



## Glossary

The following are definitions of some of the more common terms one may encounter in reviewing this budget document.

**Achieving Human Potential (AHP):** A Strategic Target Area identified by City Council. 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.

**Adopted Budget:** A plan of financial operations, legally adopted by the City Council, providing an approved level of expenditures and a means of financing them for a given fiscal period.

**Amended Budget:** The amended budget is the authorized type and level of services, in place as of the last budget amendment ordinance, adjusted for reorganizations so that costs are comparable to the new biennial budget. They represent the adopted budgets plus additional appropriations resulting from City Council decisions made throughout the year and any reorganizations.

**American Community Survey (ACS):** The American Community Survey (ACS) is a demographics survey program conducted by the U.S. Census Bureau. It regularly gathers information previously contained only in the long form of the decennial census, such as ancestry, citizenship, educational attainment, income, language proficiency, migration, disability, employment, and housing characteristics. Unlike the every-10-year census, this survey continues all year, every year.

**Appropriation:** A legal authorization granted by the legislative body (City Council) to make expenditures and to incur obligations for specific purposes. For the General Fund, internal service and other operating and enterprise fund budgets, appropriations lapse at the end of each fiscal biennium. For non-operating/special purpose funds such as the Capital Investment Program Funds, appropriations do not lapse but continue in force until fully expended or until the purpose for which they were granted has been accomplished, abandoned, or revised by the City Council.

**Assessed Valuation (AV):** The tax value of both real (land and buildings) and personal property as determined by the King County Assessor's Office for the purpose of calculating property taxes.

**Asset:** Resources owned or held by a government that have monetary value.

**Balanced Budget:** The budget is in balance when revenues plus available resources are equal to or greater than planned expenditures plus reserves. The requirement for a balanced budget is found in the **RCW 35A.34.120**.

**BARS:** The acronym "BARS" stands for the Budgeting, Accounting, and Reporting Systems prescribed by the State of Washington.

**Base Budget:** Cost of continuing the existing levels of service in the current budget biennium.



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**Basis:** This refers to the method of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: generally accepted accounting principles (GAAP), cash, or modified accrual. The City budgets and accounts for all funds on a modified accrual basis. This means that: 1) expenditures are recognized when goods are received, or services are executed, and 2) 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.

**Beginning Fund Balance:** A revenue account used to record resources available in one fiscal biennium because revenues collected were in excess of the budget and/or expenditures in the prior fiscal biennium.

**Bellevue: Great Places Where You Want To Be (BGP):** A Strategic Target Area identified by City Council. 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.

**Biennial Budget:** The financial and operating plan for the city that establishes a two-year appropriation in accordance with Washington State law.

**Bond:** A long-term "IOU" or promise to repay a specified amount of money (the face amount of the bond) on a particular date (the maturity date). Bonds are typically used to finance capital projects.

**Budget:** A financial operating plan for a given period which displays the estimated expenditures to provide services or to accomplish a purpose during that period together with the estimated sources of revenue (income) to pay for those expenditures. Once the fund totals shown in the budget are appropriated by the City Council, they become maximum spending limits.

**Budget – Preliminary and Adopted:** The City Manager submits to the City Council a recommended expenditure and revenue level for all city operations for the coming biennial year as the Preliminary Budget. When the City Council agrees upon the revenue and expenditure levels, the Preliminary Budget becomes the Adopted Budget, funds are appropriated, and legal expenditure limits are established.

**Budgeting for Strategic Target Areas:** A process used to create budgets that focuses on Council's strategic target areas to help achieve the Council's vision of "Bellevue 2035 – The City Where You Want To Be".

**Budget One:** The term used for the City of Bellevue's budgeting for outcomes-based budget process; Budget One is a process that 1) identifies Council/community priorities (Outcomes called Strategic Target Areas); 2) prioritizes services to meet those outcomes (Strategic Target Areas); and 3) Funds those services with available monies.

**Capital Asset:** Property that has an initial useful life longer than one year and that is of significant value. The useful life of most capital assets extends well beyond one year and includes land, infrastructure, buildings, renovations to buildings that increase their value, equipment, vehicles, and other tangible and intangible assets.



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**Capital Expenditure:** An outlay that results in, or contributes to, the acquisition or construction of a capital asset.

**Capital Investment Program (CIP):** The CIP is a major planning tool of the City of Bellevue in which needed improvements to the City's facilities and infrastructure are identified, prioritized, priced, and discussed with the City Council and public. Funding from a variety of sources, including local taxes, is matched with the costs of these projects. After the City Council has reviewed and approved the program, these projects are implemented. The CIP covers a seven-year period and is updated every two years.

**Capital Project:** Major construction, acquisition, or renovation activities that add value to a government's physical assets or significantly increase the useful life.

**Chart of Accounts:** A list of expenditure, revenue, and other accounts describing and categorizing financial transactions.

**CIP:** The acronym "CIP" stands for Capital Investment Program. It is a seven-year plan of capital improvements approved by the Council on a biennial basis. This plan is a blueprint which city staff can follow in implementation of the listed projects.

**City's Leadership Team (LT):** The city's administrative decision-making body consisting of all Department Directors, the Deputy City Manager, and the City Manager. The city's Leadership Team is committed to be proactive in co-leading the organization now and into the future; be stewards of the entire organization; and look at the organization's impact on the community and the region.

**Comprehensive Annual Financial Report of the City (CAFR):** The City's annual financial statement prepared by the Finance Department.

**Constant or Real Dollars:** The presentation of dollar amounts adjusted for inflation to reflect the real purchasing power of money as compared to a certain point in time in the past.

**Consumer Price Index (CPI):** A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

**Contingency:** A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

**Contractual Services:** Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements, and professional consulting services.

**Coronavirus Aid, Relief, and Economic Security Act (CARES):** Federal legislation passed on March 27, 2020 to address the public health crisis and economic impacts caused by COVID-19.

**Coronavirus Relief Fund (CRF):** Funding provided by the federal government in the CARES Act to support state, local, and tribal governments in responding to the public health emergency and economic impacts of COVID-19.



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**Council Vision:** A 20-year vision for the city, including strategic target areas and two-year priorities approved by the City Council on May 19, 2014. It is a vision of “Bellevue 2035 – The City Where You Want To Be”.

**Credit Rating:** The credit worthiness of a governmental unit as determined by an independent rating agency. The City of Bellevue is rated by two rating agencies: 1) Moody’s Investors Service, and 2) Standard and Poor’s.

**Debt Service:** The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

**Deficit:** The excess of an entity’s liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

**Department:** A basic organizational unit of city government responsible for carrying out a specific function.

**Depreciation:** Reduction in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence.

**Development-Related Fees:** Fees and charges generated by building, development, and growth in a community. Included are building and street permits, development review fees, zoning, platting, and subdivision fees.

**Direct Services Overhead:** Costs for centrally-provided internal services which can be identified to specific departments and which departments can control how much of the service they use (e.g., postage, word processing, long-distance phone charges).

**Disbursement:** The expenditure of monies from an account.

**Distinguished Budget Presentation Awards Program:** A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

**Double Budgeting:** The result of having governmental funds or departments purchase services from one another rather than from outside vendors. When internal purchasing occurs, both the “buyer” and the “seller” of services must have a budget. The “buyer” has to budget the expenditure and the “seller” has to have resources in its budget to provide the service. This type of transaction results in higher budget values because the same expenditure or revenue dollar is budgeted twice, once in each fund's budget. This document shows the budget with (gross) and without (net of) double budgeting.

**Economic Development (ED):** A Strategic Target Area identified by the City Council. 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.

**Encumbrance:** The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

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**Enterprise Fund:** Separate financial accounting entity used for government operations that are financed and operated in a manner similar to business enterprises and for which preparation of an income statement is desirable.

**Expenditure:** Payment for goods and services. Under the modified accrual basis, expenditures are recognized when goods are received, or services are rendered; provided that payments for expenditures are made within a 60-day period thereafter.

**Expense:** Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

**Financial Policy:** A government's conscious decision on the financial direction it wants to take regarding revenue, spending, and debt management in relation to government services, programs, and capital investment. Financial policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

**Fiscal Biennium:** In accordance with Washington State Law (RCW 35A.34), a fiscal biennium is the period from January 1 of each odd-numbered year through December 31 of the next succeeding even-numbered year (i.e., January 1, 2021 - December 31, 2022).

**Fiscal Year:** A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Bellevue's fiscal year is the same as the calendar year.

**Fixed Assets:** Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

**Full-Time Equivalent (FTE):** The acronym "FTE" stands for Full-Time Equivalent and represents the measure by which the city accounts for its staffing. A regular city employee working a standard 40-hour week is counted as 1.0 FTE; a regular city employee working fewer than 40 hours per week is counted as a portion of an FTE (e.g., 30 hours a week is counted as 0.75 FTE).

**Fund Balance:** The difference between resources and expenditures.

**Fund:** Governmental accounting systems are organized and operated on a fund basis. A fund is an independent financial and accounting entity with a self-balancing set of accounts in which financial transactions relating to resources, expenditures, assets, and liabilities are recorded. Funds are established to account for the use of restricted revenue sources and, normally, to carry on specific activities or pursue specific objectives. Funds may be established by the State Constitution, State Statute, City Charter, City ordinance, or Finance Director.

**Generally Accepted Accounting Principles (GAAP):** Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules and procedures that define accepted accounting principles.

**General CIP Revenue:** Revenue dedicated to CIP use. General CIP Revenue is derived from real estate excise tax, portions of local optional sales tax and business and occupation tax, interest earnings on unexpended balances, and miscellaneous unrestricted revenues. General CIP Revenue is allocated to each non-utility program area based on overall priorities.



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**General Fund:** A central fund into which most of the city's general tax revenues and discretionary resources are pooled and which is allocated to support many of the operations of city government.

**General Obligation (GO) Bond:** This type of bond is backed by the full faith, credit, and taxing power of city government.

**Grants:** A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantor.

**High Performance Government (HPG):** A Strategic Target Area identified by City Council. 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.

**High Quality Built and Natural Environment (HQ):** A Strategic Target Area identified by City Council. 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.

**Indirect Services Overhead:** Cost of centrally provided internal support services for which there is a citywide benefit that cannot be readily identified to specific departments (e.g., financial services).

**Infrastructure:** The physical assets of a government (e.g. streets, water, sewer, public buildings and parks).

**Interfunds:** Transactions between individual funds of the City of Bellevue (rather than transactions between the City and private companies, other governments, or vendors). Funds are budgeted in both the service providing and service receiving departments (see, "Double Budgeting"). Examples of interfund revenues include equipment rental charges, self-insurance premiums, and contributions for debt service obligations.

**Intergovernmental Revenue:** Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

**Leadership Team:** See "City's Leadership Team (LT)".

**LEOFF 1:** The acronym "LEOFF I" stands for Law Enforcement Officers and Firefighters I retirement program.

**Levy:** To impose taxes for the support of government activities.

**Limited-Term-Employee (LTE):** The acronym "LTE" stands for Limited Term Employee and represents an individual hired full- or part-time for a specific project or purpose with an employment period not to exceed three years.

**Line-Item Budget:** A budget prepared along departmental lines that focuses on what is to be bought.

## Glossary

**Long-Term Debt:** Debt with a maturity of more than one year after the date of issuance.

**M&O (Maintenance and Operating) Costs:** An expenditure category that represents amounts paid for supplies (e.g., office supplies, repair and maintenance supplies, minor equipment, and software), and other services and charges (e.g., ongoing contracts, professional services, communications, rent, utilities, and intergovernmental services).

**Mandate:** A legal requirement that a jurisdiction provide a specific service at a specific level.

**Modified Accrual:** The basis of accounting used by the City of Bellevue to recognize revenues and expenditures. The “basis” of either accounting or budgeting refers to the timing with which we recognize 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.

**Net Budget:** The legally adopted budget less double-budgeted items such as interfund transfers and interdepartmental charges.

**Non-Operating/Special Purpose Fund:** A budgeting, accounting, and reporting entity established to receive revenues typically of a non-continuing nature and to make expenditures for non-continuing projects or programs. It usually has a short-term life, after which the fund will be disbanded. Although budgets may be established on an annual or biennial basis, appropriations are non-lapsing and continue from biennium to biennium.

**Obligations:** Amounts which a government may be legally required to pay out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

**Operating Costs:** See M&O Costs.

**Operating Expenditure:** The cost of personnel, materials, and equipment required for a department to function.

**Operating Fund:** Operating funds have biennially-established balanced budgets which lapse automatically at the end of the fiscal biennium. These funds carry on the traditional service operations of a municipality.

**Operating Revenue:** Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

**Operating Transfers:** Amounts transferred from one fund to another to assist in funding the services for the recipient fund.

**Outcome:** Outcome reflects Council’s strategic target areas. See “Strategic Target Areas”.

**Output:** An output is a unit of a product or service produced through activities and programs (e.g. number of clients’ lunches served, tons of waste collected, or the number of applications processed).



## Glossary

**Pay-As-You-Go Basis:** A term used to describe a financial policy by which outlays are financed from current revenues rather than through borrowing (in the case of capital expenditures) or reserve building (in the case of retirement funds).

**Performance Measure:** A measure or combination of measures that allows the observer to know whether performance is in line, ahead of or behind expectations. Also known as an "Indicator."

**Personnel:** Expenditure category that represents amounts paid for employees (e.g., salaries and overtime pay) and their benefits.

**Policy:** A policy is a guiding principle which defines the underlying rules that direct subsequent decision-making processes.

**Program:** A group of related activities and projects which seek to accomplish a common objective.

**Project Cost:** An estimate of the resources required to complete the capital project as described on the project description page. Many of the project costs shown in the CIP Plan are preliminary in nature since no significant engineering has been done which would allow for more specific estimates to be produced. Most cost estimates are produced using rule-of-thumb approximations as opposed to specific lists of materials.

**Proposal:** A written offer of services by a department(s) in response to a Strategic Target Area to provide a particular service, program or activity that achieves a result. It indicates what the department proposes to do to produce an Outcome that align with one of the Strategic Target Areas, how much it will cost, and how success will be measured.

**Public Hearing:** A public hearing is a specifically designated time, place, and opportunity for citizens, community groups, businesses, and other stakeholders to address the City Council on an issue. It allows interested parties to express their opinions and the City Council and/or staff to hear their concerns and advice.

**RCW:** The acronym "RCW" stands for Revised Code of Washington which is Washington State Law.

**Regional Leadership and Influence (RLI):** A Strategic Target Area identified by City Council. Bellevue will lead, catalyze, and partner with our neighbors throughout the region and celebrate the benefits of working together as one region.

**Reserve:** An account used either to set aside budgeted resources that are not required for expenditure in the current budget biennium or to earmark resources for a specific future purpose.

**Resolution:** A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.

**Resources:** Total dollars available for appropriation, including estimated revenues, interfund transfers, other financing sources such as the sale of fixed assets, and beginning fund balances.



## Glossary

**Restricted Revenue:** A revenue is considered restricted when its receipt is either based upon the reasonable expectation that fees or charges paid to the city will be utilized to provide a specific product, service, or capital asset to the payer, or their receipt is directly tied to an expenditure. Revenue is also considered restricted when voters or the City Council have designated it for a specific purpose by ordinance or resolution. Revenues not designated restricted are considered unrestricted.

**Revenue:** Sources of income received during a fiscal year, operating transfers from other funds, and other financing sources such as the proceeds derived from the sale of fixed assets.

**Revenue Bond:** A type of bond backed only by the revenues from a specific enterprise or project, such as a utility.

**Revenue Estimate:** A formal estimate of how much revenue will be earned from a specific revenue source for some future period, typically a future fiscal year.

**Source of Revenue:** Revenues are classified according to their source or point of origin.

**Special Purpose/Non-Operating Fund:** A budgeting, accounting, and reporting entity established to receive revenues typically of a non-continuing nature and to make expenditures for non-continuing projects or programs. It usually has a short-term life, after which the fund will be disbanded. Although budgets may be established on an annual or biennial basis, appropriations are non-lapsing and continue from biennium to biennium.

**Strategic Target Areas (STA):** The City Council approved a 20-year vision for the city in May 2014, including strategic target areas and two-year priorities. The Seven Strategic Target Areas are 1) Economic Development (ED); 2) Transportation and Mobility (TM); 3) High Quality Built and Natural Environment (HQ); 4) Bellevue: Great Places Where You Want To Be (BGP); 5) Regional Leadership and Influence (RLI); 6) Achieving Human Potential (AHP); and 7) High Performance Government (HPG).

**Strategic Target Team:** Replaces Results Teams from previous budget processes. The Strategic Target Team will rank budget proposals based on how well each proposal would accomplish each budget outcome area. The Council Vision is the basis of their work.

**Supplemental CIP:** In 2007, the City Council adopted the Supplemental CIP plan which represents high priority capital projects that focus on the following priority areas: 1) Downtown Implementation; 2) Transportation Capacity and Congestion; and 3) Neighborhood Investments. Funding for these projects is provided by limited tax general obligation bonds.

**Taxes:** Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

**TIFIA:** Transportation Infrastructure Finance and Innovation Act (TIFIA) is a loan provided by the federal government. TIFIA is not grant funding but is a loan with favorable terms for the city.



## Glossary

**Transportation and Mobility (TM):** A Strategic Target Area identified by the City Council. Getting into, around, and through Bellevue is a given. Transportation is both reliable and predictable. Mode choices are abundant and safe.

**Uncommitted Resources:** The net resources available after meeting the estimated cost of providing existing levels of service which may be used to support new or qualitatively expanded service programs or resource reductions.

**Undesignated Fund Balance:** The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

**Unrestricted Revenue:** Revenues not designated restricted are considered unrestricted (see, "Restricted Revenue").

**User Charges:** The payment of a fee for direct receipt of a public service by the party who benefits from the service.

**Utility Services:** A term used to describe services provided by Bellevue's three self-supporting utility funds: Sewer, Storm and Surface Water, and Water.

**Variable Cost:** A cost that increases/decreases with increases/decreases in the amount of service provided, such as the payment of a salary.