

Attachment A

**CITY OF BELLEVUE
UTILITIES DEPARTMENT**

**Proposed 2025-2026 Budget
Operating Budget Proposals**

DATE: June 20, 2024

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Utilities Department

2025-2026 Operating Budget Proposals

		Amended	Proposed	Amended	Proposed
Category / Proposal #	Title	2023-2024	2025-2026	2024 FTEs/LTEs	2025-2026 FTEs/LTEs
CIP SUPPORT					
Capital Related Operating Budget Proposals					
140.74	Capital Project Delivery and Asset Management	\$9,769,394	\$10,890,949	43.55	48.55
140.39	Operating Transfer to CIP	\$70,422,000	\$59,771,000	-	-
140.48	Operating Transfer to R&R	\$48,231,731	\$80,108,813	-	-
Subtotal		\$128,423,125	\$150,770,762	43.55	48.55
Subtotal - CIP Support		\$128,423,125	\$150,770,762	43.55	48.55

Utilities Department

2025-2026 Operating Budget Proposals

Category / Proposal #	Title	Amended	Proposed	Amended	Proposed
		2023-2024	2025-2026	2024 FTEs/LTEs	2025-2026 FTEs/LTEs
WHOLESALE, TAXES, SUPPORT SERVICES					
1. Wholesale, Taxes, and Franchise Fees					
140.73	Wholesale Costs and Taxes	\$168,422,845	\$184,478,125	-	-
2. Payments to General Fund (Interfunds)					
999.01NA	Interfunds BSAs	\$1,976,195	\$2,158,657	-	-
999.02NA	Copy Center / Satellite Copiers Rates	\$172,175	\$174,240	-	-
999.03NA	Indirect Overhead	\$6,880,881	\$8,569,580	-	-
999.11NA	EERF	\$0	\$2,617	-	-
999.12NA	ECS Maintenance	\$148,782	\$150,939	-	-
999.13NA	Motor Pool	\$139,117	\$50,436	-	-
999.14NA	ERF Asset Management	\$233,778	\$262,143	-	-
999.15NA	Fleet Maintenance	\$1,809,637	\$1,858,190	-	-
999.16NA	Fuel	\$479,202	\$524,295	-	-
999.20NA	Facilities Rent	\$1,953,299	\$2,042,430	-	-
999.21NA	Rideshare	\$0	\$72,236	-	-
999.22NA	Facilities Rent Major Maintenance	\$0	\$1,257,055	-	-
999.30NA	ITD Operations	\$3,597,320	\$4,443,483	-	-
999.31NA	ITD Replacement	\$383,814	\$345,177	-	-
999.40NA	General Self Insurance	\$3,115,000	\$4,305,000	-	-
	Subtotal	\$20,889,200	\$26,216,478	-	-
3. Operating Reserves					
140.40	Operating Reserves	\$72,469,602	\$73,759,552	-	-
Subtotal - Wholesale, Taxes, Support Services, and Reserves		\$261,781,648	\$284,454,155	0.00	0.00

Utilities Department

2025-2026 Operating Budget Proposals

Category / Proposal #	Title	Amended	Proposed	Amended	Proposed
		2023-2024	2025-2026	2024 FTEs/LTEs	2025-2026 FTEs/LTEs
LOCAL OPERATIONS					
5. Customer Service / Outreach					
140.79	Customer-Facing Service Programs	\$5,836,005	\$4,252,855	13.15	13.15
140.80	Utilities Rate Relief Program	\$1,643,455	\$1,732,272	0.95	0.95
140.81	Solid Waste Management, Waste Prevention, and Conservation	\$2,372,344	\$2,632,152	2.90	2.90
	Subtotal	\$9,851,804	\$8,617,280	17.00	17.00
6. Engineering - Development Services					
110.01NA	Development Services Information Delivery	\$992,935	\$1,056,887	3.45	3.45
110.02NA	Policy Implementation Code Amendments & Consulting Service	\$551,708	\$603,240	1.58	1.58
110.03NA	Development Services Review Services	\$1,363,124	\$1,466,642	4.60	4.60
110.04NA	Development Services Inspection Services	\$1,859,912	\$1,551,295	5.27	5.27
	Subtotal	\$4,767,678	\$4,678,065	14.90	14.90
7. Operations and Maintenance					
140.75	Water System Maintenance & Repair	\$14,229,659	\$15,237,991	31.15	31.15
140.76	Sewer System Maintenance & Repair	\$11,285,772	\$12,141,058	27.70	27.70
140.77	Storm System Maintenance & Repair	\$8,449,519	\$9,759,460	17.70	18.70
140.78	Water Quality & Pollution Prevention	\$4,386,380	\$4,689,993	10.00	10.00
	Subtotal	\$38,351,329	\$41,828,502	86.55	87.55
8. Department Management & Support					
140.72	Departmental Management & Support	\$8,151,008	\$9,483,942	16.00	15.00
Subtotal - Local Operations		\$61,121,820	\$64,607,789	134.45	134.45
TOTAL		\$451,326,593	\$499,832,707	178.00	183.00
TOTAL EXCLUDING RESERVES		\$378,856,991	\$426,073,155		

Utilities Department

2025-2026 Operating Budget Proposals

Total Operating Budget: \$426.1M

Internal Drivers – 51%

Local Operations – 15%

- Operations & Maintenance
- Customer Service & Outreach
- Engineering System Planning
- Development Services
- Support Systems/Assets
- Management
- Regulatory

CIP Support – 36%

- Transfers to CIP / R&R
- CIP Delivery & Asset Management

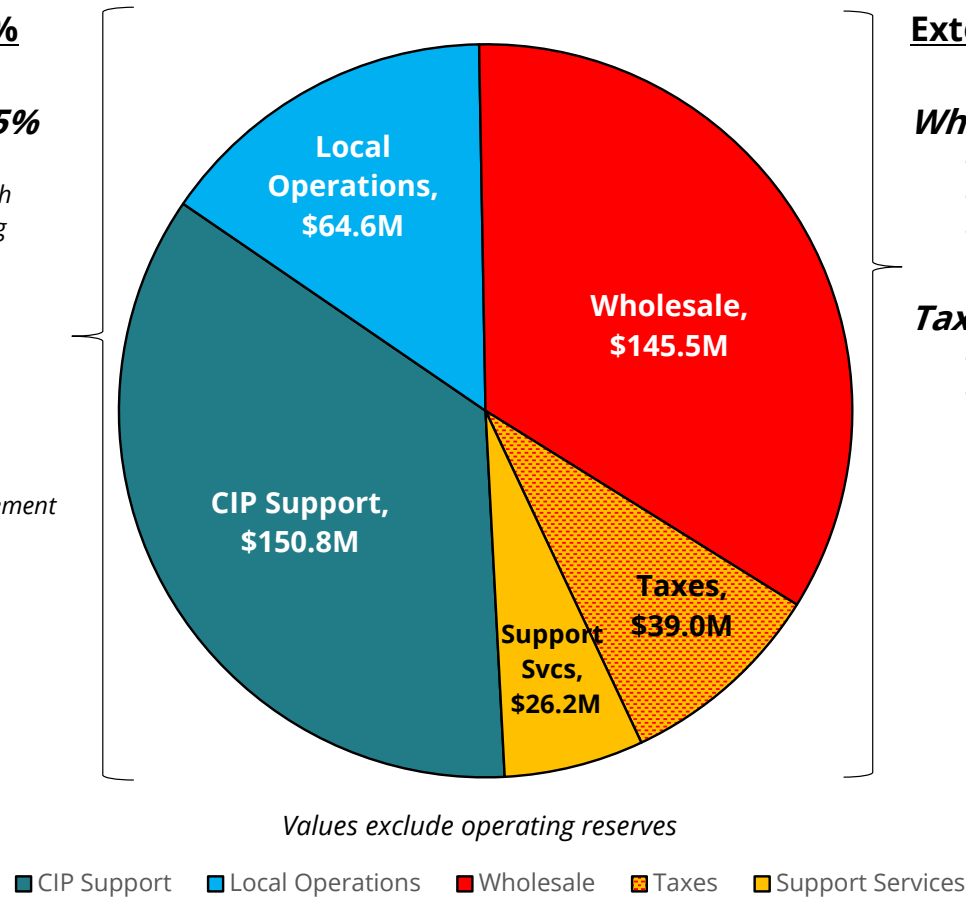
External Drivers – 49%

Wholesale Costs– 34%

- Drinking water supply
- RCFC Payments
- Wastewater Treatment

Taxes & Support Svcs – 15%

- Taxes
- Interfunds



CAPITAL-RELATED OPERATING PROPOSALS

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title	Capital Project Delivery and Asset Management		
Proposal Number	140.74	Strategic Target Area High Quality Built and Natural Environment	
Proposal Budget (2025-2026)	\$10,890,949	47.6 FTEs/1.0 LTEs	(34.6 FTE Operating, 13.0 FTE Capital)

Executive Summary

This proposal funds internal labor resources to implement the proposed 2025-2034 Utilities Capital Investment Program (CIP). Utilities performs system planning work, using asset management principles, to deliver capital projects and meet our customers’ needs at the lowest infrastructure life-cycle cost. We deliver CIP projects to continue providing water, sewer, and stormwater services to our customers, and to protect and enhance the health of Bellevue’s streams, lakes and wetlands.

Changes from previous biennium

- This proposal includes four new FTEs:
- A Senior Planning Engineer to perform project initiation activities in-house, reducing external consulting needs.
 - A Senior Design Engineer to perform project management activities in-house, reducing external consulting needs.
 - A Senior CIP Delivery Engineer to perform CIP development and program management to support implementing Utilities capital investment program.
 - A Construction Inspector LTE conversion to FTE.

This proposal also includes one-time professional services expenditures for Strategic Asset Management Plan improvements and Capital Recovery Charge process improvements.

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title Capital Project Delivery and Asset Management

Proposal Number 140.74 **Strategic Target Area** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2023-2024 Budget			Proposed 2025-2026 Budget			Biennium Change	
	2023	2024	Total 2023-2024	2025	2026	Total 2025-2026	Dollar Change	Percent Change
Total	\$5,009,112	\$4,760,282	\$9,769,394	\$5,131,964	\$5,758,986	\$10,890,949	\$1,121,555	11.5%
<i>YY % Change</i>		-5.0%		7.8%	12.2%			

Proposal Staffing Summary

Total FTEs	43.6	47.6	47.6
Total LTEs	2.0	1.0	1.0

Performance Measures and Targets

Metric	Description	2023-2024 Budget		2025-2026 Budget	
		2023 Actual	2024 Target	2025 Target	2026 Target
TBD	% of design-construction projects on schedule within 3 months of projected completion	68%	75%	75%	75%

Proposal Title	Operating Transfer to CIP	
Proposal Number	140.39	Strategic Target Area N/A
Proposal Budget (2025-2026)	\$59,771,000	0.0 FTEs/0.0 LTEs

Executive Summary

The objective of financial planning for long-term capital investment is grounded on the principles of smooth rate transitions, maintaining high credit ratings, providing for financial flexibility and achieving inter-generational equity (City Comprehensive Financial Management Policies 10.1.II.A). Consistent with this policy, the vast majority of funding for Utilities’ capital projects is provided by monthly transfer of rate revenues to the Utility Capital Investment Program. The amount of funding is determined by projecting the capital program’s long-term cash flow requirements in a manner that result in smooth annual rate transitions while addressing short- and long-term rate impacts. This proposal establishes the annual transfers to the CIP in accordance with this policy.

Changes from previous biennium

Rate revenues are the primary source of funding for: 1) the proposed CIP, and 2) long-term capital funding needs through the Utility Capital Facilities Renewal and Replacement (R&R) account. Both transfers work in tandem to provide a comprehensive source of funding for the City's current and long-term CIP needs. This proposal is consistent with City financial management policies. No changes to this historical approach to funding the CIP is anticipated as part of this proposal.

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title Operating Transfer to CIP

Proposal Number 140.39 **Strategic Target Area** N/A

Proposal Financial Summary

	Amended 2023-2024 Budget			Proposed 2025-2026 Budget			Biennium Change	
	2023	2024	Total 2023-2024	2025	2026	Total 2025-2026	Dollar Change	Percent Change
Total	\$33,671,000	\$36,751,000	\$70,422,000	\$20,838,000	\$38,933,000	\$59,771,000	(\$10,651,000)	-15.1%
<i>Y/Y % Change</i>		9.1%		-43.3%	86.8%			

Proposal Staffing Summary

Total FTEs	-	-	-
Total LTEs	-	-	-

Performance Measures and Targets

Metric	Description	2023-2024 Budget		2025-2026 Budget	
		2023 Actual	2024 Target	2025 Target	2026 Target
140.0183f	Percent of total CIP expended vs budgeted	39.3%	70.0%	70.0%	70.0%
140.0346	Percentage to target: Operating transfer to CIP account	100.0%	100.0%	100.0%	100.0%

Proposal Title	Operating Transfer to R&R	
Proposal Number	140.48	Strategic Target Area N/A
Proposal Budget (2025-2026)	\$80,108,813	0.0 FTEs/0.0 LTEs

Executive Summary

Established by the City Council in 1995, and memorialized in the City’s Comprehensive Financial Management Policy 10.1.II.D, the Utility Capital Facilities Renewals and Replacements (R&R) account proactively sets aside funds each year to replace the City’s utility infrastructure as it ages, thereby avoiding the need for large rate spikes and ensuring that each generation of ratepayers pays its fair share of the burden of replacing these systems. Bellevue Utilities has infrastructure with a replacement value of about \$10 billion across the three piped utilities. This proposal represents the annual transfer of rate revenue to fund future capital renewals and replacements consistent with this financial policy.

Changes from previous biennium

Rate revenues are the primary source of funding for: 1) the proposed CIP, and 2) long-term capital funding needs through the Utility Capital Facilities Renewal and Replacement (R&R) account. Both transfers work in tandem to provide a comprehensive source of funding for the City's current and long-term CIP needs. This proposal is consistent with City financial management policies. No changes to this historical approach to funding the CIP is anticipated as part of this proposal.

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title Operating Transfer to R&R

Proposal Number 140.48 **Strategic Target Area** N/A

Proposal Financial Summary

	Amended 2023-2024 Budget			Proposed 2025-2026 Budget			Biennium Change	
	2023	2024	Total 2023-2024	2025	2026	Total 2025-2026	Dollar Change	Percent Change
Total	\$23,232,331	\$24,999,400	\$48,231,731	\$46,176,616	\$33,932,197	\$80,108,813	\$31,877,082	66.1%
<i>Y/Y % Change</i>		7.6%		84.7%	-26.5%			

Proposal Staffing Summary

Total FTEs	-	-	-
Total LTEs	-	-	-

Performance Measures and Targets

Metric	Description	2023-2024 Budget		2025-2026 Budget	
		2023 Actual	2024 Target	2025 Target	2026 Target
140.0121	Percentage to target: Renewal & Replacement contribution for Water Utility	100.0%	100.0%	100.0%	100.0%
140.0122	Percentage to target: Renewal & Replacement contribution for Wastewater Utility	100.0%	100.0%	100.0%	100.0%
140.0123	Percentage to target: Renewal & Replacement contribution	100.0%	100.0%	100.0%	100.0%

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WHOLESALE, TAXES, SUPPORT SERVICES BUDGET PROPOSALS

2025-2026 Utility Operating Budget Proposals

Proposal Title	Wholesale Costs and Taxes	
Proposal Number	140.73	Strategic Target Area Community Safety & Health
Proposal Budget (2025-2026)	\$184,478,020	0.0 FTEs/0.0 LTEs

Executive Summary

This proposal includes costs for drinking water and Regional Capital Facilities Charges (RCFC) via Cascade Water Alliance; sewage treatment and disposal services via King County Wastewater Treatment Division; and State Business and Occupation tax, State and Local Utilities taxes, and franchise fees for neighboring communities to provide water and wastewater services in their respective jurisdictions. These costs are all passed through to rate payers per City Financial Management Policies.

Changes from previous biennium

Drinking water for the City of Bellevue is purchased from the Cascade Water Alliance (Cascade). Water supply costs are established by cascade. Cascade's wholesale costs to the City of Bellevue is projected to decrease by -0.4% in 2025 and increase by 2.4% in 2026. Wholesale wastewater treatment costs are established by the King County Wastewater Treatment Division. King County wholesale costs to Bellevue Utilities are projected to increase by 5.75% in 2025 and 7.0% in 2026.

Tax expenditures are based on anticipated utility rate revenues. The increased budget over the previous biennium reflects the additional amount of taxes as a result of the proposed rate increases in 2025 and 2026. No changes to the City of Bellevue's tax rates, or franchise fee rates are anticipated. State Public Utility Tax and State Business & Occupation Tax rates remain unchanged.

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title Wholesale Costs and Taxes

Proposal Number 140.73 Strategic Target Area Community Safety & Health

Proposal Financial Summary

	Amended 2023-2024 Budget			Proposed 2025-2026 Budget			Biennium Change	
	2023	2024	Total 2023-2024	2025	2026	Total 2025-2026	Dollar Change	Percent Change
Total	\$82,255,624	\$86,167,222	\$168,422,845	\$89,751,226	\$94,726,794	\$184,478,020	\$16,055,174	9.5%
<i>Y/Y % Change</i>		4.8%		4.2%	5.5%			

Proposal Staffing Summary

Total FTEs	-	-	-
Total LTEs	-	-	-

Performance Measures and Targets

Metric	Description	2023-2024 Budget		2025-2026 Budget	
		2023 Actual	2024 Target	2025 Target	2026 Target
140.0412	Number of years for which projected water supply is sufficient to meet future water demand		50	50	50

2025-2026 Utility Operating Budget Proposals

Proposal Title	Interfund Payments	
Proposal Number	999.xxNA	Strategic Target Area N/A
Proposal Budget (2025-2026)	\$26,216,478	0.0 FTEs/0.0 LTEs

Executive Summary

Interfund transactions represent the payment for services provided by other areas of City government to the Utilities Department. Examples of these services include City Attorney, Finance, Human Resources, and Civic Services. These central administrative services support utility functions.

Changes from previous biennium

No significant change in level of service is proposed. Expenses in this proposal are determined by other Funds within the City and are based on the allocation of projected costs to each Fund/Department receiving this service. Significant changes to Facilities Maintenance, Indirect Overhead, General Self Insurance, and Information Technology Operations costs are the primary drivers.

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title Interfund Payments

Proposal Number 999.xxNA Strategic Target Area N/A

Proposal Financial Summary

	Amended 2023-2024 Budget			Proposed 2025-2026 Budget			Biennium Change	
	2023	2024	Total 2023-2024	2025	2026	Total 2025-2026	Dollar Change	Percent Change
Total	\$10,165,539	\$10,723,662	\$20,889,200	\$13,362,027	\$12,854,452	\$26,216,478	\$5,327,278	25.5%
YY % Change		5.5%		24.6%	-3.8%			

Proposal Staffing Summary

Total FTEs	-	-	-
Total LTEs	-	-	-

Performance Measures and Targets

Metric	Description	2023-2024 Budget		2025-2026 Budget	
		2023 Actual	2024 Target	2025 Target	2026 Target

Proposal Title	Operating Reserves	
Proposal Number	Operating Reserves	Strategic Target Area N/A
Proposal Budget (2025-2026)	\$37,054,394	0.0 FTEs/0.0 LTEs

Executive Summary

Operating reserves provide the foundational strength for Utilities to provide water, sewer, and storm drainage services that are critical to the health and safety of the community in both normal and emergency situations. These reserves help ensure continued financial and rate stability, help maintain our Aa1 bond rating (the highest rating for a Utility of our size) and protect utility customers from service disruptions that might otherwise result from unforeseen economic or emergency events. This proposal funds Utilities’ operating reserves, including working capital, operating contingencies, and plant (utilities systems) emergency reserves, as well as asset (equipment) replacement reserves (City Comprehensive Financial Management Policy 10.1.V.A)

Changes from previous biennium

No changes to existing policies are proposed. Target reserve levels are increasing due to rising expenses. In addition, there is an increase in the 2025-2026 biennium as a result of the 10-year plan to provide smooth and equitable rates.

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title Operating Reserves

Proposal Number Operating Reserves Strategic Target Area N/A

Proposal Financial Summary

	Amended 2023-2024 Budget			Proposed 2025-2026 Budget			Biennium Change	
	2023	2024	Total 2023-2024	2025	2026	Total 2025-2026	Dollar Change	Percent Change
Total	\$35,073,053	\$37,396,549	\$37,396,549	\$35,671,609	\$37,054,394	\$37,054,394	(\$342,155)	-0.9%
<i>Y/Y % Change</i>		6.6%		-4.6%	3.9%			

Proposal Staffing Summary

Total FTEs	-	-	-
Total LTEs	-	-	-

Performance Measures and Targets

Metric	Description	2023-2024 Budget		2025-2026 Budget	
		2023 Actual	2024 Target	2025 Target	2026 Target
140.0134	Percentage to target: Operating Reserves balance for Water Utility	136.5%	100.0%	100.0%	100.0%
140.0135	Percentage to target: Operating Reserves balance for Wastewater Utility	149.0%	100.0%	100.0%	100.0%
140.0136	Percentage to target: Operating Reserves balance for Storm Water Utility	120.7%	100.0%	100.0%	100.0%

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LOCAL OPERATIONS BUDGET PROPOSALS

Proposal Title	Customer-Facing Service Programs	
Proposal Number	140.79	Strategic Target Area Community Safety & Health
Proposal Budget (2025-2026)	\$4,255,956	13.2 FTEs/0.0 LTEs

Executive Summary

Utilities offers exceptional service, including external-facing Utility Locate and Customer Service and Billing programs. This proposal provides resources for Utilities to mark and protect about 1,500 miles of underground City infrastructure. The proposal also funds water, sewer, and stormwater billing to about 35,200 residential accounts plus 3,800 commercial/multifamily accounts. This generates revenue of about \$160 million for Utilities and taxes of over \$11.3 million for the General Fund.

Changes from previous biennium

This proposals includes reduced funding for Merchant Fee expenses related to processing credit card payments for customer bills. Previously, Merchant Fee costs were absorbed by Utilities and subsequently shared by all customers through utility rate charges. Processing of credit card payments and recovery of subsequent Merchant Fees will now be handled by Utilities' payment processing vendor. This request aligns Utilities' business process with standard industry practice, ensuring full cost recovery for our services while appropriately assigning Merchant Fee costs to those benefiting from using a credit card for bill payment.

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title Customer-Facing Service Programs

Proposal Number 140.79 Strategic Target Area Community Safety & Health

Proposal Financial Summary

	Amended 2023-2024 Budget			Proposed 2025-2026 Budget			Biennium Change	
	2023	2024	Total 2023-2024	2025	2026	Total 2025-2026	Dollar Change	Percent Change
Total	\$2,830,380	\$3,005,625	\$5,836,005	\$2,083,657	\$2,172,299	\$4,255,956	(\$1,580,048)	-27.1%
<i>YY % Change</i>		6.2%		-30.7%	4.3%			

Proposal Staffing Summary

Total FTEs	13.2	13.2	13.2
Total LTEs	-	-	-

Performance Measures and Targets

Metric	Description	2023-2024 Budget		2025-2026 Budget	
		2023 Actual	2024 Target	2025 Target	2026 Target
140.0248f	Percent of locates performed within mandated deadlines	100.0%	100.0%	100.0%	100.0%
140.0306	Utilities services customer satisfaction survey - (Citywide citizen survey)	80.0%	85.0%	85.0%	85.0%

2025-2026 Utility Operating Budget Proposals

Proposal Title	Utility Rate Relief Program	
Proposal Number	140.80	Strategic Target Area Thriving People & Communities
Proposal Budget (2025-2026)	\$1,732,272	1 FTEs/0.0 LTEs

Executive Summary

This proposal includes financial relief through four programs, providing both short- and long-term assistance. Emergency Assistance and Neighbors Helping Neighbors represent short-term assistance based on income and account status. Direct and indirect rate relief programs represent long-term assistance to low-income seniors, disabled residents, and those undergoing in-home dialysis. Combined, these programs ensure the community receives essential utilities regardless of financial circumstances.

Changes from previous biennium

No changes to existing Utility Rate Relief Program policies are proposed. Biennium budget change reflects continued contribution to the Neighbors Helping Neighbors donation program and personnel cost increases.

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title Utility Rate Relief Program

Proposal Number 140.80 **Strategic Target Area** Thriving People & Communities

Proposal Financial Summary

	Amended 2023-2024 Budget			Proposed 2025-2026 Budget			Biennium Change	
	2023	2024	Total 2023-2024	2025	2026	Total 2025-2026	Dollar Change	Percent Change
Total	\$769,000	\$874,456	\$1,643,455	\$862,962	\$869,310	\$1,732,272	\$88,816	5.4%
<i>YY % Change</i>		13.7%		-1.3%	0.7%			

Proposal Staffing Summary

Total FTEs	1.0	1.0	1.0
Total LTEs	-	-	-

Performance Measures and Targets

Metric	Description	2023-2024 Budget		2025-2026 Budget	
		2023 Actual	2024 Target	2025 Target	2026 Target
140.0537	# of applications received - Utilities Rate Relief Program	1,053	1,250	1,500	1,750

Proposal Title	Solid Waste Management, Waste Prevention, and Conservation		
Proposal Number	140.81	Strategic Target Area Community Safety & Health	
Proposal Budget (2025-2026)	\$2,632,152	2.9 FTEs/0.0 LTEs	

Executive Summary

Conservation is critical to public health and maintaining the City's appearance while promoting economic viability and the sustainability of our local, regional, and global environment. This proposal governs local outreach, education, and assistance programs as well as two essential conservation efforts in water, through the Cascade Water Alliance, and in solid waste (e.g., garbage, recyclables, compostables), through Republic Services.

Changes from previous biennium

This proposal includes one-time funding to conduct strategic outreach, with the intent to improve composting and recycling outcomes. This strategic marketing campaign would highlight resources available to the community at no additional charge, including indoor countertop compost containers. These resources would provide convenience for the public and assist with increasing landfill diversion.

Additionally, funding for consultant services in preparation for the upcoming Solid Waste contract renewal is being proposed. The City's contract with Republic Services ends in June 2028, and Utilities will conduct a competitive solicitation for future citywide solid waste services. This one-time funding will provide consultant services to conduct research, community engagement, and Request for Proposal development, issuance, and evaluation.

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title Solid Waste Management, Waste Prevention, and Conservation

Proposal Number 140.81 **Strategic Target Area** Community Safety & Health

Proposal Financial Summary

	Amended 2023-2024 Budget			Proposed 2025-2026 Budget			Biennium Change	
	2023	2024	Total 2023-2024	2025	2026	Total 2025-2026	Dollar Change	Percent Change
Total	\$1,109,798	\$1,262,546	\$2,372,344	\$1,236,292	\$1,395,860	\$2,632,152	\$259,809	11.0%
<i>YY % Change</i>		13.8%		-2.1%	12.9%			

Proposal Staffing Summary

Total FTEs	2.9	2.9	2.9
Total LTEs	-	-	-

Performance Measures and Targets

Metric	Description	2023-2024 Budget		2025-2026 Budget	
		2023 Actual	2024 Target	2025 Target	2026 Target
140.0433	Achieve overall recycling rate of 50% for contracted solid waste services	36.9%	50.0%	50.0%	50.0%

2025-2026 Utility Operating Budget Proposals

Proposal Title	Development Services Information Delivery	
Proposal Number	110.01NA	Strategic Target Area High Performance Government
Proposal Budget (2025-2026)	\$1,056,887	3.5 FTEs/0.0 LTEs

Executive Summary

This proposal includes delivery of information to customers on a wide range of topics that include use of property, public and private development, codes and standards, inspection services, code complaints, development records, permit processes, fees, and more. Quality and timely responses are delivered via multiple methods of communication that includes website content, phone, email, virtual meetings, and in-person discussion to ensure equitable access to information related to DS functions.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title Development Services Information Delivery

Proposal Number 110.01NA **Strategic Target Area** High Performance Government

Proposal Financial Summary

	Amended 2023-2024 Budget			Proposed 2025-2026 Budget			Biennium Change	
	2023	2024	Total 2023-2024	2025	2026	Total 2025-2026	Dollar Change	Percent Change
Total	\$487,100	\$505,835	\$992,935	\$516,013	\$540,875	\$1,056,887	\$63,953	6.4%
<i>YY % Change</i>		3.8%		2.0%	4.8%			

Proposal Staffing Summary

Total FTEs	3.5	3.5	3.5
Total LTEs	-	-	-

Performance Measures and Targets

Metric	Description	2023-2024 Budget		2025-2026 Budget	
		2023 Actual	2024 Target	2025 Target	2026 Target

2025-2026 Utility Operating Budget Proposals

Proposal Title	Policy Implementation Code Amendments & Consulting Service	
Proposal Number	110.02NA	Strategic Target Area High Performance Government
Proposal Budget (2025-2026)	\$603,240	1.6 FTEs/0.0 LTEs

Executive Summary

The policy development function of DS provides resources to meet community needs by implementing strategic growth plans (Wilburton, BelRed), state/federal mandates (Urban Housing Supply legislation, I-Codes). It aligns regional plans (Eastlink, Eastrail) with Council vision. Delivering on commitments (AHS, Econ. Dev. Strategy, Env. Stewardship Initiative) maintains public trust and ensures customer-focused service. This proposal covers staff time, outside services and code/policy implementation.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title Policy Implementation Code Amendments & Consulting Service

Proposal Number 110.02NA **Strategic Target Area** High Performance Government

Proposal Financial Summary

	Amended 2023-2024 Budget			Proposed 2025-2026 Budget			Biennium Change	
	2023	2024	Total 2023-2024	2025	2026	Total 2025-2026	Dollar Change	Percent Change
Total	\$270,610	\$281,098	\$551,708	\$294,753	\$308,488	\$603,240	\$51,532	9.3%
<i>YY % Change</i>		3.9%		4.9%	4.7%			

Proposal Staffing Summary

Total FTEs	1.6	1.6
Total LTEs	-	-

Performance Measures and Targets

Metric	Description	2023-2024 Budget		2025-2026 Budget	
		2023 Actual	2024 Target	2025 Target	2026 Target

2025-2026 Utility Operating Budget Proposals

Proposal Title	Development Services Review Services	
Proposal Number	110.03NA	Strategic Target Area High Quality Built and Natural Environment
Proposal Budget (2025-2026)	\$1,466,642	4.6 FTEs/0.0 LTEs

Executive Summary
Development Services (DS) reviews designs and applications for development projects for conformance with adopted local, state, and national codes. DS issues 14,000 to 16,000 permits per year that contribute to the economic prosperity of the City. The goals of DS review are to ensure that buildings are safe, and designs meet the community vision, the environment is protected, traffic impact is managed, and new infrastructure meets the city’s standards, while providing excellent customer service.

Changes from previous biennium
No significant change in operating expenditures or level of service is proposed.

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title Development Services Review Services

Proposal Number 110.03NA **Strategic Target Area** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2023-2024 Budget			Proposed 2025-2026 Budget			Biennium Change	
	2023	2024	Total 2023-2024	2025	2026	Total 2025-2026	Dollar Change	Percent Change
Total	\$668,508	\$694,616	\$1,363,124	\$716,459	\$750,183	\$1,466,642	\$103,519	7.6%
<i>YY % Change</i>		3.9%		3.1%	4.7%			

Proposal Staffing Summary

Total FTEs	4.6	4.6	4.6
Total LTEs	-	-	-

Performance Measures and Targets

Metric	Description	2023-2024 Budget		2025-2026 Budget	
		2023 Actual	2024 Target	2025 Target	2026 Target

2025-2026 Utility Operating Budget Proposals

Proposal Title	Development Services Inspection Services	
Proposal Number	110.04NA	Strategic Target Area High Quality Built and Natural Environment
Proposal Budget (2025-2026)	\$1,551,295	5.3 FTEs/0.0 LTEs

Executive Summary

This proposal provides for a high-quality built and natural environment supported by departmental inspection services of all development-related construction activity to provide safe buildings, appropriate construction of public infrastructure, and protection of property & the environment while supporting economic development & competitiveness. Inspection service levels are sustained through development cycles by adjusting staffing based on service demand & supporting permit fee revenue.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title Development Services Inspection Services

Proposal Number 110.04NA **Strategic Target Area** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2023-2024 Budget			Proposed 2025-2026 Budget			Biennium Change	
	2023	2024	Total 2023-2024	2025	2026	Total 2025-2026	Dollar Change	Percent Change
Total	\$912,613	\$947,299	\$1,859,912	\$760,953	\$790,343	\$1,551,295	(\$308,616)	-16.6%
<i>YY % Change</i>		3.8%		-19.7%	3.9%			

Proposal Staffing Summary

Total FTEs	5.3	5.3	5.3
Total LTEs	-	-	-

Performance Measures and Targets

Metric	Description	2023-2024 Budget		2025-2026 Budget	
		2023 Actual	2024 Target	2025 Target	2026 Target

Proposal Title	Water System Maintenance & Repair		
Proposal Number	140.75	Strategic Target Area	Community Safety & Health
Proposal Budget (2025-2026)	\$15,237,991	30.2 FTEs/1.0 LTEs	

Executive Summary

This proposal preserves and enhances Bellevue’s water utility infrastructure through maintenance, upgrades, and innovative monitoring, ensuring reliable water supply and regulatory compliance. This includes water main and service line repair; distribution system maintenance; pump station, reservoir, and pressure reducing valve maintenance; meter repair and replacement; Advanced Metering Infrastructure (AMI) operations and maintenance; service installation and upgrade; and equipment replacement.

Changes from previous biennium

This proposal includes funding to support the increasing costs of personnel as well as repair and maintenance services, parts, and equipment based on historical, current contract values, and equipment replacement schedules.

Additionally, funding is being proposed to transition the City’s leak detection cycle from a current 10-year interval to a 5-year interval. Leak detection mitigates water loss and prevents catastrophic failures by identifying and addressing leaks early. Switching to a 5-year interval supports water conservation, reducing repair costs, and minimizing disruptions. A more frequent inspection cycle will improve water system efficiency, enhance service reliability, and better protect our resources and community.

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title Water System Maintenance & Repair

Proposal Number 140.75 **Strategic Target Area** Community Safety & Health

Proposal Financial Summary

	Amended 2023-2024 Budget			Proposed 2025-2026 Budget			Biennium Change	
	2023	2024	Total 2023-2024	2025	2026	Total 2025-2026	Dollar Change	Percent Change
Total	\$7,838,859	\$6,390,800	\$14,229,659	\$7,826,180	\$7,411,811	\$15,237,991	\$1,008,333	7.1%
<i>YY % Change</i>		-18.5%		22.5%	-5.3%			

Proposal Staffing Summary

Total FTEs	30.2	30.2
Total LTEs	1.0	1.0

Performance Measures and Targets

Metric	Description	2023-2024 Budget		2025-2026 Budget	
		2023 Actual	2024 Target	2025 Target	2026 Target
140.0216	Number of fire hydrants that fail fireflow delivery at time of inspection	3	-	-	-
140.0235f	Percent of commercial meters that meet accuracy standards at the time of the test	100.0%	85.0%	85.0%	85.0%

Proposal Title	Sewer System Maintenance & Repair		
Proposal Number	140.76	Strategic Target Area Community Safety & Health	
Proposal Budget (2025-2026)	\$12,141,058	26.7 FTEs/1.0 LTEs	

Executive Summary

Focused on enhancing the City’s sewer infrastructure, this proposal maintains and repairs the sewer system for optimal performance. It underscores our commitment to public health, environmental protection, and equitable service, ensuring all communities benefit from robust sewer operations. This includes sewer main, lateral, and manhole repair; condition assessments and monitoring; mainline preventive maintenance; pump station maintenance, operations, and repair; and equipment replacement.

Changes from previous biennium

No significant change level of service is proposed. Biennium budget changes reflect increased personnel costs and equipment replacement costs based on current replacement schedules.

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title Sewer System Maintenance & Repair

Proposal Number 140.76 **Strategic Target Area** Community Safety & Health

Proposal Financial Summary

	Amended 2023-2024 Budget			Proposed 2025-2026 Budget			Biennium Change	
	2023	2024	Total 2023-2024	2025	2026	Total 2025-2026	Dollar Change	Percent Change
Total	\$5,797,652	\$5,488,120	\$11,285,772	\$6,377,480	\$5,763,578	\$12,141,058	\$855,286	7.6%
<i>YYY % Change</i>		-5.3%		16.2%	-9.6%			

Proposal Staffing Summary

Total FTEs	26.7	26.7
Total LTEs	1.0	1.0

Performance Measures and Targets

Metric	Description	2023-2024 Budget		2025-2026 Budget	
		2023 Actual	2024 Target	2025 Target	2026 Target
140.0430f	Wastewater overflow events per 100 miles of pipe	2.52	4.00	4.00	4.00
140.0195	Linear feet of wastewater condition assessment performed	193,854	275,000	275,000	275,000

Proposal Title	Storm System Maintenance & Repair	
Proposal Number	140.77	Strategic Target Area Community Safety & Health
Proposal Budget (2025-2026)	\$9,759,460	18.7 FTEs/0.0 LTEs

Executive Summary

The City's Storm and Surface Water System includes over 400 miles of publicly owned pipes and 80 miles of streams, as well as open channels, catch basins, manholes, and detention and water quality treatment facilities, both above and below ground. This proposal provides system monitoring, inspection, cleaning, repair, and equipment replacement, which protects life, property, and the environment during major storm and flooding events, as well as reduces pollution entering streams and lakes.

Changes from previous biennium

This proposal includes a new Lead Worker FTE position to support the Storm and Surface Water (SSW) section to address and manage the increasing backlog of repair work orders generated by the CCTV condition assessment program. The SSW section has consistently been required to perform more maintenance and repair due to year-over-year increases in structures that needs to be inspected/cleaned, more stringent NPDES maintenance requirements, complexity of facilities, and around 900 work orders generated by the CCTV video inspection program.

Additionally, funding for the replacement of equipment is also being proposed. Equipment replacements are based on current replacement schedules.

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title Storm System Maintenance & Repair

Proposal Number 140.77 **Strategic Target Area** Community Safety & Health

Proposal Financial Summary

	Amended 2023-2024 Budget			Proposed 2025-2026 Budget			Biennium Change	
	2023	2024	Total 2023-2024	2025	2026	Total 2025-2026	Dollar Change	Percent Change
Total	\$4,659,668	\$3,789,851	\$8,449,519	\$5,322,797	\$4,436,663	\$9,759,460	\$1,309,941	15.5%
<i>Y/Y % Change</i>		-18.7%		40.4%	-16.6%			

Proposal Staffing Summary

Total FTEs	17.7	18.7	18.7
Total LTEs	-	-	-

Performance Measures and Targets

Metric	Description	2023-2024 Budget		2025-2026 Budget	
		2023 Actual	2024 Target	2025 Target	2026 Target
140.0294	Number of surface water pipe defects identified through condition assessment activities requiring repair or replacement	849	75	75	75
140.0289	Number of surface water claims paid due to system failure	2	2	2	2

2025-2026 Utility Operating Budget Proposals

Proposal Title	Water Quality & Pollution Prevention		
Proposal Number	140.78	Strategic Target Area	High Quality Build & Natural Environment
Proposal Budget (2025-2026)	\$4,689,993	10.0 FTEs/0.0 LTEs	

Executive Summary

This proposal represents Water Quality and Regulatory Compliance programs across Water, Sewer, and Storm and Surface Water utilities, including Drinking Water Quality; Cross Connection; Fats, Oils & Grease (FOG); Private Drainage Inspection; Source Control; and Illicit Discharge Detection and Elimination (IDDE). These programs ensure compliance with regulatory requirements and ensure private infrastructure operates as designed and is maintained according to local, state, and federal standards.

Changes from previous biennium

This proposal includes a new part-time Intern position, which provide the team with additional resources to effectively deliver outreach initiatives as well as assess if there is a need for additional FTE resources in the future. An intern position could also build a pathway for future employment opportunities.

Biennium budget changes also reflect increased personnel costs.

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title Water Quality & Pollution Prevention

Proposal Number 140.78 **Strategic Target Area** High Quality Build & Natural Environment

Proposal Financial Summary

	Amended 2023-2024 Budget			Proposed 2025-2026 Budget			Biennium Change	
	2023	2024	Total 2023-2024	2025	2026	Total 2025-2026	Dollar Change	Percent Change
Total	\$2,167,112	\$2,219,268	\$4,386,380	\$2,306,144	\$2,383,848	\$4,689,993	\$303,613	6.9%
<i>YY % Change</i>		2.4%		3.9%	3.4%			

Proposal Staffing Summary

Total FTEs	10.0	10.0	10.0
Total LTEs	-	-	-

Performance Measures and Targets

Metric	Description	2023-2024 Budget		2025-2026 Budget	
		2023 Actual	2024 Target	2025 Target	2026 Target
140.0270	Compliant with all Surface Water Regulatory Requirements	Yes	Yes	Yes	Yes
140.0265f	Number of drinking water quality complaints per 1,000 water service connections	0.18	2.00	2.00	2.00

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title	Utilities Department Management, Fiscal, and Systems Support		
Proposal Number	140.72	Strategic Target Area	High Performance Government
Proposal Budget (2025-2026)	\$9,483,942	14.0 FTEs/1.0 LTEs	

Executive Summary

This proposal consists of Utilities’ Management, Fiscal, and Systems Support functions, effectively managing four lines of business: water, sewer, storm water, and solid waste collection. As a self-supporting enterprise with more than 75-year planning horizon, this large and complex department represents a diverse service portfolio requiring strategic vision, vigilant financial management, and sophisticated technology solutions to sustain essential infrastructure serving the community.

Changes from previous biennium

This proposal includes funding to support the increasing costs of personnel, software licenses, and interlocal contractual obligations.

Additionally, this proposal also includes one-time expenditures for Sewer and Stormwater Cost of Service studies.

2025-2026 Utility Operating Budget Proposals

2025-2026 ESC BUDGET NOTEBOOK

Proposal Title Utilities Department Management, Fiscal, and Systems Support

Proposal Number 140.72 **Strategic Target Area** High Performance Government

Proposal Financial Summary

	Amended 2023-2024 Budget			Proposed 2025-2026 Budget			Biennium Change	
	2023	2024	Total 2023-2024	2025	2026	Total 2025-2026	Dollar Change	Percent Change
Total	\$4,337,977	\$3,813,031	\$8,151,008	\$4,841,686	\$4,642,256	\$9,483,942	\$1,332,934	16.4%
<i>YY % Change</i>		-12.1%		27.0%	-4.1%			

Proposal Staffing Summary

Total FTEs	14.0	14.0	14.0
Total LTEs	2.0	1.0	1.0

Performance Measures and Targets

Metric	Description	2023-2024 Budget		2025-2026 Budget	
		2023 Actual	2024 Target	2025 Target	2026 Target
140.0306	Utilities services customer satisfaction survey - (Citywide citizen survey)	80.0%	85.0%	85.0%	85.0%