



## Resource Summary

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This chapter illustrates 2013-2014 Budget resource estimates primarily through the use of graphic presentations. Text describing the graphic presentations is included to highlight some of the key information presented.

This Resource Summary is organized into the following sections:

### **A. Total City Budget Resources**

Figure 6a-1 presents the 2013-2014 resource budget for all City funds and contains a comparison to Adopted 2011-2012 resources. All comparisons in this section compare the Adopted 2013-2014 Budget to the Adopted 2011-2012 Budget.

Figure 6a-2 includes specific information on each of the taxes levied to support City services. Included for each tax are the maximum allowable rate, the current City rate, the 2013 and 2014 budgets, and supplemental information.

Figure 6a-3a and 6a-3b compares Bellevue property tax, sales tax, business and occupation tax and average utilities tax rates to other local jurisdictions.

Figure 6a-4 displays historical property tax information for comparison purposes. Official property tax records are maintained by the King County Assessor's Office.

Figure 6a-5 displays a typical distribution of property tax dollars for Bellevue taxpayers, as well as an estimate of property tax bills for Bellevue home owners.

**NOTE:** This section compares the Adopted 2013-2014 Budget to the Adopted 2011-2012 Budget. This section differs from the Forecast section (Chapter 4) in that the Forecast compares to actual 2012 year end.

The Great Recession impacted the 2011-2012 Adopted economically sensitive revenues, specifically the business and occupation tax and sales tax. During the mid-biennium update, revenues were revised downward, but the Adopted Budget was not adjusted. Therefore, the actual growth in 2013 over 2012 can be seen in the Forecast section.



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### A. Total City Budget Resources

Figure 6a-1 presents the 2013-2014 resource budget for all City funds and contains a comparison to Adopted 2011-2012 resources. All comparisons in this section compare the Adopted 2013-2014 Budget to the Adopted 2011-2012 Budget.

As illustrated in the pie chart, taxes represent the largest resource category contributing 26.3 percent of total City resources. Tax collections are anticipated to increase by \$25.2 million across all funds based on the economic recovery projected for the region.

Sales tax receipts, as a comparison to Adopted 2011-2012, are anticipated to increase \$2.8 million or 2.9 percent. This growth rate is different than the growth in the General Fund and CIP sections for two reasons (1) total city Sales Tax includes annexation, on the General Fund Forecast section annexation revenues are shown separately and (2) this chart compares the 2011-2012 Adopted Budget to 2013-2014 Adopted, the General Fund forecast and CIP sections compare to 2012 year end.

Property Tax receipts are anticipated to increase \$4.2 million or 5.7 percent from 2011-2012 to 2013-2014 due to new construction assessed value growth and by increased assessed value from areas annexed in 2012. Annexation growth accounted for \$2.0 million or 2.5 percent of the total 5.7 percent; reducing the biennium growth to 3.2 percent.

Business & Occupation Tax is anticipated to increase \$1.2 million or 2.2 percent during 2013-2014. This is primarily due to the projected increase in overall business activity.

Utility Taxes include electric, gas, water, sewer, storm drainage, garbage, and telephone utility activity. Receipts are anticipated to increase \$2.4 million or 4.4 percent from 2011-2012 to 2013-2014 due to increased tax collections from utility service rate increases and additional revenue collections from areas annexed in 2012.

Other taxes includes hotel/motel, Real Estate Excise, Criminal Justice Sales, Admissions, Gambling, and Leasehold Excise Taxes as well as tax penalties. Other taxes are anticipated to increase \$14.7 million or 39.6 percent in 2013-2014, reflecting increased "other tax" funding for CIP projects and increased transient occupancy tax projections.

Utility Service Fees are the second largest category of resources. This revenue category is made up of water, sewer, and storm & surface water service fees. These revenues are projected to grow by \$25.2 million over the Adopted 2011-2012 biennium, primarily attributable to water, sewer, and storm drainage rate increases and pass-through rate increases in Metro Sewer and Cascade Water Alliance pass-through costs.

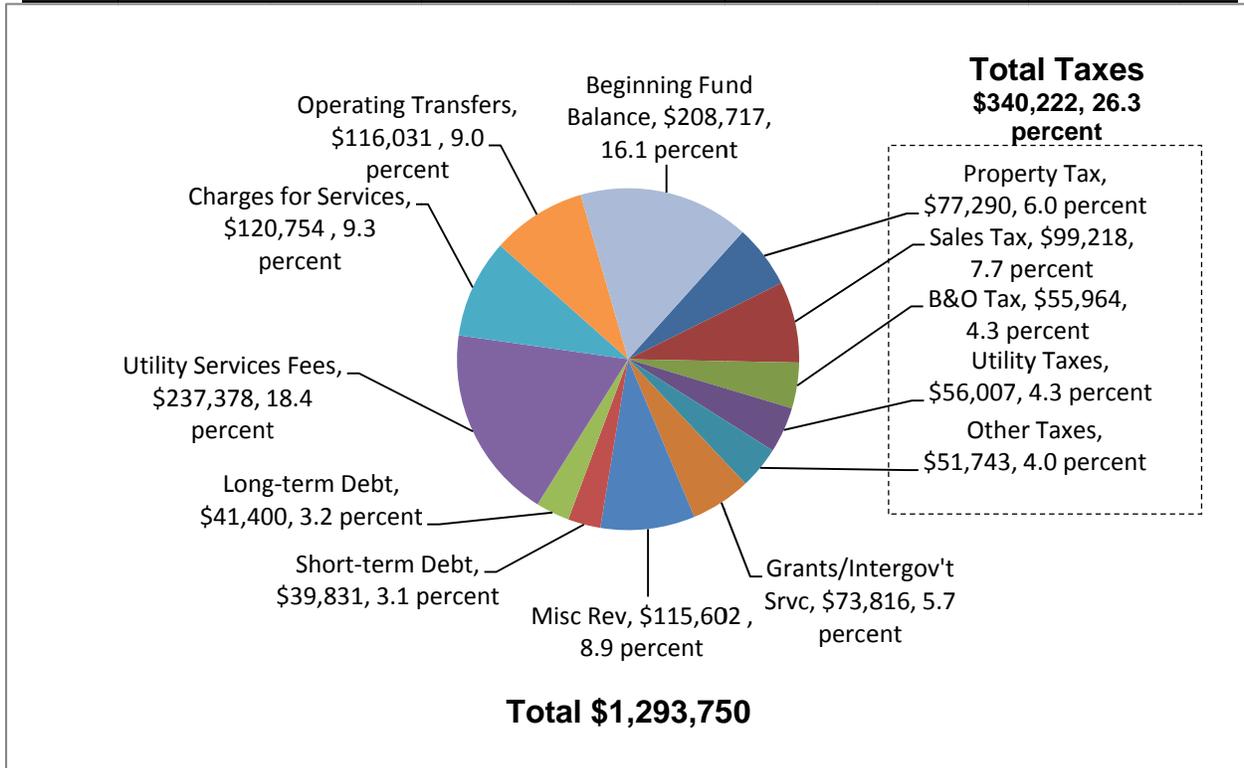
Beginning Fund Balance (BFB) is the third largest category of resources at \$208.7 million or 16.1 percent of total City resources. Utilities Department Funds makes up \$120.9 million, or 58 percent of this total.

Operating Transfers are anticipated to increase \$29.7 million or 34.4 percent from 2011-2012 to 2013-2014 primarily due to the transfer of payment to payoff of the existing line of credit and refunds of surplus reserves from internal service funds. Ongoing analysis of internal service fund reserves ensures that reserves remain within target levels.

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Figure 6a-1

## 2013-2014 Total City Budget Resources \$000



### Comparison to 2011-2012 Budget

	2011-2012 Adopted	2013-2014 Budget	\$ Change	% Change
<b>Taxes</b>				
Sales Tax	\$96,448	\$99,218	\$2,771	2.9%
Property Tax	73,105	77,290	4,185	5.7%
Business & Occupation Tax	54,748	55,964	1,216	2.2%
Utility Taxes	53,626	56,007	2,381	4.4%
Other Taxes	37,064	51,743	14,679	39.6%
<b>Total Taxes</b>	<b>\$314,991</b>	<b>\$340,222</b>	<b>\$25,231</b>	<b>8.0%</b>
<b>Beginning Fund Balance</b>	196,815	208,717	11,902	6.0%
<b>Utility Services Fees</b>	212,173	237,378	25,205	11.9%
<b>Miscellaneous</b>	140,151	115,602	(24,548)	(17.5%)
<b>Short-Term Debt</b>	0	39,831	39,831	N/A
<b>Long-Term Debt</b>	29,700	41,400	11,700	39.4%
<b>Charges for Services</b>	108,382	120,754	12,372	11.4%
<b>Operating Transfers</b>	86,320	116,031	29,710	34.4%
<b>Grants/Intergovernmental Services</b>	62,004	73,816	11,812	19.1%
<b>Total Resources</b>	<b>\$1,150,534</b>	<b>\$1,293,750</b>	<b>\$143,215</b>	<b>12.4%</b>

Note: Columns/graph may not foot due to rounding



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### **Figure 6a-2** **Summary of Locally Levied Taxes**

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Bellevue has a diverse mix of revenues that expand and retract based on various drivers. Through a diverse revenue base, and conservative financial management, Bellevue has been able to weather through the most recent recession successfully.

This figure includes specific information on each of the taxes levied to support City services. Included for each tax are the maximum allowable rate, the current City rate, the 2013 and 2014 budgets, and supplemental information.

#### **1. Sales Tax**

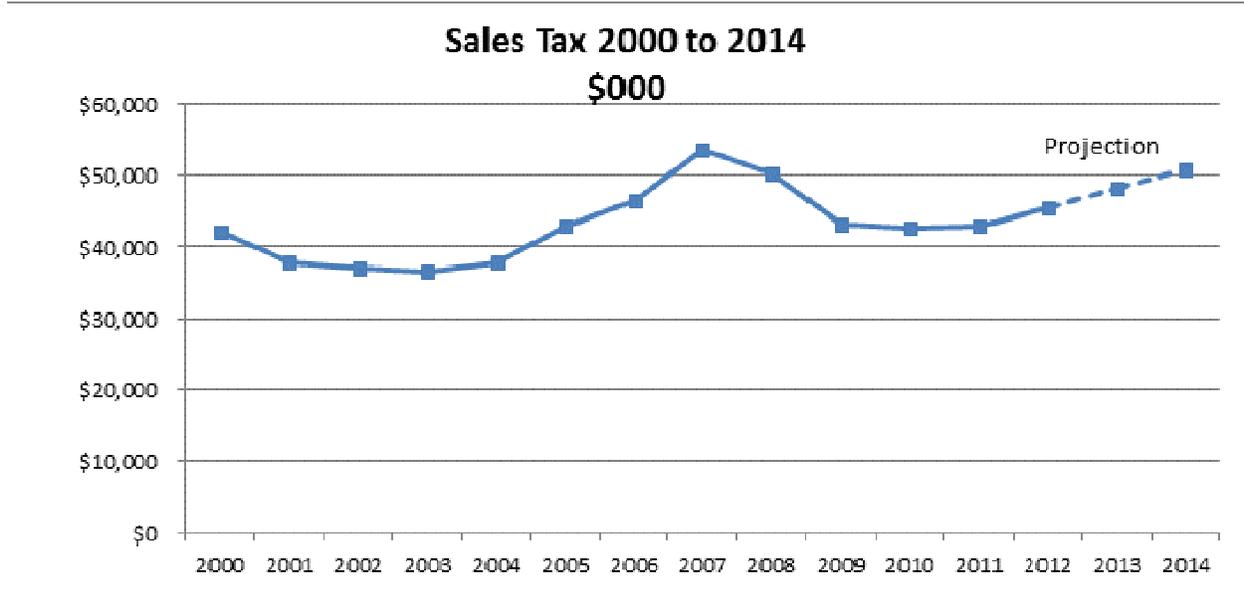
Sales tax is imposed on the sale of most goods and some services. This tax is remitted to the State by businesses and in turn, the State provides the City with a portion of this revenue on a monthly basis. The total sales tax rate is 9.5 percent in Bellevue and the City receives 0.85 percent of this rate.

Growth in sales tax revenue is driven by growth in sales at retail outlets, direct expenditures by households and businesses, and development activity. Sales tax revenue support activities of the General Fund, General CIP Fund and Housing Fund.

#### Historical Collections & Trends

Sales Tax collections grew significantly from 2003 to 2007, primarily due to increases in development activity and consumer spending (retail and services sectors growth). Sales tax collections for 2008 and 2009 reflect the decline in development and taxable retail activity experienced during the recession. Projections for the 2013-2014 biennium reflects the slow recovery in tax collections as the economy recovers from The Great Recession. Consumer spending has been strong and is leading the recovery while development continues to lag restraining growth that was once common place (2011 has been adjusted in the following table to be net of a one-time State Amnesty Program).

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Maximum Rate:	1.0 percent*
Current Rate:	1.0 percent*
2013 Estimate:	
General Fund**	\$36,921,420
General CIP Fund	11,658,550
Housing Fund	<u>100,000</u>
Total 2013 Sales Tax	\$48,679,970
2014 Estimate:	
General Fund**	\$38,190,008
General CIP Fund	12,248,450
Housing Fund	<u>100,000</u>
Total 2014 Sales Tax	\$50,538,458

\* 15 percent of the sales tax revenue produced by the City's 1 percent is allocated to the County.

\*\* General Fund includes sales tax for newly annexed areas in this table (approximately \$1,575,000).

Each 0.1 percent of the sales tax rate generates \$5.7 million in 2013 and \$5.9 million in 2014 of sales tax revenue.

### Comments/Watch Areas

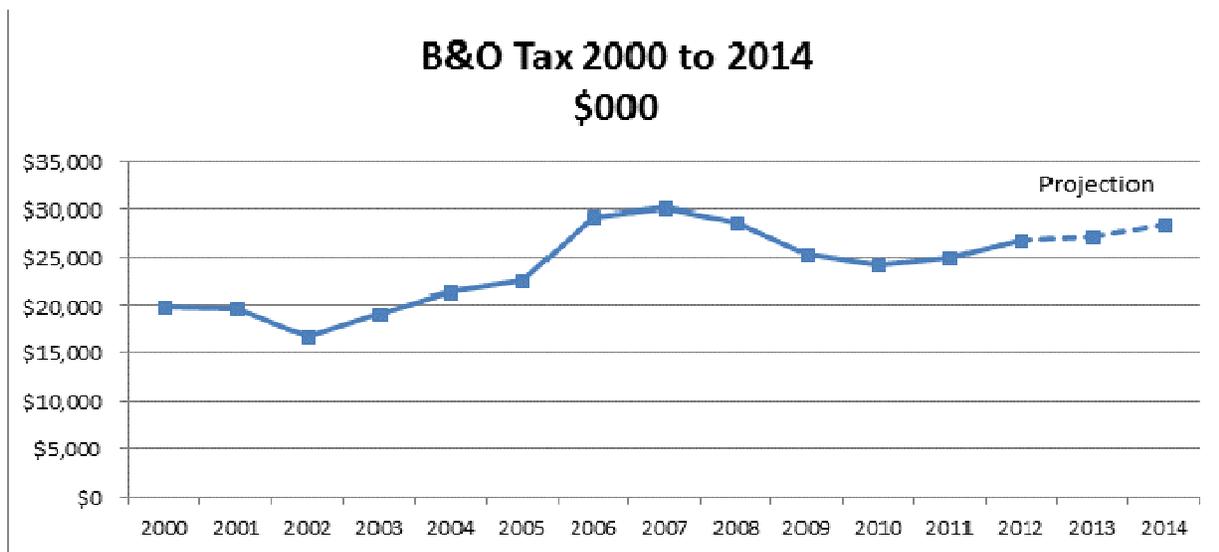
Overall Sales Tax has been on a slow and steady recovery and the City is expecting this slow recovery to continue. One area that has yet to recover is development which has historically been a large component of the City's Sales Tax collections. The City continues to monitor development.

## 2. Business & Occupation (B&O) Tax

Business and Occupation (B&O) Tax is made up of two components: gross receipts tax and square footage tax. The gross receipts B&O Tax is primarily measured on gross proceeds of sales or gross income. The square footage B&O Tax applies to businesses whose in-city activities produce gross revenue indirectly, such as at a headquarter locations. In some cases, businesses are excluded from paying this tax (e.g. taxable gross receipts for a business less than \$150,000 or offices with less than 250 taxable square feet). The City levies the same rate for all types of business activities. The gross receipt B&O Tax rate is 0.1496 percent of receipts/income and the quarterly square footage rate is \$0.2365 per square foot. B&O revenues support General Fund and the Capital Investment Program (CIP) Fund activities.

### Historical Collections & Trends

Following a similar pattern to Sales Tax, B&O Tax collections grew considerably from 2003-2007, reflecting a strong economy. The recession slowed collections in 2008 and 2009. B&O collections hit bottom in 2010 and since has grown at a slow and steady pace. The City anticipates this slow and steady pace to continue through 2014.



Maximum Rate:	0.2 percent
Current Rate:	0.1496 percent
2013 Estimate:	
General Fund (0.11 percent)	\$20,319,484
General CIP Fund	6,237,100
Mobility CIP Fund	<u>918,900</u>
Total 2013 Business & Occupation Tax	\$27,475,484
2014 Estimate:	
General Fund (0.11 percent)	\$21,067,438



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General CIP Fund	6,480,046
Mobility CIP Fund	<u>940,954</u>
Total 2014 Business & Occupation Tax	\$28,488,438

A majority of voters may approve a rate in excess of 0.2 percent. Each 0.01 percent of the business and occupation tax rate is expected to generate \$1.8 million in 2013 and \$1.9 million in 2014 of B&O tax revenue. Note: The City Council reserved from its levied capacity a rate of 0.0001 for convention center purposes per Ord. 4094.

### Comments/Watch Areas

A major concern for the City is new legislation for cities who have B&O Tax. The basis for the new legislation is to bring all Cities that have B&O Taxes into alignment so there will be uniformity across the State minimizing the burden on tax payers. The concerns that the City has regarding the proposed legislation is the loss of local control over tax policy administration and collection of this B&O revenue. The City has played an active role with the proposed legislative changes to assure the City's best interest is represented and heard.

### **3. Property Tax**

Property tax is applied to the assessed value (AV) of all taxable real and personal property located within the City, with several exceptions such as public structures (government buildings, roads, etc.), property owned by several types of non-profit organizations, personal property (up to a specified dollar value), and others.

Real property includes land, buildings, and improvements to the land such as driveways. Personal property includes movable assets used in conducting a business such as machinery, supplies, and other non-inventory items. The King County Department of Assessments determines the assessment of real and personal properties and collects this revenue for the City. Official property tax records are maintained by the King County Assessor's Office.

Property tax revenues support General Fund activities as well as the Human Services Fund, which accounts for human services activities, including agency contracts.

### Historical Collections & Trends

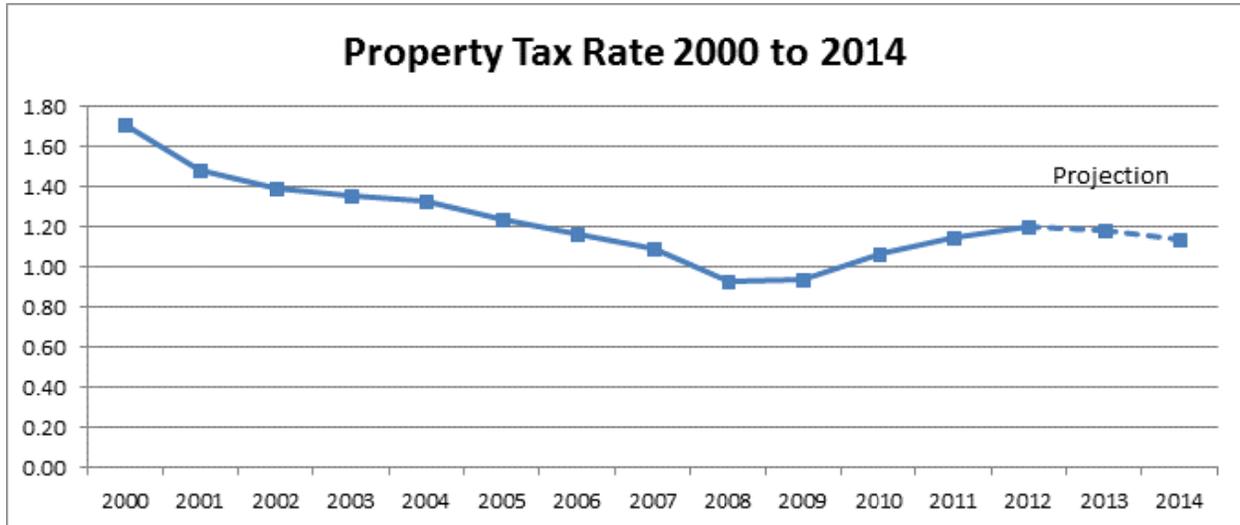
Under Initiative 747, the regular levy can grow at a maximum of 1 percent annually or the rate of "inflation" (defined as the increase in the implicit price deflator (IPD), whichever is less, plus additions for new construction, changes in value of state-assessed utility property and newly annexed property (referred to as "add-ons"). For 10 of the past 13 years, Bellevue has opted to only levy the additional property tax associated with add-ons, but has preserved, or "banked," its remaining allowable levy capacity (maximum allowable levy less actual levy). In 2013, Bellevue has \$9.1 million in banked capacity available.

The Bellevue City Council last approved the use of 3 percent of banked capacity to support the ongoing maintenance and operating costs of City infrastructure in 2009. The Forecast does not reflect the use of any additional amounts of banked capacity.



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As displayed in the following chart, Bellevue's property tax levy rate is decreasing from \$1.19 to \$1.18 per \$1,000 AV. This reduction is a result of the City not increasing its' property tax levy, coupled with an increases in the City's AV which drives the overall rate down. Bellevue's property tax levy rate has fluctuated based on changes in AV, the use of banked capacity and voted levies.



Maximum Rate:	\$3.10/\$1,000 AV
2013 Estimated Total Levy Rate:	\$1.18/\$1,000 AV
2013 Estimated Levy:	
General Fund*	\$31,666,855
Human Services Fund	2,730,652
Parks M&O Fund	626,290
General CIP Fund	<u>3,389,000</u>
Total Estimated 2013 Regular Property Tax Levy	\$38,412,797
2014 Estimated Total Levy Rate:	\$1.14/\$1,000 AV
2014 Estimated Levy:	
General Fund*	\$32,038,863
Human Services Fund	2,823,550
Parks M&O Fund	625,481
General CIP Fund	<u>3,389,000</u>
Total 2014 Estimated Regular Property Tax Levy	\$38,876,894

\* General Fund includes property tax for newly annexed areas in this table (approximately \$1,982,000).



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Current law limits the Property Tax increase from the prior highest allowable Regular Levy to the lesser of 101 percent or 100 percent plus inflation, where inflation is measured by the percentage change in the Implicit Price Deflator (IPD) (whichever is less); for 2013 the IPD changed 102.95 percent.

The 2013 Regular Levy AV is at \$32.7 billion which is an increase of \$898 million (2.9 percent) from the 2012 AV. The 2014 Regular Levy AV is estimated to be \$33.3 billion, an increase of \$1.4 billion or 4.5 percent. The 2013 Regular Levy AV includes \$812 million additional AV for new annexation completed in 2012 otherwise AV growth would have been flat from 2012 to 2013. Based on the estimated 2013 AV of \$32.7 billion and the 2014 AV of \$33.3 billion, each additional \$0.01 per \$1,000 assessed value (AV) of the Regular Property Tax Levy rate generates \$327,000 in 2013 and \$333,000 in 2014 in Property Tax revenue.

The 2013 and 2014 estimated levies include Property Tax Lid Lift revenues of \$991,000. This Levy Lid Lift was approved by the voters in May 1988 to pay maintenance and operating costs of City park facilities funded through a \$16.5 million park bond issue.

A parks and open space Levy Lid Lift was authorized by the voters in the November 2008 election to provide capital funding over the next 20 years (\$3,389,000 annually) and ongoing maintenance and operations funding (\$660,000 annually). This Levy Lid Lift increased the 2013 Property Tax levy rate by \$0.13 per \$1,000 of assessed value.

#### **4. Real Estate Excise Tax (REET)**

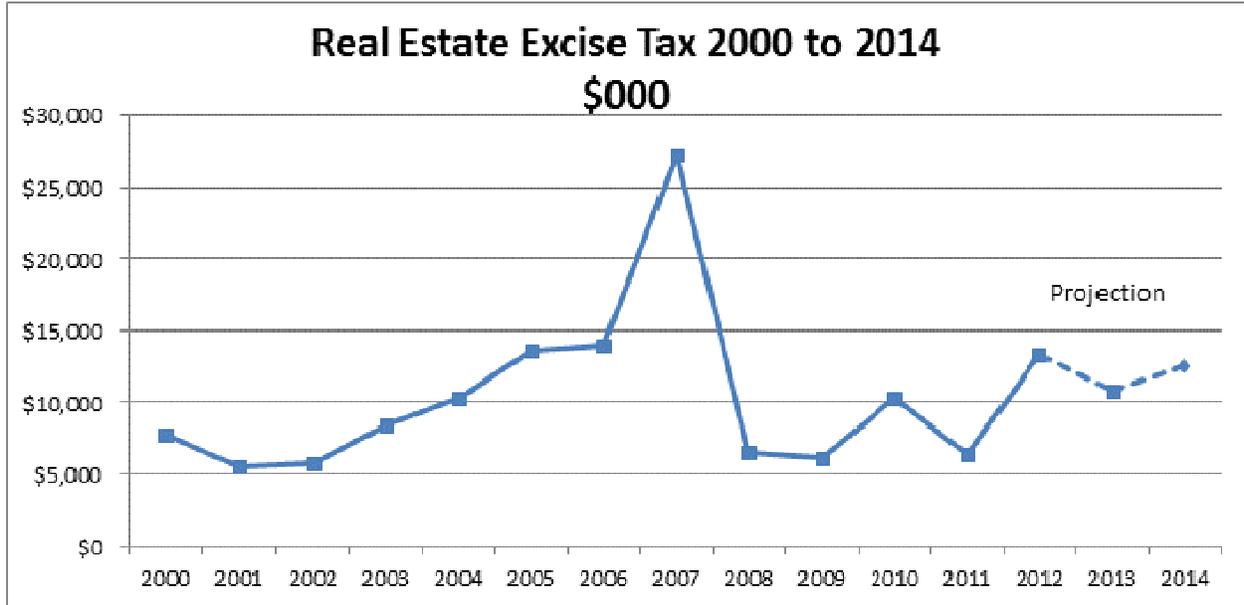
The Real Estate Excise Tax (REET) is levied on all sales of real estate. The rate is 0.5 percent of the selling price of the property. The first 0.25 percent of local REET must be used to fund capital facilities expenditures that have been identified in the City's comprehensive plan. The second 0.25 percent of local REET revenues must also be used to fund capital facilities, with the added stipulation that they cannot be used for the acquisition of land for parks. REET revenues are cyclical in nature and are projected to grow over the next biennium as the economy recovers from the latest recession.

#### Historical Collections & Trends

Real Estate Excise Tax collections increased an annual average of 21 percent per year between 2001 and 2006. Collections increased 94.3 percent in 2007, fueled by the sale of the portfolio of a major landholder in Bellevue.

The 2012 REET collections came in strong with several large real estate transactions taking place, with a few transactions in the \$200 million range. These large transactions are anticipated to decrease as the market becomes more conducive to building rather than buying.

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Maximum Rate:	0.5 percent
Current Rate:	0.5 percent
2013 Estimate:	\$10,852,000
2014 Estimate:	\$12,535,000

Revenue proceeds are received to the General Capital Investment Program Fund to support capital projects.

### Watch Areas

Economists are expecting the real estate market to slowly recover over the next several years. As the real estate market recovers, REET will fluctuate as investors find it more cost effective to build vs. purchase.

### 5. Utility Tax

Bellevue levies a tax on the gross income derived from sales of utility services provided in the City. Services include electricity, gas, water, sewer, storm drainage, garbage, telephone, and cellular phone. The revenues generated by these taxes support general city operations. The 2013-2014 estimates include utility tax for newly annexed areas.

#### **Electric Utility Tax**

Maximum Rate:	6.0 percent
Current Rate:	5.0 percent
2013 Estimate:	\$8,883,705



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2014 Estimate: \$9,397,405

A majority of the voters may approve a rate in excess of 6 percent. Each 0.1 percent of the electric utility tax rate generates roughly \$178,000 in 2013 and \$188,000 in 2014 of Electric Utility Tax revenue.

### Gas Utility Tax

Maximum Rate: 6.0 percent

Current Rate: 5.0 percent

2013 Estimate: \$2,958,593

2014 Estimate: \$3,011,271

Each 0.1 percent of the Gas Utility Tax rate generates approximately \$59,000 in 2013 and \$60,000 in 2014 of Gas Utility Tax revenue.

### Water Utility Tax

Maximum Rate: None

Current Rate: 10.4 percent

2013 Estimate: \$4,156,237

2014 Estimate: \$4,530,879

Each 0.1 percent of the Water Utility tax rate generates approximately \$40,000 in 2013 and \$44,000 in 2014 of Water Utility tax revenue.

### Sewer Utility Tax

Maximum Rate: None

Current Rate: 5.0 percent

2013 Estimate: \$2,327,676

2014 Estimate: \$2,395,668

Each 0.1 percent of the Sewer Utility tax rate generates approximately \$47,000 in 2013 and \$48,000 in 2014 of Sewer Utility tax revenue.

### Storm Drainage Utility Tax

Maximum Rate: None

Current Rate: 5.0 percent



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2013 Estimate:	\$975,156
2014 Estimate:	\$1,064,561

Each 0.1 percent of the Storm Drainage Utility Tax rate generates approximately \$21,000 in 2013 and \$21,000 in 2014 of Storm Drainage Utility Tax revenue.

### Garbage Tax

Maximum Rate:	None
Current Rate:	4.5 percent
2013 Estimate:	\$883,228
2014 Estimate:	\$898,366

Each 0.1 percent of the Garbage Tax rate generates approximately \$20,000 in 2013 and \$20,000 in 2014 of Garbage Tax revenue.

### Telephone Utility Tax

Maximum Rate:	6.0 percent
Current Rate:	6.0 percent
2013 Estimate:	
Telephone Utilities	\$2,511,000
Cellular Telephone Utilities	<u>4,669,334</u>
Total 2013 Telephone Utility Tax	\$7,180,334
2014 Estimate:	
Telephone Utilities	\$2,512,000
Cellular Telephone Utilities	<u>4,831,583</u>
Total 2014 Telephone Utility Tax	\$7,343,583

Each 0.1 percent of the telephone utility tax rate generates approximately \$120,000 in 2013 and \$122,000 in 2014 of telephone utility tax revenue.

### Utility Tax Watch Areas

The various utilities that make up the Utility Tax revenue are growing at rates ranging from 0 percent to 12.2 percent in 2013 and 0 percent to 10.0 percent in 2014. The biggest tax revenue generating utilities are Electric, Cell Phone and Water. Electric rates are expected to grow at a rate greater than inflation due to the increased reliance on renewable resources and the ever increasing demand for power. Cell Phone Utility Tax is expected to remain flat throughout the forecast period due to the changing billing structure that reduces the taxable voice component and increases the untaxable data component of the bill. The Water Utility is also increasing at the highest rate at 12.2 percent in 2013 and nearly 10.0 percent in 2014 due to increases in



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water service fees. When all utilities are accounted for the group growth rate is 6.7 percent in 2013 and 4.7 percent in 2014.

Legislation: State and Federal legislation can have an affect on tax revenues as services/ products may be determined taxable or not taxable. Often the timing of new legislation does not coincide with budget development and impacts are difficult to estimate. The Forecast attempts to incorporate the projected impact of new legislation when materiality warrants.

Other Factors: Utility tax revenues can be affected by uncontrollable variables, such as the economy, weather, market saturation, or new technology. While the Forecast incorporates market trends and historical experience into projections, impact of these variables is not always predictable.

### 6. Select Other Tax Information

#### Accommodations (Hotel/Motel) Tax

Accommodations Taxes are committed to the Bellevue Convention Center Authority (BCCA), a public development authority created by the City Council on December 4, 1989.

Maximum Rate:	5.0 percent
Current Rate:	5.0 percent
2013 Estimate:	\$8,165,000
2014 Estimate:	\$8,726,000

Accommodations Tax proceeds are used first to pay Convention Center related debt. Collections in excess of debt requirements are transferred to the BCCA to support operations. The accommodations tax may be used only for tourism facilities and tourism promotion purposes. Each 0.1 percent of the tax generates approximately \$163,000 in 2013 and \$175,000 in 2014.

#### Television Cable Franchise Fee

Maximum Rate:	5.0 percent
Current Rate:	4.8 percent
2013 Estimate:	\$1,851,409
2014 Estimate:	\$1,932,288

Television Cable Franchise Fees are levied on cable television companies operating in the City. This fee is collected in the Franchise Fund, where it will be used to support the development of cable television activities. Each 0.1 percent of the television cable fee generates approximately \$37,000 in 2013 and \$39,000 in 2014 of television cable franchise revenue.



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### Motor Vehicle Fuel Tax

2013 Estimate:	\$2,750,828
2014 Estimate:	\$2,785,287

Motor Vehicle Fuel Tax is levied on each gallon of motor vehicle fuel sold and distributed to cities and counties. City distribution is on a per-capita basis.

### Admissions Tax

Maximum Rate:	5.0 percent
Current Rate:	3.0 percent
2013 Estimate:	\$603,626
2014 Estimate:	\$626,001

Admissions Taxes are levied on persons who pay an admission charge for entrance to an event or establishment. It is collected for the City by the business charging the admission for entrance to theaters, amusement parks, and swimming pools, among others. Each 0.1 percent of the Admissions Tax rate generates approximately \$20,000 in 2013 and \$21,000 in 2014 of revenue.

### Gambling Tax - Amusement & Games

Maximum Rate:	2 percent - 5 percent
Current Rate:	2 percent - 5 percent
2013 Estimate:	\$12,267
2014 Estimate:	\$12,570

Gambling Tax on amusement games, bingo, and raffle activities. State law provides that the City must first use these proceeds to pay for enforcement activities.

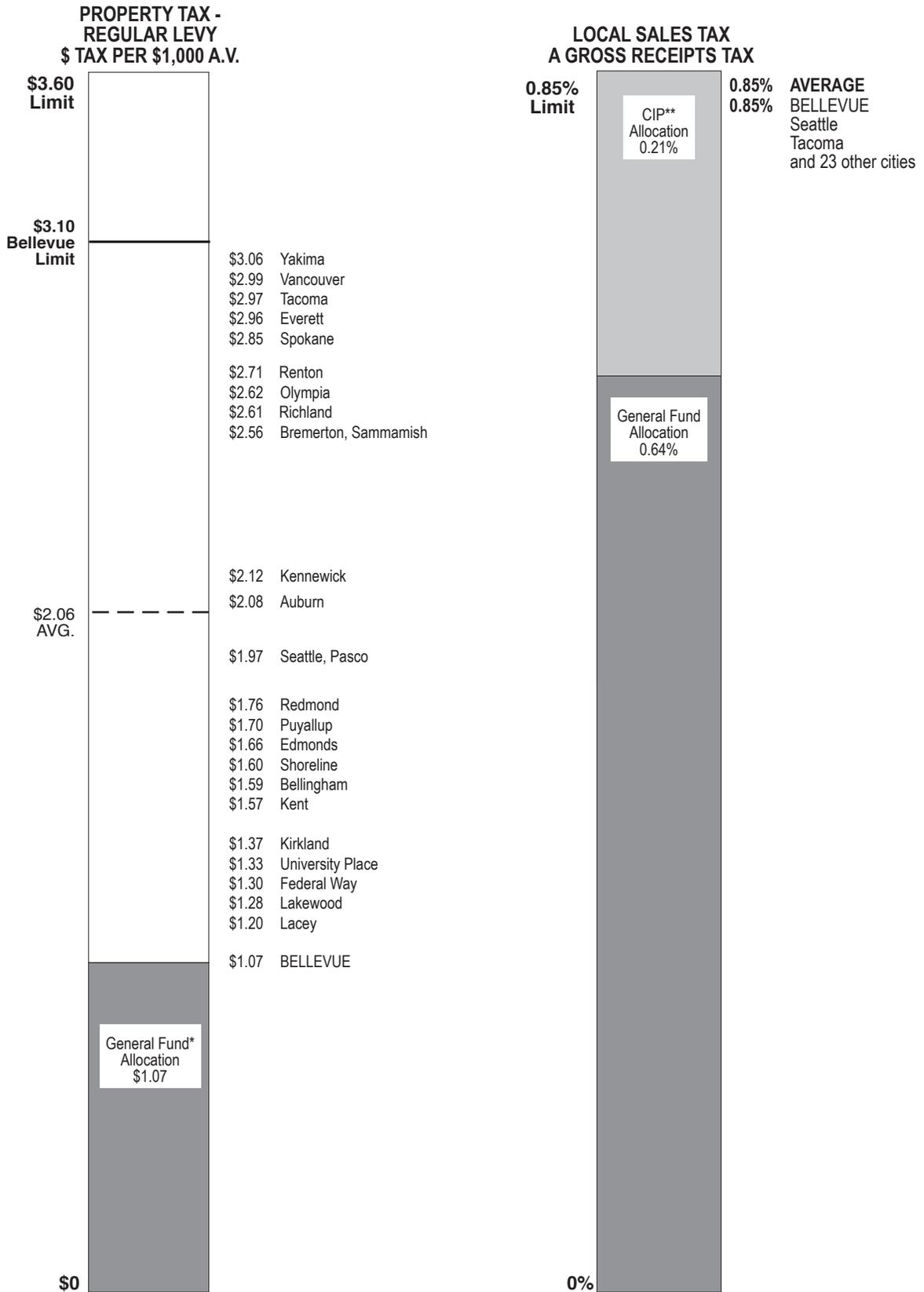
### Gambling Tax – Punchboards & Pull Tabs

Maximum Rate:	5.0 percent
Current Rate:	5.0 percent
2013 Estimate:	\$122,667
2014 Estimate:	\$125,705

Gambling Tax on punch board and pull tab activities. These are reserved for the purpose of providing youth facilities to the extent that funds from this tax are not first required to enforce gambling laws as required by State law.

**Figure 6a-3(A)**  
**Comparison of 2012 Urban Tax Rates**  
 Rates in Effect for Property and Local Taxes as of January 2012

This figure provides a comparison of City of Bellevue tax rates to the tax rates of the 25 other Washington cities with over 30,000 population. Comparisons in the figure below show that Bellevue's property tax rate is well below the average for these Washington cities and that, like 25 other cities, the sales tax rate is 0.85%.

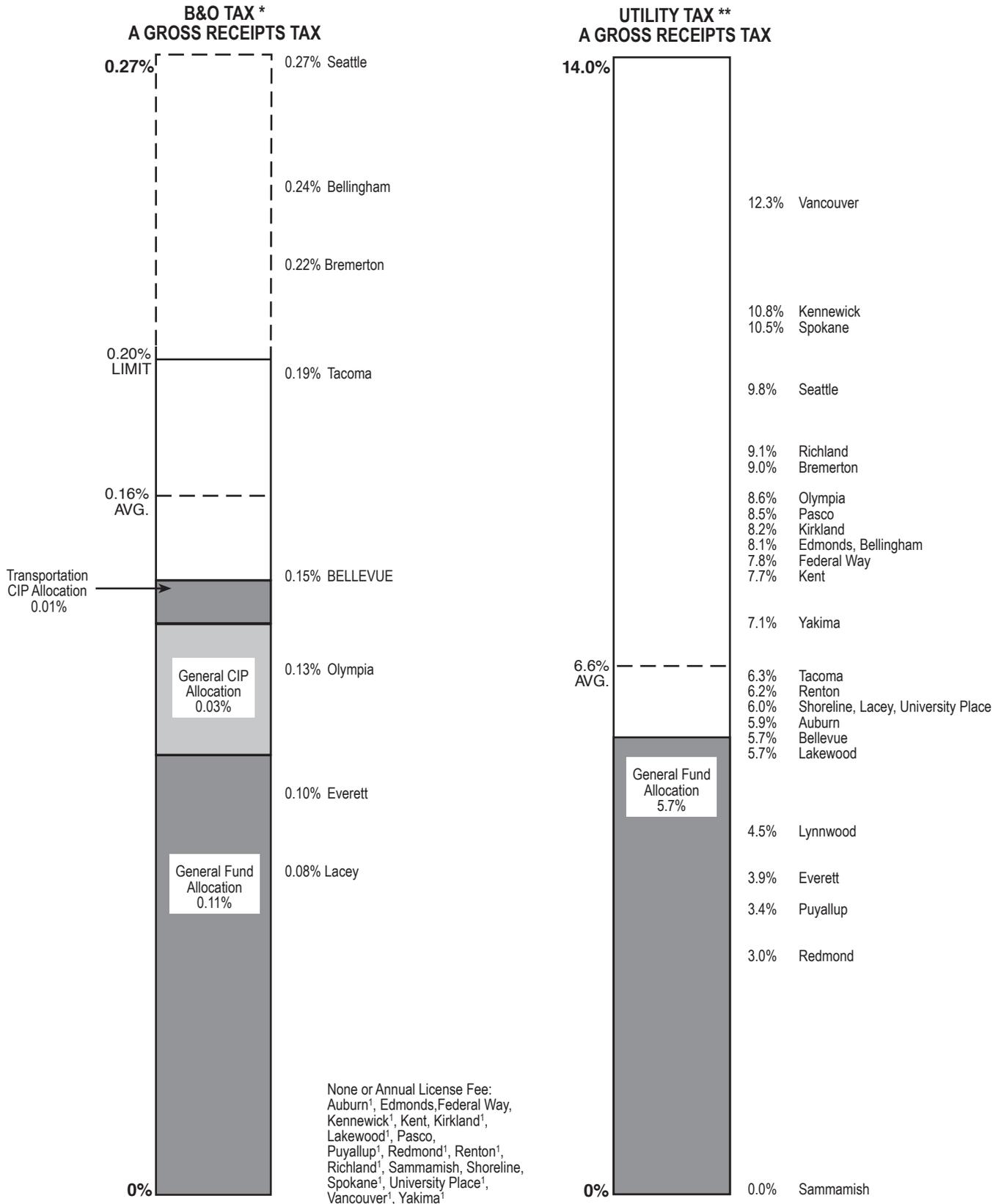


\* A portion of the General Fund allocation supports the Human Services Fund.

\*\* A portion of the CIP allocation supports the Housing, Facilities, and Land Purchase Revolving Funds, and General Fund maintenance and operating costs associated with completed capital projects.

**Figure 6a-3(B)**  
**Comparison of 2012 Urban Tax Rates**  
**Rates in Effect for Property and Local Taxes as of January 2012**

Comparisons in the figure below show that Bellevue's business & occupation (B&O) tax rate is slightly below the average of those cities with a B&O tax (0.15%) and that Bellevue's utility tax rates are well below the average of Washington cities.



\* Unweighted average B&O tax on service, retail, wholesale, manufacturing and services activities for those cities which impose a gross receipts business tax.

\*\* Unweighted average of natural gas, electric, telephone, water, sewer, storm drainage, cable, and garbage.

<sup>1)</sup> Auburn, Kennewick, Kirkland, Lakewood, Lynnwood, Puyallup, Redmond, Renton, Richland, Spokane, University Place, Vancouver, and Yakima: Business license fee based on square footage, number of employees, and/or type of business.



## Resource Summary

**Figure 6a-4  
Property Valuation & Tax Levy Information  
1983 through 2013**

This figure displays historical property tax information for comparison purposes. Official property tax records are maintained by the King County Assessor's Office. Property owners are taxed on 100 percent of the fair market value of their property.

<u>Year</u>	<u>Regular Levy Assessed Valuation (\$ in millions)</u>	<u>percent Change from Prior Year</u>	<u>Regular Property Tax Levy (\$ in thousands)</u>	<u>percent Change from Prior Year</u>	<u>Tax Rate per \$1,000 Assessed Valuation</u>		
					<u>Voted Levy</u>	<u>Regular Levy</u>	<u>Total Property Tax Rate</u>
1983	4,460	31.2	7,078	13.6	0.44	1.58	2.02
1984	4,482	0.5	7,748	9.5	0.45	1.73	2.18
1985	4,737	5.7	8,545	10.3	0.22	1.80	2.02
1986	4,882	3.1	9,304	8.9	0.70	1.90	2.60
1987	5,366	9.9	10,230	10.0	0.41	1.90	2.31
1988	5,620	4.7	11,257	10.0	0.21	2.00	2.21
1989	6,455	14.9	13,409	19.1	0.20	2.08	2.28
1990	6,610	2.4	14,556	8.6	0.53	2.20	2.73
1991	9,065	37.1	16,113	10.7	0.31	1.76	2.07
1992	9,238	1.9	17,143	6.4	0.29	1.85	2.14
1993	9,958	7.8	18,414	7.4	0.26	1.85	2.11
1994	10,249	2.9	20,422	10.9	0.20	1.99	2.19
1995	10,701	4.4	19,492	(4.6)	0.35	1.82	2.17
1996	10,876	1.6	19,861	1.9	0.35	1.83	2.18
1997	11,308	4.0	21,026	5.9	0.34	1.86	2.20
1998	12,115	7.1	21,246	1.0	0.32	1.75	2.07
1999	13,652	12.7	21,685	2.1	0.24	1.59	1.83
2000	14,981	9.7	22,497	3.7	0.21	1.50	1.71
2001	17,605	17.5	23,489	4.4	0.14	1.34	1.48
2002	19,705	11.9	24,859	5.8	0.13	1.26	1.39
2003	20,696	5.0	25,214	1.4	0.13	1.22	1.35
2004	21,212	2.5	25,572	1.4	0.13	1.21	1.34
2005	22,214	4.7	25,814	0.9	0.07	1.16	1.23
2006	23,957	7.8	26,264	1.7	0.06	1.10	1.16
2007	26,612	11.1	27,638	5.2	0.05	1.04	1.09
2008	31,396	18.0	28,904	4.6	0.00	0.92	0.92
2009	37,627	19.8	31,201	7.9	0.11	0.83	0.94
2010	34,103	(9.4)	32,011	2.6	0.12	0.94	1.06
2011	32,079	(5.9)	32,583	1.8	0.13	1.02	1.14
2012	30,977	(3.4)	32,952	1.1	0.13	1.06	1.19
2013	32,677	5.5	34,357	4.3	0.13	1.05	1.18

Notes: 2008 Regular Property Tax Levy reflects retirement of 2003 Unlimited Tax General Obligation bonds.  
2009+ Regular Property Tax Levy does not include the Parks and Natural Areas Voted Levy.

Source: 2011 forward is Council Property Tax Ordinance

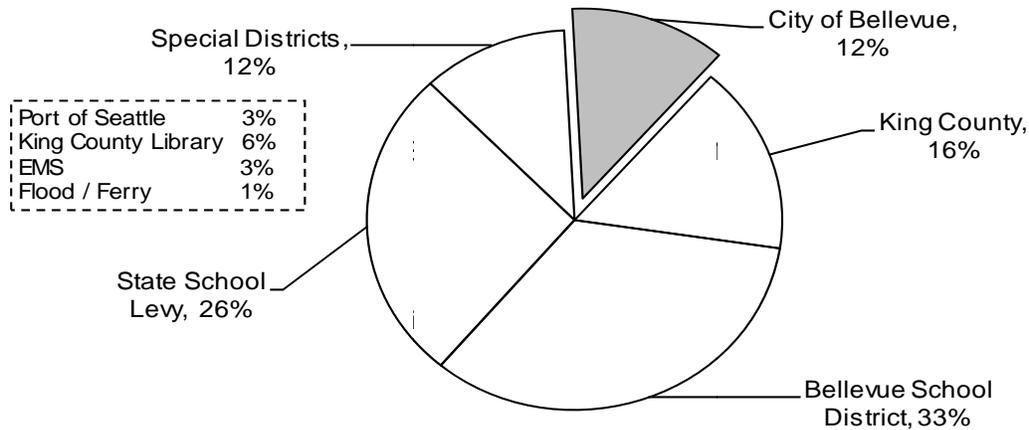
## Resource Summary

**Figure 6a-5**

### Property Taxes Typical Distribution of Property Tax Dollars

This figure illustrates the Property Tax distribution for a typical Bellevue taxpayer in 2013. As shown in the pie chart, Bellevue's Property Tax Levies make up only 12 percent of a property owner's tax bill. The largest components are the State School Levy and the Bellevue School District Levy which together comprise 56 percent of the typical taxpayer's property tax obligation.

Official property tax records are maintained by the King County Assessor's Office.



The following table displays the 2013 property tax bills for hypothetical low-, medium-, and high-assessed value (AV) homes.

	2012 Rate/\$1,000 of AV	Low AV = \$200,000	Medium AV = \$500,000	High AV = \$1,000,000
Emergency Medical Services	\$0.30	\$60	\$150	\$300
Port of Seattle	0.23	47	116	230
Flood / Ferry Levy	0.14	27	67	133
King County Library	0.57	113	282	564
<b>City of Bellevue</b>	<b>1.18</b>	<b>235</b>	<b>589</b>	<b>1,177</b>
King County	1.54	308	771	1,542
Bellevue School District	3.25	651	1,627	3,256
State School Levy	2.57	513	1,285	2,569
<b>Total</b>	<b>\$9.77</b>	<b>\$1,954</b>	<b>\$4,886</b>	<b>\$9,771</b>

Note: Columns/graph may not foot due to rounding

## 6b. Expenditure Summary



## Expenditure Summary

This chapter presents a high level summary of the key components of the 2013-2014 Budget. More detailed revenue and expenditure information can be found in subsequent chapters of this document.

For the purpose of this chapter, the Adopted 2013-2014 Budget is compared to the Adopted 2011-2012 Budget.

The Expenditure Summary is organized into the following sections:

**A. Budget By Outcome and Department**

Figure 6b-1 displays the 2013-2014 operating and special purpose funds by Outcome and by department. These values exclude double-budgeting\* and reserves.

Figure 6b-2 displays the 2013 personnel positions (known as full time equivalents, or FTEs) by Outcome and by department.

**B. Total City Budget**

Figure 6b-3a summarizes the total City budget from operating, special purpose, and capital investment program fund perspectives. Further breakdown within each fund category is provided, and the 2013-2014 budget is compared with the 2011-2012 budget, showing dollar and percentage changes.

Figure 6b-3b breaks down the reserves and interfund double-budgeting\* dollars for the operating, special purpose and capital investment program perspectives.

Figure 6b-4 lists the City's 2013-2014 total budgeted resources by source and expenditures by department and compares them with the 2011-2012 budget, showing dollar and percentage changes.

Figure 6b-5 lists the City's total budgeted expenditures and reserves by category and compares them with the 2011-2012 budget, showing dollar and percentage changes.

Figure 6b-6 provides a graphic display of the portion of the City's 2013-2014 total budgeted resources comprised by revenue source and the portion of expenditures comprised by category, including dollars and percentage of total.

Figure 6b-7 charts and graphs the total City budget per capita for 2011 to 2014.

Figure 6b-8 charts and graphs the total City budgeted staff positions (FTE) for 2011 to 2014.

**C. Total Operating Budget**

Figure 6b-9 lists the 2013-2014 total City budgeted operating expenditures and reserves by fund and compares them with the 2011-2012 budget, showing dollar and percentage changes.

Figure 6b-10 provides a graphic display of the portion of the City's budgeted operating resources comprised by source and the portion of expenditures comprised by group, including dollars and percentage of total.

\* Double budgeting occurs due to the nature of governmental "fund" accounting. It is the result of transactions between funds and departments and occurs when one fund "sells" goods or services to another fund in return for equal value. These are referred to as interfund services and result in the same dollars being counted in two funds, which the City calls "double budgeting"

### **D. Total Special Purpose Budget**

Figure 6b-11 lists the 2013-2014 total City's budgeted special purpose expenditures by fund and compares them with the 2011-2012 budget, showing dollar and percentage changes.

Figure 6b-12 provides a graphic display of the portion of City's budgeted special purpose resources comprised by source and the portion of expenditures comprised by group, including dollars and percentage of total.

### **E. Total Capital Investment Budget**

Figure 6b-13 lists the City's 2013-2014 total budgeted capital investment program expenditures by Outcome and compares them with the 2011-2012 budget, showing dollar and percentage changes.

Figure 6b-14 provides a graphic display of the portion of City's budgeted capital investment program resources comprised by source and expenditures comprised by Outcome, including dollars and percentage of total.

### **F. Total Debt Information – Based on Statutory Limits**

Figure 6b-15 displays the City's total statutory debt capacity and debt issued as of January 1, 2013, comparing general government, parks and open space, and utility system use of debt capacity.

Figure 6b-16 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 2013-2014 by bond.

Figure 6b-17 displays the City's annual debt service requirements for existing non-voted general obligation bonds from 2013 through 2044 and lists the city's bond ratings.



## Expenditure Summary

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## Expenditure Summary

### A. Budget By Outcome and Department

**Figure 6b-1**  
2013-2014 Budget Operating and Special Purpose Funds

Operating & Special Purpose Funds	Safe Community	Improved Mobility	Healthy & Sustainable Environment	Innovative, Vibrant & Caring Community
City Attorney	3,766,998	-	-	-
City Clerk	-	-	-	-
City Council	-	-	-	-
City Manager	-	-	5,000	178,818
Civic Services	290,000	-	-	-
Development Services	6,897,194	225,532	-	91,748
Finance	-	-	-	-
Fire	72,665,705	-	-	1,686,102
Human Resources	-	-	-	120,000
Information Technology	678,000	-	-	-
Miscellaneous Non-Departmental	200,000	-	197,080	(8,000)
Parks & Community Services	2,982,818	-	4,624,926	58,001,030
Planning & Community Development	-	800,733	-	4,500,331
Police	62,554,593	-	-	1,839,629
Transportation	4,917,082	32,983,563	828,709	1,593,496
Utilities	940,964	7,833,605	223,607,519	1,968,044
<b>Total Operating &amp; Special Purpose Fund Proposals</b>	<b>\$155,893,354</b>	<b>\$41,843,433</b>	<b>\$229,263,234</b>	<b>\$69,971,198</b>
<b>Percent of Total</b>	<b>21.3%</b>	<b>5.7%</b>	<b>31.3%</b>	<b>9.6%</b>

Figures may not foot due to rounding.



## Expenditure Summary

Quality Neighborhoods	Economic Growth & Competitiveness	Responsive Government	Total	%
-	-	9,242,091	\$13,009,089	1.8%
-	-	3,932,727	\$3,932,727	0.5%
-	-	727,326	\$727,326	0.1%
-	-	3,976,149	\$4,159,967	0.6%
-	-	38,665,500	\$38,955,500	5.3%
1,567,963	7,086,679	6,098,515	\$21,967,631	3.0%
-	16,891,000	16,025,382	\$32,916,382	4.5%
-	435,284	286,472	\$75,073,563	10.3%
-	-	47,390,004	\$47,510,004	6.5%
-	57,333	24,261,780	\$24,997,113	3.4%
-	-	39,062,845	\$39,451,925	5.4%
5,152,453	-	816,421	\$71,577,648	9.8%
1,791,097	1,201,800	3,493,230	\$11,787,191	1.6%
-	-	-	\$64,394,222	8.8%
-	1,936,551	2,988,367	\$45,247,768	6.2%
-	801,228	1,075,556	\$236,226,916	32.3%
<b>\$8,511,513</b>	<b>\$28,409,875</b>	<b>\$198,042,365</b>	<b>\$731,934,972</b>	<b>100.0%</b>
<b>1.2%</b>	<b>3.9%</b>	<b>27.1%</b>	<b>100.0%</b>	

<b>Double-Budgeting &amp; Technical Adjustments* in Proposals</b>	<b>(\$75,719,940)</b>
<b>Operating &amp; Special Purpose Budget</b> (net of Double-Budgeting and Reserves)	<b>\$653,523,446</b>
<b>Total Double-Budgeting</b> (Operating & Special Purpose Funds)	<b>175,646,865</b>
<b>2014 Reserves</b>	<b>101,850,801</b>
<b>Total Operating and Special Purpose Funds</b>	<b>931,021,112</b>

\* Technical Adjustments include the exclusion of reserves from proposals and other miscellaneous transactions

Figures may not foot due to rounding.

## Expenditure Summary

**Figure 6b-2**  
**2013 FTE Comparison by Outcome and Department**

	Safe Community	Improved Mobility	Healthy & Sustainable Environment	Innovative, Vibrant & Caring Community
City Attorney	7.00	-	-	-
City Clerk	-	-	-	-
City Council	-	-	-	-
City Manager	-	-	-	0.80
Civic Services	-	-	-	-
Finance	-	-	-	-
Fire	232.10	-	-	-
Human Resources	-	-	-	-
Information Technology	-	-	-	-
Parks and Community Services	12.00	-	15.00	123.59
Development Services	26.00	-	-	0.40
Planning & Community Development	-	3.00	-	11.75
Police	212.00	-	-	7.00
Transportation	7.00	89.31	3.50	4.00
Utilities	3.87	0.45	147.71	0.70
Miscellaneous Non-Departmental	-	-	0.90	-
<b>Total</b>	<b>499.97</b>	<b>92.76</b>	<b>167.11</b>	<b>148.24</b>
<b>Percent of Total</b>	<b>40.7%</b>	<b>7.6%</b>	<b>13.6%</b>	<b>12.1%</b>

Figures may not foot due to rounding.



## Expenditure Summary

Quality Neighborhoods	Economic Growth & Competitiveness	Responsive Government	Total	%
-	-	16.60	<b>23.60</b>	<b>1.9%</b>
-	-	14.75	<b>14.75</b>	<b>1.2%</b>
-	-	7.00	<b>7.00</b>	<b>0.6%</b>
-	-	10.00	<b>10.80</b>	<b>0.9%</b>
-	-	63.46	<b>63.46</b>	<b>5.2%</b>
-	-	46.56	<b>46.56</b>	<b>3.8%</b>
-	1.50	1.00	<b>234.60</b>	<b>19.1%</b>
-	-	13.80	<b>13.80</b>	<b>1.1%</b>
-	-	52.56	<b>52.56</b>	<b>4.3%</b>
9.50	-	-	<b>160.09</b>	<b>13.0%</b>
6.60	26.85	20.80	<b>80.65</b>	<b>6.6%</b>
6.36	2.00	3.00	<b>26.11</b>	<b>2.1%</b>
-	-	-	<b>219.00</b>	<b>17.8%</b>
-	6.00	4.00	<b>113.81</b>	<b>9.3%</b>
-	3.52	4.31	<b>160.56</b>	<b>13.1%</b>
-	-	-	<b>0.90</b>	<b>0.1%</b>
<b>22.46</b>	<b>39.87</b>	<b>257.84</b>	<b>1,228.25</b>	<b>100.0%</b>
<b>1.8%</b>	<b>3.2%</b>	<b>21.0%</b>	<b>100.0%</b>	

Figures may not foot due to rounding.



## Expenditure Summary

### B. Total City Budget

**Figure 6b-3a**

**Budget Summary  
\$000**

<u>TOTAL CITY BUDGET</u>	<u>2011-2012 Adopted</u>	<u>2013-2014 Adopted</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Operating Funds</b>				
General	\$323,027	\$351,035	\$28,008	8.7%
Utilities	237,778	268,791	31,013	13.0%
Development Services	37,678	37,219	(458)	(1.2%)
Parks Enterprise	12,038	13,237	1,199	10.0%
Internal Services	78,899	76,718	(2,181)	(2.8%)
Other Operating	111,071	123,995	12,924	11.6%
<b>Total Operating Budget</b>	<u>\$800,491</u>	<u>\$870,994</u>	<u>\$70,504</u>	<u>8.8%</u>
<b>Special Purpose Funds</b>				
Grants	\$8,087	\$7,742	(\$345)	(4.3%)
Debt Service	25,869	39,548	13,679	52.9%
Trust/Other	14,161	12,737	(1,424)	(10.1%)
<b>Total Special Purpose Budget</b>	<u>\$48,117</u>	<u>\$60,027</u>	<u>\$11,910</u>	<u>24.8%</u>
<b>Capital Project Funds</b>				
General Capital Investment Program	\$162,587	\$201,713	\$39,126	24.1%
Utility Capital Investment Program	139,340	161,016	21,676	15.6%
<b>Total Capital Project Fund Budget</b>	<u>\$301,927</u>	<u>\$362,729</u>	<u>\$60,802</u>	<u>20.1%</u>
 <b><u>TOTAL CITY BUDGET</u></b>	 <u><u>\$1,150,535</u></u>	 <u><u>\$1,293,750</u></u>	 <u><u>\$143,216</u></u>	 <u><u>12.4%</u></u>

Figures may not foot due to rounding



## Expenditure Summary

**Figure 6b-3b**

**Double-Budgeting and Reserves  
\$000**

	2013-2014 <u>Budget</u>	2013-2014 <u>Double- Budgeting*</u>	2014 <u>Reserves</u>	2013-2014 <u>Net Budget</u>
<b>Total City Budget</b>				
<b>Operating Funds</b>				
General	\$351,035	(\$54,481)	(\$20,380)	
Utilities	268,791	(69,718)	(19,711)	
Development Services	37,219	(10,819)	(4,432)	
Parks Enterprise	13,237	(3,089)	(1,451)	
Internal Services	76,718	(9,312)	(13,470)	
Other Operating	123,995	(27,759)	(31,768)	
<b>Total Operating Budget</b>	<u>\$870,994</u>	<u>(\$175,178)</u>	<u>(\$91,211)</u>	<u>\$604,605</u>
<b>Special Purpose Funds</b>				
Grants	\$7,742	(\$458)	(49)	
Debt Service	39,548	0	(1,414)	
Trust/Other	12,737	(10)	(9,177)	
<b>Total Special Purpose Budget</b>	<u>\$60,027</u>	<u>(\$468)</u>	<u>(\$10,639)</u>	<u>\$48,919</u>
<b>Capital Project Funds</b>				
2004 City Hall Bond Proceeds	\$0	\$0	\$0	
General Capital Investment Program	201,713	(38,217)	0	
Utility Capital Investment Program	161,016	(11,692)	(26,907)	
<b>Total Capital Project Fund Budget</b>	<u>\$362,729</u>	<u>(\$49,909)</u>	<u>(\$26,907)</u>	<u>\$285,912</u>
 <b>Total City Budget</b>	 <u>\$1,293,750</u>	 <u>(\$225,556)</u>	 <u>(\$128,758)</u>	 <u>\$939,436</u>

Figures may not foot due to rounding

\* Double budgeting occurs due to the nature of governmental "fund" accounting. It is the result of transactions between funds and departments and occurs when one fund "sells" goods or services to another fund in return for equal value. These are referred to as interfund services and result in the same dollars being counted in two funds, which the City calls "double budgeting"



# Expenditure Summary

Figure 6b-4

## 2013-2014 Total City Budget Resources by Source and Expenditures by Department

\$000

	Operating Funds		Special Purpose Funds	
	2011-2012 Adopted	2013-2014 Adopted	2011-2012 Adopted	2013-2014 Adopted
<b>Beginning Fund Balance</b>	\$105,490	\$97,807	\$14,229	\$11,989
<b>Revenues by Source</b>				
Property Tax	66,327	70,512	0	0
Sales Tax	70,056	75,111	200	200
Business & Occupation Tax	40,256	41,387	0	0
Utility Taxes	53,626	56,007	0	0
Other Taxes	20,301	28,356	0	0
Grants	106	696	6,258	6,133
Intergovernmental Services	37,130	38,715	1,712	1,118
Charges for Services	105,852	113,724	30	40
Utility Services Fees	207,941	232,689	0	0
Miscellaneous Revenues	81,672	91,890	2,094	3,277
Short-Term Debt	0	0	0	0
Long-Term Debt	0	0	0	0
Operating Transfers	11,734	24,100	23,595	37,270
<b>Total Revenues</b>	<b>\$695,001</b>	<b>\$773,187</b>	<b>\$33,888</b>	<b>\$48,038</b>
<b>Total Resources</b>	<b>\$800,491</b>	<b>\$870,994</b>	<b>\$48,117</b>	<b>\$60,027</b>
<b>Expenditures by Department</b>				
City Attorney	\$17,350	\$17,645	\$0	\$0
City Clerk	4,254	4,446	0	0
City Council	925	980	0	0
City Manager	4,285	7,582	229	0
Civic Services	44,027	46,056	426	600
Development Services	40,080	39,539	0	0
Finance	28,143	32,293	1,283	2,585
Fire	79,670	84,039	2,785	2,180
Human Resources	44,438	50,942	0	0
Information Technology	30,081	26,606	456	678
Miscellaneous Non-Departmental	-480	1,494	18,641	32,333
Office of Economic Development	721	0	0	0
Parks & Community Services	73,865	80,508	2,913	4,039
Planning & Community Development	7,535	9,476	7,268	5,070
Police	72,936	77,788	569	529
Transportation	47,917	51,307	1,449	1,299
Utilities	218,378	249,080	1,115	76
<b>Total Expenditures By Department</b>	<b>714,125</b>	<b>779,782</b>	<b>37,136</b>	<b>49,388</b>
<b>Ending Fund Balance*</b>	<b>86,366</b>	<b>91,211</b>	<b>10,981</b>	<b>10,639</b>
<b>Total Expenditures</b>	<b>\$800,491</b>	<b>\$870,994</b>	<b>\$48,117</b>	<b>\$60,027</b>

Figures may not foot due to rounding

\*2011-2012 Ending Fund Balances do not match 2013-2014 Beginning Fund Balances because the budgets were developed at different times and the 2013-2014 Beginning Fund Balance reflects updated 2012 Ending Fund Balance projections.



## Expenditure Summary

<u>Capital Funds</u>		<u>Total Budgets</u>			
<u>2011-2012</u>	<u>2013-2014</u>	<u>2011-2012</u>	<u>2013-2014</u>	<u>\$</u>	<u>%</u>
<u>Adopted</u>	<u>Adopted</u>	<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	<u>Change</u>
\$77,096	\$98,921	\$196,815	\$208,717	\$11,902	6.0%
6,778	6,778	73,105	77,290	4,185	5.7%
26,192	23,907	96,448	99,218	2,771	2.9%
14,492	14,577	54,748	55,964	1,216	2.2%
0	0	53,626	56,007	2,381	4.4%
16,763	23,387	37,064	51,743	14,679	39.6%
13,756	24,051	20,120	30,881	10,761	53.5%
3,042	3,102	41,884	42,935	1,051	2.5%
2,500	6,990	108,382	120,754	12,372	11.4%
4,231	4,688	212,173	237,378	25,205	11.9%
56,385	20,435	140,151	115,602	(24,548)	(17.5%)
0	39,831	0	39,831	39,831	N/A
29,700	41,400	29,700	41,400	11,700	N/A
50,991	54,661	86,320	116,031	29,710	34.4%
<u>\$224,831</u>	<u>\$263,808</u>	<u>\$953,720</u>	<u>\$1,085,033</u>	<u>\$131,313</u>	<u>13.8%</u>
<b><u>\$301,927</u></b>	<b><u>\$362,729</u></b>	<b><u>\$1,150,535</u></b>	<b><u>\$1,293,750</u></b>	<b><u>\$143,215</u></b>	<b><u>12.4%</u></b>
\$0	\$0	\$17,350	\$17,645	\$295	1.7%
175	275	4,429	4,721	292	6.6%
0	0	925	980	55	6.0%
4,380	4,380	8,894	11,962	3,068	34.5%
750	0	45,204	46,656	1,452	3.2%
0	0	40,080	39,539	(541)	(1.3%)
283	5,881	29,710	40,758	11,049	37.2%
3,610	1,911	86,065	88,130	2,065	2.4%
0	0	44,438	50,942	6,504	14.6%
0	0	30,537	27,284	(3,253)	(10.7%)
26,257	32,012	44,418	65,839	21,421	48.2%
0	0	721	0	(721)	(100.0%)
23,887	36,789	100,666	121,335	20,670	20.5%
5,332	3,161	20,135	17,708	(2,427)	(12.1%)
0	0	73,504	78,317	4,813	6.5%
97,913	117,304	147,280	169,910	22,630	15.4%
46,831	65,904	266,324	315,060	48,736	18.3%
<u>209,417</u>	<u>267,617</u>	<u>\$960,678</u>	<u>\$1,096,787</u>	<u>\$136,108</u>	<u>14.2%</u>
<u>92,510</u>	<u>95,112</u>	<u>\$189,857</u>	<u>\$196,963</u>	<u>\$7,106</u>	<u>3.7%</u>
<b><u>\$301,927</u></b>	<b><u>\$362,729</u></b>	<b><u>\$1,150,535</u></b>	<b><u>\$1,293,750</u></b>	<b><u>\$143,215</u></b>	<b><u>12.4%</u></b>



## Expenditure Summary

**Figure 6b-5**

**2013-2014 Total City Budget  
Expenditures and Reserves by Category  
\$000**

Figure 6b-5 shows the City's total expenditure budget by category and compares the Adopted 2011-2012 and 2013-2014 biennial budgets, including dollar and percentage changes.

In comparison to the Adopted 2011-2012 Budget, 2013-2014 personnel grew 6.6 percent (\$21 million) primarily as a result of salary increases (resulting from inflation), merit increases, and medical benefit and pension cost increases.

Overall, maintenance and operations (M&O) costs have grown 20.5 percent, primarily as a result of operating transfers to other funds (due to borrowing revenue and the transfer of this revenue from one fund to another), debt service payments and other intergovernmental services & taxes.

	<u>2011-2012 Adopted</u>	<u>2013-2014 Adopted</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Personnel</b>				
Salaries	\$203,245	\$210,556	\$7,312	3.6%
Medical	60,223	68,557	8,334	13.8%
Pensions	28,728	30,950	2,222	7.7%
Temporary Help	7,403	8,110	708	9.6%
Other (Medicare, Workers' Comp, etc.)	14,696	16,774	2,078	14.1%
Overtime	6,853	7,305	452	6.6%
<b>Subtotal Personnel</b>	<u>321,148</u>	<u>342,253</u>	<u>21,105</u>	<u>6.6%</u>
<b>M&amp;O</b>				
Outside Services	99,699	101,404	1,705	1.7%
Interfund Service Payments	81,318	90,522	9,204	11.3%
Operating Transfer to Other Funds	79,754	120,943	41,190	51.6%
Supplies	49,105	50,899	1,794	3.7%
Other Services & Charges	21,539	24,157	2,618	12.2%
Debt Service	24,320	38,444	14,125	58.1%
Repairs and Maintenance	15,344	17,127	1,784	11.6%
Utilities	16,698	18,537	1,839	11.0%
Other Intergovernmental Services & Taxes	38,879	54,282	15,403	39.6%
Jail Costs	2,650	1,640	(1,010)	(38.1%)
Communication Services	2,229	2,389	160	7.2%
Travel/Training	1,904	2,003	99	5.2%
<b>Subtotal M&amp;O</b>	<u>433,439</u>	<u>522,349</u>	<u>88,910</u>	<u>20.5%</u>
<b>Capital Outlays</b>	206,091	232,184	26,093	12.7%
<b>Reserves</b>	<u>189,857</u>	<u>196,963</u>	<u>7,106</u>	<u>3.7%</u>
<b>Total City Budget</b>	<u><u>\$1,150,535</u></u>	<u><u>\$1,293,750</u></u>	<u><u>\$143,215</u></u>	<u><u>12.4%</u></u>

Figures may not foot due to rounding

# Expenditure Summary

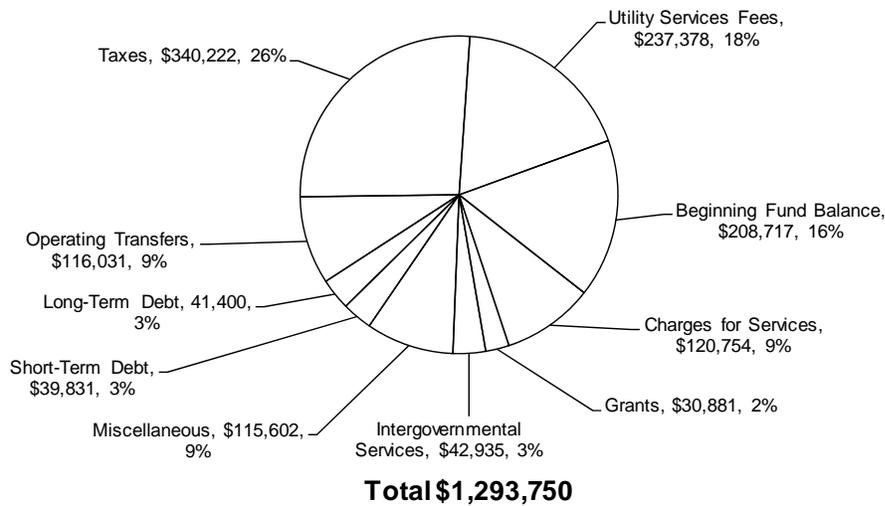
**Figure 6b-6**

**2013-2014 Total City Budget  
Resources by Source and Expenditures by Category  
\$000**

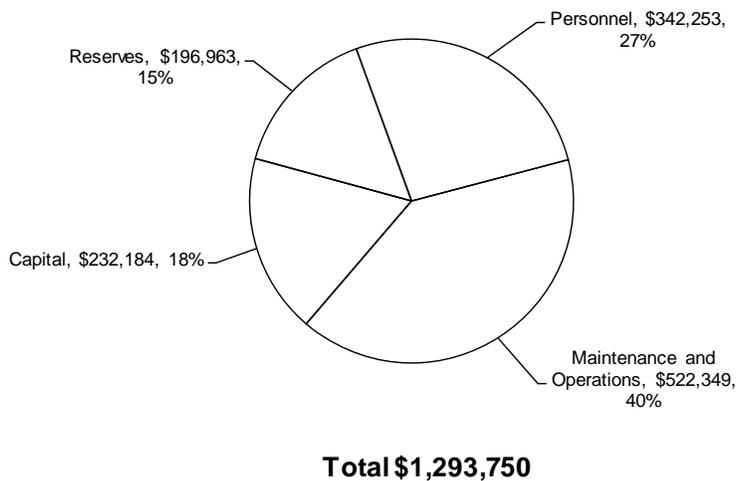
Figure 6b-6 presents the 2013-2014 total city budgeted resources (by source) and expenditures (by category). As the resources chart indicates, at 26 percent (\$340 million), taxes make up the largest slice of the pie, followed by utility services fees at 18 percent (\$237 million) and beginning fund balance at 16 percent (\$209 million).

On the expenditure chart, maintenance and operations accounts for 40 percent (\$522 million) of the expenditure budget, followed by personnel at 27 percent (\$342 million).

**Resources**



**Expenditures**



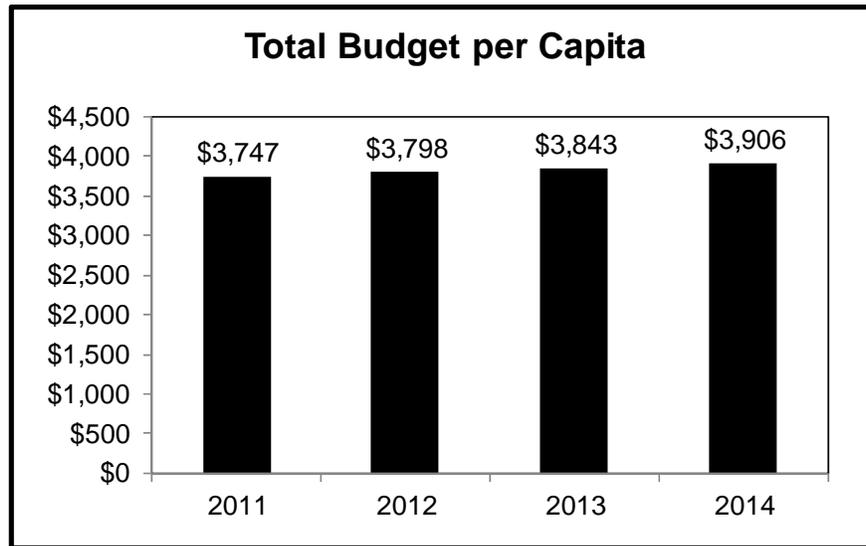
Figures may not foot due to rounding.

## Expenditure Summary

**Figure 6b-7**

### Total Budget Comparison Constant Dollar Total Budget Per Capita

Figure 6b-7 displays a 2011 to 2014 comparison of the total city budget (excluding reserves) per capita in 2011 dollars (adjusted for inflation).



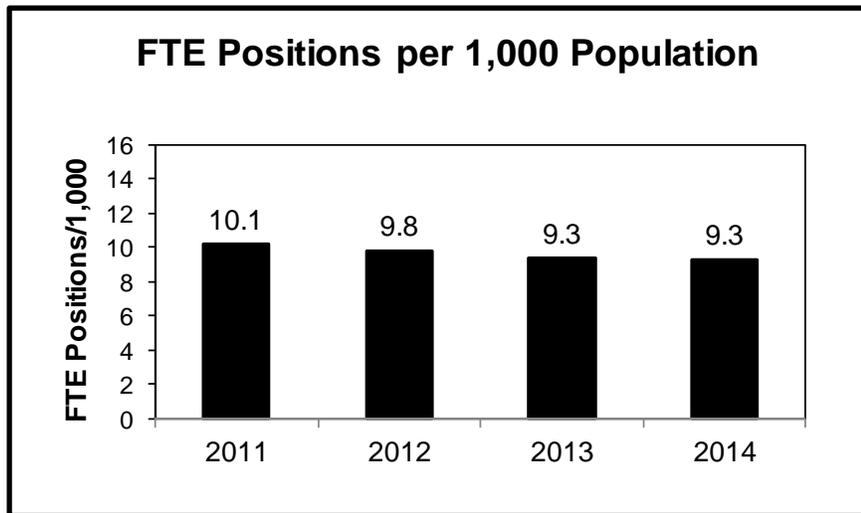
	2011	2012	2013	2014
Total Adopted City Budget (\$000)	\$470,803	\$489,875	\$534,671	\$562,116
Budget in 2011 \$ (\$000)	\$464,303	\$473,175	\$505,326	\$518,307
Population	123,926	124,600	131,500	132,700
Total Budget per Capita	\$3,747	\$3,798	\$3,843	\$3,906

## Expenditure Summary

**Figure 6b-8**

### Total Budget Position Trends Full-Time Equivalent Positions per 1,000 Population

Figure 6b-8 presents total city position data per 1,000 population. Positions for 2012 reflect staffing reductions adopted in the 2011/2012 budget process. The 2013-2014 populations include annexations.



	2011	2012	2013	2014
Positions	1,255	1,222	1,228	1,229
Population	123,926	124,600	131,500	132,700
Positions/1,000	10.1	9.8	9.3	9.3



## Expenditure Summary

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### C. Total Operating Budget

**NOTE:** This section compares the 2013-2014 Adopted Budget to the 2011-2012 Adopted Budget. This section differs from the Forecast section (Chapter 4) in that the Forecast compares to actual 2012 year end.

The Great Recession impacted the 2011-2012 Adopted economically sensitive revenues, specifically the business and occupation tax and sales tax. During the 2012 mid-biennium management actions were taken to bring expenditures in line with revised revenue estimates, but the Adopted Budget was not adjusted. Therefore, the actual growth in 2013 over 2012 can be seen in the Forecast section.

As shown in [Figure 6b-9](#), the 2013-2014 operating budget totals \$871 million, an increase of 8.8 percent (\$70.5 million) over the prior biennium. Inflation, rising wholesale costs, increased reserves, and technical adjustments account for most of the increase. The highlights are discussed below.

#### **General Fund**

The General Fund shows an increase of 8.7 percent (\$28 million) over 2011-2012. Inflation accounts for about \$6.5 million of the increase. The 2011-2012 budget included a reserve assumption of 10 percent versus the current level of slightly over 14 percent, leading to a \$5.9 million increase in reserves. New proposals, the largest for the South Bellevue Annexation, account for another \$5 million of the increase.

#### **Utilities Funds**

The utilities funds show an overall budget increase of 13.0 percent (\$31 million), primarily attributable to rising wholesales costs from Metro (sewer rate) and Cascade Water Alliance (water rate).

#### **Development Services Fund**

The Development Services Fund is decreasing by 1.2 percent (458K) related to the cyclical nature of development activity.

#### **Parks Enterprise Fund**

The Parks Enterprise Fund is increasing by 10.0 percent (\$1.2 million) because of increases in ending fund balance due to capital investment at the Bellevue Golf Course and operating reserve growth.

#### **Internal Services Funds**

The Equipment Rental Fund has decreased 15.4 percent over the prior biennium primarily due to reductions in reserves.

#### **Other Operating Funds**

The Health Benefits Fund is increasing 17.5 percent (\$7.5 million) over 2011-2012 primarily due to an increase in reserves resulting from a favorable claims experience in 2012 and a projected \$3.6 million increase in health claim costs based on the most current actuarial review.

The Hotel/Motel Taxes Fund increases nearly 21.9 percent (\$3.8 million) due to projected increases in Transient Occupancy Tax (TOT).



## Expenditure Summary

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The Human Services Fund shows an increase of 14.1 percent (\$1.0 million) due to fund increases for inflation, population growth and annexation-generated population increases, and moving the Severe Weather Shelter contract from the General Fund to the Human Services Fund.

The LEOFF 1 Medical Reserve Fund is reduced by 15.3 percent (\$2.3 million) as a result of a City Council policy decision to convert from pre-funding to a pay-as-you-go approach to funding these benefits.

The Parks Maintenance & Operations Fund increases by 23.0 percent (\$1.3 million) as proceeds from the 2008 Parks Levy Ordinance are set aside for parks maintenance and capital.

Risk Funds: The Unemployment Compensation Fund increased 47.0 percent (\$279K) due to projected increases in unemployment claims costs and additional funds necessary to fulfill reserve requirements; Workers' Compensation Fund increased just over 11.2 percent (\$506K) due to projected increases in injured worker costs based on the most current actuarial review and additional funds necessary to fulfill reserve requirements.



## Expenditure Summary

**Figure 6b-9**

**2013-2014 Total Operating Budget  
Expenditures and Reserves by Fund  
\$000**

<u>Operating Budget</u>	<u>2011-2012 Adopted</u>	<u>2013-2014 Adopted</u>	<u>\$ Change</u>	<u>% Change</u>
<b>General Fund</b>	\$323,027	\$351,035	\$28,008	8.7%
<b>Utilities</b>				
Water Utility Fund	94,821	103,901	9,080	9.6%
Sewer Utility Fund	99,560	114,938	15,377	15.4%
Storm & Surface Water Utility Fund	39,849	47,353	7,504	18.8%
Solid Waste Fund	3,547	2,599	(949)	(26.7%)
<b>Subtotal Utilities</b>	<u>237,778</u>	<u>268,791</u>	<u>31,013</u>	<u>13.0%</u>
<b>Development Services Fund</b>	37,678	37,219	(458)	(1.2%)
<b>Parks Enterprise Fund</b>	12,038	13,237	1,199	10.0%
<b>Internal Services</b>				
Equipment Rental Fund	36,289	30,684	(5,605)	(15.4%)
Facilities Services Fund	13,359	14,447	1,088	8.1%
Information Technology Fund	29,252	31,587	2,335	8.0%
<b>Subtotal Internal Services</b>	<u>78,899</u>	<u>76,718</u>	<u>(2,181)</u>	<u>(2.8%)</u>
<b>Other Operating Funds</b>				
Franchise Fund	3,505	3,798	293	8.4%
General Self-Insurance Fund	9,272	9,608	336	3.6%
Health Benefits Fund	42,840	50,352	7,512	17.5%
Hotel/Motel Taxes Fund	17,257	21,031	3,775	21.9%
Human Services Fund	7,414	8,458	1,044	14.1%
Land Purchase Revolving Fund	3,240	3,473	232	7.2%
LEOFF I Medical Reserve Fund	15,291	12,958	(2,334)	(15.3%)
Marina Fund	1,590	1,597	7	0.4%
Park M&O Reserve Fund	5,540	6,813	1,273	23.0%
Unemployment Compensation Fund	592	871	279	47.1%
Workers' Compensation Fund	4,530	5,036	506	11.2%
<b>Subtotal Other Operating Funds</b>	<u>111,071</u>	<u>123,995</u>	<u>12,924</u>	<u>11.6%</u>
<b>Total Operating Budget</b>	<u><u>\$800,491</u></u>	<u><u>\$870,995</u></u>	<u><u>\$70,504</u></u>	<u><u>8.8%</u></u>

Figures may not foot due to rounding

# Expenditure Summary

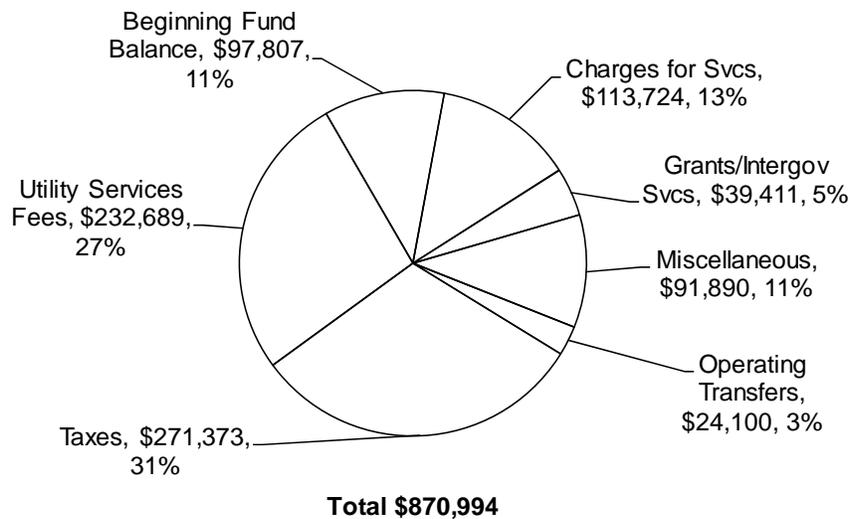
**Figure 6b-10**

**2013-2014 Operating Budget  
Resources by Source and Expenditures by Group  
\$000**

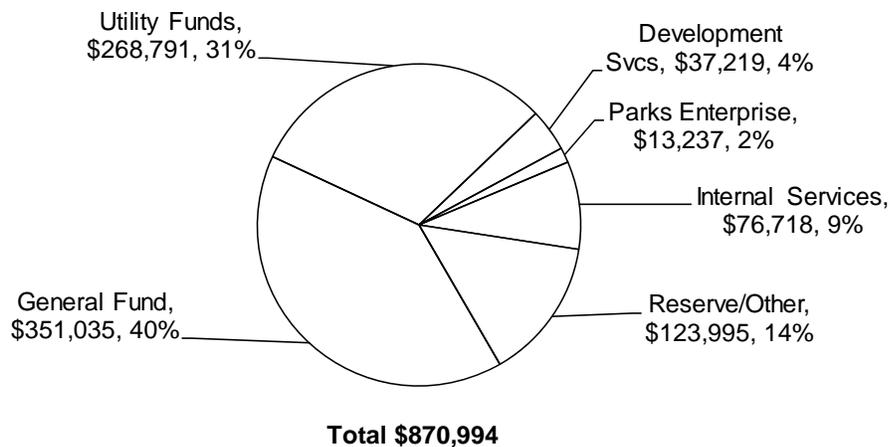
Figure 6b-10 presents the 2013-2014 total operating budget resources (by source) and expenditures (by group). At 31 percent of the "pie", taxes represent the largest resource category followed by utility services fees and charges for services. Together, these three sources represent 71 percent of operating budget resources.

The General Fund is the largest operating budget fund at \$351 million; it represents 40 percent of expenditures.

**Resources**



**Expenditures**



Figures may not foot due to rounding



## Expenditure Summary

### D. Total Special Purpose Budget

Figure 6b-11 presents the special purpose budget by fund. As indicated, the 2013-2014 special purpose budget is increasing by 25 percent (\$11.9 million) over 2011-2012.

The Operating Grants and Donations Fund decreases by \$345K, which is attributed to projections for fewer grants being received.

The I&D Redemption - Regular Levy Fund increases by \$13.4 million, due to the payoff of the existing line of credit due in November 2013.

**Figure 6b-11**

**2013-2014 Special Purpose Budget  
Expenditures and Reserves by Fund  
\$000**

<u>Special Purpose Budget</u>	<u>2011-2012 Adopted</u>	<u>2013-2014 Adopted</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Grants</b>				
Operating Grants & Donations Fund	\$8,087	\$7,742	(\$345)	(4.3%)
<b>Subtotal Grants</b>	8,087	7,742	(345)	(4.3%)
<b>Debt Service</b>				
I&D Redemption-Regular Levy Fund **	24,585	38,011	13,426	54.6%
LID Control Fund **	1,066	1,297	230	21.6%
LID Guaranty Fund **	218	240	23	10.5%
<b>Subtotal Debt Service</b>	25,869	39,548	13,679	52.9%
<b>Trust/Other</b>				
Firemen's Pension Fund **	7,479	7,406	(73)	(1.0%)
Housing Fund	6,682	5,331	(1,352)	(20.2%)
<b>Subtotal Trust/Other</b>	14,161	12,737	(1,424)	(10.1%)
 <b>Total Special Purpose Budget</b>	 <u>\$48,117</u>	 <u>\$60,027</u>	 <u>\$11,910</u> <span style="color: red;">▲</span>	 <u>24.8%</u>

\*\* Funds listed with a double asterisk are not appropriated during this process.

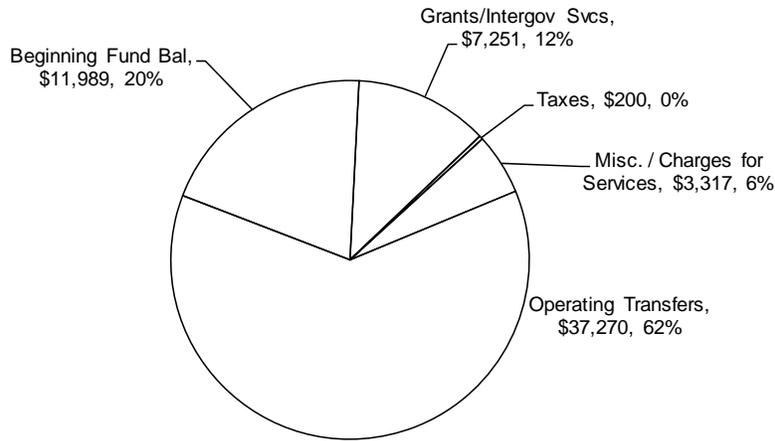
# Expenditure Summary

**Figure 6b-12**

**2013-2014 Special Purpose Budget  
Resources by Source and Expenditures by Group  
\$000**

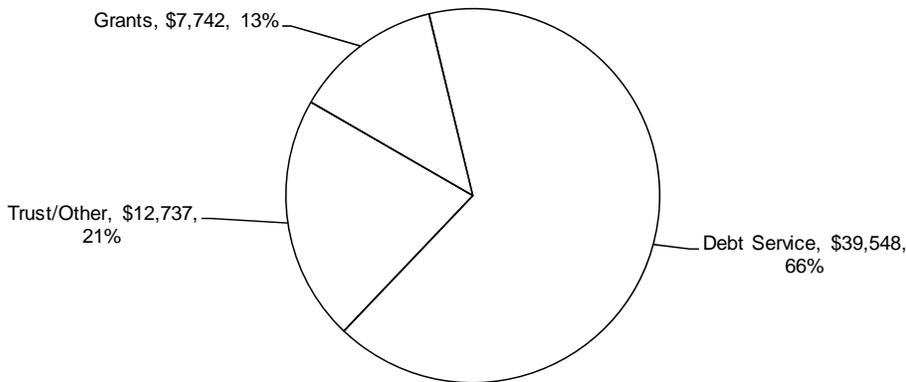
Figure 6b-12 depicts the resource and expenditure budget for the city's special purpose funds (not including the three capital funds). For the purposes of this display, resources have been categorized into five main components. Excluding transfers between funds, the largest resource category is the beginning fund balance at 20 percent (\$12 million). This is primarily due to large reserves being held in some of these funds (e.g., Firemen's Pension Fund) to cover anticipated future expenses. The largest expenditure category is debt service at 66 percent (\$40 million).

**Resources**



**Total \$60,027**

**Expenditures**



**Total \$60,027**

Figures may not foot due to rounding.



## Expenditure Summary

### E. Total Capital Investment Budget

Bellevue's Capital Investment Program (CIP) Plan presents a schedule of major public facility improvements for implementation within a seven-year period.

Figure 6b-13 presents the CIP expenditure budget by Outcome and Fund. The total CIP budget is expected to increase by 20 percent (\$60.8 million).

General CIP Funds are primarily increasing due to the implementation of major Parks Levy and Transportation mobility projects.

Utilities CIP increases reflect replacement of aging infrastructure, utility relocations for major Transportation projects and capacity projects to support anticipated growth.

**Figure 6b-13**

**2013-2014 Capital Investment Program Budget  
Expenditures and Reserves by Outcome  
\$000**

	<u>2011-2012 Adopted</u>	<u>2013-2014 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
<b>General Capital Investment Program Fund</b>				
<b>Base CIP</b>				
Economic Growth and Competitiveness	\$330	\$100	(\$230)	(69.7%)
Healthy and Sustainable Environment	3,724	1,000	(2,724)	(73.1%)
Improved Mobility	94,875	115,121	20,246	21.3%
Innovative, Vibrant and Caring Community	22,006	35,527	13,521	61.4%
Quality Neighborhoods	3,798	2,300	(1,498)	(39.4%)
Safe Community	4,810	3,733	(1,077)	(22.4%)
Responsive Government	5,624	5,362	(262)	(4.7%)
Debt/Reserves	27,420	38,570	11,150	40.7%
<b>Subtotal Base CIP</b>	<b>\$162,587</b>	<b>\$201,713</b>	<b>\$39,126</b>	<b>24.1%</b>
<b>Utility Capital Investment Program Fund</b>				
<b>Base CIP</b>				
Healthy & Sustainable Environment	\$45,569	\$48,142	\$2,573	5.6%
Improved Mobility	64,669	69,178	4,509	7.0%
Reserves	29,103	43,697	14,595	50.1%
<b>Subtotal Utility Capital Investment Program Fund</b>	<b>\$139,340</b>	<b>\$161,016</b>	<b>\$21,676</b>	<b>15.6%</b>
<b>Total Capital Project Budget</b>	<b>\$301,927</b>	<b>\$362,729</b>	<b>\$60,802</b>	<b>20.1%</b>

# Expenditure Summary

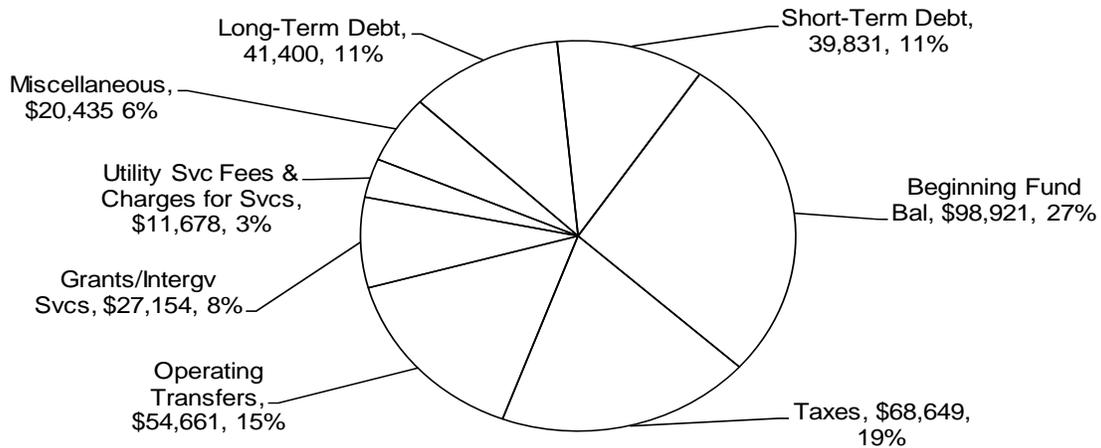
**Figure 6b-14**

**2013-2014 Capital Investment Program Budget  
Resources by Source and Expenditures by Outcome  
\$000**

Figure 6b-14 depicts the resource and expenditure budget for the city's two capital investment program (CIP) funds. Resources have been divided into eight categories. The largest are: beginning fund balance (representing the utilities reserve and replacement funds for future capital improvements), taxes and operating transfers, which together use 61 percent of the CIP funds.

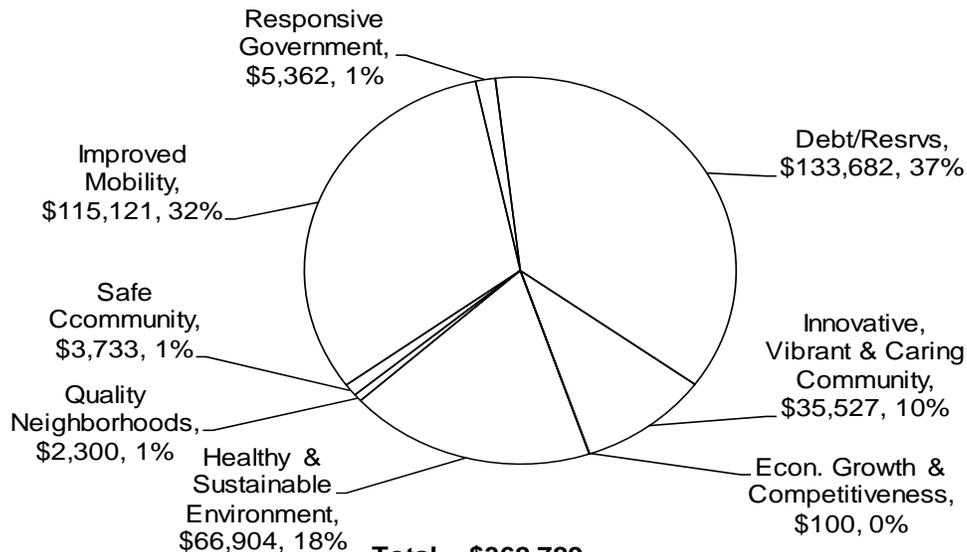
The expenditure pie has been divided into the eight Outcomes. Excluding Debt Service/Reserves, the largest use of CIP funds occur in the Improved Mobility and Healthy & Sustainable Environment Outcomes, which together use 50 percent of the CIP funds.

**Resources**



**Total \$362,729**

**Expenditures**



**Total \$362,729**

Figures may not foot due to rounding.

## Expenditure Summary

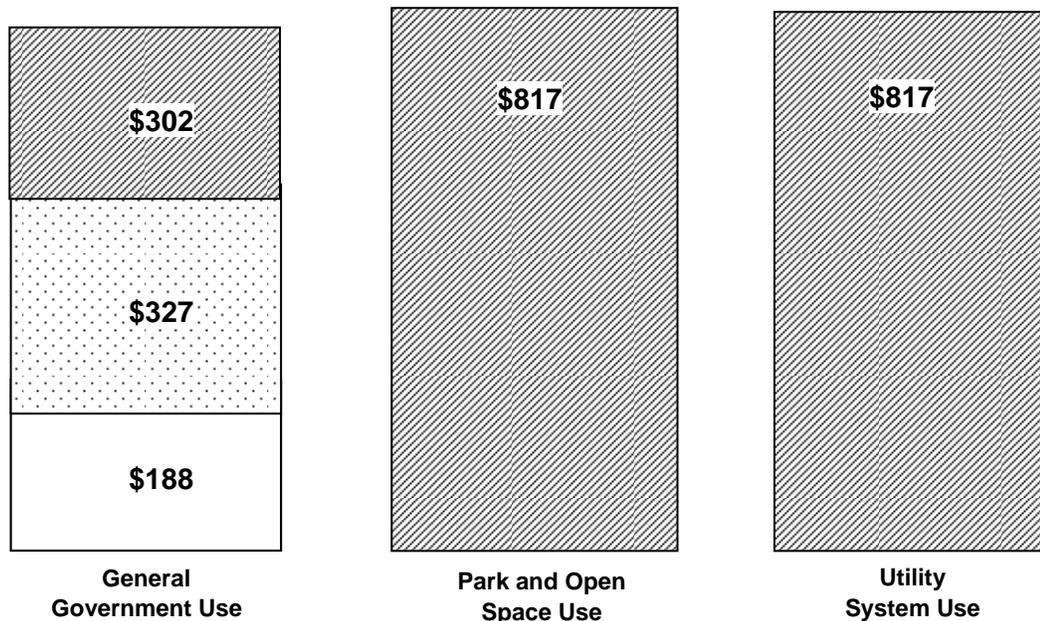
### F. Total Debt Information – Based on Statutory Limits

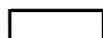
State Law enables the City to issue debt for three general categories of use: General Government, Park and Open Space, and the Utility System. The debt issued in each category is limited to 2.5 percent of the City's assessed valuation (for a total limit of 7.5 percent). In addition, the State Constitution 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.

Figure 6b-15 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, 2013, the City's remaining general government debt capacity was approximately \$629 million, approximately \$327 million in voted capacity and \$302 million in councilmanic capacity. The approximate remaining debt capacity for park and open space use is \$817 million and for utility system use is \$817 million.

**Figure 6b-15**  
**Total Debt Capacity and Debt Issued**  
 as of January 1, 2013  
 (\$ Millions)

**Maximum Legal Capacity = \$32,677 x 0.025 = \$817**



-  Unused debt capacity (including lease purchase debt) which may be issued by the City Council without voter approval.
-  Unused debt capacity which must be approved by the voters and will result in increased property taxes.
-  Debt which has been issued.



## Expenditure Summary

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Figure 6b-16 presents detailed information on the City's General Obligation and 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 2013-2014 Budget.



## Expenditure Summary

**Figure 6b-16**  
**GENERAL OBLIGATION AND REVENUE BOND DEBT INFORMATION**  
**\$000**

	<b>Original Amount Issued</b>	<b>Issue Date</b>
<b>Non-Voted General Obligation (G.O.) Bonds:</b>		
1995 Limited G.O.	\$5,140	1995
2003 Limited G.O. Refunding, Series B	4,635	2003
2004 Limited GO (City Building)	102,710	2004
2006 Limited GO (City Building II)	6,060	2006
2008 Limited GO (Supplemental CIP)	14,230	2008
2009 Limited GO BAN (LOC)	30,000	2009
2010 Limited GO Refunding (Marina)	3,280	2010
2010 Limited GO Refunding (BCCA)	9,595	2010
2010 Limited GO (Mobility Infrastructure Initiative)	11,825	2010
2012 Limited GO Refunding (City Building)	55,875	2012
2012B Limited GO Refunding (City Building)	43,185	2012
Subtotal Non-Voted G.O. Bonds	\$286,535	
<b>Revenue Bonds:</b>		
1991 Bellevue Convention Center Authority, Series B (1)	\$21,120	1991
1994 Bellevue Convention Center Authority Refunding (1)	13,749	1994
Subtotal Revenue Bonds	\$34,869	
<b>TOTAL GENERAL OBLIGATION AND REVENUE BONDS</b>	<b>\$321,404</b>	

(1) The Bellevue Convention Center Authority (BCCA) is a component unit of the City for financial reporting purposes. The Authority's revenue bonds are secured by Lease Purchase Rental payments from the City paid for with Hotel/Motel Tax revenues and other revenues of the City available without a vote of the City's electors.



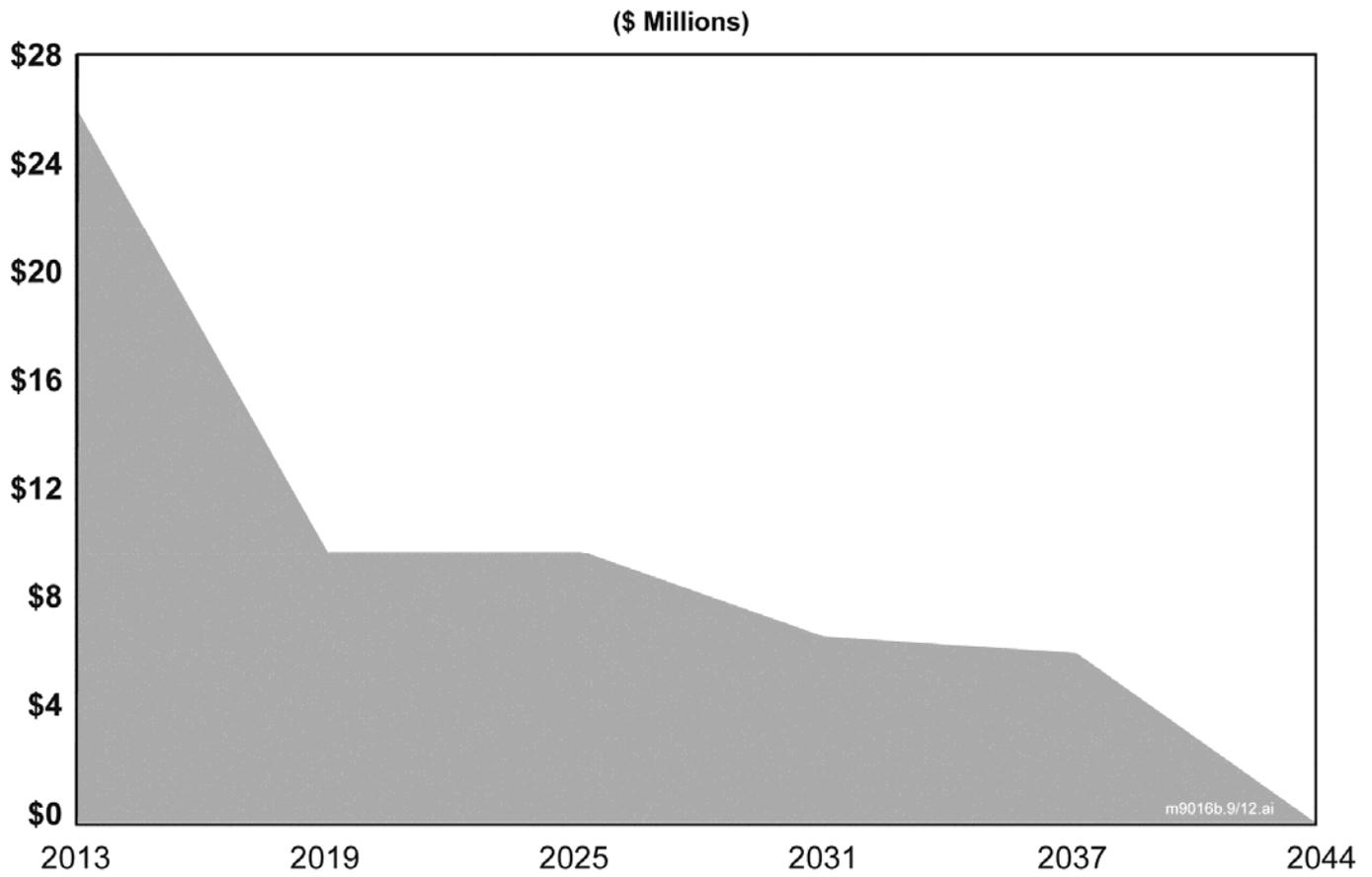
## Expenditure Summary

Final Maturity Date	Interest Rate	Source of Debt Service Funding	2013-2014 Debt Service Requirement	
			Principal	Interest
2025	5.15 - 5.80%	Hotel/Motel Taxes	\$542	\$978
2014	2.00 - 4.50%	General Taxes	970	66
2043	5.00 - 5.50%	Sales Tax	2,835	214
2026	3.80 - 4.25%	Sales Tax	530	369
2027	3.00 - 4.25%	Sales Tax	1,225	844
2013	Variable	General Taxes	15,000	300
2018	2.00 - 3.00%	Moorage Fees	685	128
2032	2.00 - 4.00%	Hotel/Motel Taxes	655	630
2030	2.00 - 5.00%	Sales Tax	920	806
2039	2.00 - 5.00%	Sales Tax	215	5,176
2043	2.00 - 5.00%	Sales Tax	110	3,789
			\$23,687	\$13,299
2019	5.70 - 7.20%	BCCA	\$1,512	\$6,028
2025	5.60 - 6.60%	BCCA	835	2,375
			\$2,347	\$8,403
			\$26,034	\$21,702

## Expenditure Summary

Figure 6b-17 presents the annual debt service requirements for the City's councilmanic (non-voted) debt through 2044. The 2013 debt service requirements are \$26.0 million for councilmanic 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 6b-17**  
**ANNUAL DEBT SERVICE REQUIREMENTS**  
**FOR EXISTING NON-VOTED GENERAL OBLIGATION BONDS**



### CITY BOND RATINGS

On January 1, 2013 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	Aa1
Revenue	N/A	Aa1