

CITY COUNCIL STUDY SESSION

Introduction of the Preliminary 2023-2024 Operating Budget and the 2023-2029 Capital Investment Program (CIP) Plan.

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DIRECTION NEEDED FROM COUNCIL**INFORMATION
ONLY**

The City Manager's Preliminary Budget will be presented for City Council feedback, discussion, consideration, and eventual action. Additional study sessions are scheduled through mid-November, with tentative budget adoption scheduled for November 21. Attached to this agenda memo is the City Manager's Transmittal Letter and the 2023-2024 Preliminary Budget Executive Summary. The full budget document will be available on the City's website on Monday, September 26.

RECOMMENDATION

N/A

BACKGROUND & ANALYSIS

Tonight, the City Council will be presented the 2023-2024 Operating Budget and the 2023-2029 Capital Investment Program (CIP) Plan. This will be first of several meetings with the Council to review, deliberate, and eventually adopt the 2023-2024 Operating Budget and the 2023-2029 CIP Plan.

For additional information regarding the Preliminary Budget, please see the attached Executive Summary. The full Preliminary Budget document will be published on the City's website on Monday, September 26.

Council Budget Calendar

Date	Budget Item(s)
March 7	<i>Council Budget Workshop</i>
May 23	<i>Initial Public Hearing</i>
August 1	<i>Second Public Hearing</i>
Tonight	<i>City Manager's Preliminary Budget Overview</i>
October 3, October 10, and October 24	<i>Staff will present various components of the budget over several study sessions including development services fees, utility rates, and other areas of Council interest.</i>
November 7	<i>Final Public Hearing</i>
November 14	<i>Tentative Council Direction for Adoption</i>
November 21	<i>Tentative Budget Adoption</i>

Background/Previous Council Meetings

Council held a budget workshop on March 7 where staff briefed Council on the process and milestones of developing the budget, provided a discussion of inflationary pressures, challenges to the City's fiscal sustainability, and Parks long-range capital planning needs, among other related topics. Council provided feedback on the Budget Guiding Principles that assist the City Manager in developing his Preliminary Budget.

Council held public hearings on May 23 and August 1. Thus far, more than 20 public testimonies (written and verbal) have been heard on numerous issues. The Preliminary Budget document provides a summary listing of all testimonies. The third and final public hearing is scheduled for November 7. Those wishing to provide testimony to the Council regarding the budget at the public hearing may sign up to speaking during that evening's Regular Session, or submit comments in writing to the City Budget Manager, Evan Phillips at EPhillips@BellevueWA.gov or the City Clerk at CityClerk@BellevueWA.gov by 3 p.m. on November 7. Feedback is also welcome at City Council meetings during Oral Communications.

Preliminary Budget Council Required Actions

There are several items that will be required to adopt the 2023-2024 Operating Budget and the 2023-2029 CIP Plan which include:

Ordinance/Resolution Title	Brief Explanation
<i>Human Services Commission Recommendation Ordinance</i>	<i>Adopt funding recommendations for allocations to human services agencies</i>
<i>Community Development Block Grant (CDBG) Recommendation Ordinance</i>	<i>Adopted recommended spending plan for Community Development Block Grant funds</i>
<i>2023 Development Services Fee Ordinance</i>	<i>Set Development Services 2023 Rates</i>
<i>2023-2024 Utility Rates Ordinances (3)</i>	<i>Set the Utilities 2023-2024 Rates</i>
<i>2023 Property Tax Banked Capacity Resolution</i>	<i>Preserve the full levy amount available to the City</i>
<i>2023 Property Tax Ordinance</i>	<i>Adopt 2023 property tax levies (RCW 35A.34.230 and RCW 84.55.092)</i>
<i>Business & Occupation Tax Ordinance</i>	<i>Adjust the taxable gross receipts rate</i>
<i>2023-2024 Budget Ordinance</i>	<i>Adopt "umbrella" budget ordinance which includes appropriation approval by fund, 2023 pay plans and, summarizations of grants and donations accepted that are less than \$90,000</i>

Note: The fire inspection fee ordinance is not needed this year as there is no change. Additionally, a substantial need ordinance is not needed for property taxes as the implicit price deflator surpasses 1 percent.

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 content, 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;
- Council adoption of the budget prior to the beginning of the ensuing fiscal biennium, i.e., January 1, 2023.

Fiscal Impact

This briefing is for information only and, until adoption, will have no fiscal impact.

OPTIONS

N/A

ATTACHMENTS

- A. City Manager's Transmittal Letter
- B. 2023-2024 Preliminary Budget Executive Summary
- C. 2023-2024 Fund Appropriation List

AVAILABLE IN COUNCIL LIBRARY

N/A