



City of Bellevue

Budget Workshop

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Finance & Asset Management Department

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Direction Needed from Council

Staff seek feedback as the City Manager prepares his Preliminary 2021-2022 General Fund budget and the 2021-2027 Capital Investment Program (CIP) plan.

AGENDA



Budget Process, Milestones, and Public Engagement

General Fund 2021-2022 Budget Development

Capital Investment (CIP) 2021-2027 Early Look

Discussion on approaches to balancing

Note: Topline Budget and Performance Survey results are included in the written materials for information only.



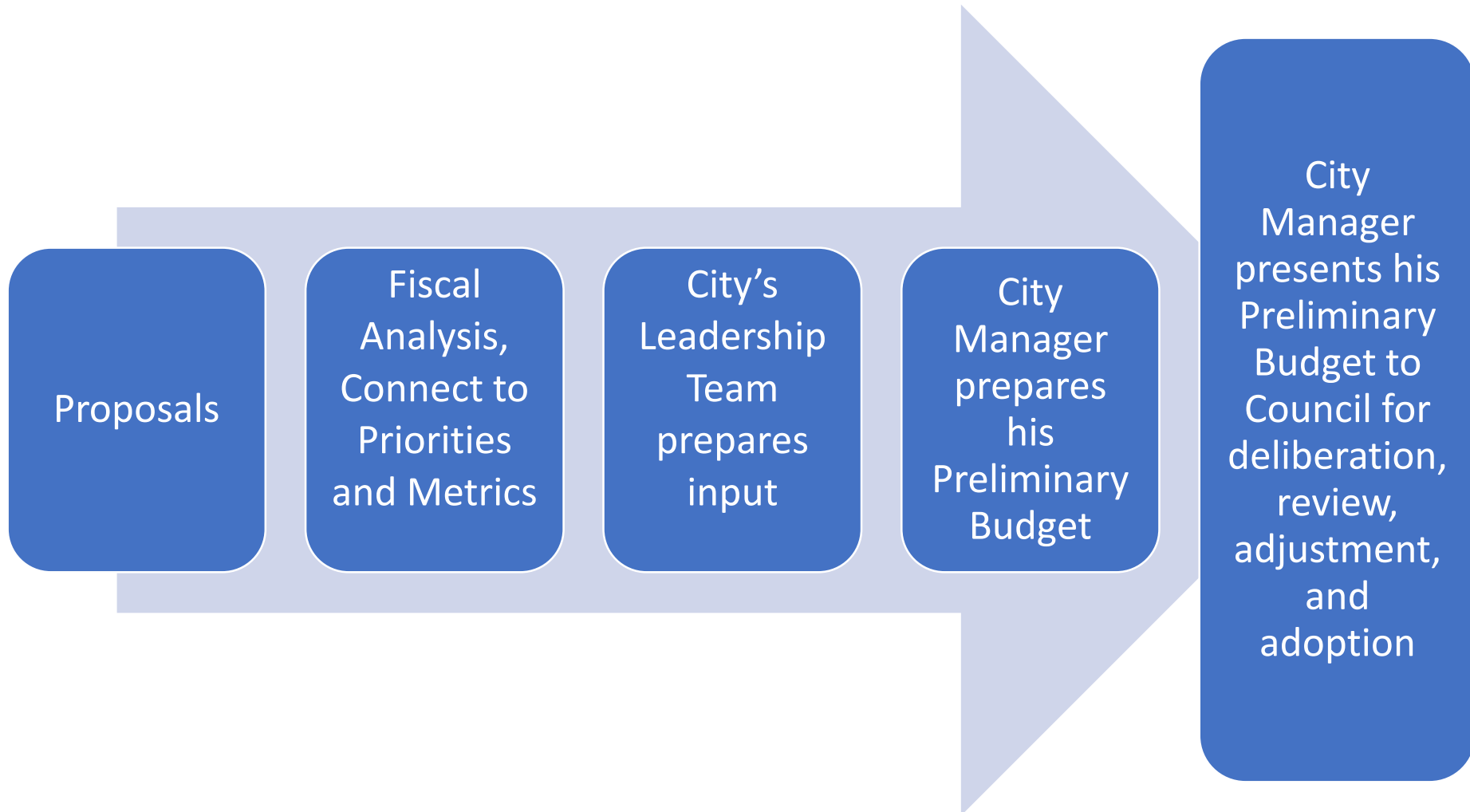
Budget Process, Milestones, and Public Engagement

Overview Budget Process

- Identifies the community's priorities;
- Prioritizes services to meet those priorities; and
- Funds those services with available monies.



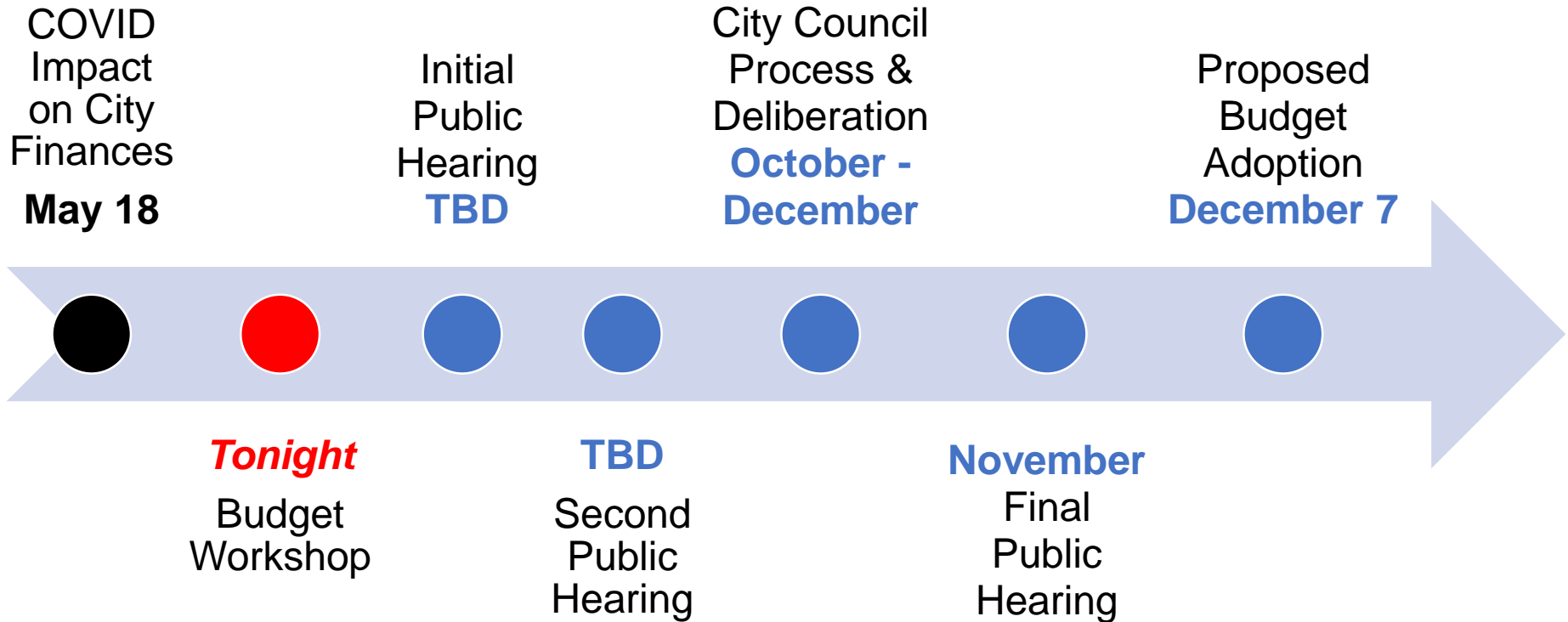
Process



Public Engagement

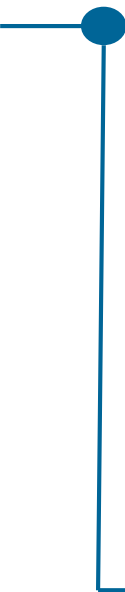
- Website:
 - <https://bellevuewa.gov/city-government/departments/finance/budget-and-performance/budgets/public-involvement>
- Neighborhood Leadership Gathering (Feb)
- Budget, Performance, & Business Surveys
- 3 Public Hearings
- Public Comment at Council Meetings
- Email directly to Council or FAM
- Boards and Commissions

Milestone Calendar



Budget Guiding Principles

- Quality service programs will be offered
- Other guiding principles include:
 - Deliver outcomes important to the community and accessible to all;
 - Realize opportunities;
 - Examine the entire budget;
 - Innovation, efficiency, and sound business practice;
 - Focus on Citywide, not department, priorities;
 - Long-range approach to an affordable and sustainable budget;
 - If expenditure reductions; service elimination is preferred over poor or marginal quality programs.




Framing the Budget - Change for 21-22 Budget

Historically used Outcomes


- Pre – date the Council Vision work



Economic Growth & Competitiveness



Improved Mobility and Connectivity




Safe Community – Cause & Effect Map

As a community, Bellevue values....


- Feeling and being safe where people live, learn, work, and play.
- A community that is prepared for and responds to, and is resilient following emergencies.



Responsive Government



Quality Neighborhoods/Innovative, Vibrant, and Caring Community



Healthy & Sustainable Environment



Connect to the Council Vision



City Council Vision Priorities
2018-2020



Seven Strategic Target Areas



Economic Development



Transportation and Mobility



High Quality Built and Natural Environment



Bellevue: Great Places Where You Want to Be



Regional Leadership and Influence



Achieving Human Potential



High Performance Government
Includes Public Safety



Questions?

Staff seeks confirmation with regard to a proposal to revise the frame of the budget to be the Council Vision Strategic Target Areas as well as other feedback regarding the process and timelines.



General Fund Near and Long Term Impact and Early Look CIP 21-27

General Fund Near Term Assumptions

- COVID impact has been swift and substantial
- Council requested scenarios of impact

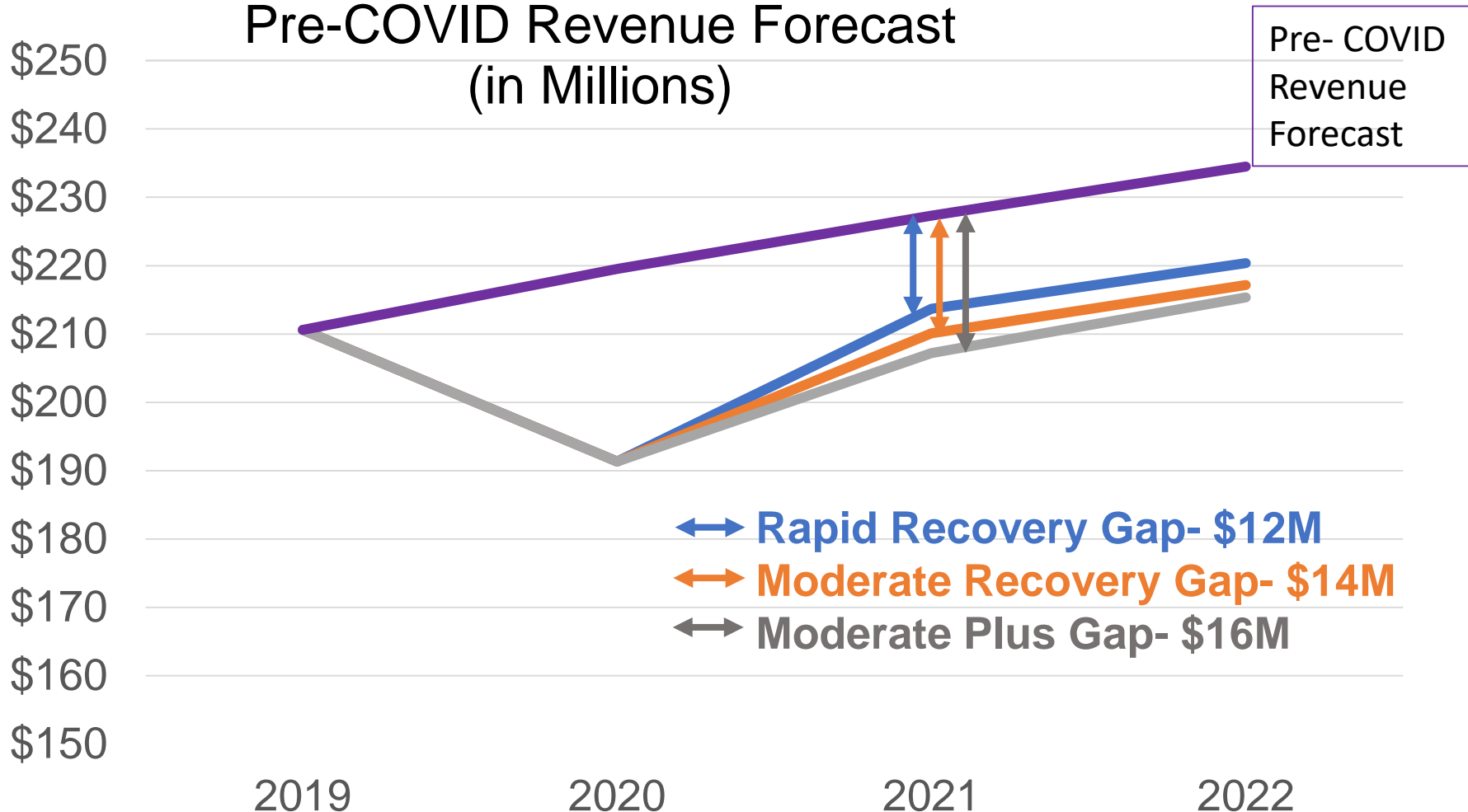
- 3- Scenarios
 - Rapid
 - Moderate
 - Moderate Plus



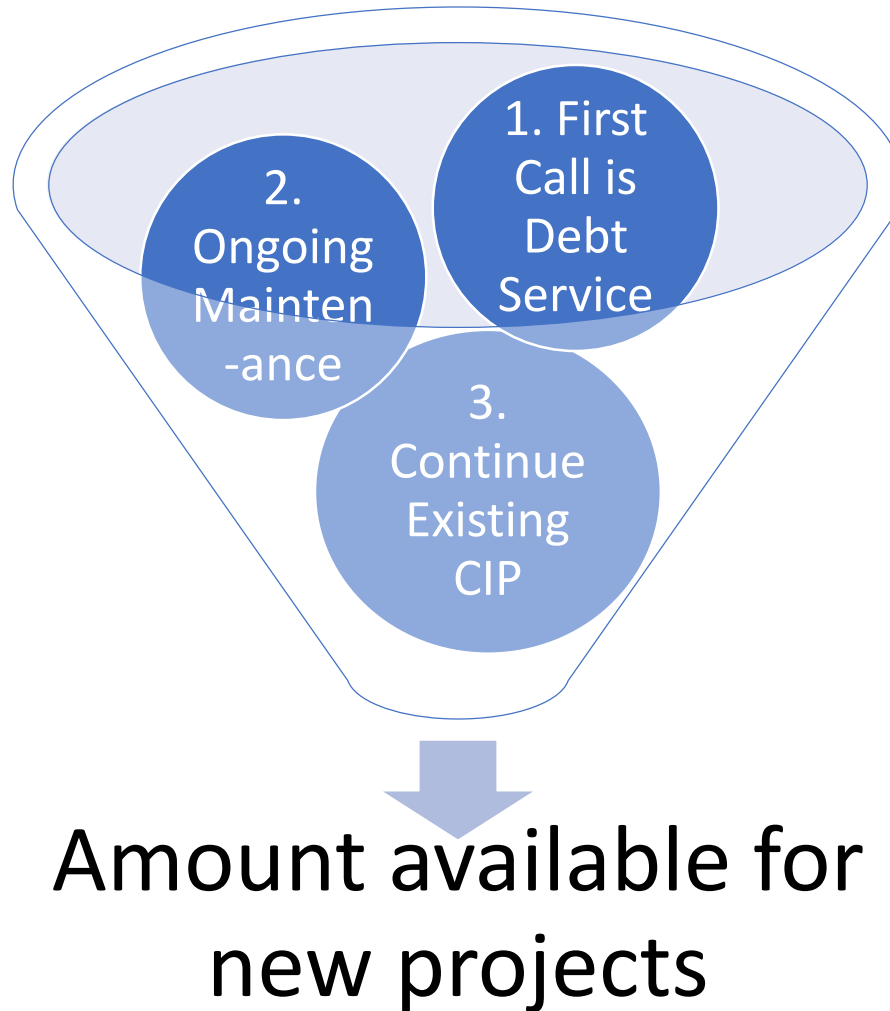
- All these scenarios include the same major assumptions and variations on risk

21-22 General Fund Forecast

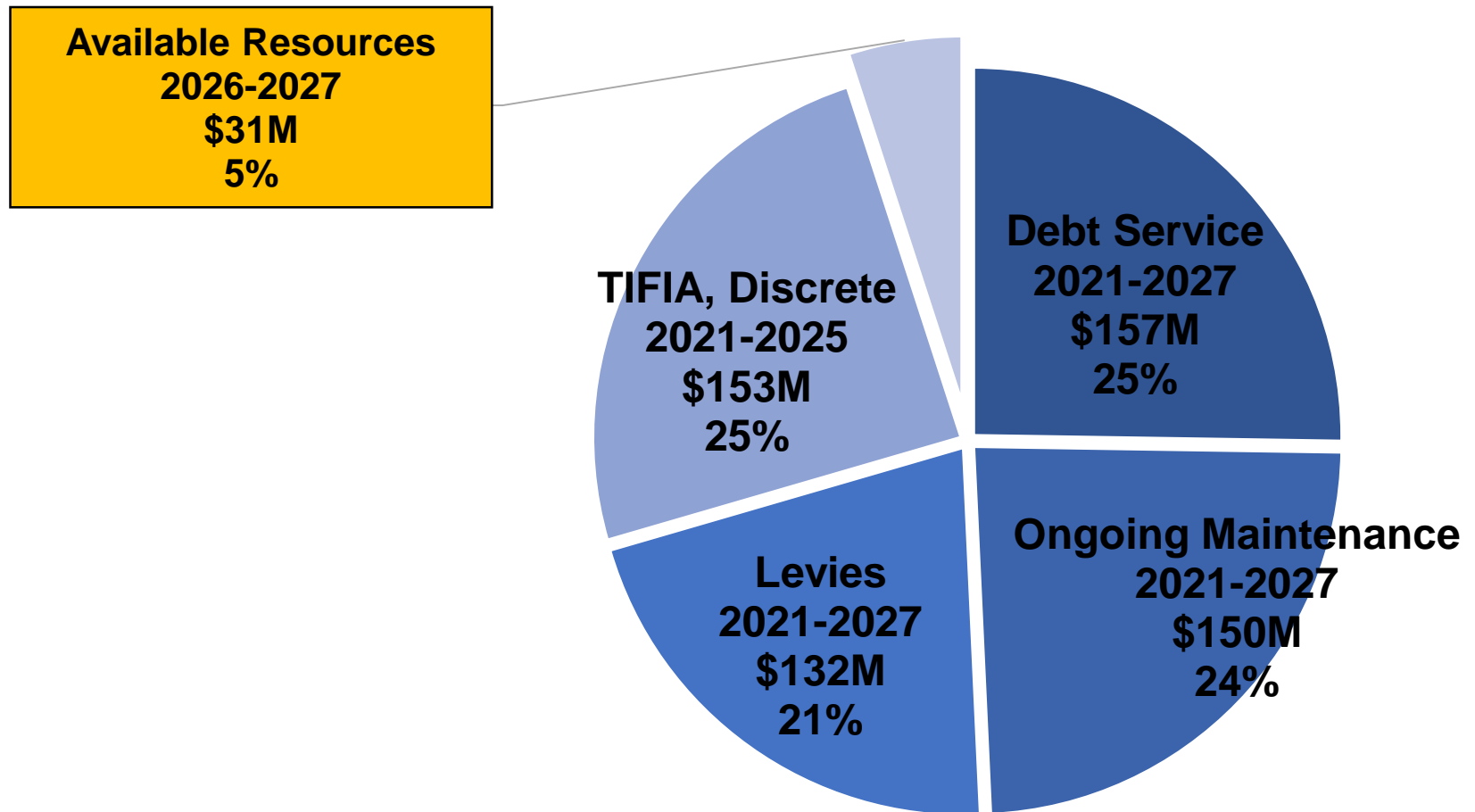
General Fund Revenue Scenarios Vs.
Pre-COVID Revenue Forecast
(in Millions)



Building the 21-27 CIP, Add 2 years



CIP 2021-2027



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Questions?



Discussion on approaches to budget balancing

Budget Balancing will be Challenging

- General Fund – Planning for 8% (\$16M) reduction
- Constrained CIP - \$31M of funding 2026/2027
- Tools to assist:
 - Budget guiding principles
 - Financial Policies
 - City Code and Ordinances
 - Council Vision Statements
- 3 Areas for Discussion

Discussion 1: General Fund Inputs

Starting place for data to assist in budget balancing:

- Data set 1- Metrics on delivering Council Vision and Strategic Target Areas; Budget and performance surveys
- Data set 2- Past budgets for proposal rankings
- Data set 3- Organization is developing 8% reduction impact packages

Discussion 2: Temporary Flexibility

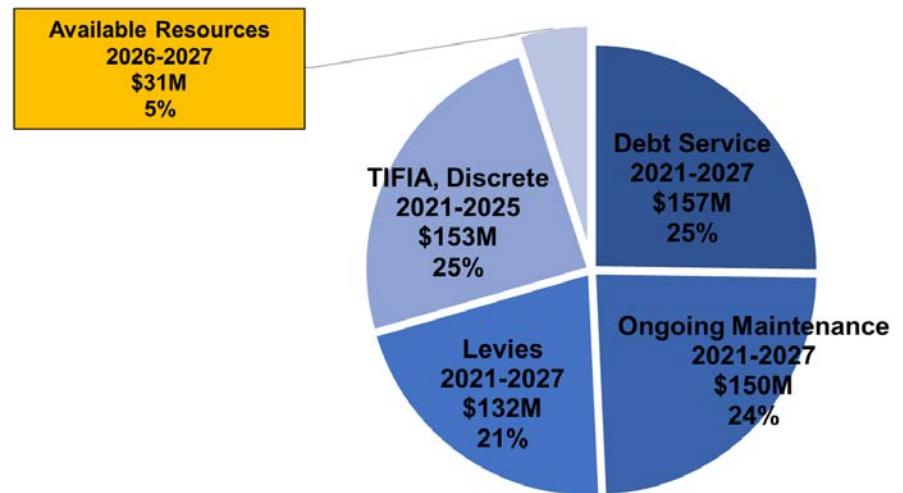
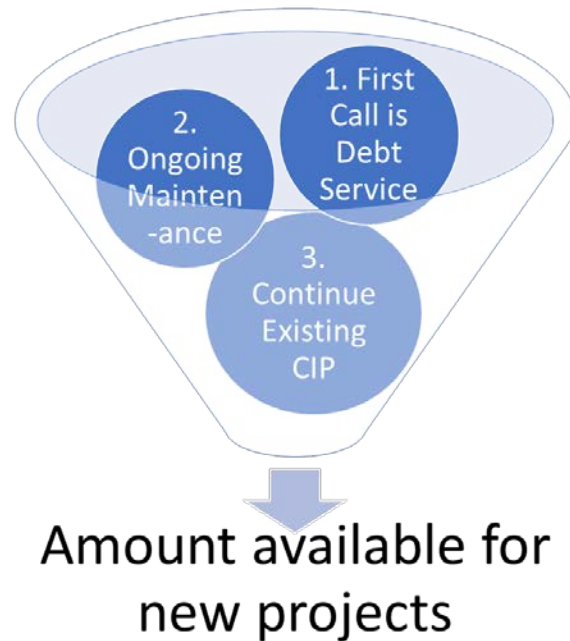
- Many revenues streams are restricted by law
- There are a few that are directed at the local level by policy
- One of those is the split of Sales Tax:
 - ~75% General Fund (\$54M)
 - ~25% CIP (\$19M)

Revenue Flexibility Continued...

- Understanding the uncertainty of the times, the desire to smooth the impact, and provide time for more certainty
- Seeking feedback on a proposal to provide a temporary, 1 to 2 year only, flexibility in the policy to allow up to \$3M to move from the CIP to the General Fund

Discussion 3: Balancing CIP

- After Debt, Maintenance, Current Project - \$31M
- Bring forth a balanced 7-year CIP as required



Starting place for Balancing the CIP

- Effectiveness
 - City Mission/Community Outcomes/Council Priorities
- Mandates
 - Meet new requirements or law
- Financial factors
 - Leveraging other funds; Cost versus benefit; Sunk costs; Avoided costs; Stewardship
- Timing/Urgency
 - Project readiness; linkage to other high priority projects
- Scaling
 - Level of Service (LOS); Right project at this time

Staff seeks Feedback:

- Regarding confirmation to revise the frame to the Council's Strategic Target Areas
- Regarding Process or other Data needed for:
 - The General Fund Balancing
 - The CIP Balancing
- Regarding the interest in a temporary 1 to 2 year adjustment of the sales tax policy split for up to \$3M a year

Next Steps



CONTINUE TO WATCH,
LISTEN, AND UPDATE



RETURN WITH PUBLIC
HEARINGS AND ADDITIONAL
MEETINGS