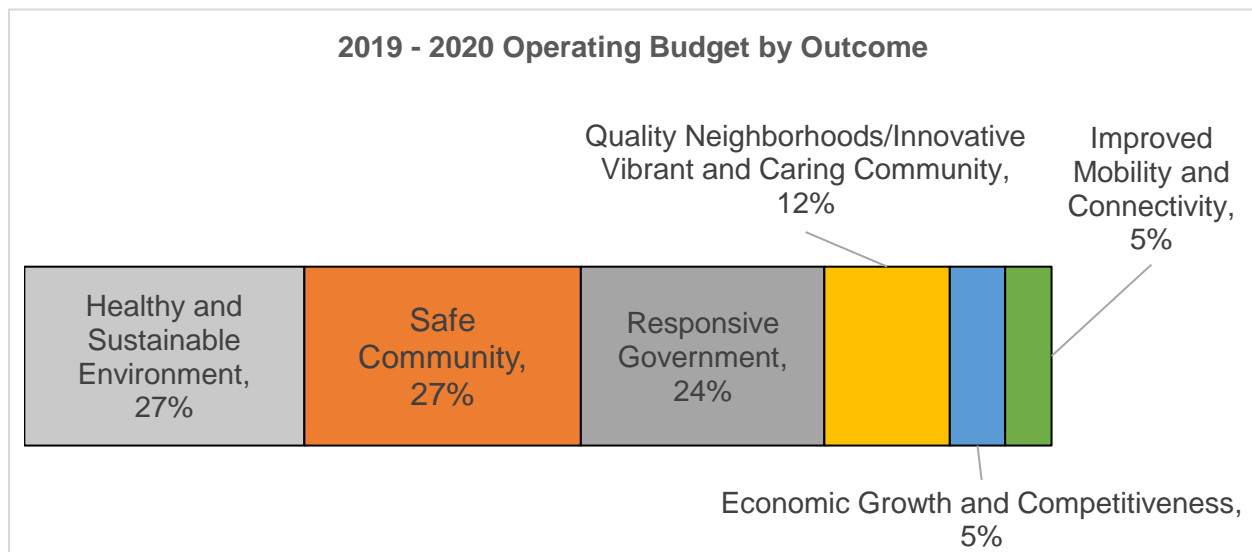


Budget One Process Background and Proposed Changes

Since the 2011-2012 budget development, the City has been using the process called "Budget One" to develop the Biennial Budget. The foundational purpose of Budget One is to produce a balanced budget that shows how the city is achieving the desired results for the community.

In alignment with past practice and continuing the evolution of the city's budget process, staff recommends that the 2021-2022 be framed with the Council Vision and the connecting seven "Strategic Target Areas". The seven Strategic Target Areas are: Economic Development, Transportation and Mobility, Great Places Where You Want to Be, High Quality Built and Natural Environment, Regional Leadership and Influence, Achieving Human Potential, and High Performance Government. The Council Vision and Strategic Target Areas are defined in the Council Vision Priorities for 2018-2020 at <https://bellevuewa.gov/city-government/city-council/council-vision>.

Historically, the budget has been framed by "Outcomes": Economic Growth and Competitiveness, Healthy and Sustainable Environment, Improved Mobility and Connectivity, Quality Neighborhoods/Innovative Vibrant and Caring Community, Responsive Government and Safe Community. These outcomes pre-date the Council's Vision document, and do cause some confusion as the titles are similar yet slightly different than the Council's updated Strategic Target Areas.

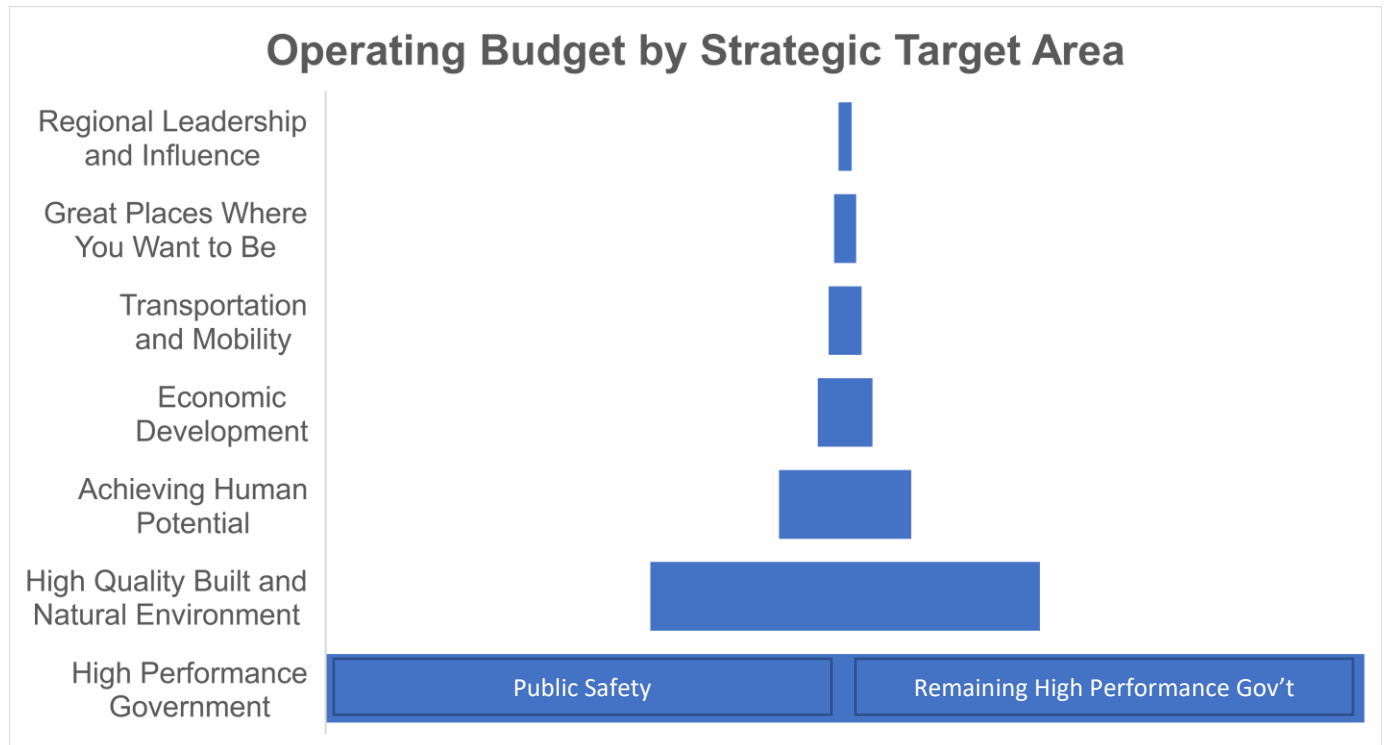


Adjusting the frame for the budget to create a clearer alignment to the Council's Vision statement was one of the recommendations from the Budget Book Evaluation project conducted through the Livable City Year partnership with University of Washington in 2019. It will also update the frame to current Council work. Historically, the budget has displayed three ways, by "Outcome", by department, and by "Strategic Target Area". By implementing this change, it will alleviate confusion between "Outcomes" and "Strategic Target Areas", create a clearer connection to the Council vision statement, and create clarity in the budget by only providing two displays instead of three.

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Staff took the 2019-2020 proposals and did a first look to align them to the strategic target areas. Staff acknowledges that this display was based on the 2019-2020 write ups, and as the 2021-2022 budget proposals are written, they could be aligned to a different target area as the staff experts who write the proposals would have a better understanding of the programs. The chart below is a best guess.

The one area that may not be as clear in the Strategic Target Areas is for public safety. Staff commits to continually show public safety as a subset for clarity.



Outside of this proposed change, the budget process would proceed with past practices, acknowledging that some impacts from COVID, social distancing and telework may require adjustments, as needed. Generally, the process requires all services and functions throughout the city to be submitted to the budget office. Once received, the budget office reviews and provides fiscal analysis and information. In addition, a small citywide team is planned to assist in ensuring performance metrics that tie proposals to the Strategic Target Areas is done. The Leadership Team will then review all the work and fiscal information and provide a recommendation to the City Manager to help inform the preparation of his Preliminary Budget. The City Manager takes all information, including the feedback from Council, and prepares his Preliminary Budget. The City Manager's Preliminary Budget is presented to the City Council for its consideration.

Budget One Process Milestones

The current 2021-2022 Budget One Process plan for both operating and capital is identified below. Due to impacts surrounding COVID-19, the budget calendar may be adjusted, as necessary.

Milestone/Process Point	2020 Month	Status
Budget Survey of citizens	Survey conducted in January; report available in July 2020	Complete
City website is updated to include a Budget One site for use in Public Engagement	February	Complete
Proposals are submitted to the Budget Office	May	Complete
Provide Council with the fiscal impact of the economic shutdown and social distancing	May 18	Complete
Analytical Analysis and Proposal Review	May to June	In Process
Provide Council with process and practices of the 2021-2022 Budget. Provide Council in the fiscal condition of the city. Solicit feedback from Council as the City Manager prepares his preliminary budget.	June	Tonight
Initial Public Hearing The City, by practice, holds three public hearings. With the impact of COVID, the first public hearing date is currently being determined, yet is anticipated to occur prior to the City Manager presenting his Preliminary Budget to Council in October.	TBD	
City's Leadership Team provide a recommendation to the City Manager	July/August	
Second Public Hearing The City, by practice, holds three public hearings. With the impact of COVID, the second public hearing date is currently being determined, yet is anticipated to occur prior to the City Manager presenting his Preliminary Budget to Council in October.	TBD	

Attachment C: Budget Process and Calendar

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Milestone/Process Point	2020 Month	Status
City Manager presents his proposed budget to the City Council	October	
Council reviews and deliberates the preliminary budget	October to December	
Final Public Hearing	November	
Council adopts a final 2021-2022 budget and 2021-2027 CIP plan	December	