



CITY OF BELLEVUE
2021-2022
PRELIMINARY BUDGET
EXECUTIVE SUMMARY

OCTOBER 19, 2020





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INTRODUCTION

The city is in uncharted territory as the 2021-2022 preliminary budget is being delivered. Stay-at-home measures, ordered to slow the spread of the COVID-19 coronavirus, closed the economy. It has now begun to reopen.

It is in this environment that the 2021-2022 preliminary budget was prepared.

The preliminary budget sets forth an operational and capital plan and includes resources needed to provide quality services to the residents and stakeholders of Bellevue, responds to revenue reduction due to COVID-19, addresses growing

urbanization with critical investments, and advances Council's Priorities and Council's vision to be "the city where you want to be".

The city's General Fund, which pays for public safety, transportation, parks, and other functions, continues to face fiscal challenges in the longer term. While the 2021-2022 budget is balanced and the ending fund balance will be maintained at 15 percent, the forecast continues to indicate that statutorily capped revenue growth will fail to keep pace with growth in expenditures needed for services to meet need from 2023 onward.

2021-2022 Budget Highlights

The 2021-2022 budget provides for the continued operations of the city; invests to meet the growing needs in the community; while balancing the fiscal constraints that COVID-19 as well as the long-term fiscal challenge facing the city.

Highlights:

- Continues to build highest priority infrastructure needed for the growth.
- Invests in a cultural liaison program, equity training, and homelessness.
- Increases Human Services in response to additional Community Development Block Grant (CDBG) funding.
- Invests resources to responsibly address growth of the city, specifically, supporting affordable housing initiatives.
- Balances financial uncertainty from COVID-19 with one-time strategies to allow time to fully understand the ongoing impacts.
- Evaluates and adjusts services considering COVID-19 social distancing requirements.
- Targets reductions in maintenance shifting from a more proactive response to a more reactive response.
- Includes reductions to internal-facing operations impacting the City's ability to be flexible as additional work arises.
- Incorporates revenue options including an annual 1% property tax adjustment for 2021-2022. (\$9 annually for a \$1 million property).

- Adjusts Development Services rates to account for growth and maintain cost-recovery objectives.
- Increases Utility rates to address aging infrastructure and wholesale costs.

BUDGET SNAPSHOT

- ◆ **2020 Population:** 148,100
- ◆ **2020 Daytime work force:** 243,100
- ◆ **2020 Minority population:** 50 percent
- ◆ **2020 Foreign-born population:** 41 percent
- ◆ **2021-2022 total budget:** \$1.74 billion (includes the first two years of the capital plans)
- ◆ **2021-2022 General Fund budget:** \$474 million
- ◆ **2021-2022 Enterprise Fund budget:** \$457 million
- ◆ **2021-2022 Internal Service & Other Operating Fund budget:** \$212 million
- ◆ **2021-2022 Special Purpose funds budget:** \$74 million
- ◆ **2021-2027 Total General Capital Investment Plan:** \$659 million
- ◆ **2021-2027 Total Utilities Capital Investment Plan:** \$236 million
- ◆ **Estimated total FTEs (2022):** 1,432.63
- ◆ **Local Sales Tax rate (2020):** 0.85 percent
- ◆ **Local B&O tax rate (2020):** 0.1496 percent
- ◆ **Local Projected property tax rate (2021):** \$0.90/\$1,000 AV (\$0.63/\$1,000 AV for the regular levy, \$0.27/\$1,000AV for all voted levies)

BELLEVUE SERVICES AND COUNCIL VISION

The City of Bellevue is a full-service city, incorporated in 1953. Municipal services include police, fire, transportation, parks, community development, utilities, development services such as permitting and code compliance, plus all administrative functions including information technology, legal, finance, fleet, facilities, and city management, among others.

The budget is a policy document establishing an operational plan to provide continuing quality services and to set the strategy for the continued progress in meeting the city's capital infrastructure needs. In April 2014, Council established its vision for the city and established Strategic Target Areas to focus near term priorities. The city's budget is framed in these Strategic Target Areas, more broadly called outcomes, and all services are included within the outcomes – high performance government, economic development, transportation and mobility, high quality built and natural environment, Bellevue: great places where you want to be, regional leadership and influence, and achieving human potential.

In May 2018, Council updated the vision and established 25 three-year priorities for 2018-2020. These priorities are sorted by Strategic Target Area.

Council Vision

Bellevue 2035 - The City Where You Want to Be

Bellevue welcomes the world

Our diversity is our strength

We embrace the future while respecting our past

In addition to the many priorities that are already funded through existing work, the 2021-2022 Preliminary Budget includes the following as examples:

Strategic Target Areas New Proposed Enhancements Examples

Achieving Human Potential

Homelessness Shelter Support



High Performance Government

Parks Resource Management Facility
Next Generation Financial System

Regional Leadership and Influence

Economic Development Plan
Implementation including public
private partnership



Economic Development

Pursue business retention and
growth

Bellevue: Great Places Where You Want to Be

Grand Connection – Early
Implementation



Transportation and Mobility

Neighborhood Congestion
Management
West Lake Sammamish Phase 3
BelRed Transit Oriented Development
Bellevue Way SE HOV Lane

High Quality Built and Natural Environment

Maintained Affordable Housing Strategy
Smart City Strategy
Environmental Stewardship



RESPONSE TO COVID-19

In February 2020, Governor Jay Inslee issued a proclamation declaring a state of emergency across Washington in response to the outbreak of the COVID-19 coronavirus. In the weeks following the declaration, stay-at-home measures were ordered to slow the spread of the virus. The measures and associated social distancing requirements resulted in an abrupt closure of the economy. Since then, the city has taken timely and robust actions to address COVID impacts.

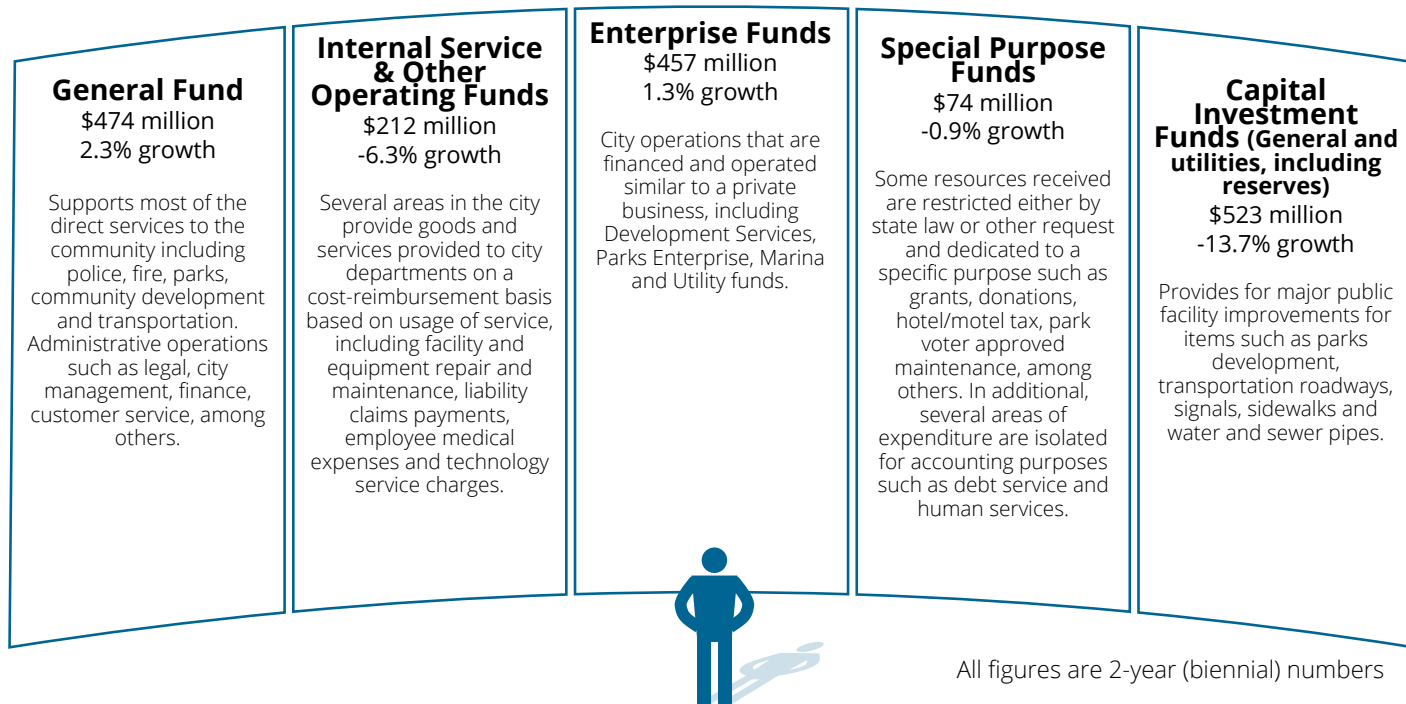
STATE RESPONSE	FEBRUARY 19 - WASHINGTON STATE DECLARED AN EMERGENCY
	March 3 – Mayor declared civil emergency.
	March 11 – City halted water service disconnections and waived late fees for non-payment. Business customers may be eligible for payment plans.
CITY RESPONSE	March 19 – Created temporary curbside food pick-up zones in certain areas of downtown Bellevue with street parking and nearby restaurants and cafes.
	March 20 – Deferred first- and second-quarter local Business & Occupation (B&O) tax payments for small businesses with less than \$5M in gross receipts until October.
STATE RESPONSE	MARCH 23 - WASHINGTON STATE “STAY HOME, STAY HEALTHY” ORDER ISSUED
	March 24 – City Council allocated \$450K for human services relief.
CITY RESPONSE	April 20 – City Council approved an ordinance to extend the expiration date of building permit applications and issued building permits for 180 days.
	May 18 – City Council allocated \$997K for human service relief.
	MAY 29 - “SAFE START WASHINGTON” RELEASED
STATE RESPONSE	JUNE 5 – KING COUNTY APPROVED FOR PHASE 1.5 REOPENING
	JUNE 19 - KING COUNTY APPROVED FOR PHASE 2 REOPENING
CITY RESPONSE	July 6 – City was awarded \$45K in grant funding from the Department of Justice to mitigate law enforcement costs associated with COVID-19.
	August 3 – City Council accepted WA Department of Commerce \$4.3 million CARES Act allocation; City Council accepted a \$222K from King County to be distributed to small businesses in Bellevue impacted by COVID-19.
	October – City was informed of additional CARES Act Allocation of \$2.1M.
	Now (October) – Continued recovery planning underway including Return to Work, 2021-2022 Budget planning, business and community support.

Financial Impact

- The closing of the economy has had a swift and substantial impact on the city’s finances, especially the sales and B&O taxes. Economic recovery projections largely depend on the predictability to control the virus, which is highly uncertain.
 - The general fund, which supports most direct operating services to the public, is impacted by \$16 million annually in 2021 and 2022.
 - Other funds including Utilities and the Capital Investment funds are also impacted to a lesser extent.

BUDGET OVERVIEW

The 2021-2022 Preliminary Budget presented for Council's consideration totals \$1.7 billion. It is built on a complex set of differing funds based in generally accepted accounting principles. Funds are used to separate and account for differing types of resources. The city fund structure and related services are:



COVID-19 impacted primarily the General Fund, Utilities and Capital Investment funds. Further details are included in subsequent pages.

Budget guiding principles

Foremost among the Council's long-term budget policies is that quality service programs be offered by the City of Bellevue. Other guiding principles include:

- ◆ A focus on services that deliver outcomes important to the community and that are responsive and accessible to all;
- ◆ Position Bellevue to realize opportunities and enhance the city's image;
- ◆ An examination of the entire budget, not just incremental changes from the last budget;
- ◆ A commitment to innovation, efficiency, and sound business practice;
- ◆ A focus on citywide, not department, priorities;
- ◆ A long-range strategic approach to an affordable and sustainable budget; and
- ◆ If expenditure reductions are necessary, service elimination is preferable to poor or marginal quality programs.

ECONOMIC OUTLOOK

National Economy

In February 2020, the longest economic expansion in U.S. history was ended by coronavirus disease 2019 (COVID-19) related impact. The global and U.S. economy quickly fell into a deep recession due to a nationwide lockdown that shuttered most of the economy. The recovery of the economy remains uncertain, most economists believe it will likely take several years for economic growth to return to pre-COVID-19 levels. Federal Reserve board also expects interest rates to remain near zero through at least 2023. The ongoing public health crisis will continue to weigh on economic activity, employment, and inflation in the near term, and poses considerable risks to the economic outlook over the medium term.

Local Economy

Bellevue has seen strong economic growth in the past years since the Great Recession. However, the emergence of the COVID-19 pandemic and shutdown of economy impacted Bellevue just as the rest of the nation. The 2021-2022 preliminary Budget assumes Sales and Business and Occupational (B&O) tax revenue, as well as other economically sensitive revenues & program fees recover through 2023.

Bellevue Major Economic Indicators

- Bellevue reached its lowest unemployment since 2000 in February 2020 at 2.2%, the month before COVID-19 impacted. The unemployment rate increased to 5.1% in March and up to 10.8% in May. In March and April, Bellevue lost 16.6% or 13,707 jobs. (Source: Washington State Employment Security Department)
- As of the 2nd quarter of 2020, there are a total of 24 major projects in review, 23 projects under construction, and 14 projects in the pipeline with pre application conference held. (Source: City of Bellevue 2020 2nd Quarter Major Projects List)
- Home prices in the Puget Sound region and Bellevue are climbing up and showing a strong demand and purchasing power. (Source: Zillow Home Value Index (ZHVI) by Zillow Research)
- Colliers counts more than \$1.8 million square feet of new office space planned in the Bel-Red corridor and the Overlake area. (Source Puget Sound Business Journal)

Household income and home value comparison

	Household Income	Median house value	Unemployment Rate (BLS) as of August
United States	\$61,937	\$256,663	8.5%
Washington State	\$74,073	\$443,350	8.4%
Bellevue	\$113,698	\$1,008,224	5.5%

Source: 2018 American Community Survey by US. Census Bureau, King County Assessor, Bureau of Labor Statistics, Employment Security Department of State of Washington.

Risks

As the “new normal” is still being shaped by the COVID-19 impact, societal behaviors of the consumer and workforce are still to be fully understood. Potential risks to Bellevue include:

- The shift from brick mortar stores to online shopping. The slow shift has been observed for years.
- The shift from in office work to telework could impact consumer spending habits, and housing market, at a minimum.
- Social distancing has reduced travel and accomodation, and may take years to recover.

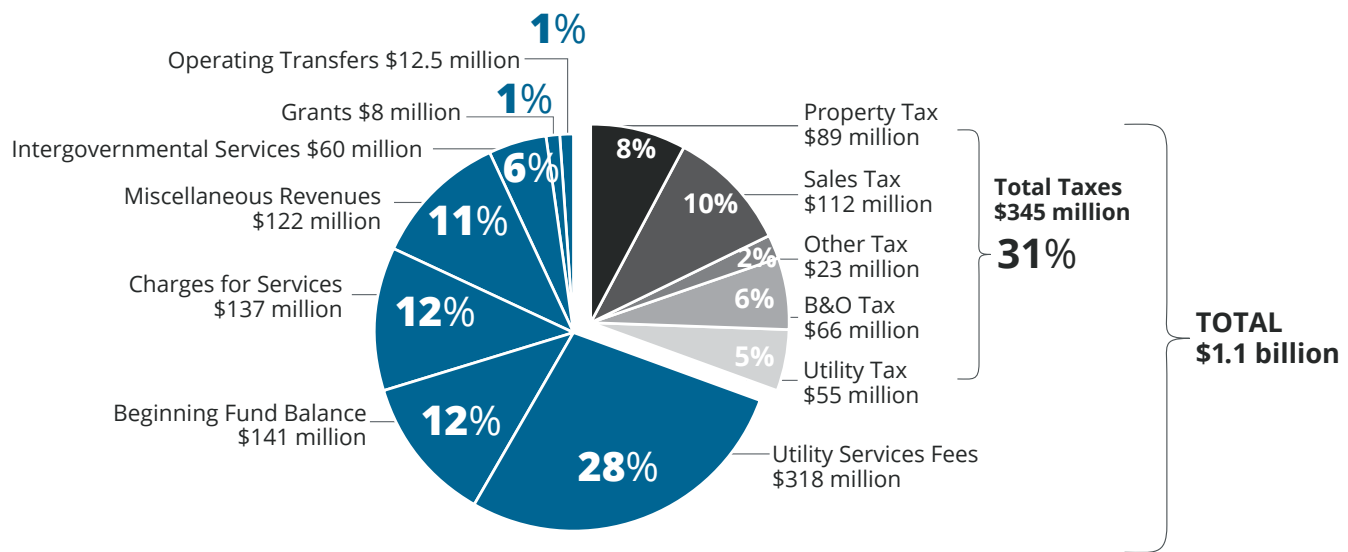
TOTAL OPERATING RESOURCES

The city's Preliminary Budget is funded through a diverse collection of resources. Many of the resources received are dedicated to a specific purpose and cannot be spent on non-related services or programs. For example, rate revenues received from water service can only be used for that purpose and cannot be used to pay for general services or other types of utility services. Similarly, funding received from Development Services permits can only be used for services related to delivering permits.

The City of Bellevue is a full service city which provides most municipal services directly, including police, fire, transportation, parks, legal, information technology, permitting, finance, facility, human resources, city planning, and utilities. The 2021-2022 Preliminary Budget includes reduced resources from COVID, proposes a one percent property tax adjustment (\$9 annually for a \$1 million property) and an increase in Basic Life Support (BLS) transports. All other existing tax and revenue structures remain the same.

2021-2022 Total Operating Resources (in millions)

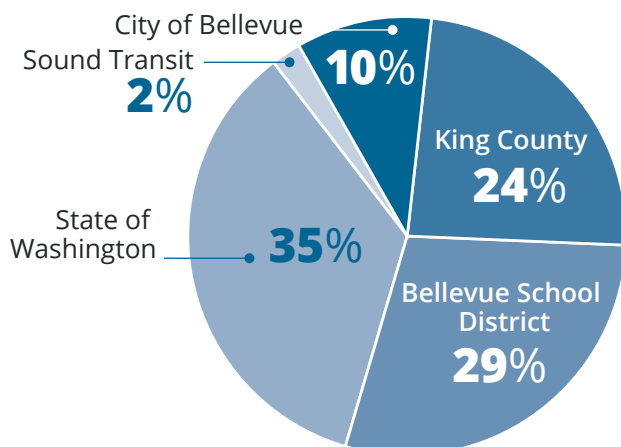
General Fund, Internal Service Funds, Other Operating Funds, and Enterprise Funds
All figures are 2-year numbers



Property tax is collected and administered by King County. Sales tax is collected and administered by the State of Washington. Below is the distribution of these two major tax revenues.

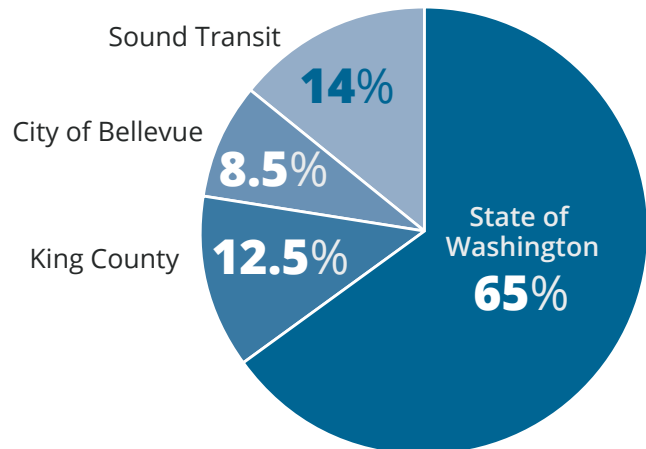
2020 Property Tax Distribution

Total Rate = \$8.70664/\$1000 AV



2020 Sales Tax Distribution

Total Rate = 10%



GENERAL FUND AND FORECAST

2021-2022 FINANCIAL STRATEGY

The General Fund supports the majority of city operations including police, fire, transportation, parks and community services, community development, and various administrative functions such as City Council, City Management, City Attorney, and Finance, among others.

Building from the 2019-2020 budget, the city continues to forecast a strong likelihood that expenditures in the General Fund will outpace revenues. See page 10 for further details. Prior to COVID-19, the city implemented several cost containment strategies so that reserves could be slowly drawn down to the Council 15% policy providing time to manage the known shortfall over time.

COVID-19 has required the city to shift strategies. The city needs to use reserves planned for the out-year shortfall now. The 2021 and 2022 preliminary budget requires \$16 million annually or \$32 million over the 2 years in reduced costs or increased revenues.

Cost Containment plus One-time “Bridge” Structures plus Revenues minus Targeted Investments equals Reducing \$32 million (\$16 million annually)*



Cost Containment: \$16 million biennial (\$8 million annually)

- **Internal Operations** - Reduces spending for consultants, discretionary travel/training, temporary help, seasonal help, among others. These cost containment measures will limit the flexibility for internal operations to address surge workload, and in some cases, reduce existing workload.
- **Impact of COVID on spending** - COVID will create a new normal, though the city is working to fully understand the impacts, there are known areas now within city operations that can be adjusted.
- **Reduced maintenance** - The city will continue to fund and prioritize safety, and the long-term cost of asset replacement. The city will move toward a more reactive response to certain maintenance areas including tree removal and non-safety-based repairs in sidewalks and streetlights. Crews will respond to complaints, though perhaps not as quickly. Streetscapes and some parks will also see aesthetic impacts with less frequent mowing and weeding, some lawns will be allowed to brown out due to limited summer watering.



One-time “Bridge” Structures: \$15 million biennial (\$9 million in 2021, \$6 million 2022)

- Delay major expenses (where possible) including the rethinking full opening of Fire Station 10 in 2023 (partial opening planned for 2022)
- Using reserves down to the 15% Council policy
- Temporary (2-year) adjustment to the sales tax allocation from the General Capital Investment Program (CIP) fund to the General Fund to preserve core services



Revenues: \$3 million biennial (\$2 million annually)

- 1% property tax annual adjustment for 2021 and 2022 (\$9 annually for a \$1 million property)
- Modest increase Basic Life Support (BLS) transport fee
- Ensure compliance with existing B&O Taxes



Targeted Investments: \$2 million biennial (\$1 million annually)

- 24-hour homeless shelter
- Cultural liaison program and equity training
- Support of affordable housing planning in response to growth



Reducing: \$32* million (\$16 million annually) General Fund Gap

*may not foot due to rounding

GENERAL FUND AND FORECAST

The current forecast shows in 2021-2022 the ending fund balance will be maintained at 15 percent, but continues to indicate that expenditures will outstrip revenues due to the imbalanced growth of revenues and expenditures starting from 2023. The principle drivers influencing this forecast are:

Revenue Imbalance

The current structure of property tax allows the city revenue to grow by 1% plus new construction annually. This increase does not keep pace with expenditures. Conversely, the city's most economically volatile revenue streams, sales tax and business & occupation (B&O) tax, historically have grown around 5% annually. The growth of the sales tax and B&O tax do not counterbalance the lack of growth in property tax.

Urbanization and Growth

The city continues to experience substantial growth that over time will require more complex and urbanized services. In addition to known costs for opening Fire Station 10, the out-year forecast includes a modest 0.3 percent growth in total expenditures to reflect our growing community and the needs it generates, and a modest personnel growth for the major business moves expected in 2023.

Annexation Sales Tax Credit

The annexation sales tax credit, partially offsetting costs to provide services in the 2012 Eastgate annexation area, will expire in 2022. The result is reduced revenue to the city's General Fund of approximately \$1,000,000 annually.

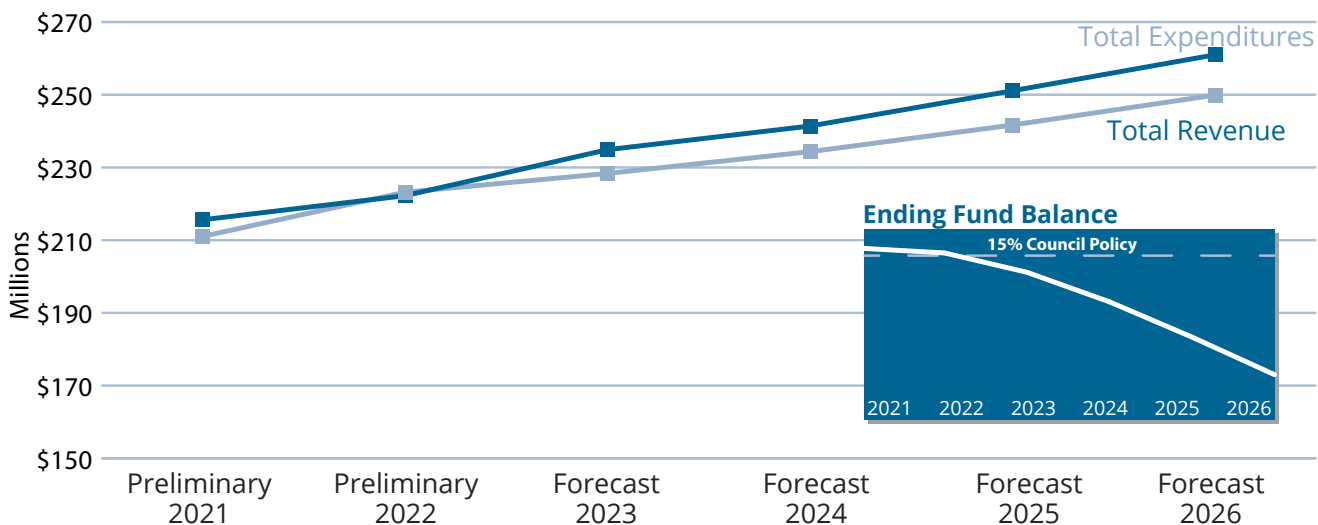
Capital Investment Program (CIP) Maintenance and Operations

While major maintenance and renovation projects are contained within the CIP, minor maintenance is funded with operating funds. The city has a policy that addresses funding for minor maintenance on existing infrastructure. As the city builds new infrastructures, there are limited mechanisms to ensure additional maintenance and operations funding for those new facilities. As a result, the general fund maintenance costs grow at higher rate without a funding source is putting additional pressure on the operating fund.

Future Strategies

With COVID requiring use of reserves in the current budget, future years budget discussions will require difficult choices that will impact service delivery or increase revenue in order to balance subsequent budgets. As the city learns more about the final impact of COVID on fiscal resources, coupled with the long-term fiscal challenge, budget conversations will continue into the mid-biennium and beyond.

General Fund Forecast



GENERAL CAPITAL INVESTMENT PROGRAM

The 2021-2027 Preliminary General Capital Investment Program (CIP) plan prepares and serves as a catalyst for future development within a constrained budget. The resource available for the 2021-2027 Capital Investment Program (CIP) plan is more constrained than prior CIP budgets primarily due to the COVID related impact on revenue projections. In addition, the 2021-2022 years of the CIP temporarily adjust the sales tax allocation by reducing the amount to the CIP and increasing the general fund support to ensure continued operations.

The Preliminary 2021-2027 CIP totals \$659 million, is balanced, and accomplishes and invests in the following:

- Ensures that the city meets its debt obligations.
- Invests in our community by maintaining and providing funding for affordable housing.
- Supports continued improvements in the neighborhood's initiatives like the Neighborhood Enhancement Program, the city's Public Art Program, Fire Station 5 rebuild, and increased the funding for the Neighborhood Congestion Management Project.
- Addresses the continued planned growth of the city including design for Bellevue Way HOV, and construction of Fire Station 10.
- Continues transportation infrastructure in the BelRed area with the Transportation Infrastructure Finance and Innovation Act loan projects.
- Ensures the continuation of the city's three voted levies, Neighborhood Transportation Congestion, Safety, and Connectivity (sidewalks, walkways, bike paths), Fire Facilities (Station 4, 6, and Warehouse improvements), and Parks (Airfield park).
- Funds the city's IT infrastructure including its next generation financial system and fosters Smart City initiatives throughout the city.
- Continues to fund projects that support the city's growth including the Comprehensive Plan Update and Downtown livability.
- Adds roadway improvements, and pedestrian bicycle improvements as part of the new Vision Zero project, 114th and 8th Street, and Growth Corridor Bicycle Network implementation.
- Continues the Council's long standing policy to maintain what is currently built before building new infrastructure with programs such as the overlay and parks and refurbishment among others.
- Continues ongoing programming to support the community such as Environmental Stewardship Initiative, wetland monitoring, among others.
- Fulfills capital responsibilities for general government capital obligations including parks resource management facility, fuel tank replacements and in ground lifts at our Fleet operations.



UTILITY RATES

The Proposed Budget includes the utility rate increases for 2021-2022, shown in the chart below, to enable Bellevue to continue delivery of high-quality drinking water, sewer, and storm and surface water services critical to our customers. Bellevue's utility rates are competitive and will continue to be competitive in the future with the Council adopted financial policy to proactively plan and prepare for infrastructure replacement and renewal.

COVID-19 Financial Impacts

COVID-19 is anticipated to impact utility revenues in the next biennium. Recognizing that COVID-19 is a dynamic situation, the Utilities Department's goal is to address these impacts by containing costs that are within its control and using available reserves. To mitigate customer impacts, the Department is not proposing rate increases for local operations and have lowered planned contributions to the capital infrastructure renewal and replacement account in the 2021-2022 biennium.

Key Rate Drivers

Operational efficiency and the prudent management of the utilities financial resources has been and will continue to be a priority. As a result of cost containment efforts, no rate increases are proposed to support local operations of the water, sewer, and storm and surface water utilities in this biennium.

Below are the key drivers for the 2021-2022 utility rate increases.

◆ Wholesale Costs Drive Rate Increases

The costs for wastewater treatment services and water supply are determined by King County and the Cascade Water Alliance, respectively, and are largely out of Bellevue's control. These represent the single largest cost centers for Bellevue's sewer and water utilities. Increases in these costs will result in a 2.2% increase in 2021 and a 1.8% increase in 2022 to Bellevue customers' total utilities bill (shown in table below).

◆ Aging Infrastructure

Utilities owns, operates, and maintains over \$3.5 billion of infrastructure assets, with over 1,600 miles of pipeline to provide clean and safe drinking water; safely convey wastewater away from homes and businesses; and safely manage storm and surface water runoff to protect property and the environment. This infrastructure was primarily constructed in the 1950s and 1960s, and most of the assets are well past midlife.

As the infrastructure ages, it becomes less reliable and more failures occur. As a result, the cost to operate, maintain, rehabilitate, and replace infrastructure assets increases. System renewal is and will continue to be the most significant driver of the Utilities CIP. Rate increases are necessary to fund capital investments in order to sustain current levels of service to the community.



Proposed Utility Rate Increase

	Water		Sewer		Storm & Surface Water		Total Utilities	
	2021	2022	2021	2022	2021	2022	2021	2022
Wholesale	1.7%	0.9%	3.2%	3.0%	N/A	N/A	2.2%	1.8%
Local	1.8%	2.6%	0.9%	1.5%	3.5%	3.3%	1.6%	2.1%
Total	3.5%	3.5%	4.1%	4.5%	3.5%	3.3%	3.8%	3.9%

DEVELOPMENT SERVICES FUND

There continues to be high interest in development in Bellevue with construction projects for office, retail and housing, however, the activity is expected to slow to more moderate levels as the economy struggles to open after the Covid-19 virus pandemic shutdown. Several large office and mixed-use developments currently in the plan review phase will move to construction with office development as the most active segment driven by Amazon's plans to bring 25,000 employees to Bellevue by 2025. Additional significant office projects are currently planned or under construction in all growth areas of the city, generating demand for both review and inspection services. Sound Transit's East Link light rail project is under construction along the entire alignment and is anticipated to spur long-term commercial and residential Transit-Oriented Development near light rails stations.

Single family applications are anticipated to remain steady in the early forecast period prompted by continued low interest rates, low inventory, and high demand for housing. While tenant improvement projects have declined due to construction restrictions of the pandemic and uncertainty of office space demand, permit

activity is anticipated to rebound, not only in the number of applications but in the value of projects represented by the applications.

The timing of the construction of these projects will play a role in the level of staffing needed in Development Services to support major project activity. Staffing levels for review, inspection, and support services increased in prior budgets to meet the growing demand for permit review and inspection services.

In the 2021-2022 budget, an additional 5.0 FTE are proposed to be added in anticipation of continued demand for review/inspection work. Consistent with the long-range financial planning effort, changes in resource levels are continually assessed and modified to accommodate workload, maintain service levels, and maintain budget alignment. The budget includes rates and fee adjustments in line with inflation to meet its cost recovery objectives established by Council policy. Rates are adjusted annually to ensure that fees keep pace with the cost of providing services, and to sustain adequate resources to meet demand through the development cycle. The 2021 rates increase range from 1%-4%, driven by cost for personnel, overhead, and operational costs.



HIGH PERFORMANCE CITY

The city has surveyed its residents for many years, and businesses since 2017. The surveys are important tools to ensure that businesses and residents can assess the effectiveness of city budgets and policies through the results of statistically valid surveys, conducted to ensure that the city hears from a cross-section of the population it serves.

Survey results show that people and businesses who call Bellevue home are very satisfied with their city, their neighborhoods, and delivery of municipal services. The following highlights are provided from the city's 2020 Performance Survey (which produces data for 2019) and 2019 Business Survey. More than 500 households were interviewed using a mixed-mode address-based methodology, via online, landline, or cell phone, and more than 900 businesses were interviewed via telephone and the web. The surveys, as well as other reports relating to Bellevue's budget and overall performance, can be found on the city's website at [BellevueWA.gov/performance](https://bellevuewa.gov/performance).

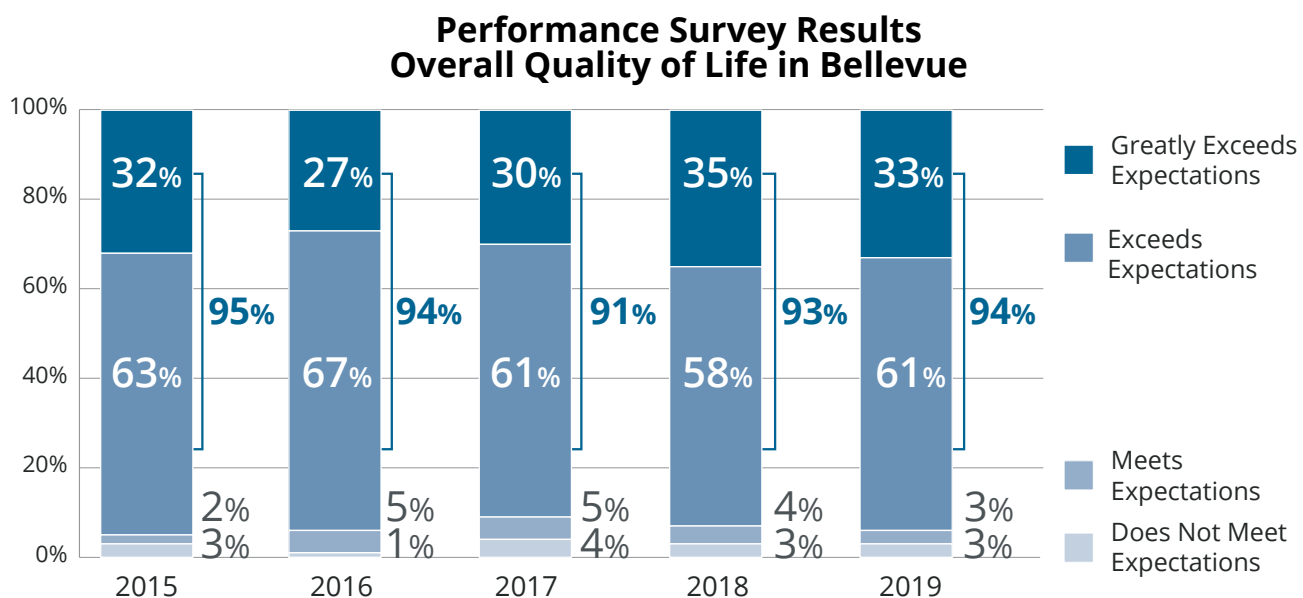
- Quality of life: For ninety-four percent of Bellevue residents, their quality of life exceeds their expectations with thirty-three percent

saying that the overall quality of life in Bellevue greatly exceeds their expectations.

- Great place to live: When asked whether Bellevue is the same as, better, or a worse place to live than other cities and towns, ninety-two percent of Bellevue residents believe Bellevue is a better or significantly better place to live than other cities and towns.

...most residents believe Bellevue is a better place to live

- Quality of city services: Eighty-nine percent of residents say the quality of city services exceeds or greatly exceeds their expectations.
- Bellevue Economy: At ninety percent, nearly all businesses surveyed feel that the strength of Bellevue's economy is better than that of other cities in the Puget Sound region.



PRICE OF GOVERNMENT

The price of government allows the city to compare what residents pay for services on an annual basis and see how that has changed over time. The “price” of government is defined as the sum of all taxes, fees and charges collected by the city, divided by the city’s total aggregate income¹. Aggregate income is determined by multiplying the mean household income² by the number of households².

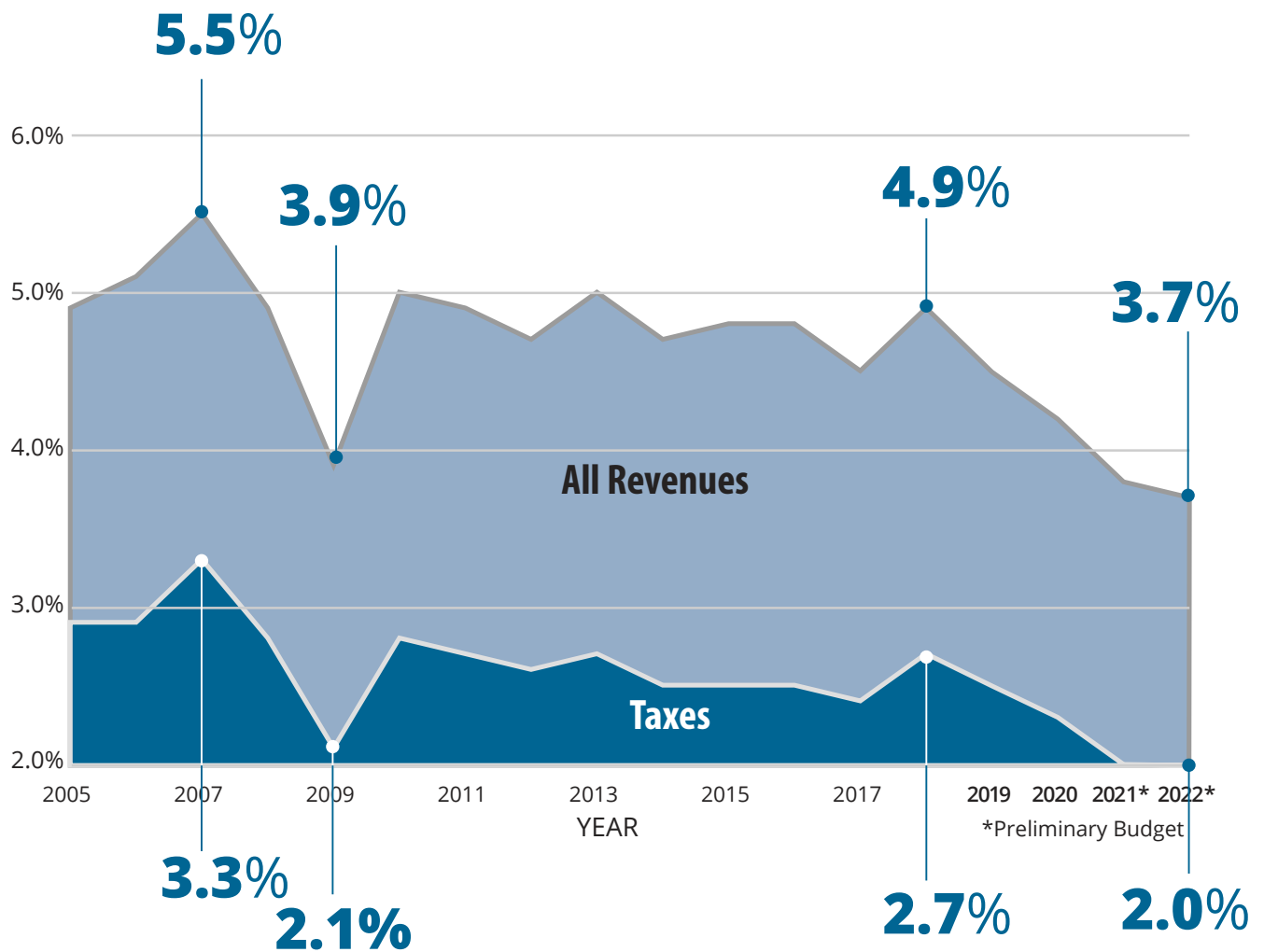
The graph below states that for every household dollar earned in 2022, 3.7 percent or 3.7 cents

goes to provide municipal services. Since the Great Recession, Bellevue’s price of government has continued to fall from 4 percent in 2010 to 3.7 percent in 2022. The decrease is mainly driven by three factors: Bellevue’s tax revenue increase has been capped and slow due to the city’s tax structure and the conservative financial policies, the region’s inflation and income growth in the post-recession period has been fast and the population growth in Bellevue has been steady.

¹Source: Osborne, D., & Hutchinson, P. (2004) The Price of Government. Basic Books

²Source: United States Census Bureau, American Community Survey 1-Year Estimates

Price of Government
City of Bellevue 2005-2022



A special thank you to the Leadership Team, Budget Office, department fiscal contacts, proposal writers, Graphics Services and all city employees who deliver the needed services to our community.



For complete Budget Summary information:
BellevueWA.gov