

2023-2024 Preliminary Budget

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September 26, 2022

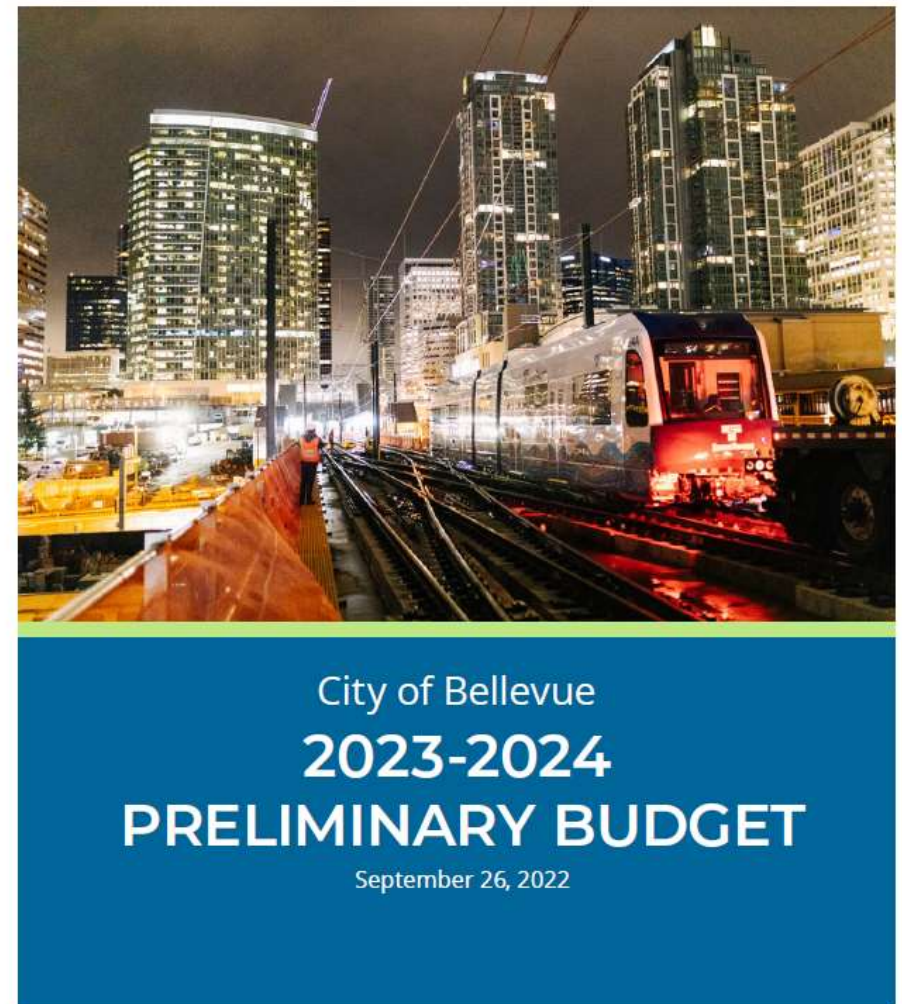


Information Only.



Agenda

1. Calendar and Actions for Final Adoption
2. Public Involvement/Key Investments
3. Budget Overview
4. General Fund Forecast
5. Capital Investment Program
6. Upcoming Calendar



Budget Milestone Calendar



Budget Work-Shop

- Mar 7

1st and 2nd Public Hearing

- May 23
- Aug 1

CM Prelim Budget

- Sept 26

Council Study Session

- Oct 3
- Oct 10
- Oct 24

Public Hearing

- Nov 7

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- Nov 14

Tentative Adoption

- Nov 21

Staff will track and provide a memory bank during Council deliberations



Council Actions to Adopt

- 2023 Development Services Fee Ordinance
 - 2023-2024 Utility Rates Ordinances
 - Human Services Commission & Block Grant Ordinances
 - 2023 Business & Occupation Tax Ordinance
 - 2023 Property Tax Banked Capacity Resolution
 - 2023 Property Tax Levy Ordinance
 - 2023-2024 Biennial Budget Ordinance
-
- Note: Fire Inspection Fees are not proposed to change, therefore no action is needed this biennium



Budget Overview



Public Involvement: What we Heard

- Budget, Performance and Business Surveys
 - 2,137 responses across all surveys
- Key Takeaways:
 - 97% of residents say that Bellevue is a “good” to “excellent” place to live
 - Affordability/cost of living, public safety and homelessness were largest areas of concern
- Public hearing testimony from May and August



Operating Budget Responds



October Study Sessions

October 3

- ARPA – Human Services, Small Business
- Public Safety
- Homelessness
- Safe, Clean, Vibrant City

October 10

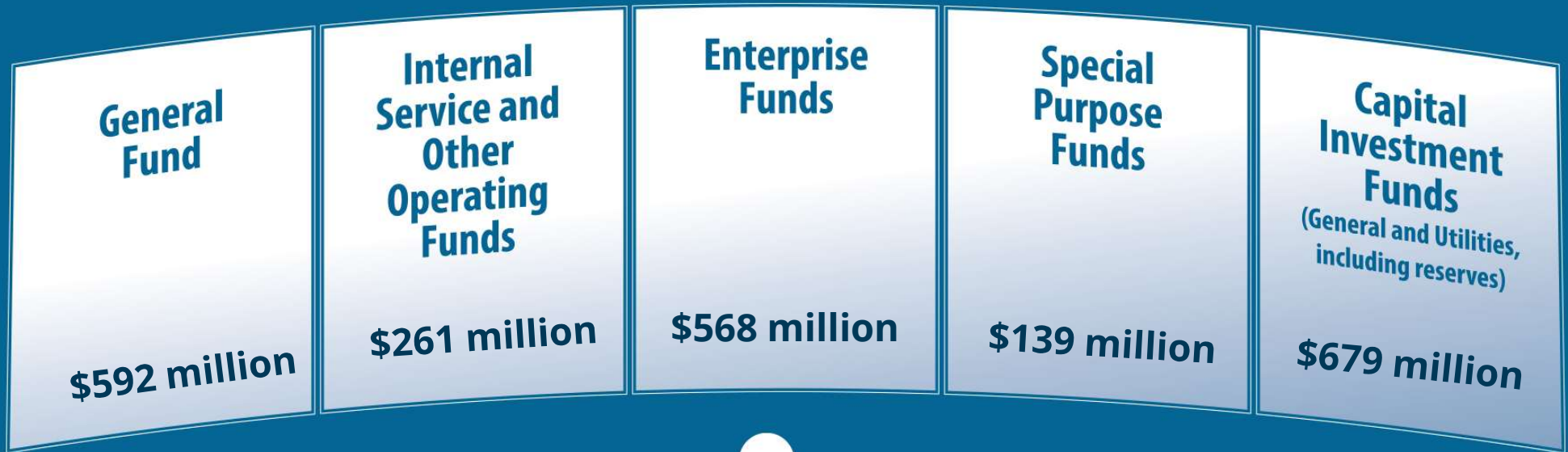
- Utility Rates
- Other Areas as Requested

October 24

- Development Services Rates
- Human Svc Commission and CBDG
- ESI
- Equity, Diversity and Access



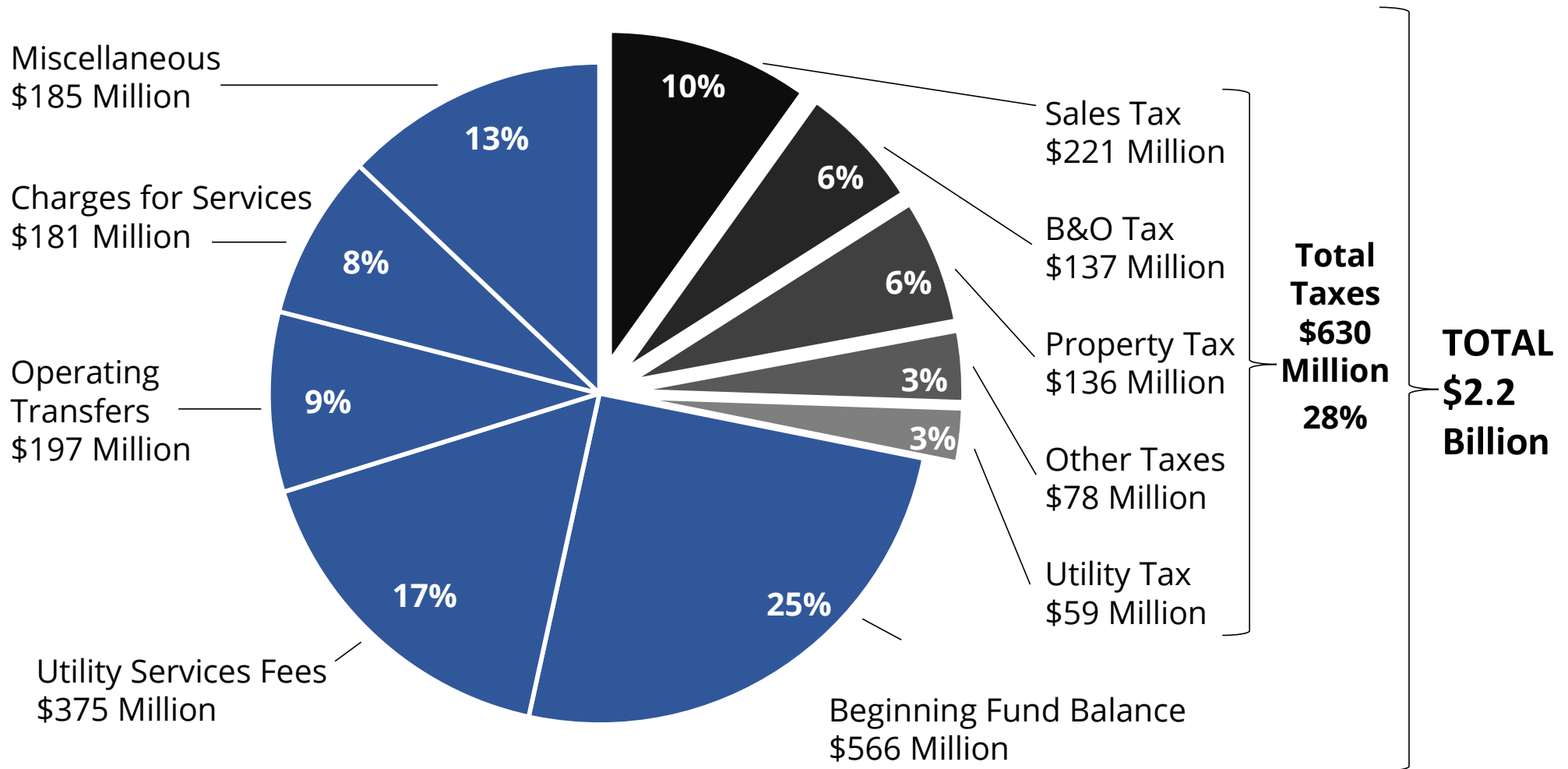
Total Budget \$2.2B



Net of transfers between funds
and reserves except as noted



Total Resources (2023-2024)



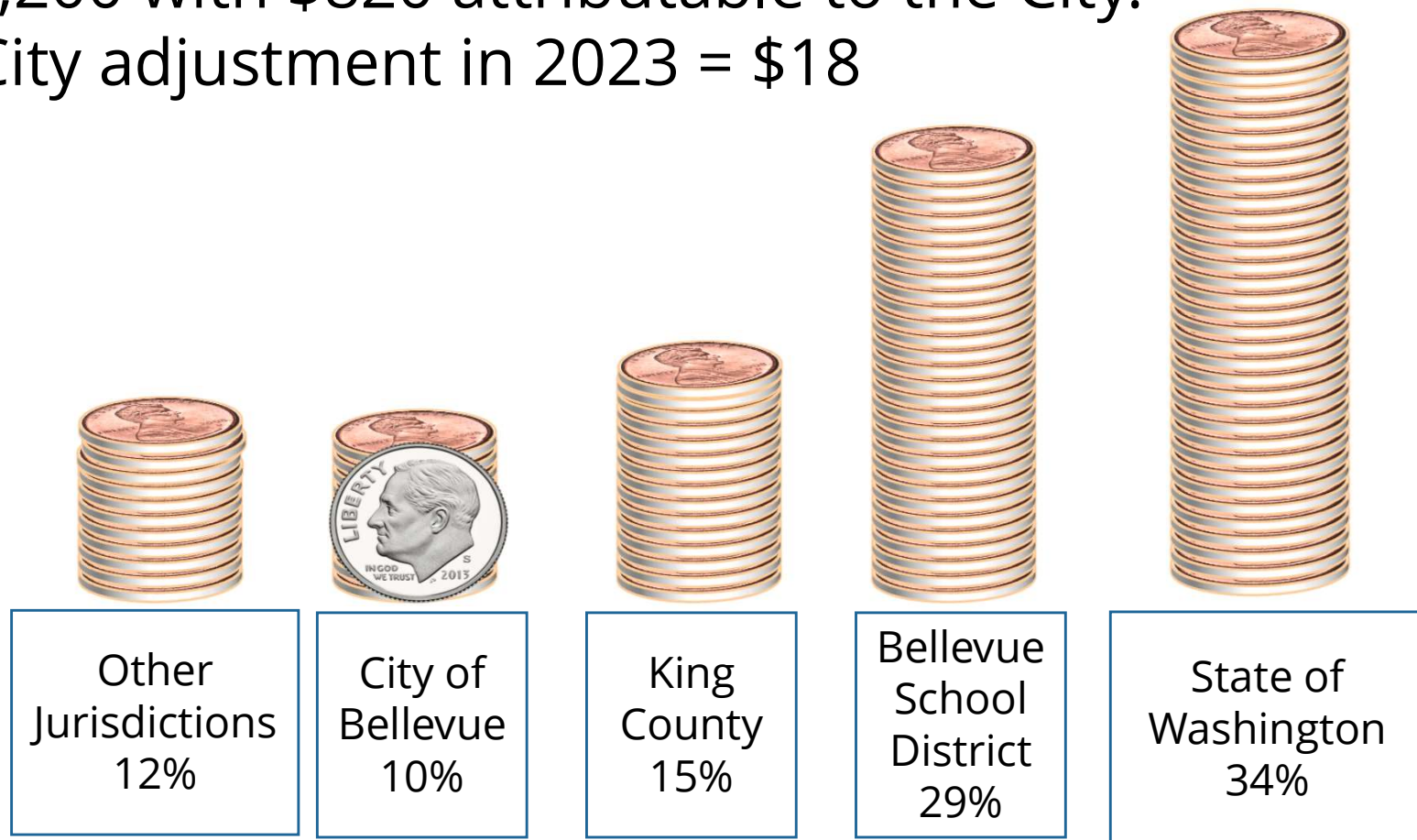
Adjustments to Resources

- In order to fund the critical services needed – the Preliminary Budget proposes:
 - Property Tax
 - 2023: 1% Councilmanic + 1% Banked Capacity (\$18 annually for a \$1M property owner)
 - 2024: 1% Councilmanic (\$9 annually for a \$1M property owner)
 - Business & Occupation Tax
 - Increase taxable gross receipts from .1496% to .1596%
 - Adjusts the policy on Land Use to 100% Recovery



2022 Property Tax Distribution

\$1M home pays \$8.20 per \$1000 AV
or ~\$8,200 with \$820 attributable to the City.
A 2% City adjustment in 2023 = \$18



B&O Adjustment: .01%

- Business & Occupation Tax last adjusted in 1989
- Adjusts from .1496% to .1596%; .01% increase
- Small Business less than \$180k do not pay B&O
- Raises approximately \$3.5M to the General Fund

Business with Taxable
Gross Receipts:

	Currently Paying	0.01% Adjustment	2023 Proposed
\$250K	\$375	\$25	\$400
\$1M	\$1,500	\$100	\$1,600
\$100M	\$150,000	\$10,000	\$160,000
\$1B	\$1.5M	\$100,000	\$1.6M



Other Rates

- Utility Rates – tentative for October 10
 - 2023: 6.7%
 - 2024: 5.8%
- Development Services –tentative for October 24
 - Policy shift in Land Use permitting to 100% permit recovery
- Fire Inspection – No change



General Fund Sustainability: Previous Actions Taken

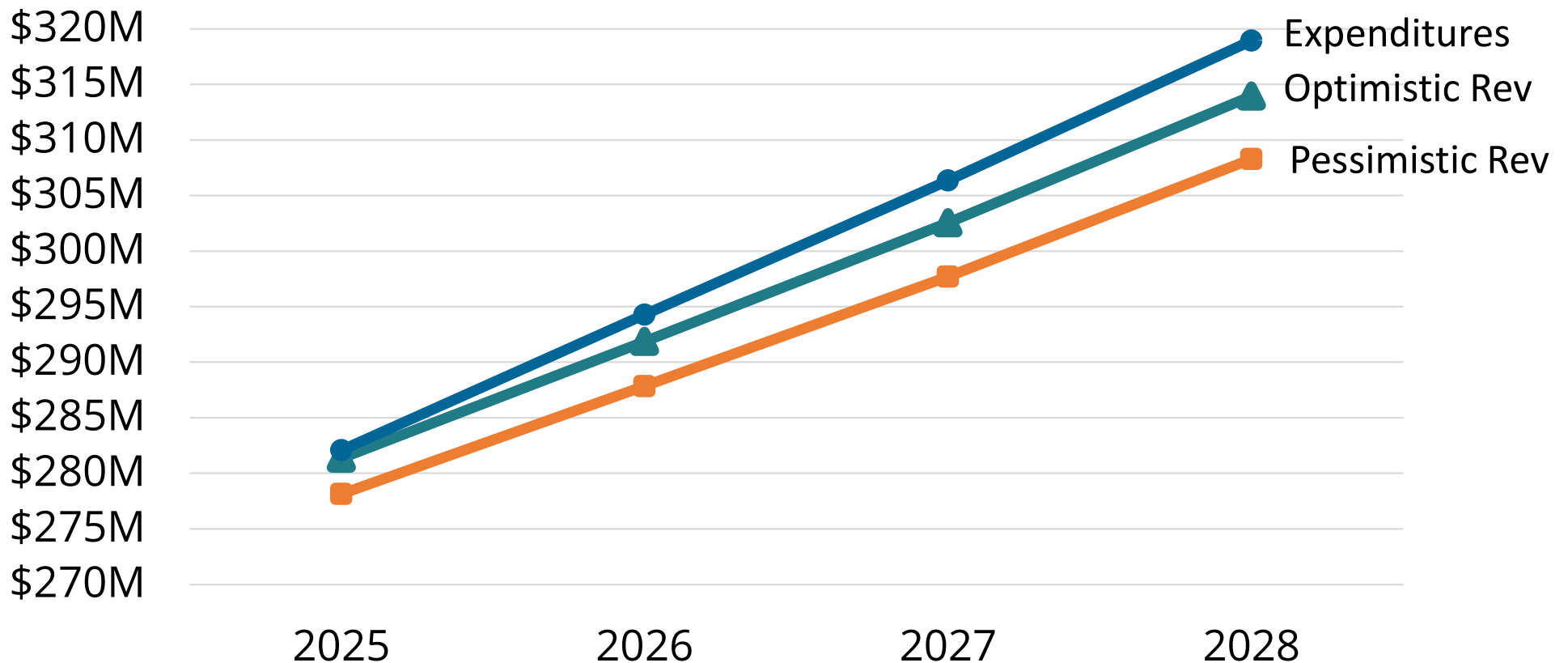
- Prior to 2023/2024 –
 - Intentionally built reserves
 - Regularly adjusted 1 percent Councilmanic property tax
 - Implemented Fire inspection fees
 - Reduced ongoing costs in 2021/2022: (total ~~\$8M annually)
- 2023-2024 proposes additional revenue adjustments

These actions have all taken steps toward fiscal sustainability, yet do not solve the structural deficit and they do assist in the near term....



General Fund Forecast

With actions in the preliminary budget; the City takes steps toward fiscal sustainability:



Key Risks

- Risk of recession remains high
- Worldwide events such as the Ukraine war and extreme weather cycles could further disrupt the supply chain
- COVID variants and other public health concerns would complicate the outlook
- Impacts of remote and hybrid work environments may shift how consumers and employers operate



Capital Budget Overview



Total CIP

- General CIP
 - \$245 million for 2 years (excluding reserves)
 - \$808 million for 7 years
- Utilities CIP
 - \$77 million for 2 years (excluding reserves)
 - \$318 million for 7 years
 - Return to Council on October 10



The General CIP Invests in....

- Ongoing maintenance of the City's existing infrastructure (Overlay; Parks Refurbishment)
- Ensures debt obligations are paid
- Affordable housing(\$2M each year)
- Park Acquisition (Eastgate, Factoria)
- Environmental Stewardship Initiative (ESI) including City EV infrastructure, energy efficiency projects
- Architecture and engineering for aquatics center
- Arts and culture investment



The General CIP Invests in....

- Comprehensive planning, Wilburton growth and the Grand Connection
- The Neighborhood Enhancement Program & Neighborhood Congestions Management Projects
- Continues Fire, Parks, and Transportation levies including Fire Station 10
- Adding roadway improvements supporting Vision Zero
- General government - parks resource center, ERP replacement, fuel tanks, etc..



New Investments In Neighborhoods (\$41M)

Project Name (\$ Amount)	Project Name (\$ Amount)
Lake Sammamish Neighborhood Park (Levy) (\$3.4M)	NE Spring Blvd. (Zone 3) – 124 th Ave. NE to 130 th Ave. NE (\$600k)
Ashwood Park Development (\$5M)	I-405 Non-Motorized Crossing (\$3.62M)
Eastgate Neighborhood Park (Land Acquisition) (\$5M)	150 th Ave. SE/SE 37 th St./I-90 EB off-ramp (\$7.5M)
Factoria Neighborhood Park (Land Acquisition) (\$5M)	West Lake Sammamish Parkway Phase 4 (\$1M)
Early World Daycare Bridge Replacement (\$5M)	BelRed Rd. and NE 28 th St. (\$630k)
143 rd Pl. NE and NE 20 th St. to BelRed Rd. (\$2.65M)	SE 34 th St. and 162 nd Pl. SE to West Lake Sammamish Parkway (\$1.5M)
NE 6th St. Extension (\$250k)	148th Ave. NE and NE 24th St. (\$250K)

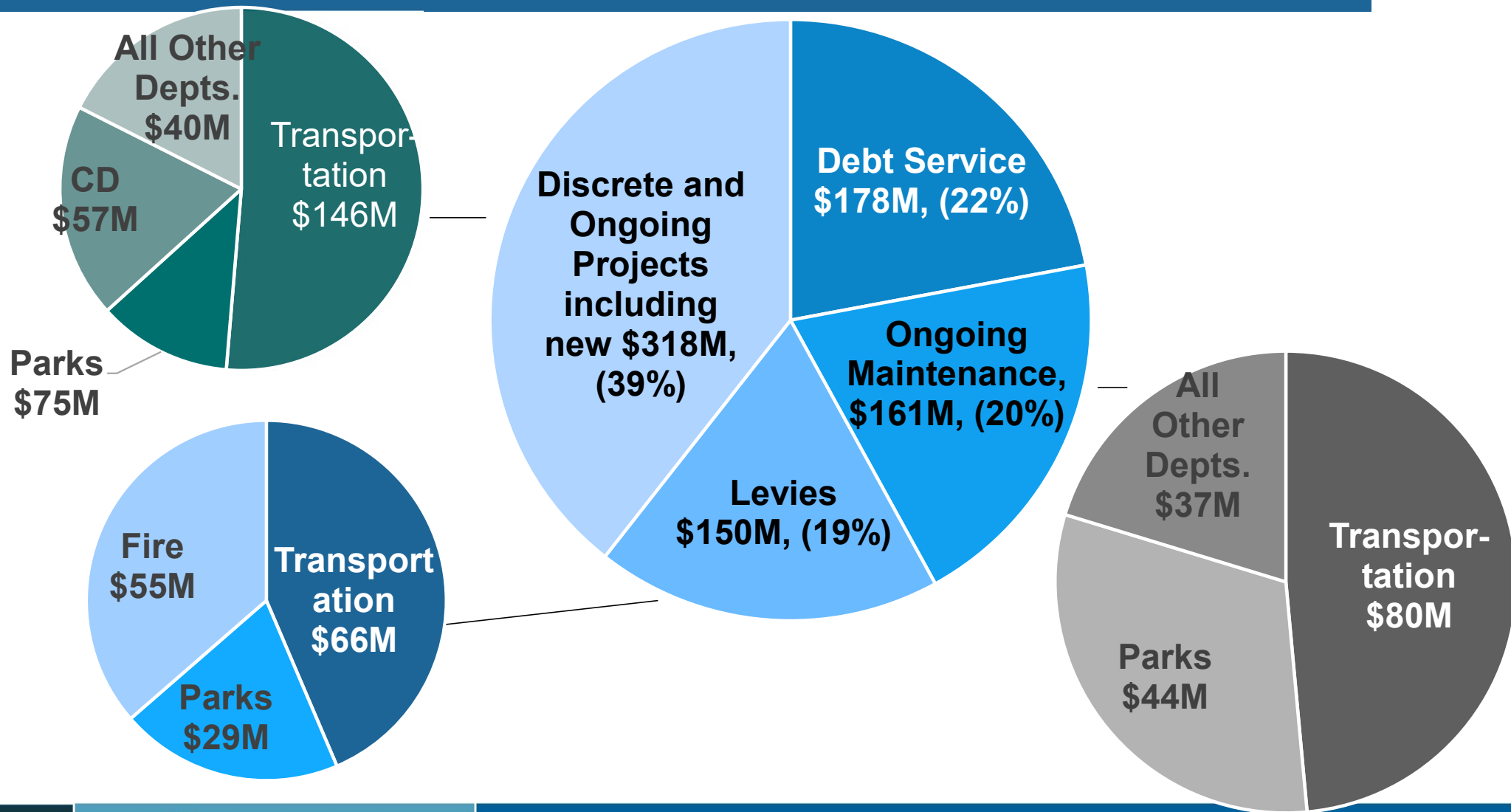


New Investments in Growth (\$19M) & Infrastructure (\$9M)

Project Name (\$ Amount)	Project Name (\$ Amount)
Aquatics Facility (A&E) (\$4M)	Project Management System (\$500K)
Off Leash Facilities (\$1M)	Demolition of Lincoln Center (\$1.5M)
Parks Trails (\$2.5M)	Electric Vehicle Infrastructure (\$3.5M)
Park Shoreline Restoration (\$2.5M)	ESI Energy Efficiency Projects (\$3.8M)
Regional Capital Analysis Development and Coordination (\$1.35M)	South Wilburton Pedestrian and Bicycle Connections (\$300K)
Mountains to Sound Greenway Trail – 142 nd Pl. SE to 150 th Ave. SE (\$6.9M)	



2023-2029 General CIP Expenditures \$808M



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