



Budget Guide

Understanding a municipal budget and its specialized terminology can be a challenge. This Budget Guide has been developed to make a review of the City of Bellevue’s budget easier. It highlights the type of information contained in each chapter, describes some parts in detail and gives directions for locating additional budget information.

The Budget Guide is organized into the following sections:

A. Budget Section Descriptions

This section identifies the format and information presented in the 2021-2022 Budget document.

B. 2021-2022 Budget Process

This section describes the Budget One process used by Bellevue to develop the city’s budget.

C. Basis of Accounting and Budgeting

This section discusses the basis of accounting used to present budget information.

D. Financial Policies Overview

This section provides an overview of the financial policies used by Bellevue to develop the city’s budget.

E. Locating Additional Budget and Financial Information

This section provides a list of other resources and documents containing information about the city’s finances.

A. Budget Section Descriptions

The 2021-2022 Budget and 2021-2027 Capital Investment Program Plan

The 2021-2022 Budget and 2021-2027 Capital Investment Program (CIP) Plan is designed to provide the reader with a comprehensive look at Bellevue's budget. It is organized both by Strategic Target Area and department and includes summaries relating to the forecast, resources and expenditures, staffing, department organization and the CIP. The following is a description of each chapter of the document.

Chapter 1 – Introduction

Transmittal Letter

The Budget Transmittal Letter presents the City Manager's message on the 2021-2022 Budget and the 2021-2027 CIP Plan to the Mayor, Councilmembers, residents and other stakeholders. The City Manager's transmittal letter highlights priorities and issues for both operating and CIP budgets.

Executive Summary

The Executive Summary presents a high-level summary of the key components of the 2021-2022 Budget.

About Bellevue

About Bellevue provides background information about the City of Bellevue, such as its form of government and organization, location, population and business climate.

Council Vision and Priorities

Council Vision and Priorities presents the priorities of the City Council and how budget proposals recommended for funding in this budget align with the Strategic Target Areas.

Stakeholder Summary

The Stakeholder Summary section presents an overview of the stakeholder engagement and outreach process leading up to the adoption of the 2021-2022 Budget.



Budget Guide

Chapter 2 – Budget Guide

The Budget Guide provides an overview of the budget, an overview of the budgeting process, the basis of accounting used to present budget information, explanations of the City’s financial policies, and how to locate additional budget or financial information.

Chapter 3 – Forecast

This chapter predicts the resources (income) and service level expenditures (spending) for major city operations and enterprise funds. A forecast is a mid-range look into the future that tries to anticipate what spending and resources will be, and what actions the city may need to take now based on those predictions.

Chapter 4 – Financial Information

Resource and Expenditure Summaries

This section provides an overview of resources and expenditures through graphic presentations of tax and fee revenue and spending by fund, department and Strategic Target Area.

Department Information

This section provides an organizational chart of each department’s major activities, information regarding the department’s objectives for the 2021-2022 budget and major accomplishments in the 2019-2020 biennium. In addition, the chapter provides an overview of departmental expenditures by category and by fund, a comparison of budgeted staffing levels between 2019 through 2022, and 2019 actual and 2020 budgeted expenditures and 2021-2022 Adopted Budget expenditures.

Capital Investment Program Plan

This section provides information about the General and Utilities CIP Plans. It provides a balanced seven-year forecast through 2027. The status of the levies and Transportation Infrastructure Finance and Innovation Act (TIFIA) is explained in detail with information on funding resources and project-specific revenue.

Chapter 5 – Appendix

This chapter contains a glossary of the terms and acronyms used in the document. It also contains the financial policies for the city and past budget related ordinances.

B. 2021-2022 Budget Process

Background

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. Budget One is a process that:

- 1) Identifies the community's priorities (called Outcomes)
- 2) Prioritizes services to meet those Outcomes; and
- 3) Funds those services with available monies.

In alignment with past practice and continuing the evolution of the city's budget process, the 2021-2022 Budget Process will be framed with the Council Vision and the connected seven "Strategic Target Areas". Historically, the budget has been framed by "Outcomes"; these outcomes pre-date the Council's Vision document and have caused some confusion, as the titles are similar yet slightly different than the Council's updated Strategic Target Areas.

Adjusting the frame for the budget will create a clearer alignment to the Council's Vision statement and 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", creating a clearer connection to the Council Vision and creating clarity in the budget by only providing two displays instead of three.

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 tie proposals to the Strategic Target Areas.

For the 2021-2022 budget process, the Leadership Team reviewed the overall budget proposals as well as the fiscal information to make a budget recommendation to the City Manager. The City Manager takes all information, including the feedback from Council, and prepares his 2021-2022 Preliminary Budget which will be presented to Council in October for review, deliberation, and final action.

Budget One Strategic Target Areas

The 2021-2022 Budget One cycle frames the budget with seven Strategic Target Areas and by department. These Strategic Target Areas are framed from the Council Vision Priorities for 2018-2020 document. A brief description of each strategic target area is listed below:

- **Economic Development** – Bellevue fosters a diversified suite of business activities to support existing and traditional business sectors as well as attracting the best to choose Bellevue as headquarters for global businesses and innovative startups. Bellevue business is global and local.
- **Transportation and Mobility** – Getting into, around, and through Bellevue is a given. Transportation is both reliable and predictable. Mode choices are abundant and safe.
- **High Quality Built and Natural Environment** – From a livable high-rise urban environment to large wooded lots in an equestrian setting, people can find exactly where they want to live and work in Bellevue. The diverse and well-balanced mix of business and commercial properties and a wide variety of housing types attract workers and families who desire a safe, sustainable and accessible community.
- **Bellevue: Great Places Where You Want to Be** – Bellevue is the place to be inspired by culture, entertainment, and nature. Learn, relax, shop, eat, cook, read, play, or marvel at our natural environment. Whatever your mood, there is a place for you in Bellevue.
- **Regional Leadership and Influence** – Bellevue will lead, catalyze, and partner with our neighbors throughout the region and celebrate the benefits of working together as one region.
- **Achieving Human Potential** – Bellevue is a caring community where all residents enjoy a high quality of life. People from around the world are welcomed by people from around the corner. People in Bellevue know that they are an important part of their community.
- **High Performance Government** – Bellevue is characterized by high performance government. Our residents live in a safe, clean city that promotes healthy living. The perception of safety contributes to the success of businesses and neighborhoods. Police, fire, and emergency personnel are seen by citizens every day, and we ensure that these services reflect high standards and pride.

In addition, departmental views are available in the Adopted Budget document.

Budget Guide

Budget One Process Calendar

The 2021-2022 Budget One Process (for both Operating and CIP budgets) consists of:

Milestone/Process Point	2020 Month	Status
Business Survey	Survey conducted from June through July 2019; report published October 2019	Completed
Budget Survey of Residents	Survey conducted in January; report published July 2020	Completed
Performance Measures Survey of Residents	Survey conducted in February - April; report published July 2020	Completed
City website is updated to include a Budget One site for use in Public Engagement	February	Completed
Budget proposals are submitted to the Budget Office	May 1	Completed
Provide Council with the fiscal impact of the economic shutdown and social distancing	May 18	Completed
Provide Council with process and practices of the 2021-2022 Budget. Provide Council information on the fiscal condition of the city. Solicit feedback from Council as the City Manager prepares his preliminary budget	June 22	Completed
First Public Hearing	July 27	Completed
City's Leadership Team provide a recommendation to the City Manager	August	Completed
Second Public Hearing	September 21	Completed
The City Manager presents his proposed budget to the Council	October 19	Completed
Third Public Hearing	November 23	Completed
Council reviews, deliberates, and adopts a final 2021-2022 Budget and 2021-2027 CIP	October to December	Completed

C. Basis of Accounting and Budgeting

The City budgets and accounts for all funds on a modified accrual basis. The “basis” of either accounting or budgeting refers to the timing with which the City recognizes revenues and expenses. Under modified accrual, expenditures are recognized when goods are received, or services are executed, and revenues are recognized when they are measurable and available; provided that payments for expenditures are made, and revenues are collected, within a 60-day period thereafter.

At year-end, the City also prepares financial statements on the modified and full accrual basis, as required by the State-prescribed Budgeting, Accounting, and Reporting System (BARS), and by generally accepted accounting principles (GAAP). These financial statements are presented in the City’s Comprehensive Annual Financial Report (CAFR). CAFR requirements include the Park Enterprise and Land Purchase Revolving Funds as part of the General Fund, and separate utilities funds into water, sewer, and drainage components and all other budget funds have equivalent CAFR funds.

D. Comprehensive Finance and Asset Management Policies Overview

The Comprehensive Financial Management Policies assembles all the City's financial policies in one document. They are the tools used to ensure that the City is financially able to meet its immediate and long-term service objectives. The individual policies contained herein serve as guidelines for both the financial planning and internal financial management of the City. The full text of financial policies can be found on the City's Finance and Asset Management Department home page at: <https://bellevuewa.gov/city-government/departments/finance/budget-and-performance/budgets/current-budget>

The City of Bellevue is accountable to its citizens for the use of public dollars. Municipal resources must be wisely used to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs. These policies safeguard the fiscal stability required to achieve the city's goals and objectives. The City of Bellevue is in compliance with all relevant financial policies within the Comprehensive Finance and Asset Management Policies.

Objectives

To achieve its purpose, the Comprehensive Financial Management Policies has the following objectives for the city's fiscal performance.

- A. To guide City Council and management policy decisions that has significant fiscal impact.
- B. To set forth operating principles that minimizes the cost of government and financial risk.
- C. To employ balanced and fair revenue policies that provides adequate funding for desired programs.
- D. To maintain appropriate financial capacity for present and future needs.
- E. To promote sound financial management by providing accurate and timely information on the city's financial condition.
- F. To protect the city's credit rating and provide for adequate resources to meet the provisions of the city's debt obligations on all municipal debt.
- G. To ensure the legal use of financial resources through an effective system of internal controls.
- H. To promote cooperation and coordination with other governments and the private sector in the financing and delivery of services.

Significant Changes

The development of the biennial budget provides the opportunity to review the city's Comprehensive Financial Management Policies and make necessary adjustments due to new or revised city ordinances and policies, state laws, or recommendations made by national accreditation and/or approval authorities. The investment policies have changes



Budget Guide

to them around investment of City reserves. For more detail please see the Comprehensive Financial Management Policies located at <https://bellevuewa.gov/city-government/departments/finance/budget-and-performance/budgets/current-budget>

E. Locating Additional Budget and Financial Information

In addition to the 2021-2022 Budget document, the City of Bellevue publishes other information about the city's finances. Some of the more important documents that might be of interest include:

The Comprehensive Annual Financial Report (CAFR) presents the year-end financial status

and results of operations for each of the city's funds, as well as various statistical and demographic information about the City of Bellevue. Each year's CAFR can be found on the city's Finance and Asset Management Department home page at <https://bellevuewa.gov/city-government/departments/finance/budget-and-performance/performance-reports/comprehensive-annual-financial-report-p-a-f-r>.

Quarterly Monitoring Reports discuss the status of operating and CIP resources and expenditures each quarter including a year-end projection of probable outcomes. Quarterly Monitoring Reports can be found on the city's Finance and Asset Management Department home page by scrolling down to Quarterly Monitoring Reports: <http://www.bellevuewa.gov/city-government/departments/finance/budget-and-performance/budgets/budget-monitoring-reports>.

The 2021-2022 Budget document, proposals for the 2021-2022 Budget and other financial reports can be found online at <https://bellevuewa.gov/budgets>.

Requests for any of these documents or inquiries about other financial programs of the City of Bellevue should be directed to:

Mrs. Toni Call
Finance and Asset
Management Director
City of Bellevue
P.O. Box 90012
Bellevue, WA 98009-9012
Phone: (425) 452-7863

or

Mr. Evan Phillips
City Budget Manager
City of Bellevue
P.O. Box 90012
Bellevue, WA 98009-9012
Phone: (425) 452-2831