

CITY COUNCIL REGULAR SESSION

Ordinance adopting the modification of the 2021-2022 Biennium Budget and 2021-2027 Capital Investment Program Plan; as both have been previously amended; setting forth the estimated revenues and appropriations; establishing job classifications and pay ranges; and establishing an effective date.

Toni Call, Director, 452-7863

Evan Phillips, City Budget Manager, 452-2831

Finance & Asset Management

EXECUTIVE SUMMARY

This Ordinance adopts the City of Bellevue's 2021-2022 Mid-Biennial adjustments and updated 2021-2027 Capital Investment Program plan; sets forth the estimated revenues and appropriations; and establishes job classifications and pay.

RECOMMENDATION

Move to adopt Ordinance No. 6622

BACKGROUND/ANALYSIS

This Ordinance is the last Council action required to fully implement the 2021-2022 mid-biennium budget. The Ordinance adopts the total appropriation by fund (Attachment A), establishes pay plans for 2020 (Attachment C), notifies Council of accepted grants of less than \$90,000 as received from November 1, 2020 to October 31, 2021 (Attachment D), provides a list of donations under \$90,000 received from November 1, 2020 to October 31, 2021 (Attachment E) and the 2021-2027 Capital Investment Program Cashflow (Attachment B).

Council actions earlier tonight to fully implement the 2021-2022 mid-biennium budget include the following items that have been incorporated into the umbrella Ordinance:

- Development Services Fee Ordinance: Set the Development Services rates.
- 2022 Property Tax Levy Ordinance: Adopt 2022 property tax levy (RCW 35A.34.230).
- 2022 Property Tax Banked Capacity Resolution: Preserve the full levy amount available to the City (RCWs 84.55.005, 84.55.0101 and 84.55.092).

Council will not be required to adopt the 2022 Utilities Rates or the 2022 Fire Inspection Rates as they were included in the 2021-2022 Adopted Budget via Ordinance Nos. 6551, 6552, 6553, and 6554.

Background

Ordinance No. 6557 adopted the 2021-2022 Budget and the 2021-2027 Capital Investment Program (CIP) on December 14, 2020. The mid-biennium budget update provides an opportunity for modifications to the 2021-2022 operating budget and 2021-2027 CIP plan in accordance with RCW 35A.34.130. The proposed mid-biennium budget update contains limited changes at the fund level to the 2021-2022 Adopted Budget and the 2021-2027 Capital Investment Program (CIP) Plan as adopted in Ordinance No. 6557. The proposed mid-biennium budget continues the Council direction on the

2021-2022 Adopted Budget including the temporary (two-year) adjustment for the sales tax allocation from the General Capital Investment Program (CIP) and 1 percent property tax annual adjustment for 2022 (\$9 annually for a \$1 million property) to ensure continued services to the residents and stakeholders and advances Council's Priorities and Council's vision. An overview and additional details can be found in the [November 8, 2021 packet](#).

Prior Council Discussions

The mid-biennium budget has had four previous discussions:

On October 18, staff reviewed the mid-biennium proposed budget calendar with Council and reviewed the actions necessary for budget adoption, [10/18 Mid-Bi Calendar Materials](#).

On October 25, staff presented the Development Services fees update, [10/25 Development Services Materials](#). Council directed staff to return with legislation as described for 2022 Development Fee Rates and Renton and Issaquah School Impact fees.

On November 8, staff presented the General Fund forecast and provided the mid-biennium adjustments of the Operating and Capital funds for Council consideration and discussion, [11/8 Agenda Materials](#).

On November 15, the City Council held a public hearing regarding the Proposed 2021-2022 Mid-Biennium Budget. Five members of the public submitted written comments prior to the meeting and 15 members of the public spoke on topics regarding environmental stewardship/climate change and tree canopy land use code options. On November 15, Council gave two-fold direction (1) to staff to return on November 22 with the mid-biennium legislation needed for adoption as prepared and (2) in response to public comment received for staff to return in the first quarter of 2022 with additional information for Council consideration regarding prioritization within existing and future workplans as well as resource sources and potential outlays relating to the Environmental Stewardship Initiative and the City's tree canopy land use code, [11/15 Agenda Materials](#).

City of Bellevue Pay Plans

Pay Plans for represented employees were established in accordance with their respective labor agreements. As a part of the budget Ordinance, the Council approves the 2022 City of Bellevue Pay Plans (Attachment C) which include the effect of a 2022 salary range adjustment of 5.67 percent (90 percent of June 2021 CPI-W) for non-represented employees. This increase is consistent with increases associated with most labor agreements.

RCW 41.50.152 requires disclosure of "excess compensation" costs (e.g., overtime payments that exceed twice the regular rate of pay, termination or severance payments, and cash out of unused annual leave in excess of 240 hours for a limited number of eligible employees). This legislation was designed to avoid the situation where significant future liability was unknowingly accepted as part of a compensation agreement. The provisions of the pay plans for non-represented employees are estimated to increase these future retirement billings by \$1,415 or 6.6 percent (from \$21,566 to \$22,789). Any increases in excess compensation for union contract settlements are communicated in agenda memos when the contracts are proposed for Council approval.

Grants and Donations

Per Ordinance No. 6187, the City Manager is authorized to apply for grants in any amount and to execute grant contracts for grants of up to \$90,000. The City Manager shall notify the City Council periodically of such grant contracts. A listing of grants received in the most recent annual period of November 1, 2020, to October 31, 2021 is included in Attachment D.

Ordinance No. 4177 delegates authority to accept donations to the City Manager. Attachment E summarizes donations under \$90,000 received by project for the most recent annual period of November 1, 2020, through October 31, 2021.

POLICY & FISCAL IMPACTS

Policy Impact

RCW 35A.34.130: State law requires that a mid-biennium budget review be completed between September 1 and the end of the first year of the biennium and that a public hearing be held on the mid-biennium review.

RCW 35A.34.230: Council action on the City's 2022 property tax levy is required by State law in conjunction with the Budget update.

RCW 84.55.092 protects the future levy capacity for tax levies below the level that otherwise could be imposed.

Fiscal Impact

Mid-Biennium fiscal impacts, if appropriated in their current form, are as noted by fund in Attachment A: 2021-2022 Mid-Biennium Changes by Fund.

OPTIONS

1. Adopt the Ordinance adopting the modification of the 2021-2022 Biennium Budget and 2021-2027 Capital Investment Program Plan; as both have been previously amended; setting forth the estimated revenues and appropriations; establishing job classifications and pay ranges; and establishing an effective date.
2. Do not adopt the Ordinance and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. 2021-2022 Mid-Biennium Changes by Fund
- B. 2022-2027 Capital Investment Program Cashflow
- C. 2022 City of Bellevue Pay Plans – Provides a listing of the City's Pay Plans
- D. Summary of Grants Accepted – Provides a listing of grants of less than \$90,000 that were accepted for the period November 1, 2020 through October 31, 2021. In accordance with Ordinance No. 6187, staff is required to notify Council of any such contracts.

- E. Summary Donations Accepted – Provides a listing of donations under \$90,000 received by project for the period November 1, 2020 through October 31, 2021. Ordinance No. 4177 requires that any time an appropriation adjustment for the Operating Grants and Donations Fund is required it will be accompanied by a notification of donations received since the previous appropriation adjustment was made.

Proposed Ordinance No. 6622

AVAILABLE IN COUNCIL LIBRARY

N/A