motorized I-405 crossing.

High-Quality Built & Natural Environment

- Creates an Office of Housing to coordinate and improve access to affordable housing and increases available funding for affordable housing permit refunds.
- Invests in predictable and timely permit review services.
- Staffing for parks planning and maintenance to deliver on commitments made in 2022 levy.
- Continues staffing for evolving policy priorities like Keep Bellevue Beautiful and the Environmental Stewardship Initiative.
- Engages Meydenbauer Bay Phase II design work
- Starts construction on Parks Resource Management Facility (Q4 2026)

Community Safety & Health

- Staffs enhanced emergency preparedness and disaster recovery outreach focused on partnership with historically underserved communities.
- Adds funding for opioid and disorder crisis response.
- Funds establishment of a dedicated community court.
- Establishes a dedicated police captain for managing large events.
- Dedicated resource to support domestic violence advocacy.
- Finishes construction of Fire Station 10.
- Replaces fuel tanks at fire stations.

Thriving People & Communities

- Funds the Human Services Strategic Plan and Human Services Commission recommendations.
- Increases ongoing human services funding with targeted investments to support youth and gaps left with ramp-down of federal funds.
- Continues Homelessness prevention outreach & safe parking programs.
- Resources for another year of Cross-Cultural Center without Walls program grants.

POLICY & FISCAL IMPACTS

Policy Impact

RCW 35A.34 – Biennial Budgets: State law specifies requirements that must be followed in budgeting each of the City’s funds. Key areas covered include:

- Preparation and filing of a preliminary budget by the Chief Administrative Officer i.e., City Manager;
- A “budget message” from the Chief Administrative Officer explaining the context, financial policies and major proposed changes;
- A public hearing on the proposed preliminary budget conducted before adoption of a final; budget, which shall be held on or before the first Monday in December;
- Balanced expenditure and revenue estimates for each of the City’s funds; and
- Council adoption of the budget prior to the beginning of the ensuing fiscal biennium, i.e. January 1, 2025.

Fiscal Impact

This Ordinance adopts the City of Bellevue’s 2025-2026 Biennial Budget and the 2025-2030 CIP Plan. The fiscal impacts for 2025-2026 are noted by fund in Attachment A.

OPTIONS

1. Adopt the Ordinance adopting the City of Bellevue’s 2025-2026 Biennial Budget and 2025-2030 Capital Improvement Program (CIP) Plan; setting forth the estimated revenues and appropriations; incorporating by reference pay grades and employment classifications; and establishing an effective date.
2. Provide alternate direction to staff.

ATTACHMENTS

- A. Updated Financial Plans
 - B. Summary of Grants Accepted Under \$350,000
 - C. Summary of Donations Accepted
- Proposed Ordinance No. 6822

AVAILABLE IN COUNCIL LIBRARY

N/A