



2017-2018 Process and Calendar

Building on prior budgets, the City will again use the process called "Budget One" (a budgeting for outcomes approach) to develop the 2017-2018 Biennial Budget.

Budget One is a process that:

- 1) Identifies the community's priorities (called Outcomes);
- 2) Prioritizes services to meet those Outcomes; and
- 3) Funds those services with available monies.

As noted, Budget One puts the emphasis on community Outcomes, not departments. It involves a series of steps that create a government based on available funding, which is then connected to these Outcomes and their associated service delivery results. All current programs, services and activities must be submitted as "proposals" in order to retain ongoing funding, to expand existing funding or to receive new funding, and all proposals must align with one of the Outcomes.

In Budget One, the focus is on achieving desired "results" for each citywide Outcome. Result Teams (interdepartmental teams consisting of five members each) are created for each Outcome to rank proposals in the context of how well it relates to the Outcome and perform a metric analysis that will show how funding the proposals will achieve the results the community wants. The Council vision, along with the Comprehensive Plan, citizen and business surveys, and other adopted plans inform the basis of their work and Result Teams review and incorporate them into their Outcomes and products. The Leadership Team will review the work of the Result Teams and fiscal information and make a budget recommendation to the City Manager. The City Manager takes all information, including the feedback and direction from Council, and prepares his 2017-2018 Preliminary Budget. The City Manager's Preliminary Budget is presented to the City Council for its consideration, review, direction, and adoption.

Improvements to the Budget One 2017-2018 process:

The Budget One process continues to provide a budget to the community that is presented in an understandable framework (by Outcomes). One of the foundational elements of Budget One is presenting information that shows that City is achieving the desired results for the community. In prior years, the Result Teams focused on prioritizing proposals to achieve each of the Outcomes, followed by balancing each Outcome.

For the 2017-2018 Budget, their work will involve ranking the proposals in order of influence on their primary outcome area. The results teams are being asked to place additional focus on performance metrics related to each proposal, and the impact on the outcomes they are intended to achieve. Based on the work of the Results Teams, the Leadership Team look across each of the outcomes and provide a budget recommendation to the City Manager to help inform the preparation of his Preliminary Budget.



2017-2018 Process and Calendar

Budget One Process Milestones:

The 2017-2018 Budget One Process (for both operating and capital) consists of:

Milestone/Process Point	2016 Month	Status
Budget Survey of citizens	Survey conducted in January; full report available in March	Tonight
City website is updated to include a Budget One site for use in Public Engagement.	February	Complete
Council validates or revises the community Outcomes that will frame the budget development	February 1	Complete
Results Teams develop Cause and Effect Maps and Requests for Results (RFR's) for each Outcome. Council vision, along with the Comprehensive Plan, citizen and business surveys, and other adopted plans inform the basis of their work and Result Teams review and incorporate them into their Outcomes and products.	February - March	Complete
City Council provides policy direction and priorities during a workshop for the development of the operating and CIP budgets.	(March) 4-hour Budget Workshop	Tonight
Service providers or proposal writers (which could be a cross-section of departments, work teams, partnerships, etc.) submit proposals to the Results Teams in alignment with the Outcomes.	April	
First Public Hearing	May	
Results Teams rank proposals in order of how they will achieve the results defined in the Outcome.	May to June	
The City's Leadership Team will begin the process of "buying" proposals using the ranking from the Results Teams, starting at the top of the list of ranked proposals and moving down the list, buying according to priority, until available funds are spent. The Leadership Team looks across the Outcomes to make a final budget recommendation to the City Manager.	July to August	
Second Public Hearing	July	
City Manager presents his proposed budget to the City Council.	October	
Council reviews, holds a third Public Hearing, deliberates, and adopts a final 2017-2018 Budget and 2017-2023 CIP.	October to December	



2017-2018 Process and Calendar

Budget One Outcome Areas:

Previous cycles of Budget One have included seven outcomes to frame the budget – Safe Community, Improved Mobility, Healthy and Sustainable Environment, Innovative Vibrant and Caring Community, Quality Neighborhoods, Economic Growth and Competitiveness, and Responsive Government. These seven outcomes were developed through an extensive process in 2010 for the 2011-2012 Budget and have been used consistently since then. In the 2015-2016 Budget Process, the Results Team recommended that two Outcomes be combined into one – Innovative Vibrant and Caring Community and Quality Neighborhoods. The reasoning from the Result Team was that the two outcomes overlap and, after reviewing the proposals, the distinction between them was difficult to make.

At the February 1, 2016 Council meeting, Council approved combining the two outcomes with the title of Quality Neighborhoods/Innovative, Vibrant, and Caring Community. In addition, Council also revised the Improved Mobility to Improved Mobility and Connectivity to reflect connecting people to transportation.

The 2017-2018 budget process will be framed with the following six outcomes:

- **Improved Mobility and Connectivity** - focusing on existing and future infrastructure, traffic flow, built environment, travel options and connecting people to transportation.
- **Quality Neighborhoods/Innovative, Vibrant, and Caring Community** - promoting “sense of community” with community engagement, fostering diversity and maintaining neighborhoods that support families and providing convenient access to day-to-day activities.
- **Healthy and Sustainable Environment** - focusing on preserving natural spaces and providing a healthy environment, which supports healthy living for current and future generations.
- **Safe Community** - focusing on maintaining a safe place to live, work and play.
- **Responsive Government** - fostering stewardship of financial and property interests, reflecting sound business practices, and ensuring deployment of programs that are necessary to deliver the highest priority services.
- **Economic Growth and Competitiveness** –planning for growth that will add value to the quality of the City and create a competitive business environment that supports entrepreneurs and creates jobs.

Budget One Guiding Principles

Foremost is the Council’s long-term policy that quality service programs will be offered by the City of Bellevue.

Other guiding principles included:

- 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



2017-2018 Process and Calendar

Leadership Team Direction on Proposal Writing – sent to the organization on March 9:

“To begin, we’d like to thank those of you who’ve participated in the initial stages of the Budget One process for the 2017-18 biennial budget. Putting together a budget for such a large organization is always an endeavor, and this year is no different. Your hard work and dedication play a vital part in Bellevue’s ongoing success as a High Performing Organization.

While the City of Bellevue is on solid financial ground for the next several years, forecasts show the General Fund will face a significant new cost when the LEOFF 1 Medical Funds are depleted in 2020. The Leadership Team has taken a proactive approach to dealing with long-range financial planning, and a variety of solutions are being explored. Given staff’s One City perspective and our unique culture of innovation, we know that we can effectively tackle this potential challenge together.

Moving forward, the Leadership Team urges staff to concentrate on three key priorities during Budget One:

- **All 2017-18 proposals for existing services will be expenditure neutral.**
- **Because longer-term projections do not support growth in existing services or provide for new ongoing services or programs, we encourage a focus on innovative one-time investments in specific areas that target Council Priorities, allow for workforce development and adaptability or position the city for future cost savings.**
- **Future General Fund reserves will be maintained at a minimum of 15 percent in keeping with past best practices.**

Over the next several months, we plan to continue this conversation in addition to providing regular updates on the process.”



2017-2018 Budget One Council Directed Work Items

During the 2015-2016 Mid-Bi budget process, Council directed staff to review the following items.

Arts Funding

Council directed staff to review all arts funding including the Capital Investment Plan funding as well as the Operating funding for appropriate inflation factors and/or spending to be considered in the 2017-2018 Budget process. Planning and Community Development staff are currently developing performance measures to evaluate future impacts and areas of improvement. Staff will evaluate funding levels based on cost of living and other impacts. These evaluations will be brought forward as part of the 2017-2018 budget process.

NE 1st Street Parking

The Council directed that NE 1st Street parking (11 spaces) adjacent to the Downtown Park be incorporated into the overall Downtown Park project, yet was also clear that it should not delay the current Downtown Park development. The Transportation and Parks departments are currently coordinating on developing an outreach plan and as well as a rough project cost estimate, risk statement, and sequencing options.

Multicultural Center

The Parks Department is developing cost estimates to investigate the feasibility of a multi-cultural center in Bellevue as part of the 2017-2018 budget discussion.

Community Requests

Council created the Community Partnerships Project (CIP Plan No. P-AD-99) in 2014 within the 2015-2021 Capital Investment Program. At that time Council earmarked monies for City investments in KidsQuest Children's Museum, and Bellevue Boys and Girls Club. At the Mid Biennium in 2015, Council earmarked additional monies for MusicWorks. All three investments supported capital projects.

As of January 2016, Community Partnerships Project (CIP Plan No. P-AD-99) is fully expended.

The process for 2017-2018 is proposed to follow the same investment principles and funding agreements previously adopted by Council.

Principles to guide investment

- Must have a sustainable long term financial model, including strong private sector financial commitment
- Must clearly define public benefit to be received in exchange for investment (Could take the form of ownership interest in an asset, scholarships, public access to the facility at low or no cost to low income and disabled persons)
- Should provide for City involvement in financial oversight
- Must be an investment in a facility, or for support of the operation of the facility
- Cannot fund fund-raising activities.

Once budget authority is adopted by Council, the organization must enter into a funding agreement with the City of Bellevue which are modelled upon these investment principles.

As the City moves forward with preparing the Preliminary 2017-2023 CIP, the expenditure authority in P-AD-99 will be addressed in the City Managers' Preliminary budget.



2017-2018 Budget One Public Engagement

People interested in following and/or providing input for the development of the 2017-18 budget will have many opportunities to participate in the process between now and December, when the City Council will approve the budget, including:

Budget 17-18 Website is available at: <http://www.bellevuewa.gov/budget-public-involvement.htm>

- The website provides links and contact information for anyone interested in further information.

Statistically Valid Budget and Performance Surveys (will be posted on the Budget 17-18 Website above as they are completed).

- **Budget Survey**
In preparation for the new budget, the City conducts a budget survey each biennium. The survey is designed to provide a statistically valid tool to enhance the City's knowledge of residents' perceptions about the City and to better understand community priorities and expectations regarding City services. This survey has been conducted every other year since 1998.
- **Business Survey**
The survey conducted in 2015 was the first statistically valid comprehensive survey – a baseline - of businesses located within Bellevue. The survey addresses attitudes about operating and owning a business in Bellevue, starting a business in Bellevue, questions relating to taxation, and general questions about municipal services affecting businesses. It will be conducted biennially prospectively.
- **Performance Survey**
The methodology for the 2015 Performance Survey is the same as in the Budget Survey. Respondents were screened to ensure that they were a head of household in Bellevue who was 18 years or older.

Public Hearings in May, July, and November

- The City Council will hold three public hearings on the 2017-2018 budget to provide stakeholders multiple opportunities to officially comment on the operating and capital budgets. Two public hearings, one in May and the other in July, are held prior to the submission of the Preliminary Budget to the Council, and offer residents and other stakeholders the opportunity to let the Council know what issues are important to them. The third hearing, in November after the Council receives the Preliminary Budget, provides interested parties the chance to address new budget proposals and comment on significant budget issues.

Public comment at all Council meetings

- The public is welcomed and encouraged to speak during public comment at all Council meetings. The Council agendas are posted on the Council website.

Boards and Commissions: http://www.bellevuewa.gov/boards_commissions.htm

- Five city Boards and Commissions provide input on the budget process.
 - Transportation Commission: provides funding recommendations on the Capital Investment Program (CIP) budget.
 - Environmental Services Commission: provides funding recommendations on both the operating and CIP budgets as well as rate recommendations.
 - Parks & Community Services Board: provides funding recommendations on the CIP budget.
 - Human Services Commission: provides funding recommendations on allocations to human services (City/CDBG) agencies.
 - Arts Commission: provides funding recommendations on arts acquisitions as well as allocations to arts groups.



2017-2018 Budget One Public Engagement

E-mail/Contact Councilmembers: Council@bellevuewa.gov

Comments to the full Council may be emailed to the address above or submitted by phone to the Council Office at 452-452-7810 (to leave message).

E-mail/Contact Finance: FinanceDepartment@bellevuewa.gov

- **Presentations to Neighborhood Groups, Business Associations and Others**
The Finance Department will give presentations about the budget upon request to any group. Please contact us (425-452-5281) or at the email above.
- **Information Provided Upon Request**
The Finance Department responds to any communication received regarding the budget process. Please contact us (425-452-5281) or at the email above.



2017-2018 Budget One Boards and Commissions

Overview of the Boards and Commission processes for the 2017-2018 Budget:

Parks & Community Services Board - *The Parks & Community Services Board provides funding recommendations for the Capital Investment Program (CIP) budget.*

The Parks & Community Service Board held their 2017-2018 Budget orientation and preliminary discussion in early March. The Board will confirm their recommended list of parks proposals for the 2017-2023 CIP at their April meeting. In the fall, the Board will submit a memo to Council with comments on the preliminary CIP budget.

Transportation Commission - *The Transportation Commission provides funding recommendations for the CIP budget.*

The Transportation Commission received their introduction/budget process overview to the 2017-2018 Budget and the 2017-2023 Capital Investment Program in February. As they begin their work, they will use the preliminary long-range revenue forecast to guide their recommendations. The Commission will evaluate candidate investments at their meetings in April, with the goal of developing preliminary recommendation by mid-May. This list of investments becomes their recommendations in mid May 2016. The Commission's Final recommendations to City Council will occur in the fall of 2016 via memorandum to Council.

Environmental Services Commission (ESC) - *The ESC advises the City Council on water, wastewater, storm and surface water and garbage programs in the following areas: planning, budget and rates, CIP financing, contracts and policies.*

The ESC 2017-2018 budget work is already underway. The Utilities Department briefed the Commission on proposed changes to the Utilities CIP during the first quarter of 2016. The ESC plans to review preliminary Utilities Department budget proposals in early May and make their preliminary recommendations in early June. Final ESC budget/rate recommendations will occur in late fall.

Human Services Commission – *The Human Services Commission provides funding recommendations for allocations to human services agencies (City/CDBG).*

The Human Services Commission will be reviewing applications from non-profit organizations for 2017-2018 funding between April and July. They will complete their funding recommendations by the end of July, and likely will present them to Council in October per the usual practice. The Commission will base their funding recommendations on the human services funding formula (inflation plus population), identifying agency requests and community needs that exceed typical funding for Council consideration as part of the overall budget process.

Arts Commission – *The Arts Commission provides funding recommendations for arts acquisitions as well as allocations to arts groups.*

The Arts Commission advises the Planning and Community Development department on how to spend the currently appropriated funds in the Arts Grants program and the Capital Investment Programs Public Art Program (CIP Plan CD-11). This advisement will go to Council in the form of budget level recommendations in December. The Commission also evaluates the levels of need relative to available funding and makes a recommendation during the Budget One process.

