

Expenditure Summary

This chapter presents a high-level summary of the key components of the 2021-2022 Adopted Budget.

For the purpose of this chapter, the 2021-2022 Adopted Budget is compared to the 2019-2020 Amended Budget including all amendments through 10/01/2020.

The Expenditure Summary is organized into the following sections:

A. Total Adopted City Budget

Figure 4b-1 lists the 2021-2022 total budgeted resources by source and expenditures by Strategic Target Area. The resources and expenditures are divided up into five distinct funding categories.

Figure 4b-2 lists the same 2021-2022 total budgeted resources by source, but displays the expenditures by department.

Figure 4b-3 details the 2021-2022 Adopted Budget net of double-budgeting and reserves for each of the five fund categories, as well as for each fund, and compares net budget growth from the 2019-2020 Amended Budget.

Figure 4b-4 displays the total 2021-2022 Adopted Budget by department and compares it to the 2019-2020 Amended Budget.

Figure 4b-5 displays the 2021-2022 total budget by Strategic Target Area (STA) and department, while excluding reserves.

Figure 4b-6 displays the 2020 personnel positions (known as full time equivalents, or FTEs) by outcome and by department.

B. General Fund

Figure 4b-7 displays the growth in the total appropriation for the General Fund by department.

Figure 4b-8 displays the 2021-2022 Adopted Budget by STA and department for the General Fund.

C. Internal Service and Other Operating Funds

Figure 4b-9 displays the growth in the total appropriation for the Internal Service and Other Operating funds by department.

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Figure 4b-10 displays the 2021-2022 Adopted Budget by outcome and department for just the Internal Service and Other Operating funds.

D. Enterprise Funds

Figure 4b-11 displays the growth in the total appropriation for the Enterprise funds by department.

Figure 4b-12 displays the 2021-2022 Adopted Budget by STA and department for just the Enterprise funds.

E. Special Purpose Funds

Figure 4b-13 displays the growth in the total appropriation for the Special Purpose funds by department.

Figure 4b-14 displays the 2021-2022 Adopted Budget by STA and department for just the Special Purpose funds.

F. Capital Investment Funds

Figure 4b-15 displays the growth in the total appropriation for the Capital Investment funds by department.

Figure 4b-16 displays the 2021-2022 Adopted Budget by STA and department for just the Capital Investment funds.

G. Total Debt Information – Based on Statutory Limits

Figure 4b-17 displays the City's total policy and statutory debt limits as of January 1, 2021.

Figure 4b-18 displays the City's total statutory debt capacity and debt issued as of January 1, 2021, comparing general government, parks and open space, and utility system use of debt capacity.

Figure 4b-19 lists the City's general obligation and revenue bond issuance amount and date, maturity date, interest rate, source of funding and debt service requirements for 2021-2022 by bond.

Figure 4b-20 displays the City's annual debt service requirements for existing non-voted general obligation bonds from 2020 through 2044 and lists the city's bond ratings.

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A. Total Adopted City Budget

The 2021-2022 Adopted Budget totals \$1.74 billion. It is built on a complex set of differing funds based in generally accepted accounting principles. Funds are used to separate and account for differing types of resources and costs. The following expenditure section separates the funds into 5 distinct categories. These categories are used throughout the expenditure summary section.

General Fund: The General Fund supports most of the direct services to the community, including police, fire, parks, community development, and transportation, as well as many of the administrative operations.

Internal Service and Other Operating funds: The Internal Service and Other Operating funds contain numerous funds where revenues are derived by charging other city funds on a cost-reimbursement basis for goods and services. Included are funds that provide for operating expenditures for departments, such as Information Technology and Finance & Asset Management, and the funds providing for equipment replacement and various employee benefits. There are also funds in this category that hold specific revenues within the city for specific purposes, including the Human Services Fund, the Hotel/Motel Tax Fund, and the Land Purchase Revolving Fund.

Enterprise Funds: Enterprise funds consist of city operations that are financed and operated similar to a private business, and include the various Utilities funds as well as the Development Services Fund, the Parks Enterprise Fund, and the Marina Fund.

Special Purpose Funds: Special Purpose funds hold resources that are restricted either by state law or other requests and are dedicated to specific purposes. This includes the Operating Grants and Donations Fund, the Housing Fund, and other funds.

Capital Investment Funds: Capital Investment funds include the two funds that make up the city's CIP: the General CIP Fund and the Utilities CIP Fund.

The following two tables provide the total 2021-2022 Adopted Budget appropriation in two views – one by STA and the second by department:

Figure 4b-1 lists the **2021-2022 Adopted Budget Resources by Source and Expenditures by STA** sorted by the five categories noted above. More information regarding the STAs and services provided can be found in Chapter 1.

Figure 4b-2 lists the same **2021-2022 Adopted Budget Resources by Source** but displays the **Expenditures by Department** sorted by the five fund categories. More information regarding the STAs and services provided can be found in Chapter 1.



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Figure 4b-1
2021-2022 Total Adopted City Budget
Resources by Source & Expenditures by Strategic Target Area
\$000

| | General Fund | Internal Service and Other Operating Funds | Enterprise Funds | Special Purpose Funds | Capital Investment Funds | 2021-2022 Biennial Budget |
|---|------------------|--|------------------|-----------------------|--------------------------|---------------------------|
| Beginning Fund Balance | \$38,738 | \$37,402 | \$65,029 | \$13,739 | \$205,024 | \$359,933 |
| Revenues by Source | | | | | | |
| Property Tax | \$81,236 | \$7,952 | \$0 | \$0 | \$36,719 | \$125,907 |
| Sales Tax | 112,284 | 0 | 0 | 200 | 29,681 | 142,165 |
| Business & Occupation Tax | 66,166 | 0 | 0 | 0 | 26,584 | 92,750 |
| Utility Taxes | 54,992 | 0 | 0 | 0 | 0 | 54,992 |
| Other Taxes | 11,718 | 11,576 | 0 | 2,243 | 36,800 | 62,338 |
| Grants | 6,304 | 0 | 601 | 5,090 | 23,512 | 35,507 |
| Intergovernmental Services | 47,257 | 11,120 | 1,297 | 2,759 | 3,728 | 66,160 |
| Charges for Services | 41,259 | 64,246 | 31,976 | 60 | 14,584 | 152,125 |
| Utility Services Fees | 0 | 0 | 317,524 | 0 | 3,724 | 321,248 |
| Miscellaneous Revenues | 13,110 | 79,233 | 29,652 | 2,570 | 12,197 | 136,762 |
| Short-Term Debt | 0 | 0 | 0 | 0 | 13,043 | 13,043 |
| Long-Term Debt | 0 | 0 | 0 | 0 | 27,643 | 27,643 |
| Operating Transfers | 1,134 | 820 | 10,485 | 47,405 | 93,043 | 152,887 |
| Total Revenues by Source | \$435,461 | \$174,946 | \$391,534 | \$60,328 | \$321,258 | \$1,383,527 |
| Total Resources | \$474,200 | \$212,348 | \$456,563 | \$74,067 | \$526,283 | \$1,743,460 |
| Expenditures by STA | | | | | | |
| Economic Development | \$1,878 | 4,557 | \$0 | \$0 | \$1,896 | \$8,331 |
| High Quality Built and Natural Environment | 75,433 | 1,081 | 98,446 | 0 | 110,257 | 285,217 |
| Transportation and Mobility | 15,026 | 45 | 0 | 205 | 93,330 | 108,606 |
| Bellevue: Great Places Where You Want to Be | 0 | 0 | 10,109 | 1,534 | 4,138 | 15,781 |
| Achieving Human Potential | 47,750 | 15,619 | 1,489 | 4,742 | 4,000 | 73,600 |
| Regional Leadership and Influence | 5,978 | 0 | 0 | 0 | 0 | 5,978 |
| High Performance Government | 224,827 | 119,423 | 152,878 | 48,931 | 37,352 | 583,410 |
| Total Expenditures By Outcome | \$370,891 | \$140,725 | \$262,922 | \$55,412 | \$250,972 | \$1,080,923 |
| Interfunds and Other Expenditures | \$69,350 | \$39,250 | \$135,730 | \$4,157 | \$38,747 | \$287,234 |
| Ending Fund Balance | \$33,958 | \$32,373 | \$57,911 | \$14,499 | \$236,563 | \$375,303 |
| Total Expenditures | \$474,200 | \$212,348 | \$456,563 | \$74,067 | \$526,283 | \$1,743,460 |

Figures may not foot due to rounding



Expenditure Summary

Figure 4b-2
2021-2022 Total Adopted City Budget
Resources by Source & Expenditures by Department
\$000

| | General Fund | Internal Service and Other Operating Funds | Enterprise Funds | Special Purpose Funds | Capital Investment Funds | 2021-2022 Biennial Budget |
|---|------------------|--|------------------|-----------------------|--------------------------|---------------------------|
| Beginning Fund Balance | \$38,738 | \$37,402 | \$65,029 | \$13,739 | \$205,024 | \$359,933 |
| Revenues by Source | | | | | | |
| Property Tax | \$81,236 | \$7,952 | \$0 | \$0 | \$36,719 | \$125,907 |
| Sales Tax | 112,284 | 0 | 0 | 200 | 29,681 | 142,165 |
| Business & Occupation Tax | 66,166 | 0 | 0 | 0 | 26,584 | 92,750 |
| Utility Taxes | 54,992 | 0 | 0 | 0 | 0 | 54,992 |
| Other Taxes | 11,718 | 11,576 | 0 | 2,243 | 36,800 | 62,338 |
| Grants | 6,304 | 0 | 601 | 5,090 | 23,512 | 35,507 |
| Intergovernmental Services | 47,257 | 11,120 | 1,297 | 2,759 | 3,728 | 66,160 |
| Charges for Services | 41,259 | 64,246 | 31,976 | 60 | 14,584 | 152,125 |
| Utility Services Fees | 0 | 0 | 317,524 | 0 | 3,724 | 321,248 |
| Miscellaneous Revenues | 13,110 | 79,233 | 29,652 | 2,570 | 12,197 | 136,762 |
| Short-Term Debt | 0 | 0 | 0 | 0 | 13,043 | 13,043 |
| Long-Term Debt | 0 | 0 | 0 | 0 | 27,643 | 27,643 |
| Operating Transfers | 1,134 | 820 | 10,485 | 47,405 | 93,043 | 152,887 |
| Total Revenues by Source | \$435,461 | \$174,946 | \$391,534 | \$60,328 | \$321,258 | \$1,383,527 |
| Total Resources | \$474,200 | \$212,348 | \$456,563 | \$74,067 | \$526,283 | \$1,743,460 |
| Expenditures by Department | | | | | | |
| City Attorney | \$8,549 | \$15,542 | \$0 | \$0 | \$0 | \$24,091 |
| City Clerk | 5,241 | 0 | 0 | 0 | 0 | 5,241 |
| City Council | 1,242 | 0 | 0 | 0 | 0 | 1,242 |
| City Manager | 10,975 | 0 | 0 | 0 | 200 | 11,175 |
| Community Council | 10 | 0 | 0 | 0 | 0 | 10 |
| Community Development | 12,373 | 0 | 0 | 4,493 | 14,384 | 31,250 |
| Development Services | 10,415 | 0 | 62,534 | 0 | 0 | 72,948 |
| Finance & Asset Management | 25,095 | 55,220 | 0 | 46,874 | 44,575 | 171,764 |
| Fire | 120,728 | 126 | 0 | 4,228 | 31,214 | 156,297 |
| Human Resources | 5,821 | 57,549 | 0 | 0 | 0 | 63,370 |
| Information Technology | 0 | 32,900 | 0 | 0 | 662 | 33,562 |
| Miscellaneous Non-Departmental | 5,010 | 0 | 0 | 0 | 0 | 5,010 |
| Parks & Community Services | 72,780 | 18,607 | 14,316 | 3,768 | 29,845 | 139,316 |
| Police | 102,352 | 0 | 0 | 0 | 0 | 102,352 |
| Transportation | 59,650 | 30 | 0 | 205 | 91,560 | 151,445 |
| Utilities | 0 | 0 | 321,802 | 0 | 77,280 | 399,082 |
| Total Expenditures By Department | \$440,242 | \$179,975 | \$398,652 | \$59,568 | \$289,720 | \$1,368,157 |
| Ending Fund Balance | \$33,958 | \$32,373 | \$57,911 | \$14,499 | \$236,563 | \$375,303 |
| Total Expenditures | \$474,200 | \$212,348 | \$456,563 | \$74,067 | \$526,283 | \$1,743,460 |

Figures may not foot due to rounding

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Figure 4b-3 details the **2021-2022 Adopted Budget Net of Double-Budgeting and Reserves** for each of the five fund categories, as well as for each fund, and compares net budget growth from the 2019-2020 Amended Budget. This table differs from the previous tables since it is removing the double-budgeting and the reserves from each fund in order to display the true expenditure growth.

The double-budgeting is primarily made up of interfund transfers within the city, where one fund is paying another fund. An example of this would be how computer replacements work within the city. A department would spend money to buy a new computer, but those funds would first be sent to the Information Technology Fund before then being spent again on the computer. In order to account for this expenditure only once, double-budgeting would be removed.

General Funds are increasing by 2.4 percent in the 2021-2022 biennium. This is due to both inflation in personnel and operating costs, as well as targeted investments in Fire Station 10, B&O tax compliance, affordable housing, a Communities of Color Coordinating team, and the City's Cultural Liaison Program. Due to the impacts of COVID-19, the City has focused on cost containment efforts to reflect the City's near-term 2021-2022 financial strategy. As part of that strategy, reductions have been made to internal operations across lines of business in discretionary expenditures and capacity while also reflecting COVID-19's known operational impacts. In addition, the strategy reduces maintenance across City facilities and puts the City on a more reactive, rather than proactive footing as it responds to non-safety-based repairs and maintenance. These efforts ensure that expenditures remain within resources in the 2021-2022 Adopted Budget. These investments are further highlighted both below in Figure 4b-4, as well as in Section B.

Internal Service and Other Operating funds are decreasing by 6.9 percent. Increases include the Human Services Fund due to population, inflation and other costs. Other notable increases are increases to the General Self Insurance fund and Workers Compensation Fund due to an increased risk environment for the City. Equipment Rental Fund due to increases in the City's fleet and equipment which include transportation assets (e.g. signals, lights, etc.), Fire Station 10 equipment, and net-new purchases occurring during the 2019-2020 biennium. LEOFF I Medical Reserve Fund is decreasing due to depletion of the reserve and transferring the pay-as-you portion to the General Fund. The Hotel/Motel expenditures are decreasing due to the revenue impacts of COVID-19 on tourism to the City. More detail is provided in Section C.

Enterprise funds are increasing by 1.4 percent, mainly due to increases in Development Services due to continued high construction activity in the near term. Increases in the Sewer Utilities funds are primarily attributable to costs associated with King County Metro wastewater treatment, and decreases in the CIP plan during 2021-2022 due to completion of some major projects in the prior biennium.

Special Purpose funds are decreasing by 51.9 percent, mainly due to the City taking advantage of the low interest rate environment to refinance bond debt in 2020. There are lower projected expenditures from the Operating Grants and Donations as well. The increase in the Housing Fund is

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do to a commitment to provide more support to affordable housing through increases in services funded by HB 1406. More detail is provided in Section E.

Capital Investment funds are decreasing by 12.9 percent. There have been reductions due to completion of several major projects within the General CIP and the Utilities CIP. There have also been impacts from COVID-19 on funding sources. More detail is provided in Section F.

Figure 4b-3
Adopted Budget Summary - Net of Double-Budgeting and Reserves
\$000

| | 2019-2020 Amended Budget | 2019-2020 Double- Budgeting* | 2020 Reserves | 2019-2020 Net Budget | 2021-2022 Adopted Budget | 2021-2022 Double- Budgeting* | 2022 Reserves | 2021-2022 Net Budget | Net Budget \$ Change | Net Budget % Change |
|---|--------------------------------|------------------------------------|--------------------|-------------------------|--------------------------------|------------------------------------|--------------------|-------------------------|----------------------------|---------------------------|
| TOTAL CITY BUDGET | | | | | | | | | | |
| General Funds | \$480,298 | (\$66,493) | (\$50,855) | \$362,950 | \$474,200 | (\$68,565) | (\$33,958) | \$371,676 | \$8,726 | 2.4% |
| Internal Service & Other Operating Funds | | | | | | | | | | |
| Equipment Rental | \$29,392 | (\$3,755) | (\$5,507) | \$20,129 | \$32,264 | (\$3,858) | (\$4,612) | \$23,794 | \$3,664 | 18.2% |
| Facilities Services | 15,159 | (2,747) | (722) | 11,690 | 16,214 | (4,214) | (771) | 11,230 | (459) | (3.9%) |
| General Self-Insurance Fund | 10,757 | (566) | (3,796) | 6,394 | 15,597 | (887) | (4,146) | 10,564 | 4,169 | 65.2% |
| Health Benefits Fund | 63,006 | (28) | (3,205) | 59,773 | 63,674 | (29) | (6,538) | 57,107 | (2,666) | (4.5%) |
| Hotel/Motel Taxes Fund | 27,382 | (4,019) | 0 | 23,363 | 11,576 | (7,019) | 0 | 4,557 | (18,806) | (80.5%) |
| Human Services Fund | 15,694 | 0 | (207) | 15,487 | 15,819 | 0 | (200) | 15,619 | 132 | 0.9% |
| Information Services Fund | 36,229 | (2,689) | (5,386) | 28,153 | 37,854 | (2,978) | (4,954) | 29,922 | 1,769 | 6.3% |
| Land Purchase Revolving Fund | 6,724 | (3,281) | (1,935) | 1,508 | 4,353 | (810) | (1,978) | 1,564 | 56 | 3.7% |
| LEOFF I Medical Reserve Fund | 470 | 0 | (324) | 147 | 657 | 0 | (531) | 126 | (20) | (13.9%) |
| Park M&O Reserve Fund | 6,633 | (1,052) | (5,581) | 0 | 5,916 | (1,192) | (4,724) | 0 | 0 | n/a |
| Unemployment Compensation Fund | 626 | (12) | (232) | 382 | 616 | (12) | (203) | 401 | 19 | 4.9% |
| Workers' Compensation Fund | 6,995 | (392) | (3,288) | 3,315 | 7,808 | (411) | (3,716) | 3,680 | 365 | 11.0% |
| Total | \$219,067 | (\$18,542) | (\$30,183) | \$170,341 | \$212,348 | (\$21,410) | (\$32,373) | \$158,565 | (\$11,776) | (6.9%) |
| Enterprise Funds | | | | | | | | | | |
| Development Services Fund | \$78,824 | (\$21,465) | (\$20,318) | \$37,041 | \$84,357 | (\$21,812) | (\$21,823) | \$40,722 | \$3,681 | 9.9% |
| Marina Fund | 1,605.6 | -800.0 | -283.3 | 522.3 | 1,846.9 | -800.0 | -502.8 | 544.1 | 21.8 | 4.2% |
| Parks Enterprise Fund | 14,136.1 | -2,644.8 | -1,267.6 | 10,223.7 | 13,591.5 | -2,862.4 | -620.0 | 10,109.1 | -114.6 | (1.1%) |
| Sewer Utility Fund | 137,444.2 | -32,173.5 | -8,618.1 | 96,652.5 | 142,209.4 | -32,994.1 | -9,507.5 | 99,707.8 | 3,055.2 | 3.2% |
| Solid Waste Fund | 3,926.2 | -1,030.1 | -1,451.8 | 1,444.3 | 4,683.8 | -1,191.5 | -2,020.4 | 1,471.9 | 27.6 | 1.9% |
| Storm & Surface Water Utility Fund | 60,057.3 | -31,521.3 | -6,164.8 | 22,371.2 | 63,523.7 | -33,985.1 | -7,967.3 | 21,571.4 | -799.8 | (3.6%) |
| Water Utility Fund | 151,604.0 | -43,409.1 | -15,546.4 | 92,648.5 | 146,350.3 | -40,417.9 | -15,469.5 | 90,462.9 | -2,185.6 | (2.4%) |
| Total | \$447,598 | (\$133,044) | (\$53,650) | \$260,904 | \$456,563 | (\$134,062) | (\$57,911) | \$264,589 | \$3,685 | 1.4% |
| Special Purpose Funds | | | | | | | | | | |
| Firemen's Pension Fund | \$7,288 | \$0 | (\$6,648) | \$640 | \$7,429 | \$0 | (\$6,791) | \$638 | (\$2) | (0.3%) |
| Housing Fund | 10,120 | (12) | (6,538) | 3,570 | 8,971 | (28) | (4,478) | 4,465 | 895 | 25.1% |
| I&D Redemption-Regular Levy Fund | 105,362 | 0 | (414) | 104,949 | 47,282 | 0 | (408) | 46,874 | (58,074) | (55.3%) |
| LID Control Fund | 72 | (71) | (1) | (0) | 0 | 0 | 0 | 0 | 0 | (100.0%) |
| LID Guaranty Fund | 752 | 0 | (752) | 0 | 0 | 0 | 0 | 0 | 0 | n/a |
| Operating Grants & Donations Fund | 20,069 | (457) | (5,958) | 13,654 | 10,385 | (480) | (2,822) | 7,083 | (6,571) | (48.1%) |
| Total | \$143,663 | (\$540) | (\$20,311) | \$122,813 | \$74,067 | (\$508) | (\$14,499) | \$59,060 | (\$63,753) | (51.9%) |
| Capital Investment Funds | | | | | | | | | | |
| General Capital Investment Program | \$237,732 | (\$32,280) | \$0 | \$205,452 | \$212,440 | (\$25,492) | \$0 | \$186,947 | (\$18,505) | (9.0%) |
| Utility Capital Investment Program | 312,295 | 0 | (214,463) | 97,832 | \$313,843 | 0 | (236,563) | 77,280 | (20,552) | (21.0%) |
| Total | \$550,028 | (\$32,280) | (\$214,463) | \$303,284 | \$526,283 | (\$25,492) | (\$236,563) | \$264,227 | (\$39,057) | (12.9%) |
| TOTAL CITY BUDGET | \$1,840,653 | (\$250,899) | (\$369,462) | \$1,220,292 | \$1,743,460 | (\$250,038) | (\$375,303) | \$1,118,118 | (\$102,174) | (8.4%) |

Figures may not foot due to rounding

*Removing double budgeting seeks to eliminate the internal transactions between city funds including transfers between funds and charges for services provided by one fund to another within the city.

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Figure 4b-4 displays the total **2021-2022 Adopted Budget by Department** and compares it to the 2019-2020 Amended Budget. This look displays all of the funds together by department, while subsequent tables will present this information by each of the fund category types. Overall, the total appropriation decreases by 5.3 percent. However, once reserves and double-budgeting are removed, net expenditure shrinks by 8.4 percent for the biennium, as displayed in Figure 4b-3.

The increases for most departments are explained by general inflation for both personnel and operating costs. However, there are a few departments with additional investments, including:

- **Fire:** The budget for the Fire Department is increasing above inflation primarily due to the phased opening of Fire Station #10. The 2021-2022 includes partial staffing to allow for a full opening by Spring of 2023.
- **City Attorney:** Growth for the City Attorney's Office is mostly driven by costs associated with increases in projected costs for the General Self Insurance Fund and the Workers' Compensation Fund due to an increased risk environment as determined by our outside actuary.
- **Community Development:** Growth for the Community Development Department is primarily in the Housing Fund reflecting the increased commitment from Council to the providing affordable housing solutions with increases in funding from HB 1406.
- **Development Services:** To meet the demand within the city due to a high level of construction activity, an increase in review, inspection, and land use hours is included in the budget.

Some department budgets are also decreasing in 2021-2022. For Transportation this is due to capital projects being completed in 2019-2020 and the impact of COVID-19 on CIP plans as well as one-time transfer in 2019 in Land Purchase Revolving Fund. Reductions in Miscellaneous Non-Departmental are reflecting one time costs that were incurred in 2019-2020. Reductions to HR reflect a reduction in health care costs to the City.



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Figure 4b-4
2021-2022 Adopted Budget by Department
\$000

| | 2019-2020 | 2021-2022 | \$ | % |
|--|-----------------------|-----------------------|-------------------|---------------|
| Total Budget | Amended Budget | Adopted Budget | Change | Change |
| City Attorney | \$19,251 | \$24,091 | \$4,840 | 25.1% |
| City Clerk | 5,654 | 5,241 | -413 | -7.3% |
| City Council | 1,210 | 1,242 | 32 | 2.6% |
| City Manager | 17,289 | 11,175 | -6,115 | -35.4% |
| Community Council | 9 | 10 | 0 | 5.0% |
| Community Development | 29,144 | 31,250 | 2,107 | 7.2% |
| Development Services | 68,352 | 72,948 | 4,596 | 6.7% |
| Finance & Asset Management | 244,754 | 171,764 | -72,989 | -29.8% |
| Fire | 142,604 | 156,297 | 13,693 | 9.6% |
| Human Resources | 65,978 | 63,370 | -2,607 | -4.0% |
| Information Technology | 33,142 | 33,562 | 419 | 1.3% |
| Miscellaneous Non-Departmental | 8,090 | 5,010 | -3,079 | -38.1% |
| Parks & Community Services | 144,132 | 139,316 | -4,816 | -3.3% |
| Police | 100,129 | 102,352 | 2,224 | 2.2% |
| Transportation | 172,371 | 151,445 | -20,926 | -12.1% |
| Utilities | 419,083 | 399,082 | -20,000 | -4.8% |
| Reserves | 369,462 | 375,303 | 5,842 | 1.6% |
| Total Budget | \$1,840,653 | \$1,743,460 | -\$97,193 | -5.3% |
| <i>Double-Budgeting</i> | <i>250,899</i> | <i>250,038</i> | <i>-860</i> | <i>-0.3%</i> |
| <i>Reserves</i> | <i>369,462</i> | <i>375,303</i> | <i>5,842</i> | <i>1.6%</i> |
| Expenditures Net of Double-Budgeting and Reserves | \$1,220,292 | \$1,118,118 | -\$102,174 | -8.4% |

Figures may not foot due to rounding.



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Figure 4b-5 displays the **2021-2022 Total Adopted Budget by Outcome and Department**, while excluding reserves. This display provides a look at how each department fits into the STA categories. More information on the outcomes can be found in Chapter 1.

Figure 4b-5
2021-2022 Adopted Budget by Strategic Target Area and Department
\$000

| All Funds | Economic Development | High Quality Built and Natural Environment | Transportation and Mobility | Bellevue: Great Places Where You Want to Be | Achieving Human Potential | Regional Leadership and Influence | High Performance Government | Interfunds and Other Expenses | Total | % |
|---|----------------------|--|-----------------------------|---|---------------------------|-----------------------------------|-----------------------------|-------------------------------|--------------------|---------------|
| City Attorney | \$0 | \$0 | \$0 | \$0 | \$578 | \$0 | \$21,699 | \$1,814 | \$24,091 | 1.8% |
| City Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 4,396 | 845 | 5,241 | 0.4% |
| City Council | 0 | 0 | 0 | 0 | 0 | 1,005 | 0 | 237 | 1,242 | 0.1% |
| City Manager | 0 | 0 | 0 | 200 | 1,168 | 1,190 | 7,895 | 722 | 11,175 | 0.8% |
| Community Council | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 0 | 10 | 0.0% |
| Community Development | 3,774 | 7,112 | 2,500 | 3,538 | 8,164 | 0 | 1,124 | 5,038 | 31,250 | 2.4% |
| Development Services | 0 | 13,903 | 0 | 0 | 0 | 0 | 26,819 | 32,226 | 72,948 | 5.5% |
| Finance & Asset Management | 4,557 | 125 | 45 | 400 | 0 | 0 | 98,658 | 29,314 | 133,099 | 10.0% |
| Fire | 0 | 1,216 | 0 | 1,534 | 22,313 | 0 | 111,044 | 20,190 | 156,297 | 11.8% |
| Human Resources | 0 | 0 | 0 | 0 | 2,875 | 0 | 59,838 | 657 | 63,370 | 4.8% |
| Information Technology | 0 | 662 | 0 | 0 | 0 | 0 | 24,089 | 8,811 | 33,562 | 2.5% |
| Miscellaneous | 0 | 0 | 0 | 0 | 0 | 172 | 9,363 | -4,525 | 5,010 | 0.4% |
| Non-Departmental Parks & Community Services | 0 | 74,651 | 0 | 10,109 | 36,545 | 0 | 2,992 | 15,019 | 139,316 | 10.5% |
| Police | 0 | 0 | 2,129 | 0 | 468 | 0 | 85,097 | 14,658 | 102,352 | 7.7% |
| Transportation | 0 | 26,268 | 103,932 | 0 | 0 | 3,611 | 4,326 | 13,226 | 151,363 | 11.4% |
| Utilities | 0 | 161,279 | 0 | 0 | 1,489 | 0 | 126,059 | 110,256 | 399,082 | 30.0% |
| Total All Proposals | \$8,331 | \$285,217 | \$108,606 | \$15,781 | \$73,600 | \$5,978 | \$583,410 | \$248,486 | \$1,329,409 | 100.0% |
| Percent of Total | 0.6% | 21.5% | 8.2% | 1.2% | 5.5% | 0.4% | 43.9% | 18.7% | 100.0% | |
| | | | | Debt Service (Finance) | | | | + | 38,747 | |
| | | | | Total Expenditures | | | | = | 1,368,157 | |
| | | | | 2022 Reserves | | | | + | 375,303 | |
| | | | | Total Appropriation | | | | | 1,743,460 | |

Figures may not foot due to rounding.

Expenditure Summary

Figure 4b-6 displays the **2022 FTE Comparison by STA and Department** (known as full time equivalents, or FTEs). For a more detailed breakout of FTEs by fund and changes from the 2019-2020 budget please refer to the FTE summary in the 2021-2022 Deatil Book.

Figure 4b-6
2022 FTE Comparison by Strategic Target Area and Department

| FTEs by Department | Economic Development | High Quality Built and Natural Environment | Transportation and Mobility | Bellevue: Great Places Where You Want to Be | Achieving Human Potential | Regional Leadership and Influence | High Performance Government | Total | % |
|--------------------------------|----------------------|--|-----------------------------|---|---------------------------|-----------------------------------|-----------------------------|-----------------|---------------|
| City Attorney | - | - | - | - | 2.00 | - | 26.75 | 28.75 | 2.0% |
| City Clerk | - | - | - | - | - | - | 14.00 | 14.00 | 1.0% |
| City Council | - | - | - | - | - | 7.00 | - | 7.00 | 0.5% |
| City Manager | - | - | - | - | 3.00 | 2.00 | 13.00 | 18.00 | 1.3% |
| Community Development | 5.00 | 13.00 | - | - | 14.60 | - | 3.00 | 35.60 | 2.5% |
| Development Services | - | 46.65 | - | - | - | - | 79.10 | 125.75 | 8.8% |
| Finance & Asset Management | - | 0.25 | - | - | - | - | 121.75 | 122.00 | 8.5% |
| Fire | - | 3.00 | - | - | 58.89 | - | 206.11 | 268.00 | 18.7% |
| Human Resources | - | - | - | - | 9.00 | - | 7.80 | 16.80 | 1.2% |
| Information Technology | - | - | - | - | - | - | 61.00 | 61.00 | 4.3% |
| Parks & Community Services | - | 96.00 | - | 17.00 | 44.28 | - | 11.00 | 168.28 | 11.7% |
| Police | - | - | - | - | 1.00 | - | 232.00 | 233.00 | 16.3% |
| Transportation | - | 41.50 | 83.74 | - | - | 12.21 | 12.00 | 149.45 | 10.4% |
| Utilities | - | 151.25 | - | - | 0.95 | - | 20.80 | 173.00 | 12.1% |
| Miscellaneous Non-Departmental | - | - | - | - | - | - | 12.00 | 12.00 | 0.8% |
| Total FTEs | 5.00 | 351.65 | 83.74 | 17.00 | 133.72 | 21.21 | 820.31 | 1,432.63 | 100.0% |
| Percent of Total | 0.3% | 24.5% | 5.8% | 1.2% | 9.3% | 1.5% | | 100.0% | |

Figures may not foot due to rounding

Expenditure Summary

B. General Fund

Figure 4b-7 displays the growth in the total appropriation for the **2021-2022 Adopted General Fund Budget by department**. The General Fund supports most of the direct services to the community, including police, fire, parks, community development, and transportation, as well as many of the administrative operations. These services are primarily funded by taxes and other sources. The General Fund shows an overall decrease of 1.3 percent, as well as a net budget increase of 2.4 percent, between the two bienniums. Some highlights of this growth are provided below.

The General Fund reflected in the 2021-2022 Adopted Budget uses the Amended 2020 Budget as a starting point to build upon. Known technical adjustments are then layered on to provide uniform assumptions about across the City. These adjustments include inflationary changes to personnel and nonpersonnel expenditures, charges for internal City services, accounting for known contractual obligations and other miscellaneous transfers across funds. These technical changes explain nominal percent changes in General Fund departments when not otherwise explained below.

Utilizing this adjusted General Fund budget, City leadership executed on financial strategies to contain General Fund costs, fund targeted investments, and create “bridge” structures in response to the short-term and long-term financial impacts of COVID-19. The following outlines these substantive changes as reflected in Figure 4b-7.

This budget reduces internal operations by approximately \$6.5 million by curtailing spending for consultants, discretionary travel/training, temporary help, seasonal help and other expenditures. Containing costs for internal operations will limit the City's flexibility to address surge workloads across internal operations and, in some cases, may result in limiting existing workloads. Additionally, the General Fund accounts for a reduction of approximately \$1.5 million dollars over the 2021-2022 biennium to account for the new way of work that COVID-19 has precipitated. This reduction reflects the known changes to how the City does business going forward. However, further analysis will be needed to determine its full long-term impact on the General Fund services and operations.

The Adopted 2021-2022 Budget reduces maintenance across General Fund services provided to the public. The City will continue to fund and prioritize safety and, long-term assets replacements. Though, the City will move toward a more reactive response to certain maintenance areas including tree removal and non-safety-based repairs in sidewalks and streetlights. Streetscapes and some parks will also see aesthetic impacts with less frequent mowing and weeding, some lawns will be allowed to brown out due to limited summer watering. In total, these maintenance cost containment measures reduce the General Fund by approximately \$6.9 million.

To further reduce the General Fund gap, the 2021-2022 Adopted Budget proposes expanding the Tax Division within the Finance & Asset Management Department to ensure compliance with the City's existing B&O Taxes. While greater compliance will increase the City's revenues by

Expenditure Summary

approximately \$2.1 million over the biennium, the cost of hiring additional compliance personnel increases the General Fund budget by roughly \$400,000 annually.

To ensure that City provides essential services to its vibrant and diverse communities, the 2021-2022 Adopted Budget utilizes an equity lens to provide targeted investments for Bellevue communities in most need. These investments include \$900,000 for a 24-hour homeless shelter as well as \$100,000 for the City's Community Cultural Liaison Program. The investment in the Program will provide cultural liaisons with the training and equipment necessary to thoughtfully engage with a wide range individuals and groups in Bellevue. In addition, the 2021-2022 Adopted Budget invests in planning and development resources to execute on affordable housing initiatives expected during the next biennium.

Finally, the 2021-2022 Adopted Budget for the General Fund provides funding to hire, train and equip 7 of the 13 Fire personnel that will be staffing Fire Station 10 upon its opening in 2023 (partial opening planned for 2022). The remaining 6 personnel will be hired and trained in 2023. Additionally, the Budget includes the initial payment for significant fire equipment, most notably, a new fire apparatus which will be delivered prior to Fire Station 10's opening. Rethinking the opening date for Fire Station 10 has allowed the City to sequence the upfront costs associated with operating the station in a way that is more manageable for the City's near-term financial future. Upon opening, this investment will provide the downtown community and surrounding areas with greater coverage for fire suppression and ambulatory services.

Department Detail

- **City Attorney** – reflects year-over-year inflation assumptions and cost containment reductions in discretionary professional services and office supplies. The City Attorney's Office 2021-2022 Adopted Budget also reflects a more accurate allocation of time spent by Office personnel on General CIP Fund and General Self-Insurance Fund activities. The reallocation of personnel costs shows as an expenditure reduction in the General Fund but will be shown as increases to both the General CIP and General Self-Insurance funds.
- **City Clerk** – contains year-over-year inflation assumptions and cost containment measures that reduce professional services for the City Clerk's Office. The Office's 2021-2022 Adopted Budget makes a technical personnel adjustment that reduces expenditures by repurposing a vacant position to better meet the Office's operational needs.
- **City Council** – adjusts for updated internal service rates and year-over-year inflation assumptions.
- **City Manager** – includes year-over-year inflation adjustments as well as cost containment reductions to internal operations for travel/training, professional services and 1 FTE dedicated to organizational development. The 2021-2022 Adopted Budget invests in the City's Cultural Liaison Program which resides in the City Manager's Office and is dedicated to engaging with Bellevue's diverse communities.

Expenditure Summary

- **Community Council** – increase is entirely attributed to year-over-year inflationary changes.
- **Community Development** – accounts for increases to year-over-year inflation and internal services charges. Additionally, the growth invests in the Community Development resources needed to sustain the City's robust development and community planning efforts during the 2021-2022 biennium. Community Development contained costs for professional services and reduced 1 FTE supporting public engagement efforts including the City's Arts Program and community planning.
- **Development Services** – adjusts for year-over-year inflationary increases during the biennium and increased charges for internal services. The Adopted 2021-2022 Budget provides expenditures to ensure Development Services has the resources to meet the service needs of planned and expected developments in the pipeline for the next biennium.
- **Finance & Asset Management** – increases personnel costs to reflect an additional 4 FTEs to ensure greater compliance of City B&O taxes as well as including additional expenditures for internal service fund charges. Finance & Asset Management contributed to the cost containment efforts across the General Fund by thoughtfully evaluating COVID-19's impact on the way the City conducts business during 2021 and 2022. These reductions included 3 FTEs as part of organizational efficiencies and savings directly tied to a more remote workforce.
- **Fire** – includes notable increases related to the staffing, equipment and operating costs associated with the phased opening of Fire Station 10 in 2023 (partial opening 2022). This 2021-2022 Adopted Budget provides the Fire Department with 7 FTEs in 2022 to hire staff that will be trained that year in anticipation of the Station's opening in Spring of 2023. In analyzing personnel costs for the next biennium, the Department made technical adjustments to better align its budget with operational needs. Additionally, this reflects increases in interfund charges for City services and risk pooling.
- **Human Resources** – modestly increases expenditures as much of the year-over-year inflationary costs are offset by cost containment measures targeting discretionary travel/training and supplies within the department.
- **Micellaneous Non-Departmental** – declines due to the removal of a one-time double-budgeted expenditure transfer occurring in 2020. This technical adjustment is no longer needed for the 2021-2022 biennium.
- **Parks & Community Services** – decreases year-over-year despite inflationary and internal service increases across bienniums. The decrease includes cost containment efforts which reduce the Department's nonpersonnel expenditures in travel/training, youth development services as well as professional services focused on park planning efforts. The 2021-2022



Expenditure Summary

Adopted Budget reduces expenditures for Park maintenance including structural, street tree and vegetation maintenance.

- **Police** – increases in expenditures include year-over-year inflation assumptions and a contractual increase for the cost of housing prisoners in jails around the area. The Police Department has contributed to closing the City’s General Fund gap by containing costs on discretionary travel/training, professional services and miscellaneous supplies.
- **Transportation** – reductions have been made to internal operations and services provided to the public including pothole repair, sidewalk maintenance, roadway sign and striping, vegetation control and street sweeping. Additionally, the 2021-2022 Adopted Budget includes notable increases in interfund charges for City services and risk pooling.
- **Reserves** – decreasing reserves reflect the City’s one-time use of funds to maintain services to the public and sustain our commitment to City employees during the 2020 revenue shortfall resulting from COVID-19. The General Fund will continue to meet the 15 percent cash reserves mandated by the City’s Comprehensive Finance and Asset Management Policies.

Expenditure Summary

Figure 4b-7
2021-2022 Adopted General Fund Budget by Department
\$000

| General Fund Budget | 2019-2020 Amended Budget | 2021-2022 Adopted Budget | \$ Change | % Change |
|--|-------------------------------------|-------------------------------------|----------------------|---------------------|
| City Attorney | \$8,583 | \$8,549 | -\$35 | -0.4% |
| City Clerk | 5,654 | 5,241 | -413 | -7.3% |
| City Council | 1,210 | 1,242 | 32 | 2.6% |
| City Manager | 10,751 | 10,975 | 224 | 2.1% |
| Community Council | 9 | 10 | 0 | 5.0% |
| Finance & Asset Management | 23,791 | 25,095 | 1,304 | 5.5% |
| Community Development | 11,908 | 12,373 | 466 | 3.9% |
| Development Services | 9,846 | 10,415 | 569 | 5.8% |
| Fire | 113,158 | 120,728 | 7,571 | 6.7% |
| Human Resources | 5,783 | 5,821 | 38 | 0.7% |
| Information Technology | 0 | 0 | 0 | 0.0% |
| Miscellaneous Non-Departmental | 8,090 | 5,010 | -3,079 | -38.1% |
| Parks & Community Services | 73,295 | 72,780 | -515 | -0.7% |
| Police | 100,129 | 102,352 | 2,224 | 2.2% |
| Transportation | 57,236 | 59,650 | 2,414 | 4.2% |
| Utilities | 0 | 0 | 0 | 0.0% |
| Reserves | 50,855 | 33,958 | -16,897 | -33.2% |
| Total General Fund | \$480,298 | \$474,200 | -\$6,098 | -1.3% |
| <i>Double-Budgeting</i> | <i>66,493</i> | <i>68,565</i> | <i>2,073</i> | <i>3.1%</i> |
| <i>Reserves*</i> | <i>50,855</i> | <i>33,958</i> | <i>-16,897</i> | <i>-33.2%</i> |
| Expenditures Net of Double-Budgeting and Reserves | \$362,950 | \$371,676 | \$8,726 | 2.4% |

Figures may not foot due to rounding.

*Reserves reduction is mainly attributable to the projected ending fund balance in 2020 being lower due to COVID-19 impacts.

Expenditure Summary

Figure 4b-8 displays the **2021-2022 Adopted General Fund Budget by STA and Department.**

Figure 4b-8
2021-2022 Adopted General Fund Budget by Strategic Target Area and Department
\$000

| General Fund | Economic Development | High Quality Built and Natural Environment | Transportation and Mobility | Bellevue: Great Places Where You Want to Be | Achieving Human Potential | Regional Leadership and Influence | High Performance Government | Interfunds and Other Expenses | Total | % |
|---|----------------------|--|-----------------------------|---|---------------------------|-----------------------------------|-----------------------------|-------------------------------|------------------|---------------|
| City Attorney | \$0 | \$0 | \$0 | \$0 | \$578 | \$0 | \$7,177 | \$794 | \$8,549 | 1.9% |
| City Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 4,396 | 845 | 5,241 | 1.2% |
| City Council | 0 | 0 | 0 | 0 | 0 | 1,005 | 0 | 237 | 1,242 | 0.3% |
| City Manager | 0 | 0 | 0 | 0 | 1,168 | 1,190 | 7,895 | 722 | 10,975 | 2.5% |
| Community Council | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 0 | 10 | 0.0% |
| Community Development | 1,878 | 4,662 | 0 | 0 | 2,710 | 0 | 1,124 | 2,000 | 12,373 | 2.8% |
| Development Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,415 | 10,415 | 2.4% |
| Finance & Asset Management | 0 | 77 | 0 | 0 | 0 | 0 | 23,127 | 1,891 | 25,095 | 5.7% |
| Fire | 0 | 1,216 | 0 | 0 | 22,313 | 0 | 77,647 | 19,551 | 120,728 | 27.4% |
| Human Resources | 0 | 0 | 0 | 0 | 2,875 | 0 | 2,331 | 615 | 5,821 | 1.3% |
| Miscellaneous | 0 | 0 | 0 | 0 | 0 | 172 | 9,363 | -4,525 | 5,010 | 1.1% |
| Non-Departmental Parks & Community Services | 0 | 43,229 | 0 | 0 | 17,638 | 0 | 2,992 | 8,921 | 72,780 | 16.5% |
| Police | 0 | 0 | 2,129 | 0 | 468 | 0 | 85,097 | 14,658 | 102,352 | 23.2% |
| Transportation | 0 | 26,248 | 12,897 | 0 | 0 | 3,611 | 3,667 | 13,226 | 59,650 | 13.5% |
| Total General Fund Proposals | \$1,878 | \$75,433 | \$15,026 | \$0 | \$47,750 | \$5,978 | \$224,827 | \$69,350 | \$440,242 | 100.0% |
| Percent of Total | 0.4% | 17.1% | 3.4% | 0.0% | 10.8% | 1.4% | 51.1% | 15.8% | 100.0% | |

| | | |
|-----------------------------------|---|----------------|
| Net General Funds | = | 440,242 |
| 2022 General Fund Reserves | + | 33,958 |
| Total General Fund | | 474,200 |

Figures may not foot due to rounding.

Expenditure Summary

C. Internal Service and Other Operating Funds

The Internal Service and Other Operating funds contain numerous funds where revenues are derived by charging other city funds on a cost-reimbursement basis for goods and services. Included are funds that provide for operating expenditures for departments, such as Information Technology and Finance & Asset Management, and the funds providing for equipment replacement and various employee benefits. These services are primarily funded by rates and premiums. There are also funds in this category that hold specific revenues within the city for specific purposes, including the Human Services Fund, the Hotel/Motel Tax Fund, and the Land Purchase Revolving Fund. See Figure 4b-3 for a detailed fund listing.

Figure 4b-9 displays the growth in the total appropriation for the **2021-2022 Adopted Internal Service and Other Operating Fund Budget by Department**. These funds collectively are showing an overall decrease of 3.1 percent, with a net budget decrease of 6.9 percent, between the two bienniums.

The growth in City Attorney's Office is attributable to increases in the General Self Insurance Fund. This fund handles all insurance claims for the City and changes in the insurance environment have increased the cost of providing coverage.

The growth in Parks & Community Services is due to both increases in expenditures from the Human Services Fund and increases from the Parks Maintenance and Operations Fund. For Human Services, growth is due to inflation, population growth, and other costs. The Parks Maintenance & Operations Fund reflects an increase in expenditures as more parks levy projects are completed and more money is drawn from the reserve to pay for the maintenance of these parks in alignment with the voter language.

The growth in the Information Technology Department is primarily driven by changes in software contracts increasing costs for enterprise software used by the City. There are also increased costs in the cybersecurity program to enhance the City's already robust program to ensure continuity of City services to citizens.

The large decrease in Transportation is attributed to a one-time purchase of land in the 2019-2020 biennium.

The decrease in Finance & Asset Management is primarily due to a decrease in expenditures in the Hotel/Motel fund due to impacts on tourism revenue from COVID-19. This is offset by growth in the City's Equipment Rental Fund to support new equipment for Fire Station 10 among others. There is also a one-time budgeted transfer in the Facilities fund for major equipment replacement on City properties.

Reductions to Human Resources reflect a reduction in health care costs to the City.



Expenditure Summary

Other increases are explainable by general inflation.

Figure 4b-9

2021-2022 Adopted Internal Service & Other Operating Fund Budget by Department
\$000

| <u>Internal Service & Other Operating Fund Budget</u> | <u>2019-2020 Amended Budget</u> | <u>2021-2022 Adopted Budget</u> | <u>\$ Change</u> | <u>% Change</u> |
|---|-------------------------------------|-------------------------------------|----------------------|---------------------|
| City Attorney | \$10,668 | \$15,542 | \$4,874 | 45.7% |
| Finance & Asset Management | 66,272 | 55,220 | -11,052 | -16.7% |
| Fire | 147 | 126 | -20 | -13.9% |
| Human Resources | 60,195 | 57,549 | -2,646 | -4.4% |
| Information Technology | 30,842 | 32,900 | 2,058 | 6.7% |
| Parks & Community Services | 18,251 | 18,607 | 356 | 2.0% |
| Transportation | 2,509 | 30 | -2,479 | -98.8% |
| Reserves | 30,183 | 32,373 | 2,190 | 7.3% |
| Total Internal Service & Other Operating Fund | \$219,067 | \$212,348 | -\$6,718 | -3.1% |
| <i>Double-Budgeting</i> | <i>18,542</i> | <i>21,410</i> | <i>2,868</i> | <i>15.5%</i> |
| <i>Reserves</i> | <i>30,183</i> | <i>32,373</i> | <i>2,190</i> | <i>7.3%</i> |
| Expenditures Net of Double- Budgeting and Reserves | \$170,341 | \$158,565 | -\$11,776 | -6.9% |

Figures may not foot due to rounding.

Expenditure Summary

Figure 4b-10 displays the **2021-2022 Adopted Internal Service and Other Operating Funds Budget by STA and Department.**

Figure 4b-10

2021-2022 Adopted Internal Service and Other Operating Funds Budget by Strategic Target Area and Department
\$000

| Internal Service and Other Operating Funds | Economic Development | High Quality Built and Natural Environment | Transportation and Mobility | Bellevue: Great Places Where You Want to Be | Achieving Human Potential | Regional Leadership and Influence | High Performance Government | Interfunds and Other Expenses | Total | % |
|--|----------------------|--|-----------------------------|---|---------------------------|-----------------------------------|-----------------------------|-------------------------------|------------------|---------------|
| City Attorney | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,522 | \$1,020 | \$15,542 | 8.6% |
| Finance & Asset Management | 4,557 | 48 | 45 | 0 | 0 | 0 | 23,147 | 27,422 | 55,220 | 30.7% |
| Fire | 0 | 0 | 0 | 0 | 0 | 0 | 126 | 0 | 126 | 0.1% |
| Human Resources | 0 | 0 | 0 | 0 | 0 | 0 | 57,508 | 41 | 57,549 | 32.0% |
| Information Technology | 0 | 0 | 0 | 0 | 0 | 0 | 24,089 | 8,811 | 32,900 | 18.3% |
| Parks & Community Services | 0 | 1,033 | 0 | 0 | 15,619 | 0 | 0 | 1,955 | 18,607 | 10.3% |
| Transportation | 0 | 0 | 0 | 0 | 0 | 0 | 30 | 0 | 30 | 0.0% |
| Total Internal Service & Other Operating Fund Proposals | \$4,557 | \$1,081 | \$45 | \$0 | \$15,619 | \$0 | \$119,423 | \$39,250 | \$179,975 | 100.0% |
| Percent of Total | 2.5% | 0.6% | 0.0% | 0.0% | 8.7% | 0.0% | 66.4% | 21.8% | 100.0% | |

| | | |
|---|---|----------------|
| Net Internal Service & Other Operating Funds | = | 179,975 |
| 2022 Internal Service & Other Operating Fund Reserves | + | 32,373 |
| Total Internal Service & Other Operating Funds | | 212,348 |

Figures may not foot due to rounding.

Expenditure Summary

D. Enterprise Funds

Enterprise funds consist of city operations that are financed and operated similar to a private business, and include the various Utilities funds (Water, Sewer, Storm and Surface Water, and Solid Waste), as well as the Development Services Fund, the Parks Enterprise Fund, and the Marina Fund. These services are primarily funded by fees. See Figure 4b-3 for a detailed fund listing.

Figure 4b-11 displays the growth in the total appropriation for the **2021-2022 Adopted Enterprise Fund Budget by Department**. These funds collectively are showing an overall increase of 2.0 percent, with a net budget increase of 1.4 percent (less reserves and double budgeting), between the two bienniums.

The largest change on a percentage basis is in Development Services, which continues to reflect a high level of development activity within the city in the near term. Development Services Fund expenditures exceed revenues in 2021-2022 as reserves are used to complete prepaid work and to invest in technology and infrastructure. Utilities have cost increases due to inflation and partially offset by strong cost containment measures to offset COVID-19 impacts. Parks increases are very modest due to ongoing impacts from COVID-19 on the facilities availability.

Figure 4b-11

2021-2022 Adopted Enterprise Fund Budget by Department
\$000

| Enterprise Fund Budget | 2019-2020 Amended Budget | 2021-2022 Adopted Budget | \$ Change | % Change |
|--|-------------------------------------|-------------------------------------|----------------------|---------------------|
| Development Services | \$58,506 | \$62,534 | \$4,027 | 6.9% |
| Parks & Community Services | 14,191 | 14,316 | 125 | 0.9% |
| Utilities | 321,251 | 321,802 | 552 | 0.2% |
| Reserves | 53,650 | 57,911 | 4,261 | 7.9% |
| Total Enterprise Fund | \$447,598 | \$456,563 | \$8,965 | 2.0% |
| <i>Double-Budgeting</i> | <i>133,044</i> | <i>134,062</i> | <i>1,018</i> | <i>0.8%</i> |
| <i>Reserves</i> | <i>53,650</i> | <i>57,911</i> | <i>4,261</i> | <i>7.9%</i> |
| Expenditures Net of Double-Budgeting and Reserves | \$260,904 | \$264,589 | \$3,685 | 1.4% |

Figures may not foot due to rounding.

Expenditure Summary

Figure 4b-12 displays the **2021-2022 Adopted Enterprise Fund Budget by STA and Department**.

Figure 4b-12

2021-2022 Adopted Enterprise Funds Budget by Strategic Target Area and Department
\$000

| Enterprise Funds | Economic Development | High Quality Built and Natural Environment | Transportation and Mobility | Bellevue: Great Places Where You Want to Be | Achieving Human Potential | Regional Leadership and Influence | High Performance Government | Interfunds and Other Expenses | Total | % |
|--|----------------------|--|-----------------------------|---|---------------------------|-----------------------------------|-----------------------------|-------------------------------|------------------|---------------|
| Development Services | \$0 | \$13,903 | \$0 | \$0 | \$0 | \$0 | \$26,819 | \$21,812 | \$62,534 | 15.7% |
| Parks & Community Services | 0 | 544 | 0 | 10,109 | 0 | 0 | 0 | 3,662 | 14,316 | 3.6% |
| Utilities | 0 | 83,999 | 0 | 0 | 1,489 | 0 | 126,059 | 110,256 | 321,802 | 80.7% |
| Total Enterprise Fund Proposals | \$0 | \$98,446 | \$0 | \$10,109 | \$1,489 | \$0 | \$152,878 | \$135,730 | \$398,652 | 100.0% |
| Percent of Total | 0.0% | 24.7% | 0.0% | 2.5% | 0.4% | 0.0% | 38.3% | 34.0% | 100.0% | |

| | | |
|-------------------------------|---|----------------|
| Net Enterprise Funds | = | 398,652 |
| 2022 Enterprise Fund Reserves | + | 57,911 |
| Total Enterprise Funds | | 456,563 |

Figures may not foot due to rounding.

E. Special Purpose Funds

Special Purpose funds hold resources that are restricted either by state law or other requests and are dedicated to specific purposes. This includes the Operating Grants and Donations Fund, the Housing Fund, and other funds. These services are primarily funded by taxes, grants, donations, and transfers. See Figure 4b-3 for a detailed fund listing.

Figure 4b-13 displays the growth in the **2021-2022 Adopted Special Purpose Fund Budget by Department**. These funds collectively are showing an overall decrease of 48.4 percent, with a net budget decrease of 51.9 percent, between the two bienniums. The City Manager impact is attributable to a one time increase in 2020 for COVID-19 funding. Community Development increases reflect the HB 1406 sales tax credit to be used for eligible affordable housing costs. Finance and Asset Management manages the debt funds for the City and the decrease reflects the City taking advantage of the low interest rate environment to refinance bond debt in 2020. The Fire change due adjustments to grants and other technical issues. Parks and Community Service reductions and transportation reductions are due to grants expiring from the 2019-2020 budget.

Expenditure Summary

Figure 4b-13

2021-2022 Adopted Special Purpose Fund Budget by Department

\$000

| | 2019-2020 | 2021-2022 | \$ | % |
|--|------------------|-----------------------|------------------|---------------|
| <u>Special Purpose Fund Budget Amended Budget</u> | | <u>Adopted Budget</u> | <u>Change</u> | <u>Change</u> |
| City Manager | \$6,538 | \$0 | -\$6,538 | -100.0% |
| Community Development | 3,844 | 4,493 | 649 | 16.9% |
| Finance & Asset Management | 104,949 | 46,874 | -58,074 | -55.3% |
| Fire | 3,218 | 4,228 | 1,010 | 31.4% |
| Parks & Community Services | 3,863 | 3,768 | -96 | -2.5% |
| Transportation | 940 | 205 | -735 | -78.2% |
| Reserves | 20,311 | 14,499 | -5,812 | -28.6% |
| Total Special Purpose Funds | \$143,663 | \$74,067 | -\$69,596 | -48.4% |
| <i>Double-Budgeting</i> | <i>540</i> | <i>508</i> | <i>-31</i> | <i>-5.8%</i> |
| <i>Reserves</i> | <i>20,311</i> | <i>14,499</i> | <i>-5,812</i> | <i>-28.6%</i> |
| Expenditures Net of Double-Budgeting and Reserves | \$122,813 | \$59,060 | -\$63,753 | -51.9% |

Figures may not foot due to rounding.

Figure 4b-14 displays the **2021-2022 Adopted Special Purpose Fund Budget by Outcome and Department.**

Figure 4b-14

2021-2022 Adopted Special Purpose Funds Budget by Strategic Target Area and Department

\$000

| Special Purpose Funds | Economic Development | High Quality Built and Natural Environment | Transportation and Mobility | Bellevue: Great Places Where You Want to Be | Achieving Human Potential | Regional Leadership and Influence | High Performance Government | Interfunds and Other Expenses | Total | % |
|---|----------------------|--|-----------------------------|---|---------------------------|-----------------------------------|-----------------------------|-------------------------------|-----------------|---------------|
| Community Development | \$0 | \$0 | \$0 | \$0 | \$1,455 | \$0 | \$0 | \$3,038 | \$4,493 | 7.5% |
| Finance & Asset Management | 0 | 0 | 0 | 0 | 0 | 0 | 46,874 | 0 | 46,874 | 78.7% |
| Fire | 0 | 0 | 0 | 1,534 | 0 | 0 | 2,056 | 638 | 4,228 | 7.1% |
| Parks & Community Services | 0 | 0 | 0 | 0 | 3,287 | 0 | 0 | 480 | 3,768 | 6.3% |
| Transportation | 0 | 0 | 205 | 0 | 0 | 0 | 0 | 0 | 205 | 0.3% |
| Total Special Purpose Fund Proposals | \$0 | \$0 | \$205 | \$1,534 | \$4,742 | \$0 | \$48,931 | \$4,157 | \$59,568 | 100.0% |
| Percent of Total | 0.0% | 0.0% | 0.3% | 2.6% | 8.0% | 0.0% | 82.1% | 7.0% | 100.0% | |

| | | |
|------------------------------------|---|---------------|
| Net Special Purpose Funds | = | 59,568 |
| 2022 Special Purpose Fund Reserves | + | 14,499 |
| Total Special Purpose Fund | | 74,067 |

Figures may not foot due to rounding.

Expenditure Summary

F. Capital Investment Funds

Capital Investment funds include the two funds that make up the city's CIP: the General CIP Fund and the Utilities CIP Fund. These figures are different from those provided in Chapter 10 since they only represent the first two years of the seven-year CIP. Further, large fluctuations happen between bienniums due to project timelines and expenditure needs. These projects are primarily funded by taxes, intergovernmental contributions, and grants. See Figure 4b-3 for a detailed fund listing.

Figure 4b-15 displays the growth in the total appropriation for the **2021-2022 Adopted Capital Investment Fund Budget by Department**. These funds collectively are showing an overall decrease of 4.3 percent, with a net budget decrease of 12.9 percent, between the two bienniums. This is primarily due to timing of projects over the seven year period.

The Utilities CIP decreases by 21 percent in 2021-2022. This is primarily attributable to several major projects being completed in 2019-2020. Ongoing projects include the Advanced Metering Infrastructure Implementation, as well as the acquisition of land for a new operations facility.

More information on changes for Capital Investment section of Chapter 4.

Expenditure Summary

Figure 4b-15
2021-2022 Adopted Capital Investment Fund Budget by Department
\$000

| | 2019-2020 | 2021-2022 | \$ | % |
|--|-----------------------|-----------------------|------------------|---------------|
| Capital Investment Fund Budget | Amended Budget | Adopted Budget | Change | Change |
| Community Development | \$13,392 | \$14,384 | \$992 | 7.4% |
| Finance & Asset Management | 49,742 | 44,575 | -5,167 | -10.4% |
| Fire | 26,081 | 31,214 | 5,133 | 19.7% |
| Information Technology | 2,300 | 662 | -1,638 | -71.2% |
| Parks & Community Services | 34,531 | 29,845 | -4,686 | -13.6% |
| Transportation | 111,686 | 91,560 | -20,127 | -18.0% |
| Utilities | 97,832 | 77,280 | -20,552 | -21.0% |
| Reserves | 214,463 | 236,563 | 22,100 | 10.3% |
| Total Capital Investment Fund | \$550,028 | \$526,283 | -\$23,745 | -4.3% |
| <i>Double-Budgeting</i> | <i>32,280</i> | <i>25,492</i> | <i>-6,788</i> | <i>-21.0%</i> |
| <i>Reserves</i> | <i>214,463</i> | <i>236,563</i> | <i>22,100</i> | <i>10.3%</i> |
| Expenditures Net of Double-Budgeting and Reserves | \$303,284 | \$264,227 | -\$39,057 | -12.9% |

Figures may not foot due to rounding.



Expenditure Summary

Figure 4b-16 displays the **2021-2022 Adopted Capital Investment Fund Budget by STA and Department.**

More information on changes for Capital Investment section of chapter 4.

Figure 4b-16
2021-2022 Adopted Capital Investment Funds Budget by Strategic Target Area and Department
\$000

| Capital Investment Funds | Economic Development | High Quality Built and Natural Environment | Transportation and Mobility | Bellevue: Great Places Where You Want to Be | Achieving Human Potential | Regional Leadership and Influence | High Performance Government | Interfunds and Other Expenses | Total | % |
|--|----------------------|--|-----------------------------|---|---------------------------|-----------------------------------|-----------------------------|-------------------------------|------------------|---------------|
| Community Development | \$1,896 | 2,450 | 2,500 | 3,538 | 4,000 | 0 | \$0 | \$0 | \$14,384 | 5.7% |
| Finance & Asset Management | 0 | 0 | 0 | 400 | 0 | 0 | 5,509 | 0 | 5,909 | 2.4% |
| Fire | 0 | 0 | 0 | 0 | 0 | 0 | 31,214 | 0 | 31,214 | 12.4% |
| Information Technology | 0 | 662 | 0 | 0 | 0 | 0 | 0 | 0 | 662 | 0.3% |
| Parks & Community Services | 0 | 29,845 | 0 | 0 | 0 | 0 | 0 | 0 | 29,845 | 11.9% |
| Transportation | 0 | 20 | 90,830 | 0 | 0 | 0 | 628 | 0 | 91,478 | 36.4% |
| Utilities | 0 | 77,280 | 0 | 0 | 0 | 0 | 0 | 0 | 77,280 | 30.8% |
| Total Capital Investment Fund Proposals | \$1,896 | \$110,257 | \$93,330 | \$4,138 | \$4,000 | \$0 | \$37,352 | \$0 | \$250,972 | 100.0% |
| Percent of Total | 0.8% | 43.9% | 37.2% | 1.6% | 1.6% | 0.0% | 14.9% | 0.0% | 100.0% | |

| | | |
|---------------------------------------|---|----------------|
| Debt Service (Finance) | + | 38,747 |
| Net Capital Investment Funds | = | 289,720 |
| 2022 Capital Investment Fund Reserves | + | 236,563 |
| Total Capital Investment Funds | | 526,283 |

Figures may not foot due to rounding.

Expenditure Summary

G. Total Debt Information – Based on Statutory Limits

State law enables the City to issue debt for three general categories of use: General Government, Park and Open Space, and the Utility System. The debt issued in each category is limited to 2.5 percent of the City's assessed valuation (for a total limit of 7.5 percent). In addition, the State Constitution also allows for non-voted (councilmanic) debt limited to 1.5 percent of the City's assessed valuation, to be included within the General Government 2.5 percent limit. Such councilmanic debt can be funded by Property Taxes, but does not result in an increase to Regular Levy Property Taxes. Publicly-voted bonds (which exclude councilmanic debt) require a 60 percent majority approval for passage of a bond election and a total voter turnout of at least 40 percent of the total votes cast in the last general election. Publicly-voted bonds are funded by Voted Levy Property Taxes and the approval of these bonds results in an increase to Voted Levy Property Taxes.

The City of Bellevue maintains a debt policy as part of the overall Comprehensive Finance and Asset Management policies. 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>

Figure 4b-17 displays the City's total policy and statutory debt limits as of January 1, 2021

**Figure 4b-17
Estimated Total Policy and Statutory Debt Limits as of January 1, 2021**

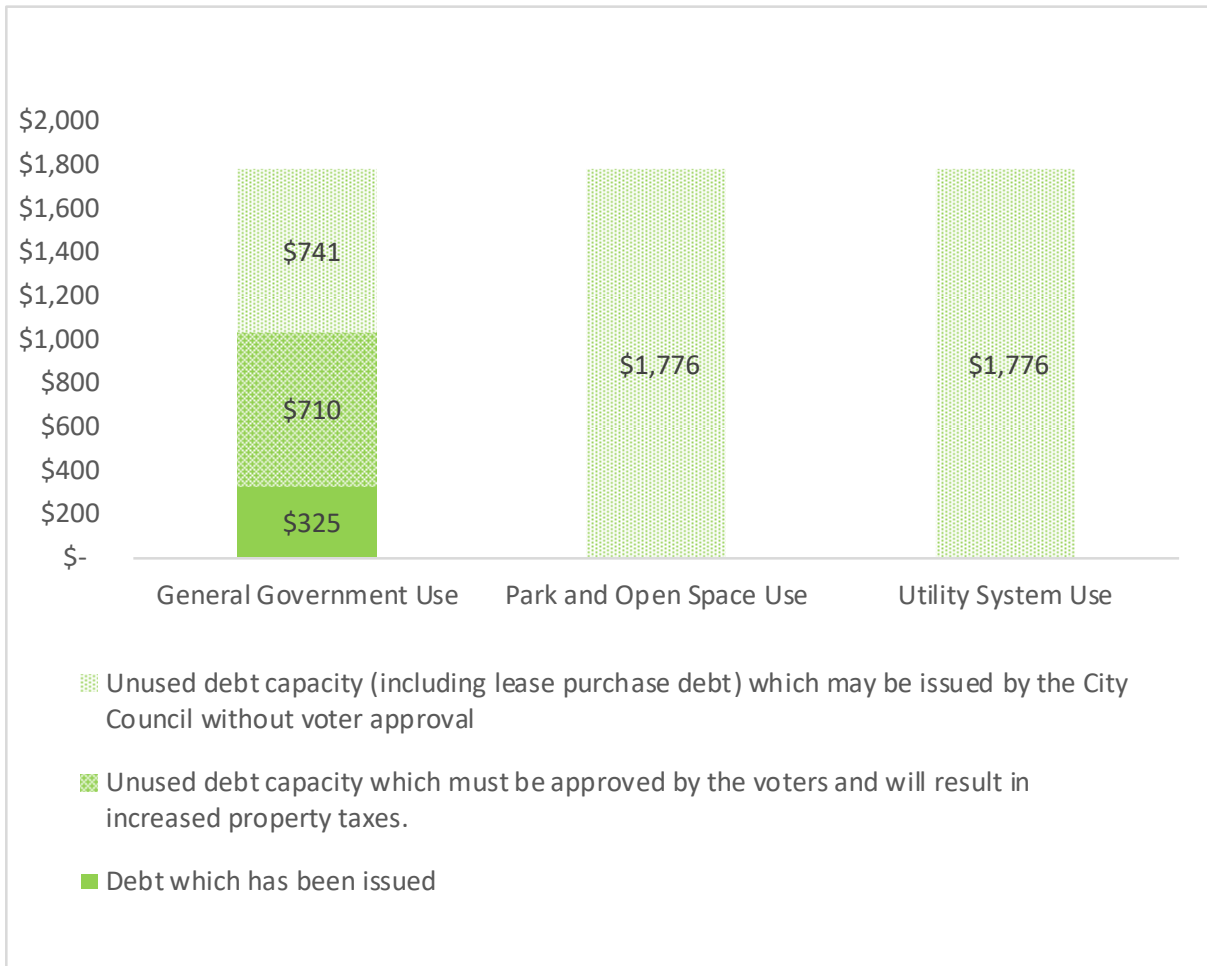
| Type of Debt | % of Assessed Value (\$71.1B) as of January 1, 2021 | | | Capacity Available (\$) as of January 1, 2021 | | |
|------------------------------|---|--------------------|------------------------|---|--------------------|------------------------|
| | Statutory Limitations | Policy Limitations | Policy Limit Available | Statutory Limitations | Policy Limitations | Policy Limit Available |
| General Purpose: | 2.50% | 1.75% | 1.29% | 1,776,480,913 | 1,243,536,639 | 916,664,151 |
| Non-Voted (Councilmanic) | 1.50% | 1.00% | 0.54% | 1,065,888,548 | 710,592,365 | 383,719,877 |
| Voted | 1.00% | 0.75% | 0.75% | 710,592,365 | 532,944,274 | 532,944,274 |
| Parks and Open Space - Voted | 2.50% | 1.75% | 1.75% | 1,776,480,913 | 1,243,536,639 | 1,243,536,639 |
| Utilities – Voted | 2.50% | 1.75% | 1.75% | 1,776,480,913 | 1,243,536,639 | 1,243,536,639 |
| Revenue | No Limit | No Limit | No Limit | No Limit | No Limit | No Limit |
| Local Improvement District | No Limit | No Limit | No Limit | No Limit | No Limit | No Limit |

Expenditure Summary

Figure 4b-18 exhibits by category the City's total general obligation debt capacity, the amount of debt issued, and the allocation of remaining debt capacity between voted and councilmanic limits. As of January 1, 2021, the City's remaining general government debt capacity is approximately \$1.45 billion, of which there is approximately \$710 million in voted capacity and \$741 million in councilmanic capacity. The approximate remaining debt capacity for park and open space use is \$1.77 billion and for utility system use is \$1.77 billion.

Figure 4B-18
Total Debt Capacity and Debt Issued
as of January 01, 2021
(\$ Millions)

Maximum Legal Capacity = \$71,059 x 0.025 = \$1,776



Expenditure Summary

Figure 4b-19 presents detailed information on the City's General Obligation and Special Obligation Revenue Bond debt. For each debt issue, this figure lists the amount issued, the issue and maturity dates, interest rate, source of debt payment funding, and the debt service requirements included in the 2021-2022 Budget.

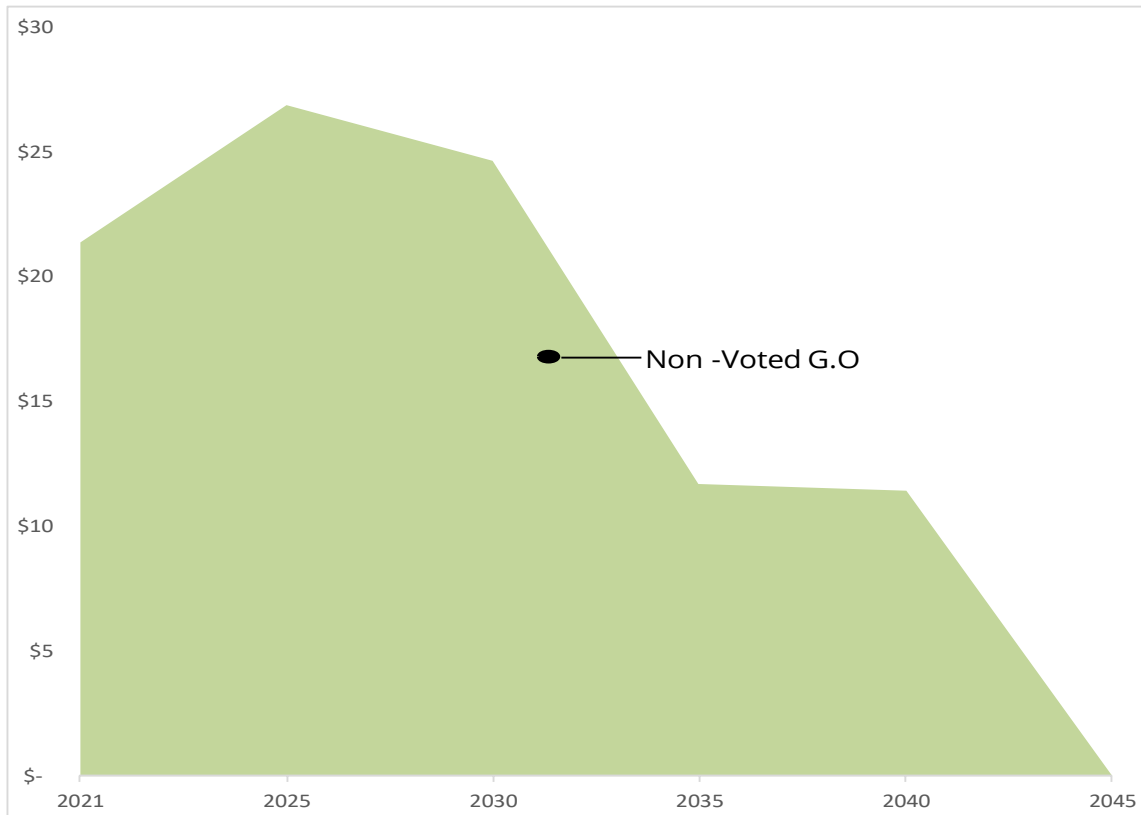
**Figure 4B-19
NON-VOTED GENERAL OBLIGATION AND SPECIAL OBLIGATION REVENUE BOND DEBT INFORMATION
\$000**

| | Original Amount Issued | Issue Date | Final Maturity Date | Interest Rate | Source of Debt Service Funding | 2020-2021 Debt Service Requirement | |
|---|------------------------------|---------------|---------------------------|------------------|-----------------------------------|---------------------------------------|-----------------|
| | | | | | | Principal | Interest |
| Non-Voted General Obligation (G.O.) Bonds: | | | | | | | |
| 1995 Limited G.O. | \$5,140 | 1995 | 2025 | 5.15 - 5.80% | Hotel/Motel Taxes | \$355 | \$1,165 |
| 2012 Limited GO Refunding (City Building) | 55,875 | 2012 | 2039 | 2.00 - 5.00% | Sales Tax | 3,950 | 4,413 |
| 2012B Limited GO Refunding (City Building) | 43,185 | 2012 | 2043 | 2.00 - 5.00% | Sales Tax | 130 | 3,767 |
| 2013 Limited G.O. (Sound Transit) | 62,605 | 2013 | 2032 | 2.00 - 5.00% | Sales Tax | 5,565 | 4,103 |
| 2013 Limited G.O. (Local Revitalization Financing) | 7,800 | 2013 | 2037 | 2.00 - 5.00% | Sales Tax | 480 | 517 |
| 2015 Limited G.O. Refunding (2006 City Building II) | 3,295 | 2015 | 2026 | 3.00 - 5.00% | Sales Tax | 620 | 216 |
| 2015 Limited G.O. Refunding (2008 Supplemental CIP) | 7,855 | 2015 | 2027 | 3.00 - 5.00% | Sales Tax | 1,420 | 547 |
| 2015 Limited G.O. Refunding (General CIP) | 79,140 | 2015 | 2034 | 3.00 - 5.00% | Sales Tax | 6,865 | 5,544 |
| 2015 Limited G.O. (BCCA Improvement) | 7,645 | 2015 | 2034 | 3.00 - 5.00% | Hotel/Motel Taxes | 635 | 581 |
| 2020 Limited G.O. Refunding (2010 Limited GO) | 10,915 | 2020 | 2030 | 2.00 - 5.00% | Sales Tax | 505 | 417 |
| 2020 Limited G.O. Refunding (1994 Bellevue Conventi | 42,370 | 2020 | 2030 | 2.00 - 5.00% | Hotel/Motel Taxes | | 456 |
| Total Non-Voted G.O. Revenue Bonds | \$325,825 | | | | | \$20,525 | \$21,726 |

Expenditure Summary

Figure 4b-20 presents the annual debt service requirements for the City’s councilmanic (non-voted) and special obligation revenue debt through 2044. The 2021 debt service requirements are \$21.8 for councilmanic revenue debt. If no further debt is issued, the final debt payment for the councilmanic debt occurs in 2043. This graph shows the City’s annual debt service requirements decreasing over time.

Figure 4b-20
Annual Debt Service Requirements
For Existing Non-Voted General Obligation and
Special Obligation Revenue Bonds
 (\$ Millions)



On January 1, 2021 the City held the following bond ratings:

| <u>Bond Type</u> | <u>Standard and Poor's</u> | <u>Moody's</u> |
|----------------------------------|----------------------------|----------------|
| Unlimited Tax General Obligation | AAA | Aaa |
| Limited Tax General Obligation | AAA | Aaa |