

Memory Bank and status of Council information requests

Council Request Tracking

During the 2017-2018 budget deliberation, staff will track and respond to Council requests for information. The following table tracks the requests, the date requested, and the anticipated Council meeting agenda subject for response. This page will be updated with future Council requests and responses will be provided in subsequent pages.

#	Req. Date	Request (paraphrased)	Anticipated Agenda Subject
1	10/17/16	Provide information on how construction sales tax is forecasted in the 2017-2022 general fund forecast.	Attached
2	10/17/16	Provide information on how the city is understanding and responding to the risk of on-line sales and the impact on taxes. Please provide how sales tax collections work.	Attached
3	10/17/16	Provide best practice of reserve policies.	Attached
4	10/17/16	Provide how the city's forecast takes into consideration the concepts of a potential next recession. Please provide how the preliminary budget is structured to address risk.	Attached
5	10/17/16	Provide rate increases by utility.	Attached
6	10/17/16	Provide clarification on the "Price of Government" graph and explore other graph options.	Attached
7	10/17/16	Explain how the Economic Development budget increase will be used and the technology goals of the program.	Attached
8	10/17/16	Provide an explanation of CIP carry forward budget and implications to cash flow borrowing.	Attached
9	10/17/16	Provide percent and further detail of CIP Transportation budget paid by impact fees.	Attached
10	10/17/16	Provide new CIP projects timing and out year CIP planning detail.	Attached
11	10/17/16	Provide detail information on the new CIP project which transfers funding to the Housing Trust Fund and how it relates or not to ARCH.	Attached
12	10/17/16	Provide opportunity for discussion regarding Larsen Lake year round restrooms.	Attached
13	10/17/16	Provide information regarding the light rail impact on the forecasted need for growth in services.	Staff will return to Council in 2017
14	10/17/16	Provide information on various options to understand the future need for staffing or other measures to address increased service demands, including population history and growth and historical FTE growth.	Attached
15	10/17/16	Provide opportunity for discussion of options for new fire station #10 maintenance and operations.	Staff will return to

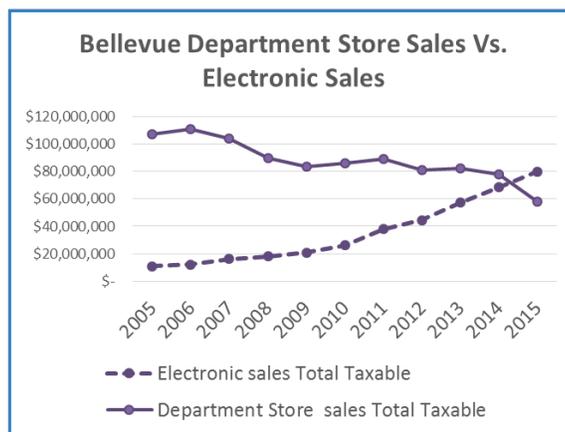
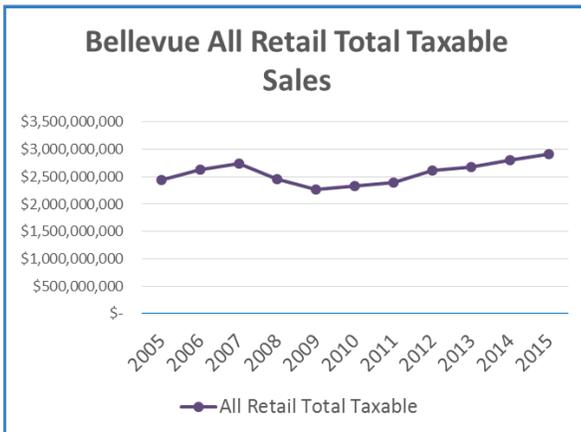
#	Req. Date	Request (paraphrased)	Anticipated Agenda Subject
			Council in 2017
16	10/24/16	Provide the Advanced Metering Infrastructure outreach plans/history.	Attached
17	10/24/16	Explain how we are protecting customer privacy with the Advanced Metering Infrastructure wireless system that transmits customer data over the air.	Attached
18	10/24/16	Explain the coverage of the costs of growth from the Capital Recovery Charge for new connections.	Attached
19	10/24/16	Discuss water/sewer pipe funding in Bel-Red through an LID and whether ratepayers are subsidizing new infrastructure for the development.	Attached
20	10/24/16	I understand that we need to pass through increase from our wholesalers, but the rate increases exceed the wholesale increases and exceed inflation. With flat inflation and stagnating wages, please justify having an approximate 4% per year.	Attached
21	11/7/16	Provide options and timing of a Solid Waste System and study.	Attached
22	11/7/16	Provide a per-utility comparison to neighboring jurisdictions.	Attached
23	11/7/16	Provide a trend analysis of the General Fund previous spend and reserves over time.	Attached
24	11/7/16	Discuss Bellevue's Gross Receipts B&O tax versus a Head Tax.	Attached
25	11/7/16	Explain current permitting trends and forecasting.	Attached
26	11/7/16	Explain the \$33.9 million Miscellaneous Non-Departmental budget total.	Attached
27	11/7/16	Explain the \$52.7 million Finance Departmental budget total.	Attached
28	11/7/16	Bring back the long range financial plan to discuss spending, FTE growth, revenue growth, and fire station staffing.	Attached
29	11/7/16	Discuss the budget regarding LEOFF 1 and annexation sales tax credit.	Attached
30	11/7/16	Provide a comparison of 2015-2016 to 2017-2018 budget by proposal.	Attached
31	11/7/16	Explain differences in the preliminary budget regarding budgeted healthcare.	Attached
32	11/7/16	Provide examples of where public benefit has been successfully delivered.	To be provided at an upcoming Council meeting
33	11/7/16	Provide a summary of the Smart Cities initiative.	Attached

1) Provide information on how construction sales tax is forecasted in the 2017-2022 general fund forecast.

Construction sales tax made up approximately 16% of the total sales tax in 2015. The construction industry is the most volatile cyclical sector of Bellevue’s sales tax collections. After seeing fast paced growth in the last four years in construction, the city is forecasting a slower growth of construction as some major projects currently under construction will be completed in 2017-2018 (e.g. Lincoln Square Expansion, 415 Office building, Evergreen Plaza, Hilton garden Inn, Marriott on 2nd St). This forecast is in line with the development services revenue forecast that shows the same trend of slower growth in the near term and a decrease in 2020. As a comparison to the city’s forecast, King County’s new construction forecast shows a larger decrease starting in 2019.

2) Provide information on how the city is understanding and responding to the risk of on-line sales and the impact on taxes. Please provide how sales tax collections work.

The State of Washington is a destination-based sales tax state, which means the location where the goods, merchandise or services are delivered to the customer is the jurisdiction that collects the sales tax. For example, all brick and mortar stores within Bellevue, as customers buy in those stores, they are delivered to that customer within the store, and therefore, Bellevue collects the sales tax. For online sales, since the delivery is more than likely at a customer’s door, where the customer’s delivered address becomes the jurisdiction that collects the sales tax. The impact to the city is when a customer who does not have a deliverable address within Bellevue who historically has shopped in Bellevue, now shifts to online shopping, the sales tax generated will be collected by the jurisdiction where the purchaser has the package delivered. On the reverse side, if there are residents of Bellevue who historically shopped in another jurisdiction and who now shop online, Bellevue will receive the sales tax. As depicted in the charts below, the city’s total retail sales continue to show moderate overall growth. When doing a deeper dive into the sales tax collections, the trend of moving to more online (electronic) sales becomes apparent. The city is carefully monitoring this shift and the impact on sales tax collections. The concern will be if the city’s total retail sales tax base begins to show a decline.



3) Provide best practice of reserve policies.

The Government Finance Officers Association (GFOA) recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.

<http://www.gfoa.org/sites/default/files/AppropriateLevelFundBalance.pdf>

The City of Bellevue’s adopted reserve policy is:

“Cash Reserves: The City will maintain adequate cash reserves in order to reduce the potential need for borrowing or service reductions during periods of economic downturn, natural catastrophe, or for other, one-time extraordinary expenditures. Annually, the City will target 15 percent of General Fund revenues as a General Fund ending balance, commonly known as a reserve.”

4) Please provide how the city’s forecast takes into consideration the concepts of a potential next recession. Please provide how the preliminary budget is structured to address risk.

Forecasting a recession is challenging at best and is part art and part science. The city builds the forecast with the foundation of two professional and well-resourced forecast services (IHS Global Insight (national forecast service), and Puget Sound Economic forecast (regional forecast service)). Once the forecast is generated by using the data from those services, a reasonableness check is done with neighboring jurisdictions, reviewing the city’s development and other known economic adjustments specific to Bellevue (e.g. Bellevue population, utility rates, home prices).

In regards to a potential next recession, the last recession was the “Great Recession” which had the largest impact on the economy since 1950 and caused a 5.1% decline in GDP. In general, the city does not plan for a great recession but does attempt to consider the impact of moderate recessions. In the Dot Com recession of 2001 and 2002 (GDP decline of 0.3%), the recession prior to the Great Recession, total revenue growth continued to increase- albeit at a shallow rate of 1 to 2%.

The preliminary budget considers the impact of a potential recession in two ways.

- The city’s forecast estimates reduced overall revenue growth. The current forecast estimates overall revenue growth in the general fund to decline to 2.6% in 2019 and 2.7% in 2020, compared to 3.5% growth in 2018.
- The preliminary budget grows city reserves to better position the city for anticipated shortfalls in the Operating Budget in the mid-term and to protect the city in the case of an economic downturn. The city’s general fund reserve policy is 15% of revenues and the forecast is currently showing an increase of fund balance in excess of the city’s policy in 2017 and 2018, as noted in the chart below.

(in Millions)	Prelim 2017	Prelim 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022
Estimated Ending Fund Balance	\$37	\$39	\$38	\$35	\$32	\$28
E EFB as a % of Revenue	19.3%	19.5%	18.4%	16.8%	14.9%	12.5%

5) Provide rate increases by utility.

Refer to the attached table below summarizing the rate drivers by each utility and in total.

2017-2018 Utilities Department Preliminary Budget Typical Residential Monthly Utility Bill Rate Drivers						
	WATER	SEWER	STORM	TOTAL		
2016 Monthly Bill	\$ 58.44	\$ 75.35	\$ 22.95	\$ 156.74		
2017 Rate Drivers						
Wholesale	0.8% \$ 0.47	3.1% \$ 2.35	0.0% \$ -	1.8% \$ 2.82		
Local						
CIP/R&R	1.5% \$ 0.86	0.7% \$ 0.53	3.2% \$ 0.74	1.4% \$ 2.13		
Taxes/Interfunds	0.2% \$ 0.12	0.0% \$ -	0.0% \$ -	0.1% \$ 0.12		
Operations	0.2% \$ 0.12	0.0% \$ -	1.1% \$ 0.25	0.2% \$ 0.37		
Issaquah Assumption	0.7% \$ 0.41	0.6% \$ 0.45	0.0% \$ -	0.5% \$ 0.80		
Local	2.6% \$ 1.51	1.3% \$ 0.98	4.3% \$ 0.99	2.2% \$ 3.48		
Total Increase	\$ 1.98	\$ 3.33	\$ 0.99	\$ 6.30		
2017 Monthly Bill	\$ 60.42	\$ 78.68	\$ 23.94	\$ 163.04		
2018 Rate Drivers						
Wholesale	1.9% \$ 1.17	0.0% \$ -	0.0% \$ -	0.7% \$ 1.17		
Local						
CIP/R&R	3.1% \$ 1.88	0.7% \$ 0.54	3.8% \$ 0.91	2.1% \$ 3.33		
Taxes/Interfunds	0.8% \$ 0.49	0.8% \$ 0.62	0.4% \$ 0.09	0.7% \$ 1.20		
Operations	0.3% \$ 0.17	0.7% \$ 0.54	0.4% \$ 0.10	0.5% \$ 0.81		
Local	4.2% \$ 2.54	2.2% \$ 1.70	4.6% \$ 1.10	3.3% \$ 5.34		
Total Increase	\$ 3.71	\$ 1.70	\$ 1.10	\$ 6.51		
2018 Monthly Bill	\$ 64.13	\$ 80.38	\$ 25.04	\$ 169.55		
2018 Bill (EO Forecast)	\$ 66.59	\$ 82.10	\$ 25.11	\$ 173.80		
Change	\$ (2.46)	\$ (1.72)	\$ (0.07)	\$ (4.25)		

Minor differences may exist due to rounding
 E:\Secured\Jen_Admin\1-Financial\2017-2018 Budget\City Budget Book\12 Rate Drivers - 2017-18 council book - PUBLISHED\Rate Drivers (Per-Op Comb)
 Sept 26, 2016; Prepared by SSP/MHC

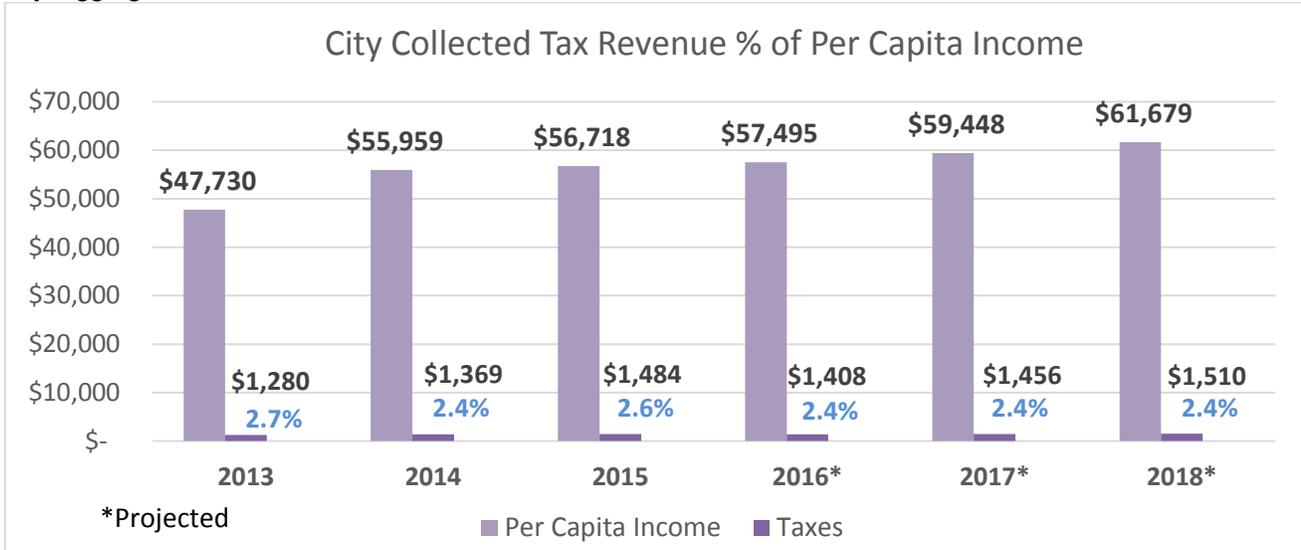
6) Provide clarification on the "Price of Government" graph and explore other graph options.

The price of government (POG) is defined as:

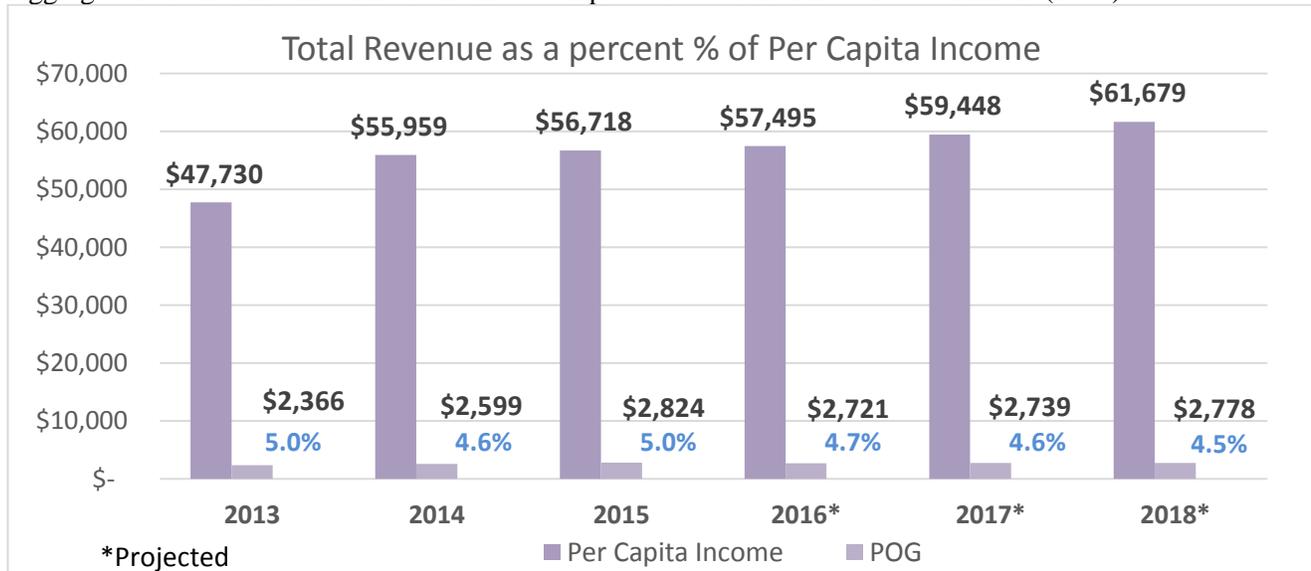
Tax or Total Revenue for the City

Aggregate Personal Income (Per Capita Income x City Population)

Price of government can be shown as the percentage and dollars of taxes the City collects in relation to the Total City Aggregate Personal Income.



This chart shows the percentage and dollars of all revenues collected by the City in relation to the Total City Aggregate Personal Income. This is the most complete view of the Price of Government (POG).



7) Explain how the Economic Development budget increase will be used and the technology goals of the program.

The additional funds will be used to focus resources on the Startup425 initiative as part of the Next Generation Bellevue program to provide training and support to startups and to support the Office of Economic Development's business attraction and business retention and expansion programs. To support startups in the community, the resources will help design and implement training and mentoring programs, market the training programs to the Bellevue business and startup community, and support the Startup425 regional initiative with Redmond, Kirkland and Issaquah to provide support to startups in the Eastside.

Growing the technology industry in Bellevue whether it be small startups or large established international companies is a key focus of the Office of Economic Development. For 2017 and 2018, OED will focus on growing technology startups through the Startup425 program. The program will provide training and mentoring services so startups can successfully launch and sustain their businesses. In addition, OED will focus on existing companies through the business retention and expansion program. A number of new technology companies will be moving to Bellevue so OED will proactively reach out and work with those companies to facilitate their transition to Bellevue. We will also help existing technology companies stay and grow in Bellevue. Finally, through the Innovation Triangle partnership, we will attract technology companies to the Bellevue and the region that align with our technology industry strengths and support existing technology companies.

8) Provide an explanation of CIP carry forward budget and implications to cash flow borrowing.

The CIP carry forward budget consists of budgeted amounts of each project that have not been spent by the end of the year. Those amounts are then carried forward to the next year, creating the available budget for that year. The 2017-2023 CIP assumes 100% spend on expenditures. Historically, the CIP spends between 65% and 80%. Cash flow borrowing is modeled to allow for 100% spend. If projects do not spend 100%, then cash flow borrowing will not be needed. At this time, staff is not recommending issuance of any cash flow borrowing. Cash flow borrowing is shown in accordance with Financial Policy XI.M which states:

“Balanced CIP Plan: The CIP Plan is a balanced seven-year plan. This means that for the entire seven-year period, revenues will be equal to project expenditures in the Plan. It is anticipated that the plan will have more expenditures than revenues in single years of the Plan, but this imbalance will be corrected through the use of interim financing as needed. However, over the life of the seven-year plan, all planned interim debt will be repaid and all Plan expenditures, including interest costs on interim debt will be provided for with identified revenues. Any project funding plan, in which debt is not retired within the current seven-year Plan, must have specific City Council approval.”

9) Provide percent of the transportation budget that is funded through impact fees.

The total amount of transportation impact fees over the 7-year CIP is \$54.4 million or 11 percent of the total CIP revenues. The transportation total CIP for 2017-2023 is \$172 million.

10) Provide new CIP project timing and out year CIP planning detail.

There are ten new projects included in the 2017-2023 CIP. These ten new projects have a total project cost of \$14.6 million over the seven-year period.

The following table shows a breakdown of new projects by outcome and year, with totals.

Outcome	CP	Plan #	Project Title	2017	2018	2019	2020	2021	2022	2023	Total Prelim 2017-2023
EGC		CD-37	Downtown Community/Livability	650	800	650	500	500	500	554	4,153
EGC	13	CD-44	Grand Connection - Early Implementation	500	1,000	500					2,000
EGC		G-108	Supplemental Housing Trust Fund Investment	40	40	-	-	-	-	-	80
SC		NCS03	Citywide Security Improvements	150	100	100	-	-	-	-	350
IMC		CD-30	Station Area Planning Implementation	500	500	500	1,500	1,500	1,000	-	5,500
IMC	5	PW-R- 192	124th Avenue NE at SR 520	-	250	-	-	-	-	-	250
IMC	3	PW-R- 193	BelRed Corridor Local Street Network	432	-	-	-	-	-	-	432
IMC		PW-R- 194	West Lake Sammamish Parkway Phase 3	-	-	-	-	-	-	1,000	1,000
RG		NCS01	Long-Range Property & Facilities Plan	280	-	-	-	-	-	-	280
QN/IVCC	12	CD-41	Civic Center Plan	-	350	200	-	-	-	-	550
Total				2,552	3,040	1,950	2,000	2,000	1,500	1,554	14,595

11) Provide detail information on the new CIP project which transfers funding to the Housing Trust Fund and how it relates or not to ARCH.

The \$40,000 per year contributions to the Housing Trust Fund from the General CIP in 2017-2018 can be used at the discretion of council for any affordable housing project. It has been the City's practice that Trust Fund expenditures are administered through ARCH, but in recent times the Housing Trust Fund has also been used for urgent affordable housing needs such as Highland Village. All uses are subject to Council direction.

12) Provide opportunity for discussion regarding Larsen Lake year round restrooms.

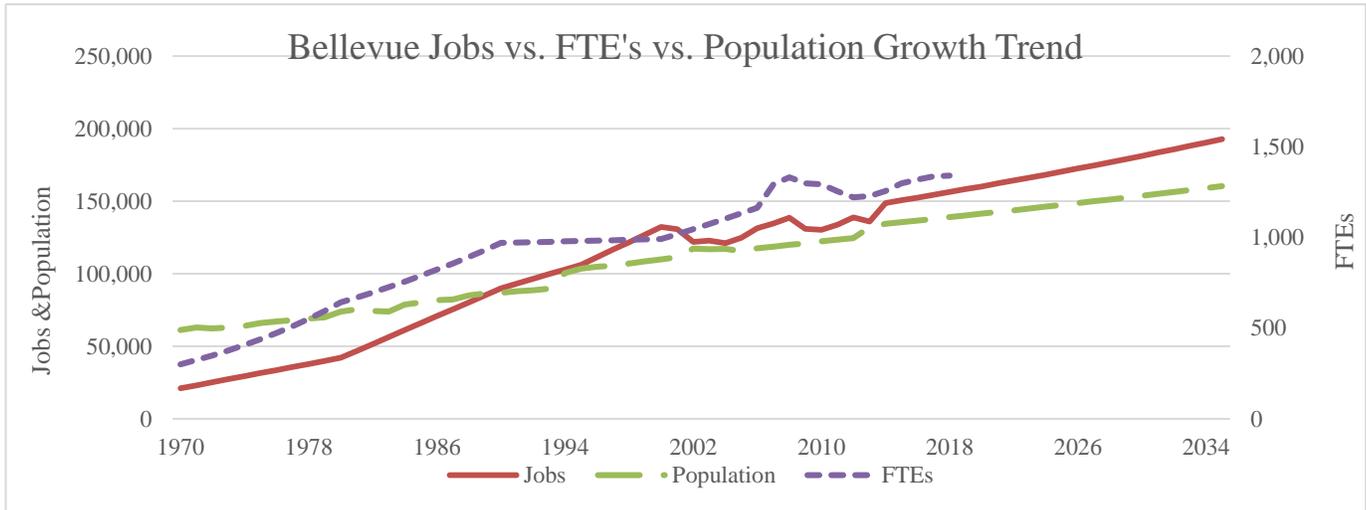
The November 7 and 14 agenda packets includes information and will be included on the list of known items for Council discussion and direction.

13) Provide information regarding the light rail impact on the forecasted need for growth in services.

Staff plans to return to Council in 2017 and will include light rail impacts in the long range planning work.

14) Provide information on various options to understand the future need for staffing or other measures to address increased service demands, including population history and growth and historical FTE growth.

The following chart provides actual FTEs, jobs, and population from 1970 to 2018. It also forecasts jobs and population through 2035 based on the Planning and Community Development current demographic forecast. To read the table, the left hand axis provides the job and population scale and right hand provides the FTE scale. This is done in order to have disparate data sets on a single chart.



The Average Annual Growth (AAG)
for a series of timeframes is:

	FTE	Bellevue Jobs	Population
1970-1989	6.14%	7.64%	1.83%
1990-2018	1.27%	2.12%	1.66%
1970-2018	3.04%	4.10%	1.65%
1970-2035		3.47%	1.49%

If FTEs grow at a similar annual rate of the average of job growth and population growth, FTEs would grow by approximately 2% or 25 FTE's annually. This is a forecasted estimate based on mathematical analysis and further analysis of detailed needs would be required to validate assumptions.

Staff plans to return to Council in 2017 for further discussion on the long range financial planning work.

15) Provide opportunity for discussion of options for new fire station #10 maintenance and operations.

Staff plans to return to Council in 2017 and will include discussion surrounding Fire Station #10 in the long range financial planning work.

16) Provide the Advanced Metering Infrastructure outreach plans/history.

Utilities has had a number of opportunities to perform outreach on AMI over the past several years. Most notably, Utilities solicited feedback on the entire Utilities CIP, including the AMI proposal through the Utilities CIP Open House that took place for three weeks, from March 15 through April 1. In addition, Utilities has received significant input on the AMI proposal through multiple ESC meetings between 2014-2016. Utilities performed

outreach to the business community on the entire Utilities budget and rate proposal, including the AMI proposal at the recent BOMA and Chamber of Commerce meetings in October 2016. Finally, on October 27, 2016, Utilities invited over 300 businesses to a Utilities Customer Forum, where we gave presentations detailing the benefits and costs of AMI. The response to the AMI proposal has been overwhelmingly positive from the business community. Residential customers have consistently supported AMI because it enables proactive leak detection.

Utilities has held back on performing more extensive outreach on AMI, as we await Council's final decision on the Utilities' 2017-18 budget and rate proposal. If Council approves the AMI proposal, then Utilities has plans to perform a substantial amount of outreach to residential and business customers in 2017-2019. Outreach will be through a combination of website outreach, public meetings, customer surveys, door hangers, emails, bill inserts, social media, newspapers, paid media, and/or any other avenues that are determined to be effective.

17) Explain how we are protecting customer privacy with the Advanced Metering Infrastructure wireless system that transmits customer data over the air.

The goal with both security and privacy is to minimize the exposure of any sensitive information. The City has adopted privacy principles to guide how we will protect personal information, and we are continually revisiting those policies and procedures so they best align with evolving privacy best practices. The City already has a mature IT Security Program that protects sensitive data (identity, health, critical infrastructure, etc.), and established security practices, such as requirements for encrypting sensitive data transmission, will be part of the technical requirements in the RFP.

18) Explain the coverage of the costs of growth from the Capital Recovery Charge for new connections.

All capital projects, including growth-related projects, are initially paid using rate revenues. Over time, Direct Facility Connection Charges collected from developing properties, as described below, fully reimburses the general ratepayers for growth-related facility costs.

Bellevue city code (sections 24.02.260, 24.04.260, and 24.06.110) and Council-adopted Waterworks Utility Financial Policies require new development or redeveloping properties pay for growth-related capital expenses. City's Comprehensive Plan policy UT.7 directs that utility capacity to be available to accommodate underlying land use, with the goal that system capacity not limit development. Consistent with these directives, Utilities goal is to provide sufficient system capacity in time to accommodate anticipated development. The Utilities Department uses the following tools to accomplish these goals:

- **Direct Facility Connection Charges (DFCCs) – Direct Benefit – Specific Utility-Built Systems**

DFCCs are charges based on the equitable share of the cost of new utility facilities that directly benefit the property. DFCCs enable the utility to recapture the facility costs over time, as benefiting properties connect. Per Council-adopted financial policy, DFCCs are deposited into the Capital Facilities Renewal and Replacement (R&R) Account as part of the intended funding sources for future capital needs.

For example, a DFCC was established for the recent Wilburton sewer capacity upgrade to recover \$6.5 million of growth-related costs from benefiting properties.

- **Latecomer Agreements – Direct Benefit – Specific Developer-Built Systems**

Where utility facilities are built by a private developer which benefits other properties, the developer may request establishment of a latecomer agreement to enable the developer to recover their costs of development. Latecomer fees are collected by the Utility at the time of connection on behalf of the developer.

- **Utility Local Improvement Districts (ULIDs)**

The city has rarely utilized ULIDs as a tool to recapture growth-related costs in recent years for the following reasons:

- Benefiting properties have to pay regardless if they connect or benefit from the facilities.
- ULIDs require either a petition or resolution to put in place. If the ULID is not passed, this could hinder development.

Capital Recovery Charges (CRCs) – Equity Share of Existing City-Wide System

CRCs is a tool that the utility uses to capture system-wide costs from new customers. CRCs are collected to cover new customers' share of historical costs incurred by the general rate base to provide the necessary facilities throughout the service area for the water, sewer and stormwater utilities. CRCs are paid by customers as part of their utility bill over a 10-year period. Per Council-adopted financial policy, CRCs are deposited into the Capital Facilities Renewal and Replacement (R&R) Account as part of the intended funding sources for future capital needs.

19) Discuss water/sewer pipe funding in Bel-Red through an LID and whether ratepayers are subsidizing new infrastructure for the development.

Utilities CIP includes resources to build water facilities in new roads in the Bel-Red Corridor as they are constructed to serve adjacent properties when they develop. Utilities plans to establish direct facility connection charges (DFCCs) to recover the cost associated with the new growth-related facilities. See response to question 18 for additional information on DFCCs and utility LIDs.

20) I understand that we need to pass through increase from our wholesalers, but the rate increases exceed the wholesale increases and exceed inflation. With flat inflation and stagnating wages, please justify having an approximate 4% per year.

There are multiple factors that affect Utility cost increases that may result in rates being above inflation.

- Construction Inflation vs. General Inflation. Construction costs are the highest cost for Utilities, outside of wholesale costs. Inflation for construction has been historically higher than the rate of general inflation.
- Personnel/Benefits vs. General Inflation. Personnel/benefits costs are the second highest cost for Utilities outside of wholesale costs. Inflation for personnel/benefits costs has also historically been higher than the rate of general inflation.
- Costs to Replace and Maintain Aged Infrastructure: As systems age, both the needs to maintain and to repair or replace the systems increase at a rate greater than inflation.
- Regulatory Compliance Costs: New and more stringent regulations, such as those implemented through the NPDES permit requirements, frequently increase the scope of Utilities' services and capital projects at a rate greater than inflation.
- Contractual Obligations: Utilities has a number of contractual obligations that increase based on factors other than inflation. These include:
 - a. Wholesale costs from King County/Cascade – heavily driven by these entities' capital programs and debt service
 - b. Taxes – driven by the utility tax rates & revenues
 - c. Support costs from the City, also referred to as Interfunds – these cost increases are driven by the City's cost to provide these services.

Utilities separates its local costs into four general categories: (1) Wholesale costs, (2) Capital improvements, (3) Operations, and (4) Taxes and Interfunds. Despite the many challenges in keeping cost increases at inflation levels, our goal is to keep rate increases for Operations close to inflationary increases. For the 2017-2018 biennium, the total Utility rate increases necessary to support operations are: **0.2% in 2017 and 0.5% in 2018**, which are consistent with inflationary increases.

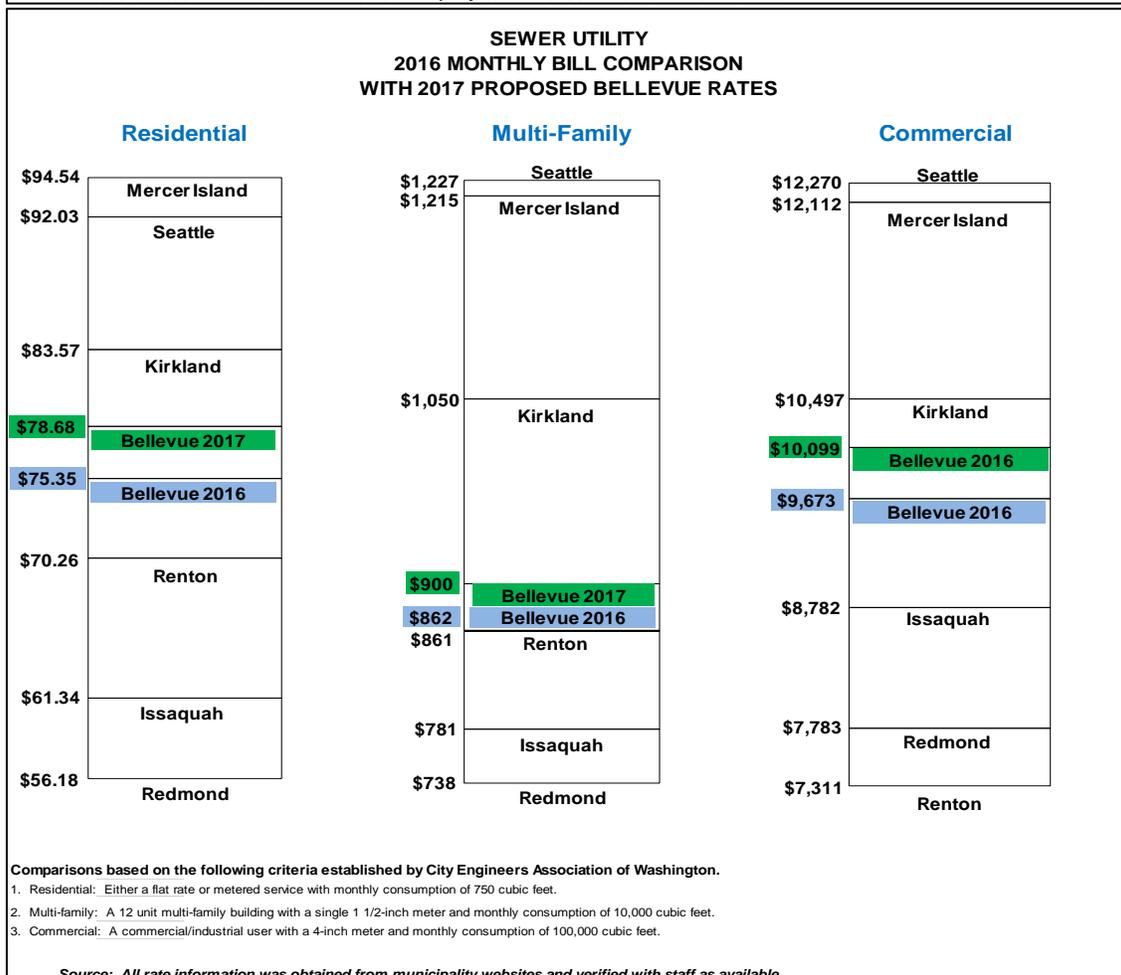
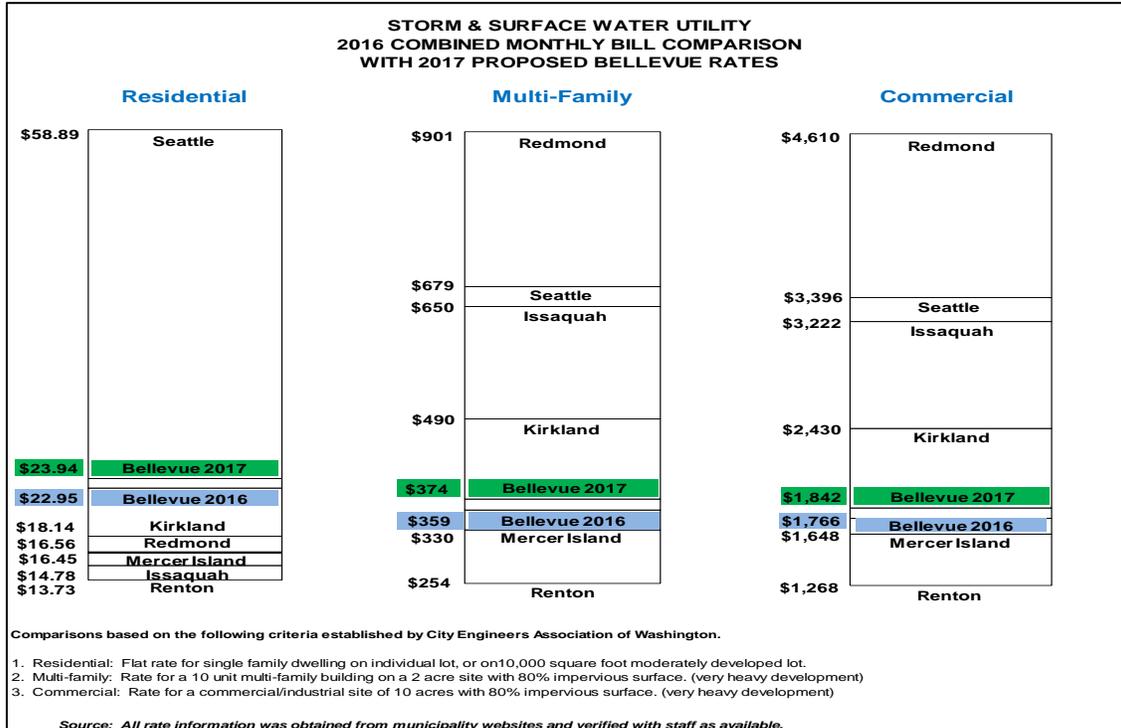
For the reasons described earlier, the remaining three categories of costs (wholesale, capital improvements, and taxes/interfunds) will continue to rise at levels higher than the rate of general inflation. The increases in those remaining categories is the primary reason why rate increases of 4% or greater per year can be expected.

21) Provide options and timing of a Solid Waste System and study.

Staff will discuss budgeting up to \$150,000 in the 2017-2018 budget for the study per Council's request at the 11/14 meeting. Staff will return to Council in early 2017 to provide a briefing on the long term solid waste management options and seek Council's feedback on which options to study further.

22) Provide a per-utility comparison to neighboring jurisdictions.

The following charts show the City of Bellevue utilities rates versus neighboring jurisdictions rates for all three utilities funds as well as a combined view.



**WATER UTILITY
2016 MONTHLY BILL COMPARISON
WITH 2017 PROPOSED BELLEVUE RATES**

Residential		Multi-Family		Commercial	
\$60.42	Bellevue 2017	\$617	Bellevue 2017	\$5,872	Kirkland
\$58.99	Seattle	\$608	Mercer Island	\$5,823	Bellevue 2017
\$58.44	Bellevue 2016	\$606	Kirkland	\$5,746	Issaquah
\$57.10	Kirkland	\$596	Bellevue 2016	\$5,643	Seattle
\$54.41	Mercer Island	\$573	Seattle	\$5,632	Bellevue 2016
\$50.36	Issaquah	\$561	Issaquah	\$5,318	Mercer Island
\$42.24	Renton	\$396	Renton	\$3,811	Renton
\$37.00	Redmond	\$355	Redmond	\$3,226	Redmond

Comparisons based on the following criteria established by City Engineers Association of Washington.

1. Residential: A single-family dwelling with 3/4-inch meter and monthly consumption of 850 cubic feet.
2. Multi-family: A 12 unit multi-family building with a single 1 1/2-inch meter and monthly consumption of 10,000 cubic feet.
3. Commercial: A commercial/industrial user with a 4-inch meter and monthly consumption of 100,000 cubic feet.

Source: All rate information was obtained from municipality websites and verified with staff as available.

**WATER, SEWER AND STORM & SURFACE WATER UTILITIES
2016 COMBINED MONTHLY BILL COMPARISON
WITH 2017 PROPOSED BELLEVUE RATES**

Residential		Multi-Family		Commercial	
\$209.91	Seattle	\$2,479	Seattle	\$21,309	Seattle
\$165.40	Mercer Island	\$2,152	Mercer Island	\$19,078	Mercer Island
\$163.04	Bellevue 2017	\$2,145	Kirkland	\$18,799	Kirkland
\$158.81	Kirkland	\$1,993	Redmond	\$17,764	Bellevue 2017
\$156.74	Bellevue 2016	\$1,992	Issaquah	\$17,071	Bellevue 2016
\$126.48	Issaquah	\$1,890	Bellevue 2017	\$16,751	Issaquah
\$126.23	Renton	\$1,817	Bellevue 2016	\$15,148	Redmond
\$109.74	Redmond	\$1,511	Renton	\$13,861	Renton

Source: All rate information was obtained from municipality websites

23) Provide a trend analysis of the General Fund previous spend and reserves over time.

The following displays General Fund budgeted and actual expenditures as well as reserves. As noted in the table below, the City has spent on average 97.83% of the General Fund expenditures over the past six years. General Fund reserves per Council policy are targeted to be at 15% and as of 2014 the City has maintained the 15% target.

The 2017-2018 preliminary budget continues to grow general fund reserves as noted in Question 4 above.

	2010	2011	2012	2013	2014	2015	Average
Budget	162,324	151,368	157,564	163,252	168,734	178,267	
Actual	150,727	147,206	152,345	163,010	169,077	178,523	
% of Budget	92.86%	97.25%	96.69%	99.85%	100.20%	100.14%	97.83%

Reserves	19,140	20,169	23,407	23,108	26,144	32,092
% of Revenue	12.4%	13.6%	15.0%	14.2%	15.2%	17.4%

Note- Expenditures that exceed budget remain within the City’s legal appropriation, as the City appropriates fund balance.

24) Discuss Bellevue’s Gross Receipts B&O tax versus a Head Tax.

A Business and Occupation (B&O) tax is a transaction-based tax. A B&O tax represents a business’s economic activity within the city and is flexible and enforceable for the taxing jurisdiction because it allows the taxing jurisdiction to determine separate tax classifications and rates, allows for more exemptions and deductions for certain businesses, and enables the establishment of thresholds.

An employee hours tax, more commonly known as a head tax, is based on hours worked by employees. A head tax is more commonly used as a business licensing mechanism to complement the B&O tax in cities where a B&O tax is levied. Employee hours tax is generally more difficult to calculate and enforce since it requires clear definitions of employee “hours” and “classifications”, such as sole proprietor, owner, manager, contractor, and employee, in order for businesses to properly respond.

As reference, Bellevue used a head tax model until it was changed by Ordinance 4782 in July of 1995. Cities in the region that are using the head tax model exclusively include Kirkland and Redmond. Seattle had a head tax from 2006 until it was repealed in 2009.

25) Explain current permitting trends and forecasting.

Forecasting the timing and nature of future development is critical to making proactive adjustments in the business model to maintain predictability in services, staffing levels, and overall health of the function. Our forecasting efforts have become more sophisticated over the years but development is a leading economic indicator making it challenging to predict future development trends with high levels of accuracy beyond 2 years. Staff regularly compares the actual activity and experience with the forecast to confirm the appropriate balance exist between resources and demand for service, and make adjustments if trends and indicators suggest a prolonged change in direction

The sustained peak of the current development cycle has exceeded expectations and is not consistent with past two cycles where the peak was short lived and followed by a sudden and steep decline. The forecast into 2017-2018 shows a moderate decline but continued strength which is keeping staff’s attention on the fundamentals -- filling vacant staff positions, processing permits, and conducting inspections.

26) Explain the \$33.9 million Miscellaneous Non-Departmental budget total.

Miscellaneous Non-Department (MND) funds items that benefit the City as a whole. The 2017-2018 preliminary operating and special purpose fund budget totals \$33.9 million for the biennium, with \$7.1 million budgeted in the general fund and \$26.8 million budgeted in the interest and debt redemption fund. The MND general fund budget primarily contains appropriation for district court operating costs, contingencies, memberships in governmental organizations, election fees, and other similar items. For the 2019-2020 budget, staff will explore moving all MND expenditures other than the general fund expenditures to finance. In doing so, will allow all interest and debt to be in one department and will simplify the MND budget to avoid confusion.

27) Explain the \$52.7 million Finance Departmental budget total.

The finance department 2017-2018 preliminary budget consists of three funds with a total of \$52.7 million for the biennium. The General Fund budget (\$15.8 million) encompasses the operating expenses for the department consisting of five divisions that are responsible for many areas ranging from budget to payroll. The Hotel/Motel fund budget houses 100% of the Transient Occupancy Tax (TOT) used to support the Bellevue Convention Center Authority (BCCA) under the existing BCCA operating agreement. The debt service fund budget consists of the general obligation payments on bonds that have been issued by the City.

28) Bring back the long range financial plan to discuss spending, FTE growth, revenue growth, and fire station staffing.

Staff plans to return to Council in 2017 for further discussions on the long range financial plan.

29) Discuss the budget regarding LEOFF 1 and the annexation sales tax credit.

The LEOFF 1 Medical Reserve Fund will convert to "Pay as you Go" starting in 2018 when city's LEOFF I fund reserves are inadequate to cover expenditures. The 2017-2018 preliminary budget includes a \$462,000 city contribution in 2018, and starting in 2019, a \$2.3 million annual city contribution in the out year forecast.

As noted in Question 4 above, the 2017-2018 preliminary budget builds reserves in anticipation of the amounts needed for LEOFF 1 Medical expenditures and annexation sales tax credit reduction in the out years.

30) Provide a comparison of 2015-2016 to 2017-2018 budget by proposal.

The chart below provides a summary comparison by outcome of operating and special purpose fund budget from the 2015-2016 amended to 2017-2018 preliminary.

Of note, operating and special purpose fund budgets often include one-time investments and/or improvements from one budget that requires explanation. In comparing the 2015-2016 amended budget to the 2017-2018 preliminary budget, a key one time investment to keep in mind is the one time issuance of debt for BCCA (Ordinance 6173) which provided a one time increase in the budget for Economic Growth and Competitiveness and the bond refunding which similarly increased the budget for Responsive Government for 2015-2016. The data below also includes budgeting improvements to include interfund expenditures and reserves in interfund and reserve proposals only in 2017-2018 respectively.

**2015-2016 Amended to 2017-2018 Preliminary
Operating and Special Purpose Budget by Outcome (\$000)**

Outcome	2015-2016 Amended Budget	2017-2018 Preliminary Budget	% Change
Economic Growth and Competitiveness ¹	\$ 41,958	\$ 39,493	-6%
Healthy and Sustainable Environment	190,440	198,304	4%
Improved Mobility and Connectivity	41,113	43,290	5%
Quality Neighborhoods/Innovative Vibrant and Caring Community ²	79,194	87,251	10%
Responsive Government ³	214,884	215,052	0%
Safe Community	176,874	185,820	5%
Outcome Total	\$ 744,463	\$ 769,211	3.3%
Technical Adjustments:			
Interfunds included in Operating Proposals ⁴	(15,517)	-	
Reserves included in Operating Proposals ⁵	(281)	-	
Planned Use of Reserves for Operating Expenditures ⁶	16,463	22,067	
Operating Expenditures included in Interfund Proposals ⁷	(1,514)	(3,172)	
Total Operating and Special Purpose Budget net of Reserves and Double-Budgeting⁸	\$ 743,613	\$ 788,105	6.0%

- ¹ Economic Growth and Competitiveness included the one time bond issuance for the BCCA in 15-16 leading to a decrease from 15-16 to 17-18.
- ² Quality Neighborhoods/Innovative Vibrant Caring Community includes investments in parks services for structural maintenance (levy lid lift backed), utilities for park maintenance, and human services leading to an increase above inflation for the outcome.
- ³ Responsive Government includes the bond issuance and refunding costs for 15-16 which displays as a minimal increase for 17-18.
- ⁴ Primarily includes one-time transfers such as the debt service issued to the BCCA for renovations in 2015. The \$15.5 million shown above is interfunds included in the outcome budgets for 2015-2016. The table above removes these interfunds from the budget to show the true growth without reserves and double-budgeting of 6%. As mentioned above, all interfund expenditures were included in interfund proposals for 2017-2018 to more easily identify double-budgeting.
- ⁵ As mentioned above, all reserves were included in reserve proposals for 2017-2018. This adjustment is similar to the interfund adjustment in note 4.
- ⁶ Planned reserve uses such as for computer replacements in IT or vehicle replacement in the equipment replacement fund. Primary growth from 15-16 to 17-18 is due to the movement of major maintenance of facilities to the reserve outcome.
- ⁷ Includes underexpenditure assumption of (\$3.4 million) and transfers between funds that are not considered interfunds by accounting standards such as LEOFF 1 Medical Expenditures from Reserves, \$1.9 million in 15-16 only.
- ⁸ Matches Attachment D from the November 7th budget presentation.

A [full by-proposal comparison](#) is provided at the end of this attachment, including a [reprint of Attachment D](#) from November 7 by department.

31) Explain differences in the preliminary budget regarding budgeted healthcare.

The City is self-insured, which from a budgeting standpoint requires two different looks at health benefits.

- (1) For any fund which houses a FTE, that fund sends to the Health Benefits fund the employer contribution for medical/dental benefits (\$49 million mentioned below).
- (2) The Health Benefits fund itself works as the City’s 3rd party administrator and is the fund that all actual claims (\$41 million) are paid from and is funded through both employer and employee health benefits contributions mentioned below. The City also has agreements for vision, dental, and group health insurance—these insurance premiums, stop loss insurance, and other administration costs (personnel, outreach, etc.) (\$14 million) are located within the Health Benefit Fund. Total Health Benefits Fund appropriation of \$63 million is the sum of claims (\$41 million) plus other agreements for vision, dental and Group Health insurance (\$14 million) plus reserves and interfunds (\$8 million).

With this as the backdrop the preliminary budget contains information on each of these views.

Budget Item	Budget Category	Page Number	Budget Amount (\$000)	Explanation (\$000)
Total Employer Contributions and Total Direct Medical benefits which is the total medical costs the city pays. This number is not net of double budgeting. Total employer contribution based on a FTE basis to the Health Benefits Fund (\$49M) plus direct medical payments from the Health Benefits Fund (\$41M)	Total City Budget – includes all funds	124	\$89,961	Total City budget costs for direct medical spending, including interfunds (the payment from other funds to the Health Benefits Fund)
Health Benefits Fund	Operating Budget	130	\$63,502	Health Benefits Fund including reserves of \$8,315 and interfunds of \$26
Proposal Ranking Sheet- Health Benefits Operating Fund Proposal	Operating Budget	227	\$55,161 Plus reserves of \$8,315, and interfunds of \$26 = \$63,502	Health Benefits Fund, not including reserves or interfunds ties to the number on page 130 when taking reserves and interfunds into account

32) Provide examples of where public benefit has been successfully delivered.

To be provided at an upcoming Council meeting. Staff is gathering examples.

33) Provide a summary of the Smart Cities initiative.

Smart City Overview and Investments

What is a Smart City?

A Smart City harnesses advanced technology, analytics and communication networks in a cross-disciplinary way to move the city into an integrated, interoperable and proactive future for improved livability, sustainability and resiliency.

Bellevue’s Smart City is composed of the following elements and subelements.

Connectivity <ul style="list-style-type: none"> • Expanded Wi-Fi • Fiber Optic Network • High Speed Broadband • Integrated Smart City Networks 	Transportation <ul style="list-style-type: none"> • Traffic Signal Management (cameras and signal system) • Streetlights Management • Traveler Information • Multi-modal Transportation – Transit • Multi-modal Transportation- Ped/Bike 	Public Safety <ul style="list-style-type: none"> • 911 Services • Interoperable Communications Networks • Incident Situational Awareness • Predictive Policing • Hazmat Awareness and Mitigation
Water <ul style="list-style-type: none"> • Integrated Asset Management • System Operations • Metering 	Buildings <ul style="list-style-type: none"> • Building Energy Data • Building Water Data • Networked Building Systems – Facility Management • Networked Building Systems – Security and Safety 	Energy <ul style="list-style-type: none"> • Grid System Operations • Energy Conservation and Renewables • Metering

How Smart is Bellevue now?

To create a long-term framework, the Smart City Core Team used a maturity assessment tool to understand where we are today (solid filled in boxes) and where we aspire to be in the next 3-5 years (hashed arrows). Here are the results of the maturity assessment. The intent is to pragmatically move towards the managed and optimized states to achieve increasing capabilities.

Maturity Index	1	2	3	4	5
Standard Scale	Ad-Hoc	Opportunistic	Repeatable	Managed	Optimized
Connectivity					
Transportation					
Public Safety					
Water					
Buildings					
Energy					

Understanding where gaps exists guides budget investment and other funding pursuits.

What is in the Smart City Budget investment portfolio?

Reflecting the broad scope of Smart City, there are many budget proposals, grant opportunities and partnerships being pursued. The budget proposals are highlighted on the next page. Funding for some Smart City elements may also be available from competition prizes, grants and loans, including from the Georgetown University Energy Prize, National Institute of Standards Technology/Global Cities Team Challenge, Department of Energy, National Science Foundation, and King County loan program.

What does a Smart future look like?

	Now	Future Picture	Opportunities for Bellevue
Connectivity	<ul style="list-style-type: none"> Broadband adoption rate exceeds state and national rates Public Wi-Fi in City Hall, Community Centers, Fire stations, and all of Downtown Fiber infrastructure for traffic signal system, city facilities and public institutions 	<ul style="list-style-type: none"> Broadband available to all and gigabit internet available in major business areas Public Wi-Fi available in low-income housing, most parks, and select business corridors Fiber infrastructure for available on all city streetlights 	<ul style="list-style-type: none"> Partner with private sector service providers to leverage existing infrastructure to enhance and expand services in Bellevue Expand Wi-Fi amenity where reasonable to enhance gathering places and ensure internet access for students Future-proof infrastructure for smart, resilient systems that include fiber, Wi-Fi, 5G, etc.
Transportation	<ul style="list-style-type: none"> Adaptive traffic signals adjusts in real-time to demand PSE and COB-owned streetlights transition to more efficient LEDs Initial research on automatically detecting ped-bike safety issues EV charging station infrastructure (22 publically owned) 	<ul style="list-style-type: none"> City-owned streetlights use LEDs that are managed for dimming, outage alerts and other controls Performance monitoring of traffic signal system. Improved dissemination of location incident, construction and roadway condition information Real-time remote monitoring of roadway weather conditions Enhance integration for prioritization of transit and emergency vehicles Preparation for future vehicle to infrastructure communications Real-time monitoring of on-street parking in Downtown EV car sharing to solve first-mile, last-mile problem 	<ul style="list-style-type: none"> Stay current with quickly advancing vehicle technologies (connected vehicles, self-driving) and pursue grants and partnership opportunities to pilot and improve systems Continue leadership on regional transit projects on the Eastside to achieve multi-modal objectives Implement multi-national Vision Zero initiative to end traffic fatalities through enhanced monitoring of ped and bike operations Expand fast-charging station infrastructure for EVs through regional partnerships
Public Safety	<ul style="list-style-type: none"> The 911 agency handles calls for public safety services. This system provides automatic address location, vehicle location, interoperable radio, maps with routing, etc. Building diagrams providing critical structural and alarm system information for Fire responders Predictive policing analytics provides alerts for potential crimes 	<ul style="list-style-type: none"> Text to 911 calls and ready for Next Generation 911 (photos-, videos-, alarms- to-911) Common operating picture available for incidents and for EOC Patient info shared in real-time between EMS responders and hospitals Integrated and dedicated radio and cell networks for responders 	<ul style="list-style-type: none"> Partner with public safety agencies in the region to improve information accuracy, response times and effectiveness Continue optimizing existing systems and services with goal of integrating smart Transportation and Utilities systems with public safety systems Advocate at national and regional level for more resilient communications systems Increase policing effectiveness through use of predictive analytics and best practices, such as CompStat
Water	<ul style="list-style-type: none"> Manual meter reading every two months Assets are tracked in various systems SCADA and telemetry system controls water/storm/sewer system 	<ul style="list-style-type: none"> Advanced meters capable of frequent readings and proactive leak detection SCADA and telemetry system provides real-time info and increased resiliency Integrated asset systems, geographic information and customer information to improve asset management, operational efficiencies and customer service. 	<ul style="list-style-type: none"> Replace meters with advanced metering infrastructure (AMI) for greater efficiencies, better customer service and better operational insights Pilot detection of potential pipe breaks using acoustic technologies Integrate various information systems to improve field and emergency response activities Improve water quality in creeks using predictive operations on storm water ponds

Buildings	<ul style="list-style-type: none"> • Urban Smart Bellevue available for Downtown properties • Energy data portal available (MyData) • City buildings benchmark and disclose their energy use information 	<ul style="list-style-type: none"> • City buildings use data analytics to detect real-time faults that waste energy or cause security issues • Continue partnership with PSE to expand Urban Smart • Real-time water usage data available for building owners • Most commercial buildings benchmark their energy use information and make 3-5% improvements annually • Security and fire systems are integrated with 911 so responders know exact issue before arrival to the scene • Leaks and faults are self-healing; building isolates issue before damage spreads 	<ul style="list-style-type: none"> • Conduct data analytics pilots • Begin engagement on energy benchmarking for commercial buildings • Support data sharing and transparency efforts through energy dashboard, greenhouse gas emissions dashboard, open data portal efforts • Research and pilot net zero energy and water building incentives such as performance based incentives and reducing barriers to adoption
Energy	<ul style="list-style-type: none"> • Electronic billing, some meters are available in 15 minute intervals • Over 1.8 MW of solar installed in Bellevue 	<ul style="list-style-type: none"> • Smart energy meters provide daily readings for enhanced customer insights and to support conservation • Smart Grid detects and restores faults in the system • Increased renewables and clean energy opportunities • Monitor demand response programs to lower peak energy curves and balance grid • Real-time pricing 	<ul style="list-style-type: none"> • Upgrade and expand EV charging station network • Continue PSE collaboration on electrical reliability • Continue programs to expand renewable energy (e.g., Solarize Bellevue) • Develop policies and targets on greenhouse gas emissions reductions, renewable energy and energy efficiency • Foster opportunities for micro-grid and district energy pilots

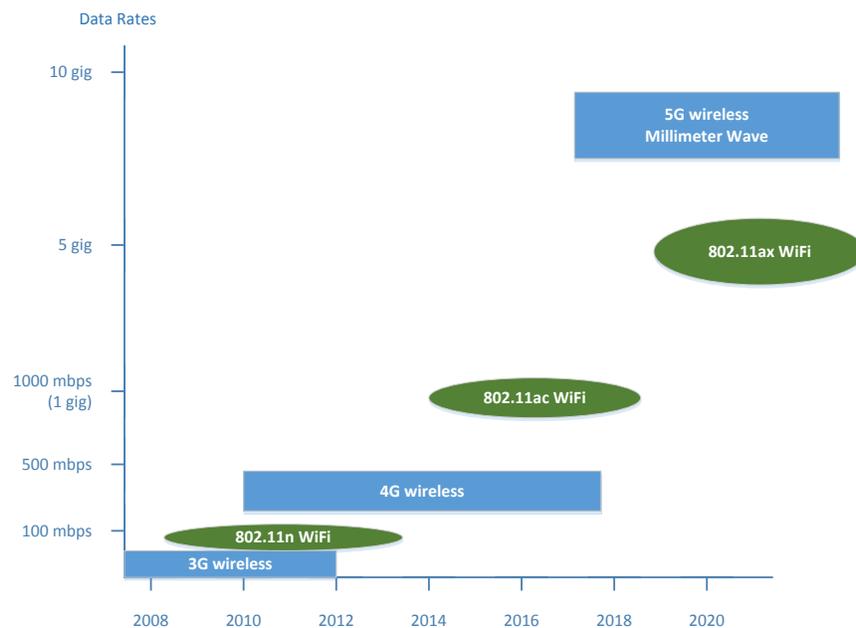
Smart City Investment Portfolio 2017/2018 Proposed Budget

Outcome	Budget Proposal Title	Cost	% for SC	Description	Element
CIP		(to 2023)	%		
EC G-38	Expanded Community Connectivity	\$1.3M	80%	As part of Expanded Wi-Fi plan, expands Wi-Fi in 4 housing properties, 8 parks and community centers and 3 business corridors	Connectivity
EC G-93	Community Network Connectivity	\$1.5M	80%	Expands fiber and conduit network to fill gaps and provide backhaul for streetlights, Wi-Fi and other Smart City networks	Connectivity
IM PW-M-20	Minor Capitol - Signals and Lighting	\$226K/yr	50%	Replaces city-owned streetlights with LED and intelligent management to increase efficiencies	Transportation
IM PW-R-156	ITS Master Plan Implementation Program	\$1M add to existing CIP	90%	Updates ITS Master Plan to define roadmap for next set of enhancements - real-time traveler info, localized weather sensors, etc.	Transportation
HE 140.69A	Advanced Metering Infrastructure Implementation	\$23.1 M	50%	Replaces traditional water meters with connected meters to enable automatic data collection, better analytics, and enhanced customer services	Water
Operating		(2017-18)			
EC 130.500NA	Telecommunications and Franchise Advisor	\$291K	80%	Supports broadband efforts by providing programmatic resources to develop and guide telecommunications enhancements and liaison with service providers	Connectivity
IM 130.11NA	Intelligent Transportation Systems	\$1.5M	100%	Operates the ITS, including adaptive signal system, cameras, and transit prioritization	Transportation
IM 130.24NA	Signal Operations and Engineering	\$1.0M	100%	Operations and engineering of traffic signals and streetlights	Transportation
RG 090.08NA	Network Services and Security	\$5.7M	10%	Provides technical resources to support broadband projects, integrated communications networks for smart systems, and enhance security program for critical infrastructure	Connectivity
HE 140.25NA	Utilities Telemetry and Security Systems	\$1.5M	100%	Operates and upgrades the SCADA system that controls the water system	Water
SC 070.31NA	Electronic Records for Patient Care	\$123K	100%	Provides devices and software to integrate with King County EMS electronic patient care records program for secure data capture and sharing with hospitals and other partners	Public Safety
Operating Total:		\$10.11M			

What efforts are being spent to evaluate new technology around Wi-Fi and fiber?

The smart city team and ITD continue to evaluate technology options around connectivity. Wireless speeds are increasing high enough to likely overcome the fiber ‘last mile’ challenge, more easily expanding availability of high speed services to residents. In a neighborhood setting, fiber-connected small cells could provide residential internet. This technology still requires a fiber backbone. New Smart City systems will also benefit from increasing connectivity speeds and capabilities.

We expect to continue to rely on services from telecommunications and internet providers and deploy current Wi-Fi where feasible to achieve improved services, availability and choice for residents and businesses. Wireless cellular (5G) will be increasingly important in delivering broadband internet services and connecting, and augments traditional wired internet services. As standards continue to evolve, both wireless and Wi-Fi will bring higher speeds to overcome demand in data growth and physical limitations. As Bellevue’s upgrades and expands public Wi-Fi, we are deploying current technology that support faster speeds and updating the infrastructure to support future upgrades. The chart below shows the predicted timelines for the ongoing evolution of connectivity technology.



Discuss the interoperability piece further.

As part of its upcoming work plan, the Smart City Core Team will develop integration and interoperability guidelines, highlighting preference for open architecture systems.

The core team interoperability work will include the following areas:

- Apply current best practices for technology procurement to new smart city systems, such as examining application, data and networking integration capability on all systems.
- Refine system and application integration guidelines that include requirements used in RFPs so we procure systems with integration in mind. Integration and interoperability requirements will be part of any new smart city system we deploy.
- Develop data integration guidelines to ensure data can be shared between systems, potentially published to Open Data portal, feed the Smart City Dashboard, and is available through a data platform for analytics.

- Monitor standards development for connectivity, connected vehicles, smart meters, and much more to keep track of industry developments towards openness and interoperability and ensure Bellevue's smart systems stay aligned with evolving best practices.
- Continue work on interdepartmental coordination to achieve process interoperability across service lines (e.g., adaptive traffic system adjusting for emergency vehicles, water system information available to fire responders, asset information available to field staff, etc.). As more foundational smart systems come online, such as smart streetlights, this will open up additional opportunities for data sharing and process automation.
- Consider regional collaborations and data sharing and analytics opportunities across with neighboring jurisdictions and through existing regional partnerships to achieve common smart city goals.

2015-2016 Amended to 2017-2018 Preliminary Budget Proposal Comparison Operating Proposals by Outcome

Please see [Question 30](#) for more information about overall outcomes. Proposals change year over year and may reflect departmental reorganizations, new priorities, and proposals moving between outcomes. In general, the growth in outcomes provides more valuable feedback on growth on specific proposals.

Outcome Name	Proposal Number	Proposal Title	2015-2016	2017-2018	% Growth
			Amended Budget	Preliminary Budget	15-16 to 17-18
Economic Growth and Competitiveness	060.10NA	Bellevue Convention Center Authority (BCCA) Operations	\$26,265	\$21,247	-19%
	090.15NA	Broadband Fiber and Cable Franchise Program	\$381	\$0	-100%
	110.03NA	Development Services Review Services	\$13,804	\$16,153	17%
	115.15NA	Economic Development Core Program & Strategy Implementation	\$704	\$1,585	125%
	115.16NA	Economic Development Strategy Implementation	\$572	\$0	-100%
	130.17NA	Downtown Parking Enforcement	\$233	\$217	-7%
	130.500NA	Telecommunications and Franchise Advisor	\$0	\$291	New
Economic Growth and Competitiveness Total			\$41,958	\$39,493	-6%

¹ Economic Growth and Competitiveness included the one time bond issuance for the BCCA in 15-16 leading to a decrease from 15-16 to 17-18.

Outcome Name	Proposal Number	Proposal Title	2015-2016	2017-2018	% Growth
			Amended Budget	Preliminary Budget	15-16 to 17-18
Healthy and Sustainable Environment	100.09NA	Natural Resource Management	\$5,547	\$5,828	5%
	110.11NA	PHASE II NPDES Permit REQUIREMENT: LID Principles Project	\$175	\$0	-100%
	115.24NA	Environmental Stewardship Initiative	\$667	\$777	17%
	130.26NA	Street Cleaning (Sweeping)	\$766	\$930	21%
	140.01NA	Capital Project Delivery	\$7,522	\$8,895	18%
	140.11NA	Utility Asset Management Program	\$1,193	\$1,488	25%
	140.13NA	Water Mains and Service Lines Repair Program	\$3,054	\$3,500	15%
	140.14NA	Water Distribution System Preventive Maintenance Program	\$1,657	\$1,754	6%
	140.15NA	Water Pump Station, Reservoir and PRV Maintenance Program	\$2,218	\$2,742	24%
	140.16NA	Water Meter Repair and Replacement Program	\$1,067	\$813	-24%
	140.17NA	Water Service Installation and Upgrade Program	\$459	\$498	9%
	140.18NA	Sewer Mains, Laterals and Manhole Repair Program	\$2,050	\$2,098	2%
	140.19NA	Sewer Condition Assessment Program	\$1,437	\$1,251	-13%
	140.20NA	Sewer Mainline Preventive Maintenance Program	\$2,037	\$2,237	10%
	140.21NA	Sewer Pump Station Maintenance, Operations and Repair Program	\$1,779	\$1,873	5%
	140.22NA	Storm and Surface Water Repair and Installation Program	\$1,706	\$1,899	11%
	140.23NA	Storm and Surface Water Infrastructure Condition Assessment	\$506	\$582	15%
	140.24NA	Storm & Surface Water Preventive Maintenance Program	\$3,514	\$3,889	11%
	140.25NA	Utilities Telemetry and Security Systems	\$1,162	\$1,570	35%
	140.26PA	Water Quality Regulatory Compliance and Monitoring Programs	\$1,018	\$1,613	58%
	140.27DA	Private Utility Systems Maintenance Programs	\$1,164	\$1,233	6%
	140.30NA	Solid Waste Management, Waste Prevention, and Recycling	\$1,957	\$1,938	-1%
	140.31DA	Storm and Surface Water Pollution Prevention	\$1,082	\$1,033	-5%
	140.32NA	Water Systems and Conservation	\$316	\$287	-9%
	140.33PA	Utilities Customer Service and Billing	\$2,406	\$2,584	7%
	140.34NA	Utility Taxes and Franchise Fees	\$23,921	\$21,554	-10%
	140.37NA	Cascade Regional Capital Facility Charges	\$4,000	\$4,000	0%
	140.42NA	Utilities Department Management and Support	\$1,455	\$1,673	15%
	140.44NA	Utility Locates Program	\$614	\$834	36%
	140.45DA	Utility Water Meter Reading	\$1,119	\$1,114	0%
	140.47DA	Asset Replacement	\$1,598	\$2,140	34%
	140.49NA	Fiscal Management	\$1,599	\$1,674	5%
	140.60NA	Utilities Computer and Systems Support	\$1,963	\$3,171	62%
140.61NA	Utilities Water Supply Purchase and Sewage Disposal	\$103,754	\$107,236	3%	
140.62NA	Utilities Mobile Workforce	\$993	\$0	-100%	
140.63NA	Utility Planning and Systems Analysis	\$2,289	\$3,596	57%	
140.64NA	Citywide NPDES Management	\$678	\$0	-100%	
Healthy and Sustainable Environment Total			\$190,440	\$198,304	4%

Outcome Name	Proposal Number	Proposal Title	2015-2016	2017-2018	% Growth
			Amended Budget	Preliminary Budget	15-16 to 17-18
Improved Mobility and Connectivity	130.04NA	Department Management and Administration	\$3,293	\$3,539	7%
	130.06NA	Transportation Drainage Billing	\$7,496	\$8,174	9%
	130.07DA	East Link Overall	\$2,969	\$1,606	-46%
	130.11NA	Intelligent Transportation Systems (ITS)	\$1,124	\$1,508	34%
	130.13NA	Long-Range Transportation Planning	\$850	\$1,220	44%
	130.14NA	Modeling and Analysis Core Functions	\$1,240	\$1,316	6%
	130.22NA	Transportation System Maintenance (Non-Electric)	\$6,523	\$7,306	12%
	130.24NA	Signal Operations and Engineering	\$1,124	\$955	-15%
	130.29NA	Traffic Data Program	\$219	\$0	-100%
	130.30NA	Traffic Safety and Engineering	\$2,899	\$3,409	18%
	130.31NA	Traffic Signal Maintenance	\$2,584	\$2,790	8%
	130.33NA	Transportation CIP Delivery Support	\$6,941	\$7,774	12%
	130.35NA	Emergency Mgmt/Preparedness for the Transportation System	\$705	\$753	7%
	130.36NA	Transportation Implementation Strategies	\$2,459	\$1,961	-20%
	130.85DA	Pavement Management	\$687	\$979	42%
Improved Mobility and Connectivity Total			\$41,113	\$43,290	5%

Outcome Name	Proposal Number	Proposal Title	2015-2016	2017-2018	% Growth
			Amended Budget	Preliminary Budget	15-16 to 17-18
Quality Neighborhoods/ Innovative Vibrant and Caring Community	040.13NA	Bellevue Diversity Initiative: Cultural Competence & Equity	\$873	\$0	-100%
	070.15NA	Bellevue Fire CARES Program	\$156	\$174	12%
	100.01NA	Community Recreation	\$11,695	\$12,460	7%
	100.02NA	Youth Development Services	\$1,623	\$1,939	19%
	100.03NA	Parks Enterprise Programs	\$9,547	\$10,123	6%
	100.04NA	Human Services Planning Funding and Regional Collaboration	\$12,873	\$14,357	12%
	100.06NA	Community and Neighborhood Parks Program	\$8,773	\$11,802	35%
	100.07NA	Neighborhood Parks Program	\$2,336	\$0	-100%
	100.08NA	Structural Maintenance Program	\$10,205	\$11,333	11%
	100.10NA	Street Trees Landscaping & Vegetation Management Program	\$3,767	\$4,655	24%
	100.11NA	Park Planning and Property Management	\$3,813	\$4,754	25%
	100.12NA	Parks Community Services Management and Support	\$3,915	\$4,165	6%
	100.15NA	Bellevue Diversity Initiative: Cultural Competence & Equity	\$0	\$948	New
	110.07NA	Code Compliance Inspection and Enforcement Services	\$1,749	\$1,828	5%
	115.03NA	Planning & Development Initiatives	\$1,408	\$2,177	55%
	115.08PA	Neighborhood & Community Outreach	\$1,509	\$1,692	12%
	115.09PA	Arts Program: building a world class city through the arts	\$592	\$624	5%
	115.10PA	ARCH Administration and Trust Fund Contribution	\$1,160	\$1,215	5%
	115.11NA	Bellevue Neighborhood Mediation Program	\$514	\$409	-21%
	115.12NA	PCD Department Management and Support	\$1,270	\$1,254	-1%
140.29NA	Utilities Rate Relief Program	\$1,417	\$1,343	-5%	
Quality Neighborhoods/Innovative Vibrant and Caring Community Total			\$79,194	\$87,251	10%

² Quality Neighborhoods/Innovative Vibrant Caring Community includes investments in parks services for structural maintenance (levy lid lift backed), utilities for park maintenance, and human services leading to an increase above inflation for the outcome.

Outcome Name	Proposal Number	Proposal Title	2015-2016 Amended Budget	2017-2018 Preliminary Budget	% Growth 15-16 to 17-18
	010.01NA	City Attorney Department Management and Support	\$1,553	\$1,567	1%
	010.07NA	Civil Litigation Services	\$1,635	\$2,086	28%
	010.08NA	Legal Advice Services	\$1,195	\$1,257	5%
	010.09NA	Risk Management—Insurance, Claims and Loss Control	\$8,254	\$9,484	15%
	020.01NA	City Clerk's Operations	\$617	\$2,048	232%
	020.02NA	Council Legislative and Administrative Support	\$663	\$478	-28%
	020.03NA	Hearing Examiner's Office	\$437	\$0	-100%
	020.04NA	Records Management Services	\$1,899	\$1,492	-21%
	020.05NA	Disclosure of Public Records and Information	\$411	\$832	102%
	020.07NA	City Clerks Office Department Management	\$373	\$0	-100%
	030.01NA	City Council	\$771	\$831	8%
	040.02NA	Communications	\$1,731	\$1,878	9%
	040.04NA	Overall City Management	\$2,334	\$3,102	33%
	040.07NA	Intergovernmental Relations/Regional Issues	\$1,246	\$1,313	5%
	040.14NA	Council Advancement	\$0	\$1,000	New
	045.01NA	Client Services	\$1,334	\$1,303	-2%
	045.02NA	Parking & Employee Transportation Services	\$1,115	\$1,210	9%
	045.03NA	Civic Services Department Management & Support	\$1,109	\$1,249	13%
	045.04NA	Real Property Services	\$2,223	\$2,096	-6%
	045.05NA	Professional Land Survey Services	\$2,754	\$2,673	-3%
	045.20PA	Facilities Services Maintenance & Operations	\$9,667	\$8,296	-14%
	045.21NA	Facilities Emergency Management & Site Security	\$641	\$0	-100%
	045.22PA	Facilities Services Project Management	\$1,762	\$1,581	-10%
	045.30PA	Fleet Services Maintenance & Repair	\$3,817	\$4,262	12%
	045.31DA	Fleet & Communications Asset Management	\$396	\$414	5%
	045.32DA	Fleet & Communications Parts Inventory & Fuel System	\$4,785	\$4,114	-14%
	045.33DA	Fleet & Communications Management	\$779	\$941	21%
	045.34PA	Electronic Communication Services	\$603	\$646	7%
	045.70NA	East Link Pine Forest Property Lease	\$364	\$0	-100%
	050.01NA	East Bellevue Community Council	\$8	\$9	5%
	060.07PA	Finance Department Management and Support	\$2,301	\$1,652	-28%
	060.08NA	Miscellaneous Non-Departmental (MND)	\$3,156	\$3,541	12%
	060.13NA	Citywide Treasury Management Services	\$1,394	\$1,325	-5%
	060.14DA	Finance Central Services	\$2,019	\$1,798	-11%
	060.15PA	Business Tax and License Administration	\$2,518	\$2,726	8%
	060.16NA	Citywide Disbursements	\$1,374	\$1,480	8%
	060.17NA	Procurement Services	\$1,871	\$1,950	4%
	060.18NA	Financial Accountability & Reporting	\$1,264	\$1,367	8%
	060.19NA	Budget Office	\$2,454	\$2,225	-9%
	060.20NA	Debt Management Services	\$51,292	\$43,989	-14%
	060.45NA	Finance Business Systems	\$0	\$1,355	New
	060.46NA	LEOFF 1 Medical Operating Costs	\$0	\$462	New
	080.01NA	Health Benefits Operating Fund	\$51,519	\$55,161	7%
	080.04NA	Compensation Labor Relations Retirement Services and HRIS	\$1,653	\$0	-100%
		HR Workforce Development—Integrated Total Rewards	\$0	\$2,104	New
	080.06NA	HR Workforce Administration—Program Administration	\$0	\$2,384	New
		Policy Administration/Employee Relations/Talent Acquisition	\$1,916	\$0	-100%
	080.07NA	Human Resources Training Development & Succession Planning	\$640	\$0	-100%
		Talent Acquisition	\$0	\$441	New
	090.01NA	Computer Technology Services	\$3,027	\$2,154	-29%
	090.03NA	Application Development Services	\$1,810	\$2,698	49%
	090.05NA	IT Department Management and Support	\$2,310	\$2,442	6%
	090.06NA	Geospatial Technology Services (GTS)	\$2,004	\$2,601	30%
	090.08NA	Network Systems and Security	\$5,361	\$5,719	7%
	090.09NA	Technology Business Systems Support	\$5,294	\$6,511	23%
	090.10NA	eCityGov Alliance Fees and Services	\$2,158	\$800	-63%
	110.01NA	Development Services Information Delivery	\$3,795	\$3,923	3%
	110.02NA	Policy Implementation Code Amendments & Consulting Service	\$2,972	\$3,627	22%
	110.05NA	Development Services Department Management & Support	\$1,602	\$1,737	8%
	110.06NA	Development Services Financial Management	\$1,274	\$1,204	-6%
	110.10NA	Development Services Mobile Workforce	\$685	\$0	-100%
	110.12NA	Development Services Office Remodel	\$0	\$220	New
	110.13NA	Paperless Permitting Enhancements	\$0	\$348	New
	115.01NA	Comprehensive & Strategic Planning Core Services	\$900	\$944	5%
	150.02NA	One City	\$60	\$0	-100%
	060.44NA	CIP Sales Tax Extraordinary Transfer	\$1,787	\$0	-100%
		Responsive Government Total	\$214,884	\$215,052	0%

³ Responsive Government includes bond issuance and refunding costs for 15-16 which displays as a minimal increase for 17-18.

Outcome Name	Proposal Number	Proposal Title	2015-2016	2017-2018	% Growth	
			Amended Budget	Preliminary Budget	15-16 to 17-18	
	010.10NA	Criminal Prosecution Services	\$1,823	\$1,776	-3%	
	040.01NA	Public Defense Services	\$1,577	\$1,688	7%	
	040.09PA	King County District Court-Bellevue Division (BDC) Services	\$1,552	\$2,132	37%	
	040.12NA	Animal Services Interlocal Agreement	\$145	\$0	-100%	
	070.01PA	Fire Suppression and Emergency Medical Response	\$48,472	\$51,323	6%	
	070.02NA	Advanced Life Support (ALS) Services	\$14,410	\$16,018	11%	
	070.03NA	Fire Department Training Division	\$1,283	\$1,440	12%	
	070.04PA	City-Wide Emergency Management Services	\$803	\$947	18%	
	070.05NA	Fire Department Management & Support	\$2,474	\$2,626	6%	
	070.06NA	Fire Prevention	\$1,724	\$1,926	12%	
	070.07DA	Fire Facilities Maintenance & Operations	\$923	\$1,451	57%	
	070.08DA	Urban Area Security Initiative (UASI) Participation	\$980	\$669	-32%	
	070.09NA	Fire Department Small Grant and Donations	\$1,350	\$1,340	-1%	
	070.14NA	Fire Community Outreach & Education	\$663	\$646	-3%	
	070.16DA	Public Safety Dispatch Services	\$7,856	\$8,543	9%	
	070.18NA	East Metro Training Group	\$146	\$492	237%	
	070.22NA	Power Stretchers	\$166	\$0	-100%	
	070.31NA	Electronic Records for Patient Care	\$0	\$124	New	
	100.05NA	Bellevue Probation and Electronic Home Detention	\$2,850	\$2,673	-6%	
Safe Community	110.04NA	Development Services Inspection Services	\$15,160	\$17,196	13%	
	120.01NA	Patrol	\$24,056	\$25,295	5%	
	120.02NA	Investigations	\$9,658	\$10,423	8%	
	120.03NA	Domestic Violence Prevention and Response	\$1,161	\$1,186	2%	
	120.04NA	Narcotics Investigations	\$1,356	\$1,854	37%	
	120.05DA	Eastside Narcotics Task Force (ENTF)	\$531	\$0	-100%	
	120.06NA	Traffic Enforcement	\$4,813	\$5,060	5%	
	120.07NA	Traffic Flagging	\$789	\$1,478	87%	
	120.08NA	Property and Evidence	\$627	\$698	11%	
	120.09NA	Police Records	\$4,536	\$4,716	4%	
	120.10NA	Personnel Services Unit	\$2,648	\$3,122	18%	
	120.11NA	Courts and Custody Unit	\$3,108	\$3,411	10%	
	120.12NA	Office of Professional Standards	\$952	\$1,017	7%	
	120.13NA	Management and Support	\$2,570	\$2,559	0%	
	120.14NA	Volunteer Program	\$254	\$266	5%	
	120.15NA	School Resource Officers	\$1,744	\$1,863	7%	
	120.16NA	Community Stations / Downtown Unit / Bicycle Patrol	\$3,383	\$4,395	30%	
	120.17NA	Special Details: SWAT/HNT; Bomb Squad; Crowd Control; Honor Guard	\$212	\$226	6%	
	120.18NA	Traffic Collision Investigation	\$1,921	\$2,059	7%	
	130.27NA	Street Lighting Maintenance	\$3,274	\$3,181	-3%	
	140.59NA	Fire Flow Capacity for City of Bellevue	\$4,923	\$0	-100%	
			Safe Community Total	\$176,874	\$185,820	5%
	Grand Total			\$744,463	\$769,211	3%

Attachment D: 2017-2018 preliminary operating and special purpose budget by department showing comparison to 2015-2016 Amended; November 7, 2016

2017-2018 Preliminary Budget Operating and Special Purpose Funds
\$000

	2015-2016 Amended Budget	2017-2018 Preliminary Budget	\$ Change	% Change
General Fund				
City Attorney	\$9,072	\$7,954	(\$1,118)	-12.3%
City Clerk	4,841	5,537	\$696	14.4%
City Council	1,045	1,064	\$20	1.9%
City Manager	5,703	8,163	\$2,460	43.1%
Civic Services	8,891	7,457	(\$1,435)	-16.1%
Community Council	8	9	\$0	4.8%
Development Services	7,884	8,431	\$547	6.9%
Finance	15,736	16,566	\$830	5.3%
Fire	89,974	91,684	\$1,710	1.9%
Human Resources	4,840	5,470	\$629	13.0%
Miscellaneous Non-Departmental	2,728	3,992	\$1,264	46.3%
Parks & Community Services	64,113	69,063	\$4,949	7.7%
Planning & Community Development	10,164	10,963	\$799	7.9%
Police	80,428	89,658	\$9,230	11.5%
Transportation	58,234	63,391	\$5,157	8.9%
Total General Fund Net of Reserves (including Double Budgeting)	\$363,663	\$389,402	\$25,740	7.1%
Other Operating and Special Purpose Funds				
Utilities	\$266,617	\$282,835	\$16,219	6.1%
Development Services	45,319	52,181	\$6,862	15.1%
Parks Enterprise	12,783	13,198	\$415	3.2%
Internal Services	68,357	70,503	\$2,146	3.1%
Other Operating	107,444	109,242	\$1,798	1.7%
Grants	9,466	5,567	(\$3,899)	-41.2%
Debt Service	52,216	44,004	(\$8,212)	-15.7%
Trust/Other	3,087	3,138	\$51	1.7%
Total Other Operating and Special Purpose Funds Net of Reserves (including Double-Budgeting)	\$565,289	\$580,669	\$15,380	2.7%
Total Interfunds (Double-Budgeting)*	(\$185,338)	(\$181,967)	\$3,372	-1.8%
Total Operating and Special Purpose Funds Net of Double Budgeting and Reserves**	\$743,613	\$788,105	\$44,492	6.0%

Figures may not foot due to rounding

*The budget is adjusted to remove internal transactions between City funds including transfers between funds and charges for services provided by one fund to another within the City.

**The 15-16 total is slightly higher than displayed in the preliminary budget due to a formula error in Double-Budgeting in 15-16 only (\$186,400 in the prelim budget book and \$185,338 Above) Does not affect appropriation for either year