



2017-2018 Operating Budget and 2017-2023 Capital Investment Program Plan

Toni Call, Interim Finance Director
David Baldwin, Budget Division Manager
November 7, 2016



Tonight's Purpose

- Third of several briefings – Information
- Reminder on Calendar and Actions
- 2017-2018 Operating and Special Purpose Fund Preliminary Budget
- 2017-2023 Preliminary CIP
- Review Known items for Council Discussion
- Memory Bank (no presentation tonight)
- Full Budget can be found on line at:
<http://www.bellevuewa.gov/budgets.htm>



Calendar

Date	Agenda	Status
October 17	Study Session: Preliminary budget presentation	Completed
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December 5	Regular Session: Tentative Adoption	



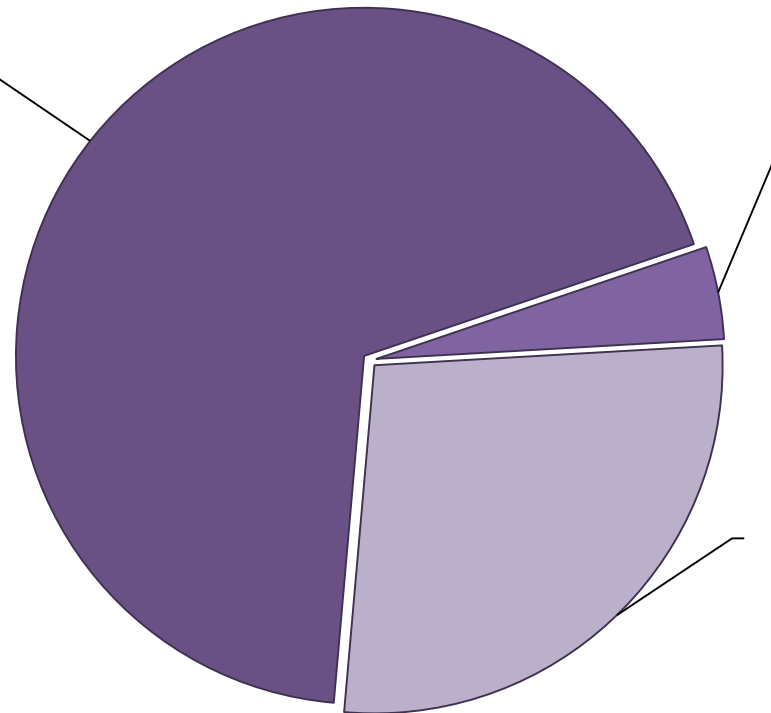
Council Actions to Adopt

Action	Brief Explanation
2017 Property Tax Levy	Required annually by RCW
2017 Property Tax Banked Capacity Resolution	Staff recommends banking unused capacity
2017 Substantial Need Resolution	IPD for 2017 is 0.953%, less than the allowable 1%. Staff recommends adopting a substantial need resolution to bank the 1% capacity
Utility Rate Ordinance	Utility rates for 2017 and 2018
Development Services Fee Ordinance	Development Services Fee schedule for 2017
2017-2018 Budget Ordinance	This is the “umbrella” ordinance, which includes appropriation approval by fund, 2017 pay plans, and summarizations of grants and donations accepted that are less than \$90,000

2017-2018 Total Expenditure Budget (\$M's)

Operating Funds
\$1,035
69%

General	\$429	41%
Utility	311	30%
Other Operating	133	13%
Internal Service	81	8%
Development Svcs	67	7%
Parks Enterprise	14	1%
	\$1,035	100%



Special Purpose
Funds
\$65
4%

Capital Investment
Program (CIP)
\$413
27%

Total \$1.513 Billion

Figures may not foot due to rounding



2017-2018 OPERATING AND SPECIAL PURPOSE FUNDS



Operating and Special Purpose Fund Budgets

- Total of \$1.1 Billion – (\$1B operating; \$65M special purpose)
- Operating includes Police, Fire, Parks, Planning and Community Development, Transportation, Development Services, Utilities and administrative functions such as City Council, City Manager, IT, City Clerk, City Attorney, Finance, Service First, Fleet and Facilities.
- Special Purpose Funds are restricted in use for a specific purpose.



2017-2018 Preliminary Budget

Operating and Special Purpose Funds

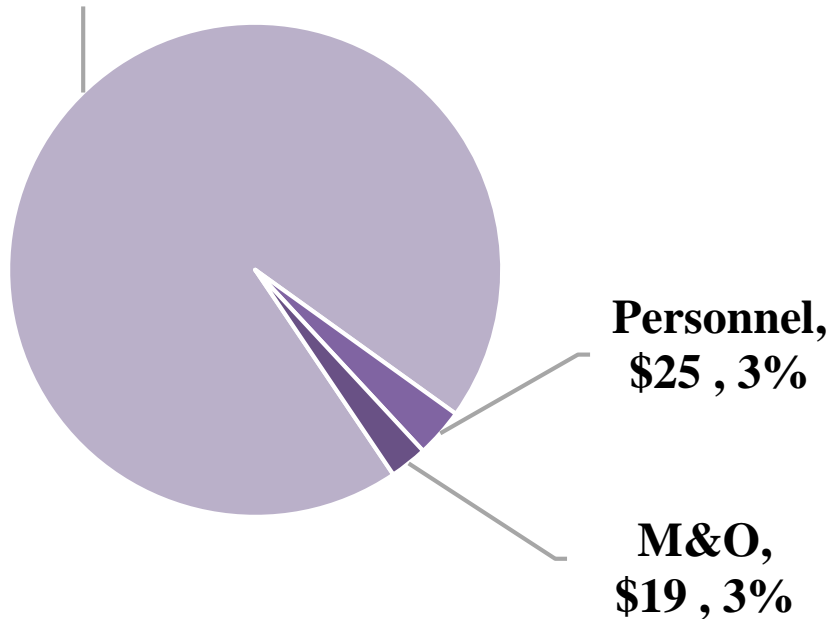
Net of double budgeting and reserves	Safe Community	Improved Mobility and Connectivity	Healthy & Sustainable Environment	Quality Neighborhoods/ Innovative Vibrant and Caring Community	Economic Growth & Competitiveness	Responsive Government	Total
City Attorney	\$2.3	-	-	-	-	\$14.4	\$16.7
City Clerk	-	-	-	-	-	4.8	4.8
City Council	-	-	-	-	-	0.8	0.8
City Manager	1.7	-	-	-	-	5.9	7.6
Civic Services	0.1	-	-	0.2	0.1	28.8	29.1
Community Council	-	-	-	-	-	0.01	0.01
Finance	-	-	-	-	21.2	31.4	52.7
Fire	82.3	-	-	0.2	1.0	0.8	84.3
Human Resources	-	-	-	-	-	60.1	60.1
Information Technology	0.1	-	-	-	0.04	23.0	23.1
Parks & Community Services	2.9	-	5.8	76.3	-	-	85.1
Development Services	12.2	-	-	1.8	11.3	8.3	33.6
Planning & Community Dev.	-	-	0.8	7.4	1.6	2.5	12.2
Police	75.0	-	-	-	-	0.1	75.1
Transportation	5.7	43.3	0.9	-	3.0	1.1	54.1
Utilities	1.4	-	190.8	1.3	1.2	1.3	196.0
MND	-	-	-	-	-	33.9	33.9
Equip. Replace/Technical	-	-	-	-	-	19.0	19.0
Total Operating & Special Purpose Fund Proposals	\$185.8	\$43.3	\$198.3	\$87.3	\$39.5	\$234.1	\$788.2

Funds Council Priorities

- Continues implementation from the 2015-2016 Amended budget and addresses:
 - Economic Development
 - Smart Cities
 - Winter Shelter
- Council priority #19: bring forward a budget proposal to support Eastside Pathways

Modest Growth- 6%

**15-16 Amended Budget
Net of Double-Budgeting
& Reserves, \$744 , 94%**



Figures may not foot due to rounding.

*Includes general fund, utilities funds, development services funds, internal service funds, and all other operating and special purpose funds.

Reconciliation:	Amount	%
2015-2106 Amended Budget	\$744M	
Personnel Costs	25M	3.3%
M&O	19M	2.5%
Total Preliminary 2017-2018 Budget	\$788M	
Add Double Budgeting, Reserves	1.1B	

6% Growth Summarized

- Personnel Costs – 3.3% Growth (\$25M across all funds)
 - Total FTE change 20.94 FTEs (1.6%)
 - Net 8.1 in General Fund
 - Net 12.84 in other funds (Dev Svcs 7.2, Utilities 4.0, Other 1.7)
 - Other Personnel Costs (merit, benefits, other)
- M&O Growth – 2.5% Growth (\$19M across all funds)
 - Inflation
 - Core service cost increase (contracts, other)
 - New investments (workforce development, economic development, PCD public engagement)
- Development Services/Utilities back on 11/14



Grows General Fund Reserves to Manage Risk

- Building reserves in 2017 and 2018
- To assist in addressing for near term

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



2017-2023 GENERAL CAPITAL INVESTMENT PLAN

2017-2023 General CIP

- Total \$485 million over 7 years
- Advances Council Priorities
- Debt obligations
- Ongoing maintenance
- Transportation/mobility
- Parks Levy commitment and other quality of life amenities
- Neighborhood investments
- General government responsibilities

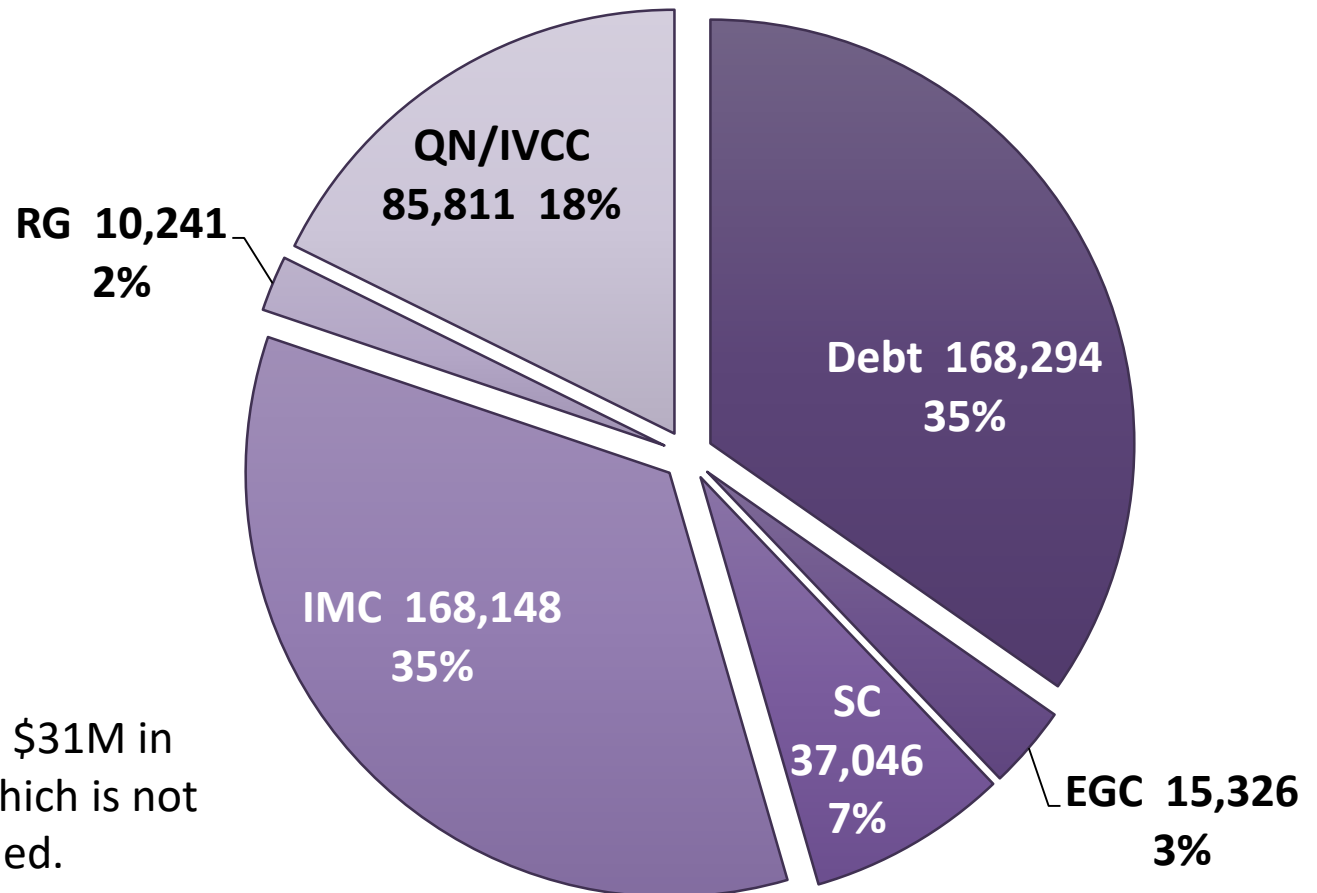
Council Priorities

- Continues implementation from the 2015-2016 Amended budget and addresses (examples):
 - Meydenbauer Bay Phase 1 Park Development
 - Gateway/Entry to Downtown Park
 - Smart Cities
 - Downtown Community/Livability
 - Grand Connection-Early Implementation
 - Eastside Rail Corridor
 - Hearing Accessibility for Public Spaces
- Council Priority #18 bring forward a concept for a multicultural center

New Projects total \$14.6M

CD-30	Station Area Planning Implementation	\$5.5M
CD-37	Downtown Community/Livability	4.2M
CD-41	Civic Center Plan	550K
CD-44	Grand Connection Implementation	2.0M
G-108	Supplemental Housing Trust Fund Investment	80K
NCS01	Long-Range Property & Facilities Plan	280K
NCS03	Citywide Security Improvements	350K
PW-R-192	124 th Ave NE at SR 520	250K
PW-R-193	BelRed Corridor Local Street Network	432K
PW-R-194	West Lake Sammamish Parkway Phase 3	1.0M

Prelim 2017-2023 CIP By Outcome (\$485M)



Debt service includes \$31M in cash flow payback, which is not anticipated to be issued.



Economic Growth and Competitiveness (\$15M; 3%)

- Downtown Community/Livability
- Grand Connection - Early Implementation
- Expanded Community Connectivity
- Council Advancement
- Supplemental Housing Trust Fund Investment



Safe Community & Responsive Government (\$47M; 9%)

- Ongoing Maintenance
- Citywide Security Improvements
- Fire Facility Master Plan(Clyde Hill/Dwtn Land)
- IT Replacement Reserve
- Hearing Assistance for Public Spaces
- Long-Range Property & Facilities Plan



Improved Mobility and Connectivity (\$168M; 35%)

- Ongoing Maintenance: Overlay, and Signals and Street Maintenance
- Ongoing Build New: Neighborhood Traffic, Ped/Bike Access, Sidewalks
- Discrete examples:
 - 124th Avenue
 - 120th Avenue
 - Spring Boulevard
 - West lake Sammamish Prkwy 2
 - West Lake Sammamish Prkwy 3
 - BelRed Corridor Local Street Network
 - Bellevue Way HOV – 112th SE “Y” to I190



Quality Neighborhoods/Innovative Vibrant Caring Community (\$85M; 18%)

- Ongoing Maintenance: Parks Renovation and Refurbishment
- Ongoing New: Public Art Program, Park and Open Space Acquisition, and Park Planning and Design, Enhanced Right of Way and Urban Boulevards (ERUB), NEP
- Discrete examples:
 - Levy Projects: Downtown Park (Circle, Gateway), Surrey Downs, Airfield Park Design/Permits
 - Inspiration Playground at Downtown Park
 - Meydenbauer Bay Phase I Park Development
 - Civic Center Plan



Known Items for Further Discussion and Direction

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- Council Priority Proposals
 - CP-18 Multi-Cultural Feasibility (\$150K one time)
 - CP-19 Eastside Pathways (\$200K, annually)
- Other Known Council Items
 - Parental Leave (recommendation to address in Workforce Development Initiative)
 - Larsen Lake Restrooms (\$4K, annually)
- Community Requests
 - PNB - \$500K one time
 - HDC - \$1.5M biennially

Community Request Process and Criteria

- At the Mid Biennium Review – request
- Long Standing Guiding Principles:
 - Sustainable long term financial model
 - Clearly define public benefit
 - Provide for City involvement in financial oversight
 - Investment in facility or in operation of the facility
 - Cannot fund fund-raising
- In addition, staff proposes the following criteria:
 - Does request respond to Council Priority?
 - Does the request respond to Council policy direction?
 - Is the project feasible and ready for investment?



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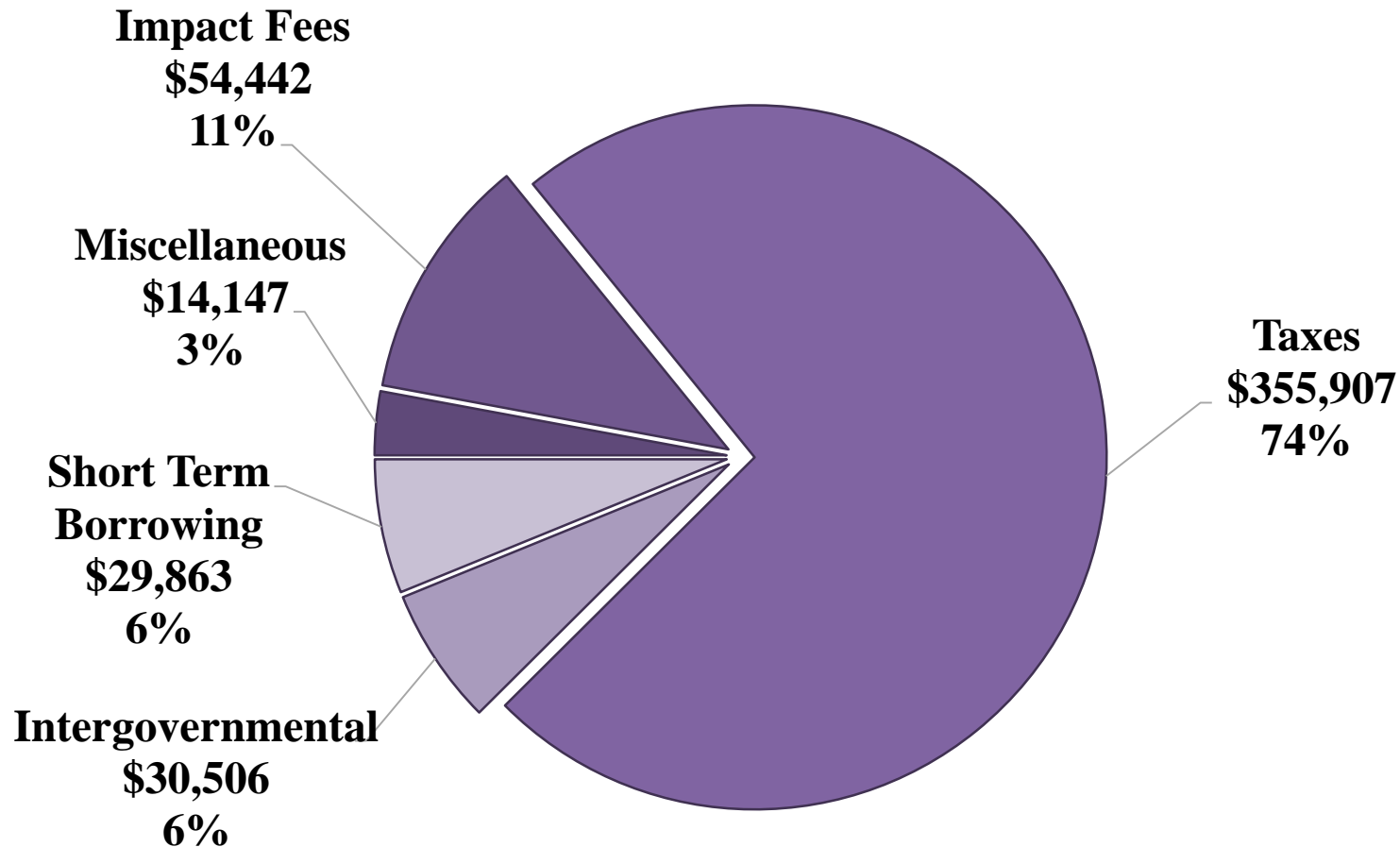
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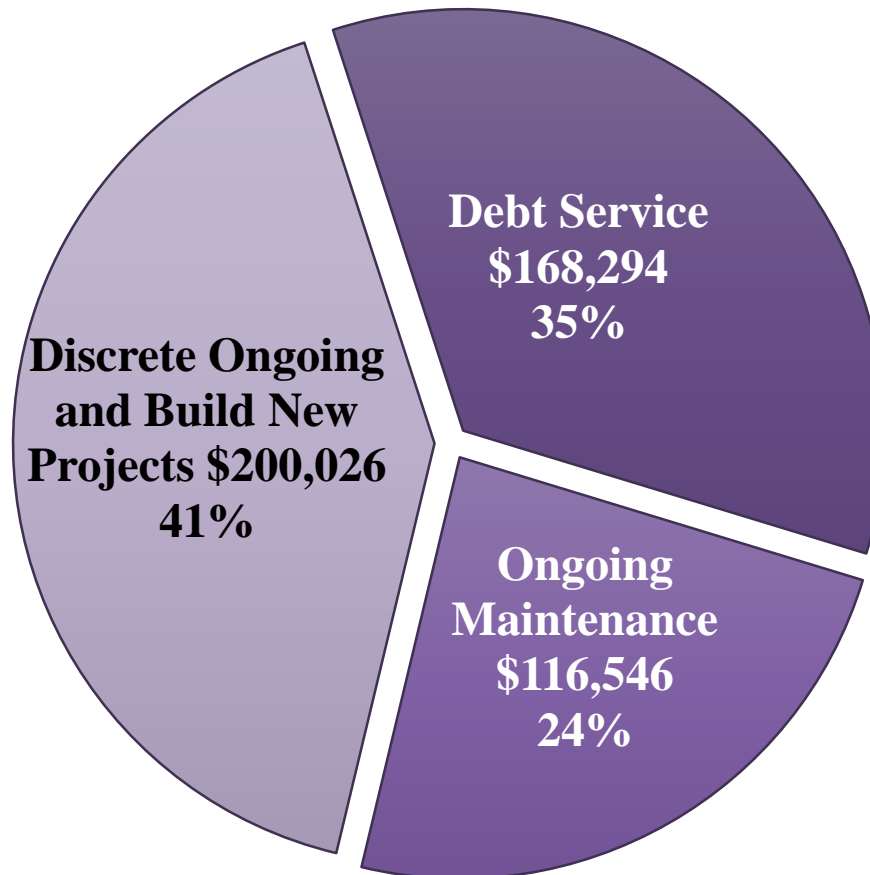
New Projects total \$14.6M

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

Prelim CIP Resources (\$485M)



Prelim 2017-2023 CIP Expenditure (\$485M)



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