

CITY COUNCIL REGULAR SESSION

Public Hearing on the 2021-2022 Budget and 2021-2027 Capital Investment Program (CIP) Plan Mid-Biennium Update.

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Finance and Asset Management Department

EXECUTIVE SUMMARY

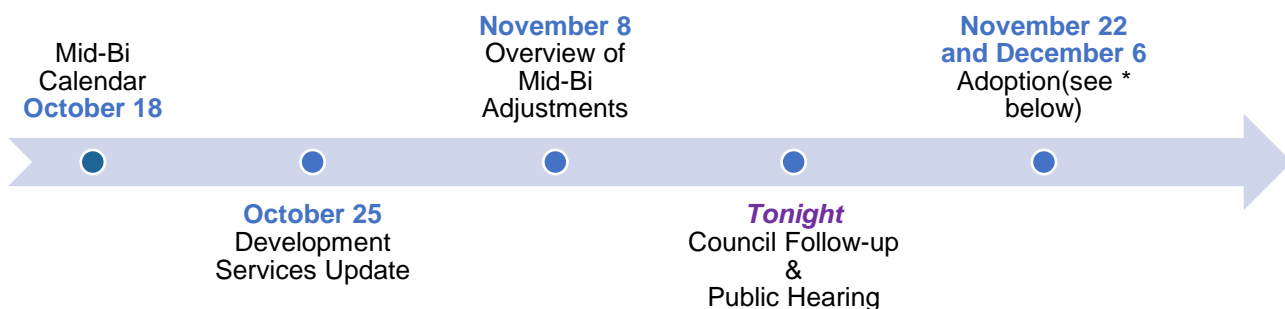
The public hearing is an opportunity for residents and other stakeholders to provide input on the proposed mid-biennium budget update, including all proposed levies, taxes, fees, and rates to aid the City Council in updating the 2021-2022 Budget and 2021-2027 Capital Investment Program (CIP) Plan. Due to a change in administrative practices, the property tax legislation is required by November 30. Following the public hearing, staff seeks direction to either bring back all needed legislation to adopt the full mid-biennium on November 22 or provide direction to staff to bring back the property tax legislation for action as well as any other areas of discussion and consideration for November 22, thereby adjusting the developments services and umbrella ordinances to tentatively December 6.

RECOMMENDATION

Hold the legally required public hearing on the 2021-2022 Budget and 2021-2027 CIP Plan Mid-Biennium Update.

BACKGROUND/ANALYSIS

The City adopts a two-year, or biennial budget. Tonight is the public hearing on the mid-biennium budget. The purpose of the public hearing is to enable the City Council to hear public comment on the proposed 2021-2022 Budget and 2021-2027 CIP Plan Mid-Biennium budget update. This public hearing is in keeping with Bellevue's long history of citizen involvement with the budget process. The public is invited to provide testimony on the operating and capital budgets, as well as on levies, taxes, fees, and rates.

Proposed Mid-Biennium Timeline

* Due to a change in administrative practices, the property tax legislation is required by November 30. Following the public hearing, staff seeks direction to either bring back all needed legislation to adopt the

full mid-biennium on November 22 or provide direction to staff to bring back the property tax legislation for action as well as any other areas of discussion and consideration for November 22, thereby adjusting the developments services and umbrella ordinances to tentatively December 6.

This public hearing is required by State law and gives the public an opportunity to provide feedback to the Council before a final decision is made.

This evening's public hearing was advertised in The Seattle Times on November 1 and November 8.

Ordinance No. 6557 adopted the 2021-2022 Budget and the 2021-2027 Capital Investment Program (CIP) on December 14, 2020. The mid-biennium budget update provides an opportunity for modifications to the 2021-2022 operating budget and 2021-2027 CIP plan in accordance with RCW 35A.34.130. The proposed mid-biennium budget update contains limited changes at the fund level to the 2021-2022 Adopted Budget and the 2021-2027 Capital Investment Program (CIP) Plan as adopted in Ordinance No. 6557. The proposed mid-biennium budget continues the Council direction on the 2021-2022 Adopted budget including the temporary (two-year) adjustment for the sales tax allocation from the General Capital Investment Program (CIP) and one percent property tax annual adjustment for 2022 (\$9 annually for a \$1 million property) to ensure continued services to the residents and stakeholders and advances Council's Priorities and Council's vision. An overview and additional details can be found in the [November 8, 2021 packet](#).

Mid-Biennium Council Actions

There are several actions that will be required to adopt the 2021-2027 mid-biennium update, including:

- Development Services Fee Ordinance: set the Development Services 2022 rates.
- 2022 Property Tax Levy Ordinance: Adopt 2022 property tax levy (RCW 35A.34.230).
- 2022 Property Tax Banked Capacity Resolution: Preserve the full levy amount available to the City (RCW 84.55.005, 84.55.0101, and 84.55.092).
- 2021-2022 Mid-Bi Budget Ordinance: "Umbrella" budget ordinance that includes appropriation approval by fund, 2022 pay plans, and summarizations of grants and donations accepted that are less than \$90,000.

Prior Discussions with Council

On October 18, staff reviewed the mid-biennium proposed budget calendar with Council and reviewed the actions necessary for budget adoption, [10/18 Mid-Bi Calendar Materials](#).

On October 25, staff presented the Development Services fees update. [10/25 Development Services Materials](#). Council directed staff to return with legislation as described for 2022 Development Fee Rates and Renton and Issaquah School Impact fees.

On November 8, staff presented the General Fund forecast and provided the mid-biennium adjustments of the Operating and Capital funds for Council consideration and discussion, [11/8 Agenda Materials](#).

POLICY & FISCAL IMPACTS

Policy Impact

State Law

RCW 35A.34.130 requires that the Council hold a public hearing for the purpose of modifying the City's biennial budget. This legally required public hearing must be held prior to the Council adopting the mid-biennium budget modification. Consistent with this requirement, public notice was provided on November 1 and November 8 regarding the public hearing for Council's consideration of a mid-biennium budget update.

Fiscal Impact

Mid-Biennium fiscal impacts, if appropriated in their current form, are as noted by fund in Attachment B: Mid-Biennium Changes by Fund. At budget adoption, Council budget amendments will be updated through November 15 in the Mid-Biennium Changes by Fund attachment.

OPTIONS

1. Hold the legally required public hearing on the 2021-2022 Budget and 2021-2027 CIP Plan Mid-Biennium Update.
2. Do not hold the public hearing and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Public Hearing Notice
- B. Mid-Biennium Changes by Fund

AVAILABLE IN COUNCIL LIBRARY

N/A