



**DATE:** November 2, 2023  
**TO:** Environmental Services Commission  
**FROM:** Andy Baker, Fiscal Manager  
**SUBJECT:** 2025-2026 Budget Planning Overview and Calendar

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## **ACTION REQUIRED**

No action by the Commission is required at this time. This is an informational briefing on the development process for the 2025-2026 Utilities budget.

## **BACKGROUND / ANALYSIS**

As the City's chief administrator, the City Manager has the responsibility for the 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 November 2, staff will kick off the 2025-2026 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 2025-2026 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.

### 2025-2026 Budget Development Process

Staff has initiated the development of the 2025-2026 Utilities Operating Budget and 2025-2031 Utilities CIP, which will be presented to the City Council for consideration concurrent with the 2025-2026 City Budget in November 2024. The Commission's tentative budget review calendar is planned as follows:

### **ESC Review Calendar: Utilities 2025-2026 Operating and 2025-2031 CIP Budget**

<b>Date</b>	<b>Topic</b>
January 4	<ul style="list-style-type: none"><li>• Utilities Financial Overview</li><li>• Asset Renewal Forecast Update</li></ul>
February 1	<ul style="list-style-type: none"><li>• Utilities Financial Policy Review</li></ul>
March 7	<ul style="list-style-type: none"><li>• Review of Proposed 2025-2031 CIP</li></ul>
April 4	<ul style="list-style-type: none"><li>• 2023 Financial Performance</li><li>• Early Outlook Rates Forecast</li></ul>
May 2	<ul style="list-style-type: none"><li>• 2025-2031 CIP Budget Proposals</li></ul>
June 6	<ul style="list-style-type: none"><li>• 2025-2026 Operating Budget Proposals</li></ul>
June 20	<ul style="list-style-type: none"><li>• 2025-2030 Rate Forecast</li></ul>
July 11	<ul style="list-style-type: none"><li>• Budget Recommendation to City Manager</li></ul>
September 5	<ul style="list-style-type: none"><li>• Preliminary Budget &amp; Rates Forecast</li><li>• Budget &amp; Rates Public Hearing</li></ul>
September 19	<ul style="list-style-type: none"><li>• Budget &amp; Rates Recommendation to City Council</li></ul>
October (TBD)	<ul style="list-style-type: none"><li>• ESC Chair Presents Recommendation to Council</li></ul>

### **POLICY ISSUES**

No policy issues are included in this briefing. However, future Commission briefings on the proposed 2025-2026 Utilities budget will include policy considerations.

### **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.

### **ATTACHMENTS & AVAILABLE DOCUMENTS**

N/A