2007-2008 Budget

City of Bellevue, Washington

2007-2008 Budget

For the Biennium
January 1, 2007 through December 31, 2008

Bellevue City Council
Grant Degginger, Mayor
John Chelminiak, Deputy Mayor
Claudia Balducci
Don Davidson
Conrad Lee
Connie Marshall
Phil Noble

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Bellevue

Washington

For the Biennium Beginning

January 1, 2005

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Distinguished Budget Presentation to the City of Bellevue, Washington for its biennial budget for the fiscal biennium beginning January 1, 2005.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The award is valid for a period of two years only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

City of Bellevue, Washington
2007-2008 Budget

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1. Transmittal Letter

City of Bellevue
Post Office Box 90012 • Bellevue, Washington • 98009 9012

March 5, 2007

The Honorable Mayor
Members of the City Council
Residents and Stakeholders of the City of Bellevue

Dear Mayor Degginger, City Councilmembers, Residents and Stakeholders of Bellevue:

We are pleased to present the City's 2007-2008 Operating Budget and the 2007-2013 Capital Investment Program (CIP) Plan. These combined budgets total $966 million for the 2007-2008 biennium.

The Operating Budget and CIP Plan maintain the City's high service levels, provide strategic investments in our streets, sidewalks, parks and other facilities and continue the City's commitment to work smarter and more efficiently through new technologies. The budget and CIP plan also include a 2% property tax increase for 2007 to increase funding to the CIP.

Further, the Operating Budget and CIP Plan begin to address the fundamental challenge facing the City – how to fund and sustain the City's rapidly growing list of emerging operating and capital needs. In addition to the 2% annual property tax increase over 10 years to fund additional CIP projects, this Plan includes a $9.9 million allocation from the Council Contingency to enhance funding for Transit Now-Downtown Circulator, the Bellevue Challenge Grant, a potential Downtown Fire Station, Cultural Arts, and a Municipal Court.

Our Operating Budget Maintains Bellevue's Quality Services

Bellevue residents continue to give us high marks:

- More than nine of ten residents described Bellevue as an excellent place to live. Nine in ten consider their neighborhood an excellent or good place to live.

- Eighty-eight percent of respondents feel they are getting their money's worth for their tax dollars.

To maintain these high quality services, the Budget includes the addition of 17.19 new positions. Most positions added to the Budget are revenue supported or necessary to convert limited-term positions where service demands are expected to continue. Highlights of the proposed service additions include:

Public Safety. The budget allocates $1.5 million for the addition of ten fire personnel in response to an increasing service demand for medic calls and provides resources for an additional fire training academy to replace personnel who are expected to retire. $1.2 million of the proposal cost is offset by additional revenues to the City from the Emergency Medical Services levy.

million of the proposal cost is offset by additional revenues to the City from the Emergency Medical Services levy.

Parks and Open Space. The budget includes the addition of two positions to enhance the quality of parks maintenance and contract oversight. These positions use existing dollars.

Human Services. The budget allocates an additional $0.5 million for human services grant requests to offset a loss of Federal money and to address community needs identified in the Human Services Needs Update. With these additional resources, total City funding of human services is $4.6 million for the 2007-2008 biennium.

Support Services. This budget includes $0.5 million for a fleet mechanic to maintain heavy equipment such as fire apparatus and for the staffing (1.44 positions) and support of the electronic content management system to provide more efficient access and distribution of the City's records and related business process improvements.

The budget also includes the conversion of 1.75 limited-term employees into 1.75 full-time equivalent employees. One of these positions is an attorney to manage the ongoing body of work the department has experienced. The second position (.75) is a records clerk to support development services operations. These positions use existing resources.

Regional Services. The budget proposes the addition of one position to support the award winning e-Gov Alliance which is fully funded through other member city contributions.

This Budget Invests in the City's Infrastructure and Future

As with most budgets, this budget does not meet all of Bellevue's capital needs, nor does it fund all investment requests put forward by departments. We estimate total new CIP needs to be nearly half a billion dollars over the next decade; this capital budget funds only a fraction of that.

In total, there are 44 new or enhanced projects with additional recommended funding in the 2007-2013 CIP Plan. Further, the 2% property tax increase will make approximately $67 million available for additional projects. City council will prioritize this spending over the backlog of unfunded projects during the coming year. Overall, this CIP is a balance between new investments and the need to maintain existing infrastructure.

The following list highlights some of the new projects included in the CIP. More detailed information on each project is available in the 2007-2013 CIP Plan accompanying the 2007-2008 Budget.

Mobility & Transportation
PW-R-141, West Lake Sammamish Parkway/north city limit to I-90 ($5.0 million) – funds design and implementation of a first phase of improvements as selected by the community.

PW-R-153, Bel-Red Corridor Plan Implementation ($3.5 million) – early implementation project to partially fund remaining planning work, conceptual design studies, property

acquisition and other implementation activities to advance the plan's key recommendations.

PW-R-157, Transit Now Downtown Circulator ($1.0 million) – Implement a downtown circulator transit system to serve downtown residents, employees, and visitors.

Parks and Open Space/Community Livability
P-AD-69, Bellevue Challenge Grant ($5.3 million) – provides seed or incentive money to leverage City capital funding for a variety of partnership capital projects.

P-AD-75, Mercer Slough Environmental Education Center ($5.8 million) – renovates the existing Sullivan House and develops two classroom buildings, two wetlab buildings, a multipurpose building, restroom, tree house learning structure, slough overlook, visitor center, site improvements and parking.

Downtown Implementation Plan
CD-19, Downtown Investments/DIP Implementation ($2.0 million) – includes planning, design, and construction for several urban livability projects focusing on mid-block crossings, great streets/themed streets, and pedestrian environment improvements.

Community Development
CD-28, Cultural Arts ($4.5 million) – provides funding to support cultural arts to qualifying organizations.

Public Safety
PS-61, Downtown Fire Station ($1.0 million) – provides initial funding for planning and land acquisition to site a downtown fire station to serve the growing downtown population.

General Government
G-66, Municipal Court ($0.5 million) – provides initial funds for study and start up costs for Bellevue Municipal Court alternatives.

Utility Funds

This Budget includes the following utility rate increases for 2007 and 2008:

	2007	2008
Water	5.0%	6.4%
Wastewater	9.5%	2.5%
Storm and Surface Water	5.5%	5.0%

Rate increases are needed to fund 1) pass-through increases in wholesale Metro/King County Sewer and Cascade Water Alliance water costs to customers; 2) increasing State pension, technology, insurance and fuel costs; 3) inflationary increases in salaries, maintenance and operations costs; and 4) additional capital needs.

As a result, average monthly Utility bills for single family residential customers are projected to increase from $89.37 in 2006 to $95.85 in 2007 and $100.02 in 2008.

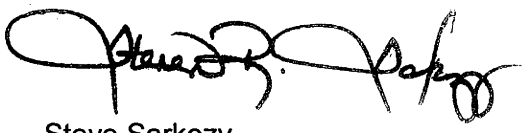
Bellevue Tomorrow: An Urban Center and World Class City

People and businesses are moving to our city in unprecedented numbers. Our downtown residential population is estimated to double in the next six years from five thousand to ten thousand residents. An increasing daytime workforce and our growing residential population will require new amenities such as restaurants, retail shops, entertainment, parks, open space, new transportation modes as well as core municipal services such as police, emergency medical services, and fire suppression.

To meet these needs and remain competitive, the City must focus our energies on the development of a comprehensive strategy for addressing the City's long-term capital and operating needs of the community. We will work with Council over the next year to put forward a plan to address these needs.

In closing, I want to thank all of the City's fiscal staff and program managers for their dedicated work on developing and producing this budget.

Sincerely,



Steve Sarkozy
City Manager

2. Reader's Guide

Reader's Guide

Understanding a municipal budget and its specialized terminology can be a challenging exercise. This Reader's Guide has been developed to make review of the City of Bellevue's budget easier. It highlights the type of information contained in each chapter, describes some parts in detail, presents a glossary of commonly used budget terms, and gives directions for locating additional budget information.

The Reader's Guide is organized into the following sections:

A. 2007-2008 Budget Documents

This section identifies the information presented in each volume of the budget.

B. Basis of Accounting

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

C. Glossary

This section provides definitions for many of the terms used in the budget document.

D. Locating Additional Budget and Financial Information

This section provides a list of other documents containing information about the City's finances.

A. 2007-2008 BUDGET DOCUMENTS

The City of Bellevue has consolidated its operating and capital investment spending plans into three volumes:

2007-2008 Budget - is designed to provide the reader with a "one stop" comprehensive look at Bellevue's Budget. See the following section for details on each chapter in the 2007-2008 Budget document.

2007-2013 Capital Investment Program Plan - is designed for readers who are most interested in the City's long range plan for improving and maintaining its capital and technological infrastructure. It contains information relating to criteria for setting project priorities, maps, lists of funded projects, and project detail for all capital projects the City plans to implement between 2007 and 2013.

2007-2008 Budget Detail - is designed for those who want to get "behind the broader numbers" and explore some of the source data. It includes detail information on the resources supporting the budget as well as expenditures by type with comparisons to previous years. Also included are personnel reports and descriptions of each of the City's funds.

2007-2008 Budget Document Organization

Chapter 1 - Transmittal Letter

The Budget Transmittal Letter presents the City Manager's message on the 2007-2008 Budget and the 2007-2013 CIP Plan to the Mayor, Councilmembers, residents, and other stakeholders. The City Manager's transmittal letter highlights the priorities and issues for both operating and CIP budgets.

Chapter 2 - Reader's Guide

Chapter 3 - Executive Summary

The Executive Summary presents a high level summary of the key components of the 2007-2008 Budget. It begins with narrative sections highlighting the General Fund, Utility Funds, Parks Enterprise, and Development Services Fund Financial Forecasts. It includes information on "where the money comes from" such as taxes, grants, and beginning fund balances; "where the money goes" such as Transportation, Police, and Parks; and "what the money buys" such as personnel, maintenance and operations, and capital. The chapter includes a series of charts, graphs, and tables summarizing 2007-2008 resource and expenditure information.

Chapter 4 - Resource Summary

The Resource Summary presents 2007-2008 Budget resource information primarily through the use of graphic presentations. This chapter contains more detailed information on resources than what is included in the Executive Summary chapter.

Chapter 5 - Financial Forecasts

This chapter presents the six-year financial forecasts for the General Fund, Utility Funds, Parks Enterprise, and Development Services Fund. A forecast is a mid-range look into the future that tries to anticipate what spending and resources will be and what actions the City may need to take now based on those results. It also discusses significant factors that might influence the future including the economy, health benefit costs, collective bargaining agreements with the City's workforce, charges for water, and other factors that might increase or reduce resources or expenditures.

Chapter 6 – About Bellevue

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

Chapter 7 - Council Vision/Mission/Priorities

The Council's vision, mission, and priorities are always "building blocks" of the budget process. In preparation for the 2007-2008 Budget, the Council met in several Budget retreats and workshops during 2006 and provided a framework for departments to use in developing their proposed budgets.

Chapter 8 - Comprehensive Financial Management Policy

This chapter presents significant City budget and accounting policies relating to financial monitoring, budget preparation, revenues, and the Capital Investment Program Plan.

Chapter 9 - Stakeholder Outreach Summary

The City of Bellevue strives to involve the community in the budget process. This chapter describes Bellevue's survey efforts and public hearing process that assures stakeholder input on budget priorities.

Chapter 10 through Chapter 27 - Department Budgets

The 2007-2008 Budget marks the first time that the City of Bellevue is publishing a budget using an automated budget planning and development system. The system, called GovMax, allows the City to facilitate its budget development and business processes. The new system serves as a planning tool and stores background financial data in detail for every City fund including salary schedules, filled and vacant position information, benefit costs, and information on CIP projects. The system will support an iterative planning process, keeping track of changes in the budget from initial request through various stages of departmental, budget office, City Manager and Council review and approval of a final budget.

The benefits of a strong budget system include automating manual processes, improving data collection and workflow, strengthening analysis capabilities, reducing data entry and re-keying, and reducing time spent compiling numbers, thus allowing additional time for analysis.

Each department presentation has a standard format and presents the budget at the department level and by major program areas. Information at the department level is shown on the pages that have only the department title such as "City Attorney", "Fire", or "Utilities". Information at the program level includes the program area title as well as the department name (such as Fire, followed by Fire Suppression & Rescue).

Department level information: The first section of each department presentation is at the departmental level and includes a *Program Outcome Statement*, a discussion of *Services and Accomplishments*, an *Organizational Chart, 2007-2008 Work Initiatives, Major Challenges for the Biennium, Program Overviews, Financial Summary, and a Biennial Budget Comparison.*

- **Program Outcome Statement** - This section addresses the mission of the department and can be expressed as conditions or other values resulting from the conduct of the department's activities. For example, a Police Department outcome could be expressed as a safe city. In the 2007-2008 Budget the department can use outcome statements or a more traditional mission statement that includes the department's major goals and reflects the department's activities and programs.

- **Services and Accomplishments** - This section discusses the services provided by the department and its major accomplishments of the previous biennium.

- The next department level presentation provides four different financial summaries:

    - **Budgeted Cost Summary** – provides the budgets for each department program area;

- **Expenditure Category Summary** shows what the money is spent on including (1) *personnel* (wages and benefits), (2) *interfunds* (services provided by one department on behalf on another), (3) *M & O* (maintenance and operational expenditures), and (3) *Capital* (large equipment purchases or on the city's infrastructure including roads, parks, land acquisition and other commodities that are depreciable).

- **Funding Summary** - a summary of the funding sources that support the expenditure activity;

- **FTE Summary** – the Full Time Equivalent (FTE) positions assigned to each program area.

- **2007-2008 Work Initiatives** – describes the major work activities that the department plans to conduct during the biennium.

- **Major Challenges for the Biennium** – discusses the issues and challenges faced by the department during the two years of the budget. The discussion could include discussions of increased workload, new programs, improvements in service delivery and other factors that the department needs to consider to assure quality program delivery.

Program level information: Information at the program level follows a presentation pattern similar to the department level presentation. In addition, the program level presentation includes a *Summary of Services Provided*, key performance measures, including actual performance results for 2005 and targets through 2008. Additionally, the program level presentation includes a discussion of departmental performance, and a section titled *Program Notes* to highlight program areas for the reader's benefit.

B. BASIS OF ACCOUNTING

The City budgets and accounts for all funds on a cash basis. This means that transactions (i.e., resources or expenditures) are recognized only when cash is increased or decreased. For example, an expenditure for consulting services is budgeted when the payment for the service is expected to be made rather than when the service itself is expected to be performed. The City of Bellevue chose to use the cash basis of accounting because it is generally accepted as the easiest basis of accounting to understand and explain.

At year-end, the City prepares financial statements on the modified or full accrual basis, as required by the State-prescribed Budgeting, Accounting, and Reporting System (BARS), and by generally accepted accounting principles (GAAP). These financial statements are presented in the City's Comprehensive Annual Financial Report (CAFR).

C. GLOSSARY

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

ACCRUAL BASIS

A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

AMENDED BUDGET

The amended budget is defined as the authorized mix 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.

Unless otherwise noted, the 2003, 2004, 2005, and 2006 budget values shown in this document have been amended. They represent the adopted budgets plus additional expenditure appropriations resulting from City Council decisions made throughout the year and any reorganizations.

APPROPRIATION

A legal authorization granted by the legislative body (City Council) to make expenditures and to incur obligations for specific purposes. For operating fund budgets, these appropriations lapse at the end of each fiscal biennium. For nonoperating/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 fair market 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.

BARS

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

BASE BUDGET

Cost of continuing the existing levels of service in the current budget biennium.

BEGINNING FUND BALANCE

A revenue account used to record resources available for expenditure in one fiscal biennium because of revenues collected in excess of the budget and/or expenditures were less than the budget in the prior fiscal biennium.

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 pay. It is a 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 CALENDAR

The schedule of key dates that a government follows in the preparation and adoption of the budget.

BUDGETARY BASIS

This refers to the basis 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.

BUDGETARY CONTROL

The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

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. Includes land, infrastructure, buildings, renovations to buildings that increase their value, equipment, vehicles, and other tangible and intangible assets.

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.

CASH BASIS

A basis of accounting in which transactions are recognized only when cash is increased or decreased.

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.

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.

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.

DEPRECIATION

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

DESIRED PROGRAM OUTCOMES

The consequence of what a program or activity does. An end result of a process.

DEVELOPMENT-RELATED FEES

Those 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 inflated budget values because the same expenditure or revenue dollar is budgeted twice, once in each fund's budget. The budget has not been adjusted to reflect double budgeting.

EFFECTIVENESS MEASURE

A measure used to determine if a program or department is achieving its desired outcome. The degree to which a performance objective is being achieved.

EFFICIENCY MEASURE

This measure reflects the relationship between work performed and the resources required to perform it. It demonstrates how well the available resources are being used.

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.

EXPENDITURE

An expenditure is, in simple terms, the payment for goods and services. In a cash budget such as the City of Bellevue's, expenditures are recognized only when the cash payments for the cost of goods received or services rendered are made.

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, 2005 - December 31, 2006).

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

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.

FUND BALANCE

The difference between resources and expenditures.

GAAP

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

GENERAL CIP REVENUE

General CIP Revenue is defined as the revenue dedicated to CIP use derived from the 0.5% local optional sales tax, 0.03% business and occupation tax, interest earnings on unexpended balances, and any miscellaneous unrestricted revenues. General CIP Revenue is allocated to each non-utility program area based on overall priorities.

GENERAL OBLIGATION (G.O.) BOND

This type of bond is backed by the full faith, credit, and taxing power of the 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.

INDIRECT SERVICES OVERHEAD

Cost of centrally-provided internal 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).

INTERFUND SERVICES REVENUE

The term "interfund" refers to transactions between individual funds of the City of Bellevue (rather than transactions between the City and private companies, other governments, or vendors). From a budgeting and accounting perspective, the service receiver must budget and pay for the service received. The service provider will budget for the cost of providing the service and receive revenue in the form of a payment from the service receiver. Interfund revenues can be either payment for intracity services or contributions of revenue from one City organization to another. Examples of interfund revenues include equipment rental charges, self-insurance premiums, and contributions for debt service obligations. As can be seen from this description, interfund activities inflate both expenditures and revenues; this causes what we refer to as "double budgeting".

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.

INTERNAL SERVICE CHARGES

The charges to user departments for internal services provided by another government agency, such as data processing or insurance funded from a central pool.

LAPSING APPROPRIATION

An appropriation made for a certain period of time, generally for the budget biennium. At the end of the specified period, any unexpected or unencumbered balance lapses or ends, unless otherwise provided by law.

LEADERSHIP TEAM

The City's administrative decision-making body consisting of all department heads, the deputy and assistant city managers, and the City Manager.

LEOFF I

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.

LONG-TERM DEBT

Debt with a maturity of more than one year after the date of issuance.

M&O (MAINTENANCE AND OPERATING) COSTS

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).

MAINTENANCE OF CURRENT SERVICE LEVELS

A budget concept aimed at identifying the additional level of resources needed in a particular budgetary period to provide the same quality level of service as was provided in the prior budgetary period. Factors which might affect the cost of maintaining a current service level from year to year include inflation and mandatory cost changes, and changes in service volumes.

NET BUDGET

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

NONOPERATING/SPECIAL PURPOSE FUND

A budgeting, accounting, and reporting entity established to receive revenues typically of a noncontinuing nature and to make expenditures for noncontinuing 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 nonlapsing and continue from biennium to biennium.

OBJECT OF EXPENDITURE

An expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, land, or furniture.

OBJECTIVE

Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

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

Operating costs (also called maintenance and operating costs or m&o costs) are planned expenditures, covered in the City's Operating Budget, for conducting continuing service programs based at the physical facilities constructed, reconstructed, or acquired by the Capital Investment Program. For example, the costs of personnel and supplies for maintaining a park property once it is constructed are "operating costs," while the costs of constructing the park itself are capital costs. Another example of an operating cost would be the necessity of paying for electricity to run a traffic signal once a CIP-financed intersection has been constructed.

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 EXPENDITURES

The cost of personnel, materials, and equipment required for a department to function.

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.

PAY-AS-YOU-GO BASIS

A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

PERFORMANCE BUDGET

A budget wherein expenditures are based primarily upon measurable performance of activities and work programs.

PERFORMANCE MEASURE

An indicator which measures the degree of accomplishment of an activity. The three types used in the City of Bellevue are:

- Effectiveness - the degree to which performance objectives are being achieved.
- Efficiency - the relationship between work performed and the resources required to perform it. Typically presented as unit costs.
- Workload - a quantity of work performed.

PERFORMANCE INDICATORS

Specific quantitative and qualitative measures of work performed as an indicator of specific department or program activity or accomplishment.

PERSONNEL

Expenditure category that represents amounts paid for personal services rendered by employees (e.g., salaries and overtime pay) and benefits paid by the City.

POLICY

A policy is a guiding principle which defines the underlying rules which will direct subsequent decision-making processes.

PROGRAM

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

PROGRAM AREA

The CIP can be described as having eleven program areas. They are: Transportation, Parks, General Government, Public Safety, Community and Economic Development, Neighborhood Enhancement Program, Neighborhood Investment Strategy, Water, Sewer, and Storm Drainage. Three program areas are further segmented into established project categories as follows: Transportation (Roadways, Intersections, Walkways/ Bikeways, and Maintenance/Minor Capital); Parks (Park Acquisition and Development and Park Redevelopment); and Community and Economic Development (Community Development and Economic Development).

PROGRAM BUDGET

A method of budgeting whereby the services provided to the stakeholders are broken down in identifiable service programs or performance units. A unit can be a department, a division, or a workgroup. Each program has an identifiable service or output and objectives to effectively provide the service. The effectiveness and efficiency of providing the service by the program is measured by performance indicators.

PROGRAM REVENUE

Revenues earned by a program, including fees for services, licenses and permits, and fines.

PROJECT COST

The project cost is 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.

PROJECT PRIORITIZATION CRITERIA

Individual capital projects are ranked by priority which has an impact on funding and scheduling in the CIP Plan. In the review process, department staff, with input from Councilmembers, boards and commissions, and other interested groups, identify factors which would make one project of higher priority than another. These factors are termed project prioritization criteria.

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 a particular 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.

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; an 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.

RESTRICTED/UNRESTRICTED 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 payor, or their receipt is directly tied to an expenditure. Revenue is also considered restricted when voters or the City Council has 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.

SERVICE LEVEL

Services or products which comprise actual or expected output of a given program. Focus is on results, not measures of workload.

SOURCE OF REVENUE

Revenues are classified according to their source or point of origin.

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.

TRAINING POOL EMPLOYEE

An employee who is hired into a position created for the purpose of training for a regular position of the City. This classification is typically used for positions that required extensive training such as police officers or dispatchers.

TRANSITIONAL EMPLOYEE POSITION

An employee who is hired into a position created for the purpose of training for a regular position when the incumbent has submitted a resignation or the manager knows the position will be vacant within a year.

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.

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 & 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.

WORKLOAD MEASURE

A unit of work accomplished (e.g., number of permit applications reviewed, the number of households receiving refuse collection service, or the number of burglaries investigated).

D. LOCATING ADDITIONAL BUDGET AND FINANCIAL INFORMATION

The City of Bellevue publishes a number of documents that provide information about the City's finances. Some of the more important documents that might be of interest include:

- The Comprehensive Annual Financial Report (CAFR) presents the year-end financial status and results of operations for each of the City's funds, as well as various statistical and demographic information about the City of Bellevue.

- Quarterly Monitoring Reports discuss the status of operating and CIP resources and expenditures each quarter including a year-end projection of probable outcomes.

- Annual Performance Report shows selected performance measures for all departments. This document shows target and actual performance for the year, where actual performance has met or exceeded the target, and describes steps being taken to improve performance.

- ICMA Comparative Cities Report compares Bellevue's performance to other cities nationwide.

- Our financial reports can be found at http://www.cityofbellevue.org/582.htm .

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

Ms. Jan Hawn
Finance Director
City of Bellevue
P.O. Box 90012
Bellevue, WA 98009-9012
Phone: (425) 452-6846
Fax: (425) 452-6163

or

Mr. Rich Siegel
Performance and Outreach Coordinator
City of Bellevue
P.O. Box 90012
Bellevue, WA 98009-9012
Phone: (425) 452-7114
Fax: (425) 452-6163

3. Executive Summary

Executive Summary

This chapter presents a high level summary of the key components of the 2007-2008 Budget. More detailed revenue and expenditure information can be found in subsequent chapters of this document.

The Executive Summary is organized into the following sections:

A. General Fund Financial Forecast Summary

This section provides a brief overview of the 2007-2008 General Fund Financial Forecast.

B. Utility Funds Financial Forecast Summary

This section provides a brief overview of the 2007-2008 Utility Funds Financial Forecast.

C. Parks Enterprise Fund Financial Forecast Summary

This section provides a brief overview of the 2007-2008 Parks Enterprise Fund Financial Forecast.

D. Development Services Fund Financial Forecast Summary

This section provides a brief overview of the 2007-2008 Development Services Fund Financial Forecast.

E. Budget Summary

This section presents summary resource and expenditure budget and trend information through the use of graphs and tables for the total City budget and its subcomponents (i.e., operating, special purpose, and capital investment program funds).

F. Debt Information

This section presents information about Bellevue's total general obligation debt capacity, current general obligation and revenue bond debt, and annual debt service requirements.

A. GENERAL FUND FINANCIAL FORECAST SUMMARY

Note: This forecast was prepared in October 2006 to assist the City Council with 2007-2008 Budget deliberations.

The General Fund Financial Forecast (the Forecast) illustrates that our revised revenue base will be able to maintain the City's existing quality and mix of services through 2008. The Forecast builds on the proposed 2007-2008 budget's mix and level of resources and anticipated service levels. It calculates future resource and expenditure estimates based on current budget performance, historical trend analysis, current economic information, input from other governments and industries, and feedback from local economists.

The following summarizes the results of the forecast analysis:

Summary

While the short-term financial outlook is positive, the long-term financial outlook includes projected shortfalls in 2009 through 2012. These shortfalls are largely due to high rates of expenditure growth, such as escalating State pension contributions and a loss of B&O taxing authority in 2008.

Economic Outlook

The Forecast reflects the current strength in the local economy and assumes continued growth. Bellevue is in the midst of a major development cycle, expecting to add 2.8 million square feet of office and retail space over the next several years. Employment growth in the region continues to outpace the national average, which in turn contributes to personal income growth and regional population increases. Bellevue expects the residential downtown population to add more than 5,000 people over the forecast period. The increased urbanization of Bellevue is expected to provide additional revenues to the City, as well as additional service demands.

While the biennial outlook is strong, the Forecast shows growth in the later years at a decelerated rate. Regional economists are predicting a slowing of employment growth and retail sales. Development is expected to peak during the biennium and then moderate. Our downtown residential population is estimated to double in the next six years. An increasing daytime workforce and growing residential population will require new amenities as well as additional core municipal services. Key factors such as employment, inflation, and personal income impact the growth rate of the City's revenues, and in-turn the ability to support service demands.

Budget Growth

Budget modifications incorporate increased service needs, including the addition of 17.19 FTEs, and estimates of revenue growth. Projected increases in revenues are sufficient to support service additions and brings the budget into balance for 2007 and 2008. However, as the Forecast illustrates, revenues are projected to fall short of expenditures by $1.2 million in 2009, due in-part to the estimated impact of B&O apportionment. This deficit diminishes to $0.3 million by 2012. On average, resource growth falls just short of expenditure growth throughout the forecast period. The average annual expenditure growth rate is 4.0% over the forecast period.

See Chapter 5 - Financial Forecasts for more information on the 2007-2012 General Fund Financial Forecast.

B. UTILITY FUNDS FINANCIAL FORECAST SUMMARY

Introduction

The following key financial policies approved by Council in 1995, and updated in subsequent budgets, are incorporated in these financial forecast results:

- Consolidated reserve funding policies which define target and minimum reserve levels for each Utility fund;
- Operating reserve management policies which stipulate the transfer of greater-than-anticipated year-end reserves (ending fund balances) to the CIP Renewal & Replacement (R&R) Account;
- Capital reinvestment policies for future replacement of Utility infrastructure systems which base transfers to the CIP R&R Account on long-term capital investment;
- System expansion and connection policies which stipulate all capital related Capital Recovery Charges (CRC) and Direct Facility Charges will be deposited directly to the CIP Renewal & Replacement (R&R) Account; and
- Rate-planning policies which set rates at a level sufficient to cover current and future expenses and maintain reserves consistent with Utility financial policies and the long-term financial plans, and to pass through wholesale cost increases directly to customers. Inflationary indices are used as a basis for evaluating rate increases but no longer limit the growth in local programs.

These forecasts assume no increases in Utility staffing levels or significant changes in current service programs for maintenance and operations, which is consistent with ongoing department cost containment efforts.

Significant Issues

Significant issues expected to impact the Utilities current and future financial performance are briefly discussed below.

King County/METRO Wastewater Treatment Costs

Sewage treatment charges from King County/METRO will increase by 9.2% (from $25.60 to $27.95) per residential equivalent unit in 2007. This increase is primarily driven by higher debt service resulting from increased capital costs (including the Brightwater treatment plant). Since this rate increase is expected to cover cost increases for both 2007-2008, there will be no rate increase for 2008. Per Council-adopted financial policies, wholesale cost increases are passed through to the customer. The increase in wastewater treatment costs will result in an increase to Bellevue ratepayers of approximately 7.0% in 2007.

Cascade Water Alliance

The Cascade Water Alliance (Cascade) has adopted its 2007 operating and capital budgets. Cascade's 2007 operating budget is $20 million, or 5.9% higher than 2006. Cascade's 2007 wholesale charges to Bellevue will increase by $1.1 million or 10.8%. This increase will be reduced by a one-time credit of $0.5 million in 2007, resulting in a net increase to Bellevue of 5.8% or approximately $0.6 million. This reflects additional information from Cascade, received after the preliminary budget was printed, that led to a one-time cost reduction of $0.2 million in 2007. Additionally, Cascade's 2008 wholesale charges to Bellevue are projected to increase by $1.7 million, or 15.5%, over 2007 levels. Consistent with Council adopted policies of gradual and uniform rate increases, the impact of these changes will be levelized

over the 2007-2008 biennium. This will result in rate increases of 5.0% per year in 2007 and 2008 for wholesale water purchases.

New Capital Projects

There are several capital projects highlighted as being high priority during, and just beyond, this forecast period. These include projects to meet sewer capacity needs in the central business district and water infrastructure renewal projects.

Sensitivity and Risks

Each item discussed above could potentially affect annual Utility costs and rate requirements over the forecast period. Changes in inflation rates for various services can also affect annual cost levels. Each projection made in this forecast is based on the best information currently available, but actual costs and revenues in future years may be higher or lower than forecasted amounts, as changes in prevailing economic conditions or other circumstances influence actual Utility financial outcomes.

See Chapter 5 – Financial Forecasts for more information on the 2007-2012 Utility Financial Forecast.

C. PARKS ENTERPRISE FUND FINANCIAL FORECAST SUMMARY

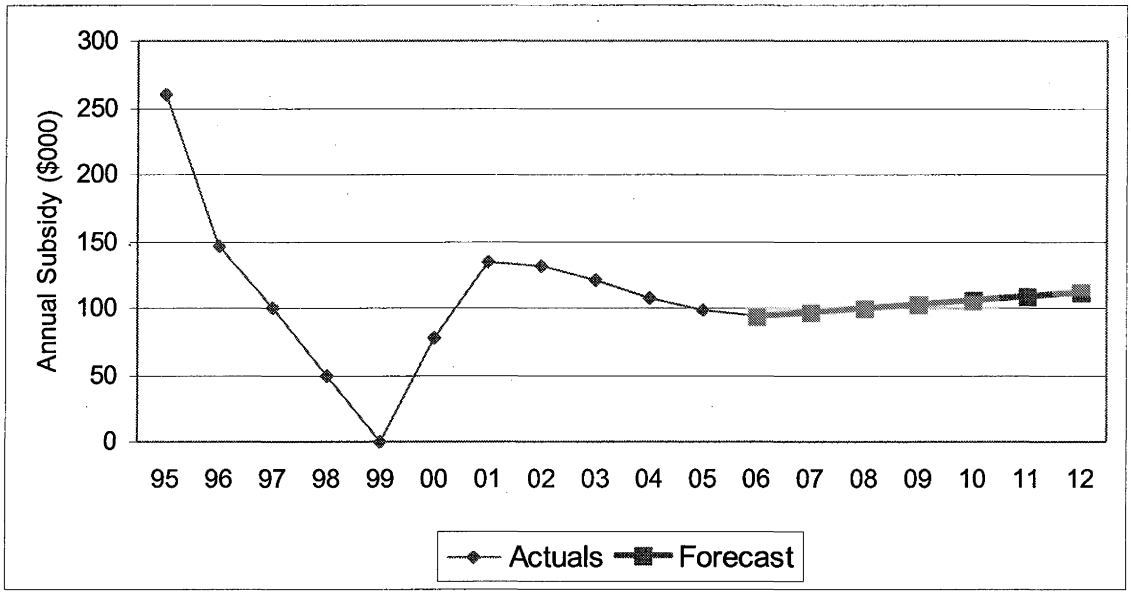
Note: This forecast was prepared in October 2006 to assist the City Council with 2007-2008 Budget deliberations.

Introduction

The Parks Enterprise Fund accounts for the services provided by the Enterprise Program within the Parks & Community Services Department. These services include golf, tennis, aquatics, adult sports, and facility rentals. Enterprise Programs are primarily supported through user fees but attempt to serve all residents regardless of ability to pay through the use of scholarships, sponsorships and fee waivers. The Parks Enterprise Fund receives a subsidy payment from the General Fund to ensure that programs are accessible to all Bellevue residents.

General Fund Subsidy

- The forecast shows that the Parks Enterprise Fund continues to keep the General Fund Subsidy at about $100,000 per year.
- The graph below shows the actual and forecasted subsidy payment from the General Fund:



Note: Between 1997 and 1999, the Parks Enterprise Fund received an annual payment of $140,000 from King County to offset a portion of the operating costs associated with the Bellevue Aquatic Center. Starting in 2001, the subsidy includes an adjustment for the impact of the benefited employee rule changes.

- The Aquatic Center continues to be the driver behind the need for a General Fund Subsidy throughout the forecast period. Due to the nature of Aquatic Center programs, the majority of services provided at this facility are not "Full Cost Recovery" services. Most of these services recover only the direct program costs in an effort to provide affordable and accessible programs to youth and physically challenged participants. In addition to the General Fund subsidy, approximately $300,000 of other Parks Enterprise Fund revenues are needed to support the Aquatic Center operation each year. Overall, this level of subsidy is consistent with the financial performance that was anticipated in 1995 when the City took over the pool.

Parks Enterprise Fund Reserves

Parks Enterprise Fund reserves will be managed within the targeted reserve level of 2-months operating expenses, or approximately $500,000 to $780,000 over the forecast period.

Enterprise Capital Improvements

The Parks Enterprise program funds the Enterprise Facility Improvements Project (CIP project P-R-2), including capital projects at the Bellevue Golf Course. In 1999, the City acquired the 2.79-acre Miller Property to create an open space buffer between the golf course maintenance facility and neighboring residential properties. At time of purchase, the City committed to using the Enterprise CIP fund and golf course greens fees to acquire the property for $800,000, with a cash down-payment of $100,000 paid by Parks at closing. A balloon payment of $721,000 (including accrued interest) was deferred until 2005.

In 2005, the General CIP Fund loaned the Parks Enterprise CIP $721,000 to make the balloon payment, with the expectation that Parks Enterprise Fund would repay the General CIP principal over a 10-year period, plus simple interest equal to the City's CIP line of credit borrowing rate (at the time, 4.12%). However, since the Miller property serves the broader parks and open space needs of the entire community rather than a specific golf purpose, the remaining payments on the interfund loan are waived, and the outstanding loan balance is converted to an interfund transfer. This action is reflected in the 2007-2008 budget document.

Budget Assumptions and Issues

Below are some of the major assumptions used in developing the early outlook 2007-2012 forecast:

- Parks Enterprise Fund revenues are assumed to increase at the same rate as expenditures from 2007-2012, or roughly 3.5% per year.
- City Council will be discussing pricing and resident/non-resident access policies as part of the Recreation Program Plan Update. While these policy decisions could impact the pricing strategy and customer base for Enterprise Programs, no fundamental policy changes have been incorporated into this forecast update.
- Golf course revenues and expenses were increased to reflect the new contract with Premier Golf Centers approved by Council in October 2006. Staff will prepare an annual management report to Council reviewing the financial, operational, and customer service performance of the course under this new management agreement.
- No new programs or capital investments were included in this forecast or the Parks Enterprise Fund budget.

See Chapter 5 - Financial Forecasts for more information on the 2007-2012 Parks Enterprise Fund Financial Forecast.

D. DEVELOPMENT SERVICES FUND FINANCIAL FORECAST

Note: This forecast was prepared in October 2006 to assist the City Council with 2007-2008 Budget deliberations.

Executive Summary

The Development Services Fund is responsible for administering the development review and inspection process, land use and comprehensive planning, and code enforcement.

The Development Services Fund forecast reflects continued growth in development activity through 2007 as a result of the addition of several major projects in 2005-2006. Additional staffing and contracted services were added in response to this rapid increase in activity.

Beginning in 2010, development activity levels stabilize and reflect moderate growth throughout the forecast period.

Background

Bellevue continues to experience unprecedented growth with the completion of several major projects (e.g. Lincoln Square Residential Tower, City Hall, Ashwood Commons Phase I) and the initiation of new projects (e.g. Washington Square, Bravern/Schnitzer NW, Ashwood Commons Phase II) in 2005 and 2006. In response to this rapid increase in activity, 32 Full-Time Employees (FTEs) have been added in 2005 and 2006 to respond to the high demand for project review and inspection. The construction valuation for issued permits, considered a key barometer of development activity, exceeded estimates in 2005 and 2006. This trend is expected to continue through 2007.

2007-2012 Outlook

Office vacancy rates in the central business district are a key indicator of the interest in development activity. Rates have fallen to 8.3% in the last year, which indicates that development activity will remain strong through the early years of the forecast (2007-2008). However, the number of design review applications (an early indicator of development activity) received through the first quarter of 2006 indicates that the demand for major projects in the central business districts will decline towards the latter part of 2008. In addition, as interest rates continue to rise, the demand for single family additions and remodel projects is expected to decline as well. As a result, the forecast reflects a decline in revenue (overall resources less the General Fund subsidy) from 2007 to 2009 by 32% or $4.6 million, followed by moderate growth in revenue of 2.6% beginning in 2010. The forecast does not assume the continuation of the level of development activity experienced in 2006 and projected in 2007.

Development Services Fund
2007-2012 Financial Forecast
(in $000)

	2007	2008	2009	2010	2011	2012
Beginning Reserve	**$8,450**	**$10,165**	**$8,187**	**$6,261**	**$5,309**	**$4,331**
Resources:						
Building Fees	$9,400	$6,100	$5,500	$5,643	$5,789	$5,940
Land Use Fees	1,146	849	872	895	918	942
Fire, Transp. & Utilities Fees	3,339	3,429	2,888	2,963	3,040	3,119
Gen Fund Subsidy	6,307	6,546	6,716	6,891	7,070	7,254
Other Revenue/Interest	566	575	590	605	621	637
Total Resources	**$20,758**	**$17,499**	**$16,566**	**$16,997**	**$17,438**	**$17,892**
Expenditures:						
Building	$8,001	$8,219	$7,767	$7,032	$7,215	$7,402
Land Use	3,037	3,154	3,104	3,097	3,177	3,260
Fire, Transp. & Utilities Development Services	3,339	3,429	2,939	3,015	3,094	3,174
Comprehensive Planning/Neighborhood Outreach/Code Compliance	4,459	4,458	4,477	4,593	4,713	4,835
Other	207	217	206	212	217	223
Total Expenditures	**$19,043**	**$19,477**	**$18,493**	**$17,949**	**$18,416**	**$18,895**
Ending Reserves	**$10,165**	**$8,187**	**$6,261**	**$5,309**	**$4,331**	**$3,328**

Forecast Drivers and Assumptions

1) The following major projects are assumed to be substantially completed in the early years of the forecast:
   - Lincoln Square Office Tower
   - Ashwood Commons Phase II
   - Belletini
   - Washington Square
   - Overlake Hospital
   - Avalon Meydenbauer
   - 1020 Tower
   - Bellevue Towers
   - 1200 Bellevue Way
   - City Center II

2) A significant spike in new major projects is not assumed beyond 2007. This results in a reduction of fee revenue of approximately $4.6 million through 2009. Expenditures are expected to increase by inflation in 2008 and then decrease by approximately $980,000 or 5%, in 2009 reflecting the completion of major projects.

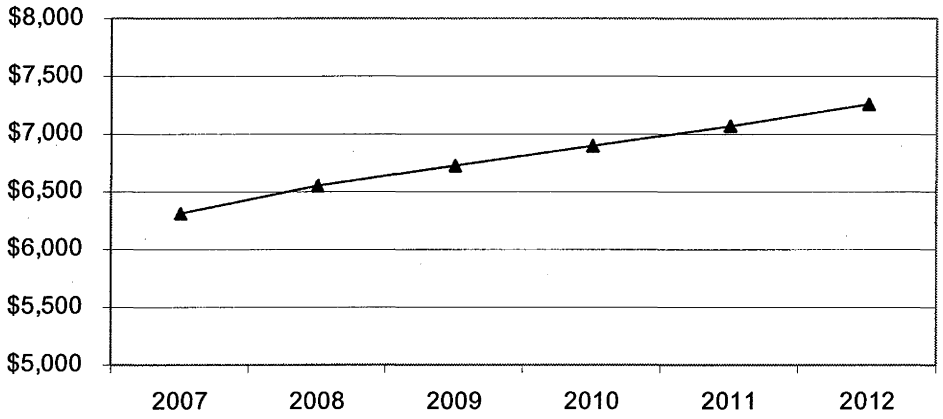
3) The forecast reflects the addition of 32 FTEs to address the increase in workload associated with the major projects. Adjustments to resource levels are anticipated to begin towards the latter part of 2008.

4) This forecast assumes development fees grow at the rate of inflation (4.6% in 2007 and 2.6% from 2008 through 2012). A comprehensive Cost of Service Study was conducted in 2006 for Land Use, Fire, Transportation, and Utilities rates. In addition, recommendations to shift to the ICBO Valuation Table for Building fees will be proposed. Development fees may be adjusted to assure they are set accordingly to meet cost recovery objectives endorsed by Council.

General Fund Subsidy

The General Fund contribution to the Development Services Fund accounts for approximately 5% of the General Fund budget. This contribution (subsidy) supports personnel, M&O and capital costs for programs that have been designated as general funded activities. These programs Include Comprehensive Planning, Neighborhood Outreach, Code Compliance, and Housing. Land Use activities supported by the General Fund include public information, policy development, and 50% of discretionary review.

General Fund Subsidy Forecast 2007-2012
($ in Thousands)

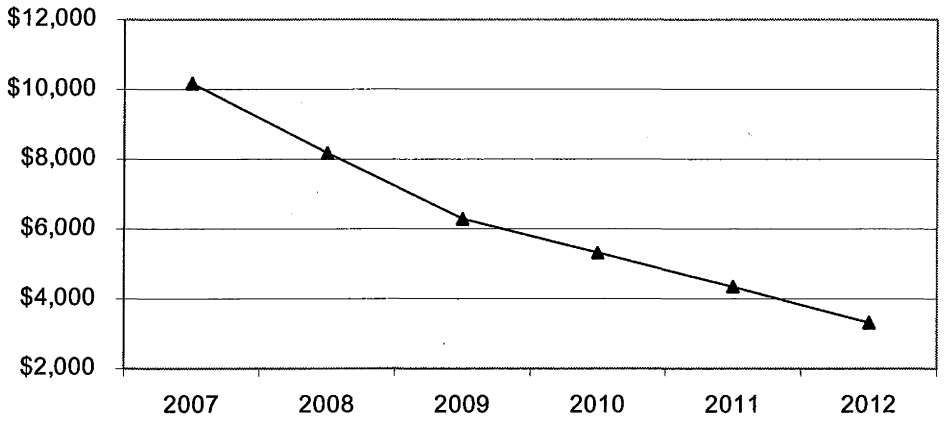


In 2006, the Economic Development program became its own department, and is no longer reflected in the General Fund subsidy. The General Fund contribution to the Development Services Fund is anticipated to grow at the rate of 3.8% from 2007 to 2008 and then by 2.6% over the forecast period.

Development Services Fund Reserves

The Development Services Fund maintains reserves to assure that core staffing levels are balanced with cyclical needs, thus mitigating the effects of downturns, and to account for prepaid building fees and development services deposits. The prepaid workload liability can extend for three years or more throughout the life of a project.

Development Services Reserves Forecast 2007-2012
($ in Thousands)



As displayed in the graph on the previous page, Development Services Fund reserves are anticipated to decline from $10.2 million in 2007 to $8.2 million in 2008. This reflects the completion of work on large projects that began in 2006 and 2007. Reserve levels are assumed to continue to decline by approximately $4.9 million from 2008 through 2012, reflecting the completion of the major projects constructed during this development cycle. However, resource levels will continue to be evaluated over the forecast period to ensure alignment between resources, cost, and performance of the Development Services management model.

E. BUDGET SUMMARY

The remaining part of the Executive Summary presents 2007-2008 Budget information primarily through the use of tables and graphics.

Total City Budget

The gross total City budget figures are presented in this section.

Figure 3-1 on the following page summarizes the budget from both a total City budget perspective and from the operating budget, special purpose budget, and capital investment program budget perspectives. Further breakdown within each fund category is provided. Figures at the bottom of the table are presented "net of double budgeting" to give a more accurate representation of the size of the total City budget. Double budgeting is the result of transactions between funds that inflate the budget because expenditure and revenue dollars are budgeted twice, once in each fund's budget.

Looking at the total City budget shows that the 2007-2008 Budget totals $965.7 million. The decline between the 2007-2008 and the 2005-2006 Budgets is $69.5 million, or 6.7%.

Figure 3-2 shows the 2007-2008 total City budget resources by source and expenditures by department with comparisons to the 2005-2006 Budget.

Figure 3-3 shows the City's total expenditure budget by category and compares the 2005-2006 and the 2007-2008 biennial budgets, including dollar and percentage change.

Additional comments on the components of the total City budget are provided within the separate operating budget, special purpose funds budget, and capital project budget sections of this chapter.

Figure 3-1

Budget Summary

	2005-2006 Budget	2007-2008 Budget	Variance	% Change
Operating Funds				
General	252,373,644	286,126,531	33,752,887	13.4 %
Utilities	166,865,700	190,290,206	23,424,506	14.0 %
Development Services	36,558,082	49,675,345	13,117,263	35.9 %
Parks Enterprise	8,397,000	10,669,000	2,272,000	27.1 %
Internal Services	72,566,257	80,437,521	7,871,264	10.8 %
Reserve/Other	104,574,649	110,619,797	6,045,148	5.8 %
Total Operating Funds	**641,335,332**	**727,818,400**	**86,483,068**	**13.5 %**
Special Purpose Funds				
Grants	18,800,453	4,168,626	(14,631,827)	(77.8)%
Debt Service	34,645,269	33,558,203	(1,087,066)	(3.1)%
Trust/Other	10,791,458	12,952,408	2,160,950	20.0 %
Total Special Purpose Funds	**64,237,180**	**50,679,237**	**(13,557,943)**	**(21.1)%**
Capital Project Funds				
2004 City Hall Bond Proceeds	75,028,949	-	(75,028,949)	- %
General Capital Investment Program	206,597,486	112,972,546	(93,624,940)	(45.3)%
Utility Capital Investment Program	48,070,514	74,255,828	26,185,314	54.5 %
Total Capital Project Funds	**329,696,949**	**187,228,374**	**(142,468,575)**	**(43.2)%**
Total City Budget	**1,035,269,461**	**965,726,011**	**(69,543,450)**	**(6.7)%**

2007-2008 Net City Budget

For analytical and comparison purposes, the budget is adjusted to remove internal transactions between City departments or City funds including transfers between funds and charges for services provided by one department to another department within the City. These adjustments are detailed below:

1. **Adjusted for internal transfers (e.g., General CIP contribution from the General Fund) between City funds, the net City budget is:** **893,257,556**

2. **Adjusted for charges for services provided by one department to another (e.g., information technology services), the net City budget is:** **805,353,860**

Figure 3-2

Resources by Source and Expenditures by Department

Operating Funds

	2005-2006 Budget	2007-2008 Budget	Variance	% Change
Beginning Fund Balance	**102,199,186**	**108,939,457**	**6,740,271**	**6.6%**
Revenue Sources				
Property Tax	51,721,282	55,953,374	4,232,092	8.2 %
Sales Tax	62,304,000	70,505,454	8,201,454	13.2 %
Business & Occupation Tax	32,578,000	35,119,240	2,541,240	7.8 %
Utility Tax	40,909,077	44,471,000	3,561,923	8.7 %
Other Tax	16,900,000	21,116,000	4,216,000	24.9 %
Grants	31,000	-	(31,000)	- %
Intergovernmental Services	29,908,794	37,043,277	7,134,483	23.9 %
Charges for Services	77,541,582	94,963,625	17,422,043	22.5 %
Utility Service Fees	149,889,239	166,753,277	16,864,038	11.3 %
Miscellaneous Revenues	61,279,607	73,555,685	12,276,078	20.0 %
Operating Transfers	16,073,565	19,398,011	3,324,446	20.7 %
Total Revenues	**539,136,146**	**618,878,943**	**79,742,797**	**14.8 %**
Total Resources	**641,335,332**	**727,818,400**	**86,483,068**	**13.5%**
Departmental Expenditures				
City Attorney	13,041,663	14,785,802	1,744,139	13.4 %
City Clerk	3,119,882	3,428,673	308,791	9.9 %
City Council	711,005	839,633	128,628	18.1 %
City Manager's Office	2,931,010	3,442,634	511,624	17.5 %
Civic Services	14,228,636	19,068,344	4,839,708	34.0 %
Community Council	65,459	61,876	(3,583)	(5.5)%
Office of Economic Development	259,766	929,934	670,168	258.0 %
Finance	12,686,503	14,921,097	2,234,594	17.6 %
Fire	55,548,214	63,054,958	7,506,744	13.5 %
Human Resources	32,214,856	37,237,185	5,022,329	15.6 %
Information Technology	23,648,452	28,149,234	4,500,782	19.0 %
Parks & Community Services	57,618,560	68,823,483	11,204,923	19.4 %
Planning & Community Development	42,606,991	51,799,961	9,192,970	21.6 %
Police	68,125,277	76,375,298	8,250,021	12.1 %
Transportation	40,440,260	42,423,345	1,983,085	4.9 %
Utilities	164,144,021	185,361,521	21,217,500	12.9 %
Miscellaneous Non-Departmental	5,724,706	7,950,783	2,226,077	38.9 %
Hotel/Motel Taxes	10,148,752	13,136,000	2,987,248	29.4 %
Total Departmental Expenditures	**547,264,013**	**631,789,761**	**84,525,748**	**15.4 %**
Ending Fund Balance	**94,071,319**	**96,028,639**	**1,957,320**	**2.1%**
Total Expenditures	**641,335,332**	**727,818,400**	**86,483,068**	**13.5%**

The Budgeted Ending Fund Balance is not in agreement with the next biennium Budgeted Beginning Fund Balance because the budget estimates were developed at different times and actual over/under revenue collections and/or actual over/under expenditures will cause them to be different.

Figure 3-2 cont.

Resources by Source and Expenditures by Department

Special Purpose Funds

	2005-2006 Budget	2007-2008 Budget	Variance	% Change
Beginning Fund Balance	**25,802,453**	**15,568,257**	**(10,234,196)**	**(39.7)%**
Revenue Sources				
Property Tax	2,958,926	1,380,680	(1,578,246)	(53.3)%
Sales Tax	1,810,000	1,094,611	(715,389)	(39.5)%
Grants	4,374,139	2,950,651	(1,423,488)	(32.5)%
Intergovernmental Services	518,708	1,041,277	522,569	100.7 %
Charges for Services	34,000	20,000	(14,000)	(41.2)%
Miscellaneous Revenues	4,501,890	4,028,026	(473,864)	(10.5)%
Operating Transfers	24,237,064	24,595,735	358,671	1.5 %
Total Revenues	**38,434,727**	**35,110,980**	**(3,323,747)**	**(8.6)%**
Total Resources	**64,237,180**	**50,679,237**	**(13,557,943)**	**(21.1)%**
Departmental Expenditures				
Finance	10,628,412	12,008,023	1,379,611	13.0 %
Fire	1,806,302	1,133,742	(672,560)	(37.2)%
Parks & Community Services	6,781,196	4,961,476	(1,819,720)	(26.8)%
Planning & Community Development	3,908,055	4,720,148	812,093	20.8 %
Police	830,131	404,587	(425,544)	(51.3)%
Transportation	3,291,980	3,244,601	(47,379)	(1.4)%
Utilities	4,038,269	3,048,354	(989,915)	(24.5)%
Miscellaneous Non-Departmental	17,017,457	6,839,052	(10,178,405)	(59.8)%
Hotel/Motel Taxes	1,233,581	1,436,423	202,842	16.4 %
Total Departmental Expenditures	**49,535,383**	**37,796,406**	**(11,738,977)**	**(23.7)%**
Ending Fund Balance	**14,701,797**	**12,882,831**	**(1,818,966)**	**(12.4)%**
Total Expenditures	**64,237,180**	**50,679,237**	**(13,557,943)**	**(21.1)%**

The Budgeted Ending Fund Balance is not in agreement with the next biennium Budgeted Beginning Fund Balance because the budget estimates were developed at different times and actual over/under revenue collections and/or actual over/under expenditures will cause them to be different.

Figure 3-2 cont.

Resources by Source and Expenditures by Department

Capital Project Funds

	2005-2006 Budget	2007-2008 Budget	Variance	% Change
Beginning Fund Balance	**79,995,666**	**35,838,247**	**(44,157,419)**	**(55.2)%**
Revenue Sources				
Sales Tax	23,649,000	29,387,936	5,738,936	24.3 %
Business & Occupation Tax	11,319,000	12,634,000	1,315,000	11.6 %
Other Tax	17,078,000	23,226,000	6,148,000	36.0 %
Grants	13,395,499	18,153,400	4,757,901	35.5 %
Intergovernmental Services	12,747,100	3,468,000	(9,279,100)	(72.8)%
Charges for Services	1,461,000	949,000	(512,000)	(35.0)%
Utility Service Fees	2,631,111	2,239,295	(391,816)	(14.9)%
Miscellaneous Revenues	55,274,046	32,704,599	(22,569,447)	(40.8)%
Operating Transfers	112,146,527	28,627,897	(83,518,630)	(74.5)%
Total Revenues	**249,701,283**	**151,390,127**	**(98,311,156)**	**(39.4)%**
Total Resources	**329,696,949**	**187,228,374**	**(142,468,575)**	**(43.2)%**
Departmental Expenditures				
City Clerk	364,000	93,500	(270,500)	(74.3)%
Civic Services	1,868,000	1,480,000	(388,000)	(20.8)%
Finance	181,075,953	441,000	(180,634,953)	(99.8)%
Fire	3,162,100	3,786,000	623,900	19.7 %
Information Technology	8,483,359	5,825,000	(2,658,359)	(31.3)%
Parks & Community Services	23,889,010	33,496,000	9,606,990	40.2 %
Planning & Community Development	4,637,304	11,938,800	7,301,496	157.5 %
Police	9,000	1,293,000	1,284,000	14,266.7 %
Transportation	55,445,326	43,707,000	(11,738,326)	(21.2)%
Utilities	18,623,240	19,635,000	1,011,760	5.4 %
Miscellaneous Non-Departmental	1,331,000	10,912,246	9,581,246	719.9 %
Total Departmental Expenditures	**298,888,292**	**132,607,546**	**(166,280,746)**	**(55.6)%**
Ending Fund Balance	**30,808,657**	**54,620,828**	**23,812,171**	**77.3%**
Total Expenditures	**329,696,949**	**187,228,374**	**(142,468,575)**	**(43.2)%**

The Budgeted Ending Fund Balance is not in agreement with the next biennium Budgeted Beginning Fund Balance because the budget estimates were developed at different times and actual over/under revenue collections and/or actual over/under expenditures will cause them to be different.

Figure 3-2 cont.

Resources by Source and Expenditures by Department

Total City Budget

	2005-2006 Budget	2007-2008 Budget	Variance	% Change
Beginning Fund Balance	**207,997,305**	**160,345,961**	**(47,651,344)**	**(22.9)%**
Revenue Sources				
Property Tax	54,680,208	57,334,054	2,653,846	4.9 %
Sales Tax	87,763,000	100,988,001	13,225,001	15.1 %
Business & Occupation Tax	43,897,000	47,753,240	3,856,240	8.8 %
Utility Tax	40,909,077	44,471,000	3,561,923	8.7 %
Other Tax	33,978,000	44,342,000	10,364,000	30.5 %
Grants	17,800,638	21,104,051	3,303,413	18.6 %
Intergovernmental Services	43,174,602	41,552,554	(1,622,048)	(3.8)%
Charges for Services	79,036,582	95,932,625	16,896,043	21.4 %
Utility Service Fees	152,520,350	168,992,572	16,472,222	10.8 %
Miscellaneous Revenues	121,055,543	110,288,310	(10,767,233)	(8.9)%
Operating Transfers	152,457,156	72,621,643	(79,835,513)	(52.4)%
Total Revenues	**827,272,156**	**805,380,050**	**(21,892,106)**	**(2.6)%**
Total Resources	**1,035,269,461**	**965,726,011**	**(69,543,450)**	**(6.7)%**
Departmental Expenditures				
City Attorney	13,041,663	14,785,802	1,744,139	13.4 %
City Clerk	3,483,882	3,522,173	38,291	1.1 %
City Council	711,005	839,633	128,628	18.1 %
City Manager's Office	2,931,010	3,442,634	511,624	17.5 %
Civic Services	16,096,636	20,548,344	4,451,708	27.7 %
Community Council	65,459	61,876	(3,583)	(5.5)%
Office of Economic Development	259,766	929,934	670,168	258.0 %
Finance	204,390,868	27,370,120	(177,020,748)	(86.6)%
Fire	60,516,616	67,974,700	7,458,084	12.3 %
Human Resources	32,214,856	37,237,185	5,022,329	15.6 %
Information Technology	32,131,811	33,974,234	1,842,423	5.7 %
Parks & Community Services	88,288,766	107,280,959	18,992,193	21.5 %
Planning & Community Development	51,152,350	68,458,909	17,306,559	33.8 %
Police	68,964,408	78,072,885	9,108,477	13.2 %
Transportation	99,177,566	89,374,946	(9,802,620)	(9.9)%
Utilities	186,805,530	208,044,875	21,239,345	11.4 %
Miscellaneous Non-Departmental	24,073,163	25,702,081	1,628,918	6.8 %
Hotel/Motel Taxes	11,382,333	14,572,423	3,190,090	28.0 %
Total Departmental Expenditures	**895,687,688**	**802,193,713**	**(93,493,975)**	**(10.4)%**
Ending Fund Balance	**139,581,772**	**163,532,298**	**23,950,526**	**17.2%**
Total Expenditures	**1,035,269,461**	**965,726,011**	**(69,543,450)**	**(6.7)%**

The Budgeted Ending Fund Balance is not in agreement with the next biennium Budgeted Beginning Fund Balance because the budget estimates were developed at different times and actual over/under revenue collections and/or actual over/under expenditures will cause them to be different.

Figure 3-3

Total City Budget Expenditures by Category

	2005-2006 Budget	2007-2008 Budget	Variance	% Change
Personnel				
Salaries	168,433,018	183,859,251	15,426,233	9.2 %
Medical	47,662,293	50,059,715	2,397,422	5.0 %
Pension	15,473,534	23,400,764	7,927,230	51.2 %
Temporary Help	6,360,225	7,508,182	1,147,957	18.0 %
Other (Medicare, Worker Comp, etc.)	8,547,434	12,508,229	3,960,795	46.3 %
Overtime	6,908,048	7,045,608	137,560	2.0 %
Total Personnel	**253,384,552**	**284,381,749**	**30,997,197**	**12.2 %**
M&O				
Outside Services	70,016,692	77,557,296	7,540,604	10.8 %
Interfund Service Payments	59,065,093	87,903,696	28,838,603	48.8 %
Operating Transfers to Other Funds	142,063,077	72,468,455	(69,594,622)	(49.0)%
Supplies	34,791,531	39,697,253	4,905,722	14.1 %
Other Services & Charges	31,944,623	26,400,186	(5,544,437)	(17.4)%
Debt Service	29,528,109	29,800,372	272,263	0.9 %
Repairs & Maintenance	15,345,053	17,632,800	2,287,747	14.9 %
Utilities	11,090,710	12,428,064	1,337,354	12.1 %
Other Intergovernmental Services & Taxes	12,176,378	23,792,456	11,616,078	95.4 %
Jail Costs	2,978,800	2,842,000	(136,800)	(4.6)%
Communication Services	2,095,353	2,279,734	184,381	8.8 %
Travel/Training	1,691,501	2,048,621	357,120	21.1 %
Total M&O	**412,786,920**	**394,850,933**	**(17,935,987)**	**(4.3)%**
Capital Outlay	**229,516,216**	**122,961,031**	**(106,555,185)**	**(46.4)%**
Reserves	**139,581,773**	**163,532,298**	**23,950,525**	**17.2 %**
Total City Budget	**1,035,269,461**	**965,726,011**	**(69,543,450)**	**(6.7)%**

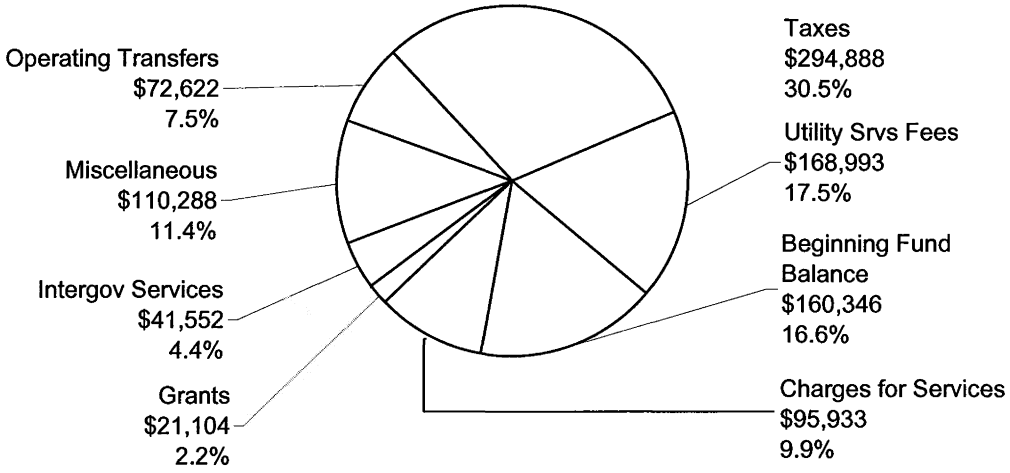
Figure 3-4

2007-2008 Total City Budget
Resources by Source and Expenditures by Category
$000

Figure 3-4 presents the 2007-2008 total city budget resources by source and expenditures by category. As the resources chart indicates, at $294.9 million or 30.5%, taxes make up the largest piece of the "pie', followed by utility services fees at $169.0 million, or 17.5%.

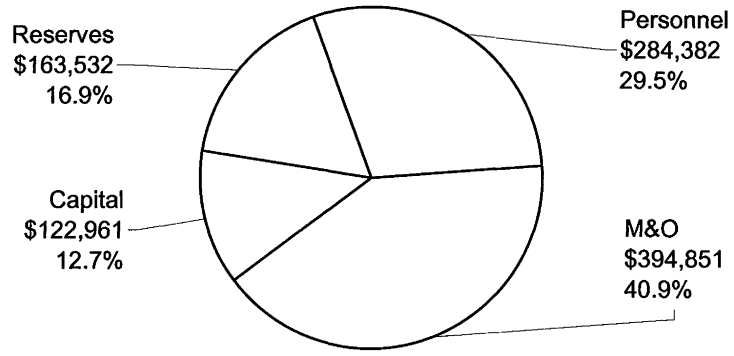
On the expenditure chart, at $394.9 million, M&O accounts for 40.9% of the expenditure budget, followed by personnel at $284.4 million or 29.5%.

Resources



Total $965,726

Expenditures



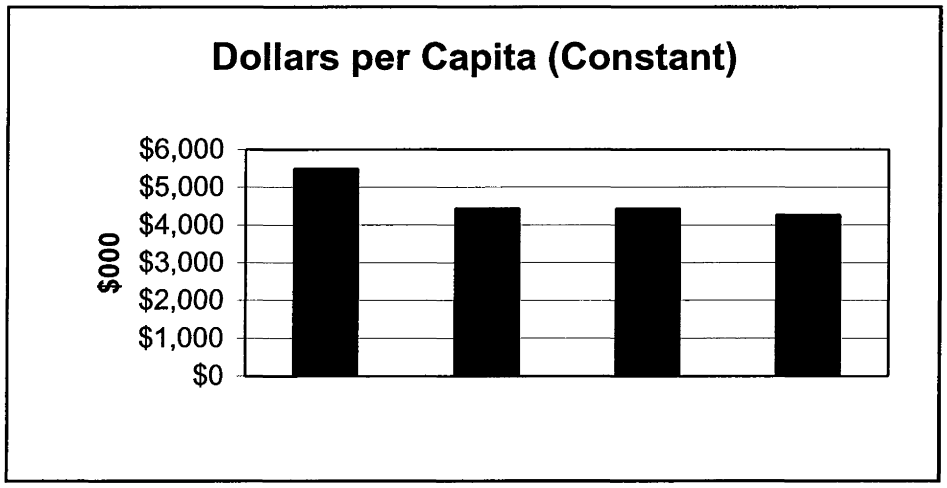
Total $965,726

Figure 3-5

Total Budget Comparison
Constant Dollar Total Budget Per Capita

This figure displays a 2005 to 2008 comparison of the total city budget per capita on a constant dollar basis and shows the total city budget per capita fluctuating between $5,489 in 2005 and $4,267 in 2008.

The larger budget 2005 is due primarily to capital costs associated with the New City Hall.



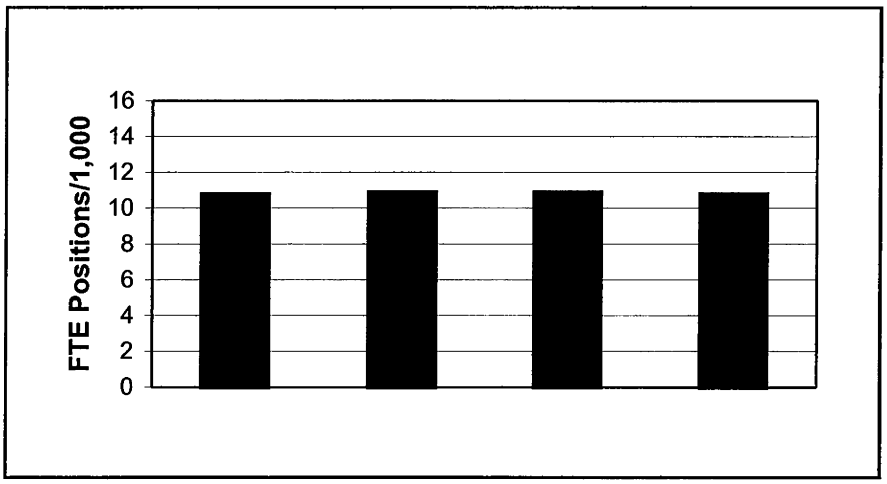
	2005	2006	2007	2008
Total City Budget ($000)	$646,034	$541,532	$560,929	$559,720
Budget in Constant ($000)	$633,989	$519,487	$523,947	$509,569
Population	115,500	117,000	118,205	119,423
Total Budget per Capita	$5,489	$4,440	$4,433	$4,267

Figure 3-6

Total Budget Position Trends
Full-Time Equivalent Positions / 1,000 Population by Year

Figure 3-6 presents the ratio of total City positions per 1,000 population for the period of 2005 through 2008.

In 2006, position growth outpaced population growth; in 2007 FTEs and population are projected to grow at the same rate; and in 2008, there is no position growth while population increases by 1%. As a result, the annual positions/1,000 ratios remains at 10.9 in 2006 and 2007 and drops to 10.8 in 2008. For more specific personnel information, please refer to Chapter 3 of the 2007-2008 Budget Detail volume.



	2005	2006	2007	2008
Positions	1,242.1	1,271.8	1,284.5	1,284.5
Population	115,500	117,000	118,205	119,423
Positions/1,000	10.8	10.9	10.9	10.8

Operating Budget Highlights

Bellevue's fiscal position is positive due, in part, to a major development cycle spurred by a thriving economy. Our central business district is again alive with construction cranes. New homes are being built in our neighborhoods and permits to renovate existing structures continue to rise. In downtown alone, the residential population is estimated to double in the next six years from five thousand to ten thousand residents. Regional economists are predicting a modest pace of growth into the near future.

The recommended operating budget is a "current services" budget and will provide Bellevue residents and other stakeholders with service levels consistent with the 2005-2006 biennium. It will be adequate for the next two years and will essentially support what we are doing now factored by inflation and pipeline activities approved by the Council. It will include a minimal level of service adds to meet service deficiencies, to manage short-term growth, to reflect "best practices" or to provide needed administrative support related to prior Council budget decisions. The Full Time Equivalent positions (FTEs) added to the budget are revenue supported or necessary to convert Limited Term Employee (LTEs) positions where service levels continue to be needed.

The minimal growth in the operating budget comes after several years of difficult times that included falling sales tax receipts and rising pension and health benefits costs. While good economic times help to relieve some of the fiscal pressure by bringing our financial position back into balance, the current and future operating budgets face fiscal pressures for several reasons:

- The recent recession eroded our resource base. When the impact of inflation is removed from the budget, Bellevue's sales tax revenues do not return to 2000 levels until 2006.

- Decisions by the Washington state legislature to remove in 2008 $2.4 million of Bellevue's annual Business & Occupancy taxing authority through apportionment means that we will have less future revenues from this important revenue source.

- Pension and health benefit costs continue to rise at rates well above inflation.

- State and Federal legislation ranging from telecommunications policy to community development block grants, may either reduce City revenues or increase City costs.

The Operating Budget includes the addition of 17.19 new positions. Highlights of the proposed service additions include:

- Public Safety. The budget proposal allocates $1.5 million for the addition of eight firefighters in response to an increasing service demand for medic calls; provides two positions for Advanced Life Support staffing including a Medical Services Officer and a ALS Data Analyst; funds contract administration for monitoring the recent ambulance transport contract and for quality control; and provides resources for an additional fire training academy to replace personnel who are expected to retire. Of this proposal $1.2 million is offset by additional revenues to the City.

- Land Use and Development Regulation. This proposal includes $0.3 million for the back log in land use code amendments and consulting services funding to address high priority projects including the Meydenbauer Bay connection and Downtown Plan implementation.

- City Streets and Right of Way. The budget includes $0.2 million for maintaining trees and streetscapes in the right of way; improves our pothole repair program so that repairs last longer; and provides maintenance and operating funding for signal lights that have been installed. A companion proposal, that improves landscaping in the City's right of way, is included in the Capital Improvement Program.

- Parks and Open Space. The budget includes the addition of two positions to enhance the quality of parks maintenance and contract oversight. These positions use existing dollars.

- Human Services. The budget allocates an additional $0.5 million for human services grant requests to offset a loss of Federal money and to address community needs identified in the Human Services Needs Update. With these additional resources, total City funding of human services is $4.6 million for the 2007-2008 biennium.

- Economic Development. The budget includes $200,000 for the development and implementation of an international trade and economic development marketing program.

- Support Services. This budget includes $0.5 million for a fleet mechanic to maintain heavy equipment such as fire apparatus and for the staffing (1.44 positions) and support of the electronic content management system to provide more efficient access and distribution of the City's records.

  The budget includes an additional $0.5 million to ensure tax compliance with existing code. The successful Business and Occupation tax audit program will be expanded and costs will be fully offset by additional tax collections.

  The budget also includes the conversion of two limited term employees into two full-time equivalent employees. One of these positions is an attorney to manage the ongoing body of work the department has experienced. The second position is a records clerk to support development services operations. Existing revenues fully support these positions.

- Regional Services. The budget proposes the addition of one position to support the award winning e-Gov Alliance.

Ongoing Operating and Maintenance Costs for New Capital Projects

The City places a high priority on maintaining its facilities. The 2007-2008 operating budget includes an additional $917,000 for new operating and maintenance costs for capital projects expected to come on line during the 2007-2008 biennium primarily for Parks and Transportation projects.

Utility Operations

This Budget includes the following proposed utility rate increases for 2007 and 2008:

	2007	2008
Water	5.0%	6.4%
Wastewater	9.5%	2.5%
Storm and Surface Water	5.5%	5.0%

Rate increases are needed to fund 1) pass-through increases in wholesale Metro/King County Sewer and Cascade Water Alliance water costs to customers; 2) increasing State pension, technology, insurance and fuel costs; 3) inflationary increases in salaries, maintenance and operations costs; and 4) additional capital needs.

Average monthly Utility bills (including water, wastewater, and storm and surface water) for single family residential customers are projected as follows:

	Monthly Bill	$ Increase	% Increase
2006 Utility Bill	**$89.37**		
2007 Cascade	$1.74		
2007 METRO	$2.96		
2007 Local	$1.20		
2007 Capacity Projects	$0.58		
2007 Utility Bill	**$95.85**	**$6.48**	**7.3%**
2008 Cascade	$1.86		
2008 Local	$1.90		
2008 Capacity Projects	$0.41		
2008 Utility Bill	**$100.02**	**$4.17**	**4.4%**

As depicted in Figure 3-7, the 2007-2008 operating budget totals $727.8 million. The operating budget in total grew $86.5 million or 13.5%.

The City's General Fund is the largest fund, accounting for most of the City's day-to-day operations. The budget growth in the General Fund from the prior biennium is $33.8 million or 13.4%.

The Utility Funds show a budget increase of $23.4 million or 14.0% as compared to the 2005-2006 budget. This increase is primarily attributable to pass-through rate increases in Metro sewer costs and Cascade Water Alliance costs, and local program cost increases.

The Development Services Fund budget shows an increase from the prior biennium of $13.1 million, or 35.9%. This increase is attributable to the recent rapid increase in development activity.

The Parks Enterprise Fund Budget shows an increase from the prior biennium of $2.3 million, or 27.1%. The increase is primarily attributable to the recognition of golf course revenues and expenses, increased to reflect a new contract approved by Council.

The Internal Services Funds category grew by $7.9 million or 10.8%, primarily due to additional costs associated with the New City Hall, the timing of capital replacements in the Equipment Rental Fund and the impact of inflation on City budgets.

The Reserve/Other Fund category increased by $6.0 million or 5.8%, primarily due to lower than anticipated expenditures in 2005-2006.

Figure 3-7

Operating Budget Expenditures by Fund

	2005-2006 Budget	2007-2008 Budget	Variance	% Change
General Fund	**252,373,644**	**286,126,531**	**33,752,887**	**13.4 %**
Utilities				
Sewer Utility Fund	67,561,963	75,325,577	7,763,614	11.5 %
Solid Waste Fund	3,097,959	3,340,666	242,707	7.8 %
Storm & Surface Water Utility Fund	27,283,277	31,620,276	4,336,999	15.9 %
Water Utility Fund	68,922,501	80,003,687	11,081,186	16.1 %
Total Utilities	**166,865,700**	**190,290,206**	**23,424,506**	**14.0 %**
Development Services Fund	**36,558,082**	**49,675,345**	**13,117,263**	**35.9 %**
Parks Enterprise Fund	**8,397,000**	**10,669,000**	**2,272,000**	**27.1 %**
Internal Services				
Equipment Rental Fund	35,671,245	38,427,112	2,755,867	7.7 %
Facilities Services Fund	11,810,256	13,234,420	1,424,164	12.1 %
Information Technology Fund	25,084,756	28,775,989	3,691,233	14.7 %
Total Internal Services	**72,566,257**	**80,437,521**	**7,871,264**	**10.8 %**
Reserve/Other				
Franchise Fund	2,784,213	2,988,036	203,823	7.3 %
General Self-Insurance Fund	10,381,000	10,531,000	150,000	1.4 %
Health Benefits Fund	31,659,888	36,568,176	4,908,288	15.5 %
Hotel/Motel Tax Fund	17,264,487	17,002,738	(261,749)	(1.5)%
Human Services Fund	4,810,280	6,904,671	2,094,391	43.5 %
Land Purchase Revolving Fund	5,652,130	4,456,039	(1,196,091)	(21.2)%
LEOFF I Medical Reserve Fund	19,614,369	18,684,222	(930,147)	(4.7)%
Marina Fund	1,426,030	1,624,663	198,633	13.9 %
Park M&O Reserve Fund	2,838,583	2,870,583	32,000	1.1 %
Rainy Day Reserve Fund	4,371,669	4,371,669	-	- %
Unemployment Compensation Fund	547,000	644,000	97,000	17.7 %
Workers' Compensation Fund	3,225,000	3,974,000	749,000	23.2 %
Total Reserve/Other	**104,574,649**	**110,619,797**	**6,045,148**	**5.8 %**
Total Operating Budget	**641,335,332**	**727,818,400**	**86,483,068**	**13.5 %**

CITY OF BELLEVUE
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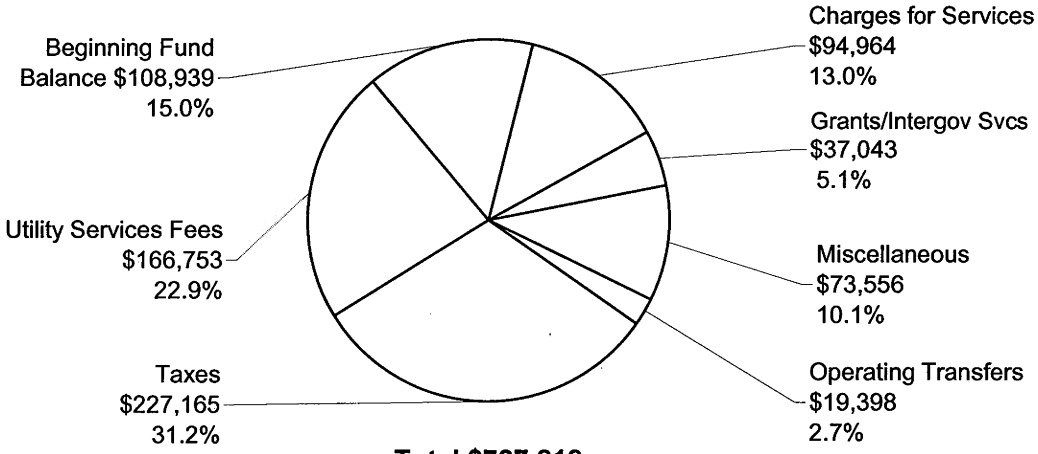
Figure 3-8

2007-2008 Operating Budget
Resources by Source and Expenditures by Group
$000

This figure presents the 2007-2008 total operating budget resources by source and expenditures by group. At 31.2% of the "pie", taxes represents the largest resource category followed by utility services fees and beginning fund balance. Together, these three sources represent 69.1% of operating budget resources.

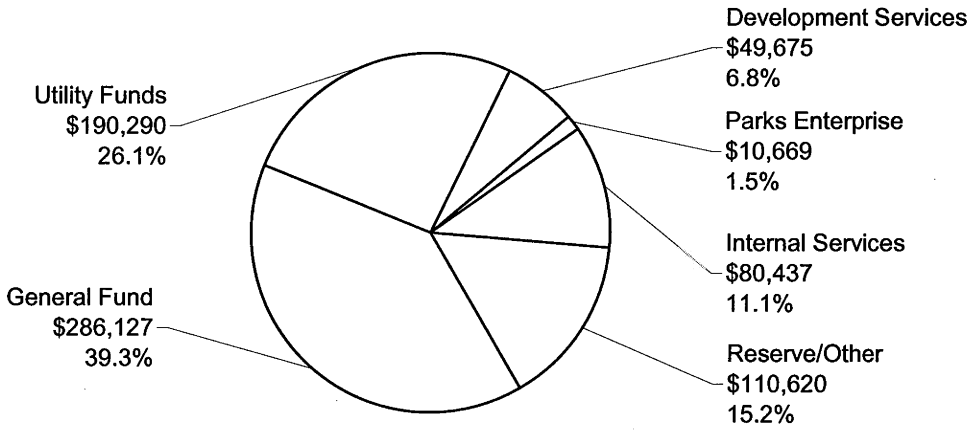
The General Fund is the largest operating budget fund at $286.1 million, representing 39.3% of expenditures.

Resources



Total $727,818

Expenditures



Total $727,818

Special Purpose Budget Highlights

Special purpose funds highlights for 2007-2008 include:

- **Lower transfer of Council Reserve from the Operating Grants and Donations Fund**

  The 2007-2008 Operating Grants and Donations Fund budget has decreased by $14.6 million compared to the 2005-2006 biennium. The decrease is mainly due to the use of $10.6 million Council reserves to support New City Hall (NCH) debt service for the 2005-2006 biennium. In 2007, the remaining Council reserve balance budgeted in the Operating Grants and Donations Fund is only $88,000.

  For the 2007-2008 biennium, the majority of the debt service payments on the NCH bonds will be supported from excess reserves from a number of City funds.

- **Lower Debt Service Requirement**

  The 2007-2008 Budget for the City's Debt Service Funds has decreased by $1.0 million compared to the previous biennium. The primary reason for the decrease is due to the anticipated retirement of the 2003 Unlimited Tax General Obligation (UTGO) refunding bonds in 2008.

  The decrease in debt payments as a result of the retirement of the 2003 Unlimited Tax General Obligation (UTGO) refunding bonds is partially offset by an increase in debt payments for the 1995 and 2002 Limited Tax General Obligation (LTGO) bonds. These bonds are associated with the Meydenbauer Center.

- **Increase of Housing Fund Reserves**

  Reserves accumulate in the Housing Fund until projects are selected and funded by A Regional Coalition for Housing Fund (ARCH). Reserves increased in the 2007 due to lower than anticipated program expenditures in 2005 and an unanticipated loan repayment in 2006. In 2005, the Housing Program did not meet the target for low-income housing production. Several potential projects are in the works for funding in the upcoming biennium. Contribution to the Housing Fund from the General Fund remains constant at $312,000 through 2008.

Figure 3-9

Special Purpose Budget Expenditures by Fund

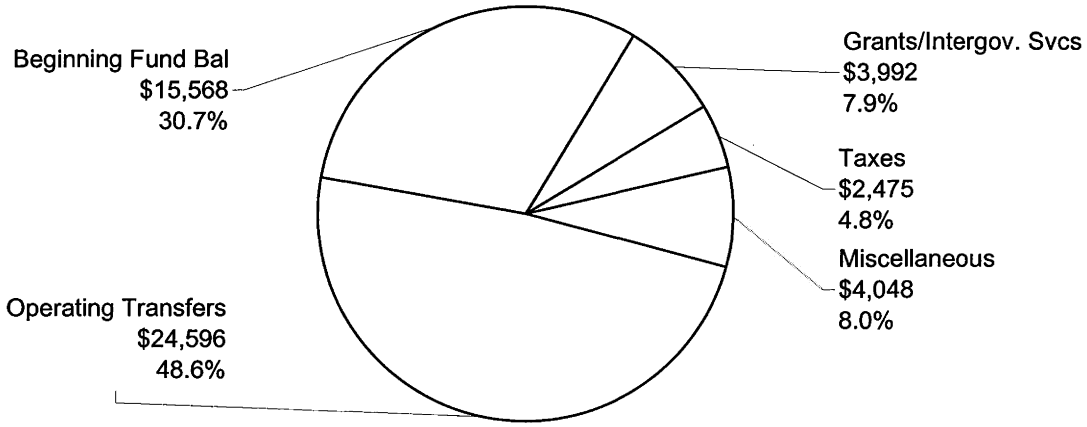
	2005-2006 Budget	2007-2008 Budget	Variance	% Change
Grants				
Operating Grants/Donations Fund	18,800,453	4,168,626	(14,631,827)	(77.8)%
Total Grants	**18,800,453**	**4,168,626**	**(14,631,827)**	**(77.8)%**
Debt Service				
Interest & Debt Redemption-Regular Fund	20,338,602	22,635,798	2,297,196	11.3 %
Interest & Debt Redemption-Special Fund	5,355,271	2,873,400	(2,481,871)	(46.3)%
LID Control Fund	2,049,467	2,347,405	297,938	14.5 %
LID Guaranty Fund	2,755,260	1,983,150	(772,110)	(28.0)%
Util Revenue Bond Redm SSWU	3,170,250	2,779,557	(390,693)	(12.3)%
Util Revenue Bond Redm Water	976,419	938,893	(37,526)	(3.8)%
Total Debt Service	**34,645,269**	**33,558,203**	**(1,087,066)**	**(3.1)%**
Trust/Other				
Firemen's Pension Fund	6,780,917	7,317,361	536,444	7.9 %
Housing Fund	4,010,541	5,635,047	1,624,506	40.5 %
Total Trust/Other	**10,791,458**	**12,952,408**	**2,160,950**	**20.0 %**
Total Special Purpose Budget	**64,237,180**	**50,679,237**	**(13,557,943)**	**(21.1)%**

Figure 3-10

2007-2008 Special Purpose Budget
Resources by Source and Expenditures by Group
$000

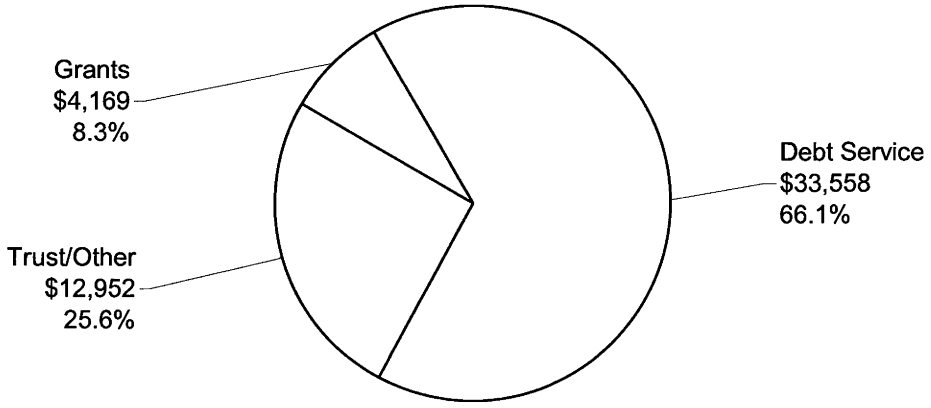
This figure depicts the resource and expenditure budget for the City's eight special purpose funds (not including the three capital funds). For the purposes of this display, resources have been categorized into five main components with the "pie slices" revealing the comparative size of each component of the budget. As the graph shows, excluding transfers between funds, the largest resource category is the beginning fund balance. This is primarily due to large reserves being held in some of these funds (e.g., Firemen's Pension Fund).

Resources



Total $50,679

Expenditures



Total $50,679

Capital Project Budget Highlights

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

The CIP continues to make great strides toward addressing mobility and transportation demands, as well as making investments into the downtown and to our parks and open space system. As with most budgets, this budget does not meet all of Bellevue's capital needs. However, the projects included in the CIP are consistent with Council direction and feedback from the community to continue Bellevue's high quality services.

The City Council approved a 2% property tax increase for 2007, which increases funding available to the CIP by $525,000 per year or $3.7 million for the 2007-2013 CIP timeframe. These funds are placed in a reserve pending further Council direction. The Council identified several priority areas to focus funding:

- Downtown Implementation
- Transportation Capacity and Congestion
- Neighborhood Investments
- Public Safety

In addition, the Plan includes a $9.9 million allocation from the Council Contingency to enhance funding for the Transit Now/Downtown Circulator, the Bellevue Challenge Grant, a potential Downtown Fire Station, Cultural Arts, and a Municipal Court.

The Plan also continues the practice of moving more projects forward in the early years of the seven-year period. We have often referred to this as "frontloading" the CIP Plan. Transportation and Parks projects are a priority, and to the greatest extent possible, they have been programmed in the early years of the CIP. The Plan assumes that borrowing, via a line of credit (LOC), will be needed in the early years of the CIP to support cash flow needs related to frontloading. As such, the 2007-2008 budget sets aside $2.0 million to the interest on borrowing. The recommended CIP Plan will assure our ability to retire the LOC by the end of 2013.

In total, the adopted 2007-2013 CIP Plan is $355.4 million, of which $276.7 million is allocated for the General Capital Investment Program and $78.7 million for the Utility Capital Investment Program. The Plan includes forty-six new or enhanced projects, two project deferrals, and four project deletions. More detailed information is available in the 2007-2013 CIP Plan accompanying the 2007-2008 Budget.

- **Key Projects for 2007-2008**

A number of projects are scheduled to be undertaken in the next biennium. While the following list is not inclusive of all the projects the City will be funding in 2007-2008, it includes some of the more high profile projects.

Detailed project descriptions for these and other CIP projects can be found within the 2007-2013 Capital Investment Program Plan.

Transportation

150th Avenue SE – Newport Way to SE 36th Street (PW-R-105)
NE 10th Street Extension (PW-R-149)
NE 8th Street/106th Avenue NE to 108th Avenue NE (PW-R-152)
Early Implementation of the Bel-Red Corridor Plan (PW-R-153)
Transit Now/Downtown Circulator (PW-R-157)
NE 10th Street/176th Avenue NE/NE 13th Street/183rd Avenue – Northup Way (PW-M-14)
148th Avenue SE/Lake Hills Boulevard (PW-I-90)
NE 24th Street – Northup Way to 130th Avenue NE (PW-W/B-69)

Parks

Robinswood Synthetic Fields (P-AD-36)
Highland Skate Park (P-AD-57)
Resource Management Division Facility (P-AD-59)
Kelsey Creek Park Stream Restoration (P-AD-65)
Bellevue Challenge Grant (P-AD-69)
Mercer Slough Environmental Education Center (P-AD-75)
Ashwood Plaza Development (P-AD-76)
Eastgate Properties Access Road (ex-Boeing/BSD properties) (P-AD-77)

General Government

Fleet & Communications Maintenance Shops Co-location (G-41)
Enterprise Content Management (ECM) System (G-57)
Finance and Human Resources System Replacement Project (G-59)
Municipal Wireless Network (G-65)
Municipal Court (G-66)

Public Safety
Mobile Data Computers/Automated Vehicle Location (PS-36)
Deccan Live Move-Up Module (PS-60)
Downtown Fire Station (PS-61)

Community and Economic Development

Gateways and Neighborhood Identity (CD-17)
Eastgate Subarea Plan Update (CD-21)
Urban Boulevards/Great Streets (CD-22)
Shoreline Update- Inventory Phase (CD-25)
Critical Areas Handbook and Geo-Mapping (CD-26)
Cultural Arts (CD-28)
Urban Corridor Design/High Capacity Transit (ED-5)

Utilities

Rosemont Asbestos Cement Water Main Replacement (W-87)
Reservoir Water Quality Upgrades (W-92)
Bel-Red Inlet Capacity Improvement (W-100)

Coal Creek Stabilization (D-69)
Lower Newport Stream Channel Modification (D-74)
Meydenbauer Creek Erosion Control (D-80)
Retrofit Regional Detention Facilities for Improved Water Quality (D-92)

Figure 3-11

2007-2008 Capital Project Budget
Expenditures by Program Area and Fund
$000

Figure 3-11 compares the 2007-2008 biennium to the 2005-2006 biennium for the City's two Capital Investment Program (CIP) funds and the 2004 City Hall Bond Fund. Overall, the 2007-2008 budget is substantially less than the the 2005-2006 budget due to the completion of the construction of the new City Hall project in 2006.

Excluding the New City Hall project, budgeted capital expenditures in the General CIP Fund are higher in 2007-2008 to reflect allocation of the Council Contingency to enhance funding to the highest priority capital needs within the City. Budgeted expenditures in the Utility CIP Fund increased to reflect funding for several projects to meet sewer capacity in the central business district and water infrastructure and renewal capital needs.

Capital Project Budget	2005-2006 Budget	2007-2008 Budget	$ Change	% Change
2004 City Hall Bond Fund				
New City Hall	$81,012	$0	($81,012)	(100.0%)
Subtotal 2004 City Hall Bond Fund	$81,012	$0	($81,012)	(100.0%)
General Capital Investment Program Fund				
Transportation	$51,275	$43,207	($8,068)	(15.7%)
Parks	20,502	29,759	9,257	45.2%
General Government	11,153	19,061	7,908	70.9%
Public Safety	4,474	5,079	605	13.5%
New City Hall	101,015	0	(101,015)	(100.0%)
Community and Economic Development	3,751	11,579	7,828	208.7%
Neighborhood Enhancement Program	2,700	2,814	114	4.2%
Neighborhood Investment Strategy	5,745	1,473	(4,272)	(74.4%)
Subtotal General Capital Investment Program Fund	$200,615	$112,972	($87,643)	(43.7%)
Utility Capital Investment Program Fund				
Water	$16,767	$26,151	$9,384	56.0%
Sewer	17,295	30,880	13,585	78.5%
Storm Drainage	14,008	17,225	3,217	23.0%
Subtotal Utility Capital Investment Program Fund	$48,070	$74,256	$26,186	54.5%
Total Capital Project Budget	$329,697	$187,228	($142,469)	43.2%

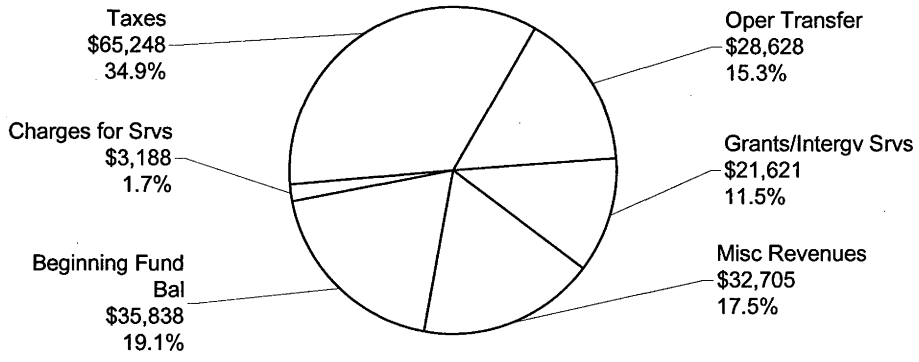
Figure 3-12

2007-2008 Capital Investment Program Budget
Resources by Source and Expenditures by Program Area
$000

This figure depicts the resource and expenditure budget for the City's two CIP funds (General CIP & Utility CIP). For the purposes of this display, resources have been categorized into six main categories with the "pie slices" revealing the comparative size of each component of the budget. The largest resource categories are taxes, which is comprised of sales, real estate excise, and business and occupation taxes. Beginning fund balance represents the utilities reserve and replacement funds for future funding of capital improvements.

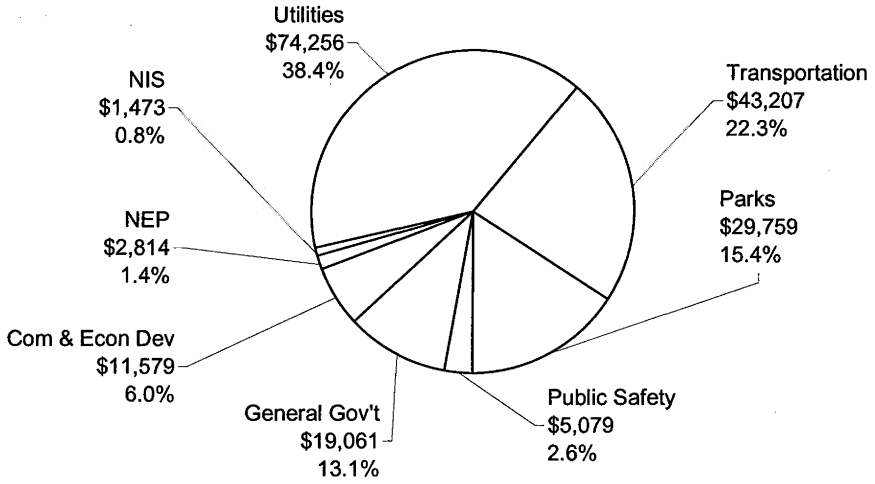
The expenditure pie has been divided into the CIP program areas and reveals the comparative size of each. Transportation, Parks, and Utilities combine to make up 76.1% of the expenditure budget reflecting the overall capital funding priorities in the City.

Resources



Total $187,228

Expenditures



Total $187,228

Figure 3-13

Operating Costs Funded by the Capital Investment Program (CIP)
$000

This figure presents the 2007 and 2008 operating budget maintenance & operations (M&O) expenditures funded by the Capital Investment Program (CIP).

Refer to the 2007-2013 Capital Investment Program (CIP) Plan to obtain more detailed information on M&O expenditures. The budgets reflect the project completion schedules in the 2007-2013 CIP Plan. Actual transfers to the General Fund may vary depending on the timing of actual project completions.

	2007 Budget	2008 Budget
Base M&O Funding	**$7,528**	**$7,724**
New M&O Funding Approved (by Major Program Area)		
Transportation	$47	$112
Parks	150	326
General Government	0	0
Public Safety	0	0
Community & Economic Development	14	14
Neighborhood Enhancement	108	113
Neighborhood Investment	10	24
Total M&O Funding	**$7,857**	**$8,313**

F. DEBT INFORMATION

State Law enables the City to issue debt for three general categories of use: General Government, Park and Open Space, and Utility System uses. The debt issued in each category is limited to 2.5% of the City's assessed valuation (for a total limit of 7.5%). In addition, the State Constitution also allows for non-voted, or councilmanic debt limited to 1.5% of the City's assessed valuation, to be included within the General Government 2.5% 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% majority approval for passage of a bond election and a total voter turnout of at least 40% 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 will result in an increase to voted levy property taxes.

Figure 3-14 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, 2007, the City's remaining general government debt capacity was approximately $479 million, approximately $266 million in voted capacity and $213 million in councilmanic capacity. The approximate remaining debt capacity for park and open space use is $664 million and for utility system use is $665 million.

Figure 3-14
Total Debt Capacity and Debt Issued
as of January 1, 2007
($ Millions)

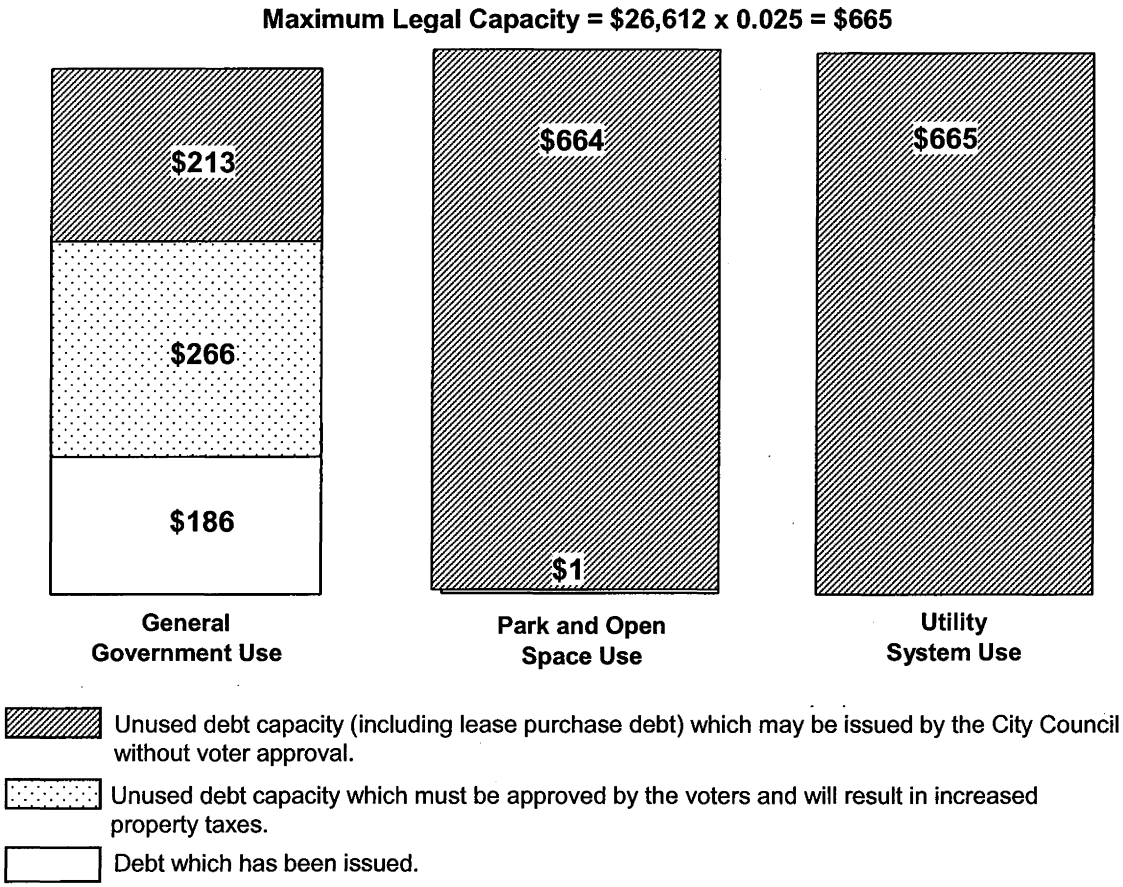


Figure 3-15 on the following page presents detailed information on the City's General Obligation and Revenue Bond debt. For each debt issue, this figure lists the amount issued, the issue and maturity dates, interest rate, source of debt payment funding, and the debt service requirements included in the 2007-2008 Budget.

Figure 3-15
GENERAL OBLIGATION AND REVENUE BOND DEBT INFORMATION
$000

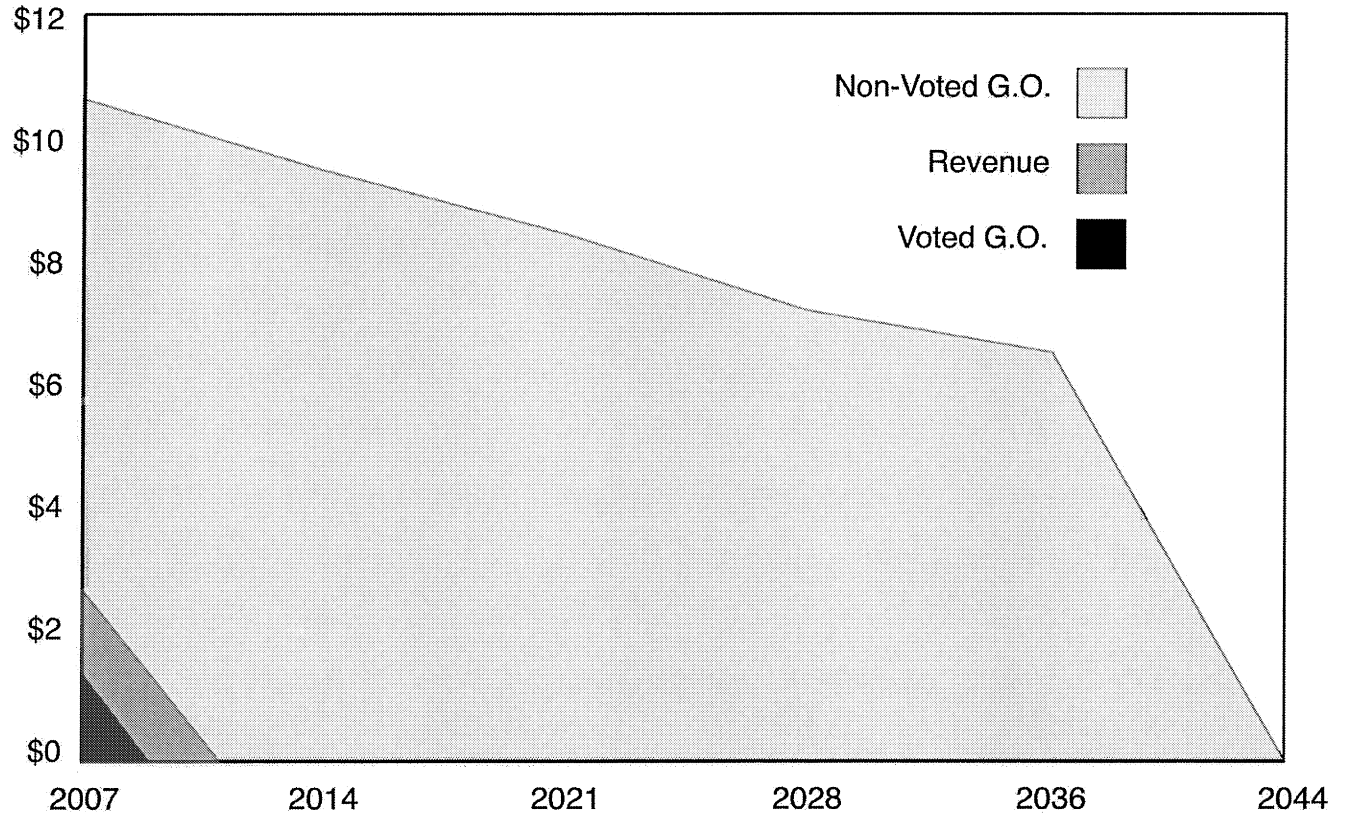
	Original Amount Issued	Issue Date	Final Maturity Date	Interest Rate	Source of Debt Service Funding	2007-2008 Debt Service Requirement Principal	Interest
Non-Voted General Obligation (G.O.) Bonds:							
1995 Limited G.O.	$5,140	1995	2025	5.15 - 5.80%	Hotel/Motel Taxes	$796	$729
1998 Limited G.O.	4,310	1998	2018	4.00 - 4.78%	Grants/CIP/Moorage Fees	350	346
2002 Limited G.O.	10,450	2002	2032	3.50 - 5.50%	Hotel/Motel Taxes	425	1,012
2003 Limited G.O. Refunding, Series B	4,635	2003	2014	2.00 - 4.50%	CIP	785	244
2004 Limited GO (City Building)	102,710	2004	2043	5.00 - 5.50%	CIP/Reserves	---	10,614
2006 Limited GO (City Building II)	6,060	2006	2026	3.80 - 4.25%	CIP/Reserves	390	505
Subtotal Non-Voted G.O. Bonds	$133,305					$2,746	$13,450
Voted General Obligation Bonds:							
2003 Limited G.O. Refunding, Series A	$8,550	2003	2008	3.00 - 5.00%	Voted Levy Property Tax	$2,755	$118
Subtotal Voted G.O. Bonds	$8,550					$2,755	$118
Revenue Bonds:							
1991 Bellevue Convention Center Authority, Series B (1)	$21,120	1991	2019	5.90 - 7.20%	BCCA	$1,237	$2,738
1994 Bellevue Convention Center Authority Refunding (1)	13,749	1994	2025	6.25 - 7.50%	BCCA	472	658
2004 Waterworks Refunding	6,825	2004	2010	2.00 - 3.625%	Utility Services Fees	2,110	248
Subtotal Revenue Bonds	$41,694					$3,819	$3,644
TOTAL GENERAL OBLIGATION AND REVENUE BONDS	$183,549					$9,320	$17,212

(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.

Figure 3-16 presents the annual debt service requirements for the City's voted, councilmanic (non-voted), and revenue debt through 2044. The 2007 debt service requirements are $1.4 million for voted debt, $1.3 million for revenue bond debt, and $8.0 million on councilmanic debt. If no further debt is issued, the final debt payment for the voted debt will be made in the year 2008, for revenue debt in 2010, and for councilmanic debt in 2043. This graph shows the City's annual debt service requirements decreasing over time.

Figure 3-16
ANNUAL DEBT SERVICE REQUIREMENTS
FOR EXISTING GENERAL OBLIGATION AND REVENUE BONDS

($ Millions)



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CITY BOND RATINGS

On January 1, 2007 the City held the following bond ratings:

Bond Type	Standard and Poor's	Moody's
Unlimited Tax General Obligation	AAA	Aaa
Limited Tax General Obligation	AAA	Aa1
Revenue	N/A	Aa2

CITY OF BELLEVUE
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4. Resource Summary

Resource Summary

This chapter illustrates 2007-2008 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

This section provides the reader with additional information on City taxes.

B. Operating Funds Budget Resources

This section provides information regarding operating budget resources by category and General Fund resource changes by source.

C. Special Purpose Funds Budget Resources

This section provides information regarding special purpose budget resources by category.

D. Capital Project Funds Budget Resources

This section provides information regarding capital project budget resources by category.

A. TOTAL CITY BUDGET RESOURCES

Figure 4-1 presents the 2007-2008 resource budget for all City funds and contains a comparison to 2005-2006 resources. Resources for 2007-2008 are anticipated to decrease $69.5 million or 6.7% from 2005-2006. The decrease is primarily due to the completion of the new City Hall project and use of proceeds from the 2004 sale of bonds for the project.

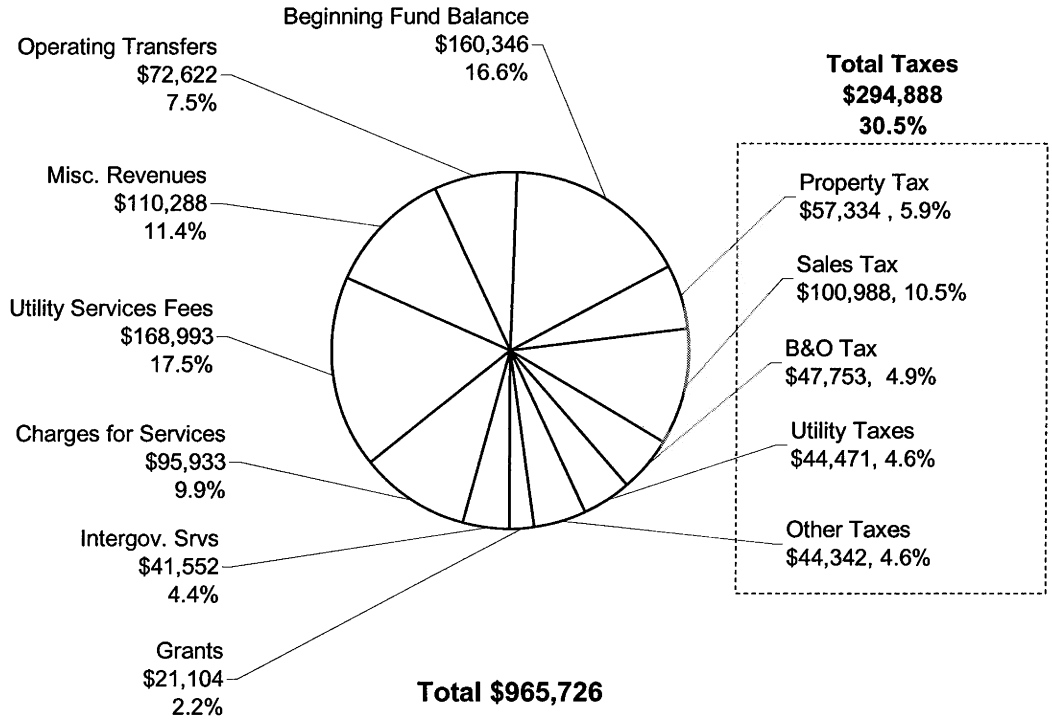
As illustrated in the pie chart, taxes is the largest resource category contributing more than 30.5% of the City's total resources. Tax collections are anticipated to increase by $33.7 million as the region continues to experience strong economic growth. Within the taxes category, the largest components include sales tax, property tax and business and occupation tax.

Utility Service Fees is the next largest category of resources. This revenue category is made up of water, sewer and storm and surface water service fees. These revenues are projected to grow by nearly $16.5 million over the 2005-2006 biennium due to increases associated with pass-through wholesale costs and local program costs.

Beginning Fund Balance (BFB) is the third largest category of resources. This is the result of reserve policies which specify that we shall maintain reserves to adequately cover future liabilities (e.g., equipment replacement reserves). These reserve policies allow the City to handle large expenditure increases caused by the timing of certain expenditure items without having to raise revenues. The decline in BFB is largely due to the use of reserves for the new City Hall project.

Figure 4-1

2007-2008 Total City Budget Resources
$000



Comparison to 2005-2006 Budget

	2005-2006 Budget	2007-2008 Budget	$ Change	% Change
Taxes				
Sales Tax	$87,763	$100,988	$13,225	15.1%
Property Tax	54,680	57,334	2,654	4.9%
Business & Occupation Tax	43,897	47,753	3,856	8.8%
Utility Taxes	40,909	44,471	3,562	8.7%
Other Taxes	33,978	44,342	10,364	30.5%
Subtotal Taxes	$261,227	$294,888	$33,661	12.9%
Utility Services Fees	152,520	168,993	16,473	10.8%
Beginning Fund Balance	207,997	160,346	(47,651)	(22.9%)
Charges for Services	79,037	95,933	16,896	21.4%
Miscellaneous	121,055	110,288	(10,767)	(8.9%)
Operating Transfers	152,457	72,622	(79,835)	(52.4%)
Intergovernmental Services	43,175	41,552	(1,623)	(3.8%)
Grants	17,801	21,104	3,303	18.6%
Total Resources	$1,035,269	$965,726	($69,543)	(6.7%)

FIGURE 4-2
SUMMARY OF LOCALLY LEVIED TAXES

This figure includes 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 2007 and 2008 budgets, and supplemental information.

1. Regular Property Tax Levy

Maximum Rate:	$3.17/$1,000 AV
2007 Rate:	$1.04/$1,000 AV
2007 Levy:	
General Fund	$25,480,000
Human Services Fund	2,280,000
Total 2007 Regular Property Tax Levy	$27,760,000
2008 Estimated Rate:	$0.98/$1,000 AV
2008 Estimated Levy:	
General Fund	$26,377,000
Human Services Fund	2,349,000
Total 2008 Estimated Regular Property Tax Levy	$28,726,000

Current law limits the property tax increase from the prior highest allowable regular levy to the lesser of 101% or 100% plus inflation, where inflation is measured by the percentage change in the Implicit Price Deflator (IPD). For 2007 the IPD changed 3.4%.

Based on the 2007 regular levy of $27,760,000 and the 2008 estimated levy of $28,726,000, each $0.01 per $1,000 assessed value (AV) of the regular property tax levy rate generates $266,000 in 2007 and $287,000 in 2008 in property tax revenue.

Both the 2007 regular levy and the 2008 estimated levy include property tax lid lift revenues of $991,000. This levy lid lift was approved by the voters on May 17, 1988 to pay maintenance and operating costs of City park facilities funded through a $16.5 million park bond issue.

The 2007 regular levy AV is at $26.6 billion, an increase of $2.6 billion or 10.7% from the 2006 AV. The 2008 regular levy AV is estimated to be $28.7 billion, an increase of $2.1 billion or 7.9% from the 2007 AV.

FIGURE 4-2 (Continued)

2. Voted Property Tax Levy

Maximum Rate: The bonds serviced from this revenue source cannot exceed 7.5% of the City's voted property tax levy AV less any councilmanic or lease/purchase bond issues.

2007 Rate:	$0.05/$1,000 AV
2007 Levy:	$1,394,000
2008 Estimated Rate:	$0.00/$1,000 AV
2008 Estimated Levy:	$0

Each $0.01 per $1,000 AV of the 2007 voted property tax levy rate based upon the 2007 voted levy of $1,394,000 generates $266,000 of property tax revenue. The City will have accumulated reserves sufficient to cover the last voted levy's debt service payment on January 1, 2008 and therefore, no additional voted property tax monies will be levied in 2008.

3. Sales Tax

Maximum Rate:	1.0%*
Current Rate:	1.0%*
2007 Estimate:	
General Fund**	$35,143,000
General CIP Fund	15,028,000
Housing Fund	100,000
Interest & Debt Redm – Reg Fund	446,000
Total 2007 Sales Tax	$50,717,000
2008 Estimate:	
General Fund**	$35,363,000
General CIP Fund	14,360,000
Housing Fund	100,000
Interest & Debt Redm – Reg Fund	448,000
Total 2008 Sales Tax	$50,271,000

* 15% of the sales tax revenue produced by the City's 1% is allocated to the county.

** Includes a portion of CIP allocation for maintenance and operating costs associated with completed capital projects, CIP allocation for facilities costs and adjustments for "one-time" estimated collections, i.e., construction.

Each 0.1% of the sales tax rate generates $5,072,000 in 2007 and $5,027,000 in 2008 of sales tax revenue.

FIGURE 4-2 (Continued)

4. Business & Occupation Tax

Maximum Rate:	0.2%
Current Rate:	0.1496%
2007 Estimate:	
General Fund (0.11%)	$17,797,000
General CIP Fund - Unrestricted (0.03%)	4,845,000
General CIP Fund - Restricted Transportation Only (0.0096%)	1,554,000
Total 2007 Business & Occupation Tax	$24,196,000
2008 Estimate:	
General Fund (0.11%)	$17,322,000
General CIP Fund - Unrestricted (0.03%)	4,723,000
General CIP Fund - Restricted Transportation Only (0.0096%)	1,512,000
Total 2008 Business & Occupation Tax	$23,557,000

A majority of voters may approve a rate in excess of 0.2%. Each 0.01% of the business and occupation tax rate generates $1,617,000 in 2007 and $1,575,000 in 2008 of B&O tax revenue.

5. Utility Taxes

a. Electric Utility Tax

Maximum Rate:	6.0%
Current Rate:	5.0%
2007 Estimate:	$6,216,000
2008 Estimate:	$6,415,000

A majority of the voters may approve a rate in excess of 6%. Each 0.1% of the electric utility tax rate generates $124,000 in 2007 and $128,000 in 2008 of electric utility tax revenue.

b. Gas Utility Tax

Maximum Rate:	6.0%
Current Rate:	5.0%
2007 Estimate:	$3,059,000
2008 Estimate:	$3,160,000

A majority of the voters may approve a rate in excess of 6%. Each 0.1% of the gas utility tax rate generates $61,000 in 2007 and $63,000 in 2008 of gas utility tax revenue.

FIGURE 4-2 (Continued)

c. Water Utility Tax

Maximum Rate:	None
Current Rate:	5.0%
2007 Estimate:	$1,275,000
2008 Estimate:	$1,354,000

Tax levied on the City's Water Utility. Each 0.1% of the water utility tax rate generates $26,000 in 2007 and $27,000 in 2008 of water utility tax revenue.

d. Sewer Utility Tax

Maximum Rate:	None
Current Rate:	5.0%
2007 Estimate:	$1,527,000
2008 Estimate:	$1,580,000

Tax imposed on the City's Sewer Utility. Each 0.1% of the sewer utility tax rate generates $31,000 in 2007 and $32,000 in 2008 of sewer utility tax revenue.

e. Storm Drainage Utility Tax

Maximum Rate:	None
Current Rate:	5.0%
2007 Estimate:	$671,000
2008 Estimate:	$706,000

Tax levied on the City's Storm & Surface Water Utility. Each 0.1% of the storm drainage utility tax rate generates $13,000 in 2007 and $14,000 in 2008 of storm drainage utility tax revenue.

f. Garbage Tax

Maximum Rate:	None
Current Rate:	4.5%
2007 Estimate:	$792,000
2008 Estimate:	$812,000

Tax levied upon the private garbage collection company that services Bellevue. Each 0.1% of the garbage tax rate generates $18,000 in 2007 and 2008 of garbage tax revenue.

FIGURE 4-2 (Continued)

g. Telephone Utility Tax

Maximum Rate:	6.0%
Current Rate:	6.0%
2007 Estimate:	
Telephone Utilities	$2,983,000
Cellular Telephone Utilities	4,002,000
Total 2007 Telephone Utility Tax	$6,985,000
2008 Estimate:	
Telephone Utilities	$2,899,000
Cellular Telephone Utilities	4,160,000
Total 2008 Telephone Utility Tax	$7,059,000

Tax levied on all telephone companies. Each 0.1% of the telephone utility tax rate generates $116,000 in 2007 and $118,000 in 2008 of telephone utility tax revenue.

6. Television Cable Franchise Fee

Maximum Rate:	5.0%
Current Rate:	5.0%
2007 Estimate:	$1,410,000
2008 Estimate:	$1,450,000

Fees 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% of the television cable fee generates $28,000 in 2007 and $29,000 in 2008 of television cable franchise revenue.

7. Accommodations (Hotel/Motel) Tax

100% of 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%
Current Rate:	5.0%
2007 Estimate:	$6,329,000
2008 Estimate:	$6,807,000

Proceeds are restricted to the Hotel/Motel Tax Fund, and are then transferred to the BCCA. There is a 2% credit against the State sales tax on accommodations in Bellevue. The accommodations tax may be used only for tourism facilities and tourism promotion purposes. Each 0.1% of the tax generates $127,000 in 2007 and $136,000 in 2008.

FIGURE 4-2 (Continued)

8. Admissions Tax

Maximum Rate:	5.0%
Current Rate:	3.0%
2007 Estimate:	$314,000
2008 Estimate:	$322,000

Tax levied on admission charges to theaters, amusement parks, swimming pools, etc. Each 0.1% of the admissions tax rate generates $11,000 in 2007 and 2008 of admissions tax revenue.

9. Gambling Tax

a. General Fund

Maximum Rate:	2% - 5%
Current Rate:	2% - 5%
2007 Estimate:	$20,000
2008 Estimate:	$20,000

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. In Bellevue, the remaining funds are dedicated to providing youth facilities.

b. Human Services Fund

Maximum Rate:	5.0%
Current Rate:	5.0%
2007 Estimate:	$250,000
2008 Estimate:	$250,000

Gambling tax on punch board and pull tab activities. The proceeds from this revenue source are receipted into the Human Services Fund. They 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.

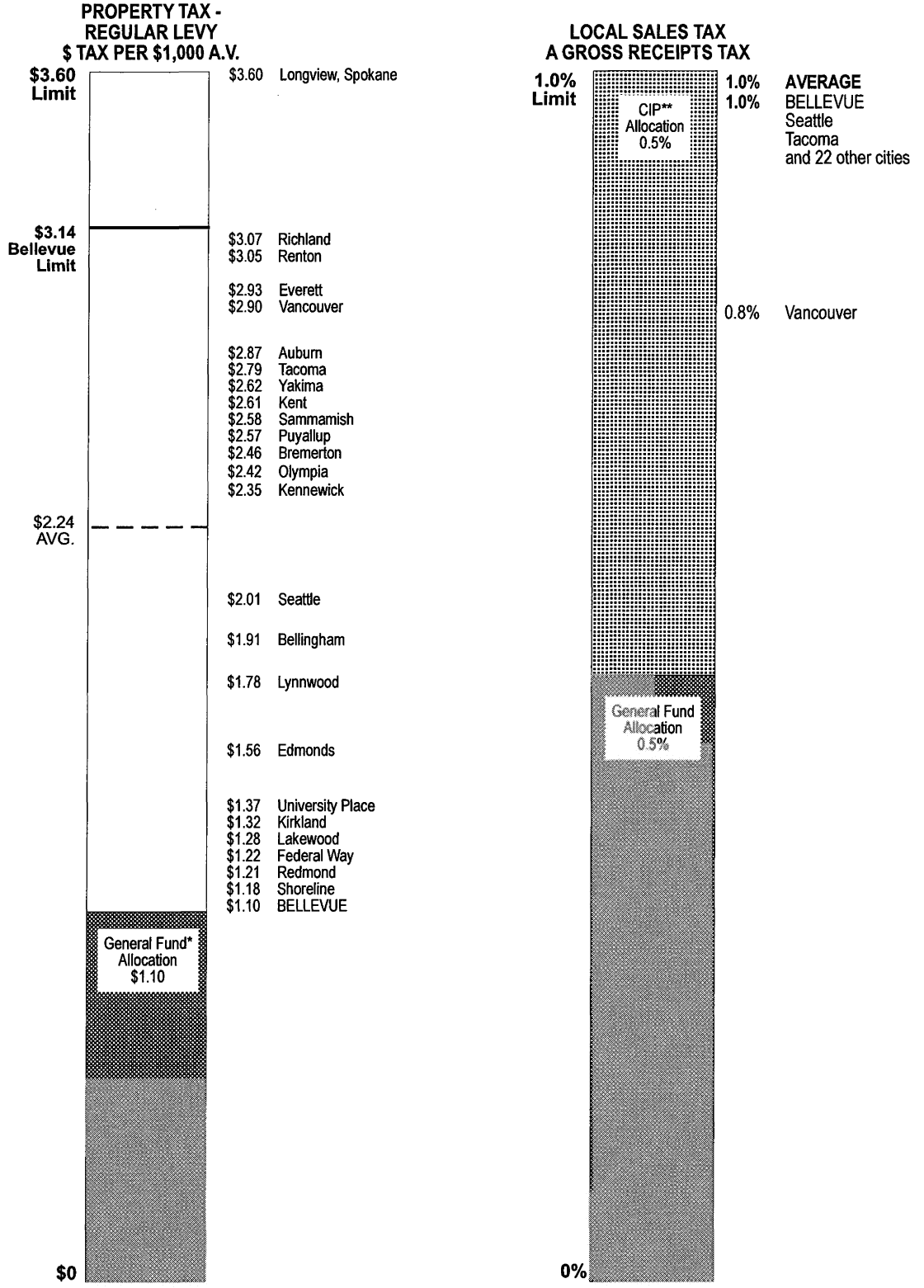
10. Real Estate Excise Tax

Maximum Rate:	0.5%
Current Rate:	0.5%
2007 Estimate:	$11,520,000
2008 Estimate:	$11,706,000

Revenue proceeds are receipted to the General Capital Investment Program Fund for use on capital projects. Each 0.25% of the real estate excise tax rate generates $5,760,000 in 2007 and $5,853,000 in 2008 of real estate excise tax revenue.

Figure 4-3(A)
Comparison of 2006 Urban Tax Rates
Rates in Effect for Property and Local Taxes as of January 2006

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 Figure 4-3(A) show that Bellevue's property tax rate is well below the average for these Washington cities and that like 24 other cities, our sales tax rate is 1.0%.



* 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.

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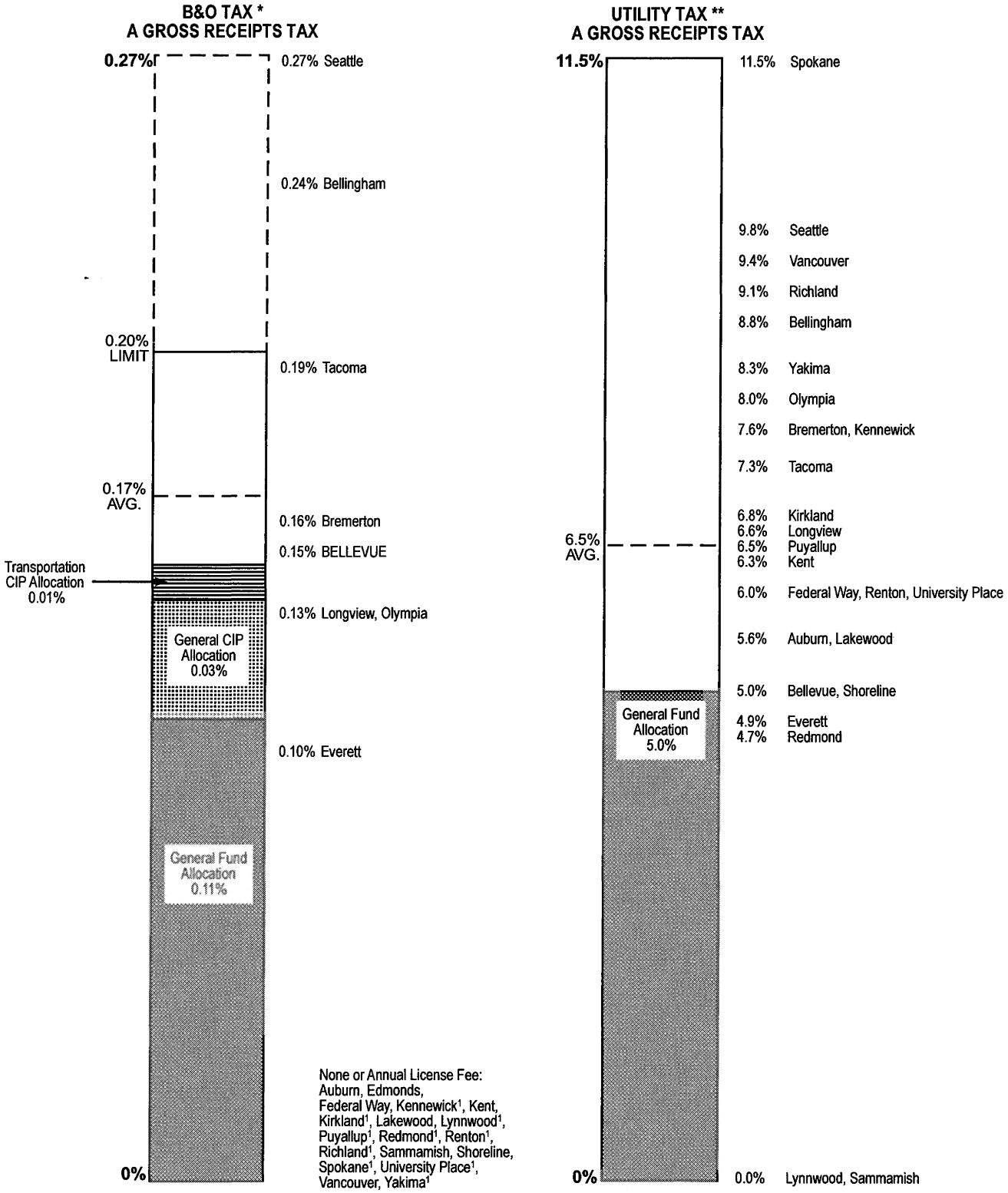
Figure 4-3(B)
Comparison of 2006 Urban Tax Rates
Rates in Effect for Property and Local Taxes as of January 2006

Comparisons in Figure 4-3(B) 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 the 25 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.

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

FIGURE 4-4
PROPERTY VALUATION & TAX LEVY INFORMATION
1980 through 2007

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% of the fair market value of their property.

The 2007 preliminary regular levy assessed valuation (AV) and preliminary regular property tax levy amounts shown in this exhibit reflect the preliminary AV amounts estimated by King County.

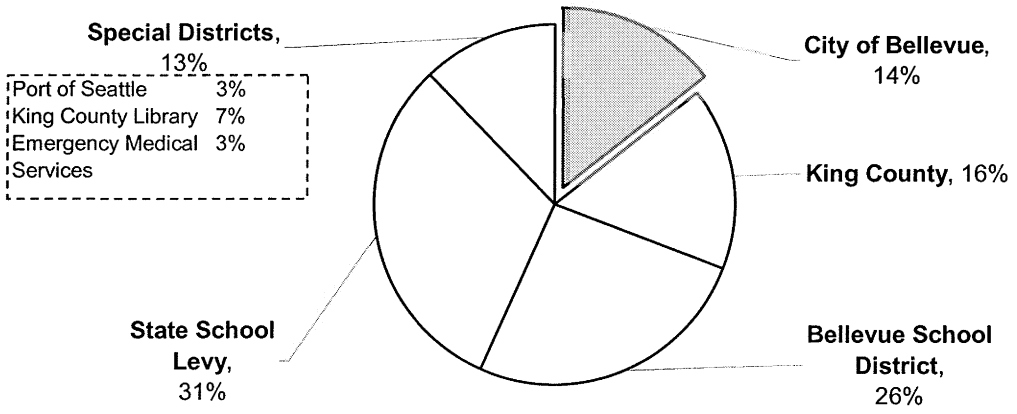
Year	Regular Levy Assessed Valuation ($ in millions)	% Change from Prior Year	Regular Property Tax Levy ($000)	% Change from Prior Year	Tax Rate per $1000 Assessed Valuation: Voted Levy	Regular Levy	Total Property Tax Rate
1980	1,794	18.6	4,891	13.8	0.71	2.72	3.43
1981	3,194	78.1	5,635	15.2	0.37	1.76	2.13
1982	3,400	6.4	6,229	10.6	0.77	1.84	2.61
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	3.0	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	14.8	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	27,235	3.7	0.05	1.04	1.09

Figure 4-5

Property Taxes
Typical Distribution of Property Tax Dollars

This figure illustrates the property tax distribution for a typical Bellevue taxpayer in 2006. As shown in the pie chart, Bellevue's property tax levies make up only 14% of a property owner's tax bill. The largest components are the State school levy and the Bellevue School District levy.

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



The following table displays the 2006 property tax bills for hypothetical low-, medium-, and high-assessed value (AV) homes.

	2006 Rate/$1,000 of AV	Low AV = $100,000	Medium AV = $400,000	High AV = $800,000
Emergency Medical Services	$0.22	$22	$88	$176
Port of Seattle	0.23	23	92	184
King County Library	0.53	53	212	424
City of Bellevue	1.16	116	464	928
King County	1.33	133	532	1,064
Bellevue School District	2.09	209	836	1,672
State School Levy	2.50	250	1,000	2,000
Total	$8.06	$806	$3,224	$6,448

B. OPERATING BUDGET RESOURCES

Figure 4-6 presents the 2007-2008 resource budget for the City's 22 operating budget funds. This figure highlights that the largest operating budget resource categories are taxes at 31.2%, utility services fees at 22.9%, and beginning fund balance at 15.0%. Overall, operating budget resources are projected to increase by $86.5 million or 13.5%.

- Sales tax revenues are projected to increase significantly in the biennium based on projected levels of development activity and employment growth.

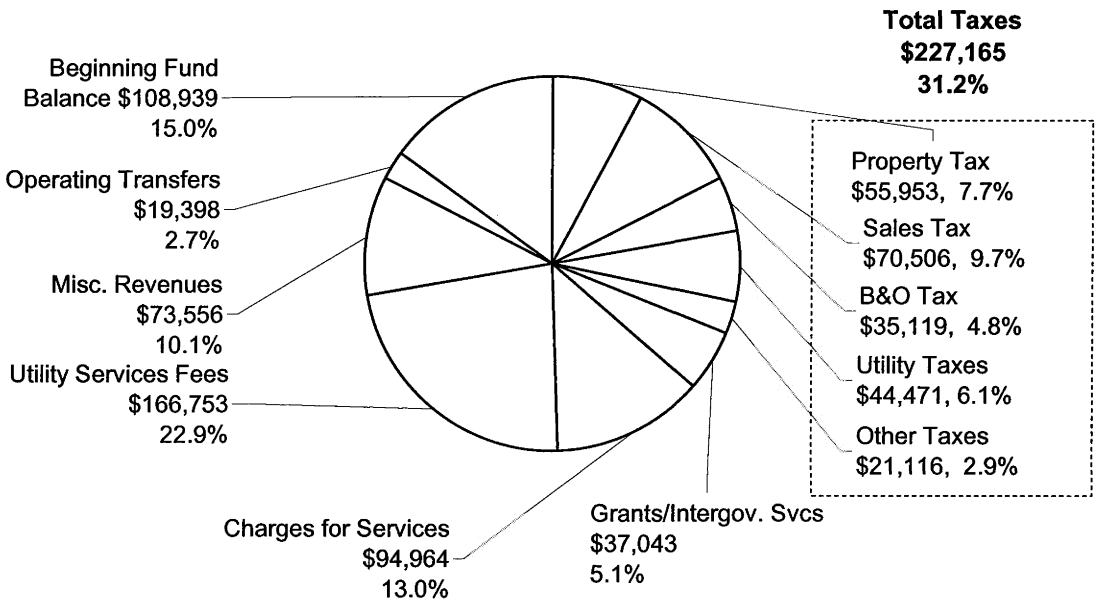
- Increased pass-through wholesale sewer and water costs to customers, along with increased local program costs, resulted in increased utility service fees.

- Beginning fund balance increased due to general growth in the economy.

Figure 4-6

2007-2008 Total Operating Budget Resources

$000



Total $727,818

Comparison to 2005-2006 Budget

	2005-2006 Budget	2007-2008 Budget	$ Change	% Change
Taxes				
Sales Tax	$62,304	$70,506	$8,202	13.2%
Property Tax	51,721	55,953	4,232	8.2%
Utility Taxes	40,909	44,471	3,562	8.7%
Business & Occupation Tax	32,578	35,119	2,541	7.8%
Other Taxes	16,900	21,116	4,216	24.9%
Subtotal Taxes	$204,412	$227,165	$22,753	11.1%
Utility Services Fees	149,889	166,753	16,864	11.3%
Beginning Fund Balance	102,199	108,939	6,740	6.6%
Charges for Services	77,542	94,964	17,422	22.5%
Miscellaneous	61,280	73,556	12,276	20.0%
Grants/Intergovernmental Services	29,939	37,043	7,104	23.7%
Operating Transfers	16,074	19,398	3,324	20.7%
Total Resources	$641,335	$727,819	$86,484	13.5%

Figure 4-7 is a summary of the General Fund resource changes from 2005-2006 to 2007-2008. General Fund resources are anticipated to increase $33.8 million or 13.4% over 2005-2006.

- Sales Tax revenues are anticipated to increase $8.2 million or 13.2% as development activities and employment growth spur spending.

- Property taxes are projected to grow by $3.4 million or 7.1% as major development is completed. The Forecast incorporates the property tax levy increase as well as the authorized increases for new construction and adjustments for refunds, omitted assessments for prior years, etc.

- Business and Occupation Tax receipts are anticipated to be $2.5 million or 7.8% higher than in 2005-2006. This growth is projected as a result of the employment growth expected for the region and is offset by the estimated impact of B&O apportionment, which removes $1.8 million from the General Fund biennial forecast ($2.4 million total city impact). Growth in the business and occupation tax is assumed to be a function of employment growth and inflation.

- Utility tax collections are anticipated to be $3.2 million or 8.5% higher in 2007-2008 than in 2005-2006. Tax collections for electric, natural gas, water, sewer and storm drainage utilities are projected to increase based on recent or proposed utility service rate increases and population growth. Telephone and garbage utility tax revenues are projected to decline based on historical trends.

- Intergovernmental Services revenues are anticipated to be $4.9 million or 16.6% higher than in 2005-2006. This projected increase reflects additional Emergency Medical Services levy revenue used to support the City's increased medic service demands.

- Charges for Services revenues are anticipated to be $4.1 million or 18.6% higher than in 2005-2006 reflecting growth in General Fund staff support of activities outside of the General Fund such as development activities and the demand for permitting and inspection services.

- Beginning Fund Balance is anticipated to be $3.8 million higher than in 2005-2006 reflecting general growth in the economy.

Figure 4-7

Summary of General Fund Resource Changes - By Source
$000

Resources	2005-2006 Budget	2007-2008 Budget	$ Change	% Change
Sales Tax	$62,304	$70,505	$8,201	13.2%
Property Tax	47,928	51,325	3,397	7.1%
Business & Occupation Tax	32,578	35,119	2,541	7.8%
Utility Taxes				
Electric Utility Tax	10,671	12,631	1,960	18.4%
Natural Gas Utility Tax	4,868	6,219	1,351	27.8%
Garbage Utility Tax	1,638	1,604	(34)	(2.1%)
Telephone Utility Tax	14,915	14,044	(871)	(5.8%)
Other Utility Taxes	6,270	7,113	843	13.4%
Subtotal Utility Taxes	38,363	41,611	3,248	8.5%
Other Taxes	6,609	7,480	871	13.2%
Licenses & Permits	359	626	268	74.6%
Grants	0	0	0	0.0%
Intergovernmental Services	29,555	34,466	4,910	16.6%
Charges for Services	22,068	26,171	4,103	18.6%
Fines & Forfeitures	758	351	(407)	(53.7%)
Miscellaneous	2,372	4,577	2,205	93.0%
Operating Transfers	2,926	2,749	(176)	(6.0%)
Beginning Fund Balance	6,554	10,330	3,776	57.6%
Total General Fund Resources	$252,374	$285,312	$32,938	13.1%

C. SPECIAL PURPOSE FUNDS BUDGET RESOURCES

Figure 4-8 is a summary of the City's Special Purpose resource changes from 2005-2006 to 2007-2008. Overall, Special Purpose resources are projected to be $13.6 million or 21.1% less in 2007-2008 than in 2005-2006.

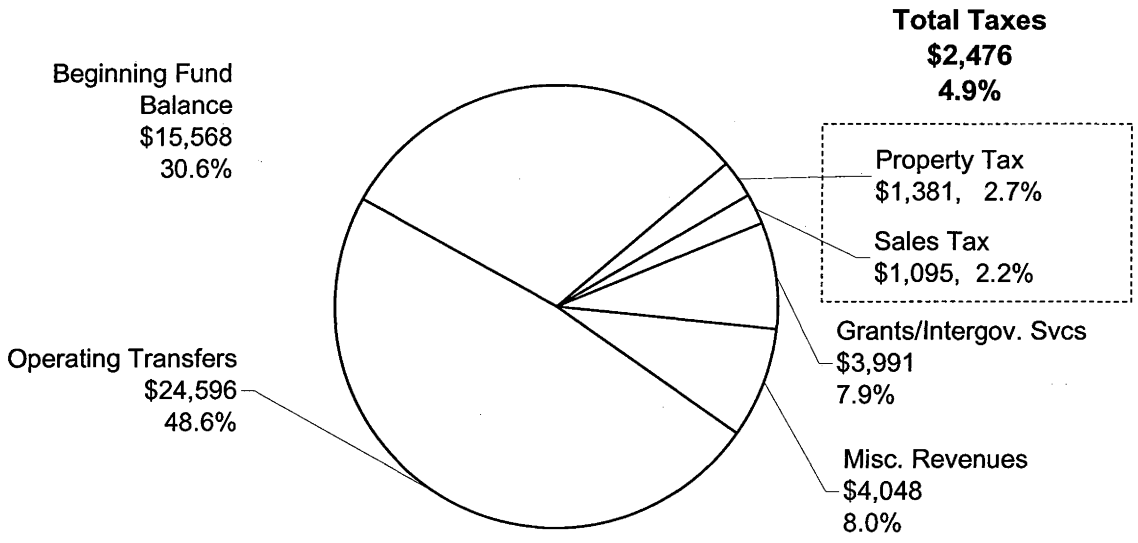
- Beginning fund balance is anticipated to drop by $10.2 million in 2007-2008 compared to 2005-2006. This decrease is primarily due to the use of Council reserves for the New City Hall project.

- Tax revenues will decrease by $2.3 million due to the retirement of the 2003 Unlimited Tax General Obligation (UTGO) refunding bonds in 2008.

- Grants/intergovernmental services revenues are lower mainly due to timing in budgeting for grant revenues.

Figure 4-8

2007-2008 Total Special Purpose Budget Resources
$000



Total $50,679

Comparison to 2005-2006 Budget

	2005-2006 Budget	2007-2008 Budget	$ Change	% Change
Beginning Fund Balance	$25,802	$15,568	($10,234)	(39.7%)
Operating Transfers	24,237	24,596	359	1.5%
Taxes				
Sales Tax	1,810	1,095	(715)	(39.5%)
Property Tax	2,959	1,381	(1,578)	(53.3%)
Subtotal Taxes	4,769	2,476	(2,293)	(48.1%)
Miscellaneous	4,536	4,048	(488)	(10.8%)
Grants/Intergovernmental Services	4,893	3,991	(902)	(18.4%)
Total Resources	$64,237	$50,679	($13,558)	(21.1%)

D. CAPITAL PROJECT FUNDS BUDGET RESOURCES

Figure 4-9 is a summary of the City's Capital Project resource changes from 2005-2006 to 2007-2008. Overall, Capital Project resources are substantially less than the 2005-2006 budget due to the completion of the new City Hall project.

- Sales and Business & Occupation Tax revenues are projected to increase by $7.1 million or 20.2% as development activities and employment growth spur spending.

- Real Estate Excise Tax revenue is projected to increase by $6.1 million or 36.0% which reflects the increase in development activity and the continued strength of the local real estate market.

- Operating Transfers and Beginning Fund Balance are projected to decrease by $127.7 million or 66.4% due to the completion of the new City Hall project and use of proceeds from the 2004 sale of bonds for the project.

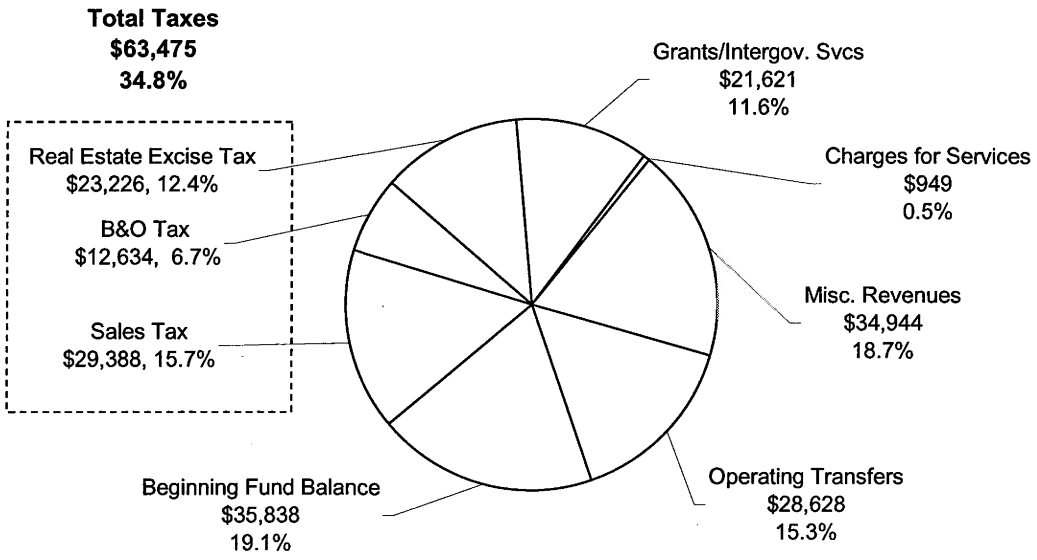
- Miscellaneous resources are projected to decrease by $23.0 million or 39.7% primarily due to a reduction in anticipated interim cash flow borrowing for 2007-2008 compared to the 2005-2006 biennium.

- Grants/Intergovernmental Services revenues are projected to decrease by $4.5 million or 17.3% primarily due to the completion of several multi-agency partnership projects such as the Zone 1 Public Safety Wireless (PS-58), Zone 1 Paging and Station Alerting System (PS-59) and the NE 29th Place Connection (PW-R-60) projects.

- Charges for Services revenues are projected to decrease by $0.5 million or 35.0% primarily due to the significant progress made on the Eastgate Overlays project (PW-M-13) in 2006.

Figure 4-9

2007-2008 Total Capital Project Budget Resources
$000



Total $187,228

Comparison to 2005-2006 Budget

	2005-2006 Budget	2007-2008 Budget	$ Change	% Change
Taxes				
Sales Tax	$23,649	$29,388	$5,739	24.3%
Real Estate Excise Tax	17,078	23,226	6,148	36.0%
Business & Occupation Tax	11,319	12,634	1,315	11.6%
Subtotal Taxes	$52,046	$65,248	$13,202	25.4%
Operating Transfers	112,147	28,628	(83,519)	(74.5%)
Beginning Fund Balance	79,996	35,838	(44,158)	(55.2%)
Miscellaneous	57,905	34,944	(22,960)	(39.7%)
Grants/Intergovernmental Services	26,143	21,621	(4,522)	(17.3%)
Charges for Services	1,461	949	(512)	(35.0%)
Total Resources	$329,697	$187,228	($142,470)	43.2%

CITY OF BELLEVUE
WASHINGTON

Financial Forecasts

This chapter presents the General Fund and Enterprise Funds financial forecasts. Financial Forecasts has the following sections:

A. General Fund Financial Forecast

This section provides the full 2007-2012 General Fund Financial Forecast.

B. Utility Funds Financial Forecast

This section provides the full 2007-2012 Utility Funds Financial Forecast.

C. Parks Enterprise Fund Financial Forecast

This section provides the full 2007-2012 Parks Enterprise Fund Financial Forecast.

D. Development Services Fund Financial Forecast

This section provides the full 2007-2012 Development Services Fund Financial Forecast.

GENERAL FUND FINANCIAL FORECAST

Note: This forecast was prepared in October 2006 to assist the City Council with 2007-2008 Budget deliberations.

Executive Summary

The General Fund Financial Forecast (the Forecast) projects that resources will be sufficient to sustain the City's quality and mix of municipal services through 2008. The Forecast builds upon the proposed 2007-2008 projected revenues and expenditures and calculates future resource and expenditure estimates based on recent and anticipated economic trends.

As illustrated in the graph in Section II, the short-term financial outlook is positive, however the long-term financial outlook includes projected shortfalls in 2009 through 2012. These shortfalls are largely due to high rates of expenditure growth, such as escalating State pension contributions and a loss of B&O taxing authority in 2008.

Overview

The Forecast illustrates how we expect the City's finances as a whole to perform over the six-year period from 2007-2012. Some of the benefits of forecasting include:

- Provides insight into the long-term financial effects of current policies, programs, and priorities;
- Provides an early warning for potential problem areas to watch where alternative strategies may need to be developed;
- Assists in strategic decision-making and long-range planning efforts by allowing Council to see how programs fit within the overall context of City finances; and
- Illustrates the bottom line effect of current budget decisions on future resources.

The General Fund Forecast is divided into four sections:

- Section I: Economic Outlook discusses the major economic trends affecting the Forecast.
- Section II: Full Forecast Results summarizes the major revenue and expenditure trends in the current forecast.
- Section III: Resource Highlights provides a detailed discussion of the predicted growth or decline of the major economically-sensitive revenue sources. Includes a discussion of major issues and risks associated with select revenues and issues not included in the base Forecast.
- Section IV: Expenditure Highlights provides an overview of the major drivers of expenditure growth in the Forecast. Includes a detailed discussion of major drivers and other issues not included in the base Forecast.

Section I: Economic Outlook

The Forecast reflects the current strength in the local economy and assumes continued growth, at a modest pace, through 2012. Bellevue is in the midst of a major development cycle, expecting to add 2.8 million square feet of office space over the next several years (includes planned, permitted and under construction projects). Employment growth in the region continues to outpace the national average, which in turn contributes to personal income growth and regional population increases. Bellevue expects the residential downtown population to add more than 5,000 people over the forecast period. The increased urbanization of Bellevue is expected to provide additional revenues to the City, as well as additional service demands.

While the 2007-2008 biennial outlook is strong, the Forecast shows growth in the later years at a modest pace. Regional economists are predicting a slowing of employment growth and a cooling of the housing market. Development is expected to peak during 2008 and then moderate in later years. Key factors such as employment, inflation, and personal income impact the growth rate of the City's revenues. These key factors affect retail sales, vacancy rates, and new development.

Employment. Puget Sound has added approximately 55,000 jobs in the past year, primarily in the services, construction and aerospace industries. Job growth in the Puget Sound area is expected to slow but will continue to outpace the national rate. The Puget Sound Economic Forecaster is projecting employment growth to drop from a high of 3.8% in 2006 to 2.5% in 2007 and 2.3% in 2008, which is twice the anticipated national rate of growth. This trend is expected to contribute to growth in personal income and a steady sustainable rate of homebuilding. The long-term outlook remains positive for the region with an average growth rate of 1.4% anticipated through the remainder of the Forecast period.

Inflation. The Forecast assumes inflation at 3.0% in 2007, leveling off to 2.6% for the remainder of the forecast period. This rate is not expected to significantly slow consumption, which should bolster sales, business and occupation (B&O) and utility tax collections. Utility rates, which include electricity, gas, water, etc., are projected to rise at or above the rate of inflation through the forecast period which will increase utility tax collections. Telephone utility taxes are expected to continue to decline through the forecast due to the continued decline in use of traditional telephone technology.

Retail Sales. As the economy decelerates, taxable retail sales are expected to grow at a more moderate pace than in the current biennium (an average of 5.9% for 2007-2008 compared to an average of 9.2% for 2005-2006). The high rate in the current biennium reflects the impact from increased construction activity and strong job growth in the region. The General Fund sales tax forecast projects a 9.4% increase in sales tax for 2007. As job growth slows and development levels off, sales tax is projected to grow at an average of 4.2% for 2009-2012.

Vacancy Rates. Office vacancy rates in the central business district (CBD) continue to drop (8.3% reported for the 2nd quarter) with over 50,000 square feet of office space being absorbed in the last year (CB Richard Ellis). An additional 2.8 million square feet are currently proposed/in-review or under construction, including Lincoln Square's Office Tower, which has been fully pre-leased and is expected to be completed in mid-2007. Downtown office vacancy rates are expected to remain low due to the strong employment growth in the region. Declining office vacancy rates and new commercial development positively impact B&O tax and utility taxes.

Development Activity. Bellevue is experiencing an unprecedented amount of development activity that is expected to level off towards the end of 2008 as projects permitted or under construction are completed. New development growth positively impacts sales tax and property tax. The Forecast incorporates one-time estimates for sales tax generated through development activities, but does not include extraordinary construction sales tax associated with values over $100 million. Per Council direction, these one-time resources are set aside for unforeseen needs or emerging opportunities and are not included in the General Fund forecast projection.

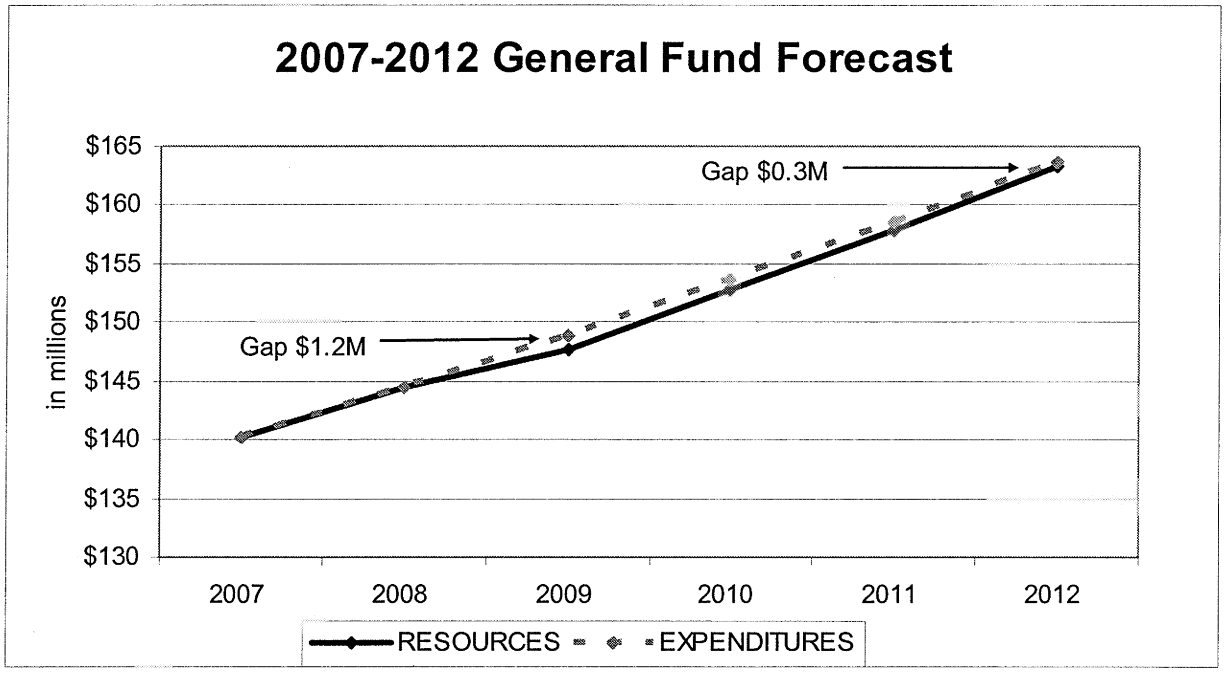
Legislative Changes. State legislative changes to the Business and Occupation (B&O) tax, called apportionment, will adversely affect Bellevue's General Fund and Capital Improvement Program Fund (CIP) beginning in 2008. Apportionment will narrow our current tax base by reallocating a portion of it to other jurisdictions. The legislative changes are very complex and impacts are difficult to estimate. The Forecast includes a projected impact of approximately $1.8 million to the General Fund in 2008.

Additionally, Initiative 933, which requires the government to compensate private property owners when certain regulations are imposed, will be on the ballot in November. Based on the timing, complexity, and uncertainty associated with this ballot measure, the Budget assumes no impact from this initiative. If this initiative passes, staff will return to Council with any necessary budget amendments in 2007.

Section II: Forecast Results

The Forecast builds on the proposed 2007-2008 budget's mix and level of resources and anticipated service levels. It calculates future resource and expenditure estimates based on current budget performance, historical trend analysis, current economic information, input from other governments and industries and feedback from local economists.

The proposed budget incorporates increased service needs, including the addition of 17.19 FTEs, as well as projected growth in tax revenues. The Forecast projects that revenues will fall short of expenditures by $1.2 million. This deficit diminishes to $300,000 by 2012 (see graph and data table below). On average, resource growth falls just short of expenditure growth throughout the remainder of the Forecast period.



(in millions)

	2007	2008	2009	2010	2011	2012
Resources	$140.2	$144.5	$147.7	$152.7	$157.9	$163.3
Expenditures	140.2	144.5	148.9	153.5	158.5	163.6
Uncommitted Resources	$0.0	$0.0	-$1.2	-$0.8	-$0.6	-$0.3

Section III: Resource Highlights

This section includes a) a general discussion of resources; b) a detailed discussion of taxes; and c) a detailed discussion of other revenues.

A. Summary

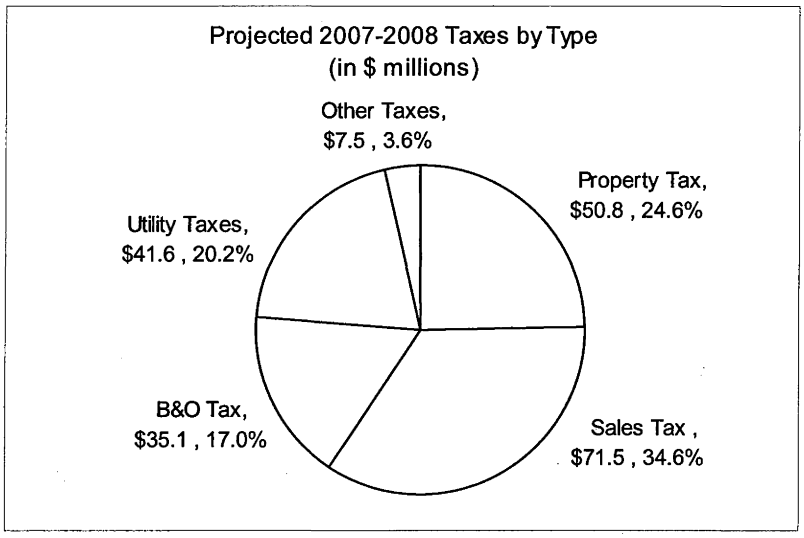
Projections for the most economically sensitive taxes (75% of all revenues) remain positive through the forecast period. Resource growth is expected to average 4.0% through 2012; with the exception of the telephone utility tax, which continues to decline. Much of this decline in telephone utility tax is due to the substitution of traditional telephone services with wireless, internet, and cable television technologies. With continued substitution, customers are disconnecting their traditional telephone and using an alternative technology.

State legislative changes to the Business and Occupation (B&O) tax, called apportionment, will adversely affect Bellevue's General Fund and Capital Improvement Program Fund (CIP) beginning in 2008. B&O apportionment will narrow our current tax base by reallocating a portion of it to other jurisdictions. The estimated impact of B&O apportionment removes $9.6 million from the Forecast.

Prospects for other revenues (25% of all resources) are also generally positive with the exception of fines and forfeits which are projected to decrease in 2007 ($140,000). This decrease is due to the change to the contract with King County executed in November 2005 for the provision of municipal court services (see detailed discussion in C: Other Revenue Groups).

B. Taxes

For the 2007-2008 biennium, taxes are estimated to comprise 75%, or $206.5 million, of all General Fund resources. This group consists of sales, property, business and occupation (B&O), utility and other miscellaneous taxes. The following table illustrates the forecasted percentage and amount by tax category for the 2007-2008 biennial budget.



Each tax is discussed below.

Sales Tax ($71.5 million or 34.6% of taxes). Collections are expected to increase at an average rate of 5.0% during the 2007-2008 biennium and 4.2% for the remainder of the forecast period. Ongoing sales tax growth will be supported by the addition of retail and service industry businesses. Retail trade, contracting and services, which comprise 83% of the sales tax base, grew between 9% to 18% in the first nine months of 2006 compared to the first nine months of 2005. The retail trade and services sectors are expected to continue this course of growth through the biennium. Contracting growth is projected to slow as development activities subside towards the end of 2008.

The Forecast does not include extraordinary one-time sales tax associated with the construction of Bravern, Wasatch and other projects with anticipated value of greater than $100 million. The potential General Fund allocation of one-time sales tax associated with these projects is estimated at roughly $2.0 million from 2007 to 2008.

Property Tax ($50.8 million or 24.6% of taxes). Some increase is expected to occur in the early years of the Forecast as major new development is completed. The Forecast assumes no property tax levy increase, other than from the authorized increases for new construction and adjustments for refunds, omitted assessments for prior years, etc.

Business and Occupation Tax (B&O) ($35.1 million or 17.0% of taxes). B&O tax projections incorporate growth due to the anticipated increase in employment for the region. Bellevue's B&O collections in wholesaling, retailing, and services grew by 14% in the first two quarters of 2006. These sectors comprise 89% of the B&O tax base. The model assumes that growth is a function of inflation and employment growth.

- **Impact of Apportionment.** State legislative changes to the B&O tax are projected to adversely affect Bellevue's General Fund and Capital Improvement Program Fund (CIP) beginning in 2008. Apportionment will likely narrow our current tax base by reallocating a portion to other jurisdictions. Growth is expected to average 4.4% through the forecast period, despite the effects of B&O apportionment in 2008. The legislative changes are very complex and impacts are difficult to estimate and prone to error. The Forecast includes an estimated reduction of $9.6 million in General Fund B&O tax collections over the forecast period; the CIP impact will be reflected in the 2007-2013 CIP update.

Other Taxes ($7.5 million or 3.6% of taxes). This tax category includes criminal justice sales tax, admissions tax and business tax penalty. Criminal justice sales tax is distributed based on the proportion of Bellevue's population compared to King County's and the State's population. This revenue is expected to grow an average of 4.6% during the Forecast. Admissions tax and business tax penalties are expected to rise at the rate of inflation.

Utility Taxes ($41.6 million or 20.2% of taxes). Utility taxes consist of several taxes. The following table illustrates the relative proportion of each utility tax for the 2007-2008 biennium.

Projected 2007-2008 Utility Tax Revenues by Type (in $ millions)

Utility Tax		
Electric	$12.6	30.4%
Gas	6.2	14.9%
Cellular Phone	8.2	19.6%
Telephone	5.9	14.1%
Sewer	3.1	7.5%
Garbage/Solid Waste	1.6	3.9%
Water	2.6	6.3%
Storm/Surface	1.4	3.3%
Total	$41.6	100%

Electric ($12.6 million or 30.4% of utility taxes) and Gas ($6.2 million or 14.9% of utility taxes) Utility Taxes. Electric and gas utility taxes are expected to grow an average of 3.7% and 4.2% respectively per year through the Forecast period. This increase does not take into account additional growth associated with declining office vacancy rates as a conservative revenue estimating practice. The Forecast includes a recent increase in Gas rates (pass-through of increased gas costs) that took effect October 1, 2006, but does not include a pending request for electricity and natural gas rate increases (9.2% and 5.3% respectively).

Cellular Telephone Utility Tax ($8.2 million or 19.6% of utility taxes). The Forecast assumes that the rate of growth will hold steady at 4.0% through the Forecast period, which equates to the average growth rate experienced over the past three years.

Telephone Utility Tax ($5.9 million or 14.1% of utility taxes). Over the past several years telephone utility tax has continued to drop substantially. Much of this decline in telephone utility tax is due to an accelerated substitution of traditional telephone services with wireless, internet, and cable television technologies. With continued substitution, customers are disconnecting their traditional telephone and using an alternative technology. This trend is expected to continue indefinitely and projections have been revised downward substantially.

Sewer Utility Tax ($3.1 million or 7.5% of utility taxes). Wastewater utility tax collections are projected to increase by nearly $140,000 in the 2007-2008 biennium. This increase is due to proposed wastewater utility rate increases necessary to support local program costs and pass-through cost increases from King County. The METRO/King County Council adopted an increase in wastewater treatment rates of 9.2% (from $25.60 to $27.95) per month for an equivalent residential unit for 2007. The Forecast assumes that wastewater tax collections will grow at an average of 8.4% for the remainder of the forecast period based on additional proposed utility rate increases.

Water ($2.6 million or 6.3%), Storm and Surface Water ($1.4 million or 3.3% of utility taxes), and Garbage ($1.6 million or 3.9% of utility taxes) Utilities Taxes. Water utility tax collections are projected to increase by $105,000 in the 2007-2008 biennium. This increase is due to proposed water utility rate increases necessary to support local program costs and pass-through cost increases from Cascade Water Alliance. The Forecast assumes that water tax collections will grow at an average of 7.3% for the remainder of the forecast period based on additional proposed utility rate increases.

Storm and surface water tax collections are projected to increase by 4.6% on average through the forecast period as a result of proposed utility rate increases necessary to support local program costs.

Garbage utility tax is expected to grow at roughly the rate of inflation from 2007 forward.

C. Other Revenue Groups

For the 2007-2008 biennium, other revenues are estimated to comprise 25%, or $78.2 million, of all General Fund resources. Other revenues consists of intergovernmental, charges for services, beginning fund balance, miscellaneous, other finance sources, fines and forfeits, and licenses and permits. The following table illustrates the forecasted percentage and amount by revenue group for the 2007-2008 biennial budget.

Projected 2007-2008 Other Revenues by Type (in $ millions)

Revenue Group		
Intergovernmental	$34.5	44.1%
Charges for Services	26.0	33.4%
Beginning Fund Balance	10.3	13.2%
Miscellaneous	3.5	4.5%
Other Finance Sources	2.9	3.7%
Fines/Forfeits	0.4	0.4%
Licenses & Permits	0.6	0.7%
Total	$78.2	100%

Each revenue group is discussed below, in order of largest to smallest.

Intergovernmental Revenues ($34.5 million or 44.1% of other revenues). This group includes liquor excise tax, emergency medical services (EMS), and motor vehicle fuel tax (MVFT). Revenues such as motor vehicle fuel tax and liquor excise tax are tied to population growth and are projected to grow by 2.7% on average for the period. Projections for MVFT reflect the estimated impact of higher fuel costs as well as increases in fuel taxes. Revenue growth for regional contract services including EMS, fire services and dispatch are expected to grow at an average of 4.1% for the forecast period. This includes revenues contingent on the approval of proposed additions to fire services and passage of the EMS levy on the ballot in November 2007.

Charges for Services ($26 million or 33.4% of other revenues). Charges for services, which include fire inspection fees, parks and recreation fees, probation charges, and interfund charges, are expected to increase 6.6% on average over the forecast period.

Beginning Fund Balance ($10.3 million or 13.2% of other revenues). Beginning fund balance or resources forward, is assumed at 3% of total budget. Additionally, $1.1 million of unanticipated B&O audit tax collections are included in resources forward from 2006.

Miscellaneous ($3.5 million or 4.5% of other revenues). Investment interest is expected to increase significantly during the biennium and then level off as the economy continues to moderate.

Other Finance Sources ($2.9 million or 3.7% of other revenues). Includes operating transfers from Cable Franchise and Development Services. Contributions from Cable Franchise are expected to rise at the rate of inflation. Transfers from Development Services, which reimburse the General Fund for staff support, are projected to increase at roughly the rate of salary and benefit costs.

Fines and Forfeits ($0.4 million or 0.4% of other revenues). Due to changes in the King County Court Service contract, revenues associated with the contract cease in 2007.

- **Provision of Municipal Court.** Bellevue's contract with King County expires at the end of 2008. The provision of court services remains an area of significant uncertainty for Bellevue. If the City establishes a facility for these services, initial one-time costs are estimated at between $500,000 and $1 million. The current Forecast assumes the current relationship will continue indefinitely and does not include initial set-up costs. The City will continue to work on resolving this major uncertainty.

This revenue category is now made up primarily of false alarm fines which are projected to remain constant over the forecast period.

Licenses and Permits ($0.6 million or 0.7% of other revenues). Licenses and permits, which include business registrations and concealed weapons fees, are expected to increase modestly during the Forecast period.

Section IV: Expenditure Highlights

This section includes a) a general discussion of expenditures and b) a detailed discussion of major drivers.

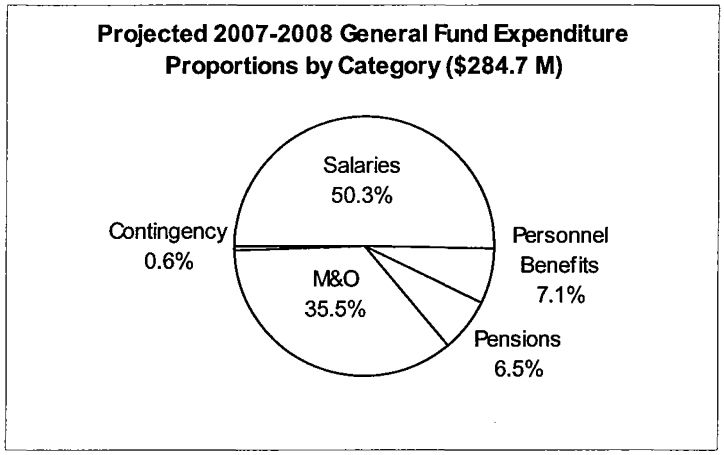
A. Summary

Expenditure growth is expected to average 5.8% in 2007 and 2008, declining to an average of 3.2% through 2012. Several significant cost drivers, which account for $8.9 million of the $11.1 million General Fund expenditure growth in 2007, contribute to the expenditure spike including:

- Inflationary increases for personnel
- State mandated retirement plans
- Population growth
- Fuel and energy costs

The proposed 2007-2008 operating budget includes the addition of 17.19 FTEs to support increased service demands. Most FTE's proposed are revenue neutral, offset by expenditure reductions or LTE conversions necessary to meet ongoing service demands.

As the table illustrates below, salaries are the largest expenditure component, followed by maintenance and operating (M&O), personnel benefits, pensions, and General Fund contingency. Each expenditure group is discussed below.



Salaries ($143.2 million or 50.3%). Total salary costs are expected to rise an average of 4.1% per year through the forecast period. The Forecast includes the addition of 17.19 new proposed positions and an update of wage inflation projections. June's CPI-W, which is the basis for 2007's general salary adjustment, equated to a 4.1% increase, while the Early Outlook Forecast assumed a 2.7% increase in salaries for 2007.

Maintenance and Operating (M&O) ($101.2 million or 35.5%). M&O expenditures are projected to grow 10.8% in 2007, primarily due to increases in fuel costs, building space rates and new investments. Ongoing General Fund expenditures are expected to increase by $5.0 million in 2007 with an additional increase of $0.7 million in 2008.

Personnel Benefits ($20.1 million or 7.1%) and Pensions ($18.5 million or 6.5%). This includes workers' compensation, health benefits, and state pensions. Worker's compensation is expected to increase at approximately the rate of inflation. Health benefits costs have leveled out, with a 7.2% increase on average, while state pension costs are expected to rise substantially, averaging 16.4% over

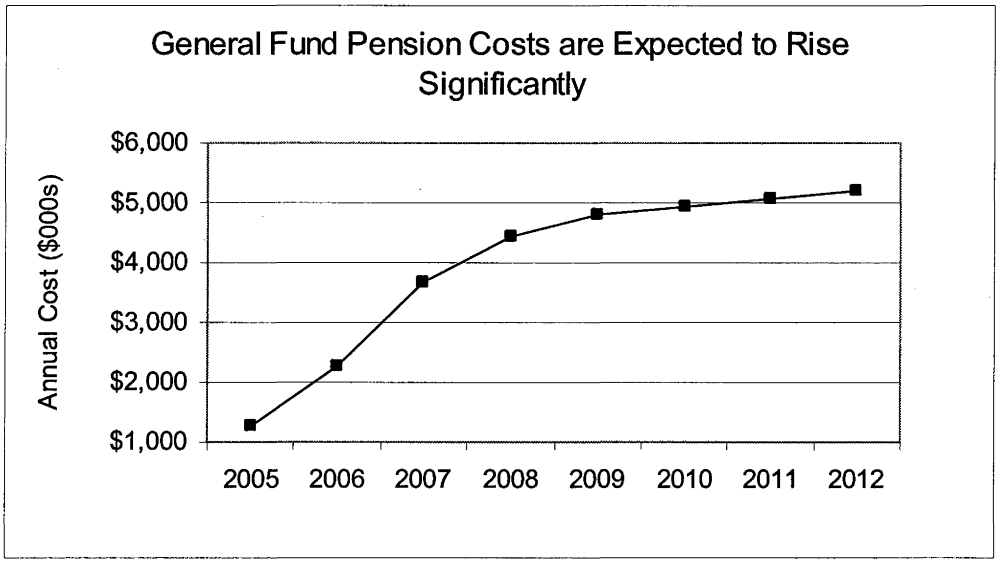
the forecast period. A detailed discussion of state pensions and health benefits is included in B. Major Drivers.

General Fund Contingency ($1.7 million or 0.6%). Per City policy, contingency is assumed at 0.6% of the total budget.

B. Major Drivers

Expenditures are projected to grow by 4.0% over the forecast period. Key expenditure drivers include increases in pension cost, inflationary increases necessary to maintain existing service levels, as well as service additions to meet immediate needs in the community.

Pension Rate Increases. The State of Washington is increasing mandated retirement contributions from cities through the forecast period. As a consequence, City retirement contributions to PERS 1, 2, and 3 and LEOFF 2 will increase significantly in 2007 and beyond (with no change to LEOFF I employer rates). General Fund contributions are expected to raise $1.4 million in 2007 and continue to rise on average $0.8 million (7.5%) per year through the forecast period.

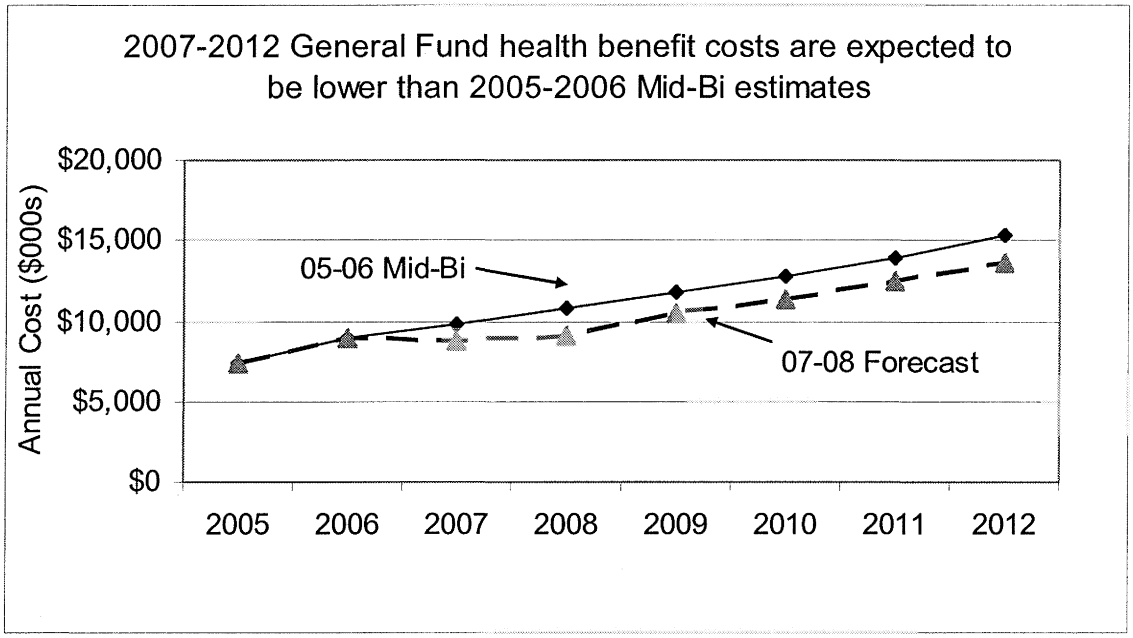


Inflationary Increases. Projected growth in salaries and maintenance and operating expenditures are based on the regional consumer price indices. The consumer price index for urban wage earners (CPI-W) used for general salary adjustments came in higher for 2007 than anticipated in the Early Outlook Forecast (4.6% compared 3.0%). Maintenance and operating expenditure budgets were increased by the consumer price index for all urban consumers (CPI-U) which is forecasted at 3.0% for 2007 and 2.6% for 2008. Other costs, such as utility and fuel expenses have been growing at a rate greater than inflation for the past several years. The Forecast incorporates increases in most utilities rates and fuel costs for the biennium. The combined impact of salary and other expenditure adjustments was approximately $6.8 million for 2007-2008.

Population Growth. Bellevue's downtown residential population is projected to increase by 117% or an additional 5,600 residents over the forecast period. The daytime population, including employees at work, residents at home and visitors (i.e. shoppers and diners) is projected to grow by 30% or 16,000 over the next six year period. The Forecast includes 17.19 additional staffing to address increased service demands, which are in part are associated with the projected growth in population. It is important to note that this is a preliminary assessment of increased service needs proposed to meet immediate

demands. Staff will return to Council with a more detailed analysis of increased service needs during the 2007-2008 Biennium.

Health Benefit Costs. Health benefit costs have stabilized in the current biennium. Health benefit costs are not rising as rapidly as in the recent past due to several factors including a change to Bellevue's provider network, higher co-payments, and fewer extraordinary claims. In addition, Bellevue's Health Benefits actuary has recommended lower growth projections and reductions in reserves held for outstanding medical and prescription claims. As a result, General Fund health benefits expenditures are expected to decline slightly in 2007 and rise by an average of 9.3% through the remainder of the forecast period (see chart below).



B. UTILITY FUNDS FINANCIAL FORECAST

This section contains the 2007-2012 Financial Forecast for the City's Water, Sewer, and Storm & Surface Water Utility Funds, based on amounts reflected in the Utility's 2007-2008 Preliminary Budgets.

EXECUTIVE SUMMARY

Introduction

The following key financial policies approved by Council in 1995, and updated in subsequent budgets, are incorporated in these financial forecast results:

- Consolidated reserve funding policies which define target and minimum reserve levels for each Utility fund;
- Operating reserve management policies which stipulate the transfer of greater-than-anticipated year-end reserves (ending fund balances) to the CIP Renewal & Replacement (R&R) Account;
- Capital reinvestment policies for future replacement of Utility infrastructure systems which base transfers to the CIP R&R Account on long-term capital investment;
- System expansion and connection policies which stipulate all capital related Capital Recovery Charges (CRC) and Direct Facility Charges will be deposited directly to the CIP Renewal & Replacement (R&R) Account; and
- Rate-planning policies which set rates at a level sufficient to cover current and future expenses and maintain reserves consistent with Utility financial policies and the long-term financial plans, and to pass through wholesale cost increases directly to customers. Inflationary indices are used as a basis for evaluating rate increases but no longer limit the growth in local programs.

These forecasts assume no increases in Utility staffing levels or significant changes in current service programs for maintenance and operations, which is consistent with ongoing department cost containment efforts.

Significant Issues

Significant issues expected to impact the Utilities current and future financial performance are briefly discussed below.

King County/METRO Wastewater Treatment Costs

Sewage treatment charges from King County/METRO will increase by 9.2% (from $25.60 to $27.95) per residential equivalent unit in 2007. This increase is primarily driven by higher debt service resulting from increased capital costs (including the Brightwater treatment plant). Since this rate increase is expected to cover cost increases for both 2007-2008, there will be no rate increase for 2008. Per Council-adopted financial policies, wholesale cost increases are passed through to the customer. The increase in wastewater treatment costs will result in an increase to Bellevue ratepayers of approximately 7.0% in 2007.

Cascade Water Alliance

The Cascade Water Alliance (Cascade) has adopted its 2007 operating and capital budgets. Cascade's 2007 operating budget is $20 million, or 5.9% higher than 2006. Cascade's 2007 wholesale charges to Bellevue will increase by $1.1 million or 10.8%. This increase will be reduced by a one-time credit of

$0.5 million in 2007, resulting in a net increase to Bellevue of 5.8% or approximately $0.6 million. This reflects additional information from Cascade, received after the preliminary budget was printed, that led to a one-time cost reduction of $0.2 million in 2007. Additionally, Cascade's 2008 wholesale charges to Bellevue are projected to increase by $1.7 million, or 15.5%, over 2007 levels. Consistent with Council adopted policies of gradual and uniform rate increases, the impact of these changes will be levelized over the 2007-2008 biennium. This will result in rate increases of 5.0% per year in 2007 and 2008 for wholesale water purchases.

New Capital Projects

There are several capital projects highlighted as being high priority during, and just beyond, this forecast period. These include projects to meet sewer capacity needs in the central business district and water infrastructure renewal projects.

Sensitivity and Risks

Each item discussed above could potentially affect annual Utility costs and rate requirements over the forecast period. Changes in inflation rates for various services can also affect annual cost levels. Each projection made in this forecast is based on the best information currently available, but actual costs and revenues in future years may be higher or lower than forecasted amounts, as changes in prevailing economic conditions or other circumstances influence actual Utility financial outcomes.

KEY ASSUMPTIONS

Overall:

- An investment interest rate of 5.0% is assumed in 2007, increasing to 5.5% per year thereafter through 2012.
- In general, an annual 2.7% growth in miscellaneous revenues is assumed in 2007 through 2012.
- All Direct Facility Charges and Capital Recovery Charges will be deposited directly to the CIP Renewal & Replacement Accounts.
- General salary adjustments are based on 90% of the Consumer Price Index (CPI) and include a salary and benefit under-expenditure rate based on historical spending trends.
- No FTE growth is assumed in the Water or Storm funds. In the Sewer fund, an increase of one FTE is assumed as part of the Development Services conversion of LTEs approved by Council in September, 2006. The cost of this conversion will be paid for by Development Services revenues.
- Operating expenses other than personnel and wholesale costs are expected to increase by the CPI starting in 2007.

Water:

- Average annual customer/volume growth of 0.21% is assumed in 2007 through 2012.
- Cascade Water Alliance (Cascade) 2007 wholesale charges to Bellevue will increase by $1.1 million or 10.8%. This increase will be reduced by a one-time credit of $0.5 million in 2007, resulting in a net increase to Bellevue of 5.8% or approximately $0.6 million. This reflects additional information from Cascade, received after the preliminary budget was printed, that led to a one-time cost reduction of $0.2 million in 2007. Additionally, Cascade's 2008 wholesale charges to Bellevue are projected to increase by $1.7 million, or 15.5%, over 2007 levels. These changes have been levelized over the 2007-2008 biennium and result in pass-through rate increases of 5.0% per year in 2007 and 2008 for wholesale water purchases. From 2009 through 2012, an average of 10.0% increases are assumed, resulting in 5.1% in 2009, and approximately 5.7%, 5.8%, and 5.9% annually from 2010 through 2012.
- No local rate increase is projected for 2007. For the remainder of the forecast period, an average rate increase of 1.4% is projected.

Sewer:

- Average annual customer/volume growth of 0.24% is assumed in 2007 through 2012.
- King County-METRO rates for wastewater treatment are projected to be $27.95 per equivalent residential unit (an increase of 9.2%) for 2007 and 2008. METRO rates are projected to increase by 21.7% for 2009 and approximately 6.5%, 6.1%, and 8.3% annually from 2010 through 2012. The resulting pass-through rate increases to Bellevue customers are estimated to be 7.0% in 2007, 0.0% in 2008, 16.4% in 2009, and approximately 5.2%, 4.8%, and 6.6% annually from 2010 through 2012.
- The local rate increase is projected to be 2.5% in 2007 and 2008. The projected rate increases for 2009 through 2012 are 2.0%, 1.7%, 1.0%, and 1.1% respectively.

Storm & Surface Water:

- Average annual customer base growth is assumed to be 0.25% in 2007 through 2012.
- Storm & Surface Water rates will increase by 5.5% in 2007 and 5.0% 2008. In 2009, the rates are projected to increase by 5.0%. Average annual rate increases of 4.9% are projected for the remaining forecast period from 2010 through 2012.

FORECAST RESULTS

This section contains an analysis of the three Utility Funds' financial forecasts, including a page describing the costs and revenue requirements for each Utility and the actual financial forecast for that fund. This data provides information on projected rate increases, revenues and expenses by category, and reserves.

Water System Costs and Revenue Requirements

Over the forecast period, rate revenues are projected to grow from $27.7 million in 2006 to $40.8 million in 2012, or by an average annual increase of 6.6%. Rate revenues show a steady increase throughout the forecast, mainly due to the projected increases from Cascade. Of the $13.1 million increase in annual rate revenues over the interval, $12.7 million is due to projected rate increases; the remaining $0.4 million is due to growth in the number of customer accounts and related water volumes.

Based on historical collection experience, annual growth in other Utility revenues is projected at 3.7% in 2007 through 2012, and includes developer fees, rental revenue, and other miscellaneous items. Interest earnings are expected to grow at an average annual rate of about 12.6%, largely due to high reserve levels in the early part of the forecast period.

Wholesale water purchases represent 39.6% of total projected Water expenses for the upcoming 6-year period. Water costs are projected to increase by $1.1 million or 10.8%. This increase will be reduced by a one-time credit of $0.5 million in 2007, resulting in a net increase to Bellevue of 5.8% or approximately $0.6 million. This reflects additional information from Cascade, received after the preliminary budget was printed, that led to a one-time cost reduction of $0.2 million in 2007. Additionally, Cascade's 2008 wholesale charges to Bellevue are projected to increase by $1.7 million, or 15.5%, over 2007 levels. Consistent with Council adopted policies of gradual and uniform rate increases, the impact of these one-time adjustments will be levelized over the 2007-2008 biennium. This will result in rate increases of 5.0% per year in 2007 and 2008, and an average of 5.6% per year for 2009 through 2012.

Growth in annual City utility and other tax payments over the forecast period are due to impacts of projected customer/volume growth. Approximately 87.2% of Water rate revenues were billed to customers within City limits and therefore subject to 5.0% Bellevue Utility tax. This ratio is projected to continue over the forecast period and no other changes in tax rates or procedures have been assumed.

Water CIP transfers are projected to equal $37.2 million over the 6-year period. Of this amount, $29.6 million is needed to support projects approved in the CIP plan. The remaining $7.6 million will be deposited to the Water Renewal & Replacement (R&R) Account. Annual amounts deposited to the R&R Account are based on replacement needs per the Utility's long-term capital investment plan.

Water personnel costs are projected to increase by 6.8% per year on average, in 2007 through 2012, largely due to higher benefits and cost-of-living adjustments projected by the City Budget Office. Other operating expenses include supplies and outside services which are projected to increase by annual inflation rates beginning in 2008 and adjusted for a 1.5% under expenditure factor. Interfund payments to other City funds are projected to increase by approximately 18.3% per year in 2007 and 6.4% in 2008, largely due to increases for technology, fuel, equipment maintenance, self-insurance, and City-wide overhead. The forecast beyond the biennium assumes historical average levels.

Capital asset costs shown in the forecast are based on the Utility's long-term asset replacement plan and can fluctuate from year to year. The Asset Replacement Account (ARA) is used to levelize rate impacts of Utility capital asset spending and all asset purchases are financed from the ARA balance.

Water reserve status shown in this forecast is based on calculated target reserve amounts defined by the Utilities Consolidated Reserve Policy. The long-range objective under the Utilities Reserve Policy is to maintain reserves at or close to target levels with excess reserves above target transferred to the CIP R&R Account. During this forecast period, in addition to contributing toward the CIP R&R Account, some

reserves are purposely being kept in the operating fund to mitigate rate increases. For this reason, during the entire forecast period, reserves will exceed target reserve levels.

WATER UTILITY FUND
FINANCIAL FORECAST
2007 THROUGH 2012

PROJECTED RATE INCREASES	2006 Amended Budget	2007 Preliminary Budget	2008 Preliminary Budget	2009 Budget Estimate	2010 Budget Estimate	2011 Budget Estimate	2012 Budget Estimate
Pass-Through Cascade Increase	3.7%	5.0%	5.0%	5.1%	5.7%	5.8%	5.9%
Local Program Increase	-3.7%	0.0%	1.4%	1.4%	1.4%	1.4%	1.4%
TOTAL RATE INCREASE	0.0%	5.0%	6.4%	6.5%	7.1%	7.2%	7.3%
Projected Annual CPI Increases	2.3%	3.0%	2.6%	2.6%	2.6%	2.6%	2.6%

ANNUAL BUDGET BY CATEGORY	2006 Amended Budget	2007 Preliminary Budget (1)	2008 Preliminary Budget	2009 Budget Estimate (2)	2010 Budget Estimate	2011 Budget Estimate	2012 Budget Estimate
Beginning Fund Balances:							
Operating Reserves	$ 9,234,921	$ 10,926,389	$ 12,138,801	$ 12,723,997	$ 13,060,160	$ 13,178,289	$ 13,183,966
Asset Replacement Account	1,625,091	1,882,788	2,021,038	2,420,637	2,329,564	2,546,851	1,709,425
Subtotal	$ 10,860,012	$ 12,809,177	$ 14,159,839	$ 15,144,634	$ 15,389,723	$ 15,725,140	$ 14,893,391
REVENUES:							
Water Rate Revenues	$ 27,749,157	$ 29,011,490	$ 30,832,471	$ 32,908,125	$ 35,281,186	$ 37,896,730	$ 40,759,610
Interest/Other Revenues	2,811,701	3,572,403	3,778,148	4,006,367	4,046,708	4,166,819	4,226,220
Subtotal	$ 30,560,858	$ 32,583,893	$ 34,610,619	$ 36,914,491	$ 39,327,893	$ 42,063,548	$ 44,985,831
TOTAL BUDGET (Sources)	$ 41,420,870	$ 45,393,069	$ 48,770,458	$ 52,059,125	$ 54,717,616	$ 57,788,687	$ 59,879,221
EXPENSES:							
Cascade Water Purchases	$ 10,610,366	$ 11,182,364	$ 12,916,105	$ 14,207,715	$ 15,628,487	$ 17,191,336	$ 18,910,469
City/State Taxes and Franchise Fees	2,680,208	2,841,185	3,011,840	3,198,004	3,415,668	3,662,690	3,933,962
Transfer to CIP/R&R	5,495,897	4,781,122	5,371,267	6,020,488	6,704,984	7,070,707	7,248,289
Debt Service	672,090	718,616	716,157	601,303	285,910	285,615	285,320
Personnel	4,727,536	5,179,535	5,408,128	5,766,014	6,155,660	6,569,382	7,017,027
Interfund Payments to Other City Funds	1,686,054	1,995,030	2,122,154	2,464,023	2,598,060	2,739,276	2,888,042
Capital Asset Costs	301,480	845,265	46,726	563,379	256,568	1,328,357	197,557
Other Operating Expenses	3,085,785	3,690,113	3,750,100	3,848,475	3,947,138	4,047,935	4,151,265
Subtotal	$ 29,259,416	$ 31,233,231	$ 33,342,477	$ 36,669,401	$ 38,992,476	$ 42,895,296	$ 44,631,932
Ending Fund Balances:							
Operating Reserves	$ 10,337,487	$ 12,138,801	$ 13,007,344	$ 13,060,160	$ 13,178,289	$ 13,183,966	$ 13,280,042
Asset Replacement Account	1,823,967	2,021,038	2,420,637	2,329,564	2,546,851	1,709,425	1,967,246
Subtotal	$ 12,161,454	$ 14,159,839	$ 15,427,981	$ 15,389,723	$ 15,725,140	$ 14,893,391	$ 15,247,288
TOTAL BUDGET (Uses)	$ 41,420,870	$ 45,393,069	$ 48,770,458	$ 52,059,125	$ 54,717,616	$ 57,788,687	$ 59,879,221

TARGET RESERVE STATUS	2006 Amended Budget	2007 Preliminary Budget	2008 Preliminary Budget	2009 Budget Estimate	2010 Budget Estimate	2011 Budget Estimate	2012 Budget Estimate
Operating Reserves	$ 10,337,487	$ 12,138,801	$ 13,007,344	$ 13,060,160	$ 13,178,289	$ 13,183,966	$ 13,280,042
Target Reserve Level	6,670,332	7,082,442	7,679,397	8,219,180	8,786,389	9,403,121	10,075,087
Reserves Over (Under) Target Level	$ 3,667,156	$ 5,056,359	$ 5,327,948	$ 4,840,980	$ 4,391,899	$ 3,780,845	$ 3,204,955

(1) The beginning fund balance in 2007 does not equal the budgeted ending fund balance in 2006 because:
- higher than budgeted revenues and/or savings during the last biennium.
- 2006 capital expenditures delayed until 2007.

(2) The beginning fund balance for 2009 does not equal the budgeted ending fund balance in 2008 primarily due to projected underexpenditures and reconciling items for ratemaking purposes.

Sewer System Costs and Revenue Requirements

Revenue requirements from sewer rates are displayed in the Sewer Utility Fund Financial Forecast. Over the upcoming forecast period, rate revenues are projected to grow from $31.1 million in 2006 to $50.0 million in 2012, or by an average annual increase of 8.2%. Of the $18.9 million increase in annual rate revenues over the interval, approximately $18.5 million is due to projected rate increases, with the remaining $0.4 million due to growth in the number of customer accounts and related sewer volumes.

Based on historical collection experience, an annual growth in other Utility revenues is projected to be at 2.8% for 2007 through 2012, and includes interest earnings, developer fees, rental revenue, and other miscellaneous items.

King County-METRO payments for wholesale sewage treatment costs represent approximately 62% of the total projected Sewer expenses for the 6-year period. The 2007 METRO rate increase assumed in this forecast, as projected by King County, include 9.2% and 0.0% for 2007 and 2008 respectively. For the remainder of the forecast period, projected METRO rate increases are 21.6% for 2009 and an average of 7.0% annually from 2010 to 2012. These rate increases translate into pass-through increases to Bellevue customers of 7.0% in 2007, 0.0% in 2008, 16.4% in 2009, and an average of 5.5% annually from 2010 through 2012.

Growth in City/State taxes over the forecast period are due to impacts of projected customer/volume growth and rate increases on annual taxable revenues. No changes in existing tax rates and policies are assumed.

Sewer CIP transfers are projected to equal $31.7 million over the 6-year period. Of this amount $17.8 million is needed to support projects approved in the CIP plan. The remaining $13.9 million will be deposited to the Renewal & Replacement (R&R) Account. Annual contributions to the R&R Account are determined by the infrastructure replacement per the Utility's long-term capital investment plan.

Sewer personnel costs are projected to increase by an average of 5.5% per year in 2007 through 2012, largely due to higher pension costs, converting one development services Limited Term Employee (LTE) to a Full Term Employee (FTE), and cost of living adjustments projected by the City Budget Office. Other operating expenses include supplies and outside services which are projected to increase by the estimated annual inflation rates shown in the forecast from 2007 through 2012. Interfund payments to other city funds are projected to increase by approximately 9.8% per year in 2007 and 5.9% 2008, largely due increases for facilities, fuel, equipment maintenance, self-insurance, and City-wide overhead. Forecast period beyond the current biennium assumes interfund payments at historical average levels.

Capital asset costs shown in the forecast are based on the Utility's long-term asset replacement plan and can fluctuate from year to year. The Asset Replacement Account (ARA) is used to levelize rate impacts of Utility capital asset spending and all asset purchases are financed from the ARA balance.

Sewer reserve status shown in this forecast is based on calculations of target reserve amounts defined by the Utilities Consolidated Reserve Policy. The long-range objective under this policy is to maintain reserves at or close to target levels with excess reserves above target transferred to the CIP R&R Account. Reserves are projected to be mostly above target levels for the forecast period, largely for rate stabilization purposes.

SEWER UTILITY FUND
FINANCIAL FORECAST
2007 THROUGH 2012

PROJECTED RATE INCREASES	2006 Amended Budget	2007 Preliminary Budget	2008 Preliminary Budget	2009 Budget Estimate	2010 Budget Estimate	2011 Budget Estimate	2012 Budget Estimate
Pass-Through Metro Increase	0.0%	7.0%	0.0%	16.4%	5.2%	4.8%	6.6%
Local Program Increase	1.6%	2.5%	2.5%	2.0%	1.7%	1.0%	1.1%
TOTAL RATE INCREASE	1.6%	9.5%	2.5%	18.4%	6.9%	5.8%	7.7%
Projected Annual CPI Increases	2.3%	3.0%	2.6%	2.6%	2.6%	2.6%	2.6%

ANNUAL BUDGET BY CATEGORY	2006 Amended Budget	2007 Preliminary Budget (1)	2008 Preliminary Budget	2009 Budget Estimate (2)	2010 Budget Estimate	2011 Budget Estimate	2012 Budget Estimate
Beginning Fund Balances:							
Operating Reserves	3,660,499	$ 3,216,665	$ 3,181,682	$ 3,212,777	$ 3,033,772	$ 3,581,865	$ 4,071,642
Asset Replacement Account	722,179	$ 1,176,582	1,181,332	1,641,398	1,148,561	1,456,583	560,895
Subtotal	$ 4,382,678	$ 4,393,248	$ 4,363,014	$ 4,854,175	$ 4,182,333	$ 5,038,448	$ 4,632,537
REVENUES:							
Sewer Rate Revenues	$ 31,106,157	$ 33,468,930	$ 34,768,563	$ 40,218,156	$ 43,795,433	$ 46,512,190	$ 50,031,170
Interest/Other Revenues	1,258,891	1,332,609	1,362,228	1,427,641	1,391,746	1,473,500	1,486,961
Subtotal	$ 32,365,048	$ 34,801,539	$ 36,130,791	$ 41,645,797	$ 45,187,179	$ 47,985,690	$ 51,518,131
TOTAL BUDGET (Sources)	$ 36,747,726	$ 39,194,787	$ 40,493,804	$ 46,499,972	$ 49,369,512	$ 53,024,138	$ 56,150,668
EXPENSES:							
Metro	$ 20,078,471	$ 21,325,474	$ 21,383,163	$ 26,065,473	$ 27,816,976	$ 29,571,918	$ 32,115,514
City/State Taxes and Franchise Fees	1,855,521	2,024,858	2,104,432	2,411,384	2,629,608	2,791,841	3,002,189
Transfer to CIP/R&R	3,078,260	3,822,840	4,683,283	5,081,684	5,539,597	6,029,595	6,529,270
Debt Service	63,734	63,734	63,734	63,734	63,734	63,734	63,734
Personnel	3,463,689	3,595,563	3,753,093	3,985,785	4,232,903	4,495,343	4,774,055
Interfund Payments to Other City Funds	1,382,437	1,518,504	1,607,927	2,118,742	2,228,110	2,343,623	2,465,462
Capital Asset Costs	348,986	989,496	-	994,296	182,083	1,414,906	75,030
Other Operating Expenses	1,397,057	1,491,304	1,534,839	1,596,541	1,638,052	1,680,641	1,724,338
Subtotal	$ 31,668,155	$ 34,831,773	$ 35,130,471	$ 42,317,639	$ 44,331,064	$ 48,391,601	$ 50,749,593
Ending Fund Balances:							
Operating Reserves	$ 3,988,110	$ 3,181,682	$ 3,721,935	$ 3,033,772	$ 3,581,865	$ 4,071,642	$ 4,426,633
Asset Replacement Account	1,091,461	1,181,332	1,641,398	1,148,561	1,456,583	560,895	974,442
Subtotal	$ 5,079,571	$ 4,363,014	$ 5,363,333	$ 4,182,333	$ 5,038,448	$ 4,632,537	$ 5,401,075
TOTAL BUDGET (Uses)	$ 36,747,726	$ 39,194,787	$ 40,493,804	$ 46,499,972	$ 49,369,512	$ 53,024,138	$ 56,150,668

TARGET RESERVE STATUS	2006 Amended Budget	2007 Preliminary Budget	2008 Preliminary Budget	2009 Budget Estimate	2010 Budget Estimate	2011 Budget Estimate	2012 Budget Estimate
Operating Reserves	$ 3,988,110	$ 3,181,682	$ 3,721,935	$ 3,033,772	$ 3,581,865	$ 4,071,642	$ 4,426,633
Target Reserve Level	2,433,915	2,691,315	2,730,491	3,206,319	3,402,941	3,601,578	3,875,274
Reserves Over (Under) Target Level	$ 1,554,195	$ 490,367	$ 991,444	$ (172,547)	$ 178,924	$ 470,064	$ 551,359

(1) The beginning fund balance in 2007 does not equal the budgeted ending fund balance in 2006 because:
- higher than budgeted revenues and/or savings during the last biennium.
- 2006 capital expenditures delayed until 2007.
- higher than budgeted 2006 transfer to R&R fund.

(2) The beginning fund balance for 2009 does not equal the budgeted ending fund balance in 2008 primarily due to projected underexpenditures and reconciling items for ratemaking purposes.

Surface Water System Costs and Revenue Requirements

Revenue requirements from surface water rates are displayed in the Surface Water Utility Fund Financial Forecast. Over the upcoming forecast period, rate revenues are projected to grow from $12.0 million in 2006 to $16.0 million in 2012, or by an average annual increase of 4.9%. Of the $4.0 million increase in annual rate revenues over the interval, approximately $3.8 million is due to projected rate increases, with the remaining $0.2 million due to growth in the customer base.

Based on historical collection experience, net of interest revenue, an annual growth in other Utility revenues is projected at 7.5% on average from 2007 through 2012, and includes developer fees and other miscellaneous items.

Growth in City/State taxes over the forecast period is due to impacts of projected customer-base growth and rate increases on annual taxable revenues. No changes in existing tax rates and policies are assumed. Debt service, a major component of Surface Water Utility annual expenses, is projected to be $2.5 million for the 2007 through 2012 period. As current debt is paid off, CIP and R&R transfers will increase correspondingly to pay for increasing capital needs and fund the R&R account.

Surface Water CIP transfers are projected to equal $29.2 million over the 6-year period. Of this amount $13.7 million is needed to support projects approved in the annual CIP budget. The remaining $15.5 million will be deposited to the Renewal & Replacement (R&R) Account. Annual contributions to the R&R Account are determined by the infrastructure replacement per the Utility's long-term capital investment plan.

Surface Water personnel costs are projected to increase by 5.9% per year in 2007 through 2012, largely due to higher benefits and cost of living adjustments projected by the City Budget Office. Other operating expenses, which include supplies and outside services, are projected to increase by the estimated annual inflation rates beginning in 2007 and adjusted for a 2.0% under expenditure factor. Interfund payments to other city funds are projected to decrease by approximately 2.5% in 2007, largely due to a reduction in self-insurance costs, partially offset by increases for facilities, technology, fuel, equipment maintenance, and City-wide overhead. The forecast period beyond the current biennium assumes interfund payments at historical average levels.

Capital asset costs shown in the forecast are based on the Utility's long-term asset replacement plan and can fluctuate from year to year. The Asset Replacement Account (ARA) is used to levelize rate impacts of Utility capital asset spending and all asset purchases are financed from the ARA balance.

Surface Water reserve status shown in this forecast is based on calculations of target reserve amounts defined by the Utilities Consolidated Reserve Policy. The long-range objective under this policy is to maintain reserves at or close to target levels with excess reserves above target transferred to the CIP R&R Account for renewal and replacement projects. On average, reserve levels are projected to be slightly above target levels through the forecast period.

STORM AND SURFACE WATER UTILITY FUND
FINANCIAL FORECAST
2007 THROUGH 2012

PROJECTED RATE INCREASES	2006 Amended Budget	2007 Preliminary Budget	2008 Preliminary Budget	2009 Budget Estimate	2010 Budget Estimate	2011 Budget Estimate	2012 Budget Estimate
Local Program Increase	7.1%	5.5%	5.0%	5.0%	4.9%	4.9%	4.9%
Projected Annual CPI Increases	2.3%	3.0%	2.6%	2.6%	2.6%	2.6%	2.6%

ANNUAL BUDGET BY CATEGORY	2006 Amended Budget	2007 Preliminary Budget (1)	2008 Preliminary Budget	2009 Budget Estimate (2)	2010 Budget Estimate	2011 Budget Estimate	2012 Budget Estimate
Beginning Fund Balances:							
Operating Reserves	$ 1,384,225	$ 1,413,317	$ 1,193,498	$ 887,860	$ 954,416	$ 1,069,107	$ 1,259,431
Asset Replacement Account	1,850,222	2,127,961	2,195,851	2,482,518	2,101,563	1,581,299	917,396
Subtotal	$ 3,234,447	$ 3,541,278	$ 3,389,349	$ 3,370,378	$ 3,055,979	$ 2,650,406	$ 2,176,827
REVENUES:							
Surface Water Rate Revenues	$ 11,759,916	$ 12,408,714	$ 13,066,521	$ 13,761,518	$ 14,477,586	$ 15,219,629	$ 15,996,129
Lakemont Surcharge	255,812	255,812	255,812	255,812	255,812	255,812	-
Interest/Other Revenues	568,129	1,075,476	1,016,663	964,490	915,299	891,817	885,104
Subtotal	$ 12,583,857	$ 13,740,002	$ 14,338,996	$ 14,981,820	$ 15,648,697	$ 16,367,259	$ 16,881,233
TOTAL BUDGET (Sources)	$ 15,818,304	$ 17,281,280	$ 17,728,345	$ 18,352,198	$ 18,704,676	$ 19,017,664	$ 19,058,060
EXPENSES:							
City/State Taxes and Franchise Fees	730,357	773,374	815,769	858,766	902,498	948,084	992,972
Transfer to CIP/R&R	3,212,882	3,758,844	4,318,844	4,749,844	5,299,844	5,479,844	5,625,844
Debt Service	1,260,628	1,023,183	792,453	527,966	92,827	27,788	7,291
Personnel	3,928,066	4,220,121	4,352,756	4,524,556	4,841,275	5,180,164	5,542,776
Interfund Payments to Other City Funds	1,565,136	1,526,435	1,607,163	2,066,902	2,177,958	2,294,931	2,418,130
Capital Asset Costs	56,938	853,326	137,000	828,824	959,264	1,087,387	32,794
Other Operating Expenses	1,795,046	1,736,648	1,782,448	1,739,362	1,780,604	1,822,639	1,865,469
Subtotal	$ 12,549,053	$ 13,891,931	$ 13,806,432	$ 15,296,220	$ 16,054,270	$ 16,840,838	$ 16,485,275
Ending Fund Balances:							
Operating Reserves	$ 1,806,449	$ 1,193,498	$ 1,439,395	$ 954,416	$ 1,069,107	$ 1,259,431	$ 1,287,064
Asset Replacement Account	1,462,802	2,195,851	2,482,518	2,101,563	1,581,299	917,396	1,285,720
Subtotal	$ 3,269,251	$ 3,389,349	$ 3,921,913	$ 3,055,979	$ 2,650,406	$ 2,176,827	$ 2,572,785
TOTAL BUDGET (Uses)	$ 15,818,304	$ 17,281,280	$ 17,728,345	$ 18,352,198	$ 18,704,676	$ 19,017,664	$ 19,058,060

TARGET RESERVE STATUS	2006 Amended Budget	2007 Preliminary Budget	2008 Preliminary Budget	2009 Budget Estimate	2010 Budget Estimate	2011 Budget Estimate	2012 Budget Estimate
Operating Reserves	$ 1,806,449	$ 1,193,498	$ 1,439,395	$ 954,416	$ 1,069,107	$ 1,259,431	$ 1,287,064
Target Reserve Level	950,898	985,377	1,011,152	1,041,457	1,086,716	1,134,777	1,185,443
Reserves Over (Under) Target Level	$ 855,551	$ 208,122	$ 428,242	$ (87,042)	$ (17,609)	$ 124,653	$ 101,621

(1) The beginning fund balance in 2007 does not equal the budgeted ending fund balance in 2006 because:
- higher than budgeted revenues and/or savings during the last biennium.
- 2006 capital expenditures delayed until 2007.
- higher than budgeted 2006 transfer to R&R fund.

(2) The beginning fund balance for 2009 does not equal the budgeted ending fund balance in 2008 primarily due to projected underexpenditures and reconciling items for ratemaking purposes.

C. Parks Enterprise Fund 2007-2012 Financial Forecast

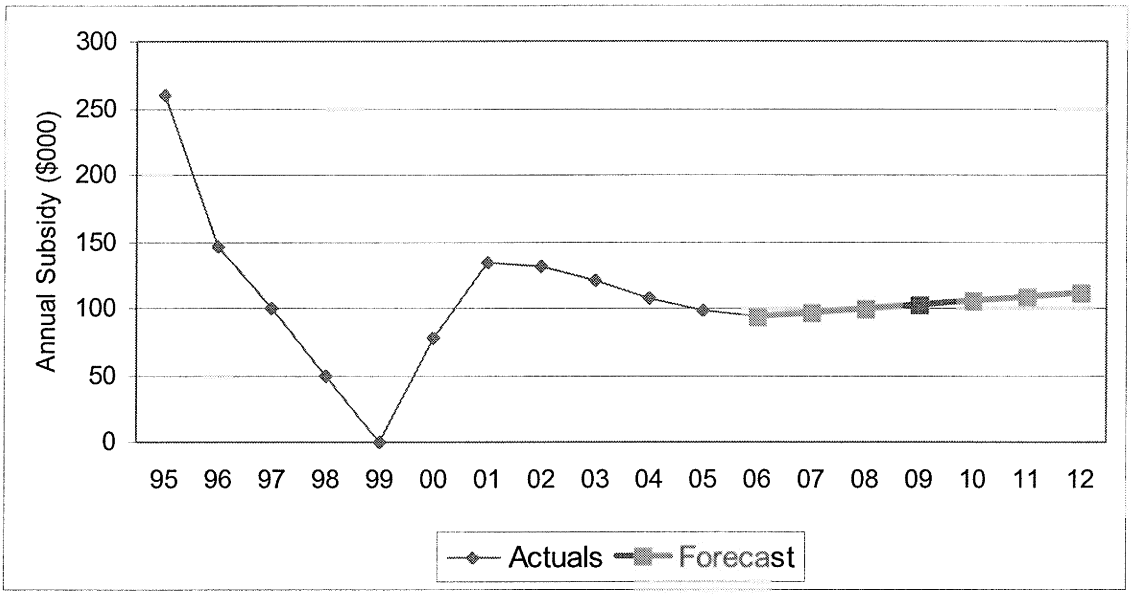
Note: This forecast was prepared in October 2006 to assist the City Council with 2007-2008 Budget deliberations.

Introduction

The Parks Enterprise Fund accounts for the services provided by the Enterprise Program within the Parks & Community Services Department. These services include golf, tennis, aquatics, adult sports, and facility rentals. Enterprise Programs are primarily supported through user fees but attempt to serve all residents regardless of ability to pay through the use of scholarships, sponsorships and fee waivers. The Parks Enterprise Fund receives a subsidy payment from the General Fund to ensure that programs are accessible to all Bellevue residents.

General Fund Subsidy

- The forecast shows that the Parks Enterprise Fund continues to keep the General Fund Subsidy at about $100,000 per year.
- The graph below shows the actual and forecasted subsidy payment from the General Fund:



Note: Between 1997 and 1999, the Parks Enterprise Fund received an annual payment of $140,000 from King County to offset a portion of the operating costs associated with the Bellevue Aquatic Center. Starting in 2001, the subsidy includes an adjustment for the impact of the benefited employee rule changes.

- The Aquatic Center continues to be the driver behind the need for a General Fund Subsidy throughout the forecast period. Due to the nature of Aquatic Center programs, the majority of services provided at this facility are not "Full Cost Recovery" services. Most of these services recover only the direct program costs in an effort to provide affordable and accessible programs to youth and physically challenged participants. In addition to the General Fund subsidy, approximately $300,000 of other Parks Enterprise Fund revenues

are needed to support the Aquatic Center operation each year. Overall, this level of subsidy is consistent with the financial performance that was anticipated in 1995 when the City took over the pool.

Parks Enterprise Fund Reserves

Parks Enterprise Fund reserves will be managed within the targeted reserve level of 2-months operating expenses, or approximately $500,000 to $780,000 over the forecast period.

Enterprise Capital Improvements

The Parks Enterprise program funds the Enterprise Facility Improvements Project (CIP project P-R-2), including capital projects at the Bellevue Golf Course. In 1999, the City acquired the 2.79-acre Miller Property to create an open space buffer between the golf course maintenance facility and neighboring residential properties. At time of purchase, the City committed to using the Enterprise CIP fund and golf course greens fees to acquire the property for $800,000, with a cash down-payment of $100,000 paid by Parks at closing. A balloon payment of $721,000 (including accrued interest) was deferred until 2005.

In 2005, the General CIP Fund loaned the Parks Enterprise CIP $721,000 to make the balloon payment, with the expectation that Parks Enterprise Fund would repay the General CIP principal over a 10-year period, plus simple interest equal to the City's CIP line of credit borrowing rate (at the time, 4.12%). However, since the Miller property serves the broader parks and open space needs of the entire community rather than a specific golf purpose, the remaining payments on the interfund loan are waived, and the outstanding loan balance is converted to an interfund transfer. This action is reflected in the 2007-2008 budget document.

Budget Assumptions and Issues

Below are some of the major assumptions used in developing the early outlook 2007-2012 forecast:

- Parks Enterprise Fund revenues are assumed to increase at the same rate as expenditures from 2007-2012, or roughly 3.5% per year.
- City Council will be discussing pricing and resident/non-resident access policies as part of the Recreation Program Plan Update. While these policy decisions could impact the pricing strategy and customer base for Enterprise Programs, no fundamental policy changes have been incorporated into this forecast update.
- Golf course revenues and expenses were increased to reflect the new contract with Premier Golf Centers approved by Council in October 2006. Staff will prepare an annual management report to Council reviewing the financial, operational, and customer service performance of the course under this new management agreement.
- No new programs or capital investments were included in this forecast or the Parks Enterprise Fund budget.

Parks Enterprise Fund
2007-2012 Financial Forecast
(In $000)

	2007 Forecast	2008 Forecast	2009 Forecast	2010 Forecast	2011 Forecast	2012 Forecast
Resources:						
Program Revenues	$5,390	$5,636	$5,786	$5,929	$6,059	$6,176
General Fund Subsidy	97	100	103	106	109	112
Total Resources	**$5,487**	**$5,736**	**$5,889**	**$6,035**	**$6,168**	**$6,288**

	2007 Forecast	2008 Forecast	2009 Forecast	2010 Forecast	2011 Forecast	2012 Forecast
Expenditures:						
Personnel	$1,539	$1,609	$1,673	$1,738	$1,806	$1,877
M&O	2,237	2,269	2,299	2,333	2,367	2,401
Interfund Transfers	1,157	1,247	1,274	1,302	1,329	1,357
Total Expenditures	**$4,933**	**$5,125**	**$5,246**	**$5,373**	**$5,502**	**$5,635**
Reserves	**$554**	**$611**	**$643**	**$662**	**$666**	**$653**

D. DEVELOPMENT SERVICES FUND FINANCIAL FORECAST

Note: This forecast was prepared in October 2006 to assist the City Council with 2007-2008 Budget deliberations.

Executive Summary

The Development Services Fund is responsible for administering the development review and inspection process, land use and comprehensive planning, and code enforcement.

The Development Services Fund forecast reflects continued growth in development activity through 2007 as a result of the addition of several major projects in 2005-2006. Additional staffing and contracted services were added in response to this rapid increase in activity.

Beginning in 2009, development activity levels stabilize and reflect moderate growth throughout the forecast period.

Background

Bellevue continues to experience unprecedented growth with the completion of several major projects (e.g. Lincoln Square residential tower, City Hall, Ashwood Commons Phase I) and the initiation of new projects (e.g. Washington Square, Bravern/Schnitzer NW, Ashwood Commons Phase II) in 2005 and 2006. In response to this rapid increase in activity, 32 Full-Time Employees (FTEs) have been added in 2005 and 2006 to respond to the high demand for project review and inspection. The construction valuation for issued permits, considered a key barometer of development activity, exceeded estimates in 2005 and 2006. This trend is expected to continue through 2007.

2007-2012 Outlook

Office vacancy rates in the central business district are a key indicator of the interest in development activity. Rates have fallen to 8.3% in the last year, which indicates that development activity will remain strong through the early years of the forecast (2007-2008). However, the number of design review applications (an early indicator of development activity) received through the first quarter of 2006 indicates that the demand for major projects in the central business districts will decline towards the latter part of 2008. In addition, as interest rates continue to rise, the demand for single family additions and remodel projects is expected to decline as well. As a result, the forecast reflects a decline in revenue (overall resources less the General Fund subsidy) in from 2007 to 2009 by 32% or $4.6 million, followed by moderate growth in revenue of 3.4% in 2010 and settling to 2.6% growth beginning in 2011. The forecast does not assume the continuation of the level of development activity experienced in 2006 and projected in 2007.

Development Services Fund
2007-2012 Financial Forecast
(in $000)

	2007	2008	2009	2010	2011	2012
Beginning Reserve	**$8,450**	**$10,165**	**$8,187**	**$6,261**	**$5,015**	**$3,736**
Resources:						
Building Fees	$9,400	$6,100	$5,500	$5,643	$5,789	$5,940
Land Use Fees	1,146	849	872	895	918	942
Fire, Transp. & Utilities Fees	3,339	3,429	2,888	3,016	3,094	3,174
Gen Fund Subsidy	6,307	6,546	6,716	6,891	7,070	7,254
Other Revenue/Interest	566	575	590	605	621	637
Total Resources	**$20,758**	**$17,499**	**$16,566**	**$17,049**	**$17,492**	**$17,947**
Expenditures:						
Building	$8,001	$8,219	$7,767	$7,378	$7,570	$7,767
Land Use	3,037	3,154	3,104	3,097	3,177	3,260
Fire, Transp. & Utilities Development Services	3,339	3,429	2,939	3,016	3,094	3,174
Comprehensive Planning/Neighborhood Outreach/Code Compliance	4,459	4,458	4,477	4,593	4,713	4,835
Other	207	217	206	212	217	223
Total Expenditures	**$19,043**	**$19,477**	**$18,493**	**$18,296**	**$18,771**	**$19,259**
Ending Reserves	**$10,165**	**$8,187**	**$6,261**	**$5,015**	**$3,736**	**$2,424**

Forecast Drivers and Assumptions

1) The following major projects are assumed to be substantially completed in the early years of the forecast:
   - Lincoln Square Office Tower
   - Ashwood Commons Phase II
   - Belletini
   - Washington Square
   - Overlake Hospital
   - Avalon Meydenbauer
   - 1020 Tower
   - Bellevue Towers
   - 1200 Bellevue Way
   - City Center II

2) A significant spike in new major projects is not assumed beyond 2007. This results in a reduction of fee revenue of approximately $4.6 million through 2009. Expenditures are expected to increase by inflation 2008 and then decrease by approximately $980,000 or 5%, in 2009 reflecting the completion of major projects.

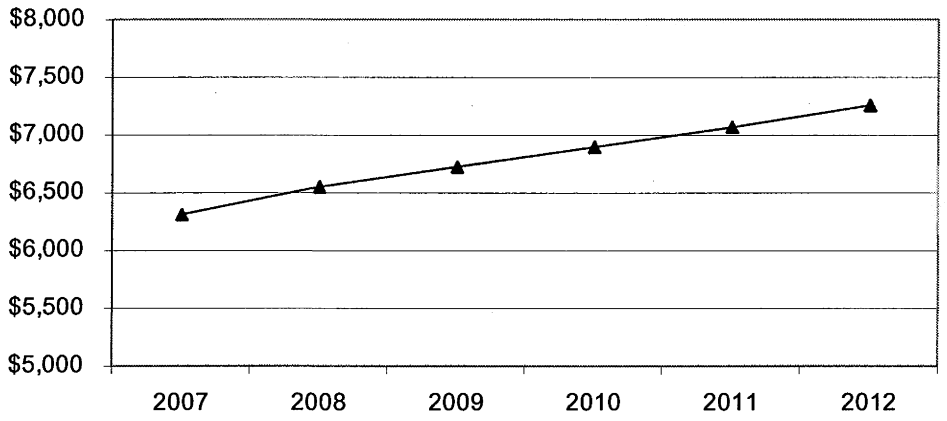
3) The forecast reflects the addition of 32 FTEs to address the increase in workload associated with the major projects. Adjustments to resource levels are anticipated to begin towards the latter part of 2008.

4) This forecast assumes development fees grow at the rate of inflation (4.6% in 2007 and 2.6% from 2008 through 2012). A comprehensive Cost of Service Study was conducted in 2006 for Land Use, Fire, Transportation, and Utilities rates. In addition, recommendations to shift to the ICBO Valuation Table for Building fees will be proposed. Development fees may be adjusted to assure they are set accordingly to meet cost recovery objectives endorsed by Council.

General Fund Subsidy

The General Fund contribution to the Development Services Fund accounts for approximately 5% of the General Fund budget. This contribution (subsidy) supports personnel, M&O and capital costs for programs that have been designated as general funded activities. These programs Include Comprehensive Planning, Neighborhood Outreach, Code Compliance, and Housing. Land Use activities supported by the General Fund include public information, policy development, and 50% of discretionary review.

General Fund Subsidy Forecast 2007-2012
($ in Thousands)



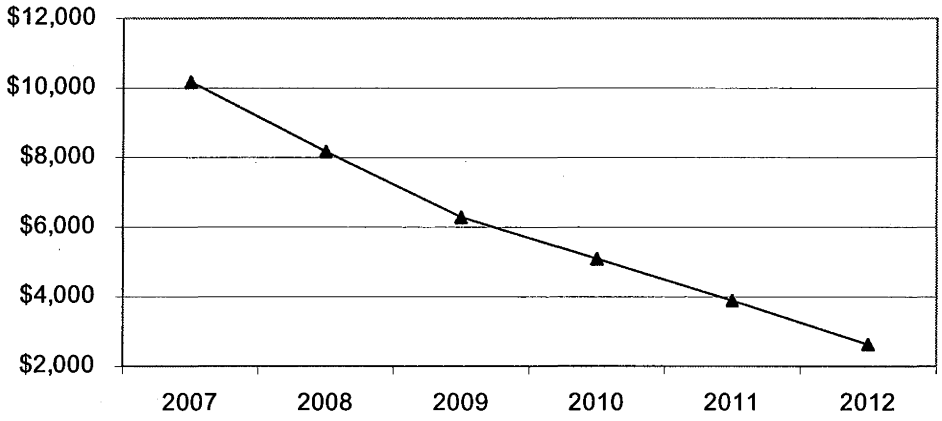
In 2006, the Economic Development program became its own department, and is no longer reflected in the General Fund subsidy. The General Fund contribution to the Development Services Fund is anticipated to grow at the rate of 3.8% from 2007 to 2008 and then by 2.6% over the forecast period.

Development Services Fund Reserves

The Development Services Fund maintains reserves to assure that core staffing levels are balanced with cyclical needs, thus mitigating the effects of downturns, and to account for prepaid building fees and development services deposits. The prepaid workload liability can extend for three years or more throughout the life of a project.

Development Services Fund reserves are anticipated to decline from $10.2 million in 2007 to $8.2 million in 2008. This reflects the completion of work on large projects that began in 2006 and 2007. Reserve levels are assumed to continue to decline by approximately $5.8 million from 2008 through 2012, reflecting the completion of the major projects constructed during this development cycle. However, resource levels will continue to be evaluated over the forecast period to ensure alignment between resources, costs, and performance of the Development Services management model.

Development Services Reserves Forecast 2007-2012
($ in Thousands)



6. About Bellevue

General Information About Bellevue

This chapter provides information about the City of Bellevue, its form of government, management structure, location, population, and business climate. This information will aid the reader in understanding Bellevue's service programs and means of providing these services. Budgetary values have more complete meaning when placed in this context.

A. FORM OF GOVERNMENT AND ORGANIZATION

The City of Bellevue is a noncharter optional code city. It was incorporated as a third class city on April 1, 1953. On June 1, 1970, however, Bellevue elected to become an optional code city and be governed under the provisions of the Optional Municipal Code of the Revised Code of Washington. Optional code city status increases the City's operating authority by extending to it the powers of all four city classifications which exist in Washington law.

From its incorporation, Bellevue has maintained a Council-City Manager form of government. The City Manager is appointed by the Council as the chief executive officer of the City and is responsible to the Council for the proper administration of all City affairs. Councilmembers are elected at large by Bellevue voters, and each serves a four-year term. They are part-time officials who exercise the legislative power of the City and determine City policy. Bellevue has a seven-member Council, one of whom is elected by his or her fellow members to serve as Mayor for two years. The Mayor serves as Chairperson of the Council, makes appointments to Council committees, and presides over weekly Council meetings. The Mayor has an equal vote with other Councilmembers.

The offices of City Clerk, City Treasurer, and Chief of Police are subordinate positions required by State statute. They are established by the Council and appointed by the City Manager. The City Clerk is responsible for keeping public records and the City Treasurer is responsible for the receipt, disbursement, and custody of public monies. Though the City Clerk position, by statute, can include the duties of Treasurer, the City of Bellevue has established both positions, with the City Treasurer being defined as the Finance Director. All officers and/or department directors of the City are appointed by the City Manager.

On the following pages several different organization and responsibility charts are presented. These charts illustrate the City's management organization from different perspectives.

Figure 6-1 presents a hierarchical organization chart that shows the "chain-of-command" reporting relationships that currently exist.

Figure 6-2 presents a functional organization chart showing the principal activities for which each organization is responsible. These functional responsibilities are shown in detail in the department organization charts presented in the departmental chapters of the Preliminary Budget.

Figure 6-3 lists the current Councilmembers and department directors.

Figure 6-4 presents and describes the array of advisory boards and commissions.

FIGURE 6-1
CITY OF BELLEVUE
HIERARCHICAL ORGANIZATION CHART

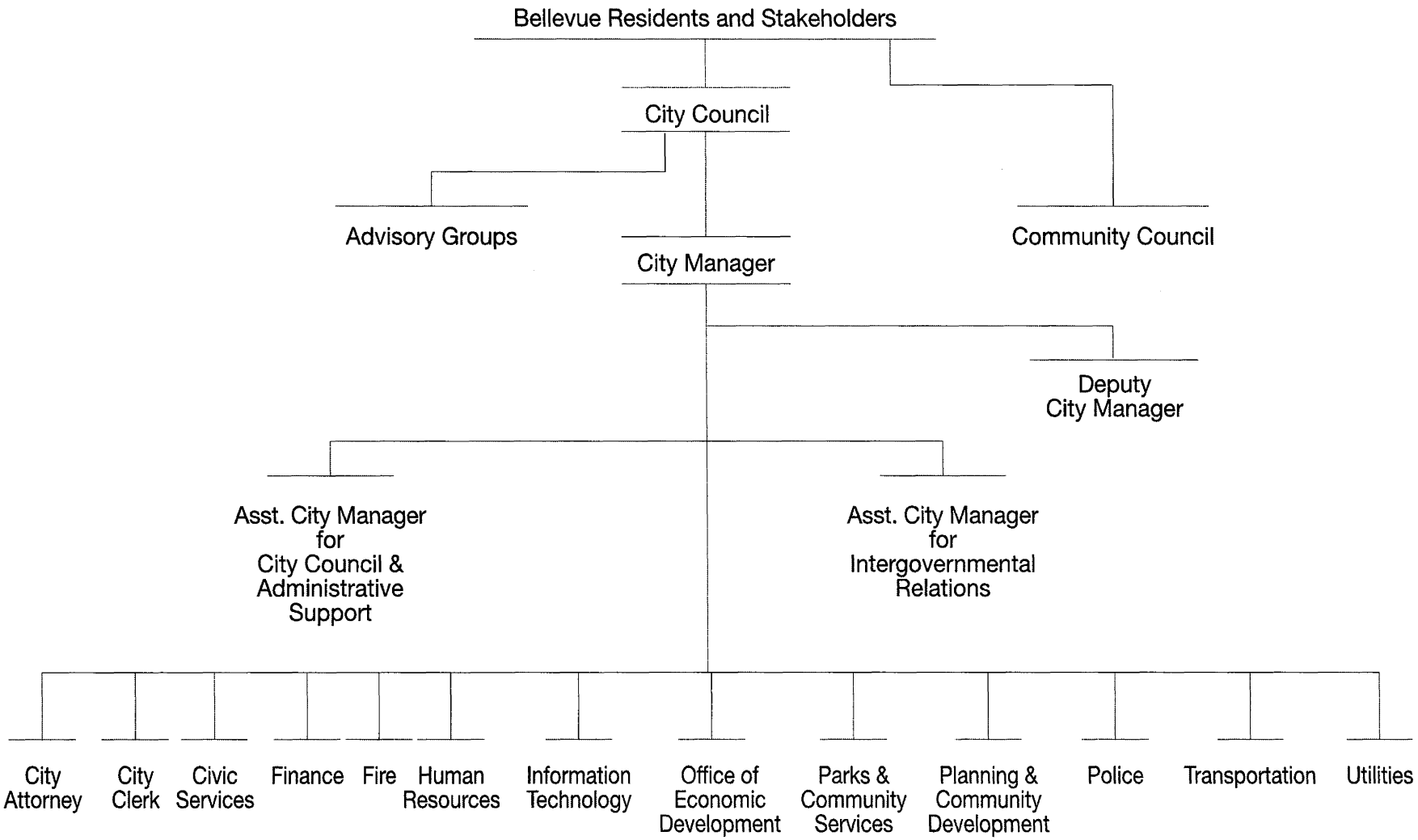


FIGURE 6-2
CITY OF BELLEVUE
FUNCTIONAL ORGANIZATION CHART

City Attorney • Legal support for City Council, all departments, and boards & commissions • Prosecution • Litigation • Risk Management	**Finance** • General supervision over the City's financial affairs
City Clerk • City Council support • City records and documents • Hearing Examiner staffing • Community Council staffing	**Fire** • Fire suppression and rescue services • Fire prevention and education • Emergency medical services • Disaster preparedness • Hazardous materials emergency management
City Manager • City administration • Intergovernmental relations • Media relations • Publications	**Human Resources** • Personnel Services, including recruitment, selection • Matters of personnel policy • Compensation and classification • Workforce diversity • Staff training
Civic Services • Information Center • Facilities Services	**Information Technology** • Management of City's computer and telecommunications systems • Telephone systems management • Computer applications programming • Geographic Information Systems (GIS)
Planning and Community Development • Development review and permitting • Clearing & grading permitting and inspection • Rezones • Code enforcement • Affordable housing • Citywide policy coordination • Comprehensive planning • Community outreach • Planning Commission staffing • Economic and statistical analysis • Community Development functions of CIP • Arts program and Arts Commission staffing	**Parks & Community Services** • Administration of City parks and recreation programs • Youth Link • Human Services • Human Services Commission staffing • Probation • Park planning and development • Park Board staffing
Police • Policing functions • Police-related community programs • Park patrol • Public safety communications center	**Transportation** • Transportation planning, design, construction management, and operation • Transportation Commission staffing
Office of Economic Development • Enhance the economy • Business development • Redevelopment of small neighborhood centers • Promote tourism & international trade	**Utilities** • Water, sewer, storm & surface water, and solid waste utilities • Private utility franchising • Utility billing • Environmental Services Commission staffing • Street maintenance • Mechanical and electronic equipment repair

FIGURE 6-3
CITY OFFICIALS

ELECTED CITY COUNCIL

Mayor	Grant Degginger
Council	Claudia Balducci
	John Chelminiak
	Dr. Don Davidson
	Conrad Lee
	Connie Marshall
	Phil Noble

APPOINTED ADMINISTRATIVE STAFF

City Manager	Steve Sarkozy
Deputy City Manager	Brad Miyake
City Attorney	Lori Riordan
Assistant City Manager for City Council and Administrative Support	Myrna Basich
Finance Director	Jan Hawn
Fire Chief	Mario Treviño
Human Resources Director	Yvonne Tate
Chief Information Technology Officer	Toni Cramer
Parks & Community Services Director	Patrick Foran
Planning and Community Development Director	Matt Terry
Police Chief	Jim Montgomery
Transportation Director	Goran Sparrman
Utilities Director	Dennis Vidmar

FIGURE 6-4
BOARDS & COMMISSIONS

Arts Commission

Number of Members:	7
Appointed By:	Mayor, Confirmed by City Council
Purpose/Comments:	To perform the necessary functions in order that Bellevue may provide leadership in the Arts and to advise the City Council on matters of the Arts. The Board meets once a month, and staffing is provided by the Planning and Community Development Department.

Bellevue Convention Center Authority Board

Number of Members:	7
Appointed By:	City Manager, Confirmed by City Council
Purpose/Comments:	To govern the affairs of the Bellevue Convention Center Authority (BCCA) which was established by City Council action on December 4, 1989. All corporate powers of the BCCA are exercised by or under direction of the Board of Directors. The BCCA Board meets monthly and staffing is provided by the Meydenbauer Center staff.

Building Code Board of Appeals

Number of Members:	7
Appointed By:	City Manager
Purpose/Comments:	1) To hear appeals of any order issued by the City related to the Uniform Building and related codes; 2) to determine the suitability of alternative materials or methods of construction; and 3) to make recommendations to the City Council for new legislation related to the City's building codes. The Board meets when convened to hear appeals filed with the City Building Official, and staffing is provided by the Planning and Community Development Department.

FIGURE 6-4 (Continued)

Civil Service Commission

Number of Members:	5
Appointed By:	City Manager
Purpose/Comments:	1) To provide for, formulate, and hold competitive tests to determine the relative qualifications of persons who seek employment for the position of Police Officer or Firefighter with the City of Bellevue; 2) to provide for promotion on the basis of merit; 3) to give uniformed personnel tenure; and 4) to provide for a commission to investigate, by public hearing, suspensions, demotions, and discharges. The Board meets quarterly and as needed, and staffing is provided by the Human Resources Department.

Disability Board

Number of Members:	5
Appointed By:	Two members appointed by the mayor, one firefighter elected by the City's firefighters, one law enforcement officer elected by the City's law enforcement officers, and one member of the public appointed by the other four members.
Purpose/Comments:	To act upon, approve, or deny firefighters' and law enforcement officers' claims for disability leave/retirement or medical benefits. The Board meets once a month, and staffing is provided by the Risk Management Office.

Environmental Services Commission

Number of Members:	7
Appointed By:	Mayor, Confirmed by City Council
Purpose/Comments:	To act in an advisory capacity to the City Council regarding City Water, Sewer, Storm & Surface Water, and Solid Waste Utility programs. The Commission makes recommendations to the Council as needed regarding short- and long-term planning, rates and rate structures, annual budgets, bond issues, and other policies directly related to utility functions. The Commission meets at least once a month, and staffing is provided by the Utilities Department.

FIGURE 6-4 (Continued)

Human Services Commission

Number of Members:	7, plus City staff from the Police and Parks & Community Services Departments appointed as ex officio members by the City Manager
Appointed By:	Mayor, Confirmed by City Council
Purpose/Comments:	To make recommendations to the City Council regarding human services issues such as the community's needs, policy development, and the allocation of local and federal funds. The Commission meets once a month and is staffed by the Parks & Community Services Department.

Library Board

Number of Members:	7
Appointed By:	Mayor, Confirmed by City Council
Purpose/Comments:	1) To serve as a liaison between the libraries and the community; and 2) to cooperate with the local, regional, and national trustees associations to participate in library matters. The Board meets once a month, and staffing is provided by the local libraries.

Parks & Community Services Board

Number of Members:	7
Appointed By:	Mayor, Confirmed by City Council
Purpose/Comments:	The Parks & Community Services Board advises the City Council on policies regarding parks and open space issues such as park planning; design and construction; development, redevelopment and renovation; enterprise management; natural resources, land stewardship, and environmental education. The Board also advises the City Council on policies regarding community services issues such as recreation opportunities for a wide range of interests, ages, and abilities; cultural diversity; community centers; Parks & Community Services Department-related special events; and probation services. The Board meets once a month, and staffing is provided by the Parks & Community Services Department.

FIGURE 6-4 (Continued)

Planning Commission

Number of Members:	7
Appointed By:	Mayor, Confirmed by City Council
Purpose/Comments:	To make recommendations to the City Council regarding land use issues such as the City's Comprehensive Plan, Subarea Plans, land use management ordinances, potential annexations, etc. The Commission meets once a week, and staffing is provided by the Planning and Community Development Department.

Transportation Commission

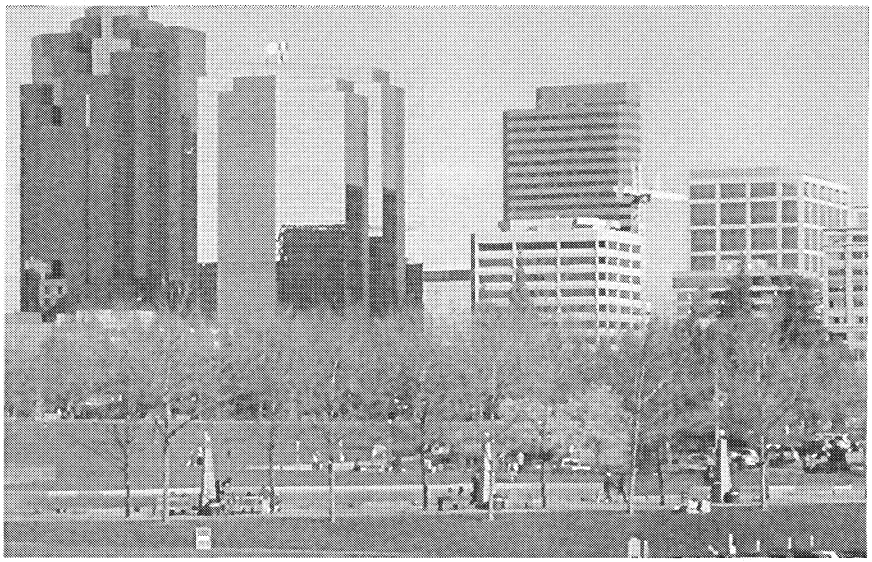
Number of Members:	7
Appointed By:	Mayor, Confirmed by City Council
Purpose/Comments:	To advise the City Council on transportation issues and to make recommendations to the City Council regarding Transportation Facility Plans and related transportation capital investment projects. The Commission meets weekly and is staffed by the Transportation Department.

B. LOCATION, POPULATION, AND BUSINESS CLIMATE

A Growing City

Bellevue, the fifth largest city in the state with a population of 117,000 in 2006, is located on the eastern shore of Lake Washington near the population and geographical center of the Puget Sound region. It is just 11 miles from Seattle and 40 miles from Tacoma with the mountains of the Cascades to the east, and Mount Rainier to the south. Bellevue is about three hours north of Portland, Oregon, and two hours south of Vancouver, Canada.

As a thriving central city encompassing an area of approximately 31.5 square miles, Bellevue is a major and growing employment center within the Puget Sound region.



Bellevue demographics are viewed as particularly favorable for economic growth and well positioned to meet the needs of dynamic and resilient economy. City planners estimate that residential population will rise significantly over the next several years gaining more than 7,000 new residents by the year 2010. In the downtown central business district, the residential population will grow from about 4,500 current residents to 14,000 residents by 2020. Citywide jobs will increase at a rapid pace also with close to 18,000 more Jobs added through 2010. Office vacancy rates in the central business district (CBD) continue to drop (5.5% reported for the 4th quarter of 2006) with over 100,000 square feet of office space being absorbed in the last year alone.

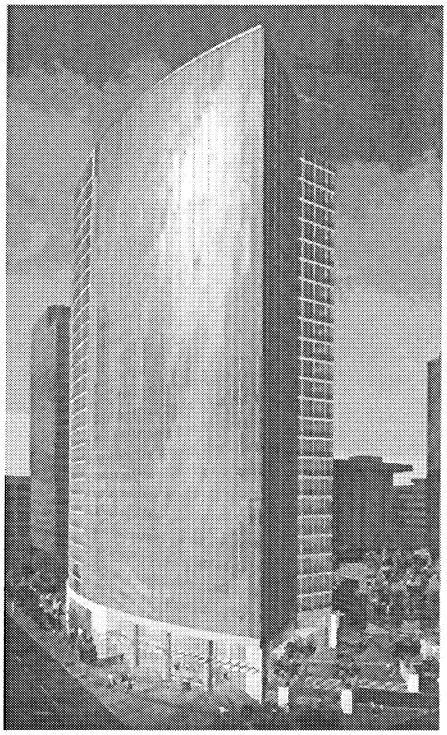
Between 2001 and 2002, Bellevue, like the region as a whole, experienced a loss of jobs, and Bellevue was hard hit and lost approximately 8 percent of its employment base, or nearly 10,000 jobs during this time and experienced an office vacancy rate of 26.4% in the third quarter of 2002. Today, the city has bounced back from difficult economic times and is in the midst of an unprecedented development boom. Many residential and office projects dot the city's horizon, including Lincoln Square's Office Tower, which has been fully pre-leased and is expected to be completed in mid-2007. Downtown office vacancy rates are expected to remain low due to the strong employment growth in the region.

Bellevue's employment base is expected to grow about 30 percent over the next 25 years, resulting in an increase of more than 50,000 new jobs. Bellevue's daytime population is more than 180,000. Bellevue ranks second in the state in both retail sales and property values (as measured by assessed valuation). Its location at the crossroads of the Eastside between the shores of Lake Sammamish and Lake Washington strategically positions Bellevue as a strong economic force in the Puget Sound region.

Expanding Economy

Bellevue started as a pastoral market hub for blueberry fields and farms. Founded in 1869 by William Meydenbauer, the rural community did not change much until the first floating bridge crossed Lake Washington in 1940. In the past two decades the City has grown to skyscraper heights and shed its "suburban" status to become a thriving metropolis and a "Technology Corridor" that is home to many of the world's leading high-tech companies. Bellevue is the metropolitan hub for leading high-tech companies encompassing such sectors as software development, internet and network services, multi and digital media, and biotech. Its prestigious high-rise core provides office space for thousands of

professionals. Microsoft Corporation and the University of Washington, one of the nation's largest public research institutions, are within close proximity.

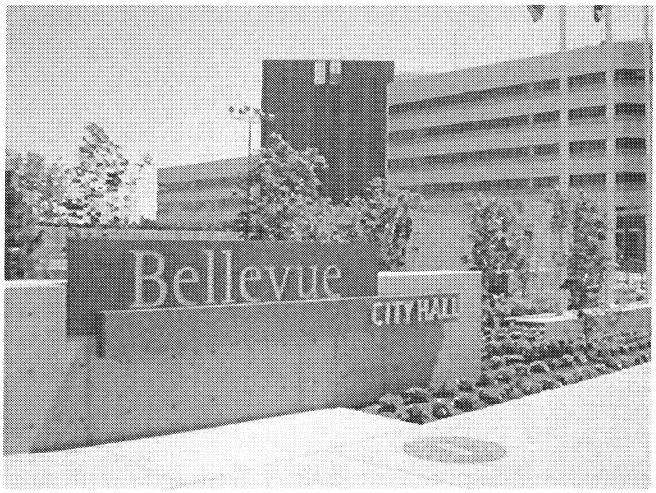


A diversified mix of industries exists within Bellevue with retail and service sectors being the largest. Department stores, automobile dealerships, and electronic/computer stores lead the retail sector. The service sector has a high concentration of real estate companies, engineering firms, financial institutions, accounting firms, and computer software companies. Bellevue is home to several of the top 25 largest public companies in Washington including Puget Sound Energy, a regional electric and natural gas utility; PACCAR, a manufacturer of trucks and other heavy equipment; Western Wireless, a cellular communication company; and Esterline Technologies, a diversified manufacturing company. Newer companies located in Bellevue make up many of the top 50 fastest-growing public companies in Washington and include: Infospace, a provider of software and high-tech applications, Drugstore.com, an online retailer, and Coinstar, Inc. which provides a network of supermarket-based coin counting and other electronic services.

Bellevue is also a major trading center that is well-linked to established transportation corridors. Two interstate highways converge at Bellevue: I-90 links the City to the east-west interstate system and I-405 connects Bellevue with the north-south interstate system. Its convention center attracts over a quarter of a million people to the City each year. The Port of Seattle, the second largest container port in the United States, is less than 20 minutes by interstate highway from downtown Bellevue. The City is also less than one-half hour from Seattle-Tacoma International Airport and several commuter airfields which provide links to other cities in the Pacific Northwest as well as internationally.

Downtown Development

Downtown Bellevue continues to evolve as a vibrant urban center with a diverse mix of retail, residential, office, and cultural uses. Downtown Bellevue is recovering from the national economic downturn that saw office vacancy rates surpass 25% in mid-2002. Major new tenants are choosing Bellevue as the economy recovers, with available office space absorbed to the point where the vacancy rate in mid-2006 was 8.3% and is expected to decline in the 3rd quarter. A major signing at the end of 2004 brought Symetra Financial, a former division of insurance company Safeco, who leases nearly 300,000 square feet in two prominent office towers in the core of downtown. Bellevue looks forward to becoming the national headquarters of Eddie Bauer and of Microsoft NA. Both will move into the new Lincoln Tower office complex in 2007.



2.8 million square feet are proposed/in review, or currently under construction. Many new residential and retail projects will add greatly to street-level pedestrian activity and the attractiveness of Downtown Bellevue as a place to both live and do business. These recent projects include mixed-use buildings, including residential units and ground-floor retail space. Nearly 4,500 people now call Downtown Bellevue home, with another 35,000 plus working downtown. Large projects under construction in 2006 include Lincoln Tower, The Braven (2 towers), Tower 333, and the City Center Plaza. A 256-room Courtyard by Marriott Hotel recently opened and more than 1,000 city employees occupied a new downtown City Hall.

With completion of the Access Downtown project, the City has largely implemented its 1989 downtown plan. An update of the downtown plan, completed in 2003, identifies new recommendations to support ongoing growth and development through 2020, including transportation, parks, and community character. A major project component of the Downtown Plan underway is the extension of NE 10th Street. This project will ultimately extend NE 10th Street from 112th Ave NE across I-405 & through the Overlake Hospital Medical Center campus to connect with 116th Ave NE, resulting in improved access to the Overlake Hospital and Group Health Cooperative Medical Centers and reducing pressure on the already busy NE 8th Street crossing of I-405. Construction of a first phase of NE 10th will begin in 2006 and be complete in 2007.

Bellevue Schools and Higher Education

The Bellevue School District is one of the most "high-tech" in the country. Bellevue public schools have computers in every classroom. Many technically oriented courses, such as drafting, are taught exclusively on computers. With a total enrollment of 16,179 students in 2005, the Bellevue School District consists of 16 elementary school, 5 middle schools, 5 high schools, and 6 alternative schools. All five Bellevue School District's large high schools were ranked in top 1% of high schools in America according to the 2005 assessment and ranking of *America's Best High Schools* reported by Newsweek Magazine.

Bellevue is home to one of the nation's finest community colleges. The National Workforce Center for Emerging Technologies, located on the campus of Bellevue Community College (BCC), focuses on cutting-edge information technology. BCC has a student body of nearly 35,000 total students for the year. Based on information from the 2000 Census, Bellevue's adult population is very highly educated, with over half (54 percent) having a bachelor's degree or higher. This is well above the countywide average of 40 percent.

A Wired City

Bellevue residents value information technology and are among the nation's most "connected" citizens. Based on a survey conducted in January 2006, about 87% have Internet access at home and 80% of those surveyed have high-speed access by either a cable modem or DSL. People use the Internet for a variety of daily activities including access to the City of Bellevue's web page. Seventy-three percent of Bellevue residents are aware of the City's Internet site. Of these residents, sixty-five percent have used the City's web site.

Climate

Mild winters and cool summers characterized Bellevue. High temperatures in July average about 75° F (24° C) while low temperatures in winter drop below freezing an average of only 15 days per year. Average rainfall in the region is about 38 inches per year compared to 19.5 inches in San Francisco, 34.5 inches in Chicago, and 40.3 inches in Washington, D.C.

Recreation Opportunities

Bellevue provides residents, visitors, and other stakeholders with a wealth of year-round outdoor recreation and spectacular natural beauty. Sailing, fishing, hiking, canoeing, kayaking, bicycling, golf, and water skiing are all popular activities. The City preserved over 1,700 acres of parks and open space, and nearly 50 miles of trails. It is truly a community for the future.

General Demographics

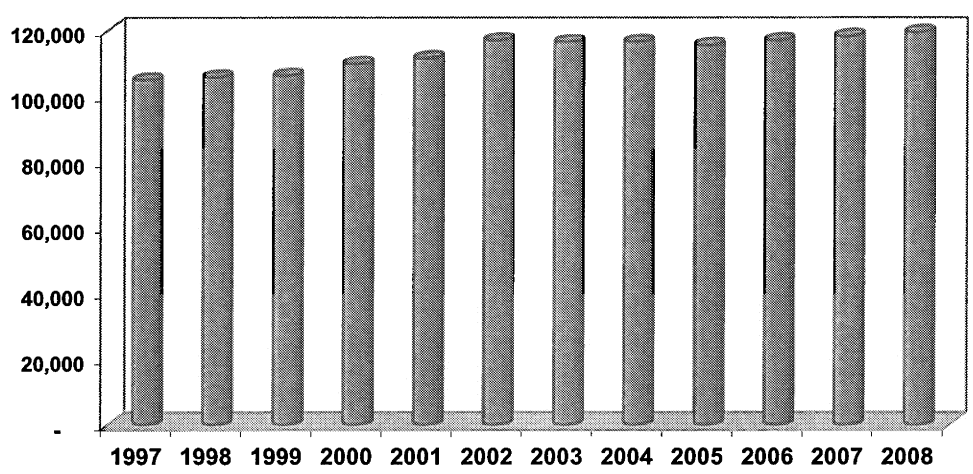
Bellevue's official 2006 population was *117,000* and is projected to be *118,205* in 2007. As the population has grown over the years, so has the median age and the diversity in Bellevue's ethnic makeup.

In 2000, the median age was 38.2 years, up from 35.4 in 1990. During this period, residents age 65 or over went from comprising 10 percent of the population to making up 13.4 percent of the population. Bellevue's per capita/ income was $36,905 in 1999 (as reported in the 2000 Census), which was significantly higher than the per capita income in the county as a whole. As a reflection of the diversity of Bellevue's increasing population, almost 25 percent of Bellevue's residents in 2000 were born outside of the United States, and almost 27 percent of Bellevue residents over the age of five speak a language at home other than English. Nearly 50 different languages are now spoken by children in Bellevue public schools. The City is also much more racially diverse, with over 17 percent of its residents being Asian. The City's Asian and Hispanic populations more than doubled during the 1990s.

Figure 6-5 displays key demographic trends for Bellevue.

Figure 6-5

Key Demographic Trends



Year	Population
1997	104,800
1998	105,700
1999	106,200
2000	109,827
2001	111,500
2002	117,000
2003	116,400
2004	116,500
2005	115,500
2006	117,000
2007	118,205
2008	119,423

Note: Population figures presented are estimates.

Other Key Demographics
2005-2008

	Actual 2005	Actual 2006	Projected 2007	Projected 2008	Unit Change 2007-2008	% Change 2007-2008
Puget Sound Per Capita Personal Income	$41,369	$43,591	$45,707	$47,927	$2,220	4.9%
Puget Sound Unemployment	5.1%	4.5%	4.6%	4.7%	0.1%	2.2%
Seattle CPI-U	1.9%	2.3%	3.0%	2.6%	(0.4%)	(13.3%)
Square Miles	31.5	31.5	31.5	31.5	-	0.0%
Assessed Value ($ in billions)	$22.2	$24.0	$26.3	$28.7	$2.4	9.1%
Total Budget All City Funds ($ in millions)	$646.0	$529.8	$555.5	$555.0	($0.5)	(0.1%)

CITY OF BELLEVUE
WASHINGTON

7. Council Vision/
Mission/Priorities

Council Vision/Mission/Priorities

This section includes the Bellevue City Council's vision and mission statements for the City of Bellevue organization and priorities for future years.

- The Vision Statement and Mission Statement were adopted by the City Council on April 28, 1997 and represent their vision for the City government.

- The Bellevue City Government Priorities were adopted by the City Council in 2001 and reaffirmed in 2002, and represent the overall priorities for the City government.

- In preparation for the 2007-2008 Budget, the City Council engaged in several Budget retreats and workshops during 2006 and provided a framework for departments to use in developing their proposed budgets.

Additionally, the Council held four public hearings prior to adopting the 2007-2008 Budget.

Vision Statement

for Bellevue City Government

(adopted by City Council on April 28, 1997)

Bellevue City Government is innovative, efficient

and fiscally responsible.

Council and staff are customer oriented,

believe in quality, and work together

to provide excellent

basic services.

The City cares about its citizens and employees

and values its roots.

Mission Statement

for Bellevue City Government

(adopted by City Council on April 28, 1997)

Through accessible, proactive

leadership

and governance,

provide high-quality services

and facilities

that meet the needs of the community.

2006 City Council Retreats
Discussion Topics

- Transportation
- Neighborhood Assistance Strategy
- Technology
- Arts and Cultural Infrastructure
- Community Outreach
- Human Infrastructure
- Regional Leadership Role and Messages
- Economic Vitality
- Environmental Stewardship
- Public Safety
- Neighborhood Livability
- Parks and Open Space

2006 Council Discussion Topics

Transportation

- *Create City-wide circulation network/circulator*
- *Integrate regional and local transportation visions /Exert regional and national leadership*
- *Implement the transportation visions*
- *Refine street and transit solutions that will serve Downtown for next ten years*
- *Achieve higher level of neighborhood satisfaction*

Neighborhood Livability

- *Help neighborhoods identify their distinctive characteristics, unique identity and pride*
- *Establish strategy for neighborhood redevelopment/renewal*
- *Rethink services delivered to neighborhoods and how we are internally organized/structured to provide these services*
- *Develop packet of information detailing Neighborhood Services*
- *Work with neighborhood partnerships on Code enforcement*

Technology Advancement

- *Become a "Wired City" – provide equal access to technology/bandwidth*
- *Promote electronic service delivery to enhance convenience and accessibility for the public*
- *Leverage existing technology to streamline business processes*
- *Provide leadership to the region in integrating service delivery systems for users*
- *Explore opportunities for regional collaboration and sharing of information related to technology*
- *Continue to invest in research and development, partnerships, and innovative initiatives to maximize the benefits from our investments in technology*

Arts and Cultural Infrastructure

- *Create community and neighborhood festivals/events*
- *Support cultural enhancements/performing arts center*
- *Define City role in promoting/sponsoring cultural arts*
- *Define what actions would be necessary for Bellevue to become the cultural center of the Eastside (see Vision Statement)*

Community Engagement

- *Connect with and get involved with neighborhoods – Council more interactive/involved with neighborhoods*
- *Create additional opportunities for public forums for general outreach as well as specific topical discussions*
- *Utilize the City's website to reach out and interact with neighborhoods and individual citizens*
- *Explore integrated communication network that serves all segments of the community*
- *Develop and implement "push" communication technologies to notify, inform and educate users based on their expressed interests*

Human Services Infrastructure

- *Leverage work of existing human services agencies and religious institutions*
- *Consult with schools and religious institutions to learn about major changes in immigrant populations and needed revisions to programs affecting people*
- *Continue to partner with BCC and the schools on programming for disadvantaged/technology introduction/skill building*
- *Identify ways to leverage skills and smarts of retired residents into public/community service*
- *Increase multi-generational programs*
- *Continue to reach out to seniors, youth, immigrants, and disadvantaged citizens*
- *Explore relevance and applicability of federal human services initiatives to Bellevue's human services network*

Regional Leadership Role and Messages

- *Address regional transportation, water, and human services governance issues*
- *Monitor and advocate for favorable Eastside Jail solutions*
- *Improve coordination of criminal justice programs/services*

Environmental Leadership

- Preserve the environment for future generations

Economic Vitality

- *Foster ability to retain and enhance competitive advantage*
- *Rethink parking philosophy/consider building Downtown garage*
- *Promote neighborhood shopping center vitalization*
- *Link marina property to the City/Pedestrian Corridor*
- *Articulate the importance of economic vitality to citizens and employees*

Public Safety

- *Keeping our neighborhoods and downtown business center safe*
- *Minimizing property loss due to fire or natural disaster*

Parks and Open Space

- *Increase recreational opportunities, land acquisition and open space vision*

8. Comprehensive Financial Management Policy

Comprehensive Financial Management Policy

Purpose

The Comprehensive Financial Management Policy assembles all of the City's financial policies in one document. They are the tools used to ensure that the City is financially able to meet its immediate and long-term service objectives. The individual policies contained herein serve as guidelines for both the financial planning and internal financial management of the City.

The City of Bellevue is accountable to its citizens for the use of public dollars. Municipal resources must be wisely used to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs. These policies safeguard the fiscal stability required to achieve the City's goals and objectives.

Objectives

In order to achieve its purpose, the Comprehensive Financial Management Policy has the following objectives for the City's fiscal performance.

A. To guide City Council and management policy decisions that have significant fiscal impact.

B. To set forth operating principles that minimize the cost of government and financial risk.

C. To employ balanced and fair revenue policies that provide adequate funding for desired programs.

D. To maintain appropriate financial capacity for present and future needs.

E. To promote sound financial management by providing accurate and timely information on the City's financial condition.

F. To protect the City's credit rating and provide for adequate resources to meet the provisions of the City's debt obligations on all municipal debt.

G. To ensure the legal use of financial resources through an effective system of internal controls.

H. To promote cooperation and coordination with other governments and the private sector in the financing and delivery of services.

Significant Changes

The development of the biennial budget provides the opportunity to review the City's Comprehensive Financial Management Policies and make necessary adjustments due to new or revised City ordinances and policies, State laws, or recommendations made by national accreditation and/or approval authorities. The Comprehensive Financial Management Policies were reviewed by Finance and other department staff and warrant only minor changes in the 2007-2008 Budget. These changes are highlighted in the following table.

2007-2008 Policy Changes

Page/Section	Title	Change Summary
Page 8-7 Section II, C.	Public Hearings	Reflects the public hearing dates of the 2007-2008 Budget. Two public hearings were held prior to the publication of the preliminary budget; the third and fourth hearings were held after the preliminary budget was presented to Council and before the final budget was adopted.
Page 8-10 Title V. (various sections)	Budget Development Process	Corresponds to the enhanced budget development process adopted by the Council for review of the 2007-2008 Budget.
Page 8-58 Figure 8-5	Investment Policy / Performance	Increases weighted average maturity from 24 months to 36 months.

Comprehensive Financial Management Policy Outline

I. Financial Planning Policies
   A. General Fund
   B. Utility Funds
   C. Parks Enterprise Fund
   D. Development Services Fund
   E. Resource/Expenditure Estimating

II. General Budget Policies
   A. Resources Greater than Budget Estimates
   B. Budget Preparation
   C. Public Hearings
   D. Overhead and Full Cost Allocation
   E. Examination of Existing Base Budget
   F. Services to Keep Pace with Needs of Community
   G. Maintenance of Quality Service Programs
   H. Maintenance of Existing Services vs. Additional or Enhanced Service Needs
   I. Budget Monitoring
   J. Performance Budgeting
   K. Interfund Charges Based on Full Cost
   L. Program Budget Presentation Format
   M. Distinguished Budget Presentation

III. Utility & Other Fund Budget Policies
   A. Utilities Department Financial Policies *(Figure 8-1)*
   B. Building Permit Revenues and Expenditures
   C. Parks Enterprise Revenues and Expenditures

IV. State-Mandated Budget Requirements *(Figure 8-2)*
   A. Key Requirements
   B. Fund Types

V. Budget Development Process

VI. Budget Adjustment & Amendment Processes
   A. Adjustment
   B. Amendment

VII. Agenda Memorandum Review

VIII. Revenue Policies
   A. Mix of Revenues
   B. Taxes Should Be Selected for Balance, Applicability, and Probable Economic Impact
   C. Property Tax Revenues for Park Maintenance
   D. Charges for Services
   E. Backup Convention Center Financing *(Figures 8-3 and 8-4)*

IX. Operating Policies
- A. Expenditures Should be Within Current Resource Projections
- B. Unrestricted Revenues Should Remain Unrestricted
- C. Continual Improvement of Service Delivery
- D. Cash Management
- E. Cash Reserves
- F. Fund Balances
- G. Fixed Asset Inventories
- H. Allocation of Overhead Costs
- I. Utility Debt Coverage Ratio Target

X. Fund Description & Reserve Policies
- A. Fund Descriptions
- B. Reserve Policies

XI. Capital Investment Program Plan Policies
- A. Relationship of Long-Range Plans to the CIP
- B. Establishing CIP Priorities
- C. Types of Projects Included in the CIP
- D. Scoping and Costing Based on Predesign Study
- E. Required Project Features and Financial Responsibility
- F. Predictability of Project Timing, Cost, and Scope
- G. Local Improvement Districts
- H. CIP Non-Utility Maintenance and Operating Costs
- I. Preserve Existing Capital Infrastructure Before Building New Facilities
- J. New Facilities Should be of High Quality, Low Maintenance, Least Cost
- K. Public Input at All Phases of Projects
- L. Basis for Project Appropriations
- M. Balanced CIP Plan
- N. Use of Debt in the CIP
- O. Finance Director's Authority to Borrow
- P. CIP Plan Update and Amendment
- Q. Formalization of Monetary Agreements
- R. Projected Grant Reserves
- S. Projected Revenues from Future Land Sales
- T. Land Sale Remnants
- U. Applicable Project Charges

XII. Intergovernmental Revenues
- A. Grants Should Not Fund Ongoing Services
- B. Grant Agreements Reviewed for Compliance with Regulations
- C. Budgeting for Grant Expenditures
- D. Protecting the City's Interests
- E. Intergovernmental Agreements

XIII. Accounting, Auditing, & Financial Reporting Policies
- A. Accounting Records and Reporting
- B. Auditing
- C. Excellence in Financial Reporting
- D. Simplified Fund Structure

XIV. Investment Policy *(Figure 8-5)*

XV. Debt Policy *(Figure 8-6)*

XVI. Budget Ordinances *(Figure 8-7)*
- A. Ordinance 5704, Water Rates and Charges, 12/11/06
- B. Ordinance 5705, Sewer Rates and Charges, 12/11/06
- C. Ordinance 5706, Storm and Surface Water Rates and Charges, 12/11/06
- D. Ordinance 5707, Human Services Funding, 12/11/06
- E. Ordinance 5710, 2007 Property Taxes, 12/11/06
- F. Ordinance 5711, 2007-2008 Budget and 2007-2013 CIP Budget Adoption, 12/11/06

I. FINANCIAL PLANNING POLICIES

The City shall develop and maintain a six-year Financial Forecast that estimates resource and expenditure behavior for the two bienniums beyond the current budget period. This Forecast will provide the City's decision-makers with an indication of the long-term fiscal impact of current policies and budget decisions. This planning tool must recognize the effects of economic cycles on the demand for services and the City's resources. To this end, the Forecast should differentiate between revenue associated with one-time economic activities and revenues derived as a result of base economic growth. City financial planning should ensure the delivery of needed services (many of which become more critical during economic downturns) by assuring adequate reliance on ongoing resources in order to support continued City services during economic downturns.

The City is a major force in a complex regional economic system. The City must understand and anticipate changes in both regional and national economic trends in order to engage in strategic financial and management planning.

A. General Fund:

1. The Finance Department will prepare and maintain a Financial Forecast for General Fund operations based on current service levels and current funding sources. This forecast will include the upcoming biennium as well as the two bienniums beyond the current period (a total of six forecast years). This future-oriented look will provide insight into whether the current mix and level of resources are likely to continue to be sufficient to cover current service levels. The forecast also allows staff and City Council to test various "what-if" scenarios and examine the fiscal impact on future bienniums.

2. The City will constantly test both its planning methodology and use of planning tools in order to provide information that is timely, accurate, and widely disseminated to users throughout the City.

3. Departments will forecast and monitor their respective revenues and expenditures with assistance from the Finance Department. The Finance Department will assist departments in developing appropriate systems for such monitoring and will retain overall fiscal oversight responsibility for the General Fund.

4. The Financial Forecast is updated at least two times each year. Any unexpected changes in economic conditions or other circumstances may prompt more frequent updates. Any significant changes are reported to the Leadership Team, City Manager, and Council.

B. Utility Funds:

1. Financial forecasting will be done for the three Utility Funds in a manner similar to the General Fund. The purpose of these forecasts will be to allow the City Council and citizens to evaluate the longer-term financial needs of these programs.

2. The forecasts should rely on the same basic economic assumptions as the General Fund Forecast. These forecasts will also identify other assumptions used in their preparation and the risks associated with them.

3. The forecasts must identify how they will impact rate structures.

C. Parks Enterprise Fund

1. Financial forecasting will be done for the Parks Enterprise Fund in a manner similar to the General Fund. The purpose of this forecast will be to allow the City Council and citizens to evaluate the longer-term financial needs of the funds' programs.

2. The forecasts should rely on the same basic economic assumptions as the General Fund Forecast. This forecast will also identify other assumptions used and the risks associated with them.

D. Development Services Fund

1. Financial forecasting will be done for the Development Services Fund in a manner similar to the General Fund. The purpose of this forecast will be to allow the City Council and citizens to evaluate the longer-term financial needs of the funds' programs.

2. The forecasts should rely on the same basic economic assumptions as the General Fund Forecast. This forecast will also identify other assumptions used and the risks associated with them.

E. Resource/Expenditure Estimating

The financial planning and subsequent budgeting for all funds will be based on the following principles:

1. Resource and expenditure estimates should be prepared on a realistic basis with a target of ± 2% variance from the estimate for resources and ± 1% variance for expenditures.

2. Expenditure estimates should anticipate contingencies that are reasonably predictable.

II. GENERAL BUDGET POLICIES

A. Resources Greater than Budget Estimates: Resources (fund balance) greater than budget estimates in any internal service fund shall be refunded to the contributing funds unless circumstances warrant retaining such monies for future expenditure in the current fund.

B. Budget Preparation: Department directors have primary responsibility for formulating budget proposals in line with City Council, Leadership Team, and City Manager priority direction, and for implementing them once they are approved.

The Finance Department is responsible for coordinating the overall preparation and administration of the City's biennial budget and Capital Investment Program Plan. This function is fulfilled in compliance with applicable State of Washington statutes governing local government budgeting practices.

The Finance Department assists department staff in identifying budget problems, formulating solutions and alternatives, and implementing any necessary corrective actions.

C. Public Hearings: The City Council will hold three public hearings on the budget. The first two will be held sufficiently early in the budget process to allow citizens to influence budget decisions and to allow the Council to indicate special priorities before City staff develops a preliminary budget recommendation. The third and final public hearing will be held shortly after the preliminary budget's initial presentation to the Council and before the Council's final budget deliberations. The final public hearing will be held prior to the time the Council fixes the annual property tax levy. If deemed necessary, additional public hearings may be conducted.

D. Overhead and Full Cost Allocation: Department budgets should be prepared in a manner to reflect the full cost of providing services.

E. Examination of Existing Base Budget: During each biennial budget development process, the existing base budget will be thoroughly examined to assure removal or reduction of any services that could be eliminated or reduced in cost.

F. Services to Keep Pace With Needs of Community: The City will strive to ensure that City service priorities keep pace with the dynamic needs of the community by incorporating a service needs review as part of the budget process.

G. Maintenance of Quality Service Programs: Quality service programs will be offered by the City of Bellevue. If expenditure reductions are necessary, service elimination is preferable to poor or marginal quality programs.

H. Maintenance of Existing Services Versus Additional or Enhanced Service Needs: Significant annual resource allocations needed to maintain existing service quality will compete directly with investment proposals during the budget evaluation process. Inflation adjustments will be provided for all operating budgets.

I. Budget Monitoring: The Finance Department will maintain a system for monitoring the City's budget performance. This system will provide the City Council with quarterly presentations to Council regarding fund level resource collections and department level expenditures. Included will be provisions for amending the budget during the year in order to address unanticipated needs, emergencies, or compliance with State of Washington budgetary statutes. Budget amendments requiring City Council approval will occur through a process coordinated by the Finance Department. Significant financial issues that need to be addressed between regular monitoring reports will be provided to Council as warranted.

J. Performance Budgeting: Performance measures will be utilized and reported in department budgets. The City will prepare trends, comparisons to other cities, and other financial management tools to monitor and improve service delivery in City programs.

K. Interfund Charges Based on Full Cost: Interfund charges will be based on recovery of the full costs associated with providing those services. Internal Service Agreements shall be established between vendor and client departments reflecting full cost recovery unless special circumstances exist. Any disputes will be brought to the City Manager or Deputy City Manager for resolution after thorough evaluation by the Finance Department.

L. Program Budget Presentation Format: The focus of the City's biennial budget presentation is directed at displaying the City's services plan in a Council and constituent-friendly format.

M. Distinguished Budget Presentation: The City will seek to obtain the Government Finance Officers Association Distinguished Budget Presentation Award for each biennial budget. The Budget will be presented in a way that clearly communicates the budget to members of the public.

III. UTILITY & OTHER FUND BUDGET POLICIES

A. Utilities Department Financial Policies: The Utilities Department Financial Policies, including Solid Waste Reserves policies, were last updated in conjunction with the 2005-2006 Budget. These policies have been included as Figure 8-1.

B. Building Permit Revenues and Expenditures: Revenues derived from building permit fees shall be designated for the exclusive support of the development activities in the Development Services Fund. This fund will provide permit processing and compliance inspection services. Building permit fees shall include an overhead rate component to recover its share of general overhead costs, as well as department overhead from those departments directly involved in permit processing activities.

C. Parks Enterprise Revenues and Expenditures: Revenues derived from golf and certain culture and recreation fees shall be designated for the exclusive support of activities in the Parks Enterprise Fund. This fund will maintain and operate the golf course, tennis center, and Robinswood House, administer adult athletic programs, pay approved maintenance services and overhead charges to the General Fund, and fund golf course improvements in the Capital Investment Program Fund. The Parks Enterprise Fund may also charge the General Fund for a portion of their programs that are offered with a "fee subsidy". This charge is designed to allow youth and special populations access to programs at less than full cost, to encourage participation.

IV. STATE-MANDATED BUDGET REQUIREMENTS

Washington State law (RCW 35A.34) specifies requirements that must be followed in budgeting each of the City's funds. The following summarizes the key areas covered in Washington State law:

A. Key Requirements:

1. The timing, process, and responsibility for each step.
2. A standard account classification system prescribed by the State Auditor.
3. Preparation and filing of a preliminary budget by the chief administrative officer.
4. A "budget message" from the chief administrative officer explaining the content, financial policies, and major proposed changes.
5. A public hearing on the proposed preliminary budget conducted before adoption of a final budget, which shall be held on or before the first Monday in December.
6. Procedures for handling special situations such as mid-biennium emergencies.
7. Limitations on the expenditure of City funds and procedures for amending the budget.
8. Quarterly or more frequent reporting to the City's legislative authority on the revenue and expenditure status of each fund.
9. Budgeting of nonoperating/special purpose funds on a different basis from operating budget funds.

B. Fund Types:

The City budgets all funds in accordance with the Optional Municipal Code, Section 35A.34 of the Revised Code of Washington, which is attached as Figure 8-2. In accordance with State law, the City prepares its biennial budget on an estimated cash receipts and disbursements basis and by a process that conforms to the stated timing requirements. The only exceptions are the following special purpose funds: special assessment (e.g., Local Improvement District (LID) Bond Fund) and custodial agency funds (e.g., Firemen's Pension Fund), where the City acts in a custodial capacity as the bookkeeper for monies belonging to others. The City maintains three primary types of funds: operating, capital project and other special purpose funds.

1. Operating funds finance the continuous, traditional service delivery functions of a municipality in Washington State. Expenditure authority (appropriations) for each of these funds lapses at the end of each biennium, and a new budget must be adopted by the City Council.

2. Capital project funds include the General and Utility Capital Investment Program Funds and the 2004 New City Hall Bond Fund which provide for the City's seven-year capital funding. This budget establishes the 2007-2008 appropriations for the Funds.

3. Special purpose funds are distinguished from operating/budgetary funds by their limited objectives and/or finite life spans. Special purpose fund budgets do not lapse at the end of the biennium, but are carried forward until the monies are fully expended or their objectives are accomplished or abandoned (RCW 35A.34.270). Examples of special purpose funds are the Operating Grants and Donations Fund, and the Housing Funds. The City has nine active special purpose funds.

As required by State law, the 2007-2008 Budget reflects balanced expenditure and revenue estimates for each of the City's funds. Although revenue estimates are made only at the fund level, expenditure budgets are prepared at the department and division level for the purpose of administrative control.

V. BUDGET DEVELOPMENT PROCESS

The Finance Department is responsible for coordinating the overall preparation of the City's budgets. To accomplish this, staff issues budget instructions, conducts budget preparation training sessions, and communicates regularly with department staff. Their guidance provides the overall "rules of the game" within which the more detailed budget instructions and coordinating efforts are developed.

The following are key procedural steps in the City's budget development process. Note that the process and dates indicated below match the 2007-2008 process, and may be changed for future processes.

1. In March, the official "budget call" required by State law was made to all department directors or fund managers by the Budget Office as designees of the City Manager and Finance Director. Budget development instructions and other materials were provided to the departments at that time.

2. During February and March, an operating and CIP budget telephone survey was conducted. The telephone survey reached a statistically valid sample of Bellevue residents and queried residents on a variety of City services, including how important and satisfied residents were with these services.

3. Early in the process a budget retreat was held to provide an overview of the 2007-2008 Budget and 2007-2013 CIP, and to identify Council initiatives.

4. From late April to early October, departments reviewed and updated their existing budget, including expenditure and revenue estimates, performance data, and financial and program delivery outcomes. Additionally, Directors met with staff to gather their input on the budget.

5. Revenue and expenditure estimates were developed and updated by the Finance Department throughout the budget process. "Early Outlook" Financial Forecasts were prepared and presented to the Council.

6. The initial public hearing was held during May and a second public hearing was held in July to provide the public with ample opportunity to comment on recommended programs and/or ideas for new programs.

7. Between April and July the Council met in a series of Review Sessions to discuss all aspects of the budget with City management staff. Council held two budget retreats and provided policy guidance to the City Manager and the Leadership Team.

8. From March through July, departments prepared investment requests (cost/benefit proposals for new spending) and reduction proposals (cost/service reductions) for review and discussion by City management staff.

9. During August and September the City Manager met with all Leadership Team members to review department budget submittals and to jointly develop recommended spending levels for departments. By early October, the preliminary budget proposal was established.

10. During October, preliminary budget documents were prepared, printed, and filed with the City Clerk. This proposed budget was presented to the City Council in late October, and copies were made available to the public immediately after the presentation.

11. Between late October and early December, the City Council will meet in a series of budget sessions to review and discuss the recommended budget.

12. The third and final public hearing will be held in November during the time the City Council discusses the preliminary budget proposal. Citizens will be able to comment on recommended programs and/or ideas for new programs at these public hearings.

13. In early December, the City Council will adopt the budget by ordinance and establish the budget appropriation for the next biennium (January 1, 2007 through December 31, 2008).

14. The final budget is published and distributed during the first quarter of the following year. Copies are made available to the public and is available on the City's website.

15. Monthly and quarterly budget monitoring reports are prepared by the Finance Department to report on actual performance compared to budget estimates and to identify any remedial actions that may be needed.

16. As required by State law, a mid-biennium update will occur during the year following adoption of the biennial budget. This update is required by state law and allows for budget modifications and technical adjustments.

17. The budget development process described above is supplemented by information generated by the City's Financial Forecast. The forecast is a financial tool that provides the City's decision-makers with an indication of the long-term fiscal impact of current policies and budget decisions.

18. The budget process is also supplemented by information on service delivery performance and benchmarking with discussions and publication of a Comparative Cities Performance Report and an Annual Scorecard of Performance Measures.

VI. BUDGET ADJUSTMENT & AMENDMENT PROCESSES

Under the provisions of State law and the City's operating procedures, the operating budget may be adjusted or amended in two different ways. Adjustment of the budget involves a reallocation of existing appropriations and does not change the budget "bottom line". Amendment of the budget involves an addition to or reduction of existing appropriations.

A. Adjustment

Under the first method, departmental expenditures and requirements are monitored throughout the year. Certain departments may develop the need for additional expenditure authority to cover unanticipated costs that cannot be absorbed within the budget, while other departments will not require their full budget authorizations. The Finance Department reviews and analyzes all department and/or fund budgets to determine what adjustments are necessary and whether the adjustments can be made within existing appropriation limits. These changes are then reviewed with the affected department and/or fund managers. When an adjustment is needed, Finance staff will look first to savings within the department; and then transfers between departments. No City Council action is needed as State law allows budget adjustments to be done administratively.

B. Amendment

Amending the City's budget occurs whenever the requested changes from department and/or fund managers will cause the existing appropriation level for the fund to change. This situation generally occurs when the City Council authorizes additional appropriation. This is done by an ordinance that amends the original budget and states the sources of funding for the incremental appropriations.

VII. AGENDA MEMORANDUM REVIEW

The Finance Department will review all agenda items submitted for City Council action. The objective of these reviews will be to ensure compliance with the budget and disclosure of all fiscal issues to the Council. This information will be presented in the fiscal impact section of each agenda memorandum.

VIII. REVENUE POLICIES

The City must be sensitive to the balance between the need for services and the City's ability to raise fees, charges, and taxes to support those services.

A. Mix of Revenues: The City should strive to maintain a diversified mix of revenues in order to balance the sources of revenue amongst taxpayers and to provide ongoing stability and predictability.

1. Property taxes and other stable revenues provide a reliable base of revenues during periods of economic downturn.

2. The City's overall revenue structure should be designed to recapture for the City some of the financial benefits resulting from City economic and community development investments.

3. The City will strive to keep a total revenue mix that encourages growth, and keeps Bellevue economically competitive and a City of choice for people to live and do business.

B. Taxes Should Be Selected for Balance, Applicability, and Probable Economic Impact: The following factors will be considered when the City's taxes are increased, decreased, extended, or changed in any way.

1. Stability of the tax source over its expected life.

2. Suitability for a pledge against future debt, if that is part of the City Council's long-range intent for the revenue source.

3. Spread the tax burden throughout the City's tax base by utilizing a broad array of the tax sources available, and by investigating mitigation of inequities and hardships where appropriate (e.g., property tax exemptions and deferrals, and utility tax rebates for low-income elderly people). State and local legislative remedies for detrimental tax impacts should be sought where appropriate.

4. Apply the tax impact information for both residential and business taxpayers against a future vision of what the tax policy decision is intended to foster.

C. Property Tax Revenues for Park Maintenance: Revenues derived from the Property Tax Lid Lift for Park Maintenance, which Bellevue voters approved in May 1988, shall be deposited in the General Fund to pay all costs necessary to fund the maintenance and operating costs of specific park facilities.

D. Charges for Services: As much as is reasonably possible, City services that provide private benefit should be supported by fees and charges in order to provide maximum flexibility in use of general City taxes to meet the cost of services of broader public benefit. Charges for services that benefit specific users should recover full costs, including all direct costs, capital costs, department overhead, and Citywide overhead. Departments that impose fees or service charges should prepare and periodically update cost-of-service studies for such services. A subsidy of a portion of the costs for such services may be considered when consistent with legal requirements to meet other City interests and objectives, such as remaining competitive within the region.

E. Backup Convention Center Financing: In accordance with Ordinance No. 4094 (passed on 12/4/89) and Ordinance No. 4229 (passed on 3/4/91), 0.01% of the City's total gross receipts business and occupation taxing authority of 0.2%, is reserved as a backup financing mechanism for the Convention Center should additional financing beyond that contemplated in the adopted Convention Center Financing Plan become necessary. In addition, any additional increase in the City's B&O tax (measured by gross receipts) shall first require an analysis of the status of the Convention Center Financing Plan. This information must be included in any fiscal impact notes on agenda materials presented to the City Council for the purpose of increasing the B&O tax rate described above. Ordinance Nos. 4094 and 4229 are attached as Figures 8-3 and 8-4.

IX. OPERATING POLICIES

The City should accommodate both one-time and ongoing expenditures within current resources, establish and adequately fund reserves, regularly monitor and report on budget performance, evaluate the fiscal impact of new proposals, operate as efficiently as possible, and constantly review City services for appropriateness and effectiveness.

A. Expenditures Should be Within Current Resource Projections: Ongoing expenditures should be equal to or less than ongoing revenues. Each City fund budget must identify ongoing resources that at least match expected ongoing annual requirements. One-time resources and non-recurring ending fund balances will be applied to reserves or to fund one-time expenditures; they will not be used to fund ongoing programs.

B. Unrestricted Resources Should Remain Unrestricted: Unless otherwise stated explicitly by the City Council, unrestricted resources will not be earmarked for specific purposes in the General Fund. This will preserve the ability of the Council to determine the best use of available resources to meet changing service requirements.

C. Continual Improvement of Service Delivery: The City will seek to optimize the efficiency and effectiveness of its services through Business Process Improvement (BPI) efforts, performance budgeting and measuring, and by assessing its services with comparable cities to reduce costs and improve service quality.

D. Cash Management: The Finance Department will develop, maintain, and constantly seek to improve cash management systems which ensure the accurate and timely accounting, investment, and security of all cash assets. All cash received by City departments will be deposited with Finance within 24 hours of receipt.

E. Cash Reserves: The City will maintain adequate cash reserves in order to reduce the potential need for borrowing or service reductions during periods of economic downturn. A Rainy Day Reserve Fund has been established with a target balance of 5% of unrestricted General Fund resources. (See separate Reserve Policies section for more information on the Rainy Day Reserve.)

F. Fund Balances: Accruals and non-cash enhancements to revenues will not be made as a means to influence fund balances at year-end or during budget discussions.

G. Fixed Asset Inventories: Accurate inventories of all physical assets (including roads infrastructure), their condition, life spans, and cost will be maintained to ensure proper stewardship of public property. The Finance Director will establish policies and appropriate procedures to manage fixed assets, including establishing the threshold dollar amount for which fixed asset records are maintained and how often physical inventories will be taken.

H. Allocation of Overhead Costs: Overhead costs will be allocated to determine the full cost of providing services. Overhead costs will be allocated according to consistent methodology developed in consultation between the Finance Department and other operating departments.

I. Utility Debt Coverage Ratio Target: The City Council adopted the following debt service coverage policy for the bonds issued by the City's Waterworks Utility on March 7, 1994 by Resolution No. 5759:

"The City Council will establish utility rates/charges and appropriations in a manner intended to achieve a debt service coverage ratio (adjusted by including City taxes as an expense item) of approximately 2.00. The City Council authorizes the Waterworks Utility to utilize this policy in development of pro forma projections which will be disseminated to the bond rating agencies and to the financial community generally."

X. FUND DESCRIPTION & RESERVE POLICIES

Fund descriptions and reserve policies have been developed in a standard format for all City funds and are included in the 2007-2008 Budget Detail volume.

A. Fund Descriptions include the following:

1. Fund Type
2. Fund Description
3. Year Created
4. Major Revenue Sources
5. Major Expenditures
6. Fund Custodian
7. Reserve Policy
8. Other Notes

B. Reserve Policies include the following:

1. Budgeting for Reserves: The City will maintain and justify budgeted reserves.

2. Expenditure of Budgeted Reserves: Reserves included in the operating budget shall not be expended without the express written approval of the Finance Director.

3. Rainy Day Reserve Target and Purpose: A Rainy Day Reserve Fund, with a target reserve balance of 5% of General Fund unrestricted resources, will be maintained.

   The Rainy Day Reserve's primary purpose is to protect the City's essential service programs during periods of economic downturn, which may temporarily reduce actual resources or cut the growth rate of City resources below that necessary to maintain pre-existing service levels.

XI. CAPITAL INVESTMENT PROGRAM PLAN POLICIES

A number of important policy considerations are the basis for the Capital Investment Program (CIP) Plan. These policies provide guidelines for all financial aspects of the CIP, and ultimately affect the project selection process.

A. Relationship of Long-Range Plans to the CIP: Virtually all of the projects included in the CIP are based upon formal long-range plans that have been adopted by the City Council. This ensures that the City's Capital Investment Program, which is the embodiment of the recommendations of these individual planning studies, is responsive to the officially stated direction of the City Council as contained in the Comprehensive Plan and supporting documents. Examples of these supporting documents are: Transportation Facility Plans (Central Business District (CBD), Bellevue-Redmond Overlake Transportation Study (BROTS), East Bellevue Transportation Study (EBTS), Newcastle), the Parks and Open Space Plan, the Municipal Facilities Plan, the Fire Master Plan, the CBD Implementation Plan and the Comprehensive Plans of the Water, Sewer, and Storm & Surface Water Utilities. There are exceptions, but they are relatively small when compared to the other major areas of expenditure noted above. These exceptions include activities such as the Neighborhood Enhancement Program (NEP) and the Community Development Program.

B. Establishing CIP Priorities: The City uses the following basic CIP project prioritization and selection process.

1. Each CIP program area establishes criteria to be used in the prioritization of specific projects submitted for funding. These specific criteria are developed in conjunction with City Council priorities and input from citizens and associated City boards and commissions (if applicable). The criteria established for this CIP are displayed in the 2007-2013 CIP Plan document in the tab titled "CIP Project Prioritization Criteria".

2. The Finance Department determines revenue projections available to the non-utility CIP in consultation with various revenue-generating departments and the amount of resources available for new projects for each new seven-year Plan.

3. The Finance Department and City Manager evaluate the various CIP projects and selects those with the highest priority.

4. Within the available funding, the highest priority projects are then selected and funded in the CIP.

5. CIP program area managers recommend an expenditure plan to the Finance Department and City Manager, which includes all capital costs and any applicable maintenance and operations (M&O) and/or required short-term financing costs. Program area managers are responsible for the cost estimates of their proposed programs, including future M&O costs related to the implementation of completed projects.

6. A Preliminary CIP Plan is recommended to the City Council by the City Manager along with the operating budget recommendations.

7. The City Council reviews the Operating and Preliminary CIP Plan, holds a public hearing(s) to allow for citizen input, makes desired alterations, and then officially adopts the budget and establishes related appropriations as a part of the City's biennial budget process.

C. Types of Projects Included in the CIP Plan: The CIP Plan will display, to the maximum extent possible, all major capital projects in which the City is involved. While the following criteria may be used as a general guide to distinguish which projects should be included or excluded from the CIP Plan, there are always exceptions which require management's judgment.

For purposes of the CIP Plan, a CIP project is generally defined to be any project that possesses all of the following characteristics:

1. Exceeds an estimated cost of $100,000;

2. Involves totally new physical construction, reconstruction designed to gradually and systematically replace an existing system on a piecemeal basis, replacement of a major component of an existing facility or computer system, or acquisition of land or structures; and

3. Involves City funding in whole or in part, or involves no City funds but is the City's responsibility for implementing, such as a 100% grant-funded project or 100% Local Improvement District funded project.

D. Scoping and Costing Based on Predesign Study: It has proven difficult to develop accurate project scopes, cost estimates, and schedules on which no preliminary engineering or community contact work has been done. To address this problem, some projects are initially proposed and funded only for preliminary engineering and planning work. This funding will not provide any monies to develop final plans, specifications, and estimates to purchase rights-of-way or to construct the projects. However, generally, an estimated amount, sufficient to cover these costs based on a rough preliminary estimate is earmarked within the program area.

E. Required Project Features and Financial Responsibility: If a proposed project will cause a direct impact on other publicly-owned facilities, an equitable shared and funded cost plan must be coordinated between the affected program areas.

F. Predictability of Project Timing, Cost, and Scope: The predictability of timing and costs of projects is important to specific private developments, such as the provision of street improvements or the extension of major sewer lines or water supply, without which development could not occur. These projects generally involve significant financial contributions from such private development through impact fees, developer extension agreements, LIDs, and other means. Once a project has been approved by the City Council in the CIP, project scheduling is a priority to maintain.

G. Local Improvement Districts (LID): This policy limits the use of LIDs to specific instances. Examples of when future LIDs may be formed are as follows: 1) where old agreements exist committing property owners to LID participation on future projects; 2) when current development activity or very recently past development activity has exempted these projects from the assessment of Transportation Impact Fees; 3) when a group of property owners wish to accelerate development of a certain improvement; 4) when a group of property owners desire a higher standard of improvement than the City's project contemplates; or 5) when a group of property owners request City assistance in LID formation to fund internal neighborhood transportation facilities improvements, which may or may not have City funding involved. If City funding is proposed by the project sponsors (property owners), they shall so request of the City Council (through the City Clerk) in writing before any LID promotion activity begins. The City Manager shall analyze such request within 45 days and report his conclusions and recommendation to Council for their consideration. The Council shall by motion affirm or deny the recommendation. The Council's affirmative motion to financially participate shall expire in 180 days, unless the project sponsors have submitted a sufficient LID petition by that time.

   In the event the request is for street resurfacing in advance of the City's normal street resurfacing cycle, the City's contribution shall not exceed 50% of all project eligible costs.

   On capital projects whose financing depends in part on an LID, interim financing will be issued to support the LID's portion of the project budget at the same time or in close proximity to the issuance of the construction contract. The amount of the interim financing shall be the current estimate of the final assessment roll as determined by the administering department.

   In the event that the project is 100% LID funded, interim financing shall be issued either in phases (i.e., design phase and construction phase) or up front in the amount of the entire estimated final assessment roll, whichever means is estimated to provide the lowest overall cost to the project as determined by the Finance Department.

H. CIP Non-Utility Maintenance and Operating (M&O) Costs: Non-utility CIP project M&O costs identified in the project description, as approved by the City Council, shall have a funding plan. Preferably, operating budget tax sources will not be provided for this purpose. More suitable sources of funding include: General CIP Revenue (the combination of the 5/10 and 3/100 of 1% of sales and B&O tax rates that have been allocated to the CIP for general capital purposes), property tax lid lifts, project-generated revenues e.g., user fees, or other new taxes. When the fund source for a project is General CIP Revenue, costs will be budgeted in the operating budget and an amount equivalent to their estimated cost will be reallocated from the CIP to the operating budget. This amount is adjusted upward each year by the anticipated inflation rate after first making any necessary adjustments (e.g., partial vs. full-year costs) and eliminating any one-time items. The amounts of these transfers are checked periodically for reasonableness.

I. Preserve Existing Capital Infrastructure Before Building New Facilities: It is the City's policy to ensure that adequate resources are allocated to preserve the City's existing infrastructure before targeting resources to build new facilities that also have operating and maintenance obligations. This policy addresses the need to protect the City's historical investment in capital facilities and to avoid embarking on a facility enhancement program, which when coupled with the existing facilities requirements, the City cannot afford to adequately maintain.

J. New Facilities Should Be of High Quality, Low Maintenance, Least Cost: This policy has guided the development and execution of the CIP Plan through an emphasis on lowest life-cycle cost. Projects should only be built if the necessary funding to operate them is provided. Also, priority is given to new facilities that have minimal ongoing maintenance costs so as to limit the impact upon both the CIP and the operating budget.

K. Public Input for Capital Projects: The City makes a serious commitment to public involvement. All of the City's long-range plans have been developed through an extensive citizen involvement program. Citizen involvement occurs at the long-range plan development stage, during CIP review and adoption, during master planning processes, during design and construction of specific projects, and through public processes associated with City boards and commissions. Public hearings are held during the CIP Plan development process to allow the public to comment on the recommended projects. The projects themselves call for an extensive public outreach effort, allowing those most closely effected to influence the design of the projects. While public input is essential to the successful implementation of the CIP Plan, staff and Council must also remain conscious of the overall effect upon costs when responding to requests of project neighbors.

L. Basis for Project Appropriations: During the City Council's biennial CIP Plan review, the City Council will appropriate the estimated project costs for the biennium for all projects in the CIP Plan. Subsequent adjustments to appropriation levels for amendments to the CIP Plan may be made by the City Council at any time.

M. Balanced CIP Plan: The CIP Plan is a balanced seven-year plan. This means that for the entire seven-year period, revenues will be equal to project expenditures in the Plan. It is anticipated that the plan will have more expenditures than revenues in single years of the Plan, but this imbalance will be corrected through the use of interim financing as needed. However, over the life of the seven-year plan, all planned interim debt will be repaid and all Plan expenditures, including interest costs on interim debt will be provided for with identified revenues. Any project funding plan, in which debt is not retired within the current seven-year Plan, must have specific City Council approval.

N. Use of Debt in the CIP: The CIP is viewed as a long-term program that will continually address capital requirements far into the future. As such, the use of long-term debt has been minimized, allowing the City to put money into actual projects that benefit Bellevue residents and businesses rather than into interest payments to financial institutions. To that end, this policy limits debt to short-term obligations, primarily for cash flow purposes. Debt incurred will be paid back before the end of the current CIP. Finance staff monitor CIP cash flow regularly and utilize fund balances to minimize the amount of borrowing required. Projected financing costs are included within a project in the General Government program area. There are exceptions to this policy for extraordinary circumstances, where Councilmanic or voted long-term debt have been issued to achieve major City goals that otherwise could not have been achieved, or would have been delayed an unacceptable amount of time.

O. Finance Director's Authority to Borrow: The Finance Director is authorized to initiate interim and long-term borrowing measures, as they become necessary, as identified in the current CIP Plan.

P. CIP Plan Update and Amendment: The CIP Plan will be updated at least biennially as a part of the City's biennial budget process. The City Council may amend the CIP Plan at any time if a decision must be made and action must be taken before the next CIP review period. The City Council has delegated authority to the City Manager to administratively approve CIP Plan adjustments, except for changes in project scope or changes that total more than 10% of a project's adopted CIP Plan budget (unless a 10% adjustment is less than $10,000), or regardless of the percentage, budget changes totaling more than $100,000. The Council has further authorized the City Manager to administratively approve the acceleration of project schedules so long as they can be accomplished without causing cash flow problems and with the understanding that any controversial issues would be brought before the City Council. All project additions or deletions must be approved by the City Council.

Q. Formalization of Monetary Agreements: All agreements between the City and outside jurisdictions shall be in writing specifying the financial terms of the agreement, the length of the agreement, and the timing of any required payments. Formalization of these agreements will protect the City's interests. Program areas shall make every effort to promptly request any reimbursements that are due the City. Where revenues from outside jurisdictions are ongoing, these requests shall be made at least quarterly, unless alternative arrangements are approved by the City Manager or City Council.

R. Projected Grant Revenues: At the Finance Director's discretion, grant-funded capital expenditures are budgeted prior to the specific grant award. City overhead or indirect costs for grant-funded programs will be included in all grant proposals, where permitted. With grant-funded capital acquisitions, the City will attempt to recover ongoing M&O costs, and replacement costs associated with the acquisition.

S. Projected Revenues from Future Land Sales: The City recognizes that City-owned land is an asset that can be sold to finance CIP projects. With this in mind, the City shall cautiously allow land sale proceeds to be used as a funding source by program areas that have oversight responsibility for the land. The land shall be valued based on an appraisal performed either by the Transportation Department or an outside appraisal company. A conservative value shall be used to provide a cushion for economic shifts. The timing of the proceeds shall be estimated based on the length of time the property is likely to be on the market. However, if the land does not sell in a timely manner or its value turns out to be overestimated, then the program area must either reallocate revenue sources from other projects within its area, find an agreeable replacement funding source, or cease work on the project, if possible.

T. Land Sale Remnants: The City is frequently left with property remnants following the completion of a project that required rights-of-way (ROW) acquisition. These remnants represent an asset to the program area that purchased them. If the project selling the land remnants is still active, the revenue from the sale shall be receipted as land sale proceeds in the project, therefore serving to partially offset the ROW acquisition costs. If the project is already completed at the time of the remnant sale, the land sale proceeds can either be used by the selling program area to help fund another of that program area's projects, or they can be deposited in the Land Purchase Revolving Fund for future use by the purchasing program area.

U. Applicable Project Charges: CIP projects should reflect all costs that can be clearly shown to be necessary and applicable. Staff charges to CIP projects will be limited to time spent actually working on those projects and shall include an overhead factor to cover the applicable portion of that person's operating cost.

XII. INTERGOVERNMENTAL REVENUES

Many service costs of the City are influenced by other governments, either because of service overlap or service mandates imposed by the county, state, or federal government. The City should take advantage of opportunities to enhance service delivery through intergovernmental cooperation, shared revenues, and grants while aggressively opposing mandates that distort local service priorities.

A. Grants Should Not Fund Ongoing Services: The City will refrain from using grants to meet ongoing service delivery needs. In the City's financial planning, grants will be treated in the same manner as all other temporary and uncertain resources and will not be used to fund ongoing, basic service needs. With grant-funded capital acquisitions, the City will attempt to recover ongoing maintenance and operating costs, and replacement costs associated with the acquisition.

B. Grant Agreements Reviewed for Compliance with Regulations: All grant agreements will be reviewed by the appropriate City staff, including Finance, City Attorney's Office, and sponsoring department, to ensure compliance with state, federal, and City regulations.

C. Budgeting for Grant Expenditures: At the City Manager's discretion, grant-funded capital expenditures are budgeted prior to the specific grant award. City overhead or indirect costs for grant-funded programs will be included in all grant proposals, where permitted. With grant-funded capital acquisitions, the City will attempt to recover ongoing maintenance and operating costs, and replacement costs associated with the acquisition.

D. Protecting the City's Interests: The City will aggressively oppose state or federal actions that mandate expenditures that the City Council considers unnecessary. The City will pursue intergovernmental funding to support the incremental cost of those mandates.

E. Intergovernmental Agreements: The City will work with other governments to identify the jurisdiction most capable and appropriate to provide specific public services. All intergovernmental agreements and contracts for service delivery will be brought forward to the City Council for approval.

XIII. ACCOUNTING, AUDITING, & FINANCIAL REPORTING POLICIES

The City shall maintain a system of financial monitoring, control, and reporting for all operations and funds in order to provide effective means of ensuring that overall City goals and objectives are met.

A. Accounting Records and Reporting: The City will maintain its accounting records in accordance with state and federal law and regulations. Budgetary reporting will be in accordance with the state's budget laws and regulations. The City will report its financial condition and results of operations in accordance with state regulations and generally accepted accounting principles (GAAP) applicable to governments.

B. Auditing: The State Auditor will annually perform the City's financial and compliance audit. Their opinions will be contained in the City's Comprehensive Annual Financial Report (CAFR). Results of the annual audit shall be provided to the Council in a timely manner.

C. Excellence in Financial Reporting: As an additional independent confirmation of the quality of the City's financial reporting, the City will annually seek to obtain the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The CAFR will be presented in a way designed to communicate with citizens about the financial affairs of the City.

D. Simplified Fund Structure: The City will minimize the number of funds. The funds will be categorized in accordance with generally accepted accounting principles (GAAP) for reporting purposes, although some funds may be functional classifications but may also be referred to by City of Bellevue fund types.

XIV. INVESTMENT POLICY

The City shall maintain a current investment policy. A copy is attached as Figure 8-5.

As an additional independent confirmation of the integrity of the City's Investment Policy, the City's policy has been certified by the Municipal Treasurers' Association of the United States and Canada.

XV. DEBT MANAGEMENT POLICY

The City shall maintain a current debt policy. A copy is attached as Figure 8-6.

XVI. BUDGET ORDINANCES

Budget Ordinances are attached as Figure 8-7.

A. Ordinance 5704, Water Rates and Charges, 12/11/06

B. Ordinance 5705, Sewer Rates and Charges, 12/11/06

C. Ordinance 5706, Storm and Surface Water Rates and Charges, 12/11/06

D. Ordinance 5707, Human Services Funding, 12/11/06

E. Ordinance 5710, 2007 Property Taxes, 12/11/06

F. Ordinance 5711, 2007-2008 Budget and 2007-2013 CIP Budget Adoption, 12/11/06

Figure 8-1

Waterworks Utility

Financial Policies

December, 2006

INTRODUCTION

The Waterworks Utility is the financial consolidation of the Sewer, Storm & Surface Water and Water Utilities of the City of Bellevue for debt rating and coverage purposes as established in Ordinance No.'s 2169, 2845, 3158 and 4568. It pledges the strengths and revenues of the three separate Utilities for the common financial good while keeping each Utility financially separate for budgeting, rate-setting, revenues, expenditures, debt and accounting.

These "Financial Policies" apply uniformly to the Sewer, Storm & Surface Water and Water Utilities with few, unique exceptions which are identified separately. This update reflects changes consistent with current long-range financial planning, particularly with regard to renewal and replacement funding, the use of debt and rate policies. They supersede the Financial Policies, which were adopted under Resolution No. 5967 in 1995.

These policies do not stand-alone. They must be taken in context with the other major City and Utilities documents and processes. For instance, each Utility has its own Comprehensive Plan, which documents its unique objectives, planning, operations and capital needs. These Comprehensive Plans have historically had a 20-year planning horizon. Future Comprehensive Plans will need to evaluate long term renewal and replacement of aging facilities, much of which were constructed in the 1950's and 1960's during periods of high growth rates and are approaching the end of their useful life. Life cycle costs should be considered in planning the future capital facilities and infrastructure needs.

The City has a seven-year City-wide Capital Investment Program (CIP) Plan which is updated with each biennial budget cycle. All major City capital projects are included. Generally, they are described as over $25,000; involving new physical construction, reconstruction or replacement; and involving City funding. The CIP identifies the level and source of funding for each project. The CIP includes specific sections for each Utility which identify near-term capital projects consistent with each current Utility Comprehensive Plan and several projects of general scope including renewal and rehabilitation, capital upgrades, response to growth and other system needs.

I. GENERAL POLICIES

A. *Fiscal Stewardship*

The Waterworks Utility funds and resources shall be managed in a professional manner in accordance with applicable laws, standards, City financial practices and these Financial Policies.

Discussion:

It is incumbent on Utility management to provide professional fiscal management of utility funds and resources. This requires thorough knowledge of and conformance with the City financial management processes and systems as well as applicable laws and standards. It also requires on-going monitoring of revenues and expenses in order to make decisions and report to City officials, as needed, regarding the status of Utilities financing. Independent financial review, analysis and recommendations should be undertaken as needed.

B. *Self-sufficient Funding*

Each Utility shall remain a self-supporting enterprise fund.

Discussion:

The revenues to each Utility primarily come from customer charges dependent on established rates. State law requires that utility funds be used only for utility purposes. Since each Utility has somewhat differing service areas, it is essential for rate payer equity that they be kept financially separate and accountable. The City's General Fund can legally contribute to the Utility funds but does not. The City budgeting process includes a balanced and controlled biennial Utility budget. This requires careful preparation of expense and revenue projections that will be reviewed by City management, the Environmental Services Commission, the general public and the City Council prior to approval of any change in Utility rates.

C. *Comprehensive Planning Policies*

Comprehensive Plans for the Water and Sewer Utilities shall be completed or updated every six years, using a 20-year planning horizon or greater and considering life cycle costs to identify funding needs. Comprehensive Storm & Surface Water System Plans and individual Storm & Surface Water Basin Plans will be completed and updated as required using similar criteria for planning infrastructure needs.

Discussion:

Substantial portions of the City utility systems were constructed in the 1950's and 1960's. These systems are approaching the end of their useful life as illustrated on the following Exhibit 1 - Watermain Replacement Spending and Exhibit 2 - Sewermain Replacement Spending. The storm & surface water infrastructure is of similar age but has not been graphed. It most likely has a relatively shorter expected life span. The object is to determine and follow a survivor curve replacement schedule rather than the replacement schedule based on age alone. Assumptions for survivor curves and useful lives are revisited periodically. These were assessed in 2004 and updated for the most recent engineering and financial findings. Significant changes include the adjustment of replacement costs to current price levels, categorization of pipe assets based on expected useful lives, and replacement of major non-pipe Utility assets such as pump stations and reservoirs. The Exhibits illustrate an example survival replacement curve based on preliminary estimates only. As real needs are determined, they will replace the estimated curves. Renewal and/or replacement will require substantial reinvestment in the future and have major rate impacts if large portions of the systems have to be replaced in relatively short periods of time. The actual useful life of underground utilities is difficult to determine and the best available data is needed to be able to plan for the orderly and timely renewal and/or replacement. For this purpose, the comprehensive plans need to have at least 20 year planning horizons and must address the aging of the Utility systems.

Long term comprehensive planning for the Utility systems is required in order to assure that the future financial needs are anticipated and equitable funding plans can be developed. In order to keep funding plans current, comprehensive plans need to be updated approximately every six years (as required by State law for water and sewer comprehensive plans). These Financial Policies will then be reviewed and updated as needed.

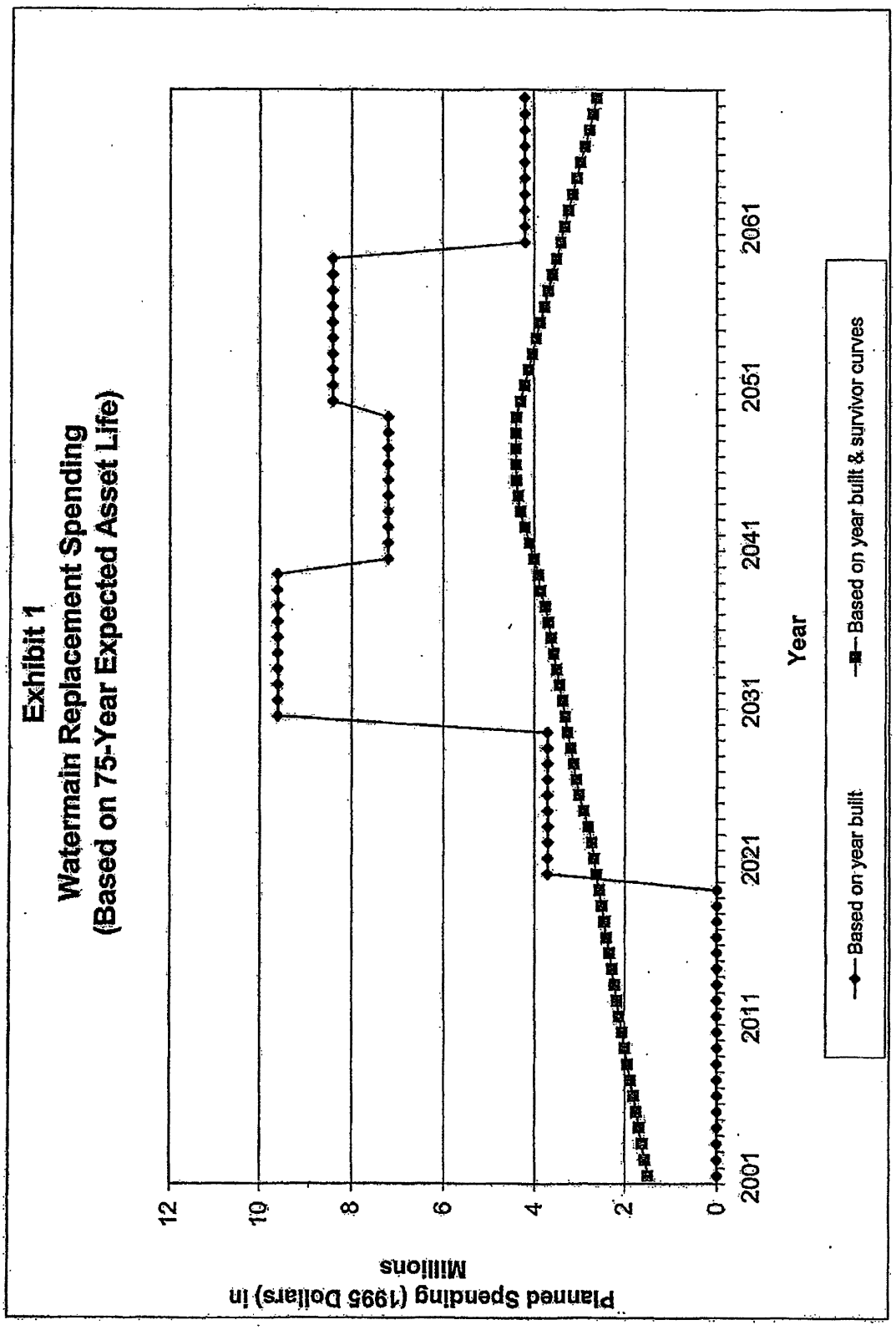


Exhibit 1
Watermain Replacement Spending
(Based on 75-Year Expected Asset Life)
Planned Spending (1995 Dollars) in Millions
12
10
8
6
4
2
0
2001
2011
2021
2031
2041
2051
2061
Year
Based on year built
Based on year built & survivor curves

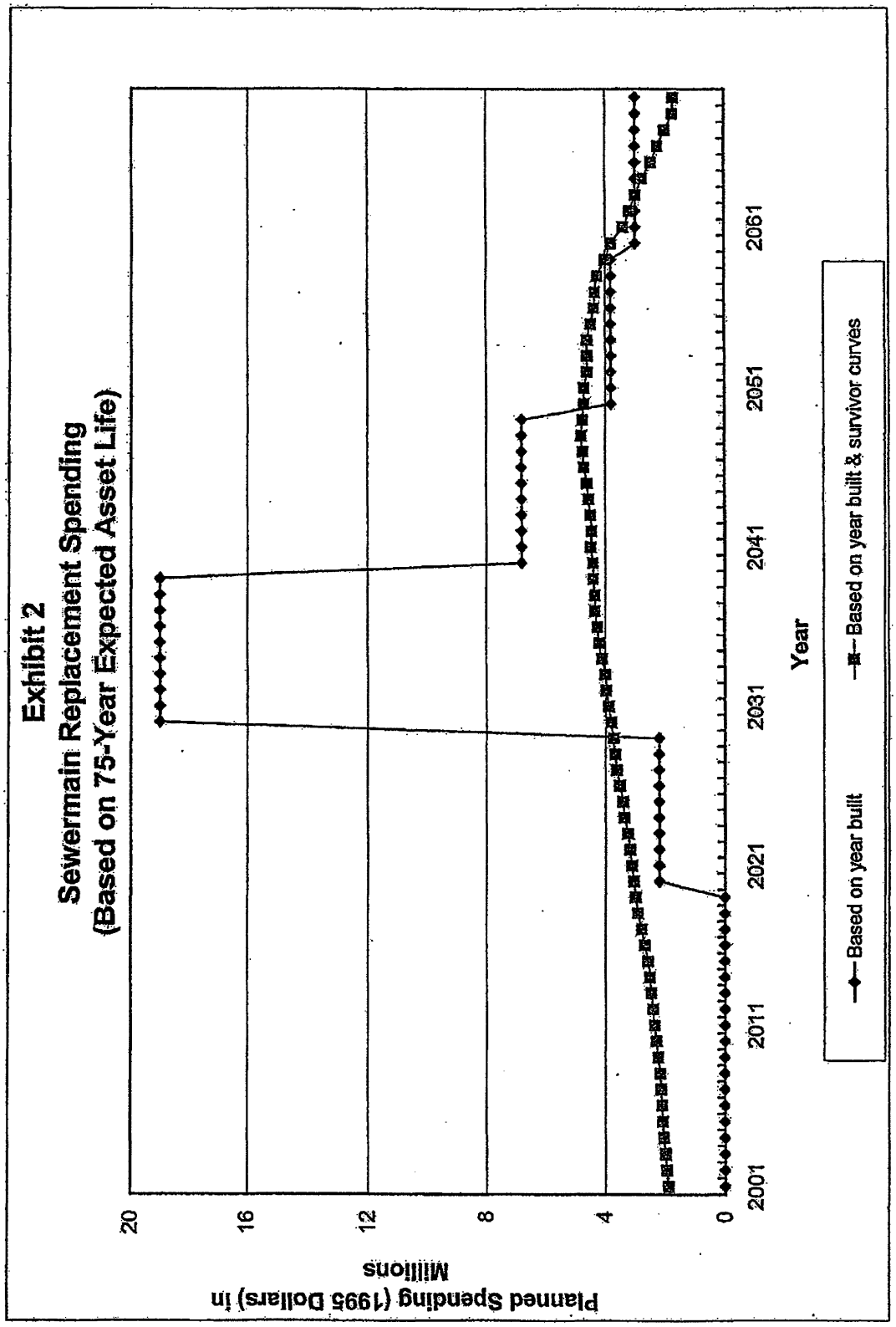


Exhibit 2
Sewermain Replacement Spending
(Based on 75-Year Expected Asset Life)
Planned Spending (1995 Dollars) in Millions
20
16
12
8
4
0
2001
2011
2021
2031
2041
2051
2061
Year
Based on year built
Based on year built & survivor curves

II. CAPITAL INVESTMENT PROGRAM POLICIES

A. *General Scope*

The Utilities Capital Investment Program (CIP) will provide sufficient funds from a variety of sources for implementation of both short- and long-term capital projects identified in each Comprehensive Plan and the City-wide Capital Investment Program as approved by the City Council.

Financial planning for long-term capital investment shall be based on principles that result in smooth rate transitions, maintain high credit ratings, provide for financial flexibility and achieve inter-generational equity.

Discussion:

These near-term capital projects are usually identified in each Comprehensive Plan which also provides the criteria and prioritization for determining which projects will be constructed. Several projects of general scope are also included to allow for on-going projects that are less specifically identified due to their more inclusive nature.

In addition to these near-term projects, funding should be provided for long-term capital reinvestment in the system to help minimize large rate impacts as the systems near the end of their useful life and have to be renewed or replaced. Ordinance No. 4783 established a Capital Facilities Renewal & Replacement (R&R) Account for each Utility to provide a funding source for this purpose. Other policies describe how this Account is to be funded and expended.

A reinvestment policy by itself, without some form of planned and needed expenditure, could lead to excessive or unneeded expenditures, or conversely unnecessary accumulations of cash reserves. The reinvestment policy needs to tie the planned expenditures over time with a solid, long-term financial plan that is consistent with these policies.

The actual needs for the renewal/replacement expenditures should relate to the on-going need to minimize system maintenance and operating costs consistent with providing safe and reliable service, the age and condition of the system components, and any regulatory or technical obsolescence. In essence, plant should be replaced when it is needed and before it fails. As such, the goal setting measure of how much is an appropriate annual or periodic reinvestment in renewals and replacement of existing assets should be compatible with the age and condition of the infrastructure and its particular circumstances.

WP0459C-ORD
06/27/95

ORIGINAL

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 4783

AN ORDINANCE creating utility capital replacement accounts for the Water, Sewer and Storm and Surface Water Utilities within the Utility Capital Investment Fund for the purpose of accumulating funding for long term replacement of utility facilities.

WHEREAS, the Utilities 1995 Cost Containment Study prepared by Financial Consulting Solutions Group, Inc. (FCSG) recommends that current utility rates recover from the ratepayers amounts which at a minimum are equal to the depreciated value of the original cost of utility facilities and at a maximum are amounts equal to the replacement value of utility infrastructure; and

WHEREAS, FCSG recommends that utility funds not needed for current expenditure be placed in a replacement account to be used in the future in combination with current revenues and/or debt financing to replace capital facilities nearing the end of their useful life; and

WHEREAS, implementation of FCSG's recommendations would promote intergenerational rate equity and provide more stable rates to customers over the long term; and

WHEREAS, the Council desires to make an initial, 1995 deposit of $600,000 in savings from the Water Fund into the new capital replacement account for the Water Utility; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. The purpose of this ordinance is to establish capital facilities replacement accounts within the Utility Capital Investment Fund in order to assure a future funding source for replacement of utility facilities nearing the end of their useful life. The City Council will determine each year, as part of the adoption of the utilities operating budgets, how much, if any, utility revenue during the upcoming year shall be designated for transfer to a replacement account. The City Council may also authorize the receipt of other funds directly into these capital facility replacement accounts. Once deposited the funds will accumulate with interest. The decision regarding when and how to utilize such accumulated funds for the replacement of utility facilities will be made as part of the Utility Comprehensive Plans and Utility Capital Investment Program approval process.

ORIGINAL

WP0459C-ORD
06/27/95

Section 2. The following new accounts are established in the Utility Capital Investment Fund:

Capital Facilities Replacement Account - Sewer
Capital Facilities Replacement Account - Water
Capital Facilities Replacement Account - Storm and Surface Water

Section 3. There is hereby authorized the 1995 transfer from the Water Utility Operating Fund to the Capital Facilities Replacement Account - Water the amount of $600,000.

Section 4. This ordinance shall take effect and be in force five days after its passage and legal publication.

PASSED by the City Council this 24th day of July, 1995, and signed in authentication of its passage this 24th day of July, 1995.

(SEAL)

Donald S. Davidson, DDS, Mayor

Approved as to form:

Richard L. Andrews, City Attorney

Richard L. Kirkby, Assistant City Attorney

Attest:

Myrna L. Basich, City Clerk

Published July 28, 1995

B. *Funding Levels*

Funding for capital investments shall be sustained at a level sufficient to meet the projected 20 year (or longer) capital program costs.

Funding from rate revenues shall fund current construction and engineering costs, contributions to the Capital Facilities Renewal and Replacement (R&R) Account, and debt service, if any.

Inter-generational equity will be assured by making contributions to and withdrawals from the R&R Account in a manner which produces smooth rate transitions over a 20 year (or longer) planning period.

On an annual basis, funding should not fall below the current depreciation of assets expressed in terms of historical costs less any debt principal payments.

Discussion:

These policies are based on the experience gained by developing a long-term Capital Replacement Funding Plan. In absence of such a plan, the range of capital investment funding should fall between the following minimum and maximum levels:

The minimum annual rate funding level would be based on the current depreciation of assets expressed in terms of historical costs, less any debt principal payments.

The maximum annual rate funding level would be based on the current depreciation of assets expressed in terms of today's replacement costs, less any debt principal payments.

The minimum level based on historical cost depreciation approximates the depletion of asset value. Some of the cost may already be in the rates in the form of debt service. Depreciation less debt principal repayment provides a minimum estimate of the cost of assets used. Any funding level below this amount defers costs to future rate payers and erodes the Utility's equity position, which puts the Utility's financial strength and viability at risk.

The maximum level based on replacement cost depreciation represents full compensation to the utility, in terms of today's value, for the depletion of assets. The replacement cost depreciation, again less debt principal repayment, provides a ceiling to an equitable definition of "cost of service".

The purpose of long-term capital reinvestment planning is to establish a target funding level which is based on need and to assure that funds will be available for projected capital costs in an equitable manner. The best projection of the needed capital reinvestment is based on a "survival curve" approach, approximating the timing and cost of replacing the entire system. This defines the projected financial needs and allows determination of equitable rate levels, funding levels for current capital construction and engineering, contributions to and withdrawals from the R&R Account, and the use of debt, if any. It also provides a means to project depreciation on both historical cost and replacement cost basis which are used to calculate minimum and maximum funding levels, debt to fixed asset ratios, and debt coverage levels, if debt is used. These later measures can be used to assure that the financial plan meets conventional standards.

C. *Use of Debt*

The Utilities should fund capital investment from rates and other revenue sources and should not plan to use debt except to provide rate stability in the event of significantly changed circumstances, such as disasters or external mandates.

Resolution No. 5759 states that the City Council will establish utility rates/charges and appropriations in a manner intended to achieve a debt service coverage ratio (adjusted by including City taxes as an expense item) of approximately 2.00". Please note that the Moody's Investor Services rating should be Aa2 (not Aa as stated in Resolution No. 5759).

Discussion:

The Utilities are in a strong financial position and have been funding the Utility Capital Investment Program from current revenues for a number of years. The current 20 year and 75 year capital funding plans conclude that the entire long-term renewal and replacement program can be funded without the use of debt if rates are planned and implemented uniformly over a sufficient period. Customers will pay less over the long-term if debt is avoided, unless it becomes truly necessary due to unforeseen circumstances such as a disaster or due to changes in external mandates. Having long-term rate stability also assures inter-generational equity without the use of debt because the rate pattern is similar to that achieved by debt service.

Use of low interest rate debt such as the Public Works Trust Fund loans, by offering repayment terms below market rates, investment earnings or even inflation, should be viewed as a form of grant funding. When available or approved, such sources should be preferred over other forms of rate or debt funding, including use of available resources. Since such reserves would generate more interest earnings than the cost of the loan, the City's customers would be assured to benefit from incurring such debt.

WP0254C-RES
03/03/94

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 5759

A RESOLUTION relating to financial policy for the Waterworks Utility and adopting a debt service coverage policy for the Waterworks Utility

WHEREAS, the City of Bellevue is consistently recognized for its prudent financial management; and

WHEREAS, the City of Bellevue's Water and Sewer Bonds are currently rated Aa by Moody's Investor Services and AA- by Standard & Poor's Corporation, which are considered to be excellent ratings; and

WHEREAS, these excellent ratings result in lower interest costs on the City's Water and Sewer bonds, which, in turn, may result in lower water, sewer and storm drainage costs; and

WHEREAS, it is important to the rating agencies and to the financial community that the City articulate its financial goals for its Waterworks Utility; and

WHEREAS, a desirable debt service coverage ratio, the ratio of revenues available for debt service to the annual debt service requirement, positively affects the Utility's bond ratings; and

WHEREAS, the City Council deems it in the City's best interest to establish a debt service coverage policy target for the purpose of protecting its current bond rating and to allow for the development of financial projections, NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City Council hereby adopts the following debt service coverage policy for the bonds issued by the City's Waterworks Utility.

The City Council will establish utility rates/charges and appropriations in a manner intended to achieve a debt service coverage ratio (adjusted by including City taxes as an expense item) of approximately 2.00. The City Council authorizes the Waterworks Utility to utilize this policy in development of pro

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forma projections which will be disseminated to the bond rating agencies and to the financial community generally.

PASSED by the City Council this 7th day of March, 1994, and signed in authentication of its passage this 8th day of March, 1994.

(SEAL)

Donald S. Davidson, DDS, Mayor

Attest:

Myrna L. Basich, City Clerk

D. *Capital Facilities Renewal & Replacement (R&R) Account*

1. Sources of Funds

Revenues to the R&R Account may include planned and one-time transfers from the operating funds, transfers from the CIP Funds above current capital needs, unplanned revenues from other sources, Capital Recovery Charges, Direct Facility Connection Charges and interest earned on the R&R Account.

2. Use of Funds

Funds from the R&R Account shall be used for system renewal and replacement as identified in the CIP. Because these funds are invested, they may be loaned for other purposes provided repayment is made consistent with the need for these funds and at appropriate interest rates. Under favorable conditions, these funds may be loaned to call or decrease outstanding debt.

3. Accumulation of Funds

The R&R Account will accumulate high levels of funds in advance of major expenses. These funds will provide rate stability over the long-term when used for this purpose and *should not be used for rate relief*.

Discussion:

Revenues from Capital Recovery Charges, Direct Facility Connection Charges and interest earned on the R&R Account are deposited directly into the R&R Account. Other transfers are dependent on the long-term financial forecast, current revenues and expenses, and CIP cash flows. The long-term financial forecast projects a certain funding level for the transfers to the CIP and the R&R Accounts. Rates should be established consistent with this long-term financial plan and will generate the funds for such transfers. Setting rates at lower levels may result in current rate payers contributing less than their fair share for long-term equity.

R&R Account funds must only be used for the purpose intended, that is the long-term renewal and replacement of the utility systems. They may be used for other purposes if it is treated as a loan, which is repaid with appropriate interest in time for actual R&R needs for those funds.

These accounts are each projected to accumulate tens of millions of dollars in order to meet the anticipated costs for the actual projects at the time of construction. It is the intent of these policies that these reserve funds will not be used for other purposes or to provide rate relief because that would defeat the long-term equity and could lead to the need for the use of debt to fund the actual needs when they occur.

III. SYSTEM EXPANSION AND CONNECTION POLICIES

A. *Responsibilities*

Those seeking or who are required to have Utility service are responsible for extending and/or upgrading the existing Utility systems prior to connecting.

Discussion:

It is the responsibility of the party seeking Utility service to make and pay for any extensions and/or upgrades to the Utility systems that are needed to provide service to their property. The extensions or upgrades must be constructed to City standards and requirements. This is typically accomplished through a Developer Extension Agreement with the City wherein requirements are documented, standards are established, plans are reviewed and construction is inspected and approved. Service will not be provided until these requirements are met.

The philosophical underpinning of this policy is that "growth pays for growth". Historically, developers constructed much of the City's utility infrastructure. If the infrastructure eventually would benefit more than the initial developer, the Utility signed a Latecomer Agreement to reimburse the original financier from charges to those connecting and receiving benefit at a later point in time. When the cost to extend and/or upgrade the system to accommodate development or redevelopment is beyond the means of a single developer, the Utility has employed a variety of methods to assist in the construction of the necessary infrastructure. Local Improvement Districts (LID's) historically have been used to provide financing for infrastructure for new development, with the debt paid over time by the property owners. Most of the older Utilities infrastructure was financed by this method.

The Utility has in some cases up-fronted the infrastructure construction for new development or redevelopment from rate revenues which are later reimbursed with interest, in whole or in part, by subsequent development through direct facility connection charges (see Cost Recovery Policy). Examples are the water and sewer infrastructure for Cougar Mountain housing development and Central Business District (CBD) redevelopment. Another example is the use of the Utility's debt capacity to provide for development infrastructure whereby the City sells bonds at lower interest rates than can private development, constructs the infrastructure, and collects a rate surcharge from the benefited area to pay off the bonds. Examples of this type of financing include the Lakemont development drainage infrastructure and the Meydenbauer Drainage Pipeline in the CBD.

B. *Cost Recovery*

The Utility shall establish fees and charges to recover Utility costs related to: (1) development services, and (2) capital facilities that provide services to the property.

The Utility may enter into Latecomer Agreements with developers for recovery of their costs for capital improvements, which benefit other properties in accordance with State law. The Utility will add an administrative charge for this service.

Discussion:

In general, Utility costs related to development services are recovered through a variety of fees and charges. There are fixed rates for some routine services based on historical costs and inflation. There are fixed plus direct cost charges and applicable overhead for developer extension projects to cover the lengthy but variable level of development review and inspection typically required to implement these projects. These rates are reviewed periodically to ensure that the cost recovery is appropriate.

When the means of providing the infrastructure to serve a new development or redevelopment are beyond the means of a single developer, the Utility may elect to assist the developer by using: LID's, Latecomer Agreements, special debt (to be paid by special rate surcharges), up-fronting the costs from Utility rate revenues (to be reimbursed by future developers with interest through direct facility connection charges), or other lawful means. It is the intent of this policy to fully recover these costs, including interest, so as to reimburse the general rate payer.

Latecomer charges allow cost recovery for developers and private parties, for facilities constructed at their own expense and transferred to the Utility for general operation. Properties subsequently connecting to those systems will pay a connection charge that will be forwarded to the original individual or developer or the current owner depending on the terms of the Latecomer Agreement. The Utility collects an overhead fee on this charge for processing the agreements and repayments.

C. *Use of Revenues*

All capital-related revenues such as Capital Recovery Charges and Direct Facility Connection Charges should be deposited in the Capital Facilities Renewal & Replacement Accounts.

Discussion:

Capital Recovery Charges are collected from all newly developed properties in the form of monthly rate surcharges over a ten year period to reimburse the Utility for historical costs that have been incurred by the general rate base to provide the necessary facilities throughout the service area. These Capital Recovery Charges should be deposited in the Capital Facilities Renewal & Replacement Accounts.

Direct Facility Connection Charges are collected for capital improvements funded by the City as described above in Section 2 under Cost Recovery. The total cost of the improvement is allocated to the area of benefit and distributed on an equitable basis such as per residential equivalent unit. Interest is collected in accordance with State law.

D. *Affordable Housing Consideration*

The Utility shall base connection charges on the number of units allowed under the basic zoning. Only incremental cost increases will be charged to affordable housing units.

Discussion:

The City has adopted bonus density incentives for developers to build units specifically for affordable housing. Under historical practices these additional units would have been charged the same connection fee as all other units, resulting in a lower cost per unit for all units. While this is fair, it does not create any incentive to develop affordable housing. By charging only the incremental increased facility cost to the affordable housing units, all developers who include an affordable housing component will experience no increase in cost because of the affordable bonus density units. The cost per unit for affordable units is thereby reduced. The cost per unit for all other units, based on underlying land use zoning, remains unchanged.

IV. RATE POLICIES

A. *Rate Levels*

Rates shall be set at a level sufficient to cover current and future expenses and maintain reserves consistent with these policies and long-term financial forecasts.

Changes in rate levels should be gradual and uniform to the extent that costs (including CIP and R&R transfers) can be forecast.

Cost increases or decreases for wholesale services shall be passed directly through to Bellevue customers.

Local and/or national inflation indices such as the Consumer Price Index (CPI) shall be used as a basis for evaluating rate increases.

At the end of the budget cycle, fund balances that are greater than anticipated and other one-time revenues should be transferred to the R&R account until it is shown that projected R&R account funds will be adequate to meet long-term needs, and only then used for rate relief.

Discussion:

A variety of factors including rate stability, revenue stability, the encouragement of practices consistent with Utility objectives and these Waterworks Utility Financial Policies are considered in developing Utility rates. The general goal is to set rates as low as possible to accomplish the on-going operations, maintenance, repair, long-term renewal and replacement, capital improvements, debt obligations, reserves and the general business of the Utility.

Long-range financial forecast models have been developed for each of the Utilities, which include estimated operating, capital and renewal/replacement costs for a 75 year period in order to plan for funding long-term costs. Operating costs are assumed to remain at the same level of service and don't include impacts of potential changes due to internal, regional or federal requirements. Capital costs, including renewal/replacement, are projected based on existing CIP costs and approximated survival curves for the infrastructure. The models are used to project rate levels that will support the long-term costs and to spread rate increases uniformly over the period. This is consistent with the above policy that changes in rate levels should be gradual and uniform. Uniform rate increases help ensure that each generation of customers bears their fair share of costs for the long-term use and renewal/replacement of the systems.

The biennial budget process provides an opportunity to add to or cut current service levels and programs. The final budget, with the total authorized expenses including transfers to the CIP Fund and the R&R Account, establishes the amount of revenue required to balance the expenses. A balanced budget is required. The budgeted customer service revenue determines the level of new rates. For example, if the current rates do not provide sufficient revenues to meet the projected expenses, the costs have to be reduced or the rates are increased to make up the shortfall.

For purposes of these policies, wholesale costs are defined as costs to the Utilities from other regional agencies such as the Seattle Public Utilities and/or the Cascade Water Alliance (CWA), and King County Department of Natural Resources for sewer treatment and any agreed upon Storm & Surface Water programs. Costs which are directly based on the Utilities' revenues or budgets such as taxes, franchise fees and reserve levels that increase proportionally to the wholesale increases are included within the definition of wholesale costs.

B. *Debt Coverage Requirements*

Utility rates shall be maintained at a level necessary to meet minimum debt coverage levels established in the bond covenants and to comply with Resolution No. 5759 which establishes a target coverage ratio of 2.00.

Discussion:

Existing revenue bond covenants legally require the City's combined Waterworks Utility, which includes the Water, Sewer and Storm & Surface Water Utilities, to maintain a minimum debt coverage ratio of 1.25 on a combined basis. In 1994, Council also adopted Resolution No. 5759 that established a policy, which mandates the Utilities to maintain a target combined debt coverage ratio of approximately 2.00, to further protect the City's historically favorable Utility revenue bond ratings. Water and Sewer Utility resources are counted in the official coverage calculation though Storm & Surface Water is responsible for the major portion of current outstanding Utility debt. Requiring Storm & Surface Water to separately maintain the minimum 1.25 legal debt coverage level and to move toward the 2.00 level will help ensure that necessary coverage requirements are met, and that customers of the other Utilities will not be unfairly burdened with the cost of meeting this obligation. It also ensures that sufficient coverage is available to the Water and Sewer Utilities if they need to incur debt.

C. *Frequency of Rate Increases*

Utility rates shall be evaluated annually and adjusted as necessary to meet budgeted expenses including wholesale cost increases and to achieve financial policy objectives.

Discussion:

In 1996, the City changed to a biennial budget process and adopted a two-year Utilities budget including separate rates for 1997 and 1998. This practice will continue on a biennial basis. However, Utility rates will be evaluated on an annual basis and adjusted as necessary to ensure that they are effectively managed to achieve current and future financial policy objectives. Annual rate reviews will include preparation of forecasts covering a twenty-year period for Utility revenues, expenditures, reserve balances and analysis of the impact of various budgetary elements (i.e. CIP transfers, R&R Account transfers, debt service costs, debt coverage levels, operating expenses, and reserves) on both current and future rate requirements.

D. *Rate Structure - Sewer*

The Sewer Utility rate structure will be based on a financial analysis considering cost-of-service and other policy objectives, and will provide for equity between customers based on use of the system and services provided.

Discussion:

In 1993, a Sewer Rate Study was performed that resulted in Council approval of a two-step, volume-based rate structure for single-family customers based on winter average metered water volumes instead of the traditional flat rate structure. Flat rate structures were seen as inequitable to low-volume customers who paid the same amount as high volume customers. Rates are based on the level of service used, rather than the availability of service.

The revenue requirements are based on the "average" single-family winter average volume calculated annually from the billing database. The charge for an individual customer is based on their winter average and then charged at that level each bill for the entire year to avoid charging for irrigation use. The customer's winter average is based upon the prior year's three winter bills

because the current year's bills include winter months, which would result in the average constantly changing. Customers without prior winter averages to use for a basis are charged at the "average" volume until they establish a "winter-average" or sufficient evidence that their use is significantly different than the "average".

E. *Rate Structure - Storm & Surface Water*

The Storm & Surface Water Utility rate structure will be based on a financial analysis considering cost-of-service and other policy objectives, and will provide adjustments for actions taken under approved City standards to reduce related service impacts.

Discussion:

In the existing Storm & Surface Water rate structure, customer classes are defined by categories of development intensity, i.e., *undeveloped, lightly developed, moderately developed, heavily developed* and *very heavily developed*. Based on theoretical run-off coefficients for each of these categories, higher rates are charged for increasing degrees of development to reflect higher run-off resulting from that development. Under this structure, billings for both residential and non-residential customers are determined by total property area and rates assigned to applicable categories of development intensity. Customers providing on-site detention to mitigate the quantity of run-off from their property receive a credit equal to a reduction of one rate level from their actual development intensity. Property classified as "wetlands" is exempt from Storm & Surface Water service charges.

Large properties, over 35,000 square feet, with significantly different levels of intensity of development may be subdivided for rate purposes in accordance with Ordinance No. 4947. In addition, properties with no more than 35,000 square feet of developed area in the light and moderate intensity categories may, at the option of the owner, defer charges for that portion of the property in excess of 66,000 square feet. The property owner may apply for a credit against the Storm & Surface Water charge when they can demonstrate that the hydrologic response of the property is further mitigated through natural conditions, on-site facilities, or actions of the property owner that reduce the City's costs in providing Storm & Surface Water quantity or quality services.

Future design of a water quality rate component will also use cost-of-service principles to assign defined water quality costs to customer classes, according to their proportionate contribution to Utility service demand. It is anticipated that these rate structure revisions will also provide financial incentives to customers taking approved actions to mitigate related water quality impacts.

F. *Rate Structures - Water*

The water rate structure will be based on a financial analysis considering cost-of service and other policy objectives, and shall support water conservation and wise use of water resources.

Discussion:

The water rate structure consists of fixed monthly charges based on the size of the customer's water meter and volume charges, which vary according to customer class and the actual amount of water that the customer uses. There are three different meter rate classifications: domestic, irrigation and fire standby. The different charges are based on a cost-of-service study.

State law and the wholesale water supply contract require the Utility to encourage water conservation and wise use of water resources. Seattle first established a seasonal water volume rate structure for this purpose in 1989 with higher rates in the summer than in the winter. In 1990, based on a water rate study and the desire to provide a conservation-pricing signal to our

customers, the City adopted an increasing block rate structure for local volume rates. The rate structure was revised in 1991 to pass through an increase in wholesale water costs, which also included a higher seasonal water rate for summer periods. The block water rate structure was revised again in 1997, to incorporate new cost-of-service results from a 1996 water rate study.

An increasing block rate structure, charges higher unit rates for successively higher water volumes used by the customer. The current rate structure has four rate steps for single-family and three rate steps for multi-family customers, based on metered water volumes. All irrigation-metered water is charged at a separate, higher rate. Because non-residential classes do not fit well in an increasing block rate approach due to wide variations in their size and typical water use requirements, seasonal rates, with and without irrigation, were established for these customers. This rate structure will be thoroughly reviewed, as more historical information is available on the effect of the increasing block and seasonal rate structure.

In 1997, an additional category of fire protection charges was added for structures and facilities that benefit from the City water system but are not otherwise being charged for water service. For example, a number of homes are on private wells but are near a City-provided fire hydrant and enjoy the additional benefit of fire protection yet didn't pay for the benefit on a water bill. The charge is based on an equivalent meter size that would normally serve the facility. It also applies to facilities that have terminated water service but still stand and require fire protection, such as homes or buildings that are not occupied.

G. *Rate Equity*

The rate structure shall fairly allocate costs between the different customer classes. Funding of the long-term Capital Investment Program also provides for rates that fairly spread costs over current and future customers.

Discussion:

As required under State law, Utility rates will provide equity in the rates charged to different customer classes. In general, rates by customer class are designed to reflect the contribution by a customer group to system-wide service demand, as determined by cost-of-service analysis. The RCW also authorizes utility rates to be designed to accomplish "any other matters, which present a reasonable difference as a ground for distinction". For example, increasing water rates for irrigation and higher levels of use is allowed to encourage the wise use and conservation of a valuable resource. Formal rate studies are periodically conducted to assure ongoing rate equity between customer classes and guide any future rate modifications necessary to support changing Utility program or policy objectives.

Contributions from current rates to the R&R Account also provide equity between generations of rate payers by assuring that each user pays their fair share of capital improvements, including renewal and replacement, over the long-term. (See sections B and D under the Capital Investment Program Policies).

H. *Rate Uniformity*

Rates shall be uniform for all utility customers of the same class and level of service throughout the service area. However, special rates or surcharges may be established for specific areas, which require extraordinary capital investments and/or maintenance costs. Revenues from such special rates or surcharges and expenses from capital investments and/or extraordinary maintenance shall be accounted for in a manner to assure that they are used for the intended purposes.

Discussion:

The City Water and Sewer Utilities originally formed by assuming ownership of three separate operating water districts and two sewer districts. In the assumption agreements, each included a provision that requires the Utility to uniformly charge all customers of the same class throughout the entire service area. The basic rates are set for all customers, inside and outside of the City, except for local utility taxes in Bellevue, and franchise fees in Clyde Hill, Hunts Point, Medina, and Yarrow Point. Unlike the Water and Sewer Utilities, the Storm & Surface Water Utility only serves areas within the City limits.

Under state law, Utilities are required to charge uniform rates to all customers in a given customer class, regardless of property location within the service area. The only exception permitted is for certain low-income customers (see below).

However, when conditions in particular service areas require extraordinary capital improvement or maintenance costs to be incurred, special rates or surcharges may be adopted to recover those costs directly from properties contributing to the specific service demand, instead of assigning that cost burden to the general Utility rate base. This will only apply for costs above and beyond normal operations, maintenance and capital improvements. For example, rate surcharges are being used to recover debt service costs for capital facilities in Lakemont and the CBD. An additional rate surcharge for Lakemont properties is being collected for extraordinary maintenance costs of the storm water treatment facility.

I. *Rate Assistance*

Rate assistance programs shall be provided for specific low-income customers as permitted by State law.

Discussion:

Continual increases in all utility rates have had a significant impact on low-income customers. The City has adopted a rate discount or rebate program for disabled customers and senior citizens over 62 years old and with income below certain levels as permitted under State law and defined in Ordinance No. 4458. It has two levels, one discounting Utility rates by 40 percent and the other level by 75 percent, based on the customer's income level. Customers that indirectly pay for Utility charges through their rent can obtain a rebate for the prior year's Utility charges on the same criteria. The City also rebates 100 percent of the Utility Tax for these customers. The cost of this program is absorbed in the overall Utility expenses and is recovered through the rate base. The General Fund provides for the Utility tax relief.

There are other low-income customers who are less than 62 years old and currently receive no Utility rate relief. However, the City has instituted a separate rebate of Utility taxes for qualified low-income citizens.

V. OPERATING RESERVE POLICIES

A. *Operating Reserve Levels*

The Utilities' biennial budget and rate recommendations shall provide funding for working capital, operating contingency, and plant emergency reserve components on a consolidated basis in accordance with the attached Summary of Recommended Consolidated Reserve Levels table and as subsequently updated.

Discussion:

Utility resources not spent for operations remain in the fund and are referred to as reserves. At the end of each year, these funds are carried forward to the next year's budget and become a revenue source for funding future programs and operations. Under the terms of this policy, the Utility budget is targeted to include a balance of funds for the specific purposes stated above. While included in the total operating budget, these reserves will only be available for use pursuant to these reserve policies. Setting aside these budget resources in the reserve balance will help to ensure continued financial rate stability in future Utility operations and protect Utility customers from service disruptions that might otherwise result from unforeseen economic or emergency events.

The working capital reserve is maintained to accommodate normal cyclical fluctuations within the two month billing cycle and during the budget year. These are higher for Water than for Sewer and Storm & Surface Water due to more variable revenues and expenditures. They are described in terms of a number of days of working capital as a percentage of a full-year's budget.

The operating contingency reserve protects against adverse financial performance or budget performance due to variations in revenues or expenses. Again, the Water Utility is most susceptible to year-to-year variations in water demand. They are described in terms of percentages of budgeted wholesale costs and operations and maintenance (O&M) costs.

The plant emergency contingency reserve provides protection against a system failure at some reasonable level. The Storm & Surface Water Utility requires the largest reserve due to the risk of major flood damage to Utility facilities. Water and Sewer Utilities protect against the cost of a major main break or failure. These do not protect against the loss of facilities that are covered by the City's Self-Insurance to which the Utilities pay annual premiums nor are they sufficient to respond to a major disaster, such as a major earthquake.

The reserves of the three utilities have historically been treated separately. This protects against cross-subsidy, thereby retaining rate equity for each utility, each of which has different customers. However, it results in higher reserve targets, with more funds retained than otherwise may be needed. Sharing risks among utilities can reduce reserves. This does not require that reserves actually be consolidated into a single fund, but simply that individual reserve targets reflect the strength provided by the availability of cross-utility support. Under the "consolidated" scenario, cash shortfalls in one reserve could be funded through inter-utility loans, to be repaid from future rates. The likelihood that a serious shortfall would occur in more than one fund at the same time is slight and the benefits of lower overall reserve levels will benefit rate payers. Also, the rate policies and the debt coverage policy will ensure that there will be a strong financial response to any significant shortfall. The risk is considered a prudent financial policy.

City of Bellevue Summary of Recommended Consolidated Reserve Levels						
	Water		Wastewater		Storm Drainage	
Type of Reserve	Basis	Level	Basis	Level	Basis	Level
Working Capital – Reserves against revenue and expense fluctuations within the 2 month billing cycle and during the budget year.	70 days of budgeted O&M costs (excludes debt service, capital funding).	$4,569,000	30 days of Metro costs and 20 days of City O&M costs (excludes debt service, capital funding).	$2,038,000	29 days of budgeted O&M costs (excludes debt service, capital funding).	$603,000
Operating Contingency – Reserves against annual budget shortfalls due to poor financial performance.	7.5% of water purchase costs and 11% of other water O&M costs.	$2,102,000	2% of Metro costs and 5% of other wastewater O&M costs.	$732,000	2.5% of O&M costs.	$190,000
Plant Emergency Contingency – Reserves against failure of a major facility or piece of equipment.	Cost for repair of water main break.	$100,000	Cost of repair for wastewater main break.	$100,000	$500,000 based on potential net cost of flood damage.	$500,000
Less: Allowance for duplicating or offsetting reserves	None.	$0	Working Capital and Operating Contingency include offsetting reserves equal to 2% of all O&M.	$(523,000)	None.	$0
Less: Allowance for consolidating reserves	2.5% of City O&M for interfund charges between utilities.	$(340,000)	1% City O&M for interfund charges between utilities.	$(70,000)	1% of City O&M for interfund charges between utilities.	$(76,000)
	Share of reduced plant emergency reserve.	$(15,000)	Share of reduced plant emergency reserve.	$(15,000)	Share of reduced plant emergency reserve.	$(70,000)
	Lesser of min. working capital or plant emergency reserves.	$(85,000)	Lesser of min. working capital or plant emergency reserves.	$(85,000)	Lesser of min. working capital or plant emergency reserves.	$(220,000)
Total		$6.331,000		$2,177,000		$927,000

Note: Reserve levels based on amended 2006 utility budgets.

For this purpose, O&M costs are the entire annual operating budget of the Utility less the annual debt service, Capital Investment Program transfers and R&R Account transfers. Independent reserve levels are the levels that would be required by an individual Utility Fund (Water, Sewer and Storm & Surface Water) at any point in time to cover financial obligations if any one of the three reserve components where called for; i.e., working capital, operating contingency or plant emergency. At any single time, the full independent reserve levels should be available for the individual stated purpose, again because it is unlikely that all three components would be called for at once. For example, the Water Utility needs $100,000 available for an emergency repair but it is not likely that the Sewer Utility will need $100,000 and the Storm & Surface Water Utility will need $500,000 all at the same point in time.

The consolidated basis is for budget and rate setting purposes only, to reduce the total revenue requirement by considering the reserve risk shared between the three utilities. The dual reserve levels should be considered as circumstances evolve.

In 2004, the Financial Consulting Solution Group (FCSG) performed an analysis of recommended changes to the Water Utility's working capital and operating contingency reserves to reflect the new wholesale water contract with CWA and to update reserve levels for current conditions. Under the new contract, billing practices for wholesale costs have changed as follows:

1. CWA payment occurs before the associated revenues are collected, resulting in a greater lag between wholesale expense and when revenues are collected.

2. CWA payments are distributed over the whole year based on predetermined percentages and not based on actual consumption during the year. Due to seasonal revenue variation, there is an accumulative deficit in revenues prior to the peak revenue period.

In addition, the total costs to Bellevue are now largely fixed for the year due to the "take or pay" nature of the contract between CWA and Seattle Public Utilities. This shifts the risk during a poor water sales year to the City since there will not be a corresponding reduction in water purchase costs when water sales are down.

Changes in both billing practices as well as the fixed nature of the wholesale costs will result in an increase in required reserves for working capital and operating contingency for the Water Fund.

B. ***Management of Operating Reserves***

Related to the recommended target reserve levels, a working range of reserves is established with minimum and target levels. Management of reserves will be based on the level of reserves with respect to these thresholds, as follows:

Above target - Reserve levels will be reduced back to the target level by transferring excess funds to the R&R Accounts in a manner consistent with the long-range financial plan.

Between Minimum and Target - Rate increases would be imposed sufficient to ensure that: 1) reserves would not fall below the minimum in an adverse year; and 2) reserves would recover 50% of the shortfall from target levels in a normal year. Depending on the specific circumstances, either of these may be the constraint, which defines the rate increase needed.

Below Minimum - Rate increases would be imposed sufficient to ensure that even with adverse financial performance, reserves would return at least to the minimum at the end of

the following year. To meet this "worst case" standard, a year of normal performance would be likely to recover reserve levels rapidly toward target levels.

Negative Balance - Reserves would be borrowed from another utility to meet working capital needs. Similar to the "below minimum" scenario, rate increases would be imposed sufficient to ensure that even with adverse financial performance, reserves would return from the negative balance to at least the minimum target at the end of the following year, which would allow for loan repayment within that time frame.

Discussion:

"Adverse financial performance" or "worst case" are defined by the 95% confidence interval based on historical patterns. The worst case year is currently defined as a year with sales volumes 15% below the sales volume for a normal year. This was determined by using statistical measurements of sales volumes for 18 years with a 95% confidence interval. That is, in any given year there is only a 5% chance that the worst case year would be more than 15% below the normal year. Another way to say the same thing is that in 19 out of 20 years the worst case year would not be more than 15% below the normal year.

Maintaining the 95% confidence interval, as more and more data becomes available, a worst case year could change upward or downward from the 15% variation from a normal year.

The recommended reserve policies are premised on the vital expectation that reserves are to be used and reserve-levels will fluctuate. Although budget and rate planning are expected to use the target reserve number, reserve levels planned to remain static are by definition unnecessary. It is therefore important to plan for managing the reserves within a working range between the minimum and target levels as stated in the above policies. There may be situations in short-range financial planning where reserves are maintained above target levels to overcome peaks in actual expenses.

In the event of an inter-utility loan, the balance for the borrowing utility would essentially be any cash balance less the amount owed. The lending utility would count the note as a part of its reserves, so that it does not unnecessarily increase rates to replenish reserves that are loaned.

In this management approach, there is still a risk that a major plant emergency could exceed the amount reserved. Such a major shortfall would require rate action to assure a certain level of replenishment in one year. To avoid rate spikes due to this type of action, they should be considered on a case-by-case basis. This will provide the flexibility to use debt or capital reserves in lieu of operating reserves to cover the cost and allow a moderated approach to replenishing reserves out of rates.

C. *Asset Replacement Reserves*

Utility funds will maintain separate Asset Replacement Accounts to provide a source of funding for future replacement of operating equipment and systems.

Anticipated replacement costs by year for the upcoming 20-year period, for all Utility asset and equipment items, will be developed as a part of each biennial budget preparation process. Budgeted contribution to the Asset Replacement Account will be based on the annual amount needed to maintain a positive cash flow balance in the Asset Replacement Account over the 20-year forecast period. At a minimum, the ending Asset Replacement Account balance in each Utility will equal, on average, the next year's projected replacement costs for that fund.

The Utilities Department will observe adopted Equipment Rental Fund (ERF) and Information Services budget policies and procedures in formulating recommendations regarding specific equipment items to be replaced.

Discussion:

Providing reserves for equipment and information technology systems replacement allows monies to be set aside over the service life of these items to pay for their eventual replacement and alleviate one-time rate impacts that these purchases might otherwise require. Annual revenues set aside for this purpose will be based on aggregate Utility asset replacement cash flow needs over the long-term forecast period, instead of individual asset replacement amounts. This strategy will allow Utilities to minimize the progressive build-up of excess Asset Replacement Account balances that would result from creating and funding separate reserve accounts for individual Utility asset and equipment items.

SOLID WASTE RESERVES POLICY

RESERVE LEVELS

Consistent with other Utility funds, this policy recommends that some resources be budgeted as reserves to provide funding for working capital and emergencies. Setting aside reserves will help to ensure continued financial rate stability in future Solid Waste operations, and protect customers from service disruptions that might otherwise result from unforeseen economic or emergency events. While included in the total operating budget, these reserves will only be available for use pursuant to these reserve policies.

The Solid Waste fund performs three main functions: management and administration of the contract for the collection/disposal of residential and commercial garbage and recycling; customer outreach and education; and management of waste reduction and recycling grant-funded projects.

The fund's two sources of income are fees and grant monies, as described below:

1. Management fees are paid to the fund per the garbage collection contract and provide base funding for all solid waste personnel, supplies and activities. Additional management fees are received for the commercial recycling program and are primarily used to compensate the contractor for that program.

2. The Solid Waste fund receives grant funding from several agencies for waste reduction and recycling projects. Grant agencies reimburse the fund for project expenses annually or semi-annually.

Reserve components are as follows:

1. **Working Capital.** Working capital reserves are necessary to accommodate normal cyclical fluctuations within the Solid Waste fund. There are two elements for this reserve component; one element supports Solid Waste Management and the other supports the grant-funded programs.

   The solid waste collection/disposal and recycling programs have fairly predictable revenues and expenditures. Because of this, 45 days of budgeted O&M expenses are adequate for this portion of the reserve.

   The grant-funded programs are pre-funded by the Solid Waste fund and reimbursement requests are made semi-annually or annually, depending on the grant agency agreement. While most grant agencies pay reimbursement requests within 45 days of receipt, the existing reimbursement billing schedule can result in carrying project expenses for up to a year before funds are received. For this reason, reserves equal to 100% of historical average grant budgets are included to support cash-flow.

2. **Emergencies.** A reserve component is necessary to fund emergencies such as windstorms. While the majority of funding may be provided by FEMA, a reserve is required to support some part of the City's portion of FEMA-covered emergencies, or additional clean-up/collection events due to weather-related emergencies. A reserve policy allocation is recommended to meet funding or cash flow needs. The basis for this component is the cost of a supplemental windstorm debris pick-up by a contractor. This reserve level amount is adjusted by the annual CPI.

   No reserve components are necessary for capital expenditures, operating contingency, debt service, liability or asset replacement since the majority of the operations are contracted and are not the City's responsibility. Reserves will be updated at each biennial budget development period.

Projected Solid Waste 2007 Target Reserves

Type of Reserve	Basis	2007 Level	2008 Level
WORKING CAPITAL – Reserves against revenue and expense fluctuations			
- Solid Waste collection/disposal and recycling programs	45 days of budgeted O&M	$128,000	$137,000
- Grant funded programs	100% of historical average of grant budget	$269,000	$265,000
EMERGENCIES	$80,000 (2006 dollars) adjusted for annual CPI	$82,000	$84,000
TOTAL		$479,000	$486,000

MANAGEMENT OF THE RESERVE:

The policy is premised on the expectation that reserves are to be used and reserve levels will fluctuate. It is therefore important to plan for managing the reserves within a working range. There may be situations in short-range financial planning where reserves are maintained above or below target levels.

The target reserve level will be established during the budget development process. If the reserve balance, including grant receivables, is projected to be less than the next year's reserve requirement, a deficit is created. This deficit would be recouped via a rate increase or through an adjustment to expenses. If the deficit is significant, a rate increase may be phased in over a two-year period to alleviate a spike in rates.

Surplus funds are those funds over and above the target reserve level. As part of the biennial budget review, Council would direct the use of excess reserves.

Figure 8-2

Chapter 35A.34 RCW
BIENNIAL BUDGETS

SECTIONS

35A.34.010 Legislative intent.
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35A.34.030 Definitions.
35A.34.040 Biennial budget authorized -- Limitations.
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35A.34.250 Contingency fund -- Creation.
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35A.34.270 Unexpended appropriations.
35A.34.280 Violations and penalties.

35A.34.010 Legislative intent.
See RCW 35.34.010.

35A.34.020 Application of chapter.
This chapter applies to all code cities which have by ordinance adopted this chapter authorizing the adoption of a fiscal biennium budget. [1985 c 175 § 34.]

35A.34.030 Definitions.
Unless the context clearly indicates otherwise, the definitions in this section apply throughout this chapter.

(1) "Clerk" includes the officer performing the functions of a finance or budget director, comptroller, auditor, or by whatever title the officer may be known in any code city.

(2) "Department" includes each office, division, service, system, or institution of the city for which no other statutory or charter provision is made for budgeting and accounting procedures or controls.

(3) "Legislative body" includes the council, commission, or any other group of officials serving as the legislative body of a code city.

(4) "Chief administrative officer" includes the mayor of cities having a mayor-council plan of government, the commissioners in cities having a commission plan of government, the manager, or any other city official designated by the charter or ordinances of such city under the plan of government governing the same, or the budget or finance officer designated by the mayor, manager, or commissioners, to perform the functions, or

portions thereof, contemplated by this chapter.

(5) "Fiscal biennium" means the period from January 1 of each odd-numbered year through December 31 of the next succeeding even-numbered year.

(6) "Fund" and "funds" where clearly used to indicate the plural of "fund" means the budgeting or accounting entity authorized to provide a sum of money for specified activities or purposes.

(7) "Funds" where not used to indicate the plural of "fund" means money in hand or available for expenditure or payment of a debt or obligation.

(8) Except as otherwise defined in this chapter, municipal accounting terms used in this chapter have the meaning prescribed by the state auditor pursuant to RCW 43.09.200. [1985 c 175 § 35.]

35A.34.040 Biennial budget authorized – Limitations.

All code cities are authorized to establish by ordinance a two-year fiscal biennium budget. The ordinance shall be enacted at least six months prior to commencement of the fiscal biennium and this chapter applies to all code cities which utilize a fiscal biennium budget. Code cities which establish a fiscal biennium budget are authorized to repeal such ordinance and provide for reversion to a fiscal year budget. The ordinance may only be repealed effective as of the conclusion of a fiscal biennium. However, the city shall comply with chapter 35A.33 RCW in developing and adopting the budget for the first fiscal year following repeal of the ordinance. [1985 c 175 § 36.]

35A.34.050 Budget estimates – Submittal.

On or before the second Monday of the fourth month prior to the beginning of the city's next fiscal biennium, or at such other time as the city may provide by ordinance or charter, the clerk shall notify in writing the head of each department of a city to file with the clerk within fourteen days of the receipt of such notification, detailed estimates of the probable revenue from sources other than ad valorem taxation and of all expenditures required by the department for the ensuing fiscal biennium. The notice shall be accompanied by the proper forms provided by the clerk, prepared in accordance with the requirements and classification established by the state auditor. The clerk shall prepare the estimates for interest and debt redemption requirements and all other estimates, the preparation of which falls properly within the duties of the clerk's office. The chief administrative officers of the city shall submit to the clerk detailed estimates of all expenditures proposed to be financed from the proceeds of bonds or warrants not yet authorized, together with a statement of the proposed method of financing them. In the absence or disability of the official or person regularly in charge of a department, the duties required by this section shall devolve upon the person next in charge of such department. [1995 c 301 § 55; 1985 c 175 § 37.]

35A.34.050 Budget estimates – Classification and segregation.

On or before the second Monday of the fourth month prior to the beginning of the city's next fiscal biennium, or at such other time as the city may provide by ordinance or charter, the clerk shall notify in writing the head of each department of a city to file with the clerk within fourteen days of the receipt of such notification, detailed estimates of the probable revenue from sources other than ad valorem taxation and of all expenditures required by the department for the ensuing fiscal biennium. The notice shall be accompanied by the proper forms provided by the clerk, prepared in accordance with the requirements and classification established by the state auditor. The clerk shall prepare the estimates for interest and debt redemption requirements and all other estimates, the preparation of which falls properly within the duties of the clerk's office. The chief administrative officers of the city shall submit to the clerk detailed estimates of all expenditures proposed to be financed from the proceeds of bonds or warrants not yet authorized, together with a statement of the proposed method of financing them. In the absence or disability of the official or person regularly in charge of a department, the duties required by this section shall devolve upon the person next in charge of such department. [1995 c 301 § 55; 1985 c 175 § 37.]

35A.34.060 Budget estimates — Classification and segregation.

All estimates of receipts and expenditures for the ensuing fiscal biennium shall be fully detailed in the biennial budget and shall be classified and segregated according to a standard classification of accounts to be adopted and prescribed by the state auditor after consultation with the Washington finance officers association, the association of Washington cities, and the association of Washington city managers. [1995 c 301 § 56; 1985 c 175 § 38.]

35A.34.070 Proposed preliminary budget.

On or before the first business day in the third month prior to the beginning of the biennium of a city or at such

other time as the city may provide by ordinance or charter, the clerk or other person designated by the charter, by ordinances, or by the chief administrative officer of the city shall submit to the chief administrative officer a proposed preliminary budget which shall set forth the complete financial program of the city for the ensuing fiscal biennium, showing the expenditure program requested by each department and the sources of revenue by which each such program is proposed to be financed.

The revenue section shall set forth in comparative and tabular form for each fund the actual receipts for the last completed fiscal biennium, the estimated receipts for the current fiscal biennium, and the estimated receipts for the ensuing fiscal biennium, which shall include the amount to be raised from ad valorem taxes and unencumbered fund balances estimated to be available at the close of the current fiscal biennium. However, if the city was not utilizing a fiscal biennium budget for the previous three years, it shall set forth its fiscal years' revenues to reflect actual and estimated receipts as if it had previously utilized a biennial budgetary process.

The expenditure section shall set forth in comparative and tabular form for each fund and every department operating within each fund the actual expenditures for the last completed fiscal biennium, the appropriations for the current fiscal biennium, and the estimated expenditures for the ensuing fiscal biennium. However, if the city was not utilizing a fiscal biennium budget for the previous three years, it shall set forth its fiscal years' expenditures to reflect actual and estimated levels as if it had previously utilized a biennial budgetary process. The expenditure section shall further set forth separately the salary or salary range for each office, position, or job classification together with the title or position designation thereof. However, salaries may be set out in total amounts under each department if a detailed schedule of such salaries and positions be attached and made a part of the budget document. [1985 c 175 § 39.]

35A.34.080 Preliminary budget.
The chief administrative officer shall prepare the preliminary budget in detail, making any revisions or additions to the reports of the department heads deemed advisable by such chief administrative officer. At least sixty days before the beginning of the city's next fiscal biennium the chief administrative officer shall file it with the clerk as the recommendation of the chief administrative officer for the final budget. The clerk shall provide a sufficient number of copies of such preliminary budget and budget message to meet the reasonable demands of taxpayers therefor and have them available for distribution not later than six weeks before the beginning of the city's next fiscal biennium. [1985 c 175 § 40.]

35A.34.090 Budget message — Hearings.
(1) In every city, a budget message prepared by or under the direction of the city's chief administrative officer shall be submitted as a part of the preliminary budget to the city's legislative body at least sixty days before the beginning of the city's next fiscal biennium and shall contain the following:

(a) An explanation of the budget document;

(b) An outline of the recommended financial policies and programs of the city for the ensuing fiscal biennium;

(c) A statement of the relation of the recommended appropriation to such policies and programs;

(d) A statement of the reason for salient changes from the previous biennium in appropriation and revenue items; and

(e) An explanation for any recommended major changes in financial policy.

(2) Prior to the final hearing on the budget, the legislative body or a committee thereof shall schedule hearings on the budget or parts thereof, and may require the presence of department heads to give information regarding estimates and programs. [1985 c 175 § 41.]

35A.34.100 Budget — Notice of hearing.
Immediately following the filing of the preliminary budget with the clerk, the clerk shall publish a notice once a week for two consecutive weeks stating that the preliminary budget for the ensuing fiscal biennium has been filed

with the clerk, that a copy thereof will be made available to any taxpayer who will call at the clerk's office therefor, that the legislative body of the city will meet on or before the first Monday of the month next preceding the beginning of the ensuing fiscal biennium for the purpose of fixing the final budget, designating the date, time, and place of the legislative budget meeting, and that any taxpayer may appear thereat and be heard for or against any part of the budget. The publication of the notice shall be made in the official newspaper of the city if there is one, otherwise in a newspaper of general circulation in the city. If there is no newspaper of general circulation in the city, then notice may be made by posting in three public places fixed by ordinance as the official places for posting the city's official notices. [1985 c 175 § 42.]

35A.34.110 Budget — Hearing.
The legislative body shall meet on the day fixed by RCW 35A.34.100 for the purpose of fixing the final budget of the city at the time and place designated in the notice thereof. Any taxpayer may appear and be heard for or against any part of the budget. The hearing may be continued from day to day but not later than the twenty-fifth day prior to commencement of the city's fiscal biennium. [1985 c 175 § 43.]

35A.34.120 Budget — Adoption.
Following conclusion of the hearing, and prior to the beginning of the fiscal biennium, the legislative body shall make such adjustments and changes as it deems necessary or proper and, after determining the allowance in each item, department, classification, and fund, shall by ordinance adopt the budget in its final form and content. Appropriations shall be limited to the total estimated revenues contained therein including the amount to be raised by ad valorem taxes and the unencumbered fund balances estimated to be available at the close of the current fiscal biennium. Such ordinances may adopt the final budget by reference. However, the ordinance adopting the budget shall set forth in summary form the totals of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined.

A complete copy of the final budget as adopted shall be transmitted to the state auditor and to the association of Washington cities. [1995 c 301 § 57; 1985 c 175 § 44.]

35A.34.130 Budget — Mid-biennial review and modification.
The legislative authority of a city having adopted the provisions of this chapter shall provide by ordinance for a mid-biennial review and modification of the biennial budget. The ordinance shall provide that such review and modification shall occur no sooner than eight months after the start nor later than conclusion of the first year of the fiscal biennium. The chief administrative officer shall prepare the proposed budget modification and shall provide for publication of notice of hearings consistent with publication of notices for adoption of other city ordinances. City ordinances providing for a mid-biennium review and modification shall establish procedures for distribution of the proposed modification to members of the city legislative authority, procedures for making copies available to the public, and shall provide for public hearings on the proposed budget modification. The budget modification shall be by ordinance approved in the same manner as are other ordinances of the city.

A complete copy of the budget modification as adopted shall be transmitted to the state auditor and to the association of Washington cities. [1995 c 301 § 58; 1985 c 175 § 45.]

35A.34.140 Emergency expenditures — Nondebatable emergencies.
Upon the happening of any emergency caused by violence of nature, casualty, riot, insurrection, war, or other unanticipated occurrence requiring the immediate preservation of order or public health, or for the property which has been damaged or destroyed by accident, or for public relief from calamity, or in settlement of approved claims for personal injuries or property damages, or to meet mandatory expenditures required by law enacted since the last budget was adopted, or to cover expenses incident to preparing for or establishing a new form of government authorized or assumed after adoption of the current budget, including any expenses incident to selection of additional or new officials required thereby, or incident to employee recruitment at any time, the city legislative body, upon the adoption of an ordinance, by the vote of one more than the majority of all members of the legislative body, stating the facts constituting the emergency and the estimated amount required to meet it, may make the expenditures therefor without notice or hearing. [1985 c 175 § 46.]

35A.34.150 Emergency expenditures — Other emergencies — Hearing.
If a public emergency which could not reasonably have been foreseen at the time of filing the preliminary budget requires the expenditure of money not provided for in the budget, and if it is not one of the emergencies specifically enumerated in RCW 35A.34.140, the city legislative body before allowing any expenditure therefor shall adopt an ordinance stating the facts constituting the emergency and the estimated amount required to meet it and declaring that an emergency exists.

The ordinance shall not be voted on until five days have elapsed after its introduction, and for passage shall require the vote of one more than the majority of all members of the legislative body of the city.

Any taxpayer may appear at the meeting at which the emergency ordinance is to be voted on and be heard for or against the adoption thereof. [1985 c 175 § 47.]

35A.34.160 Emergency expenditures — Warrants — Payment.
All expenditures for emergency purposes as provided in this chapter shall be paid by warrants from any available money in the fund properly chargeable with such expenditures. If, at any time, there is insufficient money on hand in a fund with which to pay such warrants as presented, the warrants shall be registered, bear interest, and be called in the same manner as other registered warrants as prescribed in RCW 35A.21.110. [1985 c 175 § 48.]

35A.34.170 Registered warrants — Payment.
In adopting the final budget for any fiscal biennium, the legislative body shall appropriate from estimated revenue sources available, a sufficient amount to pay the principal and interest on all outstanding registered warrants issued since the adoption of the last preceding budget except those issued and identified as revenue warrants and except those for which an appropriation previously has been made. However, no portion of the revenues which are restricted in use by law may be appropriated for the redemption of warrants issued against a utility or other special purpose fund of a self-supporting nature. In addition, all or any portion of the city's outstanding registered warrants may be funded into bonds in any manner authorized by law. [1985 c 175 § 49.]

35A.34.180 Adjustment of wages, hours and conditions of employment.
Notwithstanding the appropriations for any salary or salary range of any employee or employees adopted in a final budget, the legislative body of any city may, by ordinance, change the wages, hours, and conditions of employment of any or all of its appointive employees if sufficient funds are available for appropriation to such purposes. [1985 c 175 § 50.]

35A.34.190 Forms — Accounting — Supervision by state.
The state auditor is empowered to make and install the forms and classifications required by this chapter to define what expenditures are chargeable to each budget class and to establish the accounting and cost systems necessary to secure accurate budget information. [1995 c 301 § 59; 1985 c 175 § 51.]

35A.34.200 Funds — Limitations on expenditures — Transfers and adjustments.
(1) The expenditures as classified and itemized in the final budget shall constitute the city's appropriations for the ensuing fiscal biennium. Unless otherwise ordered by a court of competent jurisdiction, and subject to further limitations imposed by ordinance of the city, the expenditure of city funds or the incurring of current liabilities on behalf of the city shall be limited to the following:

(a) The total amount appropriated for each fund in the budget for the current fiscal biennium, without regard to the individual items contained therein, except that this limitation does not apply to wage adjustments authorized by RCW 35A.34.180;

(b) The unexpended appropriation balances of a preceding budget which may be carried forward from prior fiscal periods pursuant to RCW 35A.34.270;

(c) Funds received from the sale of bonds or warrants which have been duly authorized according to law;

(d) Funds received in excess of estimated revenues during the current fiscal biennium, when authorized by an

ordinance amending the original budget; and

(e) Expenditures authorized by budget modification as provided by RCW 35A.34.130 and those required for emergencies, as authorized by RCW 35A.34.140 and 35A.34.150.

(2) Transfers between individual appropriations within any one fund may be made during the current fiscal biennium by order of the city's chief administrative officer subject to such regulations, if any, as may be imposed by the city legislative body. Notwithstanding the provisions of RCW 43.09.210 or of any statute to the contrary, transfers, as authorized in this section, may be made within the same fund regardless of the various offices, departments, or divisions of the city which may be affected.

(3) The city legislative body, upon a finding that it is to the best interests of the city to decrease, revoke, or recall all or any portion of the total appropriations provided for any one fund, may, by ordinance, approved by the vote of one more than the majority of all members thereof, stating the facts and findings for doing so, decrease, revoke, or recall all or any portion of an unexpended fund balance, and by said ordinance, or a subsequent ordinance adopted by a like majority, the moneys thus released may be reappropriated for another purpose or purposes, without limitation to department, division, or fund, unless the use of such moneys is otherwise restricted by law, charter, or ordinance. [1985 c 175 § 52.]

35A.34.205 Administration, oversight, or supervision of utility — Reimbursement from utility budget authorized.
Whenever any code city apportions a percentage of the city manager's, administrator's, or supervisor's time, or the time of other management or general government staff, for administration, oversight, or supervision of a utility operated by the city, or to provide services to the utility, the utility budget may identify such services and budget for reimbursement of the city's current expense fund for the value of such services. [1991 c 152 § 4.]

35A.34.210 Liabilities incurred in excess of budget.
Liabilities incurred by any officer or employee of the city in excess of any budget appropriations shall not be a liability of the city. The clerk shall issue no warrant and the city legislative body or other authorized person shall approve no claim for an expenditure in excess of the total amount appropriated for any individual fund, except upon an order of a court of competent jurisdiction or for emergencies as provided in this chapter. [1985 c 175 § 53.]

35A.34.220 Funds received from sales of bonds and warrants — Expenditures.
Moneys received from the sale of bonds or warrants shall be used for no other purpose than that for which they were issued and no expenditure shall be made for that purpose until the bonds have been duly authorized. If any unexpended fund balance remains from the proceeds realized from the bonds or warrants after the accomplishment of the purpose for which they were issued, it shall be used for the redemption of such bond or warrant indebtedness. Where a budget contains an expenditure program to be financed from a bond issue to be authorized thereafter, no such expenditure shall be made or incurred until after the bonds have been duly authorized. [1985 c 175 § 54.]

35A.34.230 Revenue estimates — Amount to be raised by ad valorem taxes.
At a time fixed by the city's ordinance or city charter, not later than the first Monday in October of the second year of each fiscal biennium, the chief administrative officer shall provide the city's legislative body with current information on estimates of revenues from all sources as adopted in the budget for the current biennium, together with estimates submitted by the clerk under RCW 35A.34.070. The city's legislative body and the city's administrative officer or the officer's designated representative shall consider the city's total anticipated financial requirements for the ensuing fiscal biennium, and the legislative body shall determine and fix by ordinance the amount to be raised the first year of the biennium by ad valorem taxes. The legislative body shall review such information as is provided by the chief administrative officer and shall adopt an ordinance establishing the amount to be raised by ad valorem taxes during the second year of the biennium. Upon adoption of the ordinance fixing the amount of ad valorem taxes to be levied, the clerk shall certify the same to the county legislative authority as required by RCW 84.52.020. [1985 c 175 § 55.]

35A.34.240 Funds — Quarterly report of status.
At such intervals as may be required by city charter or city ordinance, however, being not less than quarterly, the clerk shall submit to the city's legislative body and chief administrative officer a report showing the expenditures and liabilities against each separate budget appropriation incurred during the preceding reporting period and like information for the whole of the current fiscal biennium to the first day of the current reporting period together with the unexpended balance of each appropriation. The report shall also show the receipts from all sources. [1985 c 175 § 56.]

35A.34.250 Contingency fund — Creation.
Every city may create and maintain a contingency fund to provide moneys with which to meet any municipal expense, the necessity or extent of which could not have been foreseen or reasonably evaluated at the time of adopting the annual budget, or from which to provide moneys for those emergencies described in RCW 35A.34.140 and 35A.34.150. Such fund may be supported by a budget appropriation from any tax or other revenue source not restricted in use by law, or also may be supported by a transfer from other unexpended or decreased funds made available by ordinance as set forth in RCW 35A.34.200. However, the total amount accumulated in such fund at any time shall not exceed the equivalent of thirty-seven and one-half cents per thousand dollars of assessed valuation of property within the city at such time. Any moneys in the emergency fund at the end of the fiscal biennium shall not lapse except upon reappropriation by the council to another fund in the adoption of a subsequent budget. [1985 c 175 § 57.]

35A.34.260 Contingency fund — Withdrawals.
No money shall be withdrawn from the contingency fund except by transfer to the appropriate operating fund authorized by a resolution or ordinance of the legislative body of the city, adopted by a majority vote of the entire legislative body, clearly stating the facts constituting the reason for the withdrawal or the emergency as the case may be, specifying the fund to which the withdrawn money shall be transferred. [1985 c 175 § 58.]

35A.34.270 Unexpended appropriations.
All appropriations in any current operating fund shall lapse at the end of each fiscal biennium. However, this shall not prevent payments in the following biennium upon uncompleted programs or improvements in progress or on orders subsequently filled or claims subsequently billed for the purchase of material, equipment, and supplies or for personal or contractual services not completed or furnished by the end of the fiscal biennium, all of which have been properly budgeted and contracted for prior to the close of such fiscal biennium, but furnished or completed in due course thereafter.

All appropriations in a special fund authorized by ordinance or by state law to be used only for the purpose or purposes therein specified, including any cumulative reserve funds lawfully established in specific or general terms for any municipal purpose or purposes, or a contingency fund as authorized by RCW 35A.34.250, shall not lapse, but shall be carried forward from biennium to biennium until fully expended or the purpose has been accomplished or abandoned, without necessity of reappropriation.

The accounts for budgetary control for each fiscal biennium shall be kept open for twenty days after the close of such fiscal biennium for the purpose of paying and recording claims for indebtedness incurred during such fiscal biennium; any claim presented after the twentieth day following the close of the fiscal biennium shall be paid from appropriations lawfully provided for the ensuing period, including those made available by provisions of this section, and shall be recorded in the accounts for the ensuing fiscal biennium. [1985 c 175 § 59.]

35A.34.280 Violations and penalties.
Upon the conviction of any city official, department head, or other city employee of knowingly failing, or refusing, without just cause, to perform any duty imposed upon such officer or employee by this chapter, or city charter or city ordinance, in connection with the giving of notice, the preparing and filing of estimates of revenues or expenditures or other information required for preparing a budget report in the time and manner required, or of knowingly making expenditures in excess of budget appropriations, the official or employee shall be guilty of a misdemeanor and shall be fined not more than five hundred dollars for each separate violation. [1985 c 175 § 60.]

ORIGINAL

Figure 8-3

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02/15/91

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 4229

AN ORDINANCE regarding the Convention Center Back Up Financing Plan; adding a business and occupation tax to the recommended financing mechanisms under the Plan; stating the intention of the City Council to provide the Convention Center first priority call on certain unused city business and occupation tax capacity; and directing the City Manager to issue an administrative order regarding staff reporting requirements on all agenda materials relating to matters involving use of city business and occupation tax authority.

WHEREAS, on December 4, 1989, the City Council adopted Ordinance No. 4094 approving a Convention Center Back Up Financing Plan, and stating the intent of the City Council to reserve a portion of the City's business and occupation tax capacity for convention center purposes; and

WHEREAS, the City Council Civic Center Committee has recommended to the full City Council that Ordinance No. 4094 be amended to provide:

A) That additional protection be provided to the City's General Fund by providing that the Convention Center has first priority on the City's unused business and occupation tax capacity under RCW 35.21.710 over and above that reservation of capacity provided for under Ordinance No. 4094; and

B) That the Back Up Financing Plan be supplemented with a provision designating as a recommended financing mechanism a business tax on businesses within a geographic area benefiting from the Convention Center Project; and

WHEREAS, the Council also desires that in connection with any future proposals that involve the use of City business and occupation tax authority measured by gross receipts, the staff will so report to the Council on such proposed use in the appropriate agenda materials; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. The Convention Center Back Up Financing Plan, as adopted by Ordinance No. 4094 and given Clerk's receiving No. 14955, is hereby supplemented with the following financing mechanism:

Levy a business and occupation tax (other than a tax upon business activities consisting of the making of retail sales of tangible personal property measured by gross receipts or gross income from such

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sales) on business located within a geographical area which benefits from the Convention Center.

Section 2. Section 2 of Ordinance No. 4094 is hereby amended to read as follows:

> The City Council hereby states its intent to reserve a rate of .0001 from the City's unlevied capacity under RCW 35.21.710 for business and occupation taxes upon business activities measured by gross receipts or gross income from sales of tangible personal property; and further states its intent that the Convention Center has first priority call on any additional, unlevied business and occupation tax capacity under RCW 35.21.710.

Section 3. The City Manager is hereby directed to issue an administrative order regarding any proprosed use of the City's business and occupation tax capacity, and providing that whenever an item is included on the Council agenda which would include the use of any City business and occupation tax capacity, the agenda materials prepared by staff shall include a section indicating that such use is proposed and describing the nature and extent of such use. Further, the agenda materials shall address the financial status of the Meydenbauer Center.

PASSED by the City Council this 4th day of March, 1991, and signed in authentication of its passage this 4th day of March, 1991.

(SEAL)

Terry Lukens, Mayor

Approved as to form:

Richard L. Andrews, City Attorney

Richard Gidley, Deputy City Attorney

Attest:

Marie K. O'Connell, City Clerk

Published March 8, 1991

ORIGINAL

Figure 8-4

0212C
11/29/89

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 4094

AN ORDINANCE approving a Convention Center Backup Financing Plan and stating the intent of the City Council to reserve a portion of the City's Business & Occupation Tax capacity for Convention Center purposes.

WHEREAS, on March 20, 1989, the City Council adopted Resolution No. 5114 regarding the Bellevue Convention Center Project; and

WHEREAS, consistent with that resolution, staff has prepared additional information on the financing of the Project; and

WHEREAS, a Backup Financing Task Force was formed by the City Manager to prepare recommendations on establishing backup financing mechanism(s) to stand between the Convention Center debt and expense requirements and the City's General Fund; and

WHEREAS, the final recommendations of the Backup Financing Task Force, dated September 8, 1989, were reviewed and approved by the Convention Center Citizens Committee; and

WHEREAS, the Council Civic Center Committee approved forwarding those recommendations to the full City Council for incorporation into the Convention Center finance plan as an unprioritized array of sixteen fallback options to stand between the Convention Center project expenses and the City's General Fund; and

WHEREAS, the final Task Force report recommended that the City reserve .0001 of the City's Business and Occupation Tax capacity as a backup finance tool for the Bellevue Convention Center Project; and

WHEREAS, under RCW 35.21.710, the taxing authority granted the City for taxes upon business activities measured by gross receipts or gross income from sales cannot exceed a rate of .002, except upon an approval by majority vote of the qualified voters of the City; and

WHEREAS, the current Business and Occupation Tax in the City on activities measured by gross receipts or gross income from sales is .001496, leaving an unlevied capacity of .000504; and

WHEREAS, the City Council desires to reserve from its unlevied capacity a rate of .0001 for Convention Center purposes; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. The Convention Center Backup Financial Plan, a copy of which has been given Clerk's Receiving No 14956 is hereby adopted.

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Section 2. The City Council hereby states its intent to reserve a rate of .0001 from the City's unlevied capacity under RCW 35.21.710 for business and occupation taxes upon business activities measured by gross receipts or gross income from sales of tangible personal property.

Section 3. This ordinance shall take effect and be in force five days after its passage and legal publication.

PASSED by the City Council this 4th day of December, 1989, and signed in authentication of its passage this 4th day of December, 1989.

(SEAL)

Nan Campbell
Nan Campbell, Mayor

Approved as to form:

Richard L. Andrews, City Attorney

Richard Gidley
Richard Gidley, Deputy City Attorney

Attest:

Marie K. O'Connell
Marie K. O'Connell, City Clerk

Published December 9, 1989

Figure 8-5

City of Bellevue
Investment Policy

Revised: August 9, 2006

Objectives

This policy sets forth criteria for the operation of the investment portfolio. It will be recognized that the primary objective of the Investment Policy is to establish a conservative set of investment criteria that will prudently protect Bellevue's (hereafter referred to as the City) principal sums and enable the City to generate a fair rate of return from its investment activities while assuring adequate liquidity to meet its cash flow needs. All investment activity will be in compliance with RCW 35A.40.050 "Fiscal - Investment of Funds' and any other statutes or regulatory requirements, such as Internal Revenue Codes, which may apply.

Scope

This policy guides the investment of all available City funds except it does not include assets held in escrow in order to defease refunded debt, nor does it include retirement funds managed by others such as the state, the Municipal Employees Benefit Trust, and deferred compensation plan providers.

Responsibility

Authority to manage the investment program is derived from Bellevue City Code Section 3.37.060. This section gives the Finance Director authority to determine the amount of money available in each fund administered by the City for investment purposes, and the authority to invest such moneys in all forms of investments that are authorized by law. This section also authorizes the Director to appoint a subordinate employee(s) to assist in the performance of these duties.

The Finance Director will provide a letter(s) of authorization to individuals or firms on the approved broker/dealer list specifically designating City staff who have the authority to commit the City to investment transactions.

The Finance Director or his designee will establish written investment procedures including a glossary of investment terms for the operation of the investment program, consistent with this investment policy.

Types of Investment and Diversification

The City may invest in any of the securities identified as eligible investments as defined by RCW 35A.40.050 "Fiscal - Investment of Funds". For purposes of this policy, the major eligible investment categories have been further restricted as follows:

1. **United States Treasury Debt Obligations**

   - Maximum % of Portfolio 100%
   - Maximum Maturity 5.5 years
   - Securities will be held by the City's third party safekeeping agent in the City's name.

2. United States Agency Coupon Securities

- Maximum % of Portfolio 100%
- Maximum Maturity 3 years
- Maximum % of Portfolio Per Issuer 25%
- Defined by RCW 43.84.080 to include obligations of any United States government-sponsored corporation whose obligations are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System.
- Does not allow investment in variable rate securities (those where the interest rate changes based on an index or reference rate) or securities whose value depends on the value of an underlying asset (such as a pool of mortgages or small business loans). Variable rate securities held prior to the adoption of this policy may be held to maturity.
- Securities will be held by the City's third party safekeeping agent in the City's name.

3. United States Agency Discount Notes

- Maximum % of Portfolio 100%
- Maximum Maturity 1 year
- Maximum % of Portfolio Per Issuer 25%
- Defined by RCW 43.84.080 to include obligations of any United States government-sponsored corporation whose obligations are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System.
- Does not allow investment in variable rate securities (those where the interest rate changes based on an index or reference rate) or securities whose value depends on the value of an underlying asset (such as a pool of mortgages or small business loans). Variable rate securities held prior to the adoption of this policy may be held to maturity.
- Securities will be held by the City's third party safekeeping agent in the City's name.

4. Repurchase Agreements secured by United States Government and United States Agency Debt Obligations

- Maximum % of Portfolio 50%
- Maximum Maturity 30 days
- Collateral Maximum % of Portfolio Per Issuer. Agency amounts should stay within the 25% limit.
- A Master Repurchase Agreement must be executed with the broker/dealer prior to initiating a repurchase agreement investment with the broker/dealer.
- Collateral equal to 102% of the repurchase agreement must be delivered to the City's third

party safekeeping agent.

- Only US Treasury and US Agency securities may be accepted as collateral.
- Securities will be held by the City's third party safekeeping agent in the City's name.

5. **Certificates of Deposit, and other Interest Bearing Bank Deposits with instate financial institutions recognized by the State of Washington Public Deposit Protection Commission (PDPC) as qualified to hold public deposits.**

   - Maximum % of Portfolio 50%
   - Maximum Maturity 1 year
   - Maximum % of Portfolio Per Issuer 10%

6. **Bankers Acceptances purchased on the secondary market**

   - Maximum % of the Portfolio 50%
   - Maximum Maturity 6 months
   - Maximum % of Portfolio Per Issuer 10%
   - Securities will be held by the City's third party safekeeping agent in the City's name.

7. **Commercial Paper Issued by United States Corporations in compliance with the provisions adopted by the State Investment Board.**

   - Required Investment Rating A1, P-1
   - Maximum % of Portfolio 15%
   - Maximum Maturity 90 days
   - Maximum Percent of Portfolio Per Issuer 5%
   - Securities will be held by the City's third party safekeeping agent in the City's name.

8. **State of Washington Local Governmental Investment Pool**

   - Maximum % of Portfolio 100%
   - A copy of the pool's investment policy must be obtained and reviewed.

The portfolio and issuer limits listed above shall be complied with at the time of a security purchase. However, no sale of securities shall be required to meet revised limits due to a decrease in the total size of the portfolio.

Distribution of Portfolio Maturities and Liquidity

The maturity structure will be maintained such that the weighted average maturity of the portfolio using the maximum maturity of each investment security does not exceed 36 months.

The portfolio should be laddered with staggered maturities to assure that: 1) adequate resources are available to meet cash flow requirements without forced liquidation of investments, and 2) price volatility and reinvestment risks are minimized.

Prudence

"Investments shall be made with the same judgement and care which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering probable safety of their principal as well as probable income to be derived."

The standard of prudence to be used by employees authorized to commit the City to investment transactions shall be the "prudent person" standard. Employees meeting the prudent person standard shall be relieved of personal responsibility for an individual security's subsequent performance, provided appropriate action is taken to control adverse developments.

Performance

The portfolio shall be managed to obtain a fair rate of return, keeping in mind the primary objectives of protecting the City's capital and assuring adequate liquidity to meet cash flow needs.

For purposes of this policy, "fair rate of return" will be a band between the average yield of the ninety-day Treasury Bill and the 2-year Treasury Note for the period of time being evaluated. The goal is for the portfolio to generally perform within or above the band.

Ethics and Conflicts of Interest

Employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. These employees shall disclose to the City Manager and Finance Director any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to performance of the City's portfolio, particularly with regard to the time of purchases and sales. Employees shall subordinate their personal investment transactions to those of the City.

Authorized Financial Dealers and Institutions

The Finance Director will approve financial institutions to be eligible to conduct investment business with the City. A current list of approved brokerage firms will be maintained by the Finance Director or his designee. This list may include primary dealers (government securities reporting to the Market Reports Division of the Federal Reserve Bank of New York), regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capitalization), and national banks.

To become authorized to provide investment services to the City, each institution must provide an annual letter to the City from the individual providing the service certifying that he or she has read the City's investment policy and assures that all transactions with the City will fall within the policy boundaries.

This letter shall also certify that the firm and broker assigned to this account have the required credentials and licenses with the NASD, SEC or appropriate agencies and that they must immediately notify the City if at any time the firm or broker is not in compliance with SEC rule 15C3-1, the firms capital position falls short of the Capital Adequacy or uniform Net Cap Rule standard, or a material control weakness is identified by the firm's independent auditor. In addition, each institution must also provide the City with a copy of their annual audited financial report or Consolidated Report of Condition (call report).

In the case of certificates of deposit, those financial institutions recognized by the PDPC (Public Deposit Protection Commission) are qualified to hold public deposits

Broker Allocation

Investment transactions will be based upon the financial institution or brokerage firm that offers the best price to the City on each particular transaction. The City will make its best effort to obtain three bids for purchase or sale of government agency securities other than new issues. If circumstances dictate fewer than three bids due to the volatility of the market place, lack of bids, etc., the Finance Director or the Accounting, Tax and Treasury Manager has the authority to waive this. Generally all brokers will not have the same inventory of agency securities available to sell, but should be able to offer comparable alternatives. Treasury security transactions will be accomplished at or within the bid or asked price spread indicated on the live DTN screens or similar reliable real time investment information service. Issues not actively traded on such services will be subject to the three bid requirement. Bankers Acceptances and Certificates of Deposit (other than a compensating balance CD) also require the acquisition of at least three bids, and acceptance of the most attractive rate from among comparable alternatives. Where two or more institutions or brokers have offered the same low bid, allocation will go to the lowest bidder that has provided the best service to the City.

Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery versus payment (DVP) basis. Securities will be held by a third party custodian designated by the Finance Director or his designee as evidenced by safekeeping receipts in the City's name.

Investment Committee

An Investment Committee will be established by the City Manager, and will include at least three members from the business community knowledgeable in the area of institutional investment management. This Committee will periodically meet to review the investment program and make recommendations to the Finance Director with regard to proposed changes to the investment policy.

Internal Control

Investment procedures will be defined, documented, and implemented by the Finance Director or his designee to assure adequate internal control of the investment process.

The Finance Director or his designee will establish a process of periodic independent review by an external auditor or competent staff not assigned to the investment function.

The Washington State Auditor's Office will customarily conduct independent annual reviews of the investment function.

Reporting

Investment reports will be prepared and provided on a monthly basis to meet the needs of the users including sufficient detail to provide an accurate and meaningful representation of the portfolio, showing its performance in relation to established benchmarks and its compliance with the investment policy.

Policy Adoption

The Investment Policy is adopted by the City Council as part of the biennial budget. The Finance Director has authority to approve changes to this Investment Policy.

Figure 8-6

City of Bellevue
Debt Policy

October 23, 2006

Background

The City of Bellevue (City) maintains conservative financial policies to assure strong financial health both in the short- and long-term. The City is an infrequent issuer of debt with debt primarily used as a tool to finance large capital investments such as property acquisitions.

Maintaining the City's bond rating is an important objective of the City's financial policies. To this end, the City is constantly working to improve its financial policies, budgets, forecasts, and financial health.

Purpose

This policy sets forth the criteria for issuance and repayment of debt. The primary objective of the Debt Policy is to establish criteria that will protect the City's financial integrity while providing a funding mechanism to meet the City's capital needs. The underlying approach of the City is to borrow only for capital improvements that cannot be funded on a pay-as-you-go basis. The City will not issue long-term debt to finance current operations.

All debt issued will be in compliance with this policy, Bellevue City Code (BCC) Chapter 2.30 - Registration Procedure for Bonds and Obligations, Chapter 35A.40 Revised Code of Washington (RCW) - Fiscal Provisions Applicable to Code Cities and Chapter 43.80 RCW - Fiscal Agencies along with all other City, State, and Federal laws, rules, and regulations.

Scope

This Policy provides general guidance for the issuance and management of all City debt. In addition, it includes the management of all debt absorbed by the City through utility assumptions or the like. It does not include the debt issued by the Bellevue Convention Center Authority.

Responsibility

Authority to issue and manage debt is derived from BCC 2.37.030. This section gives the Finance Director authority to act in the capacity of City Treasurer, which includes the duties of debt management.

This section also authorizes the Finance Director to appoint a subordinate employee from the Department to assist in the performance of the duties of City Treasurer. The Finance Director has appointed the Investment and Debt Manager to act as the Debt Manager to assist in the duties of debt issuance, interest payments, principal repayments and other debt-related activities.

The Finance Director is responsible for assuring that the activities related to the issuance and payment of bonds or other obligations not jeopardize the bond rating.

Budgeting and Capital Planning

The City shall develop and maintain a capital planning process such as the biennial Capital Investment Program Plan for consideration and adoption by the City Council as part of the City's budget process. The Finance Department is responsible for coordinating and analyzing the debt requirements. This will include timing of debt, calculation of outstanding debt, debt limitation calculations and compliance, impact on future debt burdens, and current revenue requirements.

Prior to issuance of debt, the City will prepare revenue projections, such as the biennial budget or the Financial Forecast, to ensure that there is adequate revenue to make principal and interest payments.

Types of Long-Term Debt

The following is a description of the types of long-term debt the City may issue:

1. General Obligation

This debt is backed by the full faith and credit of the City. The State RCW limits this debt to 2.5% of the assessed valuation of the City for each of three purposes:

A. General Purposes

Debt issued in this category can be used for any purpose allowed by law.

Non-Voted

The City Council may authorize the issuance of general obligation debt up to 1.5% of the City's assessed value without a vote of the public as long as there is an available source of funding to pay the debt service. This funding source can be the diversion of an existing revenue source or a new revenue coming from the enactment of a new tax or other revenue source. The debt can take the form of bonds, bond anticipation notes, lease-purchase agreements, conditional sales contracts, certificates of participation, or other forms of installment debt.

Voted

The City Council may place any general obligation debt issue before the electorate. According to State law, if a debt issue is placed before the City's electorate, it must receive a 60% or greater yes vote and have a turnout of at least 40% of those voting at the previous general election. Voted issues are limited to capital purposes only.

B. Open Space and Parks

Debt issued in this category must be used for park and open space and/or recreation facilities. All debt in this category must be approved by the voters.

C. Utilities

Debt issued in this category must be used for utility infrastructure. All debt in this category must be approved by the voters.

2. Revenue Debt

Revenue bonds are generally payable from a designated source of revenue generated by the project which was financed. No taxing power or general fund pledge is provided as security. Unlike general obligation bonds, revenue bonds are not subject to the City's statutory debt limitation nor is voter approval required.

3. Local Improvement District (LID) Debt

LID bonds are payable solely from assessments of property owners within the local improvement district. Similar to revenue debt, no taxing power or general fund pledge is provided as security, and LID bonds are not subject to statutory debt limitations.

The debt is backed by the value of the property within the district and a LID Guaranty Fund. The LID Guaranty Fund is required by State law.

Short-Term Debt and Interim Financing

The City may utilize short-term borrowing in anticipation of long-term bond issuance or to fund cash flow needs in anticipation of tax or other revenue sources. Short-term borrowing excludes the City's warrant redemption process.

In accordance with BCC 3.37.070, the Finance Director is authorized to make loans from one City fund to another City fund for periods not exceeding three months. The Finance Director or designee is required to assure that the loaning fund will have adequate cash balances to continue to meet current expenses after the loan is made and until repayment from the receiving fund.

Limitation of Indebtedness

In addition to the limitations required by the RCW, the City's indebtedness is further limited by this policy to assure strong financial health. The limitations are applied to the assessed value of the City to arrive at a dollar value of indebtedness. For example, the 2006 assessed valuation used to determine the 2007 property tax levy was $26.6 billion, and the statutory limitation for general obligation debt is 2.5%. Therefore, the City's statutory debt limitation is $665.3 million. The following matrix shows the general limitation by type of debt. These limitations may be modified by the City Council up to the statutory limitation at the Council's discretion.

Type of Debt	Statutory Limitations	Policy Limitations	2006 Bellevue Actual
General Obligation:	2.5%	1.75%	0.70%
Non-Voted	1.5%	1.0%	0.69%
Voted	1.0%	0.75%	0.01%
Open Space and Parks	2.5%	1.75%	0.01%
Utilities	2.5%	1.75%	0.00%
Revenue	no limit	no limit *	NA
Local Improvement District	no limit	no-limit *	NA

* Revenue and LID debt is not limited because no taxing power or general fund pledge is provided as security.

Structure and Term of Debt

1. Debt Repayment

The City shall pay all interest and repay all debt in accordance with the terms of the bond ordinance. The maturity of bonds issued should be the same or less than the expected life of the project for which the bonds were issued. To the extent possible, the City will seek level or declining debt repayment schedules.

2. Variable-Rate Securities

When appropriate, the City may choose to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of the securities. However, the City will avoid over use of variable-rate debt due to the potential volatility of such instruments.

Professional Services

The City's Finance Department shall be responsible for the solicitation and selection of professional services that are required to administer the City's debt program.

1. Bond Counsel

All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt. The opinion shall include confirmation that the City has met all city and state constitutional and statutory requirements necessary for issuance, a determination of the proposed debt's federal income tax status and any other components necessary for the proposed debt.

2. Financial Advisor

A Financial Advisor(s) will be used to assist in the issuance of the City's debt. The Financial Advisor will provide the City with objective advice and analysis on debt issuance. This includes, but is not limited to, monitoring market opportunities, structuring and pricing debt, and preparing official statements of disclosure.

3. Underwriters

An Underwriter(s) will be used for all debt issued in a negotiated or private placement sale method. The Underwriter is responsible for purchasing negotiated or private placement debt and reselling the debt to investors.

4. Fiscal Agent

A Fiscal Agent will be used to provide accurate and timely securities processing and timely payment to bondholders. In accordance with Chapter 43.80 RCW, the City will use the Fiscal Agent that is appointed by the State.

Method of Sale

The City will generally issue its debt through a competitive process but may use a negotiated process under the following conditions.

- The bond issue is, or contains, a refinancing that is dependent on market/interest rate timing.

- At the time of issuance, the interest rate environment or economic factors that affect the bond issue are volatile.
- The nature of the debt is unique and requires particular skills from the underwriter(s) involved.
- The debt issued is bound by a compressed time line due to extenuating circumstances such that time is of the essence and a competitive process cannot be accomplished.

Credit Ratings

The City will maintain good communication with bond rating agencies about its financial condition. This effort will include providing periodic updates on the City's general financial condition, coordinating meetings, and presentations in conjunction with a new issuance. The City will continually strive to maintain its bond rating by improving financial policies, budgets, forecasts and the financial health of the City.

Credit enhancements may be used to improve or establish a credit rating on a City debt obligation. Credit enhancements should only be used if cost effective.

Refunding Debt

A debt refunding is a refinance of debt typically done to take advantage of lower interest rates. Unless otherwise justified, such as a desire to remove or change a bond covenant, a debt refunding will require a present value savings of three percent of the principal amount of the refunding debt being issued.

Arbitrage Rebate Monitoring and Reporting

The City will, unless otherwise justified, use bond proceeds within the established time frame pursuant to the bond ordinance, contract or other documents to avoid arbitrage. Arbitrage is the interest earned on the investment of the bond proceeds above the interest paid on the debt. If arbitrage occurs, the City will pay the amount of the arbitrage to the Federal Government as required by Internal Revenue Service Regulation 1.148-11. The City will maintain a system of recordkeeping and reporting to meet the arbitrage rebate compliance requirement of the IRS regulation. For each bond issue not used within the established time frame, the recordkeeping shall include tracking investment earnings on bond proceeds, calculating rebate payments, and remitting any rebatable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the outstanding debt.

Covenant Compliance

The City will comply with all covenants stated in the bond ordinance, contract, etc.

Ongoing Disclosure

The Debt Manager shall be responsible for providing annual disclosure information to established national information repositories and for maintaining compliance with disclosure statements as required by state and national regulatory bodies. Securities & Exchange Commission disclosure shall occur by the date designated in the bond ordinance, which is currently July 31 of each year. Disclosure shall take the form of the Comprehensive Annual Financial Report (CAFR) unless information is required by a particular bond issue that is not reasonably contained within the CAFR.

0898-ORD
11/29/06

ORIGINAL

Figure 8-7

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 5704

AN ORDINANCE establishing revised charges for water service, water consumption, and water service for fire protection; repealing Ordinance No. 5573; and establishing an effective date.

WHEREAS, the Environmental Services Commission has reviewed the Water Utility budget and rate proposal, held a public hearing thereon and recommended approval of the proposal; and

WHEREAS, it is in the public interest to provide for the following schedule of revised charges for water service, water consumption and water service for fire protection for the Water Utility of the City of Bellevue; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Charges Established. There are hereby established and shall be collected from each user of water service provided by the Water Utility of the City of Bellevue, charges for: water service, water consumption, and water service for fire protection as hereinafter provided.

Section 2. The meter service charges per bimonthly billing period for each user of water service shall be as follows:

A. Domestic Meters

Meter Size	Bimonthly Service Charge Per Meter in Operation	
	2007	2008
5/8" or ¾"	$22.90	$24.37
1"	$40.53	$43.13
1½"	$68.55	$72.94
2"	$105.38	$112.13
3"	$230.27	$245.03
4"	$339.16	$360.90
6"	$634.84	$675.53
8"	$987.61	$1,050.91
10"	$1,387.11	$1,476.02

0898-ORD
11/29/06

ORIGINAL

B. Residential Combo Meters - Oversized domestic meters required in designated residential structures to provide fire sprinkler capability.

Combo Meter Size	Bimonthly Service Charge Per Meter in Operation	
	2007	2008
1½"	$27.03	$28.76
2"	$37.85	$40.28

C. Irrigation meters - City-owned meters that are used for measuring water used strictly for outside irrigation.

Irrigation Meter Size	Bimonthly Service Charge Per Meter in Operation	
	2007	2008
5/8" or ¾"	$19.95	$21.23
1"	$33.17	$35.30
1½"	$53.83	$57.28
2"	$81.81	$87.05
3"	$183.09	$194.82
4"	$265.47	$282.48
6"	$487.50	$518.75
8"	$751.85	$800.04
10"	$1,048.19	$1,115.37

Section 3. The water consumption charges per bimonthly billing period for each user of water service shall be as follows:

A. Single Family Residential

Cubic Feet Consumed	Charge Per Hundred Cubic Feet of Water	
	2007	2008
0 to 2,000	$2.28	$2.43
2,001 to 3,000	$3.15	$3.35
3,001 to 10,000	$4.05	$4.31
Over 10,000	$6.02	$6.41

0898-ORD
11/29/06

ORIGINAL

B. Multifamily Residential Structure or Facility

Cubic Feet Consumed	Charge Per Hundred Cubic Feet of Water	
	2007	2008
0 to 1,100	$2.74	$2.92
1,101 to 1,500	$3.07	$3.27
Over 1,500	$3.62	$3.85

1. For purposes of these charges, a "multifamily residential structure or facility" shall mean any residential structure or facility containing two or more dwelling units, including, but not limited to, duplexes, triplexes, apartment buildings, condominiums, and parcels containing two or more separate dwelling units served through a single meter, but shall not include hotels, motels or trailer parks.

C. Non-Residential

1. Where both irrigation and non-irrigation consumption is measured through the same meter, the water consumption charges shall be as follows:

Charged Per Hundred Cubic Feet Consumed	Charge Per Hundred Cubic Feet of Water	
	2007	2008
All non-summer consumption	$2.33	$2.48
All summer consumption Where summer consumption is defined in Subsection 3 below.	$3.27	$3.48

1. Where all irrigation consumption is measured through an irrigation meter, the water consumption charges for domestic water shall be as follows:

Charged Per Hundred Cubic Feet Consumed	Charge Per Hundred Cubic Feet of Water	
	2007	2008
All non-summer consumption	$2.33	$2.48
All summer consumption (Summer consumption is defined in Subsection 3 below.)	$2.94	$3.13

1. For purposes of these charges, summer consumption shall mean that volume recorded on two normal bimonthly meter readings during the months of July through October or readings during this period for other billing purposes, such as, but not limited to, customer changes.

0898-ORD
11/29/06

ORIGINAL

D. Irrigation water consumption, for volumes measured by irrigation meters or other meter arrangements that can be used for measuring water used strictly for outside irrigation.

Cubic Feet Consumed	Charge Per Hundred Cubic Feet of Water	
	2007	2008
All irrigation consumption	$4.71	$5.01

Section 4. The fire service charges per bimonthly billing period shall be as follows:

A. Fire Standby Meters

Line Size	Bimonthly Service Charge	
	2007	2008
5/8" or ¾"	$12.53	$13.33
1"	$14.57	$15.50
1½"	$16.64	$17.71
2"	$22.33	$23.76
3"	$64.12	$68.23
4"	$79.61	$84.71
6"	$115.75	$123.17
8"	$157.03	$167.09
10"	$193.17	$205.55

B. Discontinued or Unconnected Fire Service. This fire protection charge shall be applied for structures or facilities that benefit from the City of Bellevue water system for fire protection service that are not otherwise being charged for water service pursuant to Section 2, Section 3 or Section 4A above. The equivalent meter size will be determined based on actual meter sizes for similar types and sizes of structures.

Meter Size Equivalent	Bimonthly Service Charge	
	2007	2008
5/8" or ¾"	$10.30	$10.96
1"	$14.71	$15.65
1½"	$22.09	$23.51
2"	$30.93	$32.91
3"	$54.53	$58.03
4"	$81.08	$86.28
6"	$154.79	$164.71
8"	$243.23	$258.82

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Meter Size Equivalent	Bimonthly Service Charge	
10"	$346.44	$368.64

Section 5. User Charges – Outside. The charges for each water service user outside the city or town limits of Bellevue, Clyde Hill, Hunts Point, Medina and Yarrow Point shall be the sum of the domestic meter service charge in Section 2 plus the appropriate water consumption charge or charges in Section 3 plus the fire service charges in Section 4.

Section 6. User Charges – Inside. The charges for each user inside the city or town limits of Bellevue, Clyde Hill, Hunts Point, Medina and Yarrow Point shall be the sum of the meter service charge in Section 2 plus the appropriate water service charge or charges in Section 3 plus the fire service charges in Section 4, all multiplied by the percentage indicated below for that city or town:

City or Town	Percentage
Bellevue	105.5573%
Clyde Hill	111.7687%
Hunts Point	107.3470%
Medina	100.0000%
Yarrow Point	105.5573%

provided that the percentages set forth above may be administratively adjusted by the Utility Department Director to reflect any increase or decrease in any franchise fee required to be paid to such city or town by the Utility.

Section 7. Severability. If any section of this ordinance or any portion of any section of this ordinance, or its application to any person or circumstances is held invalid, the remainder of the ordinance or the application of the provision to other persons and circumstances shall not be affected.

Section 8. Repeal. Ordinance No. 5421 is repealed effective January 1, 2007 provided, however, that any charges made for water service under Ordinance No. 5421 are not invalidated by the repeal of that ordinance.

Section 9. Effective Date. Sections 1-8 of this ordinance shall take effect on January 1, 2007, shall apply to service provided on and after that date and shall supersede all existing schedules of charges as of that date. The specific water service charges for 2007 shall take effect on January 1, 2007 and shall remain in effect through and including December 31, 2007. The specific water charges for 2008, as hereinbefore indicated, shall take effect on January 1, 2008 and shall remain in effect until amended by the City Council.

Section 10. This ordinance shall take effect and be in force five (5) days after passage and legal publication.

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11/29/06

ORIGINAL

Passed by the City Council this 11th day of December, 2006 and signed in authentication of its passage this 11th day of December, 2006.

(SEAL)

Grant S. Degginger, Mayor

Approved as to form:

Lori M. Riordan, City Attorney

Attest:

Myrna L. Basich, City Clerk

Published December 15, 2006

0899-ORD
11/29/06

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 5705

AN ORDINANCE establishing revised sewerage service charges; repealing Ordinance No. 5574; and establishing an effective date.

WHEREAS, the Environmental Services Commission has reviewed the Sewer Utility budget and rate proposal, held a public hearing thereon and recommended approval of the proposal; and

WHEREAS, it is in the public interest to establish the following amended schedule of rates and charges for the sewerage service area for the Sewer Utility of the City of Bellevue; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Charges Established. There are hereby established and shall be collected from each user in the sewerage service area for the Sewer Utility of the City of Bellevue sewerage service charges as hereinafter provided.

Section 2. Single Family Residential Structures.

A. The service charge for single-family residential units shall be $55.90 per bimonthly billing period in 2007 and $55.90 per bimonthly billing period in 2008, plus a volume charge based on the bimonthly winter-average water consumption for the structure, as follows:

Winter-Average Cubic Feet Consumed	Charge Per Hundred Cubic Feet of Water	
	2007	2008
0 to 5,000	$2.04	$2.18
Over 5,000	$2.87	$2.94

B. For purposes of these charges, winter-average consumption is the average bimonthly water volume recorded on three normal meter readings during the period of December 15 through June 15 of the preceding year. Winter-average consumption for each residence will be recomputed before the start of each year and that volume will be used to compute the bimonthly sewer volume charge for the residence for the entire calendar year.

C. For those residences that are not Bellevue water customers, actual meter reading data necessary to compute the residence's winter-average water consumption will be obtained from the customer's water district, whenever possible.

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Where that data is unavailable and for new structures where water consumption data necessary to compute actual winter-average consumption has not been recorded, bimonthly sewer volume charges for the residence will be based on Bellevue's system-wide winter-average residential consumption of 1,500 cubic feet for a two-month period.

D. The Utilities Department Director shall have authority under this ordinance to adopt procedures necessary for the efficient and equitable administration of the residential volume-based sewer rate structure.

Section 3. Multifamily Residential Structures or Facilities.

The service charge for each multifamily residential structure or facility shall be $55.10 for 2007, and $56.48 for 2008 per bimonthly billing period for each dwelling unit, plus $5.00 for 2007 and $5.13 for 2008 per 100 cubic feet of water consumed by such structure or facility in excess of 1,100 cubic feet per dwelling unit during each bimonthly billing period.

For the purposes of this Section 3, "multifamily residential structure or facility" shall mean any residential structure or facility containing two or more dwelling units, including but not limited to duplexes, triplexes, apartment buildings, condominiums, and parcels containing two or more separate dwelling units, but shall not include hotels, motels or trailer parks.

Section 4. Non-residential Structures or Facilities.

A. The service charge for non-residential structures or facilities shall be based on water consumption by each structure or facility and shall be computed as follows:

$5.56 for 2007, and $5.70 for 2008 per 100 cubic feet of water consumption per bimonthly billing period.

Provided, there shall be a minimum charge of $86.42 for 2007 and $88.58 for 2008 per bimonthly billing period.

For purposes of this Section 4, "non-residential structure or facilities" shall mean any structure or facility not governed by Section 2 or Section 3 of this ordinance and shall include, but not be limited to, any commercial, industrial, business, trade, school or municipal structure or facility.

Section 5. King County/METRO Charges. In addition to these rates and charges for sewerage service established in this ordinance, or otherwise established by the City, the following King County/METRO charges are imposed to ensure compliance with Section 204 of Public Law 92-500 (22 U.S.C. 1251) CFR Part 35, Subpart E:

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A. A "surcharge" in an amount to be determined as provided in King County/METRO Resolution Nos. 2315 and 2557 (now incorporated into Title 28 of the King County Code, Chapter 28.84.060), as now constituted or hereafter amended, said charge to be added to the customer's regular bill.

B. An "Industrial Cost Recovery (ICR)" charge in an amount to be determined as provided in King County/METRO Resolution Nos. 2556 and 3374 (now incorporated into Title 28 of the King County Code, Chapter 28.84.060), as now constituted or hereafter amended, said charge to be billed separately to qualifying industrial customers on an annual basis.

C. An administrative charge of $15.50 shall be added to each customer bill that contains a King County/METRO "surcharge" or "ICR charge."

D. The City of Bellevue, in cooperation with King County/METRO, shall maintain such records as are necessary to document that its sewerage charges comply with the above-cited federal laws and regulations and King County/METRO regulations.

Section 6. User Charges - Outside. The charges for each user outside the city or town limits of Bellevue, Clyde Hill, Hunts Point, Medina and Yarrow Point shall be the sum of any applicable charges under Sections 2, 3, 4 and 5 of this ordinance.

Section 7. User Charges - Inside. The charges for each user inside the city or town limits of Bellevue, Clyde Hill, Hunts Point, Medina and Yarrow Point shall be the sum of any applicable charges under Sections 2, 3, 4 and 5 multiplied by the percentage indicated below for that city or town:

Bellevue	105.4856%
Clyde Hill	111.6079%
Hunts Point	107.2506%
Medina	100.0000%
Yarrow Point	105.4856%

Provided that the percentages set forth above may be administratively adjusted by the Utility Department Director to reflect any increase or decrease in any franchise fee required to be paid to such city or town by the Utility.

Section 8. Severability. If any section of this ordinance, or any portion of any section of this ordinance, or its application to any person or circumstance, is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances shall not be affected.

Section 9. Repeal. Ordinance No. 5574 is repealed as of January 1, 2007; provided, however, that any charges made for sewerage service under Ordinance No. 5574 are not invalidated by the repeal of that ordinance.

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Section 10. Effective Date. Sections 1-9 of this ordinance shall take effect on January 1, 2007, shall apply to service provided on and after that date and shall supersede all existing schedules of charges as of that date. The specific sewerage service charges for 2007, as hereinbefore indicated, shall take effect on January 1, 2007 and shall remain in effect through and including December 31, 2007. The specific sewage service charges for 2008, as hereinbefore indicated, shall take effect on January 1, 2008, and shall remain in effect until amended by the City Council.

Section 11. This ordinance shall take effect and be in force five (5) days after its passage and legal publication.

Passed by the City Council this 11th day of December, 2006 and signed in authentication of its passage this 11th day of December, 2006.

(SEAL)

Grant S. Degginger, Mayor

Approved as to form:

Lori M. Riordan, City Attorney

Attest:

Myrna L. Basich, City Clerk

Published December 15, 2006

0900-ORD
11/29/06

ORIGINAL

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 5706

AN ORDINANCE establishing revised storm and surface water drainage rates and charges for the Storm & Surface Water Utility of the City of Bellevue; repealing Ordinance No. 5575; and establishing an effective date.

WHEREAS, the Environmental Services Commission has reviewed the Storm & Surface Utility budget and rate proposal, held a public hearing thereon and recommended approval of the proposal, and

WHEREAS, it is in the public interest to establish the following amended schedule of rates and charges for the Storm and Surface Water Utility of the City of Bellevue; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Charges Established. There is hereby levied upon all real property within the City of Bellevue which contributes drainage water to or which benefits from the function of the Storm and Surface Water Utility of the City of Bellevue, and there shall be collected from the owners thereof, bimonthly service charges based on the square footage of the properties and on the appropriate intensity of development classification (s) of such properties, such that for each 2,000 square feet of area or increments thereof, the property shall be charged a bimonthly amount for 2007, and 2008 as follows:

Year	Wetland	Undeveloped	Light Development	Moderate Development	Heavy Development	Very Heavy Development
2007	$0.00	$0.52	$3.77	$4.71	$7.06	$9.40
2008	$0.00	$0.55	$3.96	$4.95	$7.41	$9.87

and each account shall be charged an additional bimonthly customer charge in the amount of $3.13 per billing in 2007 and $3.29 per billing in 2008.

Section 2. User Charges. The charges for each user inside the city limits of Bellevue shall be the sum of the charges in Section 1, all multiplied by 105.3476%.

Section 3. Severability. If any section of this ordinance, or any portion of any section of this ordinance, or its application to any person or circumstance, is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances shall not be affected.

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Section 4. Repeal. Ordinance No. 5575 is repealed as of January 1, 2007; provided, however, that any changes made under Ordinance No. 5575 are not invalidated by the repeal of that ordinance.

Section 5. Effective Date. The revised bimonthly service charges and bimonthly customer charges established in Section 1 of this ordinance and the user charges established in Section 2 of this ordinance shall take effect on January 1, 2007, shall apply to service provided on and after that date, and shall supersede all existing schedules of charges as of that date. The specific charges for 2007, as hereinbefore indicated, shall take effect on January 1, 2007 and shall remain in effect through and including December 31, 2007. The specific charges for 2008, as hereinbefore indicated, shall take effect on January 1, 2008 and remain in effect until amended by the City Council.

Section 6. This ordinance shall take effect and be in force five (5) days after its passage and legal publication.

Passed by the City Council this 11th day of December, 2006 and signed in authentication of its passage this 11th day of December, 2006.

(SEAL)

Grant S. Degginger, Mayor

Approved as to form:

Lori M. Riordan, City Attorney

Attest:

Myrna L. Basich, City Clerk

Published December 15, 2006

0895-ORD
11/20/06

ORIGINAL

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 5707

AN ORDINANCE adopting the Human Services Commission's 2007-2008 Human Services funding recommendations and authorizing the City Manager to enter into contracts with local human services agencies in accordance with the recommendations.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. The City Council adopts the 2007-2008 Human Services funding recommendations as developed by the City of Bellevue Human Services Commission to act as guidelines for the allocation of 2007 and 2008 General Fund money as such funding becomes available.

Section 2. The City Manager or his designee is hereby authorized to enter into contracts with local human services agencies to carry out the services described in the recommendations in the amount of funding specified for each agency.

Section 3. This ordinance shall take effect and be in force five (5) days after passage and legal publication.

Passed by the City Council this 11th day of December, 2006 and signed in authentication of its passage this 11th day of December, 2006.

(SEAL)

Grant S. Degginger, Mayor

Approved as to form:

Lori M. Riordan, City Attorney

Darcie E. Chinn, Assistant City Attorney

Attest:

Myrna L. Basich, City Clerk

Published December 15, 2006

0905-ORD
12/07/06

ORIGINAL

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 5710

AN ORDINANCE establishing the amount of property taxes to be levied for the year 2007, the first year of the City of Bellevue's 2007-2008 fiscal biennium.

WHEREAS, RCW 35A.34.230 requires the City Council to consider the City's total anticipated financial requirements for the ensuing fiscal year and to determine and establish by ordinance the amount to be raised by ad valorem property taxes for 2007, and to certify the same to the Clerk of the King County Council; and

WHEREAS, the City Council held a final public hearing on December 11, 2006, to consider revenue sources for the 2007-2008 Biennial Budget; and

WHEREAS, the estimated assessed valuation of all taxable property within the City as determined by the King County Assessor is $26,611,627,294; and

WHEREAS, the City Council finds that in order to provide funding for ongoing maintenance and operating costs of facilities and to maintain levels of service for residents the property tax levy should be increased by $525,273 or 2%.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. There is hereby levied, and established to be raised by regular ad valorem property taxes for 2007 the amount of $27,638,181. This property tax levy represents a $1,374,509 or 5.2% increase over the 2006 property tax levy, including the increase resulting from the addition of new construction and improvements to property, any increase in the value of state-assessed property, allowed adjustments for annexations and refunds, and an increase in property tax as shown below:

		% Increase (Decrease)
2006 Regular Property Tax Levy	$26,263,672	
Less Prior Year Refund	(107,447)	
Plus New Construction Levy	552,622	2.1%
Plus Annexation Levy	782	0.0%
Plus Refund Levy	403,279	1.5%
Plus Property Tax Increase	525,273	2.0%
2007 Regular Levy	**$27,638,181**	5.2%

Section 2. The 2007 regular property tax levy set forth in Section 1 reflects an estimate of state-assessed property and shall be adjusted to reflect the final state-assessed value certified by the King County Assessor's Office.

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Section 3. There is hereby levied for 2007 upon all property, both real and personal, within the City of Bellevue, Washington, and within the area subject to tax levies for the principal and interest of all general obligation bond issues, a total voted property tax of $1,393,782.

Section 4. The City Clerk is directed to transmit a certified copy of this ordinance to the Office of the Auditor of the State of Washington, Division of Municipal Corporations. The Clerk is further directed to transmit a certified copy of this ordinance to the Council Administrator – Clerk of the King County Council and to the King County Assessor on or before December 12, 2006.

Section 5. This ordinance shall take effect and be in force five (5) days after its passage and legal publication.

Passed by the City Council this 11th day of December, 2006 and signed in authentication of its passage this 11th day of December, 2006.

(SEAL)

Grant S. Degginger, Mayor

Approved as to form:

Lori M. Riordan, City Attorney

Attest:

Myrna L. Basich, City Clerk

Published December 15, 2006

0904-ORD
12/06/06

ORIGINAL

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 5711

AN ORDINANCE adopting the City of Bellevue's 2007-2008 Budget and 2007-2013 Capital Investment Program Plan; setting forth the estimated revenues and appropriations; authorizing the Finance Director to execute interfund loans to accommodate cash flow needs within the General CIP Fund; establishing job classifications and pay ranges; and establishing an effective date.

WHEREAS, a preliminary biennium budget for 2007-2008 was prepared and filed with the City Clerk as required by law; and

WHEREAS, public hearings were held by the City Council on the preliminary biennium budget and the preliminary 2007-2013 Capital Investment Program Plan, at which time comments for or against any part of the preliminary biennium budget and the preliminary 2007-2013 Capital Investment Program Plan were heard; and

WHEREAS, on November 13, 2006 and December 11, 2006, the City Council held a public hearing upon notice as prescribed by law, and met for the purpose of fixing the final budget of the City for the 2007-2008 fiscal biennium and the 2007-2013 Capital Investment Program Plan; and

WHEREAS, the City Council has made adjustments and changes as it deemed necessary or proper and desires to adopt the 2007-2008 Budget and the 2007-2013 Capital Investment Program Plan; to appropriate monies to each of the City's funds in order to fund expenditures authorized in the 2007-2008 Budget and the 2007-2013 Capital Investment Program Plan; and to authorize the Finance Director to execute interfund loans to accommodate cash flow needs within the General CIP Fund, now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. The 2007-2008 Budget and 2007-2013 Capital Investment Program Plan of the City of Bellevue, Washington, a copy of which has been given Clerk's Receiving No. 40644, is hereby adopted by this reference along with the financial polices contained therein.

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Section 2. The 2007-2008 Estimated Revenues and Appropriation for each Operating Fund is as follows:

Operating Funds	2007-2008 Budget
General Fund	$286,126,531
Development Services Fund	49,675,345
Equipment Rental Fund	38,427,112
Facilities Services Fund	13,234,420
Franchise Fund	2,988,036
General Self-Insurance Fund	10,531,000
Health Benefits Fund	36,568,176
Hotel/Motel Tax Fund	17,002,738
Human Services Fund	6,904,671
Information Technology Fund	28,775,989
Land Purchase Revolving Fund	4,456,039
LEOFF I Medical Reserve Fund	18,684,222
Marina Fund	1,624,663
Park M&O Reserve Fund	2,870,583
Parks Enterprise Fund	10,669,000
Rainy Day Reserve Fund	4,371,669
Sewer Utility Fund	75,325,577
Solid Waste Fund	3,340,666
Storm & Water Utility Fund	31,620,276
Unemployment Compensation Fund	644,000
Water Utility Fund	80,003,687
Worker's Compensation Fund	3,974,000
Total Operating Budget	$727,818,400

The 2007-2008 Estimated Revenues and Appropriation for each Special Purpose Fund is as follows:

Special Purpose Funds	2007-2008 Budget
Firemen's Pension	$7,317,361
Housing Fund	5,635,047
Interest & Debt Redemption – Regular Fund	22,635,798
Interest & Debt Redemption – Special Fund	2,873,400
LID Control Fund	2,347,405
LID Guaranty Fund	1,983,150
Operating Grants & Donations Fund	4,168,626
Utility Revenue Bond Redemption Fund	3,718,450
Total Special Purpose Budget	$50,679,237

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The 2007-2008 Estimated Revenues and Appropriation for each Capital Projects Fund is as follows:

Capital Projects Funds	2007-2008 Budget
General Capital Investment Program Fund	$112,972,546
Utility Capital Investment Program Fund	74,255,828
Total Capital Projects Funds	$187,228,374

The appropriations authorized above shall be for the purpose of funding those projects set forth in the Capital Investment Program Plan adopted pursuant to Section 1 of this ordinance. The Finance Director is authorized to execute interfund loans to accommodate cash flow needs within the General Capital Investment Program (CIP) Fund during the CIP Plan period, notwithstanding the limitations of BCC 3.37.070.

Section 3. The job classifications and pay ranges for employees of the City, as set forth in the 2007 City of Bellevue Pay Plans, hereby adopted as part of the biennium budget for 2007-2008, and given Clerk's Receiving No. _____, shall constitute the job classifications and pay ranges for such employees.

Section 4. All employees who are members of a bargaining unit shall receive such pay and benefits as are provided for in the appropriate collective bargaining agreement.

Section 5. The provisions of Sections 1-4 of this ordinance shall take effect on January 1, 2007.

Section 6. The City Clerk is directed to transmit a certified copy of this ordinance to the Office of the Auditor of the State of Washington, Division of Municipal Corporations and to the Association of Washington Cities.

Section 7. This ordinance shall take effect and be in force five (5) days after its passage and legal publication.

0904-ORD
12/06/06

ORIGINAL

Passed by the City Council this 11th day of December, 2006 and signed in authentication of its passage this 11th day of December, 2006.

(SEAL)

Grant S. Degginger, Mayor

Approved as to form:

Lori M. Riordan, City Attorney

Attest:

Myrna L. Basich, City Clerk

Published December 15, 2006

CITY OF BELLEVUE
WASHINGTON

9. Stakeholder Outreach Summary

Stakeholder Outreach Summary

A. INTRODUCTION

Obtaining stakeholder feedback is one of several tools the City of Bellevue uses to plan its biennial budget. As part of the 2007-2008 Budget process, the City of Bellevue conducted a telephone survey to obtain resident feedback on budget priorities and held four public hearings.

B. BELLEVUE BUDGET SURVEY

Each budget cycle, the City of Bellevue conducts a statistically valid survey of residents' perceptions of community needs and services. The Budget Survey is designed to enhance the City's knowledge of Bellevue residents' perceptions about the City and to help City leaders better understand community priorities and expectations regarding City services. The survey has been conducted on a biennial basis since 1998 to help support decision making for each upcoming budget. The City Council and management staff used the 2006 Budget Survey along with other information to help understand the broader community context for making decisions regarding the 2007-2008 Budget and the 2007-2013 Capital Investment Plan.

The 2006 survey was based on past surveys to facilitate trend analysis but contained some changes and enhancements. Northwest Research Group conducted the 2006 survey and analyzed the results. A total of 409 residents were interviewed by phone between February 16 and March 3. For a survey sample of this size, the margin of sampling error is about plus or minus 5% at the 95% level of confidence.

Survey Highlights

- Nearly all of those responding to the survey rate the quality of life in the City and in their own neighborhood as "good" or "excellent." Almost all (96%) residents who participated in the Budget survey say the quality of life in the City is either "good" or "excellent." Nearly the same percentage (94%) of respondents rate the quality of life in their own neighborhood as "good" or excellent."

- The most highly noted reason among respondents who did not give an "excellent" rating regarding quality of life in their City or neighborhood was traffic and road concerns.

- When respondents were asked what they consider to be the biggest budget priority in allocating funds to programs and services, public safety was the top issue among six service areas (the six service areas include: transportation, public safety, neighborhood preservation, parks, economic development, and environmental protection). Notably transportation was a close second place to public safety in regards to allocation of funds. The 2004 results also ranked public safety as a top budget priority, and transportation as the second greatest budget priority.

- Residents generally perceive City services and facilities to be important, with all City services receiving a mean importance score of at least a 4.9 (greater than the mid-point on the 1 to 7 importance scale). Similar to 2004 results, police, fire and emergency services tend to rank as the services that are most important to respondents. In addition to the emergency services provided, protecting water quality, maintaining streets and sidewalks, street lights, clean and well maintained parks, preparing for disasters, providing recreational activities, and preserving open spaces and natural areas are also in the top tier of importance.

- City services and facilities also receive generally high satisfaction scores – with all areas acquiring at least a mean satisfaction score of a 4.4 (greater than the mid-point on the 1 to 7 satisfaction scale). Many of the areas that are rated with the greatest importance also receive the greatest average satisfaction ratings.

- Only two service/facility items have a gap (when comparing the mean importance score to the average satisfaction score) of greater than 1.0, indicating that residents' satisfaction is generally comparable to how important they perceive a service to be: building or widening city roads to help ease traffic congestion and promoting affordable housing for city residents.
- Respondents this year continue to be very satisfied with the level of service the City provides, and there have been some significant improvements compared to 2004 such as "reducing traffic accidents through enforcing traffic laws" and "promoting jobs and economic development".
- When assessing their agreement with strategies designed to deal with increased traffic, respondents most often agree that the City should "work with regional agencies to improve local transit service within Bellevue" as well as "encourage and make it more attractive for people to choose transportation alternatives" and "work with regional agencies to develop a reliable regional mass transit system."
- The majority of respondents, more than eight in ten (82%), say they are getting their money's worth for their tax dollar.

Objectives

The Operating Budget Survey is designed to provide a statistically valid tool to enhance the City's knowledge of Bellevue residents' perceptions about the City and to better understand community priorities and expectations regarding City services. It has been performed on a biennial basis since 1998 to help support decision making for each upcoming budget. The 2006 Budget Survey has been used as part of the framework for making City budget decisions.

The survey addresses the following areas:

- General feelings about the direction in which the City is headed;
- Attitudes toward quality of life at citywide and neighborhood levels;
- Biggest problems at citywide and neighborhood levels;
- Importance and satisfaction ratings for specific City facilities and services;
- Priorities for the City Budget;
- Preferences on strategies for addressing traffic congestion; and
- Value received for tax dollars and opinion of tax and service levels.

Survey Instrument – Changes over Time

The 2006 survey instrument is very similar to the Operating Budget/CIP Surveys that were conducted in 1998, 2000, 2002 and in 2004, though the 2006 survey asks respondents to rate four new questions on importance and satisfaction. The new questions are related to four additional City services, "providing recreation for youth, seniors, and special needs populations", "providing opportunities for individuals to lead a healthy lifestyle", "sponsoring community festivals" and "protecting water quality in Bellevue's lakes and streams". The similarity in the surveys provides the opportunity to compare results between the 2006, 2004, 2002, 2000 and 1998 survey years. Some of the 2006 Operating Budget Survey results can also be compared to results from the 1996 Bellevue Services Survey and the 1997 Capital Facilities Survey, given these surveys were the foundation for the biennial Budget Survey.

Methodology

This telephone survey was designed to collect statistically valid data that can be projected to the general population of residents in Bellevue households. The survey sample was randomly selected from households in Bellevue. Both listed and unlisted telephone numbers were included.

A total of 409 Bellevue City residents were interviewed. All respondents were asked to verify that they live within Bellevue City limits. Quotas were used to ensure that the proportion of single-family and multi-family households in the sample were representative of the proportions in the larger Bellevue population (55% single-family; 45% multi-family).

The interview averaged 23.18 minutes in length. Interviews were conducted Thursday, February 16th through Sunday, March 3rd (on 12 weekdays and 6 weekend days).

City staff developed the questionnaire and overall research design. Northwest Research Group, Inc. (NWRG), a Bellevue-based survey research consulting firm, administered the survey, conducted all interviewing, compiled the statistical analysis of data and wrote the survey report; consulting and review were provided by Gail Samowitz, an independent consultant, and Rich Siegel of the City of Bellevue Finance Department, Budget Office.

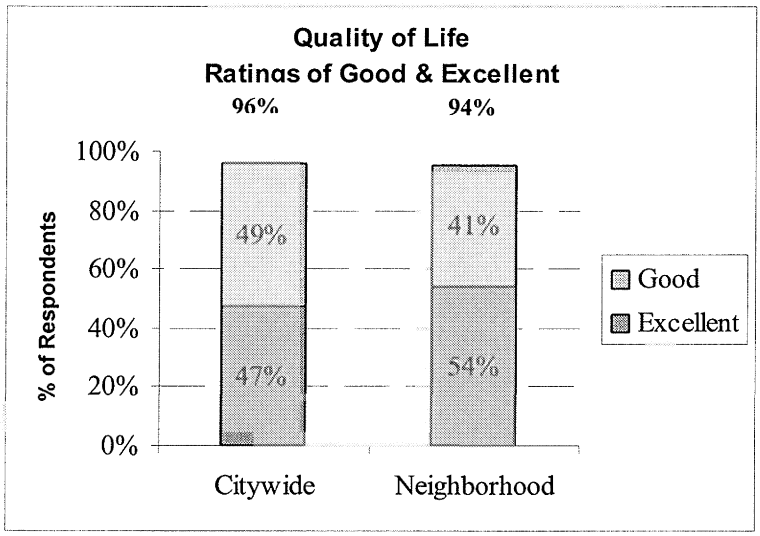
The results of the Budget Survey provide City leaders with valuable insights into residents' concerns and priorities. These survey results need to be viewed in context and as a complement to the many other tools and sources of information available for making budget allocation decisions.

Interpretation of Data

There are practical limitations to the representativeness of any survey. Typically, some residents tend to be under-represented in telephone surveys, including younger residents and (in the case of English-language surveys) residents whose main language is not English. All survey research results are also subject to sampling error. For the total citywide sample of 400, the sampling error is about plus or minus 5% at the 95% level of confidence.

There are several open-ended questions in this survey. Open-ended questions are very valuable in that they explain reasons why people feel the way they do about certain issues. In-depth opinions are very time sensitive. They are a snapshot of current opinion at a particular point in time, and can be influenced by many factors including the media. Results from open-ended questions should not be used to gauge how people would vote or their level of support for specific issues.

Quality of Life



Nearly all of those responding to the survey rate the quality of life in the city and in their own neighborhood as "good" or "excellent." Almost all (96%) residents who participated in the Budget Survey say the quality of life in the City is either "good" or "excellent." A similar amount (94%) of respondents rate the quality of life in their own neighborhood as "good" or excellent." Respondents were significantly more likely to give an "excellent" rating to both the quality of life in Bellevue and their neighborhood in the 2006 Budget Survey than in past years (39% in 2004, and 35% in 2002 respectively citywide; and 46% in both 2004 and 2002 respectively for their neighborhood).

The table below summarizes the reasons respondents most commonly gave for rating quality of life in the city and in their own neighborhood as "good" or "excellent."

REASONS FOR GOOD/EXCELLENT QUALITY OF LIFE
MOST FREQUENT RESPONSES*
(BASE: RESPONDENTS GIVING RATING OF "GOOD" OR "EXCELLENT")

CITYWIDE (n = 393)		NEIGHBORHOOD (n = 386)	
Location/Convenience	**36%**	**Nice People/Sense of Community**	**32%**
Parks/Recreation/Open Space/The Environment	**27%**	**Location/Convenience**	**31%**
Clean City/Attractive/Well-Planned	**25%**	**Safe/ Police/ Fire Services**	**19%**
General Availability of Amenities & Services	**22%**	**Parks/Recreation/Open Space**	**19%**
Public Safety/Low Crime Rates	**22%**	**Quiet/Peaceful**	**18%**
Quality Schools	**18%**	**Nice/Well-Maintained Homes**	**17%**
Good Neighborhood(s)/Sense of Community	**13%**	**Good Transportation/Streets**	**9%**

Good Transportation/Streets/Public Transportation	**13%**	**Quality Schools**	**9%**
Arts and Culture Opportunities	**5%**	**Sense of Community/ Community Involvement**	**6%**
City Gov't Doing a Good Job	**5%**		
Other	**7%**	**Other**	**10%**

***Respondents could give more than one response (in more than one net category or within a net category); therefore percentages may add to more than 100%. Top responses are shown.**

For both the citywide and the neighborhood quality of life questions, **respondents giving a rating below "excellent" were asked to indicate what would need to change or improve to make the quality of life "excellent."** As reported for the 2004 Budget Survey, 2006 respondents rating their own neighborhood as less than excellent and those rating the City as less than excellent both most often cite transportation related issues as the things that would need to improve to make their neighborhood or the City "excellent." Among the transportation issues mentioned, **traffic is most often cited as the problem that would need to improve** to make the quality of life "excellent", as previously seen in the 2004 Budget Survey.

The table on the following page indicates the percentages of survey participants giving responses within each of the categories into which responses were coded. Responses within some categories (for example, the "improve transportation" category) were also organized into sub-categories, which are also shown in the table. Note that respondents were allowed to name more than one issue or problem that would need to change or improve – therefore percentages may add to more than one hundred percent and as well, respondents' comments may be coded into more than one code within each net response code.

Responses to the two questions about what would need to improve at the neighborhood and citywide level are very similar in their relative importance compared to responses given in 2004. However, there are a few significant increases and decreases in the frequency with which some responses were given.

At the citywide level:

- Significantly more 2006 respondents mentioned parks and recreation improvements that could be made (11% compared to 4% in 2002), and transportation system improvements (8% in 2006, compared to 1% in 2004 and 2002, respectively).
- A significantly smaller percentage of 2006 respondents, compared to 2002 respondents, also gave suggestions related to controlling or reducing traffic (41% in 2002 vs. 29% in 2006).

At the neighborhood level:

- Significantly fewer respondents mentioned crime and safety issues (5% in 2006 vs. 13% in 2004)
- It should be noted that a significantly greater number of respondents don't know what would change their opinion of the quality of life in their neighborhood (19% in 2006 compared to 10% in 2004).

WHAT WOULD IMPROVE QUALITY OF LIFE TO BE GOOD OR EXCELLENT
MOST FREQUENT RESPONSES*
(BASE: RESPONDENTS GIVING RATINGS "GOOD" AND BELOW)

CITYWIDE (n = 216)		NEIGHBORHOOD (n = 189)	
IMPROVE TRANSPORTATION **Reduce Traffic 29%** **Misc. Comments on Roads 13%** – Improve Roads – General (5%) – Complete I-405 / Access Downtown (3%) – Misc. Comments About Roads (3%) – Comments About Traffic Lights (2%) – Expand Roads / Additional Roads (1%) **Improve Bus/Transit Service 7%** **Ped-Bike Improvements (sub-net) 4%** – Improve/Add Sidewalks, Crosswalks, etc. (3%) – Improvements for Bicyclists (1%) **Enforce Speeding/ Traffic Laws 4%** **Bus/ Transit Accessibility 2%** **More Available Parking <1%**	**49 %**	**IMPROVE TRANSPORTATION** **Reduce Traffic 9%** **Ped-Bike Improvements (sub-net) 8%** – Improve/Add Sidewalks, Crosswalks, etc. (7%) – Improvements for Bicyclists (1%) **Misc. Comments on Roads 5%** – Synchronize Traffic Lights (3%) – Better Maintain/ Repair Roads (1%) – Other Comments About Roads (1%) – Reduce Noise/ Disruptions from Construction (1%) **Improve Bus/Transit Service 4%** **More Available Parking 2%** **Enforce Speeding/ Traffic Laws 1%**	**25 %**
MORE PARKS/OPEN SPACE/ RECREATION **Enhance Rec. Opportunities/ Facilities 6%** **More Parks/ Green or Open Space 6%**	**11 %**	**MORE PARKS/OPEN SPACE/ RECREATION** **Enhance Rec. Opportunities/ Facilities 4%** **More Parks/ Green or Open Space 4%**	**8%**

IMPROVE AFFORDABILITY **Provide Affordable Housing 5%** **More Affordable (Gen'l) 3%**	**7%**	**IMPROVE NEIGHBORHOOD AESTHETICS** **Improve Physical Appearance/ Landscaping 5%** **Better/ New Housing 3%** **Get Rid Of Junk Cars in Front of Homes 1%**	**8%**
LIMIT MANAGE GROWTH	**6%**	**MORE POLICE/ LESS CRIME/ ENHANCE SAFETY**	**5%**
IMPROVE SCHOOLS/MORE SCHOOL SUPPORT	**6%**	**IMPROVE RETAIL CONVENIENCE**	**3%**
MORE POLICE/ LESS CRIME/ ENHANCE SAFETY	**5%**	**IMPROVE SENSE OF FAMILY/ COMMUNITY**	**3%**
IMPROVE SENSE OF FAMILY/ COMMUNITY	**4%**	**KEEP NOISE LEVELS DOWN**	**3%**
		ZONING	**3%**
		COMPLETE CONSTRUCTION PROJECTS	**2%**
NOTHING	**7%**	**NOTHING**	**16 %**
DON'T KNOW	**11 %**	**DON'T KNOW**	**18 %**

***Respondents could give more than one response (in more than one net category or within a net category); therefore percentages may add to more than 100%. Top responses are shown.**

Biggest Problems Residents Want City to Address

All respondents were then asked to consider the "city as a whole" and identify the biggest problem that they feel the City should do something about over the next two years. **More than half (52%) of all respondents say that traffic and/or transportation issues are the biggest problems the City should address over the next two years*.** Complaints about traffic were most frequently mentioned in regards to the overall issues about traffic and transportation; more than one-third of respondents (36%) say it is the prevalent issue the City needs to address in the next two years. **Among transportation issues, respondents mention road improvements** as the biggest problem the City should do something about.

Notably, the percentage mentioning overall traffic and transportation issues and the percentage mentioning traffic are significantly less than reported in 2004 and 2002

- 52% mentioned overall transportation/ traffic issues in 2006; 64% mentioned these in 2004 and 71% in 2000.
- 36% mentioned traffic as a specific problem in 2006; 47% mentioned traffic in 2004 and 55% in 2002.

When asked if there was any problem in the respondent's own neighborhood that the City should do something about over the next two years, almost **four in ten (39%) respondents said that there**

was a problem in their own neighborhood that the City should do something about. This percentage is similar to what was reported in 2004 (34%) and 2002 (35%).

Almost half (49%) of those respondents who said there was a problem, say that transportation and traffic related issues are the problem in their neighborhood*. This is equal to those who mentioned transportation issues in 2002, and slightly lower than respondents in 2004 (46%).

While traffic is the most often cited transportation problem *at the citywide level*, road maintenance and repair and street or traffic light concerns are the most often cited transportation problems *at the neighborhood level* (23% of those who say there is a neighborhood problem the City should do something about mention roads, while only 12% mention traffic as a problem in their neighborhood).

The table below illustrates, in more detail, the top responses given as the biggest citywide and neighborhood problems.

BIGGEST PROBLEM RESIDENTS WANT CITY TO ADDRESS OVER THE NEXT TWO YEARS
MOST FREQUENT RESPONSES*

CITYWIDE (BASE: ALL RESPONDENTS: n = 409)	**NEIGHBORHOOD** (BASE: RESPONDENTS W/PROBLEM IN NEIGHBORHOOD: n = 158)
IMPROVE TRANSPORTATION 57 %	**IMPROVE TRANSPORTATION 52 %**
Reduce Traffic 36%	**Misc. Comments on Roads (sub-net) 25%** – Improve Roads – General (8%) – Comments About Street Lights (7%) – Better Maintain/ Repair Roads (3%) – Improve Road Routes & Access (2%) – Better Snow Removal on Roads (2%) – Speed Bumps/ Stop Signs (1%) – Expand Roads/ Addt'l Roads (1%) – Traffic Light Comments (1%)
Misc. Comments on Roads (sub-net) 11% – Improve Roads – General (3%) – Traffic Light Comments (2%) – Misc. Road Comments (2%) – Better Maintain/ Repair Roads (1%) – Expand Roads/ Addt'l Roads (1%) – Reduce Noise/ Disruption from Road Construction (1%) – Improve Road Routes/Access (1%) – Complete I-405/ Access Downtown (<1%) – Improve Street Lighting (<1%) – Speed Bumps/ Stop Signs (<1%)	**Control / Reduce Traffic 12%**
	Enforce Speeding/ Traffic Laws 8%
	Ped-Bike Improvements 8% – Improve Sidewalks (8%)
Improve Transport. System (Gen'l) 5%	

Improve Bus/Transit Service
4%

Ped-Bike Improvements (sub-net)
2%
- Improve/Add Sidewalks, Crosswalks, etc. (2%)
- Improvements for Bicyclists (<1%)

Address Parking Problems
2%

Enforce Speeding/ Traffic Laws
<1%

Manage / Limit Growth
6%

Housing
5%
- Increase Supply of Affordable Housing (3%)
- Housing (Gen'l) (1%)
- Bicycle Improvement (1%)

Address Parking Problems
4%

Improve Bus/Transit Service
1%

REDUCE CRIME/ENHANCE PUBLIC SAFETY **22%**

Reduce Crime (Gen'l)
15%

Improve/ Increase Police
8%

Reduce Youth Violence
1%

BIGGEST PROBLEM RESIDENTS WANT CITY TO ADDRESS OVER THE NEXT TWO YEARS CONTINUED
MOST FREQUENT RESPONSES*

REDUCE CRIME/ ENHANCE PUBLIC SAFETY **4%**

Reduce Crime (Gen'l)
2%

Improve/ Increase Police
1%

Reduce Youth Violence
<1%

Reduce Car Theft
<1%

PARKS/OPEN SPACE/ RECREATION **3%**

More Parks/ Open Spaces/ Natural Areas
2%

Enhance Rec. Opportunities/ Facilities 1%

ENHANCE NEIGHBORHOOD LIVABILITY (MISC) **15%**

Property Clean Up
3%

Manage/Limit Growth
3%

Trees Blocking View/ Too Tall
3%

Reduce Noise
1%

Reduce Disruption from Constn
1%

Parks/ Open Space/ Recreation
1%

Enforce Leash Law
1%

UTILITIES **6%**

Improve Drainage
2%

Utilities- Electricity
1%

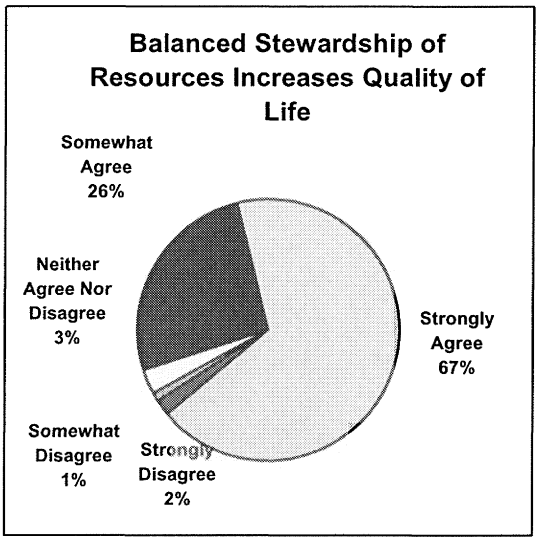
Utilities- Cable
1%

		Utilities- Garbage 1%	
		Underground Utilities 1%	
SUPPORT/ IMPROVE SCHOOLS & EDUCATION	2%	HOUSING - Housing – General (3%) - Affordable Housing (1%)	4%
BUILD A SENSE OF COMMUNITY	1%	ANIMAL ISSUES	2%
GOVERNMENT EFFICIENCY	1%	SUPPORT/ IMPROVE SCHOOLS & EDUCATION	1%
Control Gov't Spending 1%			
Control Taxes 1%			
UTILITIES	1%		
ENTERTAINMENT/ CULTURE/ MUSEUMS	1%		
NOTHING	12 %		
DON'T KNOW	7%		

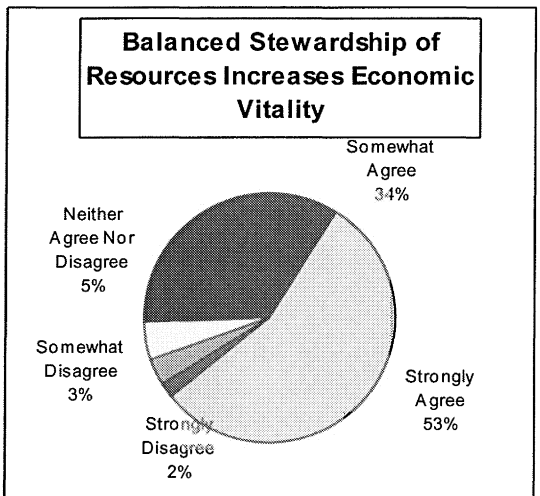
***Respondents could give more than one response (in more than one net category or within a net category); therefore percentages may add to more than 100%. Top responses are shown.**

Importance of Resources

Newly added to the 2006 Budget Survey were a series of questions about natural resources and their effect on the quality of life in Bellevue.



The majority of respondents (93%) agree (somewhat or strongly) that careful and balanced stewardship of our natural environment and natural resources will result in a long-term increase in the quality of life of Bellevue. Female respondents are significantly more likely to agree with this statement. Furthermore, residents who have lived in Bellevue for less than 25 years are more likely to agree it will increase the quality of life in Bellevue. In addition, respondents that lived in the 98006 zip code were also more likely to strongly agree than were those that live in either the 98004 or the 98007 zip codes.

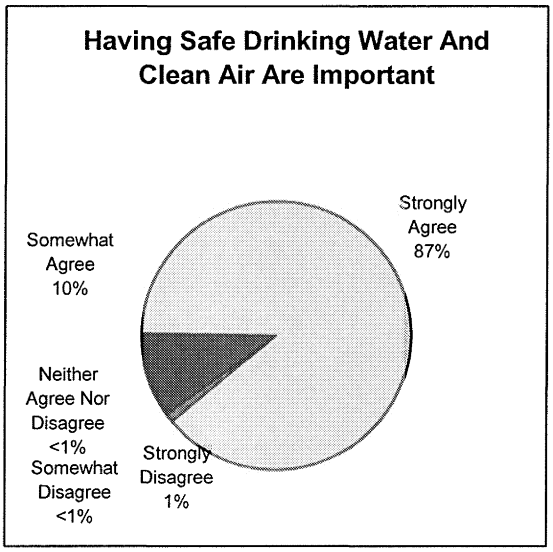


Interestingly, respondents that *did not vote* were also significantly more likely to strongly agree that careful and balanced stewardship of our natural environment and natural resources will result in a long-term increase in the quality of life of Bellevue than were those that did vote.

Almost 9 in 10 respondents (87%) agree (somewhat or strongly) that careful and balanced stewardship of our natural environment and natural resources will result in a long-term increase in the economic vitality for Bellevue. **More than half of those respondents (53%) strongly agree with the**

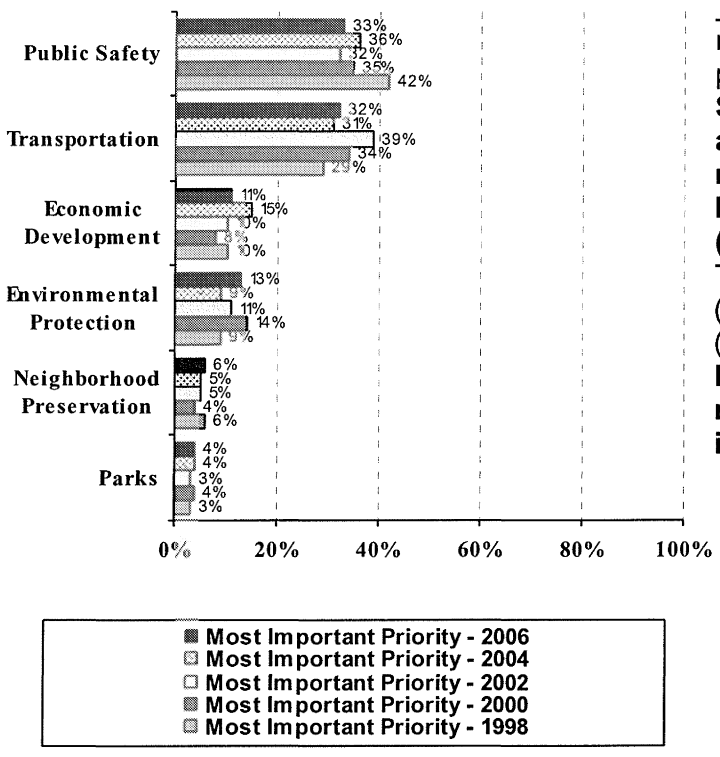
statement. A significantly greater amount of female respondents agree that the natural resources have an effect on the economic vitality of Bellevue.

Almost all respondents (97%) agree, either somewhat or strongly, that having safe drinking water and clean air are important factors in quality of life in Bellevue. **Nearly nine in ten respondents (87%) strongly agree with this statement. Multi-family residents and respondents under the age of 35 are significantly more likely to agree. Furthermore, female respondents are significantly more likely than males to agree on the importance of clean drinking water, as well as clean air and its impact on the quality of life in Bellevue.**



Budget Priorities

Top Budget Priority

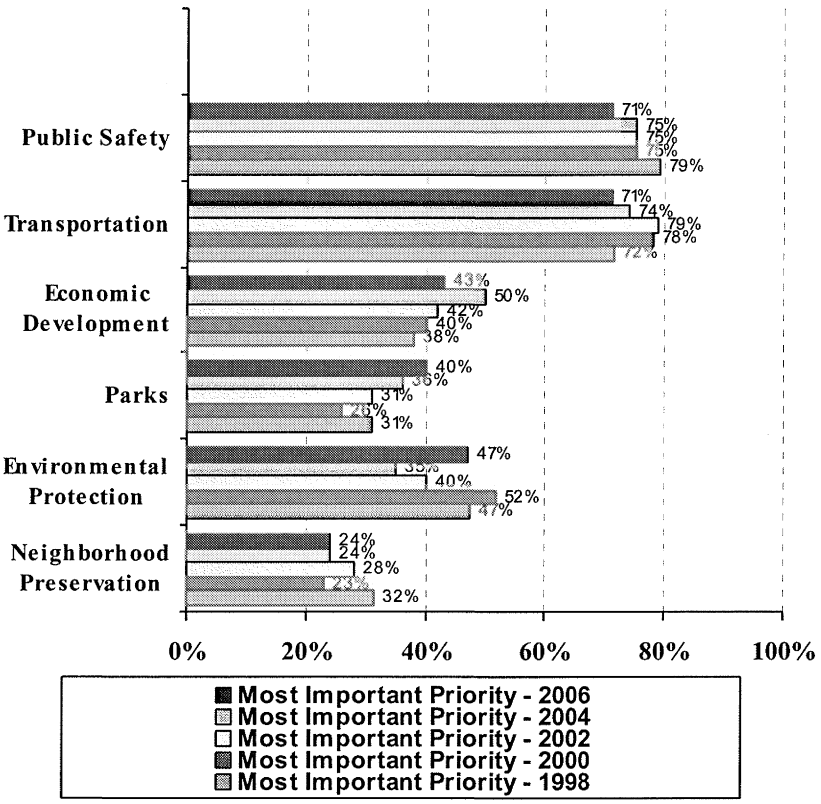


TOP BUDGET PRIORITY: As in past surveys, respondents were asked to select their top budget priority from among six general service areas. **Similar to the 2004 survey, Public Safety is ranked as the top budget priority by 33% of 2006 respondents. Transportation is considered a top budget priority by nearly a third of respondents (32%).** This is nearly the same percentage naming Transportation as the top budget priority in 2004 (31%) but significantly less than reported in 2002 (39%). **The percentage of respondents naming Economic Development as the top budget priority remains relatively stable, from 15% in 2004 to 13% in 2006.**

TOP 3 BUDGET PRIORITIES:

In addition, respondents were also asked to name their second and third budget priorities. Results were combined for each service area to ascertain which service areas were most often considered to be one of the top three budget priorities.

Top 3 Budget Priorities



- Almost three-quarters (71%) of respondents name Public Safety as either a first, second or third budget priority. This is less than previous survey waves reported.
- An equal percentage of respondents say transportation (71%) should be the first, second or third budget priority – this is a slight decline when compared to the combined percentage in 2004 (74%) and in 2002 (79%).
- Down from 2004, less than half (43%) of 2006 respondents consider Economic Development to be one of the top three budget priorities, compared to 50% in 2004.
- One in four respondents (40%) say that Parks are a first, second or third budget priority. This is greater than the combined percentage in all previous survey waves, (36% in 2004, 31% in 2002 and 1998, and 26% in 2000, respectively).
- Nearly half (47%) of 2006 respondents say Environmental Protection should be the first, second or third priority. This is an increase from 2004, where slightly more than one third (35%) report it as a top three budget priorities.
- Neighborhood Preservation is considered a first, second or third budget priority by one-quarter (24%) of 2006 respondents – this is equal to the 2004 budget survey.

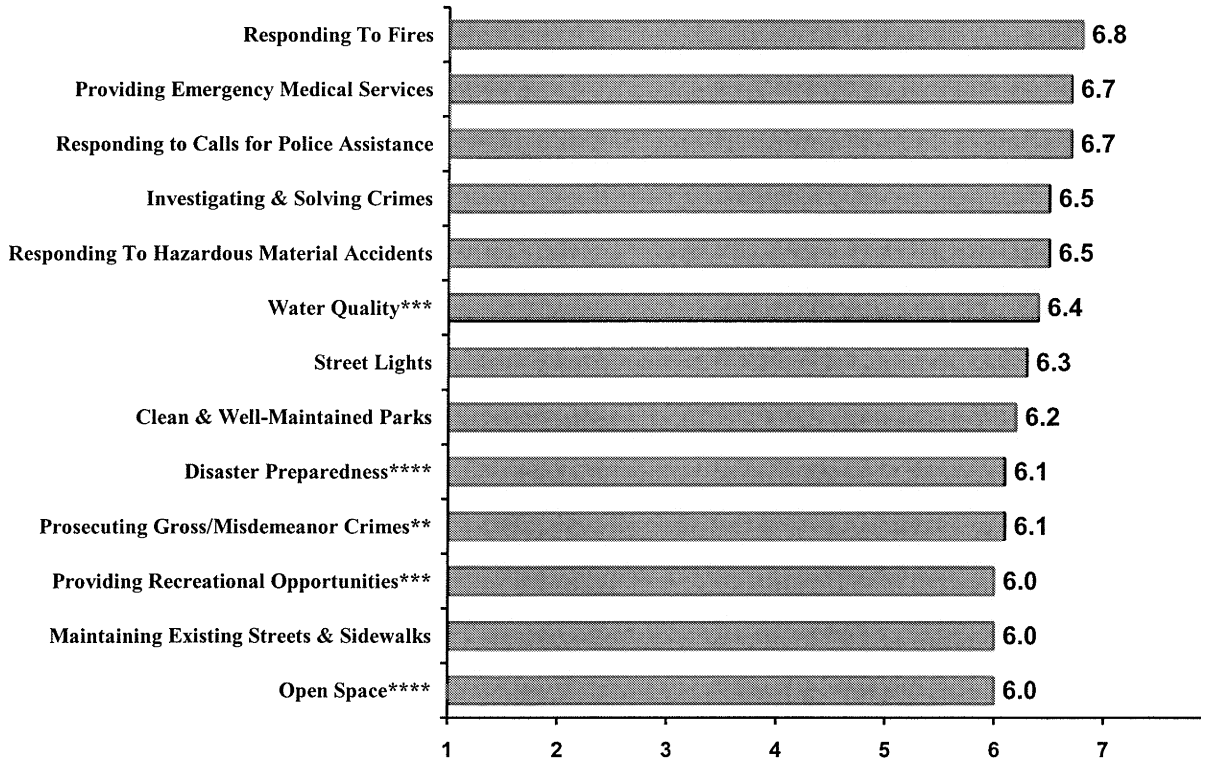
Importance and Satisfaction Ratings for Facilities and Services

The heart of the Budget Survey is a series of questions asking respondents to rate 36 specific types of services and facilities on 1) how important they believe it is for the City to provide the service or facility and 2) how satisfied they are with the City's job in providing the service or facility. Respondents were asked to provide ratings on a 1 to 7 scale with 7 being the highest rating for both importance and satisfaction.

Similar to the mean importance ratings reported in 2004, in the 2006 survey every service item received a mean rating of at least a 4.9 ranging upward to a high mean rating of 6.8.

The First Tier of Importance continues to generally be comprised of those services and facilities relating to public safety. This year, respondents rated two services areas above 6.0 in importance that had been rated lower than 6.0 in 2004 (and therefore were not in the First Tier of Importance in 2002). These are denoted with a **.**

FIGURE 1
First Tier of Importance
Facilities and Services Receiving Highest Mean Important Ratings (6.0 or Greater)

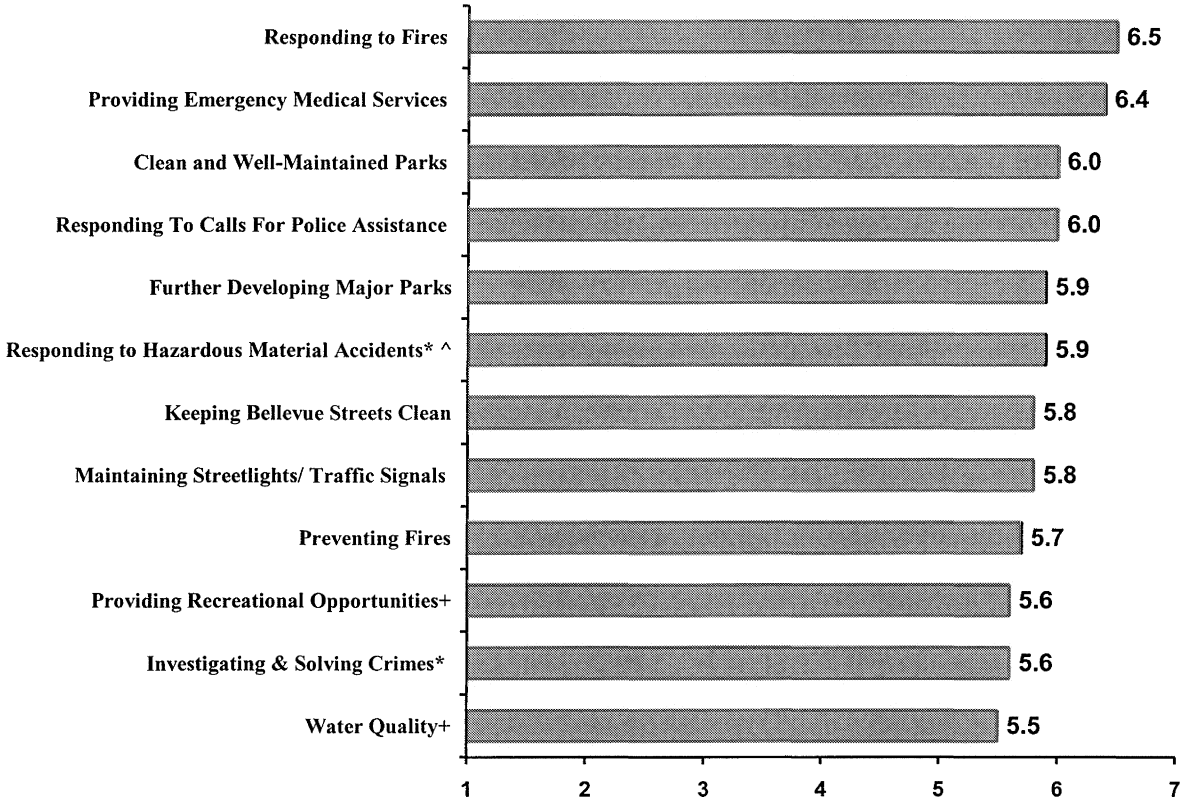


***The service item "prosecuting misdemeanor and gross misdemeanor crimes committed in Bellevue" was new to the 2004 Budget Survey.*
****The service items "water quality" and "providing recreational opportunities" are new to the 2006 Budget Survey.*
***** The service items marked with an asterisk (****) were reported in the Second Tier of Importance in the 2004 Budget Survey.*

As in 2004, in 2006 all service and facility items were given average satisfaction ratings of at least a 4.4. Those services garnering the greatest satisfaction among respondents received mean satisfaction ratings of almost 6.5.

Among the thirteen services receiving a mean satisfaction rating of 5.5 or greater – the First Tier of Satisfaction – eleven of those services are also most important to respondents (in the First Tier of Importance). Services that were rated as the most important but that are not in the First Tier of Satisfaction deal with preparing for disasters, prosecuting misdemeanor and gross crimes as well as maintaining existing streets and sidewalks. The differences between those services that are most important to respondents and the satisfaction level with services are discussed in more detail on the following pages.

FIGURE 2
First Tier of Satisfaction
Facilities and Services Receiving Highest Mean Satisfaction Ratings (5.5 or Greater)



*High Percentage of respondents (20% or more) report "don't know" for service area satisfaction.
^ These service areas were also in the 2004 First Tier of Importance.
+ The service items are new to the 2006 Budget Survey.

The two-page table beginning on the next page shows importance and satisfaction ratings for all services included in the 2006 survey. The order in which services and facilities are listed is based on mean importance ratings, with areas receiving the highest ratings shown first. On this table, mean importance ratings and satisfaction ratings are shown for each service and facility about which the survey asked. This table then shows both the percentages giving the highest possible rating (a "7") and the combined percentages giving a rating of "6" or "7." The last column shows the percentage giving a response of "don't know" related to satisfaction with each service or facility.

In evaluating satisfaction ratings, it is important to note that "don't know" responses are quite common for several areas. Four (4) out of 36 areas receive responses of "don't know" from 20 percent or more of respondents, and 2 areas receive "don't know" responses from 17 to 19 percent of respondents. As in the past, there may be opportunities for the City to build awareness among residents about the City's work in these areas. It should be noted that the areas which receive high percentages of "don't know" responses in relation to the satisfaction questions, such as "responding to hazardous material accidents", only a small amount of respondents have direct experience. Furthermore, the percentage of "don't know" responses is much less common when respondents rate importance of services than when rating satisfaction of services.

IMPORTANCE AND SATISFACTION RATINGS

	Importance				Satisfaction			
	Mean	% Rating 7	% Rating 6 or 7	Don't Know ^	Mean	% Rating 7	% Rating 6 or 7	Don't Know ^
1st Tier of Importance (Mean Rating of 6.0 or More)								
Responding To Fires	6.77	84%	94%	1%	6.47	55%	79%	12%
Providing Emergency Medical Services	6.70	81%	92%	1%	6.40	55%	77%	11%
Responding to Citizen Calls for Police Assistance^	6.58	68%	88%	4%	5.96	34%	59%	**18%**
Investigating & Solving Crimes ^	6.47	63%	84%	4%	5.58	21%	48%	**19%**
Responding to Hazardous Material Accidents^	6.46	64%	79%	8%	5.91	27%	45%	**33%**
Protecting Water Quality in Bellevue's Lakes and Streams@	6.36	33%	42%	<1%	5.52	10%	23%	7%
Maintaining Streetlights & Traffic Signals	6.32	57%	84%	<1%	5.78	33%	67%	1%
Ensuring Clean & Well-Maintained Parks@	6.16	20%	39%	-	5.99	17%	36%	1%
Preparing for Disasters^	6.13	50%	74%	4%	5.19	16%	35%	**20%**
Prosecuting Misdemeanor & Gross Misdemeanor Crimes^	6.13	50%	73%	3%	5.38	14%	36%	**25%**
Providing Recreational Activities For Individuals To Lead A Healthy Lifestyle@	6.04	19%	35%	<1%	5.61	12%	26%	2%
Maintaining Existing Streets & Sidewalks	6.01	41%	72%	<1%	5.33	18%	48%	1%
Preserving Open Spaces/ Natural Areas@	5.98	24%	38%	-	5.58	13%	28%	3%
2nd Tier of Importance (Mean Rating of 5.5 to 5.9)								
Managing the City's Physical Development	5.94	40%	66%	4%	5.18	15%	38%	10%
Building Neighborhood Improvements	5.90	37%	68%	<1%	5.43	23%	53%	2%
Keeping Bellevue Streets Clean	5.89	38%	67%	-	5.81	32%	67%	<1%
Reducing Traffic Accidents by Enforcing Traffic Laws	5.88	45%	68%	2%	5.34	22%	49%	6%
Building or Widening City Roads	5.85	44%	68%	<1%	4.80	14%	32%	2%
Providing Services for Residents in Needs@	5.84	22%	35%	1%	5.14	8%	18%	11%
Providing Recreation Programs For Youth, Seniors and Special Needs Population @	5.83	18%	32%	1%	5.40	10%	23%	5%
Further Developing Major Parks@	5.80	17%	32%	1%	5.91	15%	32%	2%
Community Policing	5.78	43%	65%	1%	5.44	22%	48%	9%
Preventing Fires	5.77	40%	65%	2%	5.70	25%	53%	14%
Economic Development	5.77	41%	62%	3%	5.17	13%	35%	13%
Providing Traffic Patrols in Residential Neighborhoods	5.70	38%	64%	1%	5.38	24%	50%	5%

(2nd Tier Cont'd)								
Making it Easier to Get Information About City Services & Programs	5.57	28%	54%	1%	5.39	26%	48%	5%
Reducing Traffic in Residential Neighborhoods	5.56	34%	59%	1%	4.99	14%	33%	7%
Building Sidewalks Along Major Roads	5.55	33%	59%	1%	4.93	13%	33%	7%
Expanding Trails@	5.50	16%	30%	<1%	5.43	11%	24%	4%

^ Service areas with a high proportion of "don't know" responses.
@ Sample size in the 2006 survey was cut in half to reduce length of survey.

IMPORTANCE AND SATISFACTION RATINGS, Cont.

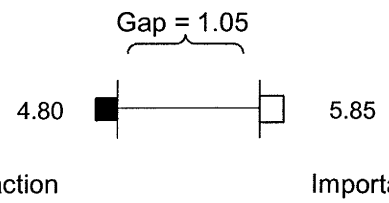
	Importance				Satisfaction			
	Mean	% Rating 7	% Rating 6 or 7	Don't Know ^	Mean	% Rating 7	% Rating 6 or 7	Don't Know ^
3rd Tier of Importance (Mean Rating of Less than 5.5)								
Affordable Housing for Residents	5.44	33%	57%	2%	4.43	9%	21%	14%
Building Neighborhood Sidewalks	5.32	24%	49%	1%	4.96	14%	35%	6%
Outreach and Programs For Better Access to City Services	5.30	21%	43%	6%	5.16	12%	36%	16%
Responding to Citizen Complaints About Code Violations^	5.25	20%	43%	5%	5.19	15%	34%	**22%**
Improvements for Bicycle Riders	5.23	26%	48%	<1%	4.78	13%	30%	8%
Sponsoring Community Events@	5.01	8%	17%	<1%	5.24	9%	19%	3%
Supporting the Arts	4.98	18%	40%	<1%	5.01	14%	38%	6%

^ Service areas with a high proportion of "don't know" responses.
@ Sample size in the 2006 survey was cut in half to reduce length of survey.

Gaps Between Importance and Satisfaction

As noted, services that residents feel are most important tend also to be those with which they are most satisfied. Useful insights are, however, provided by analyzing the size of gaps between the mean importance and satisfaction ratings given by respondents. An example is provided below of how gaps between mean importance and satisfaction ratings are calculated.

Building or Widening City Roads



Generally, on the Budget Survey, services are given somewhat higher importance than satisfaction ratings. Relatively large gaps—in which the mean rating of importance is at least 1.0 rating points higher than the mean rating of satisfaction—merit a particularly close look by the City. A gap of 1.0 or more may signal a need for more public education and outreach regarding a particular facility or service. Or, such a gap may signal that resources are not adequate, or are not deployed as well as they could be.

Large gaps may also reflect broad frustration with challenges that have aspects that are regional in scope and that local government has limited ability to impact.

Results of the 2006 Budget Survey reveal that two services have gap scores of 1.0 or greater; compared to six services in 2004 (and 5 in 2002). It should be noted that respondents in 2006 reported significant improvement in many of the service areas that had large gaps in 2004.

The charts on the next page show the gap scores for those services with large gaps in 2006 and 2004. The first chart lists the service areas with the largest gaps in 2006 by tier of importance. The second chart shows additional service areas that had large gaps in 2004 with their respective 2006 gap.

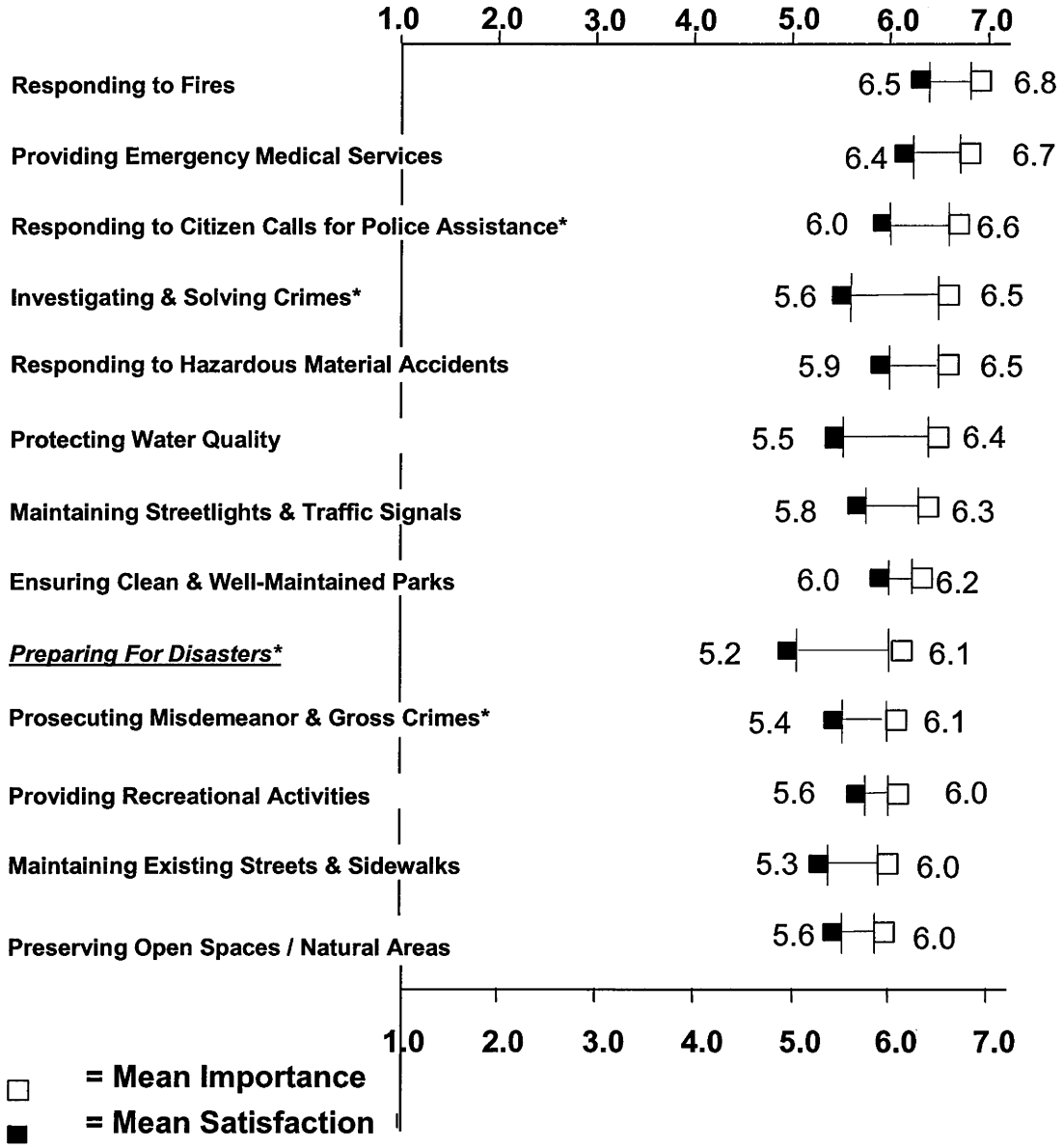
SERVICES AND FACILITIES WITH LARGEST GAPS IN 2006 SURVEY		
	2004 Budget Survey Gap (Importance > Satisfaction)	***2006 Budget Survey Gap (Importance > Satisfaction)***
1st Tier of Importance (6.0 or higher):		
Preparing For Disasters Such As Earthquakes And Major Storms	*.56*	*.94*
Protecting Water Quality In Bellevue's Lakes And Streams	*New in 2006*	*.84*
2nd Tier of Importance (5.5 – 6.0):		
Building Neighborhood Improvements Such As Sidewalks, Crosswalks And Neighborhood Parks	*.34*	*.47*
Building Additional Sidewalks Along Major Roads	*.51*	*.63*
3rd Tier of Importance (Less than 5.5):		
Making Improvements For Bicycle Riders	*.21*	*.46*

OTHER SERVICES AND FACILITIES WITH LARGE GAPS IN 2004 SURVEY		
	2004 Budget Survey Gap (Importance > Satisfaction)	***2006 Budget Survey Gap (Importance > Satisfaction)***
1st Tier of Importance (6.0 or higher):		
Prosecuting Misdemeanor & Gross Misdemeanor Crimes	*.95*	*.74*
Maintaining Streets/ Sidewalks	*.81*	*.68*
2nd Tier of Importance (5.5 – 6.0):		
Building Or Widening City Roads to Help Ease Traffic Congestion	*1.35*	*1.05*
Reducing Traffic Problems In Residential Neighborhoods	*.99*	*.58*
3rd Tier of Importance (Less than 5.5):		
Supporting The Arts	*.13*	*-.03*

**In figuring gaps between importance and satisfaction, importance and satisfaction ratings were carried out to two decimal places before the gaps were calculated. Only then were the gaps rounded to one decimal place.*

A series of three charts is provided next to show the size of gaps between average importance and satisfaction ratings for all service areas about which the 2006 survey asked. The services are arranged by tier of importance.

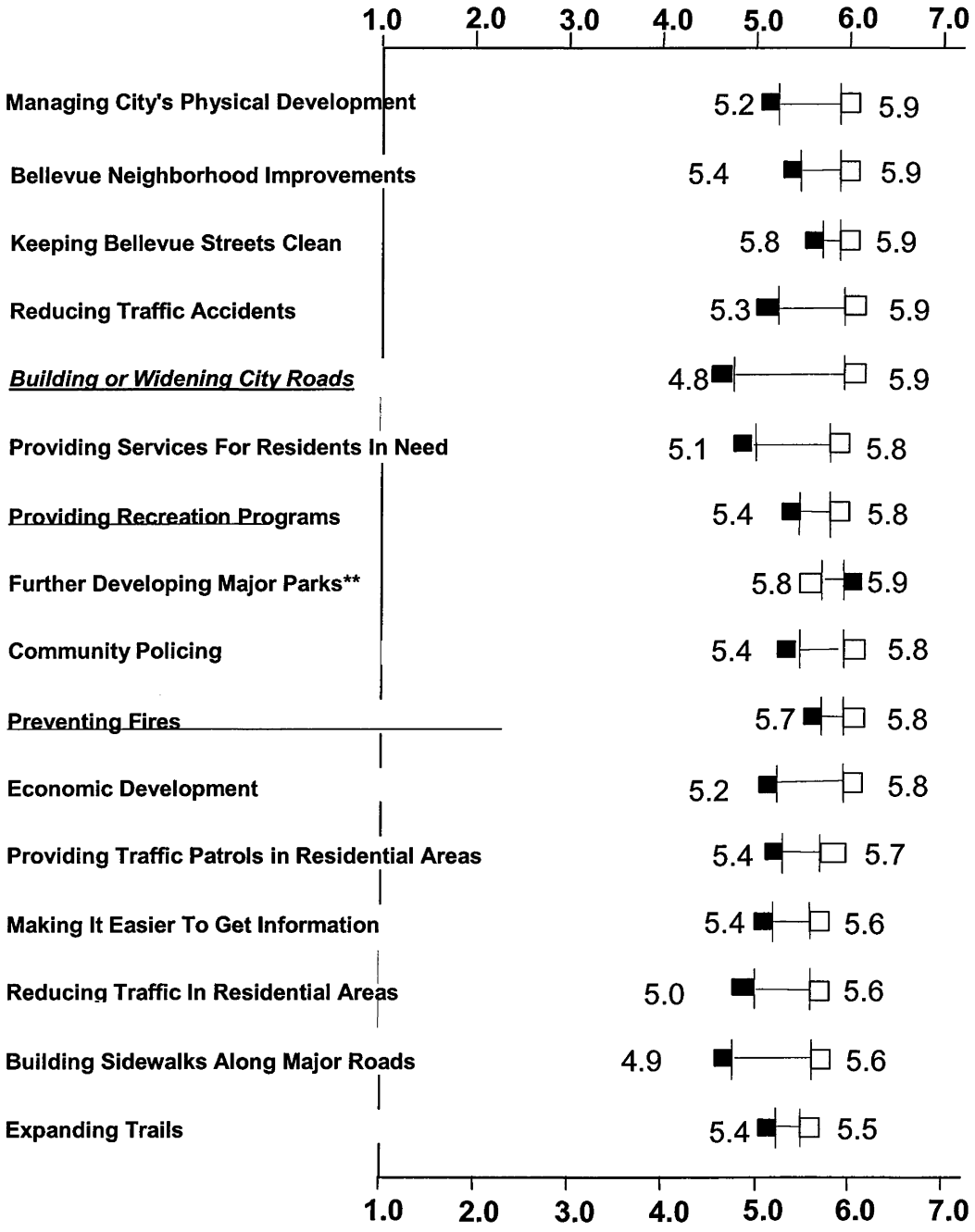
Gap Analysis 2006
First Tier of Importance (Mean 6.0 or Greater)



*High percentage of respondents "don't know" how satisfied they are with service/facility.

Services or facilities with a gap score of 1.0 or greater are underlined and italicized.

Gap Analysis 2006
Second Tier of Importance (Mean of at least 5.5 and less than 6.0)



□ = Mean Importance

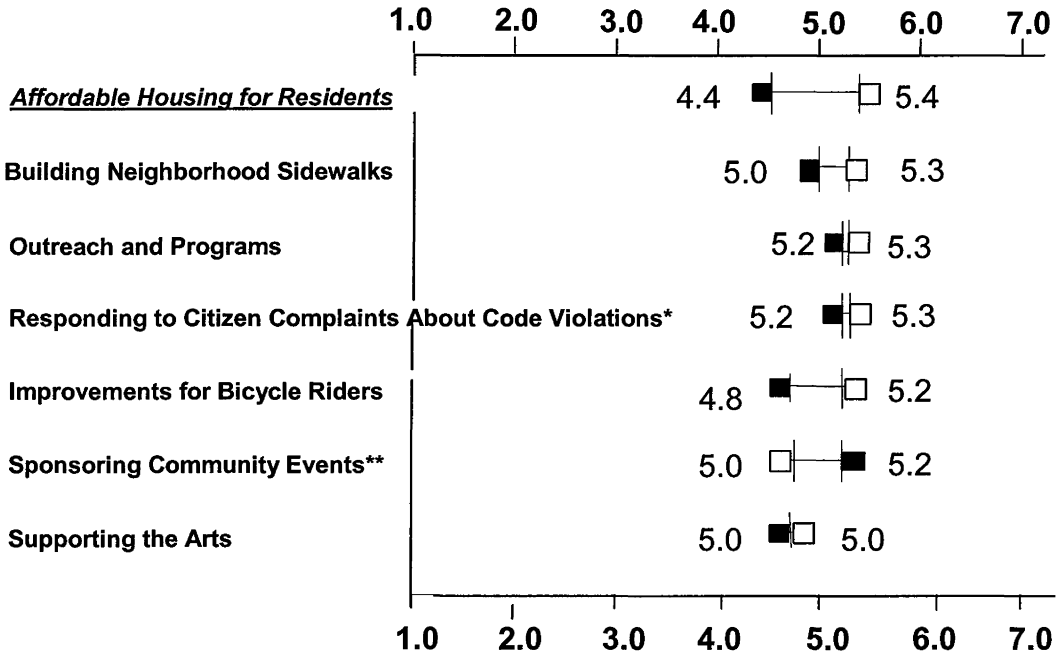
■ = Mean Satisfaction

*High percentage of respondents "don't know" how satisfied they are with service/facility.

Services or facilities with a gap score of 1.0 or greater are underlined and italicized.

**Note, the mean satisfaction rating is greater than the mean importance rating

Gap Analysis 2006
Third Tier of Importance (Mean less than 5.5)



□ = Mean Importance

■ = Mean Satisfaction

*High percentage of respondents "don't know" how satisfied they are with service/facility.

**Note, the mean satisfaction rating is greater than the mean importance rating

Services or facilities with a gap score of 1.0 or greater are underlined and italicized.

Trends in Importance and Satisfaction Ratings

When making a direct comparison between mean scores in 2006 and mean scores in 1998, the majority of service areas increased in their *importance* ratings than decreased. At the same time, the majority of service areas increased in their *satisfaction* ratings. For several service areas, the differences between 1998 and 2006 ratings are statistically significant.

There are only 3 service areas of *importance* where the 2006 mean score has decreased in comparison to the 1998 score. These include:

- Building or widening City roads to help ease traffic congestion
- Community policing such as bike patrols and neighborhood Police officers
- Reducing traffic problems in residential neighborhoods

However, **every *satisfaction* rating of service areas has improved** when comparing 1998 and 2006 mean scores.

There are trends of **increasing *satisfaction*** for several service areas. In addition, these areas with increasing satisfaction have also shown decreasing gaps in the disparity between the importance of the service compared to the satisfaction with the service area:

- **Investigating And Solving Crimes**
- **Ensuring Clean And Well Maintained Parks And Park Facilities**
- **Preserving Open Spaces And Natural Areas**
- **Providing Traffic Enforcement In Residential Neighborhoods**
- **Making It Easier To Get Information About City Services And Programs**
- **Responding To Citizen Calls For Police Assistance**
- **Maintaining Existing Sidewalks And Streets**
- **Managing City's Physical Development**
- **Keeping Bellevue Streets Clean**
- **Building Or Widening City Roads To Help Ease Traffic Congestion**
- **Community Policing Such As Bike Patrols And Neighborhood Police Officers**
- **Reducing Traffic Problems In Residential Neighborhoods**
- **Promoting Affordable Housing For City Residents**
- **Providing Outreach And Programs To Give Neighborhoods Better Access To City Services**
- **Responding To Citizen Complaints About Code Violations**

The table on the next page shows trends for service areas that have had **substantial gaps** between importance and satisfaction ratings in 1998, 2000, 2002, 2004 and/or 2006. Gap scores that are statistically greater than that reported in another year are shown in bold.

An indication is also made regarding whether the gap score (importance minus satisfaction) has widened, narrowed or remained stable between 1998 and 2004.

Importance and Satisfaction Trends: Services with substantial gaps in 1998, 2000, 2002, 2004 and/or 2006						
	Gap					Trends 1998 to 2006
	1998	2000	2002	2004	2006	-
1st Tier of Importance						
Investigating And Solving Crimes	**1.06**	**1.09**	**0.98**	**0.9**	0.89	Narrowing
Building Or Widening City Roads To Help Ease Traffic Congestion	**1.72**	**1.37**	**1.66**	**1.35**	1.05	Appears to be narrowing (gap is influenced by transit and construction projects on Bellevue roads and freeways)
Maintaining Existing Streets & Sidewalks	**0.96**	**0.96**	**1.08**	**0.81**	0.68	Narrowing overall with slight increase in gap score in 2002
Providing Services For Residents In Need	0.83	**1.08**	**0.71**	**0.95**	0.69	No trend – varying gap
Preparing For Disasters Such As Earthquakes And Major Storms	**1.14**	**0.74**	**0.79**	**0.56**	0.94	Narrowing since 1998, but now widening
2nd Tier of Importance						
Managing City's Physical Development	**1.25**	**1.16**	**1.22**	**0.83**	0.76	Narrowing
Preserving Open Spaces And Natural Areas	**1.01**	**1.11**	**0.80**	**0.53**	0.40	Narrowing
Promoting Jobs and Economic Development	0.42	0.36	**0.90**	**1.12**	0.60	Narrowing through 2002; widened gap in 2002-2004, but slightly declining again
Reducing Traffic Problems In Residential Neighborhoods	**1.41**	**1.02**	**1.29**	**0.99**	0.58	Narrowing
3rd Tier of Importance						
Promoting Affordable Housing For City Residents	**1.43**	**1.21**	0.88	**1.03**	1.01	Narrowing overall but slight increase in gap for 2004 and 2006

Trends in Importance and Satisfaction Ratings and Gaps for all City Services and Facilities

The tables on the next few pages summarize trends in ratings and gaps for *all service areas between 1998 and 2006.* Importance and satisfaction mean scores that have increased significantly over any of the previous survey years are in **bold**. Within the table, City services are listed in descending order by the average importance score in 2006 (by tier of importance).

First Tier of Importance

	Importance					Satisfaction					Gap				
	1998	2000	2002	2004	2006	1998	2000	2002	2004	2006	1998	2000	2002	2004	2006
Responding To Fires	Stable					Stable; slightly increasing					Stable over time				
	6.77	6.80	6.78	6.81	6.77	6.36	6.37	6.44	6.41	6.47	0.41	0.43	0.34	0.40	0.30
Providing Emergency Medical Services Such As Medic One	Peaked in 2000; now decreasing					Stable					Narrowing since 2002				
	6.66	6.81	**6.78**	**6.75**	6.70	6.26	6.35	6.41	6.41	6.40	0.40	**0.46**	**0.37**	**0.34**	0.31
Responding To Citizen Calls For Police Assistance	Stable					Significant increase in 2004 & 2006					Narrowing since 2002; significant decrease in 2006				
	6.57	6.57	6.52	6.62	6.58	5.75	5.75	5.74	**5.93**	**5.96**	0.82	0.82	**0.78**	**0.69**	0.62
Investigating And Solving Crimes	Stable					Generally increasing					Narrowing; significant decrease in 2006				
	6.44	6.40	6.45	6.46	6.47	5.38	5.31	5.47	5.56	5.58	1.06	1.09	**0.98**	**0.90**	0.89
Responding To Hazardous Material Accidents	Increasing					Increasing until 2006					Gap relatively stable since 2002				
	6.16	**6.36**	**6.42**	**6.43**	**6.46**	5.63	5.59	5.92	**6.03**	5.91	0.53	0.77	0.50	0.40	**0.55**
Protecting water quality in Bellevue's lakes and streams *(new in 2006)*															
	*	*	*	*	6.36	*	*	*	*	5.52	*	*	*	*	0.84
Maintaining Street Lights & Traffic Signals	Significant decrease in 2006					Stable					Significantly narrowing in 2006				
	6.27	6.37	6.42	**6.46**	6.32	5.73	5.69	5.72	5.77	5.78	0.54	0.68	**0.70**	**0.69**	0.54
Ensuring Clean And Well-Maintained Parks & Park Facilities	Increasing					Slight decreases in 2000 and 2002; significant increase in 2004 & 2006					Significantly narrowing since 2004				
	5.88	5.90	6.00	**6.14**	**6.16**	5.70	5.61	5.62	**5.82**	**5.99**	0.18	0.29	**0.38**	**0.32**	0.16
Preparing For Disasters Such As Earthquakes And Major Storms	No trend, varies					Peaked in 2004, now decreasing					No trend varying gap				
	5.77	5.84	6.06	5.97	6.13	4.63	5.10	5.27	**5.41**	5.19	1.14	0.74	0.79	0.56	**0.94**
Prosecuting Misdemeanor and Gross Misdemeanor Crimes *(Added in 2004)*	Slightly decreasing					Slightly increasing					Significantly narrowing since 2004				
	*	*	*	6.26	6.13	*	*	*	5.31	5.38	*	*	*	**0.95**	0.74

	Importance					Satisfaction					Gap				
	1998	2000	2002	2004	2006	1998	2000	2002	2004	2006	1998	2000	2002	2004	2006
Providing opportunities for individuals to lead healthy and active lifestyles *(new in 2006)*	*	*	*	*	6.04	*	*	*	*	5.61	*	*	*	*	0.43
Maintaining Existing Streets And Sidewalks	Stable over time					Significant increase since 2004					Narrowing overall with significant decrease in 2006				
	5.98	6.00	6.06	6.09	6.01	5.02	5.04	4.98	**5.28**	**5.33**	**0.96**	**0.96**	**1.08**	**0.81**	0.67
Preserving Open Spaces And Natural Areas	Increasing					Generally increasing with a significant increase in 2004 & 2006					Narrowing with a significant decrease in 2006				
	5.98	5.81	5.81	5.82	5.98	4.97	4.70	5.01	**5.29**	**5.58**	**1.01**	**1.11**	**0.80**	**0.53**	0.40

Second Tier of Importance

	Importance					Satisfaction					Gap				
	1998	2000	2002	2004	2006	1998	2000	2002	2004	2006	1998	2000	2002	2004	2006
Managing City's Physical Development	Stable					Significant increase in 2004 & 2006					Narrowing with a significant decrease in 2006				
	5.94	5.80	5.92	5.89	5.94	4.69	4.64	4.70	**5.06**	**5.18**	**1.25**	**1.16**	1.22	**0.83**	0.76
Building Neighborhood Improvements Such As Sidewalks, Crosswalks & Neighborhood Parks	Generally increasing with significant increases in 2006					Increasing					No trend varying gap				
	5.48	5.46	5.73	5.68	**5.90**	5.03	5.04	5.11	**5.34**	**5.43**	0.45	0.42	**0.62**	0.34	**0.46**
Keeping Bellevue Streets Clean	Relatively stable					Significant increase since 2004					Stable over time; significantly narrowing in 2004				
	5.84	5.81	5.84	5.93	5.89	5.72	5.60	5.60	**5.81**	**5.81**	**0.12**	**0.21**	**0.24**	**0.12**	0.09
Reducing Traffic Accidents Through Enforcing Traffic Laws	Significant increase in 2004; relatively stable in 2006					Relatively stable; significant increase from 2002					Relatively stable; significant decrease in 2006				
	5.81	5.71	5.87	5.96	5.88	5.17	5.14	5.13	5.30	**5.34**	0.64	0.57	**0.74**	**0.66**	0.54
Building Or Widening City Roads To Help Ease Traffic Congestion	Increasing since 2000; significant decrease in 2006					Significant increase since 2004					Appears to be narrowing; significant decrease in 2006 (Note that gap will be influenced by transit and construction projects on Bellevue roads and freeways)				
	5.90	5.80	6.00	**6.11**	5.85	4.18	4.43	4.34	**4.76**	**4.80**	**1.72**	**1.37**	**1.66**	**1.35**	1.05
Providing Services For Residents In Need	Significant decrease in 2006					Significant increase in 2002; relatively stable between 2002 and 2006					No trend - varying gap				
	5.77	5.92	5.91	**6.07**	5.84	4.94	4.84	**5.20**	5.12	5.14	0.83	1.08	**0.71**	**0.95**	0.69
Providing recreation programs for youth, seniors, and special needs populations *(new in 2006)*	*	*	*	*	5.83	*	*	*	*	5.4	*	*	*	*	0.43
Further Developing Major Parks	Increasing					Increasing					No trend varying gap				
	5.47	5.50	5.66	**5.80**	**5.80**	5.40	5.52	5.58	5.72	**5.91**	0.07	-0.02	0.08	0.08	**-0.10**
Community Policing Such As Bike Patrols And Neighborhood Police Officers	Stable					Increasing					Generally narrowing; significant decrease in 2006				
	5.83	5.69	5.72	5.83	5.78	5.08	5.09	5.26	5.25	5.44	**0.75**	**0.60**	**0.46**	**0.58**	0.35
Preventing Fires	Stable					Increasing					Stable until 2006, significant decrease in 2006				
	5.65	5.76	5.88	5.86	5.77	5.31	5.47	5.51	5.54	**5.70**	0.34	0.29	0.37	0.32	**0.07**
Promoting Jobs And Economic Development	Relatively stable since 2002					Relatively stable with decline in 2002 & 2004					Significant increase in 2002 and 2004. Significant decrease in 2006				
	5.43	5.50	5.70	5.80	5.77	5.01	5.14	4.80	4.68	**5.17**	0.42	0.36	**0.90**	**1.12**	0.60
Providing Traffic Patrols In Residential Neighborhoods	Stable over time					Slightly increasing					Relatively stable over time; significantly narrowing in 2006				
	5.59	5.26	**5.59**	**5.63**	**5.70**	5.11	5.14	5.24	5.20	5.38	0.48	0.12	**0.35**	**0.43**	0.32

	Importance					Satisfaction					Gap				
	1998	2000	2002	2004	2006	1998	2000	2002	2004	2006	1998	2000	2002	2004	2006
Making it Easier to Get Information about City Services and Programs	Relatively stable					Significant increase in 2004					Narrowing				
	5.32	5.23	5.43	5.42	5.57	4.96	4.96	5.20	5.22	5.39	0.36	0.27	0.23	0.20	0.18
Reducing Traffic Problems In Residential Neighborhoods	Stable over time with significant increase in 2002					Generally increasing with significant increase since 2004					Generally narrowing; significant decrease in 2006				
	5.76	5.52	**5.79**	5.73	5.56	4.35	4.50	4.50	**4.74**	**4.99**	**1.41**	**1.02**	**1.29**	**0.99**	0.58
Building Additional Sidewalks Along Major Roads	Increasing					Significant increase in 2004; becoming stable					Relatively stable				
	5.32	5.23	5.40	5.50	5.55	4.76	4.60	4.77	**4.99**	4.93	0.56	**0.63**	**0.63**	0.51	**0.63**
Expanding the System of Recreational Trails within parks and between major destinations	Slightly increasing					Increasing with significant increase in 2004 & 2006					Generally narrowing				
	5.12	5.20	5.30	5.37	5.5	4.97	5.02	5.09	**5.33**	**5.43**	0.15	0.18	**0.21**	0.04	**0.07**

Third Tier of Importance

	Importance					Satisfaction					Gap				
	1998	2000	2002	2004	2006	1998	2000	2002	2004	2006	1998	2000	2002	2004	2006
Promoting affordable housing for city residents	Stable over time					Increasing					Narrowing through 2002; widened gap in 2004-2006				
	5.35	5.23	5.23	5.34	5.44	3.92	4.02	**4.35**	**4.31**	**4.43**	1.43	1.21	0.88	1.03	1.01
Building Additional Neighborhood Sidewalks	Increasing					Generally increasing with significant increase since 2004					Stable over time				
	4.94	4.94	**5.18**	**5.29**	**5.32**	4.66	4.59	4.71	**4.95**	**4.96**	0.28	0.35	**0.47**	0.34	**0.36**
Providing Outreach And Programs to give neighborhoods better access to City services.	Increasing					Increasing					Significantly narrowing in 2006				
	5.05	5.15	**5.30**	**5.33**	**5.30**	4.93	4.93	5.06	5.12	5.16	0.12	**0.22**	**0.24**	**0.21**	0.14
Responding To Citizen Complaints About Code Violations like illegal housing additions or junk vehicles.	Generally increasing					Increasing					Narrowing				
	5.13	5.11	5.35	5.28	5.25	4.74	4.98	**4.97**	5.09	5.19	0.39	0.13	**0.38**	**0.19**	0.06
Making Improvements for Bicycle Riders	Significant increase in 2006					Increasing since 2000 with significant increase in 2004					Significantly widening in 2006				
	4.89	4.82	4.90	5.02	**5.23**	4.42	4.36	4.57	**4.81**	4.78	0.47	0.46	0.33	0.21	**0.46**
Sponsoring community festivals and events *(new in 2006)*															
	*	*	*	*	5.01	*	*	*	*	5.24	*	*	*	*	-0.02
Supporting The Arts	Significant increase since 2002					Relatively stable					No trend, varying gap				
	4.83	4.69	4.85	**4.97**	**4.98**	4.90	4.85	5.00	4.84	5.01	-0.07	-0.16	**-0.15**	0.13	**-0.03**

Strategies for Addressing Traffic Congestion

The 2006 Budget Survey asks respondents to state how strongly they agree or disagree with six different strategies (listed below) the City could employ to deal with increased traffic congestion.

- Widen major City roads.
- Encourage the state to widen state highways.
- Work with regional agencies to improve local transit service within Bellevue.
- Work with regional agencies to develop a reliable regional mass transit system.
- Divert traffic away from local neighborhoods even if it may increase travel time.
- Encourage and make it more attractive for people to choose transportation alternatives such as riding the bus, carpooling, and vanpooling. This could include building more carpool lanes and working to get more reliable and frequent bus service.

The greatest majority of respondents agree that in order to deal with increased traffic congestion, the City should work with regional agencies to improve local transit service within Bellevue (91% somewhat or strongly agree with this strategy).*

Newly added to the 2006 Budget Survey, respondents report the second greatest percentage of agreement ratings, eighty-six percent (86%) of respondents somewhat or strongly agree that the City should work with regional agencies to develop a reliable regional mass transit system. Furthermore, an equal percentage of respondents agree (somewhat or strongly) that the City should encourage and make it more attractive for people to choose transportation alternatives (86% respectively). Nearly three-quarters of respondents agree that the City should encourage the state to widen state highways (73%), or widen major City roads (67%). The strategy with the least amount of agreement is that the City should divert traffic away from local neighborhoods. Although this was the least popular strategy, a significantly greater amount of respondents agree with the statement than they did in the 2004 Budget Survey (65% vs. 57% respectively). Similar to 2004, a small percentage of respondents report strong disagreement with any of these strategies (9% or fewer respondents strongly disagree with each statement).

The table on the next page shows breaks out the percentage of agreement and disagreement ratings given for each of the five strategies.

** Note that the wording on this question was slightly altered in 2006. In the 2004 survey the phrase was:*

"Work with regional agencies to improve transit service <u>for</u> Bellevue." In 2006 it was changed to: "Work with regional agencies to improve local transit service <u>within</u> Bellevue."

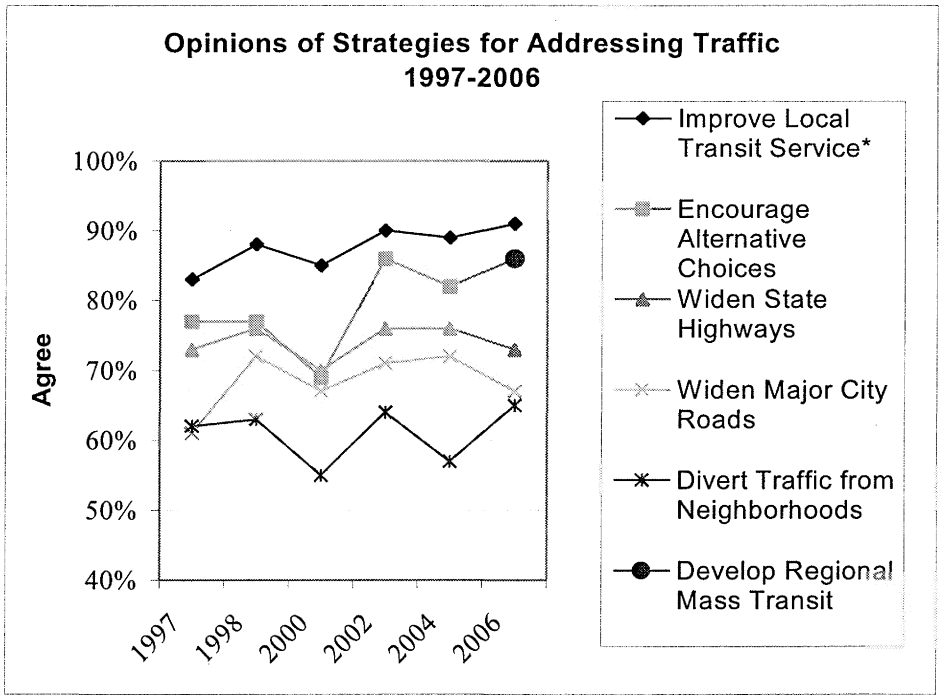
(see table on next page)

OPINIONS REGARDING TRANSPORTATION STRATEGIES
2006 Survey

	Strongly Agree	Somewhat Agree	Neither Agree Nor Disagree	Somewhat Disagree	Strongly Disagree	Don't Know
Work with Regional Agencies to Improve Local Transit Service within Bellevue *(wording changed slightly in 2006 survey)*	61%	30% (91%)	2%	3%	3% (6%)	1%-
Work with Regional Agencies to Develop A Reliable Regional Mass Transit System* *(new to 2006 survey)*	65%	22% (86%*)	2%	4%	6% (11%*)	1%
Encourage and Make it More Attractive for People to Choose Transportation Alternatives*	65%	21% (86%)	2%	4%	6% (11%*)	1%
Encourage The State To Widen State Highways*	47%	26% (73%)	7%	11%	8% (18%*)	1%
Widen Major City Roads	31%	36% (67%)	8%	14%	9% (23%)	1%
Divert Traffic Away From Local Neighborhoods Even If It May Increase Travel Time	30%	35% (65%)	7%	17%	8% (25%)	2%

**Individual percentages do not add exactly to combined sum due to rounding.*

The chart on the right shows trends in the transportation strategy series since it was first asked in 1997. In each survey year, every strategy has garnered a majority in support. Prior years have also yielded similar patterns in responses in which transit service-related strategies and strategies to help people choose alternatives to driving alone are most popular.



Over the years, respondents' level of agreement with strategies has remained fairly stable. Particularly two strategies in 2006, "encourage alternative choices", and "divert traffic from neighborhoods" increased in comparison to the 2004 Budget Survey. Although when respondents rate "widen state highways" and "widen major City roads" strategies it is not a significant decrease from the previous survey wave.

*Opinions of Strategies for addressing Traffic – "Improve Local Transit Service" wording have changed from "within Bellevue" to "local".

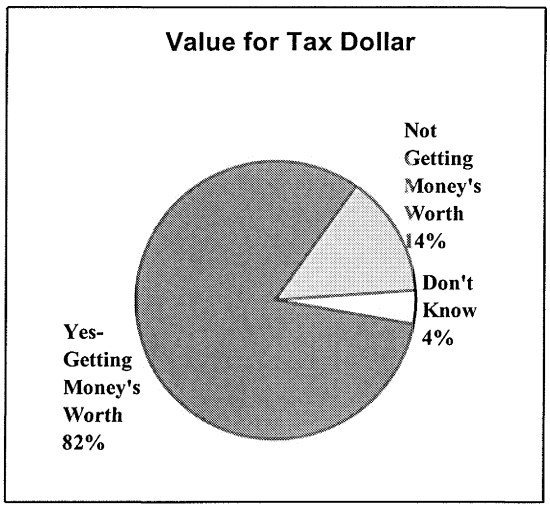
Survey Changes

As has been noted from the 2004 Budget Survey, the percent agreeing had trended significantly upward between 1997 and 2002 for several of these strategies: improving transit, encouraging alternative choices, and widening major city roads. The steep increase between 2000 and 2002 in the percent agreeing with encouraging alternative transportation choices is likely partly related to the change in wording on this item. In 2000 and before, it was worded: "Develop ways that encourage individuals to change the ways in which they travel." In 2002, it was changed to provide respondents with more detail on how the City can encourage use of alternatives: "Encourage and make it more attractive for people to choose transportation alternatives such as riding the bus, carpooling, and vanpooling. This could include building more carpool lanes and working to get more reliable and frequent bus service."

"Work[ing] with Regional Agencies to Improve Local Transit Service within Bellevue" has been the most popular strategy for dealing with congestion each year this series has been on a budget survey. (In 2000 and prior years this question was worded slightly differently to read "Work with Metro to provide Bellevue with better bus service", and from 2002 to 2004 the question read "Work[ing] with Regional Agencies to Improve Transit Service for Bellevue." The question was again changed in 2006 to read: "Work with Regional Agencies to Improve Local Transit Service within Bellevue".)

Opinions regarding Taxes and Service Levels

The Budget Survey inquires of residents whether they feel they are getting their money's worth for the taxes they pay for city services. More than eight out of ten (82%) 2006 respondents say they are getting their money's worth for their tax dollar. **Fourteen percent (14%) of respondents do not feel they are getting their money's worth for their tax dollar.**

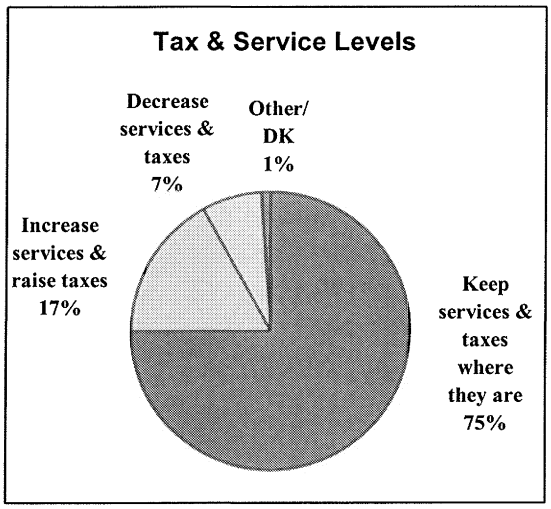


The percentage of respondents who report getting their money's worth for their tax dollar has increased slightly each survey year. **The table below shows the percentage reporting they are getting their money's worth and the percentage who report they are not getting their money's worth during each survey year.**

In general, there are few statistically significant differences between demographic groups. However, it is interesting to note that respondents who have annual household incomes of less than $35,000 were significantly more likely to report they were getting their money's worth for their tax dollar than were those with higher annual household incomes.

VALUE FOR TAX DOLLAR: TRENDS IN RESPONSES (BASE: ALL RESPONDENTS)

	1996	1998	2000	2002	2004	2006
Getting Money's Worth	72%	73%	78%	79%	81%	82%
Not Getting Money's Worth	20%	22%	16%	16%	16%	14%
Don't Know / Refused	8%	5%	6%	5%	3%	4%



A second question asks respondents to report on the corresponding relationship between services received for their tax dollar and the preferred level of taxes and services. **Simliar to the previous survey wave, three-quarters (75%) of all respondents say that the City should keep taxes and services about where they are.** Seventeen percent (17%) indicate they would prefer to see an increase in service levels and taxes, while seven percent (7%) of respondents say they want a decrease in taxes and service levels.

TAX AND SERVICE LEVELS: TRENDS IN RESPONSES (BASE: ALL RESPONDENTS)						
	1996	1998	2000	2002	2004	2006
Keep Where They Are	77%	74%	74%	76%	75%	75%
Increase	10%	10%	9%	15%	15%	17%
Decrease	9%	8%	9%	6%	8%	7%
Don't Know / Refused	4%	8%	8%	3%	2%	1%

Suggested Services/ Facilities to Increase or Decrease

Respondents who said the City should either increase or decrease services and taxes were asked to suggest what services or facilities should be increased or decreased.

Among the seventy (70) respondents who say the City should increase services and taxes, almost two-thirds (63%) say that transportation services (such as road improvement & maintenance, transit and traffic improvements) should be increased. Almost one-quarter of respondents (23%) report the City should increase parks and recreation. Sixteen percent (16%) of respondents say schools and/or education services should be increased. Slightly more than one in ten respondents (13%) stated Police and public safety services should be increased. In addition almost one in ten (9%) respondents reported increasing affordable housing, and six percent (6%) reported wanted increases related to planning, zoning and development. Notably, ten percent (10%) of respondents do not know which services should be increased.

Among the twenty-seven (27) respondents who say the City should decrease services and taxes, one in five (19%) suggest cutting parks and recreation services, one in ten (11%) suggest development, zoning and planning. Seven percent (7%) of respondents say that the City government should decrease public transportation options, and an additional seven percent (7%) of respondents reported that each of the following areas should be decreased: providing outreach and programs, support for the arts, and should be more efficient with tax dollars in order to lower taxes. More than one-quarter (26%) of respondents do not know which services should be decreased.

Other Comments

Interviewers asked respondents whether they had any additional comments for the City regarding needs and priorities for the next two-year budget. Two-thirds (65%) of respondents did not offer any final comments. Of the respondents who did have a concern regarding budget priorities, transportation/ traffic/ roads is perceived as the most important.

Demographics - Survey Respondent Profile

Household Size

A majority (62%) of respondents surveyed in the 2006 Budget Survey report they have two adults (including themselves) living in their household. One-quarter (25%) of respondents report they are the only adult in their household; slightly more than one in 10 respondents (13%) report they have three or more adults living in their household.

Children in Household

Sixty-six percent (66%) of respondents do not have children currently living in their household, while 15% have one child and 14% have two children living in their household. Five percent (5%) of respondents report they have three or more children in their household. As reported in 2000, 2002 and in 2004, respondents who live in a multi-family dwelling are more likely than single-family dwelling residents to *not* have any children (76% of multi-family residents have no children compared to 58% of single-family residents).

Dwelling Type

Fifty-five percent (55%) of survey respondents interviewed live in single-family dwellings; 45% live in multiple family dwellings. The survey proportion is representative of households in Bellevue and was ensured with a screening quota.

Years Lived in Bellevue

In conjunction with previous survey results, on average, respondents have lived in the City of Bellevue for sixteen (16.5) years. Approximately one in five respondents has lived in the City for one to two years (18%). More than one-quarter of respondents (27%) report living in Bellevue for three to nine years. The majority of respondents (55%) of the 2006 survey respondents have lived in the City for ten or more years.

Gender

Half of survey respondents interviewed are male (50%); half are female (50%). Quotas were employed during respondent screening to ensure an equal split between proportions of males and females.

Age

Equal to the 2004 survey four out of ten (41%) respondents are between the ages of 35 to 54. Sixteen percent (16%) of respondents are under 35 years of age; this is a significantly lower percentage in this age group than reported in 2004 (22%). More than one-quarter of respondents are 65 years or older (27%). Similar to previous surveys, 16% of respondents are between the ages of 55 and 64. Multi-family residents are more likely than single-family residents to be under the age of 35 (26% compared to 8%, respectively). Furthermore, single-family residents are more likely than multi-family residents to be between the ages of 35 and 54 (50% compared to 30%).

Ethnicity/Race

The majority of respondents are white (75%). Eleven percent (11%) are of Asian descent, while three percent (3%) of respondents say they are African American; 3% are Eastern European; 2% say they are Hispanic / Latino; 1% are Native American; and 3% refused to disclose their ethnic background.

Annual Household Income

Similar to 2004 survey results, more than one in ten (15%) respondents have annual household incomes of less than $35,000. More than one in three respondents (36%) report annual household incomes of $35,000 to $75,000, and nearly half (49%) of respondents have annual household incomes of $75,000 or more. More than one in five respondents (21%) refused to disclose their income.

C. PUBLIC HEARINGS

Although only a single public hearing is required by State of Washington code, the City of Bellevue held four public hearings on the 2007-2008 Budget to provide stakeholders multiple opportunities to officially comment on the budget. Two public hearings -- one in May and the other in July -- were held prior to the submission of the Preliminary Budget to the Council. These two public hearings offered residents and other stakeholders the opportunity to let the Council know what issues were important to them before City management leaders formulated their budget request. The third and fourth public hearings were held in November and December, after the Council received the Preliminary Budget. The third and fourth public hearings gave interested parties the chance to address new budget proposals, comment on significant budget issues such as the proposed property tax increase, and ask the Council to include funding for initiatives not recommended by City managers.

During the first two public hearings, approximately 50 stakeholders addressed the Council. Human service issues dominated the public hearings with individuals testifying about the needs of number of social, health, recreational, and educational service providers. Others who testified asked for a number of neighborhood and park improvements. Still others addressed the Council on ambitious projects such as an performing arts center for the Eastside, and a new aquatic center in Bellevue.

During the third and fourth public hearings, approximately 25 stakeholders addressed the Council. In the third public hearing Human Services requests again played a prominent role in the meeting, with others asking for neighborhood improvements and park projects. Several business associations testified about downtown development and taxes, and requests were made for increased funding for arts and culture projects. The Fourth hearing was dominated by citizens speaking out against a proposed property tax increase.

Following are the highlights for each of the four public hearings.

1st Budget Hearing May 15th 8:00 PM

Human Services

Sara Langtn / Casey Otley (Director financial ops @ T-Mobile)—Kidsquest Museum

Issues:

- Requests funding for children's museum expansion.

Marty Jacobs—Parent Services for Childcare Resources

$$$$$:

- CDBG funding possibly running out in 2008. Looking for funding for "childcare scholarships".

Loretta Story—Eastside Legal Assistance Program (ELAP)

$$$$$:

- Requests funding to help provide free legal assistance to poor in Bellevue.

David Smukowski—Boys and Girls Club

Issues:

- Requests downtown Community/Teen center, BelRed corridor community center.

Lisa Goodman, Jim Praft—Bellevue Youth Theater Association

Issues:

- Requests a renovated theater for rehearsals.

$$$$$:

- $1.8 million from city, $70,000 from them.

Linda Wolf—Hopelink

Issues:

- Talked about Hopelink & services provided to Bellevue residents.

DARE / SROs in schools

Sharon Taubel—Parent

Issues:

- Requests to budget for new school resource officer in elementary schools

$$$$$:

- $170,000 a year

Wayne Rector—(address or affiliation unclear)

Issues:

- Requests police officers to keep a presence in elementary schools

Bellevue Downtown Association

Leslie Lloyd—Bellevue Downtown Association

Issues:

- Managing traffic/congestion, increasing "walkability" of downtown, open spaces/parks.

$$$$$:

- $180 million thru 2020, want debt to cover it. City should immediately bond about $40 million; this new line of credit would fund the $180 million of projects thru end of period (2020).
- Would like City to evaluate all resources—including bonding. Claims city has $1.6 billion in debt capacity.

Lisa Rowe—Bellevue Downtown Association chair, Bentel Capital

Issues:

- Transportation and accessibility.

Bellevue Chamber of Commerce

Jim Hill—Bellevue Chamber of Commerce

Issues:

- Doesn't like the way the City forecast shows a reduction in capital spending.
- Thinks New City Hall should be funded by debt, not out of CIP.
- Chamber doesn't want an increase in property, B&O tax.
- Improving transportation should be a top priority.

Bellevue Economic Partnership

Steve Gilbert—Bellevue Economic Partnership

Issue:

- Requests continued funding

Neighborhood improvements

Lindy Bruce—Sunset Community Association

Issues:

- For 145th pl SE in 2007-2008, Requests sidewalk and bike lane from SE 16th to SE 8th
- For 145th PL SE in 07-13, Requests various improvements south from Camber Rd to 24th SE.

Marty Nizlek—West Lake Sammamish Board

Issues:

- West Lake Sammamish Parkway—shoulder of road is a worry

Bellevue Fire Department

Bruce Ansell—President of Bellevue Professional Firefighters IAFF local #1604

Issues:

- "Vertical" response time. Not enough firefighters for various catastrophic scenarios.

$$$$$:

- Want more staff. Also mentioned, but did not directly request, a downtown fire station.

PACE

Skip Rowley, Kemper Freeman and Karen Lytle—PACE

Issues:

- $14 million already raised.
- Should be completed in 2009.
- Want 75% private, 25% public funding (local, state, fed).
- Land already donated, located @ NE 10th & 106th NE.
- Council passed a resolution in 2002 stating that they may consider donating money to this facility.

$$$$$:

- Requests $10 million from Bellevue's CIP in 07-08

Swimming Pool

Sharon Simas—President of SPLASH

Issues:

- Requests a new public swimming pool complex for Bellevue.

$$$$$:

- Requests $$ for planning in 07-08 and partnership to build & operate. Pool estimated to cost $25-30 million

Also for swim pool:

Carolyn Behse—Pacific NW Aquatic, USMS
Tom Hutchnison—Issaquah swim team
Michael McKenly—Older Swimmer
Candy Bondgaord (address or affiliation unclear)

2nd Budget Hearing—July 17, 2006

Human Services

Kari Andrews—Children's Response Center board member

Issues:

- Asking for continued financial support of the Children's Response Center. Need for services in increasing.

Elizabeth Westburg—Regional Director for YWCA and
member of Alliance of Eastside Agencies

Issues:

- Alliance of Eastside Agencies is a group of 40+ social service agencies.
- Asked for more investment in human/social services.
- Asked for funding to help a new YWCA pilot project, which would provide a drop-in 1-stop referral center in Bellevue for women.

Ellen Rush—Former client of YWCA

Issues:

- Would like continued support for programs to assist women escaping domestic violence

David Downing—Youth Eastside Services (YES)

Issues:

- Would like continued, on-going funding for YES. The number and intensity of services are increasing.

Amber Wolf—Elder and Adult Day Services

Issues:

- Asked for continued support.

Marcy Curtain, Michael Speer, Chris Jones—Friends of Youth and "The Landing"

Issues:

- Shelter to house homeless youth. 9-10 clients a night. Asked for increased funding.
- "The Landing" is currently open 5 nights a week. 1 of 2 youth shelters in the region (the other is in Seattle). 200 people through last year.

Rachael Black—Eastside Domestic Violence Program

Issues:

- Asking for continued support. 1 in 4 women will be victims. Turn-away rate currently 19:1.

Alaric Bien—Chinese Information and Service Center

Issues:

- Would like funding to provide a "cultural navigator"—a translator and guide who would help immigrants gain access to current services.

Debby Lacey—Eastside Refugee and Immigrant Coalition

Issues:

- More support of the "cultural navigator" (see Chinese Information and Service Center above).

Cameron Kyna—Catholic Community Services of King County Offices in Bellevue

Issues:

- Needs increased funding for services. Difficulties in affording qualified staff, and finding an affordable place for staff to live.

Jeannette Yudovski—Director Jewish Family Services in Kirkland

Issues:

- Thanked Council for their continued support.

Joe Cunningham—Kindering Center

Issues:

- Serves 0-3 year old children with special needs—provides speech and language therapy. Enrollment has doubled. Asking for continued support.

Steve Roberts—Congregation for the Homeless and Eastside Homeless Advisory Council

Issues:

- Coordinator of the Eastside response to the 10 yr. plan to end homelessness in King County.
- Would like to see a women's shelter (see YWCA), expanded services from the youth shelter (see "the Landing")

Fire Department

Bruce Ansell— President of Bellevue Professional Firefighters IAFF local #1604

Issues:

- Expressed the urgency of their concerns re current and future staffing requirements
- Believes that without staffing increases, Fire department will not be able to respond, and services will degrade.

Bellevue Downtown Association

Leslie Lloyd—Bellevue Downtown Association

Issues:

- A preliminary study claims that City will receive $40 million in additional revenues in the next five years from current development.
- Want's to earmark this "development dividend" towards projects that will help improve downtown.
- Currently working a more detailed study of effects of downtown growth.

PACE

Karen and Chuck Lytle, Skip Rawley, Kemper Freeman –PACE

Nancy Walker—ACT funding Guild

Issues:

- Gave an update on the project. Contract selection in Sept., construction expected to begin end of 2007.
- Working with Cong. Richert to get federal funds. Also in contact with 48th District representatives, staff of 41st district, and Gov Gregoire.
- "Everybody is watching; they will look to see what the City of Bellevue does."
- Fundraising arm for PACE. Brought in a large group of supporters to the meeting. Raised $144,000 for PACE so far.

- Listed various contributors—there will be more. Passed the $15 million mark in funding. This is a grassroots effort on the Eastside.

$$$$$:

- Requested at least $10 million in funds. Ideally, the project would be 25% public supported, 75% private.

Leadership Eastside

Stephanie Marpelli—President of Leadership Eastside

Issues:

- Requested continued funding. Seeking funding from other cities.

Neighborhood improvements

Lisa Schiling—Concerned Parent

Frank Klein—Concerned neighbor

Issues:

- A portion of Sommerset Ave is dangerous for her children. Would like to see a sidewalk for 11 homes.
- Tried to get improvements through the NEP, but not selected. Various school renovations also did not improve the conditions. Many people use the road to walk or run. Potential safety hazard.

Teri Fujinawa—Families from Clyde Hill Elementary

Issues:

- Requests to replace a playground at Clyde Hill Elementary. Other school districts, cities participating.

$$$$$:

- Asking for $28,000 from City. Have already raised $47,000 of a needed $75,000.

Parks

Denise Lane—Bellevue Botanical Garden Society

Issues:

- Asking for a new, expanded visitor's center at the Bellevue Botanical Gardens. Possibility of rental income.

Lizel Zappler—Bellevue IMP Committee (IPM stands for Integrated Pest Management)

Issues:

- Requests City Parks department to reduce its use of pesticides.

$$$$$:

- Would require additional staffing, operating, and record's management costs. New parks would be models of IPM

Bellevue Youth Theater

Jim Praft—President of Bellevue Youth Theater Foundation

Kevin Hagen—Treasurer

Issues:

- Requests to renovate the Youth Theater.

$$$$$:

- City would provide money; they would make up the difference. Have raised $70,000 so far.

3rd Budget Hearing November 13th 8:00 PM

Arts and Culture

Cathy Hatch (Representative from the Board of Directors)—PACE

Issues:

- PACE scheduled to open in 2009. Would like the City to "keep door open on all options".

$$$$$:

- Would like the City to provide $10 million over 4 years. Stated that PACE will be an economic asset to the City, generating $5 million from initial sales tax and $1.5 million annually in tax revenues. Have a strong business plan. 250 performances a year resulting in 400 jobs. Stated that there will be no government operating subsidies. 60% of cost will be covered by concerts, etc., the other 40% coming from annual fund raising. Counting on community-wide support. 100 donors have contributed $16 million already, including a $1 million from Microsoft.

Michael Monroe (Director, BAM)—BAM

Angela Suiter (Board Member)—BAM

Rick Collette (Board Member)—BAM

Ron Ho (Artist)—BAM

Issues:

- BAM is valuable to the community, and a "world class" museum in a "world class" city.

$$$$$:

- Typical museum is 25% government subsidized—BAM is 3%. BAM supports a flat tax (i.e. property tax increase as discussed by Council.)

Roxanne Shepherd (Chair)—Bellevue Arts Commission

$$$$$:

- Requested increase in funding. Stated that the national average is 3% of a City's budget. Thanked Council for including an increase in CIP funding.

Human Services

Merle Keeney (Chairman of Parks and Community Services Board)

$$$$$:

- Would like Human Services Challenge Grant budget raise from its current $2.4 million to its previous level of $4.5 million. City should match funding on Bellevue Youth Theater and Botanical Gardens projects.

Debbie Lacey (Eastside Refugee and Immigrant Coalition)—Cultural Navigator Project

$$$$$:

- Would like funding to support the Cultural Navigator project. Redmond and Kirkland are currently contributing funds. Approves the Human Services Commission's funding.

Alaric Bien (Chinese Information and Service Center)—Cultural Navigator Project

Issues:

- Likes the idea of a Human Services Endowment.

$$$$$:

- Supports the Human Service Fund's request for an additional $255,000.

Jim Young (Life Coach, Eastside Interfaith Social Concerns Council)—Congregation for the Homeless

$$$$$:

- Would like funding for mentoring of homeless people. Program is 1 year old. Supports the Human Services Fund's request for an additional $255,000.

Jim Pratt (President), Lisa Goodner(Vice President)—Bellevue Youth Theater Foundation

Issues:

- Support raising City's challenge grant from $2.4 million to its previous $4.5 million level.

$$$$$:

- Raised over $135K with fundraising.

Kristen Webb (Board Member)—Kid's Quest Childrens Museum

Issues:

- Trending towards 160,000 visits this year. Closing in on Seattle (195,000 annual visits). "We're so successful, and over-capacity".

$$$$$:

- Supports another source of revenue for the City, such as a flat tax.

Citizen Requests

Renay Bennett (Resident)

Issue:

- Against increasing taxes

James Eder (Resident)

Issues:

- Wants more money for economic development, to bring in businesses with higher levels of cash flow. Also supports having a sports stadium. Would like the City to publish a list of unfunded projects, with the goal of funding these projects with private donations. Suggested that Councilmembers deserve more salary.

Bill Perry (Resident)

$$$$$:

- Would like funding to put a sidewalk on the curve at 152nd SE. As an NEP project, is was estimated to cost $75,000 in 2004. Actual cost is $2.3 million. Important for the safety of children who attend nearby Eastgate Elementary.

BDA

Lisa Rowe (Bentall Capital)—BDA

Issues:

- Have a "long way to go" on the DIP. Stated that the explosive growth we are seeing has a tremendous revenue potential.

$$$$$:

- Supports raising taxes, and looking for other funding options.

Leslie Lloyd—BDA

Issues:

- Growth is not paying for growth. The City is falling behind on the development of the downtown in the good times; what will happen when the market turns?

$$$$$:

- Would like the City to reinvest in the downtown using bonding through 2013. Requests $60 million now (reduced from an initial request of $162 million). The $15 million the City is planning to invest in downtown is not enough. Disappointed that currently only 10% of DIP will be build by the end of 2013.
- Identified potential cost savings to the City through a renegotiated CPI provision in labor contracts and changing the way the city saves for replacement of its equipment.

DIP

Mike Creighton (former board member of DIP, co-chair of BelRed Corridor Study)

Issues:

- The private development we were anticipating in the DIP has arrived, and it is time for the City to support it. Wants an increase in the CIP for Right of Way and Parks downtown. Also sees the same sort of needs in the BelRed corridor as it develops in the next few years. Doesn't want to waste the City's time and money that was spent planning these projects.

Bellevue Chamber of Commerce

Shannon Boldizsar—Bellevue Chamber of Commerce

Issues:

- Support Transportation Committee's decision to not increase impact fees. Would like to be included in the discussion if transportation impact fees are to be increased.

$$$$$:

- Wants a fiscally responsible budget, public safety supported by General Fund, transportation improvements to increase mobility, projects prioritized based on need. Support increasing the CIP budget by freeing it from its M&O obligations. Oppose property, B&O tax increases. Low property tax is a big seller to businesses thinking about locating in Bellevue.

Mercer Slough Environmental Center

Jerry Henery (Senior advisor to chairman of PSE)—Mercer Slough Environmental Educational Center

Issues:

- Building a "blue ribbon" committee. Want to complete project in 2007.

$$$$$:

- Bellevue's $2.5 million in funding of this project is critical to make it a reality.

Bob Gillespie—Pacific Science Center

$$$$$:

- Would like the City to continue funding the Mercer Slough Environmental Center.

4th Budget Hearing December 11th 8:00 PM

Citizen Requests

Dick Chapin

Issues:

- For raising taxes. We have gridlock today because our predecessors lacked courage to raise taxes. People never for a tax increase, but they are for better parks, roads, etc.

Renay Bennett

Issues:

- Against raising taxes. Against BAM, PACE, Welfare agencies. These groups will always be here asking for $$. Cannot support themselves. Gov't is taking away people's money and giving it away for somebody else's wants.

Audrey Kelley

Issues:

- Against raising taxes. Against new building, and not surprised that we are now asking for a tax increase (we are raising taxes to indirectly pay for a new building). Against Park's department maintenance policies (they maintain too much).

Steve Kelley

Issues:

- Against raising taxes. Supports Medic 1.

Katherine Lindquist

Issues:

- Against raising taxes. Stated that taxes are up 450%. Complained about assessed valuation. Retired and on a fixed income.

League of Washington Taxpayers

Wynn Cannon (Chairman)—League of Washington Taxpayers

Issues:

- Against raising taxes. Mentioned various taxes that have been raised. Gov't is too large. Mentioned data from a property tax survey taken in WA state. Will be working to put a 25% property tax cutting initiative on the ballot.

BDA

Leslie Lloyd (President)—BDA

Issues:

- Tentatively supports property tax increase. Very interested in seeing how and how much of the new money will be used on downtown projects. Would like to see more downtown projects funded and completed.

ARTS AND CULTURE

Keith Baldwin (President)—BAM

Issues:

- Supports the budget.

CITY OF BELLEVUE
WASHINGTON

City Attorney

Program Outcome Statement

The mission of the Office of the City Attorney is to assist City government in protecting lives and property and preserving and enhancing the quality of life of the public by delivering effective and high quality advice, code enforcement, litigation, claims management, employee safety, risk management, and prosecution services that further the policies and programs adopted by the City Council.

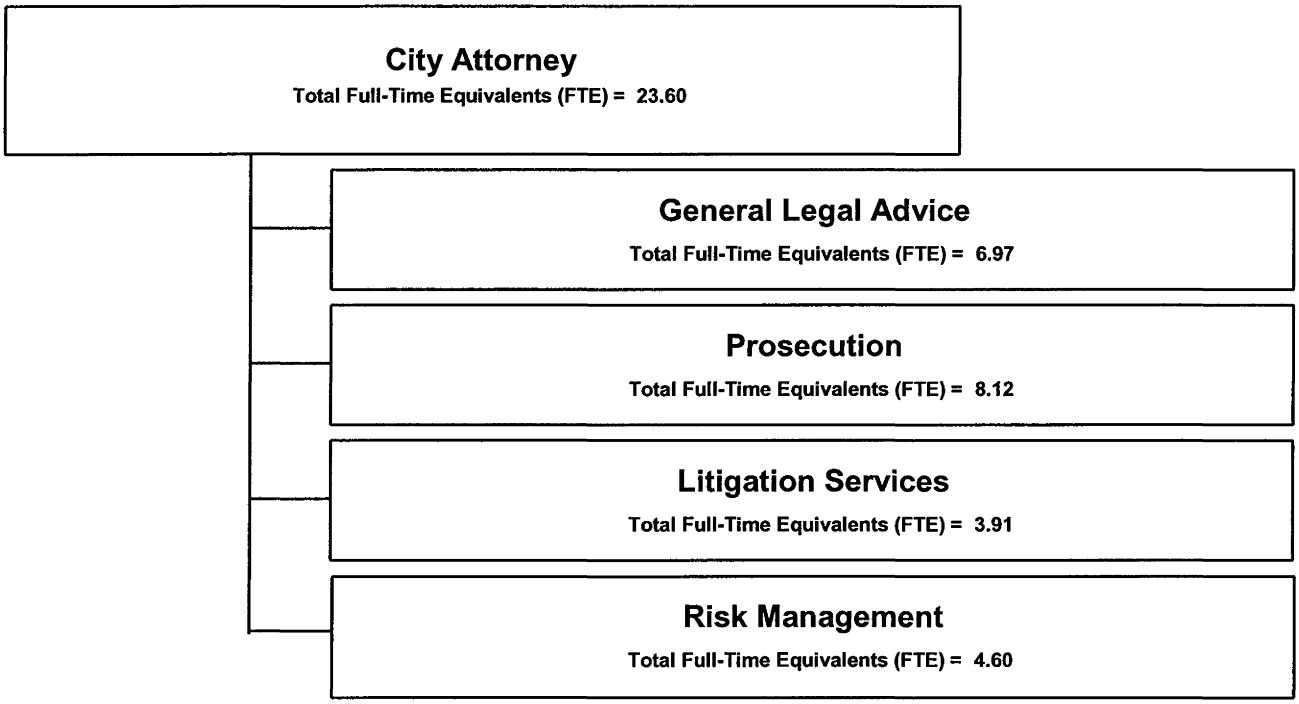
Services and Accomplishments

The City Attorney's Office consists of the following divisions: Legal Advice, Litigation, Prosecution, Public Defense, and Risk Management. The goals of this department are to provide high-quality, cost-effective legal advice and services to all City departments as well as protecting the interests of the City and its residents by defending the City against damage claims and legal proceedings challenging City actions. The City Attorney's Office strives to minimize potential City liability and resulting costs by training and advising staff to avoid actions which may result in liability and claims. Further, this department endeavors to protect the lives and property of the public through effective enforcement of criminal laws.

The following are the major 2005-2006 accomplishments:

- Successfully resolved litigation surrounding City ordinance and permit related to homeless encampments; Consent decree preserved the majority of health and safety provisions, and added a one-year period between encampments;
- Successfully resolved litigation surrounding development of the New City Hall; City's contribution towards $20 million cost overrun contained at below 50%;
- Closed on the purchase of Meydenbauer expansion parcel for future convention center expansion;
- Assisted with land use approvals, property acquisitions and condemnation proceedings for NE 10th extension/Overlake Hospital expansion;
- Assisted with the transfer of Coal Creek Natural Area and Surrey Downs property from County to City;
- Partnered with Parks and Fire Departments to institute a Public Access Defibrillator Program in nine City facilities;
- Revised all prosecution-related forms to comply with new District Court requirements for electronic document filing and began scanning all existing criminal files to electronic format;
- Successfully argued for admissibility of Breath Test results in DUI cases. Multiple challenges were made to this evidence;
- Laid the groundwork to secure blood samples, via search warrant, in cases where a person refuses the breath test in a DUI case;
- Streamlined City's criminal code to align with state criminal laws;
- Provided legal training locally, state-wide and nationally, including presentations to state prosecutor and municipal attorney organizations, judging law school competitions, courtroom training for new officers, participation in Police Department's citizens academy, and speaking to local schools and other community groups;
- Successfully integrated risk management function into City Attorney's office;
- Provided significant support for successful national accreditation efforts of Police, Emergency Communications, Parks and Utilities from four nationally recognized accrediting bodies defining best practices standards. Included review of Liability, Safety, and Workers Compensation Programs managed by Risk Management division.
- Initiated two major loss control efforts:
  - Replaced 15 passenger vans used for transporting children with 8-passenger vans and Access Buses and developed training program for operators;
  - Addressed several risk issues at the new South Bellevue Community Center prior to its opening, including the Challenge Course and Climbing Wall.
- Obtained over $252,000 from our property insurer for repair of a water detention vault located on private property.
- Completed further enhancements to the Risk Management website on employee safety, upgrading the on-line Ergonomics tool, providing computer-based training on Bloodborne Pathogens, and placing chemical inventories on-line for staff working in Parks, Utilities and Graphics.

City Attorney
Organizational Chart



City Attorney

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Legal Advice	774,987	826,794	908,185	953,669
Prosecution	941,897	1,007,416	1,105,637	1,158,039
Litigation Services	440,849	469,911	515,753	541,431
Public Defender	318,000	325,015	359,765	369,119
Risk Management	3,882,418	4,054,376	4,450,373	4,423,831
Base Budget	**6,358,151**	**6,683,512**	**7,339,713**	**7,446,089**
Reserves	**6,489,582**	**6,216,206**	**6,221,628**	**6,274,796**
Total Budget	**12,847,733**	**12,899,718**	**13,561,341**	**13,720,885**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	2,130,462	2,323,589	2,502,227	2,619,512
Interfund	531,066	564,956	778,133	640,621
M & O	3,696,623	3,794,967	4,059,353	4,185,956
Total Expenditures	**6,358,151**	**6,683,512**	**7,339,713**	**7,446,089**
Total Reserves	**6,489,582**	**6,216,206**	**6,221,628**	**6,274,796**
Total Budget	**12,847,733**	**12,899,718**	**13,561,341**	**13,720,885**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	2,475,733	2,629,136	2,889,340	3,022,258
Workers' Compensation Fund	2,019,000	2,155,000	2,581,000	2,828,000
Unemployment Compensation Fund	411,000	401,000	489,000	313,000
General Self-Insurance Fund	7,942,000	7,714,582	7,602,001	7,557,627
Total Resources	**12,847,733**	**12,899,718**	**13,561,341**	**13,720,885**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Legal Advice	-	-	6.97	6.97
Prosecution	-	-	8.12	8.12
Litigation Services	-	-	3.91	3.91
Risk Management	-	-	4.60	4.60
Total FTE	**23.00**	**23.00**	**23.60**	**23.60**

City Attorney

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
General Legal Advice						
Cost per hour as a % of outside counsel cost per hour	%	Efficiency	54.90	45.00	55.00	55.00
Customer satisfaction response of good or better	%	Effectiveness	92.80	95.00	95.00	95.00
Litigation Services						
Cost per hour as a % of outside counsel cost per hour	%	Efficiency	61.60	52.00	60.00	60.00
Prosecution						
Average review time of summons in days	#	Effectiveness	7.70	10.00	9.00	9.00
Cost per criminal case	$	Efficiency	486	320	400	400
Criminal cases filed	#	Workload	1,892	2,600	2,250	2,250
Public Defender						
Maintain actual cost per case assigned, in line with CPI	$	Effectiveness	217	240	240	240
Recoupment as a % of total program costs	%	Effectiveness	14	18	18	18
Risk Management						
% of liability claims adjusted within timeliness standard	%	Effectiveness	98	90	94	94
% of Risk losses recovered	%	Effectiveness	77	68	68	68

City Attorney

2007-2008 Work Initiatives

- Pursue clarification and coordination of noise regulations across City departments and improve code.
- Review and update Sign Code for consistency with constitutional constraints on sign regulation.
- Assist Finance Department in enhanced enforcement of tax code.
- Partner with Human Resources Department to offer supervisory and other trainings for managers in order to decrease exposure for personnel issues.
- Continue work on electronic records management, including implementation of prosecution case management module allowing better coordination with Police and courts.
- Continue to adapt to changes at District Court that will arise from retirement of sitting judge, new judges assigned to Bellevue cases, anticipated procedural changes, and new court rules that may require prosecutors to attend hearings currently not attended.
- Continue to work with partner cities and counties to provide district/municipal court program and misdemeanant prisoner facilities.
- Continue to enhance the availability of information and training via both the Risk Management website and computer based training, with emphasis on enhancing the defensive driving program.
- Assist the Transportation Department in its pursuit of national accreditation by demonstration and validation of the requested criteria on Risk Management policies and practices.
- Complete subrogation effort in concert with the City's property insurer to recover all or part of $100,000 deductible expended in the repair of a water detention vault on private property.

Major Challenges for the Biennium

Aligning the City Attorney's Office, as well as the City in general, to better respond to the challenges of managing and producing public documents with the increasing shift of focus to electronic formats will be a major challenge in coming years. We have seen increased complexity and time involved in gathering documents in response to public records requests and discovery requests in litigation due to the increased reliance on electronic means of communication. City liability for failing to appropriately manage and control such forms of communication may be significant. City-wide document management tools will be necessary to appropriately manage this risk.

Risk Management division will be engaged in review of the City's self-insurance funds and retentions to manage increasing risk of aging infrastructure.

Solutions to current issues with municipal court and contracted jail services may lead to budget impacts as the City seeks other ways to provide these government functions.

City Attorney
General Legal Advice

Program Statement

Provide accurate, ethical, and timely legal advice to the City Council and city departments to support the provision of services to Bellevue citizens while at the same time reducing risk to the City and promoting fiscal responsibility.

Summary of Services Provided

To provide legal advice to the City Council, City Boards and Commissions, City Manager, City departments, and Community Council on a full range of municipal legal matters as well as the drafting and reviewing of ordinances, resolutions, contracts, and other documents relating to City business.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General / Admin	774,987	826,794	908,185	953,669
Base Budget	**774,987**	**826,794**	**908,185**	**953,669**
Total Budget	**774,987**	**826,794**	**908,185**	**953,669**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	614,717	677,553	745,562	780,633
Interfund	125,619	113,429	125,520	134,970
M & O	34,652	35,812	37,103	38,065
Total Expenditures	**774,987**	**826,794**	**908,185**	**953,669**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	774,987	826,794	908,185	953,669
Total Resources	**774,987**	**826,794**	**908,185**	**953,669**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General / Admin	-	-	6.97	6.97
Total FTE	**6.50**	**6.50**	**6.97**	**6.97**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Control costs of outside legal services						
Cost per hour as a % of outside counsel cost per hour	%	Efficiency	54.90	45.00	55.00	55.00
Cost per hour	$	Efficiency	98.03	120.00	125.00	125.00
Legislative Support						
All Ordinances prepared	#	Workload	65	75	75	75
All Resolutions prepared	#	Workload	183	130	180	180
Overall Customer Satisfaction						
Customer satisfaction response of good or better	%	Effectiveness	92.80	95.00	95.00	95.00

City Attorney
General Legal Advice

Issues related to Department Performance

Legal Advice - Customer Satisfaction Level. 92.8% of respondents rated services as good or better in 2005 (survey conducted in October 2005). This customer satisfaction level represents more than a five percent improvement over 2004, but fell slightly short of the 95.0% target. Follow-up discussions with respondents revealed that concerns were largely related to responsiveness due to staffing shortages in the City Attorney's Office during 2005. These staffing

shortages were not fully addressed until mid-2005, when the Office filled all attorney vacancies. With a full staff and attorney re-alignments undertaken in 2005, we expect to meet or exceed our satisfaction target for 2006.

Cost per hour for in-house legal advice services compared to outside counsel exceeded target (54.9% compared to the target of 45%), but reflected an improvement over last year's performance. As with litigation services, the costs to the City for both outside counsel and in-house legal advice went down. In fact, outside counsel costs as an average hourly rate dropped by nearly $40. This drop is a reflection of the successful efforts to retain outside counsel specialists with more competitive hourly rates, and efficient use of associates and paralegals.

Program Notes

None

City Attorney
Litigation Services

Program Statement

The mission of this section is to provide, manage, and coordinate quality legal counsel and representation for the City of Bellevue in litigation matters and administrative/regulatory hearings in an efficient, expeditious, and professional manner.

Summary of Services Provided

Defend the City, its elected and appointed officials, and employees in civil litigation, including representation before administrative agencies, trial courts, and appellate courts.

Minimize risk associated with City services and related claims costs, reduce litigation exposure, and ensure legal compliance.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General / Admin	434,749	463,811	509,470	534,985
Litigation Services	6,100	6,100	6,283	6,446
Base Budget	**440,849**	**469,911**	**515,753**	**541,431**
Total Budget	**440,849**	**469,911**	**515,753**	**541,431**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	344,841	380,091	418,242	437,916
Interfund	70,469	63,631	70,414	75,715
M & O	25,539	26,190	27,097	27,800
Total Expenditures	**440,849**	**469,911**	**515,753**	**541,431**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	440,849	469,911	515,753	541,431
Total Resources	**440,849**	**469,911**	**515,753**	**541,431**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General / Admin	-	-	3.91	3.91
Total FTE	**3.70**	**3.70**	**3.91**	**3.91**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Workload And Efficiency Standards						
Cost per hour	$	Efficiency	98.03	120.00	120.00	120.00
Cost per hour as a % of outside counsel cost per hour	%	Efficiency	61.60	52.00	60.00	60.00
Active cases against City	#	Workload	36	35	35	35
Active cases by City	#	Workload	8	7	7	7
Cases per Attorney	#	Workload	21	15	15	15

City Attorney
Litigation Services

Issues related to Department Performance

Litigation Cost Per Hour. Cost per hour for in-house litigation services compared to outside counsel cost for litigation did not meet target (61.6% compared to a target of 52%). This is not a reflection of significantly higher in-house costs, in fact, both in-house and outside counsel hourly costs went down in 2005 compared to 2004. Tort defense hourly charges are the lowest of any type of legal service contracted by the City. Many tasks associated with litigation can be handled by associates and paraprofessionals, providing additional cost savings.

Program Notes

None

City Attorney
Prosecution

Program Statement

To provide prosecution services for the City of Bellevue in a manner that reflects a commitment to excellence; to seek justice for crime victims; and to enhance public safety for the City of Bellevue by aggressively, fairly, ethically and efficiently prosecuting those who violate the law.

Summary of Services Provided

Enforce the criminal and traffic laws of the City by prosecuting violations of those laws in district court and, on appeal, in superior and appellate courts.

Provide assistance and support to victims of crime.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General / Admin	680,477	725,965	797,431	837,368
Prosecution	261,420	281,451	308,206	320,671
Base Budget	**941,897**	**1,007,416**	**1,105,637**	**1,158,039**
Total Budget	**941,897**	**1,007,416**	**1,105,637**	**1,158,039**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	714,101	787,608	866,794	907,462
Interfund	110,300	99,596	110,213	118,511
M & O	117,496	120,213	128,630	132,066
Total Expenditures	**941,897**	**1,007,416**	**1,105,637**	**1,158,039**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	941,897	1,007,416	1,105,637	1,158,039
Total Resources	**941,897**	**1,007,416**	**1,105,637**	**1,158,039**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General / Admin	-	-	6.12	6.12
Prosecution	-	-	2.00	2.00
Total FTE	**7.80**	**7.80**	**8.12**	**8.12**

City Attorney
Prosecution

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Ensure safety of citizens						
Cost per criminal case	$	Efficiency	486	320	400	400
Criminal cases filed	#	Workload	1,892	2,600	2,250	2,250
Cost per capita (City residents)	$	Efficiency	7.87	8.40	8.00	8.00
Maintain affirmance rate on appeals of 90% or higher						
% of cases affirmed on appeal	%	Effectiveness	100	90	90	90
Appeals	#	Workload	27	30	25	25
Maintain Low Percentage Of Jury Trials						
% of cases set for jury trial resolved without jury trial	%	Effectiveness	99	99	99	99
Jury trials held	#	Workload	41	40	40	40
Reduce Average Review Time Of Summons Requests						
Average review time of summons in days	#	Effectiveness	7.70	10.00	9.00	9.00
Summons reviewed	#	Workload	2,645	2,500	2,600	2,600
Workload Standards						
Bench Trials Held	#	Workload	633	750	700	700
Cases per prosecutor	#	Workload	420	575	500	500
Readiness hearings	#	Workload	4,335	3,500	4,300	4,300
Motions	#	Workload	907	825	1,200	1,200

Issues related to Department Performance

Prosecution – Cost Per Criminal Case. Cost per case in 2005 was significantly above target ($486 versus a target of $315), due to fewer criminal cases being filed, as was the case in 2004. Despite the reduction in the number of cases, however, prosecutors report that cases filed were more complicated and required more prosecution time prior to resolution. Several constitutional challenges to DUIs were raised in 2005, requiring significantly more preparation. These cases were resolved in the City's favor. In addition, increasing numbers of continuances are granted to courts to allow defense counsel to prepare for the proceedings. As a result of continuances, a single criminal case requires more prosecutor time at hearings and responding to requests.

Program Notes

None

City Attorney
Public Defender

Program Statement

To provide quality defense services for indigents charged with violating criminal laws within the City of Bellevue, as required by state law.

Summary of Services Provided

The Public Defense Program provides indigent defendants with qualified attorneys, who are on contract with the City, to represent them through their criminal proceedings.

This program strives to control public defender costs by maintaining or reducing the percentage of those assigned a public defender by carefully screening each individual before an assignment is made.

Recoupment for these costs is sought from those who are deemed eligible to pay back the City over time.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Public Defender	318,000	325,015	359,765	369,119
Base Budget	**318,000**	**325,015**	**359,765**	**369,119**
Total Budget	**318,000**	**325,015**	**359,765**	**369,119**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
M & O	318,000	325,015	359,765	369,119
Total Expenditures	**318,000**	**325,015**	**359,765**	**369,119**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	318,000	325,015	359,765	369,119
Total Resources	**318,000**	**325,015**	**359,765**	**369,119**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
No Staff				

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Continue To Increase Recoupment						
Recoupment per case assigned	$	Efficiency	32	45	45	45
Recoupment as a % of total program costs	%	Effectiveness	14	18	18	18
Control Public Defender Costs Per Case						
Maintain actual cost per case assigned, in line with CPI	$	Effectiveness	217	240	240	240
Reduce Cases Assigned To A Public Defender						
% of cases assigned to public defender	%	Effectiveness	68	45	60	60
Total cases assigned	#	Workload	1,281	1,225	1,250	1,250

City Attorney
Public Defender

Issues related to Department Performance

Public Defender – Recoupment of Costs. 14.0% of public defender costs were recouped in 2005, an improvement over the 8% recoupment rate of 2004. The rate did fall short of the 18.0% target, possibly reflecting decreased earning prospects for defendants in the current economic environment. Recoupment is reimbursement for the costs of public defender services from persons who are able to repay the City over time.

Program Notes

None

City Attorney
Risk Management

Program Statement

Safeguard the City's property, financial assets and human resources from the adverse impact of loss.

Summary of Services Provided

Manage and administer the City's General Self-Insurance, Workers' Compensation, Safety and Unemployment Programs, including fund management and addressing all tort, worker compensation and unemployment claims filed against the City; reimbursing City departments for property damage claims incurred, and proceeding via subrogation to recover costs from responsible third parties who have damaged City property.

Advise all City departments regarding the risks of proposed or on-going activities, providing loss control assistance to help reduce risk exposures and potential liabilities.

Provide general employee safety training classes, develop safety programs and ensure City safety compliance with State and Federal regulations.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Self-Insurance	2,666,418	2,799,072	2,973,373	3,090,831
Unemployment Compensation	146,000	151,000	331,000	160,000
Workers' Compensation	1,070,000	1,104,304	1,146,000	1,173,000
Base Budget	**3,882,418**	**4,054,376**	**4,450,373**	**4,423,831**
Reserves	**6,489,582**	**6,216,206**	**6,221,628**	**6,274,796**
Total Budget	**10,372,000**	**10,270,582**	**10,672,001**	**10,698,627**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	456,803	478,337	471,629	493,500
Interfund	224,678	288,301	471,986	311,425
M & O	3,200,937	3,287,738	3,506,758	3,618,906
Total Expenditures	**3,882,418**	**4,054,376**	**4,450,373**	**4,423,831**
Total Reserves	**6,489,582**	**6,216,206**	**6,221,628**	**6,274,796**
Total Budget	**10,372,000**	**10,270,582**	**10,672,001**	**10,698,627**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Workers' Compensation Fund	2,019,000	2,155,000	2,581,000	2,828,000
Unemployment Compensation Fund	411,000	401,000	489,000	313,000
General Self-Insurance Fund	7,942,000	7,714,582	7,602,001	7,557,627
Total Resources	**10,372,000**	**10,270,582**	**10,672,001**	**10,698,627**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Self-Insurance	-	-	4.60	4.60
Total FTE	**5.00**	**5.00**	**4.60**	**4.60**

City Attorney
Risk Management

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Maximize loss recovery for damages incurred						
% of Risk losses recovered	%	Effectiveness	77	68	68	68
Customer Service ratings are good to excellent	%	Effectiveness	98	92	95	95
Minimization of Risk loss exposures						
% of liability claims adjusted within timeliness standard	%	Effectiveness	98	90	94	94
% of liability claims filed that proceeded to litigation	%	Effectiveness	7	7	7	7

Issues related to Department Performance

In 2005 we were able to exceed the target for percent of Risk losses recovered by 9%. Reduction and turnover in both Risk's and other City departments' staff greatly impact effectiveness in this area. Turnover in 2006 and reduced staff in 2007-08 will impact Risk's ability to meet the 2006 target and beyond. We project it will be under target by 7% in 2006.

Risk received customer service ratings of good to excellent from 98% of their clients in 2005, which exceeded target by 6%. Accordingly we have increased our targets for 2007 and 2008 and will continue to strive to provide excellent customer service.

In efforts to minimize the City's losses, Risk successfully adjusted liability claims in a timely manner (98% of claims filed were adjusted within the timeliness standard). The number of claims which proceeded to litigation in 2005 were lower than projected by 1% and will be at or below target for 2006. These results are due to the strengthened relationship between the City Attorney's Office and Risk Management with Risk joining the department in January, 2005.

Program Notes

The Risk Management Division joined the City Attorney's Office in 2005, prior to then it was a division in the Finance Department.

City Attorney

Biennial Budgeted Cost Summary	2005-2006 Budget	2007-2008 Budget	% Change
General Legal Advice	1,601,781	1,861,854	16 %
Prosecution	1,949,313	2,263,676	16 %
Litigation Services	910,760	1,057,184	16 %
Public Defender	643,015	728,884	13 %
Risk Management	7,936,794	8,874,204	12 %
Base Budget	**13,041,663**	**14,785,802**	**13 %**
Reserves	**6,216,206**	**6,274,796**	**1 %**
Total Budget	**19,257,869**	**21,060,598**	**9 %**

Biennial Expenditure Category Summary	2005-2006 Budget	2007-2008 Budget	% Change
Personnel	4,454,051	5,121,739	15 %
Interfund	1,096,022	1,418,754	29 %
M & O	7,491,590	8,245,309	10 %
Total Expenditures	**13,041,663**	**14,785,802**	**13 %**
Total Reserves	**6,216,206**	**6,274,796**	**1 %**
Total Budget	**19,257,869**	**21,060,598**	**9 %**

Biennial Funding Summary	2005-2006 Budget	2007-2008 Budget	% Change
General Fund	5,104,869	5,911,598	16 %
Workers' Compensation Fund	3,225,000	3,974,000	23 %
Unemployment Compensation Fund	547,000	644,000	18 %
General Self-Insurance Fund	10,381,000	10,531,000	1 %
Total Resources	**19,257,869**	**21,060,598**	**9 %**

11. City Clerk

City Clerk

Program Outcome Statement

The mission of the City Clerk's Office is to support the City Council and City Manager in public policy setting and the legislative process; facilitate communication, information sharing and organization-wide information/records management; and to facilitate participation by citizens in their municipal government.

Services and Accomplishments

The Bellevue City Clerk's Office consists of the following divisions: City Clerk's Official Functions; Public Records Center; Hearing Examiner's Office; and Word Processing. The Clerk's Office provides legislative and administrative support for Councilmembers and City Council proceedings as well as supporting the work of the City Manager's Office and City administration. The Clerk's Office maintains the official public records of the City, administers the centralized records management program, manages the public hearing process for land use and administrative decisions, provides centralized word processing services, and aids open communication, information sharing and participation by citizens in their municipal government.

Over the course of the biennium, the City Clerk's Office has implemented several new tools to improve public access to information about the issues coming before the City Council, their meetings and their decision making. In addition to posting full Council agendas and meeting packets on the City's website, during 2005 the City began live videostreaming of Council meetings, with ability to play back whole meetings or portions of meetings on demand. This service furthers the City's open public government philosophy while providing a valuable research tool for both public and staff.

In preparation for the move to our new City Hall, Records Center staff completed a City-wide space analysis for records storage, and designed and implemented the new Records Center service delivery model now deployed on the Concourse of City Hall. The impending move also prompted a significant level of activity for the Records Center in working with staff across the City to convert one million pages of documents to digital format for the Electronic Content Management System. As part of this project, Records staff coordinated scanning and indexing of thousands of frequently used City Clerk's Office records, assisted staff of departments in preparing for the move, and helped to make most effective use of limited file storage space in the new City Hall. "RAID" events managed by the Records Center diverted the equivalent of 700 four-drawer file cabinets worth of duplicate or otherwise unneeded records to recycling or secured destruction, thus saving moving and handling costs as well as space in the new City Hall. Additionally, the Records Center implemented use of a high-density storage unit that provides innovative vertical storage for Development Services and other key records that are frequently requested by the public. This storage unit spans three floors in City Hall and minimizes the floor plate required for on-site, secured records storage.

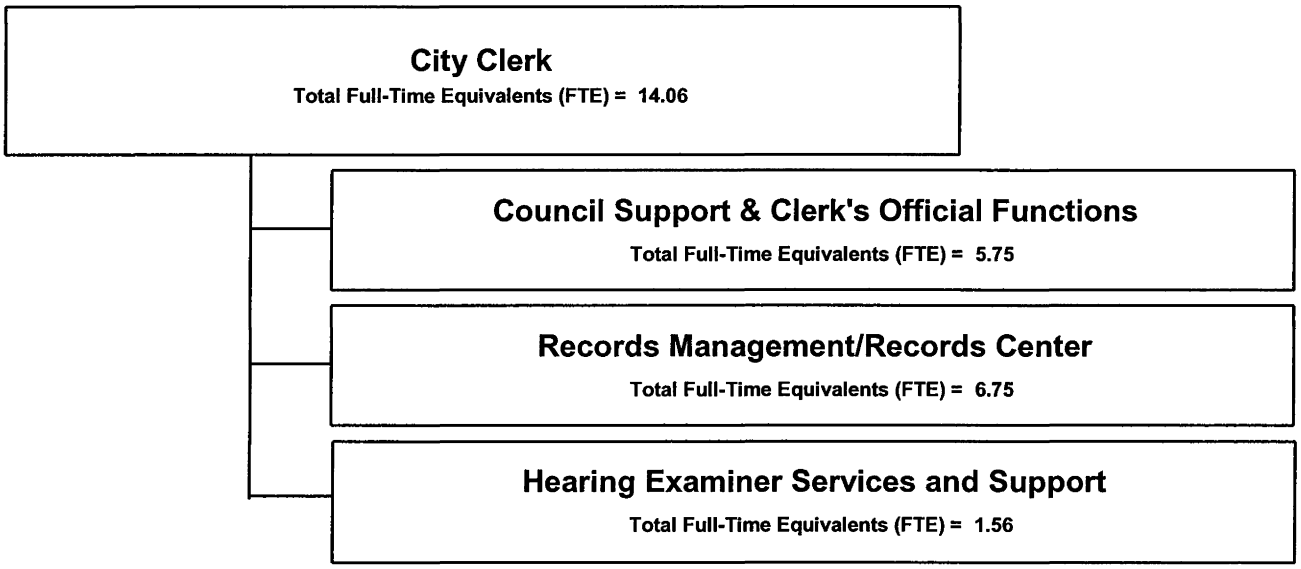
Records Management remains strongly committed to providing high quality, responsive service for all customers. Maintaining an open government and meeting the increasing demands for government information have created new challenges for managing public records. The records program has addressed these challenges by centrally managing public disclosure requests for records, seeking innovative ways for providing information to the public through technology, and having a visible presence as part of the Service First concept. These new demands were met through looking internally for resources, recognizing and capitalizing on synergies, and reorganizing existing staff. The Records division also significantly enhanced the records management training program, which is being rolled out to staff across the organization, and collaborated with other departments to make better use of staff resources and technology advances.

The Hearing Examiner's Office processed 328 sign code violations in 2005. The reinstatement of a warning system together with education of the business community was anticipated to lead to a reduction in the number of sign code matters processed. Actual results indicate that the sign code caseload remains relatively steady, with some cases heard by Hearing Examiners and many others handled administratively due to achievement of compliance. Sign code violations processed, together with other case assignments, resulted in an average of 74 matters handled by each of the Examiners in 2005. The reduction in the matters heard from the previous year is directly attributable to the addition of two contract examiners. Other civil violations and appeals processed in 2005 numbered 27 cases.

The Hearing Examiners collectively achieved 100% timeliness goals for 2005 for issuance of decisions/recommendations, a goal that the office continues to strive for. For 2006 thus far, it is anticipated that the timeliness goals will decline to 99% (one case overdue). Hearing Examiner decisions and recommendations issued resulted in only one appeal to City Council and only one appeal filed with Superior Court during 2005.

City Clerk

Organizational Chart



City Clerk

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Council Support & Clerk's Official Functions	741,689	727,420	652,514	684,004
Records Management/Records Center	695,164	872,765	803,264	696,761
Hearing Examiner Services and Support	212,220	234,624	234,168	244,217
Base Budget	**1,649,073**	**1,834,809**	**1,689,946**	**1,624,982**
M&O ECM Project	-	-	80,081	127,164
Program Enhancements	**-**	**-**	**80,081**	**127,164**
Total Budget	**1,649,073**	**1,834,809**	**1,770,027**	**1,752,146**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	901,542	1,080,899	1,166,239	1,265,403
Interfund	364,199	306,651	241,219	214,089
M & O	196,332	270,259	269,069	272,654
Capital	187,000	177,000	93,500	-
Total Expenditures	**1,649,073**	**1,834,809**	**1,770,027**	**1,752,146**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	1,462,073	1,657,809	1,676,527	1,752,146
General CIP Fund	187,000	177,000	93,500	-
Total Resources	**1,649,073**	**1,834,809**	**1,770,027**	**1,752,146**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Council Support & Clerk's Official Functions	-	-	5.75	5.75
Records Management/Records Center	-	-	6.75	6.75
Hearing Examiner Services and Support	-	-	1.56	1.56
Total FTE	**11.56**	**12.87**	**14.06**	**14.06**

City Clerk

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Council Support & Clerk's Official Functions						
% citizen issues responded to within 10 days	%	Effectiveness	75	80	80	80
% rating customer service good/excellent	%	Effectiveness	97	92	95	95
# of contracts and documents processed	#	Workload	1,846	1,500	1,750	1,750
# of Council agenda items analyzed and scheduled in packet	#	Workload	484	500	500	500
% of targeted Council records available on ECM/Internet	%	Effectiveness	54	60	65	75
Hearing Examiner Services and Support						
Average # of matters processed per Hearing Examiner	#	Workload	74	84	80	80
# of land use matters heard	#	Workload	13	10	12	12
% of Hearing Examiner decisions delivered within 10 days	%	Efficiency	100	100	100	100
# of other civil violations processed	#	Workload	20	15	20	20
# of sign code violations processed	#	Workload	328	300	280	280
# of administrative appeals to Superior Court	#	Workload	1	1	1	1
Records Management/Records Center						
# of records retrieval requests	#	Workload	2,377	2,500	2,500	2,500
# of public disclosure requests processed	#	Workload	228	250	250	250

City Clerk

2007-2008 Work Initiatives

- Continue to expand the amount of public information routinely made available to public and staff;
- Implement Phase 2 of the Enterprise Content Management System (CIP Plan No. G-57), including integrations with other key enterprise systems, electronic document submittal, and records-intensive business process improvements;
- Complete the application process for the State's Electronic Imaging System certification allowing for maintenance of records in electronic format;
- Complete comprehensive revisions of Bellevue City Code and City policies and procedures relating to public records to assure compliance with changes in State law, model rules published by the State Attorney General, and new requirements identified by the Secretary of State;
- In collaboration with the City Attorney's Office, prepare additional proposed administrative updates to the Bellevue City Code for City Council consideration;
- Continue to manage centralized public records/public disclosure requests in alignment with State regulations and City policy;
- Implement enhanced Public Records training program for all staff on new policies and procedures;
- Provide professional consultation to staff on records-related issues. Work with departments to provide the necessary capabilities to manage all types of information through its lifecycle (creation to disposition);
- Ensure backup and protection of vital records, allowing for the continuity of operations in the event of a disaster, and complete a formal records restoration plan for the City;
- Provide analysis and recommendations on meeting records management needs for potential Municipal Court and regional Police/Fire communications facility;
- Continue efforts to provide clear information about and enhance citizen participation in the Hearing Examiner processes;
- Finalize scanning and indexing of historical Hearing Examiner cases as a part of the City's records management program. This will result in enhanced public and staff access to historical Hearing Examiner decisions, case files and history of sites within Bellevue.

Major Challenges for the Biennium

Key drivers of the City Clerk's Office work program include enhancing accessibility to public information, customer service, improving the efficiency/effectiveness of our processes, and compliance with best management practices.

The Records Management program is focused on ensuring the City's compliance with all State and Federal regulations for information management, while managing the substantial increase in volumes of electronic records and pursuing technological improvements to address current deficiencies. A recent ICMA-sponsored work on government records management projects that approximately 80% of government electronic information is housed as unstructured documents as opposed to structured databases. Information management has therefore shifted from work that could be accomplished by a small group of professionals to one where all staff need to be aware of record keeping requirements and concepts. The Records Center staff is committed to supporting employees through outreach and training programs and works collaboratively with staff of the Information Technology Department to provide training on existing tools to help staff manage their work.

Through implementation of Phase 2 of the ECM project, the City will become better equipped to manage information in all formats. The current challenge for all organizations is to find a way to address unmanaged information being created electronically and stored in multiple places. The ECM project will apply traditional records management principles and create an environment for managing and organizing records. Instead of having multiple copies of documents saved in both paper and electronic format, the ECM will provide a central location to store information. Records retention will be applied to records in accordance with State and City regulations, and confidential information will be protected in a securely-managed environment. Records management staff will work with City departments collaboratively to ensure the system is designed in a way that will meet the needs of staff; integrate with other systems; improve the flow of information within the city; and provide secure submittal and presentation of information to citizens and City customers.

As Bellevue continues to build out, the issues before the Hearing Examiners have become more complex, many requiring multiple hearings to address legal issues and to accommodate the numbers of persons testifying. Sign Code violation hearings are on the decline as Bellevue's business community is becoming more knowledgeable. However, the numbers of violations issued requiring administrative handling have not decreased, still averaging over 300 per year. There is no significant downward trend in case management.

City Clerk
Council Support & Clerk's Official Functions

Program Statement

The Council Support & Clerk's Official Function program provides legislative and administrative support for Council members, Council proceedings and facilitates the public process by providing timely and relevant public information.

Summary of Services Provided

This program manages preparation of Council meeting packets and logistics for Council's weekly meetings, administers the legislative process, public notification and legal publication of documents. This Division manages all official records of City Council actions as required by state law, coordinates the appointment process and operating procedures for Boards and Commissions, and is the intake point for the City's Claims for Damages and land use and administrative appeals.

With the opening of the new City Hall in February, 2006, the Information Center function that was formerly part of the City Clerk's Office budget was transferred to the Service First center located in the Concourse to provide "one stop shopping" for many City services. Also during the 2005–2006 biennium, in an effort to better align staffing resources and work functions, the centralized Word Processing function was transferred from the Finance Department to the City Clerk's Office and centralized mail services/postage management was transferred from the Clerk's Office to the Finance Department.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
City Clerk	619,490	684,146	652,514	684,004
Information Center	122,199	43,274	-	-
Base Budget	**741,689**	**727,420**	**652,514**	**684,004**
Total Budget	**741,689**	**727,420**	**652,514**	**684,004**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	496,212	542,722	554,380	580,021
Interfund	191,726	118,587	48,405	52,943
M & O	53,751	66,111	49,729	51,040
Total Expenditures	**741,689**	**727,420**	**652,514**	**684,004**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	741,689	727,420	652,514	684,004
Total Resources	**741,689**	**727,420**	**652,514**	**684,004**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
City Clerk	-	-	5.75	5.75
Total FTE	**6.00**	**6.31**	**5.75**	**5.75**

City Clerk
Council Support & Clerk's Official Functions

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Aid in fully-informed decision making process for Council						
# of Appeals filed in Clerk's Office	#	Workload	8	6	6	6
# of Claims filed against the City	#	Workload	85	75	75	75
% minutes presented for Council approval within 2 weeks	%	Efficiency	94	90	90	90
% packets delivered to Council 4 days before meeting	%	Efficiency	77	90	90	90
# of Council agenda items analyzed and scheduled in packet	#	Workload	484	500	500	500
# of Council meetings per year	#	Workload	49	48	48	48
# of pages of Council minutes prepared	#	Workload	518	500	500	500
Expand access to information for Council, staff & public						
# of contracts and documents processed	#	Workload	1,846	1,500	1,750	1,750
% of targeted Council records available on ECM/Internet	%	Effectiveness	54	60	65	75
Facilitate communication among Council, citizens, and staff						
% citizen issues responded to within 10 days	%	Effectiveness	75	80	80	80
% rating customer service good/excellent	%	Effectiveness	97	92	95	95
% issues tracked to resolution	%	Effectiveness	96	95	95	95

Issues related to Department Performance

The 2005 Customer Service Survey conducted by the City Clerk's Office rated overall satisfaction levels at 97%, surpassing the target of 92%.

Since the City Council meets on an almost weekly basis throughout the year, managing preparation and delivery of the weekly Council "packet" of information is a major focus of this division. Agenda materials included in the weekly Council packets help Council define issues, understand complex problems, recognize the policy implications of proposed actions, consider alternative solutions, and determine a recommended course of action. Staff makes every effort to have packets delivered to Council four days in advance of Council meetings to allow sufficient time for review and to receive responses from staff on any questions. Although the Council continues to address approximately 500 issues/agenda items a year, complexity of the items varies significantly.

By year-end 2005, the Department had made 54% of targeted City Council records available on the City's intranet, just short of the 60% goal. However, migration to a more advanced technology was identified to allow more comprehensive management of the growing volume of electronic documents and other records. In 2005, the Records Management Division led the implementation of Phase 1 of the Electronic Content Management System. Currently, this pilot enterprise-wide system contains over one million pages of documents. Of the public records managed by the Clerk's Office, by mid-year 2006 approximately 85% of all Council-adopted ordinances, resolutions and meeting minutes, as well as many other frequently requested public documents, had been imported and indexed into the new system. Public access to these records utilizing the internet will be provided in Phase 2 of Electronic Content Management System, which is included within the proposed 2007–2013 CIP Plan.

The City Council Office tracks and monitors responses to citizen concerns that have been presented to City Council, but individual departments are generally responsible for actual response times. In 2005, the City met the citizen issue/complaint resolution 10-day timeframe 75% of the time, improving on the previous year's 69% but still short of the 80% goal. The fluctuation between one year and the next can be explained in part by the number and types of issues raised. Many of the questions posed by the public

City Clerk
Council Support & Clerk's Official Functions

that can be quickly answered are now easily found on the internet, allowing citizens to "self help" a good part of the time. In years of high profile issues, more matters rise to the City Council level. More complicated, multi-departmental responses often take additional time for research or to coordinate a multi-faceted response. Over the past two years, several complex matters have required greater staff research and/or coordinated multi-departmental responses. Citizen concerns brought to Council in 2005 and 2006 included temporary encampments, critical areas regulations, planning for Sound Transit deployment on the Eastside, hospital districts, I-405 noise mitigation, and other noise/aesthetic issues.

Program Notes

This program represents 36.9% of the City Clerk's budget and 40.9% of its staffing.

City Clerk
Records Management/Records Center

Program Statement

As the professional manager of the City's records and information, the Records Center is charged with managing the integrity and preservation of the City's records in compliance with state law, Bellevue City Code, and the City's policies and procedures; assuring continuity of business and managing institutional knowledge in accordance with record keeping standards and best business practices; and providing responsive and helpful services to our customers.

Summary of Services Provided

The Records Management division (Records Center) establishes organization-wide records management policies and procedures and oversees management of the City's active, inactive and historical records and information. This program's charge includes managing public disclosure requests for records and information; assuring regulatory compliance with State and Federal recordkeeping rules; centralized recordkeeping for the Development Services group and other primary records of the City; and providing professional records management training, advice and services to departments, including recommending use of appropriate recordkeeping technologies and business process improvements.

The Records Center is also leading the implementation of the enterprise Electronic Content Management System (CIP Plan No. G-57). Phase 1 of this system is currently being provided utilizing an outsourced Application Service Provider which is hosting the hardware and software for the City. Over the course of the past year, the Records Center has been assembling information and planning for Phase 2 of this system implementation, which is included in the proposed 2007-2008 budget. Phase 2 includes purchase of the software and hardware, integrations with other key enterprise systems (such as JD Edwards, Amanda (permitting) and GIS), the ability to electronically submit documents to or from the City (i.e., permits, traffic incident reports, and court records), and records-intensive business process improvements including automated routing/workflow.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General CIP Projects	187,000	177,000	93,500	-
Records Management	508,164	695,765	709,764	696,761
Base Budget	**695,164**	**872,765**	**803,264**	**696,761**
M&O ECM Project	-	-	80,081	127,164
Program Enhancements	**-**	**-**	**80,081**	**127,164**
Total Budget	**695,164**	**872,765**	**883,345**	**823,925**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	281,915	409,555	482,221	549,714
Interfund	147,606	156,041	165,220	131,539
M & O	78,643	130,169	142,404	142,672
Capital	187,000	177,000	93,500	-
Total Expenditures	**695,164**	**872,765**	**883,345**	**823,925**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	508,164	695,765	789,845	823,925
General CIP Fund	187,000	177,000	93,500	-
Total Resources	**695,164**	**872,765**	**883,345**	**823,925**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Records Management	-	-	6.75	6.75
Total FTE	**4.00**	**5.00**	**6.75**	**6.75**

City Clerk
Records Management/Records Center

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Apply new Technology for efficient records management						
% of records staff trained on Records Management Software	%	Effectiveness	100	100	100	100
# of records housed in ECM	#	Workload	635,000	1,000,000	1,100,000	1,500,000
# of document types set up for ECM implementation	#	Workload	41	50	60	100
Manage Citywide essential record & disaster recovery program						
# hours providing training/workshop opportunities	#	Effectiveness	40	100	100	100
Update essential Records Program	%	Effectiveness	100	100	100	100
Manage Citywide records system for inactive records						
# of boxes permanently withdrawn from offsite storage	#	Effectiveness	861	1,000	1,000	1,050
# of records retrieval requests	#	Workload	2,377	2,500	2,500	2,500
Manage Records Program per State law & City policies						
# of boxes managed in off-site storage	#	Workload	11,494	11,500	11,000	10,000
% public disclosure responses within 5 days	%	Efficiency	100	100	100	100
# of public disclosure requests processed	#	Workload	228	250	250	250

Issues related to Department Performance

During 2005 the Records Management Division was reorganized in an effort to support the City's Service First (one-stop shopping) customer service model. Two records-related positions within Development Services and two positions within the City Clerk's Official Functions division were transferred to the Records Center in recognition of the emerging need for a more centralized and professional records management program.

As part of this realignment, the public records request process was centralized, and the Records Center now serves as the coordination point for almost all public records requests. In addition, changes in public records law and the promulgation of new Model Rules for public disclosure by the State Attorney General require a significantly greater investment of staff time to manage public disclosure requests. It is anticipated that centralization of responses will help improve the efficiency and responsiveness of the process.

The foundation for managing the City's electronic records was laid with the successful implementation of the Enterprise Content Management (ECM) system pilot program (Phase 1) utilizing an outsourced system provider. A major emphasis of this project was to identify information used throughout the City and to create a managed electronic repository for its shared use. The Records staff worked with City employees to identify records for inclusion in this system and created a structured and secure repository. One major outcome of this system development effort was the significant enhancement of the professionalism of the City's records program. Records Center staff and departmental Records Coordinators engaged in an enhanced training program where they developed technical knowledge of the new system, began developing and implementing an enterprise-wide information architecture for key documents, identified new standards for protecting the City's confidential information, and initiated work on a comprehensive overhaul of the City's records-related policies and procedures. This work sets the stage for comprehensively addressing organization-wide needs to better manage electronic records, including email and website content.

Program Notes

This program represents 49.9% of the City Clerk's budget and 48.0% of its staff.

The Records Management program will continue to focus efforts on systematic, enterprise-wide efficiencies, best business practices and appropriate technologies to fulfill customer needs and meet regulatory requirements.

City Clerk
Hearing Examiner Services and Support

Program Statement

The Hearing Examiner's Office functions as a quasi-judicial hearing body for the City Council, and provides a forum which encourages citizen participation. Hearing types include land use applications, appeals of administrative determinations, civil violations and sign code infractions.

Summary of Services Provided

The City Clerk's Office manages contracts with several attorneys who act as independent Hearing Examiners on quasi-judicial land use and administrative matters on behalf of the City Council. The Hearing Examiners conduct open public hearings to determine facts and hear arguments. Depending on the type of matter being heard, after the hearing process concludes the Examiners make a final determination for the City, which is then appealable to City Council or Superior Court, or a recommendation to the City Council for Council's action. All administrative staff support for the Hearing Examiners, including management of the official court-like public record, is provided by 1.56 staff positions in the Hearing Examiner's Office.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Hearing Examiner	212,220	234,624	234,168	244,217
Base Budget	**212,220**	**234,624**	**234,168**	**244,217**
Total Budget	**212,220**	**234,624**	**234,168**	**244,217**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	123,415	128,622	129,638	135,668
Interfund	24,867	32,023	27,594	29,607
M & O	63,938	73,979	76,936	78,942
Total Expenditures	**212,220**	**234,624**	**234,168**	**244,217**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	212,220	234,624	234,168	244,217
Total Resources	**212,220**	**234,624**	**234,168**	**244,217**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Hearing Examiner	-	-	1.56	1.56
Total FTE	**1.56**	**1.56**	**1.56**	**1.56**

City Clerk
Hearing Examiner Services and Support

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Improve understanding of the Hearing Examiner process						
Estimated # of parties of record notified	#	Workload	2,000	2,000	2,000	2,000
# of contract Hearing Examiners	#	Workload	5	5	5	5
# of pages verbatim testimony transcribed	#	Workload	560	1,000	1,300	1,300
Average # of matters processed per Hearing Examiner	#	Workload	74	84	80	80
% of Hearing Examiner decisions delivered within 10 days	%	Efficiency	100	100	100	100
# of continued or reopened hearings	#	Efficiency	2	2	2	2
Provide forum for quasi-judicial matters per City Code						
# of other civil violations processed	#	Workload	20	15	20	20
# of sign code violations processed	#	Workload	328	300	280	280
# of administrative appeals to Superior Court	#	Workload	1	1	1	1
Estimated # of parties of record notified	#	Workload	2,000	2,000	2,000	2,000
# of Appeals of administrative matters	#	Workload	7	10	10	12
# of land use matters heard	#	Workload	13	10	12	12
# of land use decisions appealed to City Council	#	Effectiveness	1	2	2	2
# of land use decisions amended or overturned	#	Effectiveness	-	-	-	-

Issues related to Department Performance

The Hearing Examiners' timeliness in rendering decisions remains steady at 99%. This level of service can be attributed to the conscientious efforts of the City's five contract Examiners.

Volumes of cases before the Hearing Examiners are dependent upon the filing of land use applications, administrative appeals of various City department determinations, and miscellaneous hearings requested by City Council or Boards. For this reason, anticipated case loads are not easily predictable.

In 2005 contracts were established with two additional Hearing Examiners to allow greater flexibility in assignments, coverage when Examiners are ill or on vacation, and the ability to assign cases according to expertise.

Program Notes

This program represents 13.2 % of the City Clerk's Office budget and 11.1% of its staffing.

The Hearing Examiner's Office continues to manage Hearing Examiner services through the use of contract attorneys, which has proven efficient and cost effective. The practice of contracting out Hearing Examiner services, rather than performing these services with City staff, began in 1989.

Under Regulatory Reform, the contract Examiners were given greater decision-making responsibility. In addition, they are now being assigned a broader array of matters and code enforcement actions, including sign code enforcement actions and street latecomer agreements.

City Clerk

Biennial Budgeted Cost Summary	2005-2006 Budget	2007-2008 Budget	% Change
Council Support & Clerk's Official Functions	1,469,109	1,336,518	(9)%
Records Management/Records Center	1,567,929	1,500,025	(4)%
Hearing Examiner Services and Support	446,844	478,385	7 %
Base Budget	**3,483,882**	**3,314,928**	**(1)%**
M&O ECM Project	-	207,245	-
Program Enhancements	**-**	**207,245**	**-**
Total Budget	**3,483,882**	**3,522,173**	**1 %**

Biennial Expenditure Category Summary	2005-2006 Budget	2007-2008 Budget	% Change
Personnel	1,982,441	2,431,642	23 %
Interfund	670,850	455,308	(32)%
M & O	466,591	541,723	16 %
Capital	364,000	93,500	(74)%
Total Expenditures	**3,483,882**	**3,522,173**	**1 %**

Biennial Funding Summary	2005-2006 Budget	2007-2008 Budget	% Change
General Fund	3,119,882	3,428,673	10 %
General CIP Fund	364,000	93,500	(74)%
Total Resources	**3,483,882**	**3,522,173**	**1 %**

CITY OF BELLEVUE
WASHINGTON

12. City Council

City Council

Program Outcome Statement

The City Council has established the following goals and underlying principles that guide their work:

- Protect the livability and vitality of all the City's neighborhoods;
- Maintain a vital downtown;
- Work together with citizens and community groups to solve problems;
- Provide quality and responsive City services and infrastructure;
- Ensure public safety;
- Respond to the needs of youth and families;
- Improve transportation systems;
- Maintain an attractive and clean City;
- Protect and enhance our natural environment;
- Manage the City's finances prudently;
- Provide regional leadership and cooperation.

Services and Accomplishments

The City Council continues to devote significant energy to improving the quality of life for Bellevue residents and businesses. Transportation and traffic issues top citizen concerns and remain a Council priority. The Council has invested a significant portion of their work efforts on local, regional, state, and federal transportation issues to attack congestion on a variety of fronts.

Similarly, the Council has continued to focus on neighborhood preservation and standards, including approving projects to enhance neighborhood character and livability, evaluating opportunities to improve neighborhood vitality, and promoting opportunities for neighborhood involvement.

The move to the new City Hall and the public inauguration of the Service First center occurred in February, 2006. The City's 2002 acquisition of the Qwest building to address long-standing public safety facility needs culminated in the development of a full-service City Hall located in Downtown Bellevue. At the same time, the City innovatively combined many of its customer service functions into the centralized Service First center located in the Concourse at City Hall to provide "one stop shopping" for many City services.

The City Council has also significantly enhanced the Economic Development program and continues to position Bellevue as a regional business center. This investment focuses Bellevue's resources on long-term economic and regional strategies aimed at stimulating economic growth and strengthening the local economy.

The Council continues their active role on regional committees and efforts to influence legislation at the state and federal levels on natural resources, regional transportation improvement projects on I-90, I-405 and SR 520, Sound Transit, water supply, human services, and other significant issues.

In 2005, Council influenced legislation at the state and federal levels. Under Council direction, City staff tracked 1,156 state legislative issues and secured full funding ($67 million) for the NE 10th Street overcrossing; $1.5 billion in state funding for I-405; $552 million for SR 520 bridge replacement; $30 million for I-90 2-way transit/HOV; $400,000 for a synthetic sports field at Robinswood Park; and $750,000 to complete purchase of waterfront property for Meydenbauer Bay Park.

Other significant accomplishments during 2005 and 2006 include:

Neighborhoods and Community Outreach

- Formulated the Neighborhood Livability Action Agenda and launched a three-part program to address property maintenance concerns, neighborhood development impacts, and unmet needs for neighborhood infrastructure.
- Continued coordination of final Neighborhood Investment Strategy projects and supported grassroots citizen involvement in East Bellevue neighborhoods.
- Completed the Neighborhood Enhancement Program process in six neighborhoods and funded twenty projects valued at $1.7 million during 2005 to 2006.
- Completed six traffic calming projects during 2005 and will install four additional traffic calming projects during 2006. Also deployed 5 stationary radar signs in neighborhoods to reduce traffic speed.
- Initiated a coordinated interdepartmental project to analyze neighborhood sidewalk needs, define problems and gaps, and propose solutions.
- Redesigned the City's website as a primary communication vehicle to organize content around user needs and make the City's website more usable.
- Introduced videostreaming of City Council meetings and other public information including It's Your City monthly magazine program in video format.
- Completed the Neighborhood Resource Guide and Homeowner's Home Improvement Guide.

City Council

Transportation

- Completed NE 29th Place connection, Kamber Road, Forest Drive-Phase 1, 148th Avenue SE, and final elements of Access Downtown projects.
- Initiated NE 10th Street extension project to serve as a new entry point to the medical campus (and ultimately a new freeway interchange) in cooperation with Overlake Hospital, Group Health, and WSDOT.
- Completed the Factoria Area Transportation Study (FATS), began implementation of transportation improvements, and secured new transit service from Sound Transit.
- Selected a preferred design alternative for West Lake Sammamish Parkway with strong community support
- Improved resident and commuter access to traffic information by implementing an online real time traffic map for Bellevue arterials.
- Began implementing the Intelligent Transportation System Plan (ITS).

Public Safety

- Continued to achieve reduced rates of both violent and property crimes.
- Achieved greater than 40% cardiac arrest save rate.
- Retained I.S.O. Class II fire rating.
- Made steady progress toward ensuring that technology resources would be available post-disaster to assist the organization and the community.
- Initiated assessment of regionalizing Police and Fire dispatch services.
- Completed construction and outfitting of the new Criminal Forensics lab.
- Enhanced regional capabilities to respond to emergency incidents through unprecedented cooperation with surrounding agencies, particularly the City of Seattle, Eastside Fire agencies, and King County. These efforts included planning, training, and exercising scenarios.
- Realized $650,000 in federal and state Homeland Security grants used for improved equipment and training for disaster preparedness.
- Received $711,790 for 35 defibrillator units for Advanced Life Support and Basic Life Support responses that will assist treatment of patients experiencing cardiac arrest.

Parks and Open Space

- Opened South Bellevue Community Center and Lewis Creek Park and Visitor Center; expanded Crossroads Community Center.
- Completed Meadow Wood Park and two skate parks at Lakemont Park and Crossroads Park.
- Acquired Wilburton and Meydenbauer Bay properties, leveraging over 40% of their costs through external funding.
- Assumed 450-acre Coal Creek Natural Area and Surrey Downs properties from King County.
- Attracted over 60,000 spectators to the annual Family 4th of July event.
- Received the National Gold Medal Award for overall excellence in Park management from the National Recreation and Park Association.
- Provided and supported significant community events including July 4th, Seafair Marathon, 24 Hour Relay, Strawberry Festival, Farm Fair, Sheep Shear and Garden Delights.
- Provided and supported needs of our diverse community through community events including Multi-Cultural Festival, Hispanic Heritage Month and Black History Month celebrations, workshops for cultural organizations and non-profits to build cultural competency, citizenship classes for new immigrants, and the Voices of Diversity radio and TV show.
- Bellevue Youth Theatre presented "Building Community Through Theatre" at National Professional Recreation Association (NRPA) Conference.

Human Infrastructure

- Funded 60 human services programs that provide direct services to Bellevue residents in need.
- Provided health and safety repairs to 43 low or moderate income homeowners in 2005 and 36 to date in 2006 through the Home Repair Program.
- Participated in the Eastside Human Services Forum and the development of King County Veterans and Human Services Levy funding strategies.
- Developed Tent City ordinance that balances the legal rights of those hosting and residing in temporary encampments with the right of Bellevue residents to enjoy their property and feel secure in their homes.
- Provided relief to victims of Hurricanes Katrina and Rita.

City Council

Environmental Stewardship

- Furthered implementation of Cascade Water Alliance action plan for securing a new regional water supply.
- Finalized WRIA 8 salmon conservation plan as part of regional watershed planning.
- Constructed $10 million in utility infrastructure improvements in 2005 and $4 million in 2006.
- Implemented Coal Creek Stabilization Program.
- Influenced outcomes of draft National Pollution Discharge Elimination System (NPDES) Phase 2 stormwater permit.
- Influenced development of regional Solid Waste Export Plan.

Economic Vitality

- Provided permitting/inspection services for Lincoln Square development (2nd largest mixed use development in North America) and Bellevue School District.
- Issued over 12,000 permits totaling approximately $350 million in valuation in 2005, and 9,473 permits totaling approximately $421.5 million in valuation through August, 2006.

Technology

- Continued implementation of additional components of the financial/human resources system.
- Completed implementation of the Public Safety wireless system, including installation of mobile data computers in Public Safety vehicles, wireless dispatch functionality, and automatic vehicle location.
- Implemented the CLASS online Parks program registration and enterprise cash receipting system which facilitates payment for services by a variety of methods to increase convenience for our customers.
- Implemented Phase 1 of the enterprise Electronic Content Management System.
- Implemented an automated application process for the citywide roster of eligible, pre-qualified vendors who are interested in providing services to the City.
- Furthered work in partnership with other neighboring cities on multi-jurisdictional technology systems as part of the eGov Alliance.
- Launched MyParksandRecreation.com and NW Maps.net.
- Completed fiber optic connections between the University of Washington; Kirkland and Bellevue City Halls; Bellevue School District; Lake Washington School District; and Overlake and Evergreen Hospitals. Work is under way to extend the fiber infrastructure to Renton City Hall and Bellevue Community College's two Bellevue campuses.
- Implemented the online Crime Map as a service to citizens and the media.

Cultural Infrastructure

- Installed two permanent public art works, Currents and Compass, at new City Hall.
- Installed Temple of the Stones at South Bellevue Community Center.
- Attracted thousands of residents to the Downtown Park and City Hall for the 7th biennial Bellevue Sculpture Exhibition.
- Installed 800 art tiles designed by children and youth into the NE 8th wall.
- Installed Wild in the City at Bellefield Office Park in partnership with Equity Office Properties Trust.
- Updated vision and direction for Public Art Program.
- Allocated $220,000 to strengthen local arts programming through a process that reviews the artistic, fiscal and managerial excellence of its applicants. 39 allocations were made.
- Worked with developers of the 1020 Tower project to construct a "shell" for a black box theatre to provide 150-200 seats to accommodate smaller arts groups or special events presenters looking for a more intimate setting.

Regional Leadership

- Worked with Sound Transit, other Eastside communities, and WSDOT on the continued development of Sound Transit Phase 2, other High Capacity Transit planning, and I-405, I-90, and SR 520 regional projects.
- Continued efforts to pursue consolidated regional public safety dispatching with other Eastside cities.
- Negotiated the extension of municipal court services with King County.
- Funded high priority City of Bellevue homeland security projects through $1 million in federal grants.
- Contributed local feedback to Puget Sound Regional Council's Vision 2020 + 20 preliminary preferred growth strategy for employment and housing.

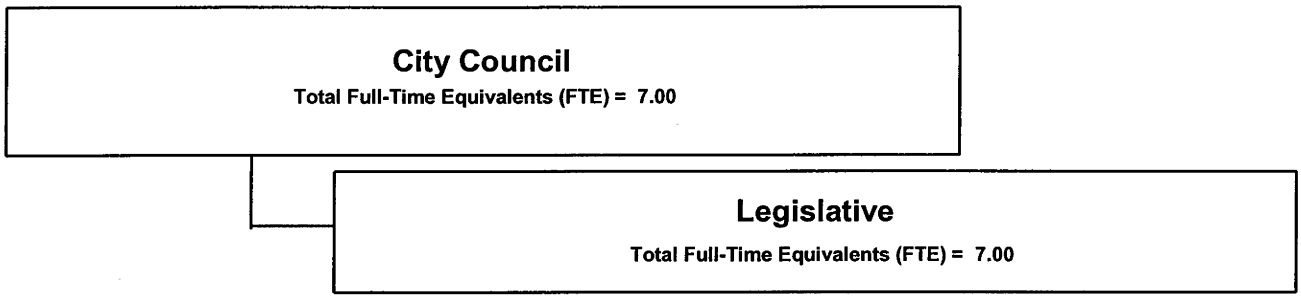
City Council

Other accomplishments

- Continued to hold Aaa bond rating from Moody's and achieved an AAA rating from Standard & Poor.
- Continued to make systematic improvements to the City's permitting and inspection services through the Development Services Initiative (DSI).
- Initiated the Bel-Red Corridor study intended to identify the preferred long-term land use and transportation vision for that area of the City, as well as the Crossroads Center and Wilburton/NE 8th planning studies.
- Completed the state-required Comprehensive Plan Update and Critical Areas review.
- Successfully negotiated a new Solid Waste contract which is expected to achieve $23 million in savings by ratepayers over ten years.
- Successfully negotiated a new 10-year franchise with Olympic Pipe Line Company.
- Coordinated with Bellevue Downtown Association, SeaFair, adjacent jurisdictions and others to successfully run multiple special events, generating positive publicity and revenue for the City.
- Achieved national accreditations for Police Operations, Public Safety Communications, and Parks and Recreation during 2005, which demonstrate the professional management of these City programs. Accreditations of Fire, Emergency Management, and Utilities programs had previously been achieved.

City Council

Organizational Chart



City Council

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Legislative	346,178	364,827	411,871	427,762
Base Budget	**346,178**	**364,827**	**411,871**	**427,762**
Total Budget	**346,178**	**364,827**	**411,871**	**427,762**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	237,717	246,252	261,247	266,992
Interfund	58,977	67,863	98,390	107,181
M & O	49,484	50,712	52,234	53,589
Total Expenditures	**346,178**	**364,827**	**411,871**	**427,762**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	346,178	364,827	411,871	427,762
Total Resources	**346,178**	**364,827**	**411,871**	**427,762**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Legislative	-	-	7.00	7.00
Total FTE	**7.00**	**7.00**	**7.00**	**7.00**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Legislative						
% of citizens rating City as good to excellent place to live	%	Effectiveness	95	95	95	95
% of Citizens saying City heading in right direction	%	Effectiveness	86	80	80	80
Number of State Legislative issues tracked	#	Effectiveness	1,156	720	720	720
# regional committees/organizations Council participates on	#	Workload	49	40	45	45
% of items approved by Council on Consent Calendar	%	Efficiency	68	75	75	75
Number of applicants for Board/Commission positions	#	Effectiveness	35	30	30	25
Number of Board/Commission positions filled	#	Effectiveness	25	15	20	15

City Council

2007-2008 Work Initiatives

- Neighborhood livability
- Community outreach
- Human infrastructure
- Public safety
- Parks and open space
- Environmental stewardship
- Transportation
- Economic vitality
- Technology
- Cultural infrastructure
- Regional leadership and collaborations
- Cascade Water Alliance
- Promote City's legislative agenda at the federal, state, and local levels.

Major Challenges for the Biennium

The Council anticipates the following challenges for the biennium:

- Responding to additional service needs generated by community growth and diversification;
- City fiscal health and flexibility;
- Scope and range of facilities necessary to retain a high quality of life;
- Land use and environmental stewardship;
- Economic vitality;
- Continuing collaboration with other Eastside cities and regional agencies on high-profile regional issues;
- Continuing need to support legislative actions that are supportive of cities and oppose legislative actions that are detrimental to cities.

City Council
Legislative

Program Statement

The City Council is charged with protecting, enhancing, and promoting the health, welfare, and safety of the people living in, working in, and visiting Bellevue. Their mission is to provide high quality services and facilities that meet the needs of the community.

Summary of Services Provided

The City Council provides accessible and proactive leadership and governance for the City. The Council meets four times per month, with the exception of August and December when fewer meetings are scheduled, where they establish laws and policies through study and adoption of legislation. Among the primary duties of the Council are review and adoption of the operating budget to fund City services and programs, and review and adoption of the Capital Investment Program (CIP) Plan to fund City infrastructure. City Councilmembers meet with residents, citizen groups, and business leaders to hear concerns and resolve problems, and oversee a wide-ranging agenda for the community. They also represent Bellevue citizens' interests by serving on local and regional bodies such as regional committees established by the Metropolitan King County Council and Sound Transit Board, and on state and national committees addressing pipeline safety and transportation project funding.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
City Council	346,178	364,827	411,871	427,762
Base Budget	**346,178**	**364,827**	**411,871**	**427,762**
Total Budget	**346,178**	**364,827**	**411,871**	**427,762**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	237,717	246,252	261,247	266,992
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Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	346,178	364,827	411,871	427,762
Total Resources	**346,178**	**364,827**	**411,871**	**427,762**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
City Council	-	-	7.00	7.00
Total FTE	**7.00**	**7.00**	**7.00**	**7.00**

City Council
Legislative

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Citizen Involvement in City Government						
Number of applicants for Board/Commission positions	#	Effectiveness	35	30	30	25
Number of Board/Commission positions filled	#	Effectiveness	25	15	20	15
Number of citizens serving on boards, committees, task force	#	Efficiency	452	400	400	400
Citizen Satisfaction that City Moving in Right Direction						
% of Citizens saying City heading in right direction	%	Effectiveness	86	80	80	80
Citizen Satisfaction with Bellevue's Livability						
% of citizens rating City as good to excellent place to live	%	Effectiveness	95	95	95	95
Promote City Interests & Influence Impactive Legislation						
Number of State Legislative issues tracked	#	Effectiveness	1,156	720	720	720
# regional committees/organizations Council participates on	#	Workload	49	40	45	45
Provide Timely and Effective Decision Making						
Number of ordinances adopted by City Council	#	Effectiveness	52	50	50	50
Number of resolutions adopted by City Council	#	Effectiveness	182	150	150	150
% of items approved by Council on Consent Calendar	%	Efficiency	68	75	75	75

Issues related to Department Performance

Of the citizens surveyed in 2005, 95% responded that the City was a "good" or "excellent" place to live, meeting the targeted goal and demonstrating residents' overall satisfaction. Almost nine out of ten residents (88%) feel they are getting their money's worth for the tax dollars they pay.

Citizen agreement with the direction in which the City is heading increased to 86% in 2005. This level of residents' concurrence is the highest since the City began tracking this performance measure and points to the Council's efforts to better communicate about current issues as well as their determination to make themselves available to listen and respond to the needs of the citizenry.

Sixty-six percent of Bellevue residents feel the City is responsive to its residents, and 74% report satisfaction with the job the City is doing in planning for the future.

City Council maintained an active role on regional issues as indicated by their participation on 49 regional committees and organizations addressing regional decision making.

Program Notes

The City Council's budget has remained stable over time with only a slight increase attributable to inflation. Legislative and administrative support for the City Council and their proceedings is provided by the City Clerk's Office.

Current City Council compensation was established by Ordinance No. 5163 and, under state law, no increase or decrease in compensation can apply to an incumbent during the term being served. Monthly salary levels held by the Mayor, Deputy Mayor and Councilmembers were established at the recommendation of the 1999 citizen-based Council Compensation Task Force.

City Council

Biennial Budgeted Cost Summary	2005-2006 Budget	2007-2008 Budget	% Change
Legislative	711,005	839,633	18 %
Base Budget	**711,005**	**839,633**	**18 %**
Total Budget	**711,005**	**839,633**	**18 %**

Biennial Expenditure Category Summary	2005-2006 Budget	2007-2008 Budget	% Change
Personnel	483,969	528,239	9 %
Interfund	126,840	205,571	62 %
M & O	100,196	105,823	6 %
Total Expenditures	**711,005**	**839,633**	**18 %**

Biennial Funding Summary	2005-2006 Budget	2007-2008 Budget	% Change
General Fund	711,005	839,633	18 %
Total Resources	**711,005**	**839,633**	**18 %**

13. City Manager

City Manager's Office

Program Outcome Statement

The mission of the City Manager's Office is to provide for organizational leadership in the implementation of Council vision, goals, policies, and direction.

Services and Accomplishments

Services

The City Manager's Office consists of the following program areas:

- Overall City Management and Planning;
- Intergovernmental Relations and Coordination;
- International Relations (Sister Cities);
- Communications Office.

The Office of Economic Development also joined the City Manager's Office as a program during the 2005-2006 biennium but it will be reflected as a separate department in the 2007-2008 budget.

The goals of the City Manager's Office are to:

- Provide leadership to the organization based on the City's Core Values: Exceptional Public Service, Stewardship, Commitment to Employees, Integrity, and Innovation;
- Ensure that the goals and objectives of City departments fulfill City Council directives, and that the City's work is carried out through effective management of human, financial, and material resources;
- Provide leadership and coordinate the City's role in local, regional, state, and federal intergovernmental issues, while promoting effective partnerships with Bellevue's businesses and residential communities;
- Provide leadership and coordinate communications with citizens and the news media on citywide issues, and maximize the effectiveness of city-owned media (such as Bellevue Television - BTV, the City website, It's Your City - the City's newsletter, etc.) for enhancing understanding of City issues and programs by residents, businesses, and City staff;
- Provide opportunities for citizens, staff, and Council to actively participate in the Sister Cities Program.

Accomplishments

The City Manager's Office accomplished the following items during the 2005-2006 biennium:

Overall City Management and Planning

- Achieved high satisfaction ratings in 2005:

  - 95% of residents rated Bellevue as a good or excellent place to live, down slightly from 97% in 2004;
  - 86% felt that Bellevue was headed in the right direction in 2005, improving upon 78% in 2004;
  - 74% said they are fairly satisfied or very satisfied with the job the City is doing in planning for the future, an increase over 71% in 2004;
  - 88% of respondents felt they were getting their money's worth for their tax dollar in 2005's budget survey, significantly higher than 82% from 2004.

- Bellevue's departments are operating at the highest levels of professionalism:

  - The Bellevue Police Department, the Eastside Communications Center (911 center), and the Parks & Community Services Department earned accreditation in 2005;
  - The Parks & Community Services Department also won the Gold Medal Award for Excellence in Park and Recreation Management from the National Recreation and Park Association (NRPA) in 2005; it is the highest honor that NRPA bestows upon a public agency;
  - The Fire and Utilities Departments earned accreditation prior to the 2005-2006 budget period while other City departments are currently pursuing accreditation.

- The City's finance/human resources system implementation continued to proceed on time and on budget.

- Continued improvements in development activities through the Development Services Initiative (DSI), an effort to reform how the City provides development services.

City Manager's Office

- Completed renovation and occupied new City Hall with minimal disruption to City operations.

- Neighborhood Outreach continues to be a priority:

  - Percentage of residents rating their neighborhood good or excellent reached 90%;
  - Satisfaction levels for all neighborhood outreach programs remain above 90%.

- Successfully implemented first stage of Service First, an enhanced customer service program.

- Provided staff support and guidance to the eGov Alliance, A Regional Coalition for Housing, the Eastside Public Safety Communications Agency, and other regional partnerships that save money through economies of scale while providing higher levels of service to Bellevue citizens.

Intergovernmental Relations and Coordination Program

- Worked with Sound Transit and other Eastside communities on the continued development of Sound Transit 2, a transportation services package that will go to voters during the fall of 2007 that includes a light rail line across I-90, through Downtown Bellevue, and along the Bel-Red Road Corridor to Redmond.

- Continued efforts to pursue the concept of consolidated regional public safety dispatching with other Eastside cities, moving the project to the verge of implementation.

- Negotiated an extension of municipal court services from King County.

- Significantly enhanced City grant revenues:

  - Funded high-priority City of Bellevue homeland security projects, worth $1.0 million, through federal grants;
  - Funded high-priority transportation projects through state and federal sources: $67 million from the State and over $10 million from the Federal Government for the NE 10th Street overcrossing; $1.5 billion for I-405 improvements; $552 million for SR 520 and $30 million for I-90 2-way HOV;
  - Secured state funding of $400,000 for synthetic sports field at Robinswood and $750,000 for Meydenbauer Bay.

International Relations (Sister Cities)

- Sister Cities exchanges in 2005-2006 included:

  - Elected official visit from Liepaja, Latvia;
  - Staff Exchange to, Kladno, Czech Republic;
  - Staff Exchange to, Yao, Japan;
  - Staff Exchange to Liepaja, Latvia;
  - Staff exchange from Yao, Japan;
  - Staff exchange from Kladno, Czech Republic.

- Official delegations and conventions:

  - Bellevue Sister Cities Association sponsored official delegation to Kladno, Czech Republic and Liepaja, Latvia led by Mayor Grant Degginer and Councilmember Claudia Balducci;
  - Bellevue Sisters Cities Association representatives attended the 2005 Sister Cities International 50th Anniversary Annual Convention in Spokane, WA.

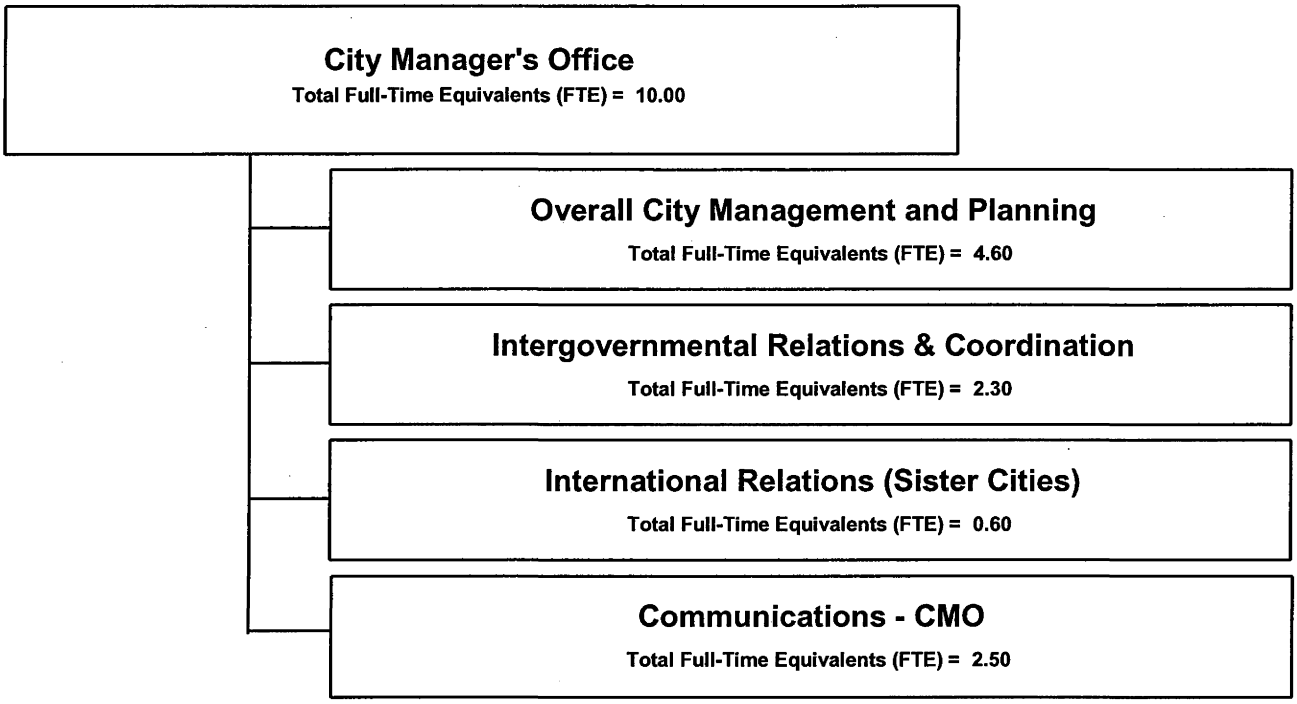
Communications

- Managed re-design of City's website in coordination with the Information Technology Department, hired an Online Editor to manage site from citywide perspective.

- Enhanced quality of City's newsletter and BTV programming, focusing content on strategic policy initiatives.

- Worked closely with the City Manager and other staff to enhance media relations.

City Manager's Office
Organizational Chart



City Manager's Office

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Overall City Management and Planning	1,388,331	1,542,679	841,436	883,016
Intergovernmental Relations & Coordination	-	-	413,289	437,215
International Relations (Sister Cities)	-	-	110,763	127,580
Communications - CMO	-	-	312,086	317,249
Base Budget	**1,388,331**	**1,542,679**	**1,677,574**	**1,765,060**
Total Budget	**1,388,331**	**1,542,679**	**1,677,574**	**1,765,060**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	963,672	1,028,368	1,262,052	1,333,254
Interfund	245,826	256,994	197,431	208,049
M & O	178,833	257,317	218,091	223,757
Total Expenditures	**1,388,331**	**1,542,679**	**1,677,574**	**1,765,060**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	1,388,331	1,542,679	1,677,574	1,765,060
Total Resources	**1,388,331**	**1,542,679**	**1,677,574**	**1,765,060**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Overall City Management and Planning	-	-	4.60	4.60
Intergovernmental Relations & Coordination	-	-	2.30	2.30
International Relations (Sister Cities)	-	-	0.60	0.60
Communications - CMO	-	-	2.50	2.50
Total FTE	**9.00**	**10.00**	**10.00**	**10.00**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Communications - CMO						
% of residents surveyed very satisfied with "It's Your City" newsletter	%	Effectiveness	50	50	50	50
Overall City Management and Planning						
% indicating Bellevue is headed in the right direction	%	Effectiveness	86	75	80	80
% of citizens rating City as a good or excellent place	%	Effectiveness	95	95	95	95

City Manager's Office

2007-2008 Work Initiatives

Overall City Management and Planning

- Continue efforts to improve interdepartmental coordination, collaboration, and staffing to shift from a more decentralized vertical organizational structure to a more centralized, coordinated, and consolidated approach.
- Continue to implement the Service First customer service initiative.
- Continue work on the Development Services Initiative.
- Work to guide the deployment of the Downtown Implementation Plan.
- Continue to implement the City's enhanced economic development efforts through the Office of Economic Development.

Intergovernmental Relations and Coordination

- Provide leadership among Eastside and Puget Sound Region cities to promote collaborations in mutual best interest to create efficiency of delivery and improve service levels, such as the Northeast King County Regional Communications Center (NORCOM).
- Effectively promote the City's legislative agenda at the federal, state, and local levels to the appropriate stakeholders that will influence positive outcomes.
- Continue to aggressively pursue grants through state and federal sources.
- Provide strong emphasis on achieving additional regional and state funding for key transportation needs such as SR 520, I-405, I-90 and Sound Transit.

International Relations (Sister Cities)

- Continue to support the grassroots efforts of Bellevue citizens through cooperation with Bellevue's four Sister Cities and with the Bellevue Sister Cities Association.

Communications

- Continue to ensure good communications between the City Council, staff, and the public in the coordination of citywide communications and public involvement.
- Evaluate and selectively implement new web-based technology and other communications enhancements.
- Continue to develop the City's new website.
- Continue to improve City publications.

Major Challenges for the Biennium

The City Manager's Office anticipates challenges in a variety of citywide areas including:

- Responding to additional service needs generated by community growth and diversification;
- City fiscal health and flexibility;
- Scope and range of facilities necessary to retain a high quality of life;
- Land use and environmental stewardship;
- Economic vitality;
- Continuing collaboration with other Eastside cities and regional agencies on high-profile regional issues;
- Continuing need to support legislative actions that are supportive of cities and oppose legislative actions that are detrimental to cities.

City Manager's Office
Overall City Management and Planning

Program Statement

The City Manager's Office is responsible for providing organizational leadership in the implementation of the Council's vision, goals, policies, and direction.

Summary of Services Provided

The City Manager's Office serves the City Council and customers internal and external to the City in support of its Program Statement.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Overall City Management and Planning	1,388,331	1,542,679	841,436	883,016
Base Budget	**1,388,331**	**1,542,679**	**841,436**	**883,016**
Total Budget	**1,388,331**	**1,542,679**	**841,436**	**883,016**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	963,672	1,028,368	688,999	728,381
Interfund	245,826	256,994	98,129	98,912
M & O	178,833	257,317	54,308	55,723
Total Expenditures	**1,388,331**	**1,542,679**	**841,436**	**883,016**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	1,388,331	1,542,679	841,436	883,016
Total Resources	**1,388,331**	**1,542,679**	**841,436**	**883,016**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Overall City Management and Planning	-	-	4.60	4.60
Total FTE	**4.35**	**4.35**	**4.60**	**4.60**

City Manager's Office
Overall City Management and Planning

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Assure High Quality Services Development/Maintenance						
% of people who say they are getting their tax dollars worth	%	Effectiveness	88	85	87	89
Assure Organization is Efficient and Meets Its Needs						
Program cost as % of City Net Budget	%	Efficiency	0.13	0.16	0.19	0.21
Program FTEs as % of City FTEs	%	Efficiency	0.35	0.34	0.36	0.36
Total net budget managed (in millions)	$	Workload	527	461	484	476
Contribute to Community's Goodwill and Support of City Government						
% indicating Bellevue is headed in the right direction	%	Effectiveness	86	75	80	80
% of citizens rating City as a good or excellent place	%	Effectiveness	95	95	95	95
Promote Atmosphere Supportive of Staff						
Number of FTEs managed	#	Workload	1,236.52	1,271.78	1,284.45	1,284.45
Promote Greater Citizen Involvement						
# of citizens volunteering in City Government	#	Effectiveness	8,501	9,500	9,000	9,500

Issues related to Department Performance

None

Program Notes

None

City Manager's Office
Intergovernmental Relations & Coordination

Program Statement

The Intergovernmental Relations Program is responsible for working with other governments to achieve outcomes that are consistent with the City Council's policies and direction.

Summary of Services Provided

The Intergovernmental Relations Program:

- Works with other jurisdictions at the local, state, and national level to promote the City's interests;
- Advocates and secures the passage of legislation that enhances the City's capacity to govern and provide essential services;
- Opposes legislation that lessons the City's legal authority to provide essential services, reduces revenue required to maintain services, or that imposes unfunded mandates on the City.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Intergovernmental Relations/Coordination	-	-	413,289	437,215
Base Budget	**-**	**-**	**413,289**	**437,215**
Total Budget	**-**	**-**	**413,289**	**437,215**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	-	-	263,033	280,431
Interfund	-	-	42,877	46,617
M & O	-	-	107,379	110,167
Total Expenditures	**-**	**-**	**413,289**	**437,215**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	-	-	413,289	437,215
Total Resources	**-**	**-**	**413,289**	**437,215**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Intergovernmental Relations/Coordination	-	-	2.30	2.30
Total FTE	**2.50**	**2.50**	**2.30**	**2.30**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Enhance City's Ability to Govern thru Effective Legislation						
# of state legislative issues tracked	#	Workload	1,156	720	720	720
Establish policies that guide the City's Intergovernmental Relations						
Program cost as % of City Net Budget	%	Efficiency	0.07	0.09	0.08	0.08
Program FTEs as % of City FTEs	%	Efficiency	0.20	0.18	0.18	0.18
Timely Response to Council on Regional Issues						
# of state, federal, regional committees on which Council serves	#	Workload	49	50	45	45

City Manager's Office
Intergovernmental Relations & Coordination

Issues related to Department Performance

None

Program Notes

None

City Manager's Office
International Relations (Sister Cities)

Program Statement

The International Relations Program (Sister Cities) promotes international communication and understanding between Bellevue and its four sister cities, as well as other international visitors, and facilitates trade and economic development as opportunities arise. Bellevue's four Sister Cities are: Yao, Japan (1969), Hualien, Taiwan (1984), Leipaja, Latvia (1992), Kladno, Czech Republic (1993).

Summary of Services Provided

The International Relations Program (Sister Cities) provides the following services:

- Coordinates logistics for incoming and outgoing Sister Cities delgations;
- Facilitates City's participation with Sister Cities International and relationship with the Bellevue Sister Cities Association (BSCA);
- Evaluates potential new Sister Cities, as requested.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
International Relations	-	-	110,763	127,580
Base Budget	**-**	**-**	**110,763**	**127,580**
Total Budget	**-**	**-**	**110,763**	**127,580**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	-	-	58,856	61,589
Interfund	-	-	36,601	50,286
M & O	-	-	15,306	15,705
Total Expenditures	**-**	**-**	**110,763**	**127,580**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	-	-	110,763	127,580
Total Resources	**-**	**-**	**110,763**	**127,580**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
International Relations	-	-	0.60	0.60
Total FTE	**.50**	**.50**	**0.60**	**0.60**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Enhance International Communication and Understanding						
Program cost as % of City Net Budget	%	Efficiency	0.02	0.02	0.02	0.02
Program FTEs as % of City FTEs	%	Efficiency	0.04	0.05	0.05	0.05

Issues related to Department Performance

None

Program Notes

None

City Manager's Office
Communications - CMO

Program Statement

The City Manager's Office communicates with a variety of audiences to encourage understanding of City issues, programs, and services.

Summary of Services Provided

The Communications Office provides the following services:

- Coordinates internal/external communications;
- Manages media relations;
- Provides editorial services to the City Manager, City Council, and other departments as needed;
- Manages content of the City's website;
- Manages BTV content, the City's public television station;
- Produces "It's Your City", the City's newsletter.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Communications	-	-	312,086	317,249
Base Budget	**-**	**-**	**312,086**	**317,249**
Total Budget	**-**	**-**	**312,086**	**317,249**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	-	-	251,164	262,853
Interfund	-	-	19,824	12,234
M & O	-	-	41,098	42,162
Total Expenditures	**-**	**-**	**312,086**	**317,249**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	-	-	312,086	317,249
Total Resources	**-**	**-**	**312,086**	**317,249**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Communications	-	-	2.50	2.50
Total FTE	**1.65**	**2.65**	**2.50**	**2.50**

City Manager's Office
Communications - CMO

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Communicate in a Cost Effective Manner						
Total CMO costs for printing/mailing of "It's Your City" newsletter	$	Efficiency	0.31	0.27	0.32	0.34
Coordinate Communications on Major Issues						
Program cost as % of City Net Budget	%	Efficiency	0.05	0.06	0.06	0.07
Program FTEs as % of City FTEs	%	Efficiency	0.13	0.21	0.14	0.14
Improve Effectiveness of Citywide Communication						
% of residents surveyed very satisfied with "It's Your City" newsletter	%	Effectiveness	50	50	50	50
% of residents acknowledging receipt of "It's Your City" newsletter who read it	%	Effectiveness	93	90	90	90
# of issues of "It's Your City" newsletter	#	Workload	6	6	6	6

Issues related to Department Performance

None

Program Notes

None

City Manager's Office

Biennial Budgeted Cost Summary	2005-2006 Budget	2007-2008 Budget	% Change
Overall City Management and Planning	2,931,010	1,724,452	(41)%
Intergovernmental Relations & Coordination	-	850,504	- %
International Relations (Sister Cities)	-	238,343	- %
Communications - CMO	-	629,335	- %
Base Budget	**2,931,010**	**3,442,634**	**17 %**
Total Budget	**2,931,010**	**3,442,634**	**17 %**

Biennial Expenditure Category Summary	2005-2006 Budget	2007-2008 Budget	% Change
Personnel	1,992,040	2,595,306	30 %
Interfund	502,820	405,480	(19)%
M & O	436,150	441,848	1 %
Total Expenditures	**2,931,010**	**3,442,634**	**17 %**

Biennial Funding Summary	2005-2006 Budget	2007-2008 Budget	% Change
General Fund	2,931,010	3,442,634	17 %
Total Resources	**2,931,010**	**3,442,634**	**17 %**

CITY OF BELLEVUE
WASHINGTON

Civic Services

Program Outcome Statement

Mission:
Provide high quality services and City facilities that create an inviting environment for efficient City operations.

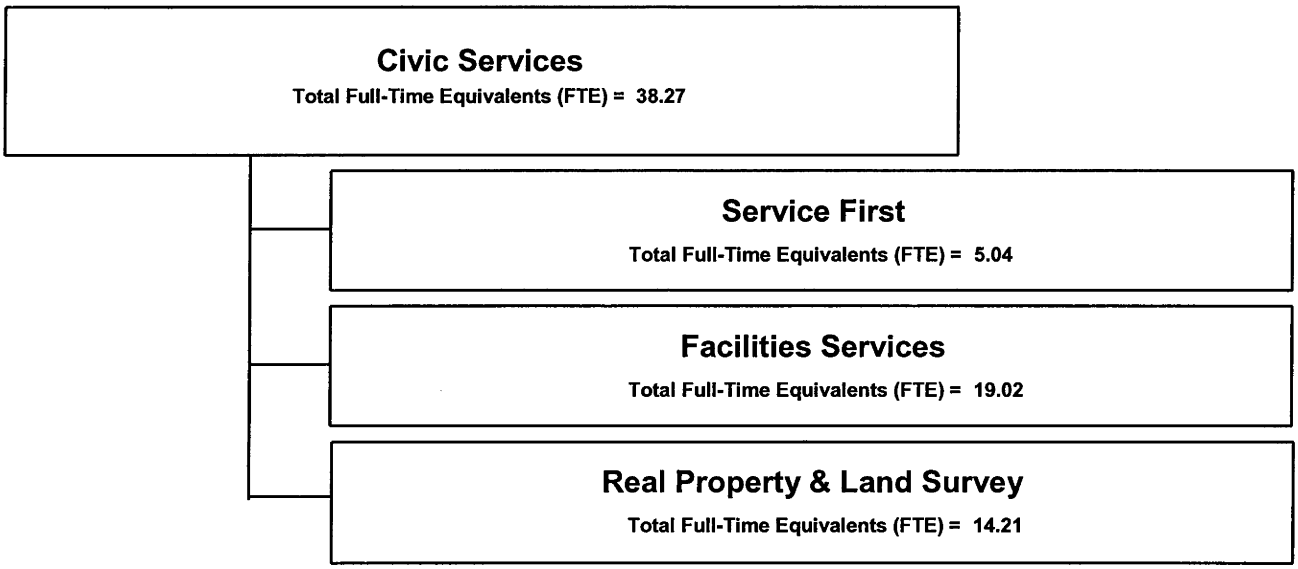
Goals:
- Flexibly and efficiently support public and departmental needs
- Operate City Hall as a community gathering place that supports the City's economic vitality
- Provide clean, safe, attractive and functional municipal facilities while protecting the City's capital investments through ongoing maintenance and systematic renovation
- Manage the City's property transactions and land survey systems to ensure legal and policy compliance
- Utilize technology to facilitate service delivery and efficient operations
- Streamline access to public services & encourage consistent service across the organization

Services and Accomplishments

2005-2006 Accomplishments

- Completed construction of new City Hall.
  - Completed an extensive building system commissioning process;
  - Received $170,000 grant from Puget Sound Energy for energy conservation at new City Hall.
- Successfully opened new City Hall to city operations.
  - Moved 900 staff from six locations;
  - Implemented new citywide ID badging and security system for increased security levels at new City Hall and upgraded BSC security system to match;
  - Completed parking equipment and software installation;
  - Completed deli improvements and contracted with state for deli/ espresso cart operator;
  - Decentralized City's cashiering function, allowing customers to pay for transactions where they receive service.
- Implemented Service First, an innovative, centralized, one-stop approach to delivering services at City Hall.
  - Centralized first floor/public area meeting room bookings through Service First; implemented e-form for reservations.
- Established ongoing event committee who coordinated successful large events at City Hall: Microsoft SharePoint, City Hall Grand Opening, American Institute of Architects, NAIOP, Bellevue Downtown Association Jazz Series & Live at Lunch.
- Managed successful salvage and surplus of old City Hall campus buildings and equipment and transfer to new owner.
- Assumed ownership and maintenance responsibilities for Surrey Downs site and demolished the preschool wing. Exceeded all safety and maintenance requirements specified in lease with King County.
- Completed property rights acquisition for NE 10th Street extension and 150th Avenue SE CIP projects.

Civic Services
Organizational Chart



Civic Services

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Service First	-	645,430	713,223	707,001
Facilities Services	6,028,406	6,515,881	9,318,121	6,085,589
Real Property & Land Survey	1,440,376	1,466,543	1,816,345	1,908,065
Base Budget	**7,468,782**	**8,627,854**	**11,847,689**	**8,700,655**
Reserves	**1,549,747**	**1,611,092**	**285,774**	**569,330**
Total Budget	**9,018,529**	**10,238,946**	**12,133,463**	**9,269,985**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	2,629,662	3,381,840	3,738,606	3,873,860
Interfund	785,736	784,954	2,628,580	1,182,785
M & O	1,803,384	2,943,060	4,020,503	3,644,010
Capital	2,250,000	1,518,000	1,460,000	-
Total Expenditures	**7,468,782**	**8,627,854**	**11,847,689**	**8,700,655**
Total Reserves	**1,549,747**	**1,611,092**	**285,774**	**569,330**
Total Budget	**9,018,529**	**10,238,946**	**12,133,463**	**9,269,985**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	1,575,473	2,453,999	3,140,489	3,242,765
Land Purchase Revolving Fund	-	-	10,000	10,000
Facilities Services Fund	7,093,056	6,266,947	7,502,974	6,017,220
General CIP Fund	350,000	1,518,000	1,480,000	-
Total Resources	**9,018,529**	**10,238,946**	**12,133,463**	**9,269,985**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Service First	-	-	5.04	5.04
Facilities Services	-	-	19.02	19.02
Real Property & Land Survey	-	-	14.21	14.21
Total FTE	**35.46**	**38.22**	**38.27**	**38.27**

Civic Services

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Facilities Services						
% of facilities projects completed within budget estimates	%	Effectiveness	100	100	100	100
% rating facility cleanliness, safety satisfactory or better	%	Effectiveness	83	85	85	85
Real Property & Land Survey						
% of properties acquired at City offer amount	%	Effectiveness	74	70	70	70
Service First						
% rating streamline access to services as good to excellent	%	Efficiency	-	85	85	85
% of customers stating staff provided service/info needed	%	Effectiveness	-	85	85	85
% of customers rating service quality as good or excellent	%	Effectiveness	-	85	85	85
% of customers stating staff had a pos. impact on experience	%	Effectiveness	-	85	85	85

Civic Services

2007-2008 Work Initiatives

- Normalize City Hall building operations, monitor warranty issues and complete staff training on building systems.
- Evaluate effectiveness of operations in City Hall by completing one year post project evaluation and adjusting maintenance contract services levels.
- Complete evaluation, re-design and upgrade of City Hall emergency power system.
- Complete ADA assessment of City Hall as model for other city facilities.
- Manage BSC remodel project and relocation of Electronic Communications Shop and Resource Management.
  - Determine additional funding to accommodate parking needs.
  - Surplus Old Fire Station 3 site.
- Lease the Pavilion to an appropriate tenant that would help activate the plaza and create a focus for the public's use and enjoyment of the space.
- Provide support for future court site study, expansion of City Hall ITD server rooms and for the NORCOM Regional 911 Center project.
- Support emergency preparedness program by equipping command center locations, refreshing emergency response procedures, participating in drills, revising earthquake damage assessment protocols and updating the Building Safety Manual.
- Develop policies for events, displays and exhibits at City Hall.
- Enhance internet and intranet sites to improve customer access to information and services.
- Actively participate in enterprise selection and implementation of Customer Relationship Management application to enhance customer tracking and provision of information to citizens.
- Develop a comprehensive inventory of city property, including easements, that ultimately will interface with GIS and electronic content management system.

Major Challenges for the Biennium

- City Hall Operations. The new city hall is significantly larger with more complex building systems than previous facilities. It will take time to stabilize operations and establish baseline service levels. Additionally, City Hall provides an attractive venue for art, displays and events. New guidelines and procedures must be developed that support city operations and reasonably meet our community's needs and expectations.
- Service First Staffing. Service First is a new program initiated with the move to new City Hall that is staffed with 7.12 Service First Coordinators: 3.56 regular and 3.56 limited term employees. The program was launched with partial LTE staffing to allow time to confirm staffing needs based on actual workload data. Customer feedback has been very positive and validates the operational model for one-stop service. Ongoing staffing must be established to minimize impacts on customer service from staff turnover as the LTE termination date (September 2008) approaches. Implementation of a customer relationship management application in late 2007-08 also will impact this staff workload.
- Bellevue Service Center (BSC) Remodel. The Electronic Communications Shop and Parks Resource Management are to be relocated to the BSC in 2007-2008. This project is proving to be difficult due to land use requirements, a shortage of parking and diverse operational needs.
- Municipal Court. In 2007, the City will be developing alternatives to the Bellevue District Court currently operated by King County at the Surrey Downs site. Developing a new or remodeled facility as a municipal court would require additional staff or significant reprioritization of current Facilities Planning & Development priorities.
- NORCOM. Several Eastside cities are considering the potential benefits of jointly operating a consolidated public safety dispatch center in Bellevue City Hall. Facilities staff is supporting the interjurisdictional discussion of lease provisions. If NORCOM is established, careful planning and implementation will be needed to ensure that operations such as security are transitioned seamlessly.
- Transportation CIP Support. Real Property and Land Survey support Transportation's capital program. As the CIP funding has declined during the past couple years, staff in Real Property has been reduced and reassigned to other activities. If Transportation's CIP funding significantly increases, more Real Property services will be needed through additional staff or contracted services.

Civic Services
Service First

Program Statement

Service First provides one-stop shopping for a wide variety of public services and information and serves as the gateway to other services at City Hall and beyond. This allows customers to conduct their business in a single location, and typically, with a single person. Central to our approach is providing easy, streamlined access to services and information and to provide a central point of contact for customers in obtaining those services.

Summary of Services Provided

Public services include: business licenses, pet licenses, boat launch permits, neighborhood parking zone permits, payment processing, sales of maps/codes/documents, Parks program registrations, City project bid information, visitor reception & parking validation, language interpretation, City employment information, car wash & storm drain kits, vendor warrants, City Hall tours & event coordination, temporary security badging, notary public, package pickup, lost & found, self-help computer assistance, bid openings & releases. Staff services include: motor pool requests, payroll distribution, first floor room reservations, City Hall event coordination, petty cash processing, temporary security badging, bulk mail coordination, delivery receipt & routing, electronic display programming, temporary signage, employee directory.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Civic Services Administration	-	-	71,707	75,261
Service First	-	645,430	641,516	631,740
Base Budget	**-**	**645,430**	**713,223**	**707,001**
Total Budget	**-**	**645,430**	**713,223**	**707,001**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	-	559,540	632,792	624,009
Interfund	-	-	7,145	7,669
M & O	-	85,890	73,287	75,322
Total Expenditures	**-**	**645,430**	**713,223**	**707,001**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	-	645,430	713,223	707,001
Total Resources	**-**	**645,430**	**713,223**	**707,001**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Civic Services Administration	-	-	0.48	0.48
Service First	-	-	4.56	4.56
Total FTE	**-**	**4.99**	**5.04**	**5.04**

Civic Services
Service First

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Contribute to ongoing improvements to service delivery						
% of customers rating service quality as good or excellent	%	Effectiveness	-	85	85	85
% of customers stating staff had a pos. impact on experience	%	Effectiveness	-	85	85	85
Minimize the number of times customers need to go elsewhere						
% of customers stating staff provided service/info needed	%	Effectiveness	-	85	85	85
Provide easy access to wide range of public services & info						
% rating streamline access to services as good to excellent	%	Efficiency	-	85	85	85
# of electronic inquiries for service or info across departments	#	Workload	-	2,400	2,400	2,400
# of walk-in customers assisted	#	Workload	-	30,000	30,000	30,000
# of phone calls received	#	Workload	-	50,000	50,000	50,000

Issues related to Department Performance

None

Program Notes

Service First is a new Program, initiated with the move to New City Hall.

Civic Services
Facilities Services

Program Statement

The Facilities Planning & Development Program provides coordinated and cost-effective planning, development, and management services to preserve the City's investment in its general government facilities.

Summary of Services Provided

This program plans and implements major maintenance and capital projects programmed for the Facilities Services Fund to provide facilities that meet or exceed customer expectations for cleanliness & safety and enable City staff to effectively and efficiently deliver services to the public.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Civic Services Administration	-	-	164,927	173,100
Facilities Services	2,193,008	2,318,286	2,307,412	2,428,435
General CIP Projects	350,000	1,518,000	1,480,000	-
Land Purchase Revolving Fund	-	-	10,000	10,000
Maintenance & Operations	1,353,301	1,912,569	2,424,788	2,493,455
Major Maintenance	1,967,000	370,000	905,000	446,000
Reserves	-	-	1,500,000	-
Rideshare Program	135,097	342,026	445,994	454,599
Tenant Improvements	30,000	55,000	80,000	80,000
Base Budget	**6,028,406**	**6,515,881**	**9,318,121**	**6,085,589**
Reserves	**1,549,747**	**1,611,092**	**285,774**	**569,330**
Total Budget	**7,578,153**	**8,126,973**	**9,603,895**	**6,654,919**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	1,464,022	1,614,037	1,767,499	1,849,261
Interfund	641,683	656,940	2,304,872	833,981
M & O	1,672,701	2,726,904	3,785,750	3,402,348
Capital	2,250,000	1,518,000	1,460,000	-
Total Expenditures	**6,028,406**	**6,515,881**	**9,318,121**	**6,085,589**
Total Reserves	**1,549,747**	**1,611,092**	**285,774**	**569,330**
Total Budget	**7,578,153**	**8,126,973**	**9,603,895**	**6,654,919**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	135,097	342,026	610,921	627,699
Land Purchase Revolving Fund	-	-	10,000	10,000
Facilities Services Fund	7,093,056	6,266,947	7,502,974	6,017,220
General CIP Fund	350,000	1,518,000	1,480,000	-
Total Resources	**7,578,153**	**8,126,973**	**9,603,895**	**6,654,919**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Civic Services Administration	-	-	1.10	1.10
Facilities Services	-	-	17.32	17.32
Rideshare Program	-	-	0.60	0.60
Total FTE	**20.74**	**19.02**	**19.02**	**19.02**

Civic Services
Facilities Services

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Preserve the City's facility investment						
Initiate 85% or more of Programmed Major Maintenance Projects	%	Effectiveness	100	88	88	88
Major Maintenance cost per sq ft	$	Efficiency	3.67	1.18	2.00	1.00
% of facilities projects completed within budget estimates	%	Effectiveness	100	100	100	100
Sq. ft. of municipal building area managed & maintained	#	Workload	337,000	535,000	535,000	535,000
Maintenance cost per rentable sq. ft. excluding utilities	$	Efficiency	4.92	5.32	5.25	5.30
Provide clean, safe, attractive, and functional facilities						
% rating facility cleanliness, safety satisfactory or better	%	Effectiveness	83	85	85	85

Issues related to Department Performance

Major Maintenance costs at the Bellevue Service Center (BSC) were high in 2005 due to the replacement of the entire roof system. The new roof has an anticipated life of 30+ years.

Program Notes

The major maintenance cost per square foot can vary significantly from year to year based on the timing, complexity and costs of the major maintenance projects.

Civic Services
Real Property & Land Survey

Program Statement

Ensure the integrity of real property transactions and the City's land survey control network.

Summary of Services Provided

The program provides technical services to City Departments for surveying and real estate transactions that enable departments to plan and implement City projects and programs. Accurate survey data supports the community, property owners and City departments. Activities include efficient and cost effective property acquisition services, establishing and maintaining the survey control network, and providing project support services to City departments.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Civic Services Administration	-	-	121,903	127,944
Real Property	378,143	384,426	399,080	419,048
Survey	1,062,233	1,082,117	1,295,362	1,361,073
Base Budget	**1,440,376**	**1,466,543**	**1,816,345**	**1,908,065**
Total Budget	**1,440,376**	**1,466,543**	**1,816,345**	**1,908,065**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	1,165,640	1,208,263	1,338,315	1,400,590
Interfund	144,053	128,014	316,564	341,135
M & O	130,683	130,266	161,466	166,340
Total Expenditures	**1,440,376**	**1,466,543**	**1,816,345**	**1,908,065**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	1,440,376	1,466,543	1,816,345	1,908,065
Total Resources	**1,440,376**	**1,466,543**	**1,816,345**	**1,908,065**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Civic Services Administration	-	-	0.82	0.82
Real Property	-	-	3.39	3.39
Survey	-	-	10.00	10.00
Total FTE	**14.72**	**14.21**	**14.21**	**14.21**

Civic Services
Real Property & Land Survey

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Land Survey Control Network						
% of City within 1/4 mile of horizontal survey control mark	%	Effectiveness	80	80	82	84
% of City within 1/4 mile of a vertical survey control mark	%	Effectiveness	65	62	63	64
% of survey control markers = "First Order" accuracy	%	Effectiveness	100	99	99	99
Average hours to establish survey reference marker	#	Efficiency	8.50	9.00	9.00	9.00
Provide Real Property & Survey Services						
# of property acquisitions completed	#	Workload	117	50	20	20
% of properties acquired at City offer amount	%	Effectiveness	74	70	70	70
% of property rights acquired within 6-months of offer	%	Effectiveness	78	75	75	75

Issues related to Department Performance

No issues to report.

Program Notes

- The Survey Control Network contains land survey reference markers which provide control points for surveys performed by both City and private surveyors. This system of accurate and documented control points significantly reduces the cost of survey services to City Departments and private citizens.
- Property acquisitions include total properties, partial property rights for Transportation and Utilities projects, and rights to enter on private property for survey, engineering and construction purposes. Property acquisitions may be outsourced to consultants during periods of unusually high workload levels.
- A temporary reduction in 2005-2008 capital transportation funding will result in redirection of staffing efforts to other real property related work items, such as real property inventory, property appraisals, project scoping and project design issues. Real Property staffing was reduced by .85 FTE to address the reduction in funding.

Civic Services

Biennial Budgeted Cost Summary	2005-2006 Budget	2007-2008 Budget	% Change
Service First	645,430	1,420,224	120 %
Facilities Services	12,544,287	15,403,710	23 %
Real Property & Land Survey	2,906,919	3,724,409	28 %
Base Budget	**16,096,636**	**20,548,344**	**28 %**
Reserves	**1,611,092**	**569,330**	**(65)%**
Total Budget	**17,707,728**	**21,117,674**	**19 %**

Biennial Expenditure Category Summary	2005-2006 Budget	2007-2008 Budget	% Change
Personnel	6,011,502	7,612,466	27 %
Interfund	1,570,690	3,811,365	143 %
M & O	4,746,444	7,664,513	61 %
Capital	3,768,000	1,460,000	(61)%
Total Expenditures	**16,096,636**	**20,548,344**	**28 %**
Total Reserves	**1,611,092**	**569,330**	**(65)%**
Total Budget	**17,707,728**	**21,117,674**	**19 %**

Biennial Funding Summary	2005-2006 Budget	2007-2008 Budget	% Change
General Fund	4,029,472	6,383,254	58 %
Land Purchase Revolving Fund	-	20,000	- %
Facilities Services Fund	11,810,256	13,234,420	12 %
General CIP Fund	1,868,000	1,480,000	(21)%
Total Resources	**17,707,728**	**21,117,674**	**19 %**

Community Council

Program Outcome Statement

The East Bellevue Community Council represents the residential perspective on land use matters within the Community Council boundaries and provides a forum for citizen involvement. They advise and cooperate with the City Council on formulation of policies that directly or indirectly affects neighborhoods within their jurisdictional boundaries.

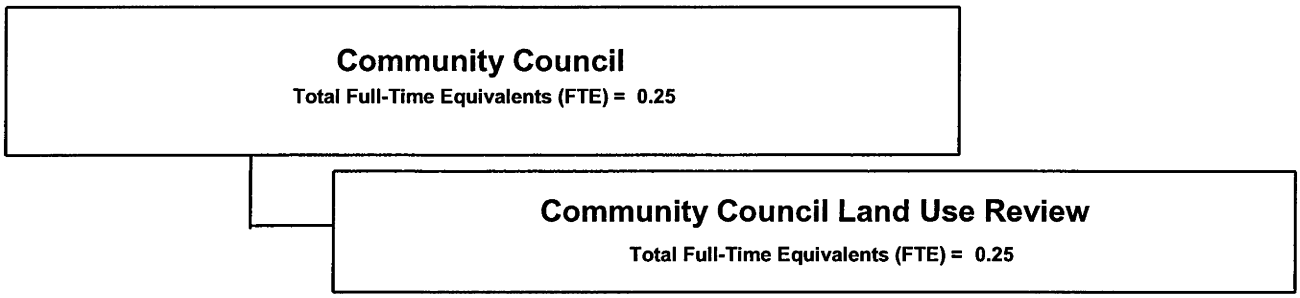
Services and Accomplishments

The East Bellevue Community Council continues to take part in various planning and advisory groups to seek a higher level of proactive participation and involvement. Their participation has broadened their understanding of neighborhood and development issues and enhanced their partnership with the City's efforts to enhance and preserve neighborhood livability.

The Community Council continues to represent their constituents by providing input to the City Council and various boards and commissions charged with land use and regulatory matters, as well as working with the City in seeking solutions to neighborhood concerns within their jurisdictional boundaries.

Community Council

Organizational Chart



Community Council

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Community Council Land Use Review	30,998	34,461	30,317	31,559
Base Budget	**30,998**	**34,461**	**30,317**	**31,559**
Total Budget	**30,998**	**34,461**	**30,317**	**31,559**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	21,118	21,954	23,916	25,030
Interfund	5,194	7,714	1,464	1,464
M & O	4,686	4,793	4,937	5,065
Total Expenditures	**30,998**	**34,461**	**30,317**	**31,559**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	30,998	34,461	30,317	31,559
Total Resources	**30,998**	**34,461**	**30,317**	**31,559**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Community Council Land Use Review	-	-	0.25	0.25
Total FTE	**.25**	**.25**	**0.25**	**0.25**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Community Council Land Use Review						
% approval of City Council land use decisions	%	Effectiveness	88	100	100	100
Number of courtesy hearings	#	Workload	10	8	8	8
Council's average meeting attendance record	%	Workload	85	85	90	90
Number of public hearings	#	Workload	8	8	8	8
Number of regular meetings held	#	Workload	12	12	12	12
Number of issues advocated before City Council	#	Effectiveness	3	3	3	3
Number of agenda items analyzed and scheduled on calendar	#	Workload	55	50	50	50

Community Council

2007-2008 Work Initiatives

The 2007-2008 priorities of the East Bellevue Community Council continue to be review of land-use-related issues within their jurisdictional boundaries and continued early involvement with proposed land use matters.

Major Challenges for the Biennium

As the Community Council area becomes built out, redevelopment of established areas presents new challenges. The Council is concerned with densification and the trend towards minimum lot size as another permitted zoning.

Community Council
Community Council Land Use Review

Program Statement

The East Bellevue Community Council, under RCW 35.14, is granted local approval/ disapproval authority over designated land use issues within their jurisdictional boundaries. In addition to the powers and duties related to approval of zoning regulations, they may also make recommendations concerning any proposed comprehensive plan amendment or other proposal which directly or indirectly affects the use of property or land inside their service area. The Community Council provides a forum for public participation on issues such as conservation, improvements, or development occurring within the East Bellevue Community Municipal Corporation boundaries.

Summary of Services Provided

The East Bellevue Community Council represents the residential perspective on land use matters within the Community Council boundaries and provides a forum for citizen involvement. They advise and cooperate with the City Council on formulation of policies that directly or indirectly affect neighborhoods within their jurisdiction.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Community Council	30,998	34,461	30,317	31,559
Base Budget	**30,998**	**34,461**	**30,317**	**31,559**
Total Budget	**30,998**	**34,461**	**30,317**	**31,559**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	21,118	21,954	23,916	25,030
Interfund	5,194	7,714	1,464	1,464
M & O	4,686	4,793	4,937	5,065
Total Expenditures	**30,998**	**34,461**	**30,317**	**31,559**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	30,998	34,461	30,317	31,559
Total Resources	**30,998**	**34,461**	**30,317**	**31,559**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Community Council	-	-	0.25	0.25
Total FTE	**.25**	**.25**	**0.25**	**0.25**

Community Council
Community Council Land Use Review

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Advise and cooperate with City on related land use policy						
Number of issues advocated before City Council	#	Effectiveness	3	3	3	3
Demonstrate good stewardship of City resources						
Number of agenda items analyzed and scheduled on calendar	#	Workload	55	50	50	50
Program cost as a % of City's operating budget	%	Efficiency	-	-	-	-
Program FTEs as a % of City Clerk's Office staff	%	Efficiency	0.02	0.02	0.02	0.02
Provide a forum for citizen involvement						
Number of courtesy hearings	#	Workload	10	8	8	8
Number of public hearings	#	Workload	8	8	8	8
Provide timely and effective decision making						
Council's average meeting attendance record	%	Workload	85	85	90	90
Number of regular meetings held	#	Workload	12	12	12	12
Number of resolutions adopted	#	Effectiveness	10	10	10	10
Represent residential perspective on land use matters						
# of failed/no action resolutions	#	Effectiveness	1	-	-	-
% disapproval of City Council land use decisions	%	Effectiveness	-	-	-	-
% approval of City Council land use decisions	%	Effectiveness	88	100	100	100

Issues related to Department Performance

The Community Council's land use review is dependent on City Council and privately-initiated land use issues within Community Council jurisdictional boundaries. In 2005, the Community Council advocated three issues of citywide interest before City Council.

The number of Council's 2005 agenda items analyzed and scheduled on their calendar fell below estimated projections. The number of agenda items scheduled are directly linked to the number of land use issues initiated within their boundaries and legislative authority. As the Council area becomes built out and activities mainly surround redevelopment, the number of new land use issues are expected to decline.

The Community Council's proactive and early involvement in land use matters resulted in their approving 7 of the 8 City Council land use decisions that came before them in 2005.

Program Notes

The Deputy City Clerk provides administrative/legislative support to the Community Council. Legal, land use and other support by City departments is not reflected in the Community Council's budget.

Community Council

Biennial Budgeted Cost Summary	2005-2006 Budget	2007-2008 Budget	% Change
Community Council Land Use Review	65,459	61,876	(5)%
Base Budget	**65,459**	**61,876**	**(5)%**
Total Budget	**65,459**	**61,876**	**(5)%**

Biennial Expenditure Category Summary	2005-2006 Budget	2007-2008 Budget	% Change
Personnel	43,072	48,946	14 %
Interfund	12,908	2,928	(77)%
M & O	9,479	10,002	6 %
Total Expenditures	**65,459**	**61,876**	**(5)%**

Biennial Funding Summary	2005-2006 Budget	2007-2008 Budget	% Change
General Fund	65,459	61,876	(5)%
Total Resources	**65,459**	**61,876**	**(5)%**

CITY OF BELLEVUE
WASHINGTON

16. Finance

Finance

Program Outcome Statement

Maintain the public trust through sound financial management and the efficient and effective use of Bellevue's financial resources.

Services and Accomplishments

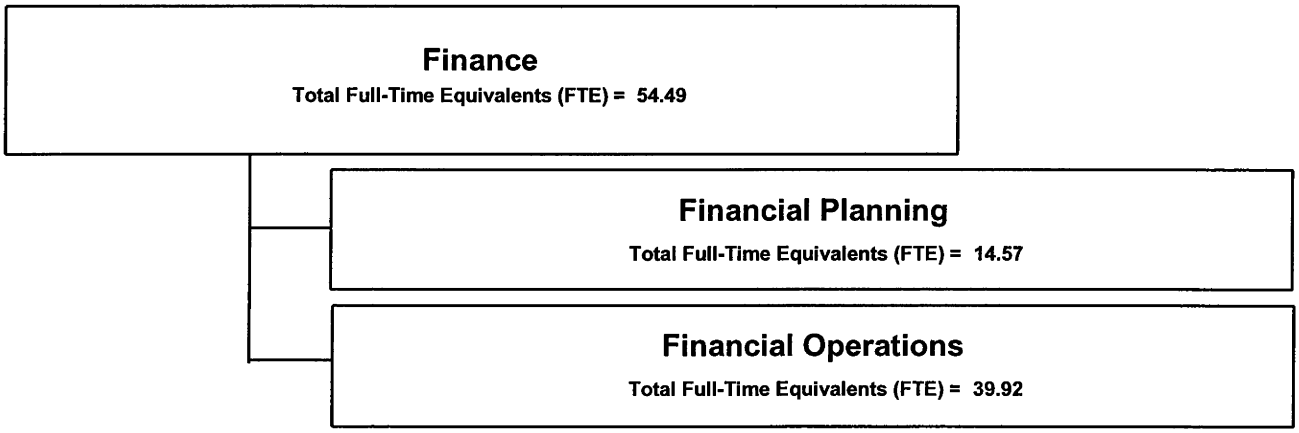
The City of Bellevue's Finance Department consists of the following teams: Purchasing, Payroll, Accounts Payable, Contracting Services, Tax, Treasury, Accounting and Budget. The Finance Department provides financial services for all City operations. It assists departments in purchasing supplies, paying vendors, managing the contract process, and developing budgets. It provides payroll services for all City employees, is responsible for cash management, collects business and other taxes, and performs city accounting functions. The Finance Department also produces official reports for City Council and the general public, including operating and capital budgets, and the Comprehensive Annual Financial Report.

The following are the major 2005-2006 accomplishments:

- Received a "no exceptions" clean audit opinion from the State Auditor's Office for 2005;
- Successfully implemented the Fixed Assets module of JDE, the City's financial and human resources system;
- Received the Government Financial Officers Award for Distinguished Budgetary Presentation;
- Implemented automated vendor registration processes for expanded competitive contracting;
- Maximized investment earnings by implementing a laddered portfolio strategy;
- Successfully implemented human resources and payroll modules of the financial and human resources system;
- Implemented on-line Employee Action processes resulting in elimination of many manual payroll/human resources forms;
- Entered into 85 different inter-local purchasing agreements with local government agencies;
- Attained total business tax audit recoveries in 2005 of $2 million and over $3.5 million in 2006;
- Collected over $350K as a result of a newly implemented system to detect unregistered business tax payers;
- Implemented CLASS Point of Sale cash receipting system;
- Completed major upgrade to the City's financial and human resources system;
- Implemented a new budget development/reporting system to produce the 2007-2008 budget.

Finance

Organizational Chart



Finance

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Financial Planning	145,120,040	49,892,295	8,192,884	9,013,339
Financial Operations	4,706,128	4,672,405	4,770,215	4,907,443
Base Budget	**149,826,168**	**54,564,700**	**12,963,098**	**13,920,782**
Reserves	**11,062,772**	**1,361,883**	**731,000**	**13,184**
2007/2008 Tax Audit Program	-	-	240,000	246,240
Program Enhancements	**-**	**-**	**240,000**	**246,240**
Total Budget	**160,888,940**	**55,926,583**	**13,934,098**	**14,180,206**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	4,663,765	4,903,315	5,004,859	5,145,169
Interfund	63,899,704	16,245,988	453,942	1,230,576
M & O	7,608,453	7,354,820	7,744,297	7,791,277
Capital	73,654,246	26,060,577	-	-
Total Expenditures	**149,826,168**	**54,564,700**	**13,203,098**	**14,167,022**
Total Reserves	**11,062,772**	**1,361,883**	**731,000**	**13,184**
Total Budget	**160,888,940**	**55,926,583**	**13,934,098**	**14,180,206**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	6,286,147	6,400,356	6,982,016	7,221,265
Land Purchase Revolving Fund	-	-	730,000	730,000
Operating Grants/Donations Fund	15,000	-	250,000	250,000
Interest & Debt Redemption-Regular Fund	5,307,206	5,307,206	5,754,082	5,755,941
2004 City Hall Bond Fund	74,735,771	17,338,454	-	-
General CIP Fund	74,544,816	26,880,567	218,000	223,000
Total Resources	**160,888,940**	**55,926,583**	**13,934,098**	**14,180,206**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Financial Planning	-	-	14.57	14.57
Financial Operations	-	-	39.92	39.92
Total FTE	**60.76**	**56.49**	**54.49**	**54.49**

Finance

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Financial Operations						
Receive unqualified audit opinion	Yes=1,No=2	Effectiveness	1	1	1	1
Tax revenues from delinquencies, audits, & detection ($mil)	$	Effectiveness	3.00	1.80	1.80	1.80
Identify 250 unregistered businesses	#	Effectiveness	-	-	-	250
# of delinquent tax returns resolved	#	Effectiveness	-	-	5,500	5,500
Amount saved through central purchasing savings	$	Efficiency	-	-	150,000	150,000
Cost savings through use of Interlocal Agreements	$	Efficiency	-	-	-	100,000
% Increase in ERP Use	%	Effectiveness	-	-	10	10
Financial Planning						
Earn biennial GFOA Distinguished Budget Award	Yes=1,No=2	Effectiveness	1	1	1	1
% Year-end expense variance from 2nd quarter report.	%	Effectiveness	0.80	1.00	1.00	1.00
% Year-end revenue variance from 2nd quarter report	%	Effectiveness	0.40	2.00	2.00	2.00
% Return on City investments exceed standards	%	Effectiveness	-	-	0.15	0.20

Finance

2007-2008 Work Initiatives

- Convert budgetary systems from cash basis to modified accrual basis by 1/1/2008.
- Continue efforts on audit, delinquency and detection programs to ensure tax compliance.
- Implement new tax collection system to modernize tax administration.
- Refine Operating Budget process to simplify interfunds, labor distribution, and overhead methods.
- Implement cash flow methodology to forecast funds available for investment.
- Implement self service functionality in the City's financial and human resources system.
- Implement process and system improvements in purchasing, contracts, accounts payable, and reporting.
- Develop and implement updated citywide cash receipting policy.
- Develop long-range Capital Financing Plan.
- Develop long-range Operating Budget Investments.
- Update city hall financing plan.
- Perform Capital Reserve Alternatives study.
- Prepare Cultural Arts Feasibility studies.
- Implement GovMax Phase II - Balanced Scorecard Pilot.
- Evaluate Municipal Court alternatives.
- Implement Allocation/Apportionment for B&O Tax.
- Identify and define ECM Project candidates.
- Revise business expense policies.
- Revise contracting policies.
- Implement new office supply contract.
- Update BCCA operating agreement.
- Analyze/negotiation economic and fiscal impact of potential NE 6th St development.
- Analyze feasibility of implementing a Round Up program.

Major Challenges for the Biennium

- Optimizing the functionality of the financial, human resources and other systems for enhanced efficiency and cost savings.
- Recruiting and retaining high quality employees.
- Clarifying our roles, both internally and externally, within a changing organizational structure.
- Providing leadership and guidance to departments while promoting innovation.
- Building division/department coordination while getting our core work done.
- Staying on top of the increased demand for services and expectations in the midst of system changes and resource instability fluctuations.

Finance
Financial Operations

Program Statement

Maintain the public trust through the efficient and effective use of Bellevue's financial resources including uniform tax collection, accurate payments and financial reports, sound investment strategies, and strong internal controls.

Summary of Services Provided

Manage the City's assets through effective financial operations and the implementation of strong internal controls.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Accounting	666,806	686,035	676,788	708,956
Accounts Payable	278,829	312,703	404,512	424,790
Business Systems	217,024	63,790	82,874	86,957
Central Services	243,797	241,377	66,037	72,969
Contracting Services	471,109	504,819	548,085	574,168
Director's Office	412,383	427,426	470,216	495,004
General Services-Purchasing	682,034	707,690	644,498	673,585
Payroll	505,502	529,678	698,190	639,836
Tax	745,004	777,746	766,207	799,069
Treasury	483,639	421,140	412,808	432,110
Base Budget	**4,706,128**	**4,672,405**	**4,770,215**	**4,907,443**
2007/2008 Tax Audit Program	-	-	240,000	246,240
Program Enhancements	**-**	**-**	**240,000**	**246,240**
Total Budget	**4,706,128**	**4,672,405**	**5,010,215**	**5,153,683**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	3,513,688	3,535,660	3,514,234	3,585,090
Interfund	42,569	(170,447)	-24,749	9,782
M & O	1,149,872	1,307,192	1,520,730	1,558,812
Total Expenditures	**4,706,128**	**4,672,405**	**5,010,215**	**5,153,683**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	4,706,128	4,672,405	5,010,215	5,153,683
Total Resources	**4,706,128**	**4,672,405**	**5,010,215**	**5,153,683**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Accounting	-	-	6.00	6.00
Accounts Payable	-	-	4.10	4.10
Business Systems	-	-	0.50	0.50
Contracting Services	-	-	5.50	5.50
Director's Office	-	-	3.07	3.07
General Services-Purchasing	-	-	6.00	6.00
Payroll	-	-	6.00	6.00
Tax	-	-	5.00	5.00
Treasury	-	-	3.75	3.75
Total FTE	**46.96**	**41.64**	**39.92**	**39.92**

Finance
Financial Operations

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Collect taxes and license fees accurately						
Tax revenues from delinquencies, audits, & detection ($mil)	$	Effectiveness	3.00	1.80	1.80	1.80
Identify 250 unregistered businesses	#	Effectiveness	-	-	-	250
# of delinquent tax returns resolved	#	Effectiveness	-	-	5,500	5,500
Effective stewardship of the City's resources						
Receive unqualified audit opinion	Yes=1,No=2	Effectiveness	1	1	1	1
% Increase in ERP Use	%	Effectiveness	-	-	10	10
Pay less for quality goods						
Amount saved through central purchasing savings	$	Efficiency	-	-	150,000	150,000
Cost savings through use of Interlocal Agreements	$	Efficiency	-	-	-	100,000

Issues related to Department Performance

- The City received an unqualified audit opinion for its Comprehensive Annual Financial Report (CAFR).
- The Tax Office collected $3.0 million in local tax revenues for delinquency collections and audit work, 167% of the total target.

Program Notes

The purpose of this program is the ongoing financial operations for City resources.

Finance
Financial Planning

Program Statement

Maintain the public trust through sound financial management by providing timely and accurate financial information to enhance decision making.

Summary of Services Provided

Provide the City Council, public, and department staff with timely, accurate, and high quality financial information in an efficient, cost-effective manner to enhance decision making and maximize stewardship of the City's financial resources.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Budget	1,050,698	1,113,065	1,265,934	1,325,648
Business Systems	-	63,790	82,874	86,957
Director's Office	412,383	427,426	470,216	495,004
General CIP Projects	74,544,816	26,880,567	218,000	223,000
Investments/Debt	116,939	123,669	152,778	159,974
NCCI Performance Reporting	15,000	-	-	-
New City Hall Debt Service	68,980,205	21,283,777	5,753,082	6,472,757
Operating Grants	-	-	250,000	250,000
Base Budget	**145,120,040**	**49,892,295**	**8,192,884**	**9,013,339**
Reserves	**11,062,772**	**1,361,883**	**731,000**	**13,184**
Total Budget	**156,182,812**	**51,254,178**	**8,923,884**	**9,026,523**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	1,150,078	1,367,656	1,490,626	1,560,080
Interfund	63,857,136	16,416,435	478,691	1,220,794
M & O	6,458,581	6,047,628	6,223,567	6,232,466
Capital	73,654,246	26,060,577	-	-
Total Expenditures	**145,120,040**	**49,892,295**	**8,192,884**	**9,013,339**
Total Reserves	**11,062,772**	**1,361,883**	**731,000**	**13,184**
Total Budget	**156,182,812**	**51,254,178**	**8,923,884**	**9,026,523**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	1,580,019	1,727,951	1,971,802	2,067,582
Land Purchase Revolving Fund	-	-	730,000	730,000
Operating Grants/Donations Fund	15,000	-	250,000	250,000
Interest & Debt Redemption-Regular Fund	5,307,206	5,307,206	5,754,082	5,755,941
2004 City Hall Bond Fund	74,735,771	17,338,454	-	-
General CIP Fund	74,544,816	26,880,567	218,000	223,000
Total Resources	**156,182,812**	**51,254,178**	**8,923,884**	**9,026,523**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Budget	-	-	10.00	10.00
Business Systems	-	-	0.50	0.50
Director's Office	-	-	3.07	3.07
Investments/Debt	-	-	1.00	1.00
Total FTE	**13.80**	**14.85**	**14.57**	**14.57**

Finance
Financial Planning

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Provide cost-effective and efficient City services						
% Return on City investments exceed standards	%	Effectiveness	-	-	0.15	0.20
Provide high quality financial information						
Earn biennial GFOA Distinguished Budget Award	Yes=1,No=2	Effectiveness	1	1	1	1
% Year-end expense variance from 2nd quarter report.	%	Effectiveness	0.80	1.00	1.00	1.00
% Year-end revenue variance from 2nd quarter report	%	Effectiveness	0.40	2.00	2.00	2.00

Issues related to Department Performance

- The Budget Office works closely with departments in projecting revenues. With careful attention to the economy and a good understanding of economic indicators, revenue collections were within 0.4% of the projections made in the 2nd Quarter Budget Monitoring Report.

- The Budget Office also worked closely with departments to project year-end expenditures. Expenditure projections stated in the 2nd Quarter Budget Monitoring Report varied only 0.8% from actual year-end expenditures.

Program Notes

Budget staff continue to enhance the quality of the City's budget process. Some examples include improved links to outcome and performance budgeting; more in-depth analyses; and heightened scrutiny of City budgets.

The New City Hall project was completed in 2006. This project was shown in the 2005-2006 budget as a separate function. Since the project is complete, that section of the budget has been eliminated and the 2005-2006 funding for the Bond Fund and CIP costs are shown in the Finance Department - Financial Planning Program budget.

Finance

Biennial Budgeted Cost Summary	2005-2006 Budget	2007-2008 Budget	% Change
Financial Planning	195,012,335	17,206,223	(91)%
Financial Operations	9,378,533	9,677,658	3 %
Base Budget	**204,390,868**	**26,883,880**	**(87)%**
Reserves	**1,361,883**	**13,184**	**(99)%**
2007/2008 Tax Audit Program	-	486,240	-
Program Enhancements	**-**	**486,240**	**-**
Total Budget	**205,752,751**	**27,383,304**	**(87)%**

Biennial Expenditure Category Summary	2005-2006 Budget	2007-2008 Budget	% Change
Personnel	9,567,080	10,150,028	6 %
Interfund	80,145,692	1,684,518	(98)%
M & O	14,963,273	15,535,574	4 %
Capital	99,714,823	-	- %
Total Expenditures	**204,390,868**	**27,370,120**	**(87)%**
Total Reserves	**1,361,883**	**13,184**	**(99)%**
Total Budget	**205,752,751**	**27,383,304**	**(87)%**

Biennial Funding Summary	2005-2006 Budget	2007-2008 Budget	% Change
General Fund	12,686,503	14,203,281	12 %
Land Purchase Revolving Fund	-	730,000	- %
Operating Grants/Donations Fund	15,000	500,000	3,233 %
Interest & Debt Redemption-Regular Fund	10,613,912	11,509,023	8 %
2004 City Hall Bond Fund	81,011,953	-	- %
General CIP Fund	101,425,383	441,000	(100)%
Total Resources	**205,752,751**	**27,383,304**	**(87)%**

17. Fire

Fire

Program Outcome Statement

The Bellevue Fire Department exists to assist the public in the protection of life and property by minimizing the impact of fire, medical emergencies, and potential disasters or uncontrolled events that affect the community and environment.

Services and Accomplishments

The City of Bellevue Fire Department consists of the following major programs: Fire Suppression and Rescue, Emergency Medical Services, Fire Prevention, and Emergency Preparedness. The Fire Department responds within the City of Bellevue and contract communities to all types of emergencies including, fires, emergency medical, technical rescue, hazardous materials, and other. The Department's Fire Prevention, Public Education, and Emergency Preparedness efforts help to maximize the value, efficiency and effectiveness of all fire department and community resources. In 2005 & 2006, the Department accomplished the following work initiatives:

- Participated as a member and provided leadership to the regional task force and King County Emergency Medical Services (EMS) to bring before King County voters in 2007 a levy that provides continued funding for Emergency Medical Services;
- Successfully prepared and relocated Fire Department work groups (Administration, Fire Prevention, EOC, and Emergency Preparedness) to the new City Hall building insuring operational continuity;
- Ongoing evaluation of community safety and compliance with recognized standards of fire protection coverage;
- Performed timely project plans review and oversight inspections to ensure that newly constructed buildings are in compliance with the International Fire Code and related standards;
- Served an active role as a regional provider and participant in King County EMS Strategic Plan initiatives;
- Provided on-going basic training to "entry-level" and "in-service" training to firefighters that meets national standards, State law, and departmental priorities;
- Continued to participate, support, and review programs associated with maintaining a Class II Fire Protection Rating for the community;
- Conducted regular audits and review of departmental operations and policies for continuous improvement;
- Provided on-going training for operating safely during tactical events and/or environments, including weapons of mass destruction or terrorism;
- Continued our partnership with the City of Bellevue Transportation Department in analyzing the impact of traffic calming/diversion devices on emergency response outcomes;
- Managed and directed the Department's capital improvement renovation plan to ensure timely maintenance with the goal of increasing the longevity of fire facilities and grounds through a scheduled repair and maintenance program;
- Continued collaboration with the Utilities Department in the mitigation of wild-land urban interface;
- Continued active participation in the Development Services Initiative process;
- Performed an annual program of fire inspections which reflect our continued efforts to reduce the incidence of fires through the continued efforts to conduct fire and life safety inspections;
- Performed on-going analysis of traffic congestion and community fire risk based on structural and/or industry hazard classification to ensure that appropriate standards of response are in place;
- Continued to participate in the Enterprise Resource Program (HR/Finance);
- Negotiated new six-year contracts with the communities of Medina, Hunts Point, Yarrow Point, Clyde Hill, Beaux Arts, City of Newcastle, and King County Fire Protection District #14 to provide Fire and EMS services;
- Performed research and submitted application(s) for grant funding to support emergency response and/or preparedness;
- Effectively partnered with the Parks Department to implement an automatic external defibrillator (AED) program for City facilities;
- Complied with new National Incident Management System and National Response Plan standards, including providing mandated training to City personnel;
- Facilitated City's homeland security activities including regional strategic planning, training, exercising, and equipping of personnel;
- Participated in numerous community-wide events providing educational opportunities in fire safety, EMS, and Emergency Preparedness;
- Participated in the Regional Firefighter Testing Consortium and working with regional partners to enhance opportunities for diversity recruitment.

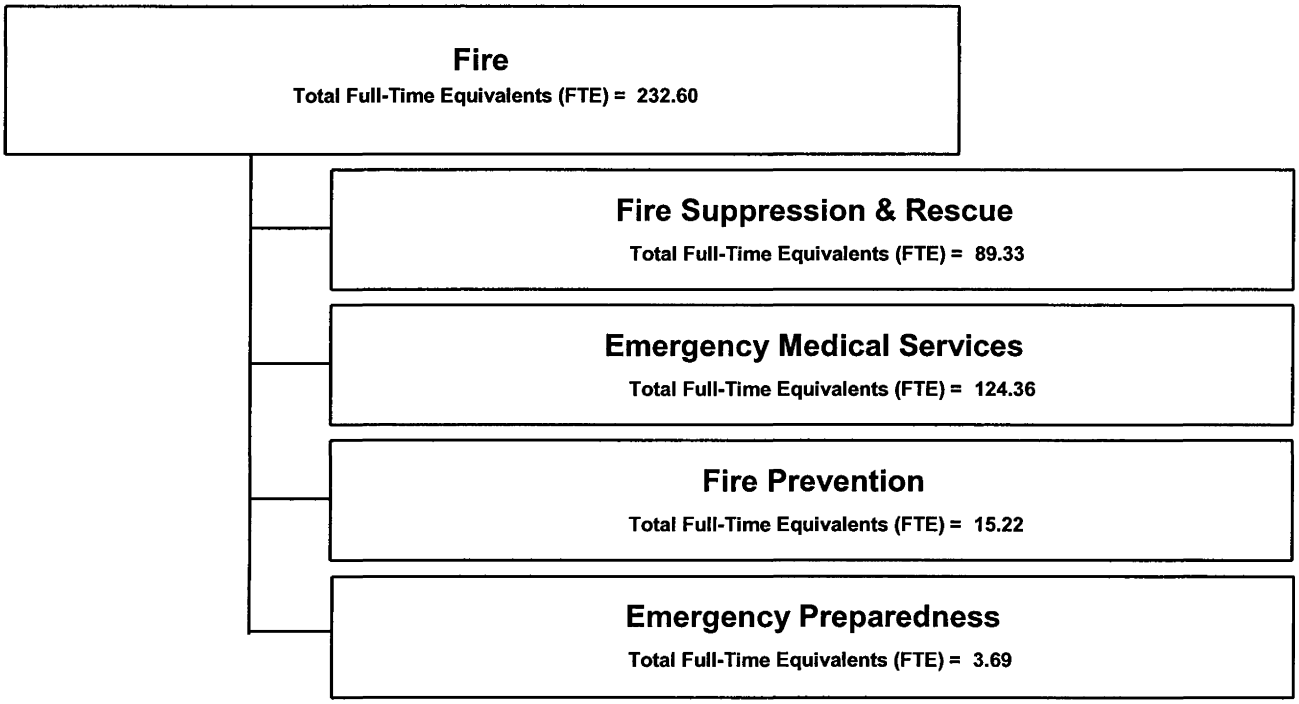
Fire

Other Major Work Initiatives not previously listed:

- Participated in the Technical Stakeholders committee in preparation of the 2008-2013 King County Emergency Medical Services Levy;
- Hosted and participated in regional training exercises to strengthen inter-agency operations at large-scale emergency events;
- Established a departmental Pandemic Influenza Response Plan working group with management-level representatives from each department, which developed a response matrix and identified and prioritized departmental essential services, and purchased supplies for City employees;
- Updated the Emergency Operations Plan (EOP) through the review of all the emergency support functions;
- Conducted a functional exercise of the Emergency Operations Center (EOC) in collaboration with other Zone 1 emergency management jurisdictions and agencies; conducted a series of trainings and tabletops in preparation for the exercise;
- Established an Emergency Assistance Mutual Aid Agreement with Bellevue School District;
- Established a Mass Vaccination Agreement with Public Health – Seattle & King County;
- Began transitioning the EOC into the Incident Command System structure requiring development of operational procedures and policies and interfacing with Department Command Centers;
- Skills-based trainings were provided to schools, childcare facilities, businesses and neighborhoods; coordinated with key representatives, utilized department fire personnel as trainers and delivered training in light search and rescue, disaster medical and parent/student reunion;
- Participated in Regional Disaster Plan and provided the City Council with updates;
- Participated at the King County regional level in the development, modification and coordination of the Region 6 Homeland Security Strategic Plan;
- Represented the City on several regional committees on the King County Emergency Management Advisory Committee (EMAC) which is responsible for addressing region-wide emergency management and homeland security endeavors;
- Coordinated the development of the Hurricane Katrina Employee Response program whereby City employees were deployed to assist the hurricane ravaged areas; coordinated the initial deployments and any follow-up processes;
- Completed a re-organization of the Fire Prevention Division in order to more effectively manage the division's work;
- Initiated, developed and implemented a multi-media Fire Prevention training series targeted at both our staff and our customers that provides a more efficient delivery method, will increase the consistency of the training, and disseminates the information to a much wider audience;
- Updated Fire Department Development Standards to reflect current codes, ordinance and department policy.

Fire

Organizational Chart



Fire

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Fire Suppression & Rescue	12,516,502	14,251,088	14,615,969	15,061,739
Emergency Medical Services	14,424,747	15,070,641	15,641,169	16,278,359
Fire Prevention	1,410,947	1,486,832	1,908,940	2,005,835
Emergency Preparedness	709,428	527,429	1,112,457	546,884
Base Budget	**29,061,625**	**31,335,991**	**33,278,535**	**33,892,816**
Reserves	**14,913,801**	**14,850,295**	**14,651,328**	**14,353,533**
Additional Staffing for New Dedicated Aid Unit	-	-	196,400	667,528
ALS Data Analyst	-	-	75,211	76,998
ALS Operations MSO	-	-	157,356	120,943
Ambulance Contract Administration	-	-	36,000	36,000
DSI/Fire Prevention Staffing Vehicle Costs	-	-	2,328	4,085
EOC Connectivity - ViPr System M&0	-	-	8,200	12,800
Fire Academy Costs (funds held in MND)	-	-	-	-
Program Enhancements	**-**	**-**	**475,495**	**918,354**
Total Budget	**43,975,426**	**46,186,285**	**48,405,358**	**49,164,703**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	20,095,555	21,102,420	22,542,461	23,761,544
Interfund	3,297,303	3,661,574	4,814,245	5,319,255
M & O	4,460,767	4,489,473	3,833,024	3,889,371
Capital	1,208,000	2,082,524	2,564,300	1,841,000
Total Expenditures	**29,061,625**	**31,335,991**	**33,754,030**	**34,811,170**
Total Reserves	**14,913,801**	**14,850,295**	**14,651,328**	**14,353,533**
Total Budget	**43,975,426**	**46,186,285**	**48,405,358**	**49,164,703**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	26,449,609	27,913,118	29,750,989	31,365,955
LEOFF I Medical Reserve Fund	9,147,068	9,004,008	8,849,966	8,545,805
Operating Grants/Donations Fund	919,549	667,614	438,257	354,257
General CIP Fund	1,040,000	2,003,100	2,532,500	1,841,000
Firemen's Pension Fund	6,419,200	6,598,446	6,833,646	7,057,686
Total Resources	**43,975,426**	**46,186,285**	**48,405,358**	**49,164,703**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Fire Suppression & Rescue	-	-	89.33	89.33
Emergency Medical Services	-	-	124.36	124.36
Fire Prevention	-	-	15.22	15.22
Emergency Preparedness	-	-	3.69	3.69
Total FTE	**219.72**	**222.72**	**232.60**	**232.60**

Fire

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Emergency Medical Services						
% of EMS Incidents where Response time <= 6 minutes	%	Effectiveness	56	90	90	90
Total EMS unit responses generated	#	Workload	19,525	18,000	19,500	20,000
Cardiac arrest survival rate	%	Effectiveness	50	35	45	45
% of EMS Incidents where Travel time <= 4 minutes	%	Effectiveness	69	90	90	90
% of EMS Incidents where Call Processing time <= 1 minute	%	Effectiveness	67	90	90	90
% of EMS Incidents where Turnout time <= 1 minute	%	Effectiveness	21	90	90	90
Total emergency medical calls	#	Workload	13,156	12,000	13,000	13,500
Emergency Preparedness						
Preparedness audiences reached	#	Workload	4,124	5,000	4,000	5,000
Response training programs	#	Effectiveness	11	25	25	25
Fire Prevention						
Fire loss in Inspected Buildings ($000)	$	Effectiveness	469	500	500	500
% of Routine/Self Inspections Completed	%	Efficiency	93	100	95	90
Fire Suppression & Rescue						
% of fires confined to room of origin	%	Effectiveness	90	85	85	85
# of fire & rescue service requests	#	Workload	3,550	4,600	4,000	4,000
# of Annual Company Fire Inspections	#	Workload	5,215	4,000	4,000	4,000
# of Fire unit responses generated	#	Workload	9,194	10,000	10,000	10,000
# of annual individual training hours	#	Workload	37,274	32,000	32,000	32,000
% of Fire Incidents where Response time <= 6 minutes	%	Effectiveness	41	90	90	90
% of Fire Incidents where Travel time <= 4 minutes	%	Effectiveness	66	90	90	90
% of Fire Incidents where Turnout time <= 1 minute	%	Effectiveness	13	90	90	90
% of Fire Incidents where Call Processing time <= 1 minute	%	Effectiveness	56	90	90	90

Fire

2007-2008 Work Initiatives

- Strive to meet the City Council adopted response time target of 6 minutes or less, 90% of the time.
- Continue to provide fire medical and other emergency services to meet public expectations and maintain the Department's "number one" approval rating.
- Continue to participate as a member and provide leadership to the regional task force and King County Emergency Medical Services (EMS) to bring before King County voters in 2007 a levy for a six-year period (2008–2013).
- Continue to evaluate overall community safety and comply with recognized standards of fire protection coverage and emergency services, with a specific focus on the Central Business District.
- Continue to provide timely project plans review and oversight inspections to ensure that newly constructed buildings are in compliance with Fire Code and related standards.
- Continue to participate, as a regional provider, in King County EMS Strategic Plan initiatives and Emergency Medical Services Advisory Committee.
- Continue to provide basic training to "entry-level" and "in-service" training to firefighters that meets national standards, State law, and departmental priorities.
- Continue to participate in, support, and review programs associated with maintaining a Class II Fire Protection Rating for the community.
- Continue to monitor and review all department opportunities for continuous improvement.
- Improve dispatch time, management information, and increase response effectiveness by purchase and implementation of a station alerting system.
- Continue to provide on-going training for operating safely during tactical events and/or environments, which may include weapons of mass destruction or terrorism.
- Continue to participate in the International City/County Management Association (ICMA) Comparative Performance Measures processes.
- Continue to work with the City of Bellevue Transportation Department in analyzing the impact of traffic calming/diversion devices on emergency response outcomes.
- Continue to monitor the Department's renovation plan to ensure timely maintenance to increase longevity of fire facilities and grounds through a scheduled repair and maintenance program.
- Continue to work with the Utilities Department in the mitigation of Wild-land urban interface.
- Continue to participate in the Development Services Initiative process.
- Continue efforts to reduce the incidence of fires through the annual fire and life safety inspection program.
- Complete sprinkler retrofit for four (4) fire stations and review options for the Training Center.
- Continue to analyze traffic congestion and community fire risk based on structural and/or industry hazard classification to ensure that appropriate standards of response are in place.
- Continue to participate in the City's video streaming pilot project to provide more effective and efficient training for community outreach educational opportunities and department personnel while on-duty.
- Continue to monitor continuing education requirements for technical rescue and train additional firefighters to the technician standard.
- Formalize, develop and implement a succession plan for key management staff.
- Continue partnership with Overlake Hospital to secure adequate quarters for Medic One and/or evaluate potential relocation to a fire station.
- Formalize, develop, and implement an Officer Development program.
- Comply with new National Incident Management System and National Response Plan standards.
- Facilitate City's homeland security activities including regional strategic planning, training, exercising, and equipping of personnel.
- Develop and seek Council adoption of new elements of the Regional Disaster Plan for Public and Private Organizations in King County.
- Design, conduct, and evaluate a city-wide exercise in 2007 designed to test the Emergency Operations Plan (EOP).
- Expand partnership with Consulting Nurse Services to use fire facilities to provide flu shots, immunizations, and health screenings for citizens.
- Continue to provide EMS support for community events and visiting dignitaries.
- Target educational opportunities to reach disadvantaged citizens, e.g. increase the number of multi-language educational programs and materials.
- Continue to participate in the Regional Firefighter Testing Consortium and work with regional partners to enhance opportunities for diversity recruitment.
- Develop comprehensive emergency response and evacuation plan for Overlake Hospital with a specific focus on the Evacuation of patients located in ICU and CCU.
- Implement internal High-Rise Committee and evaluate current high rise procedures and public education efforts and guidelines for evacuation.
- Prepare and conduct 35 year anniversary of Bellevue Fire Department Medic One program.
- Host and participate in regional training exercises to strengthen inter-agency operations at large-scale emergency events.
- Develop a city-specific annex to the Regional Hazard Mitigation Plan (comply with the Mitigation Act of 2000, 44 CFR 201) with formal approval by King County and Washington State Emergency Management offices and FEMA, and City Council adoption.

Fire

- Continue the transition of the Emergency Operations Center (EOC) into the Incident Command System (ICS) structure under the National Incident Management System (NIMS) federal guidance.
- Participate in regional homeland security and emergency management initiatives and grant programs with such projects involving training; planning in evacuation, debris management, mass sheltering, vulnerable populations and mass medical support; interoperable communications; Zone 1 emergency management coordination.
- Address business continuity/continuity of operations (COOP) internally to City departments as well as advocating such planning for local businesses. Work with Department Command Centers and their transition to ICS.
- Continue to develop and enhance the Pandemic Influenza Response Plan.
- As required under the Emergency Management Program Grant, conduct a functional exercise of the Emergency Operations Center (EOC).
- Deliver skills-based trainings to schools, businesses and neighborhoods.
- Continue to coordinate our EARS volunteer group (75+ members); conducting monthly meetings/training, participating in quarterly WA State radio drills, and conducting routine drills with local jurisdictional agencies.
- Participate in Regional Disaster Plan development and meetings; provide the City Council with necessary updates and information sharing on plan progress.
- Represent the City of Bellevue (city with population of 100,000) on the King County Emergency Management Advisory Committee (EMAC) responsible for addressing region-wide emergency management and homeland security endeavors.
- Continue to utilize volunteer trainers and EPD staff to deliver SPAN (Strengthening Preparedness Among Neighbors) program training to neighborhoods.
- Participate in community-based events providing emergency preparedness information.
- Continue to participate in the Urban Areas Security Initiative (UASI) by representing the City on the UASI Working Group and the UASI Core Group.
- Cooperatively work with other Zone 1 departments, and prepare for the adoption of the 2006 International Fire Code Scope of work includes: develop consistent adopting ordinance to the greatest extent possible; coordinate training for our staff and customers; and identify opportunities to effectively communicate with our customers.
- Work proactively with the development community and the Development Services departments to manage the significant number of high rise projects that will be seeking Certificate of Occupancy.
- Analyze, evaluate, and create preliminary design documents for the major renovation of Fire Station # 5.
- Prepare for and participate in site visit by the Commission on Fire Accreditation International (CFAI) for determination as to whether or not the Bellevue Fire Dept will receive re-accredited status in 2008.

Fire

Major Challenges for the Biennium

- By 2010, call volume for Fire and Emergency Medical Services is projected to increase by 18% due to growth in residential and workforce population, increased development, and increasing calls for services due to new legal mandates and public expectation. The Department is currently not meeting the City Council adopted response time target of 6 minutes or less, 90% of the time. As call volumes increase, the Fire Department will continue to evaluate all options to meet response time objectives and to maintain current service levels.
- Bellevue Fire Department is a regional provider of Advanced Life Support (ALS) paramedic services within the King County EMS Program, providing services to a population of 250,000 citizens within 301 square miles. The Department's ALS program is entirely funded by a county-wide EMS property tax levy which is up for renewal in 2007.
- Over the next five years, 33% (73) of the Fire Department's employees will be eligible for retirement. This turnover will impact the department in the following areas: increased need for overtime to meet minimum staffing levels; increased hiring and recruitment expenditures; increased need for specialized training for new personnel assigned to lightforce companies and the hazardous materials unit; and increased need for employee professional development.
- Over the course of the next three years, twenty-two (22) new high-rise construction projects in the downtown core will be reaching the Certificate of Occupancy stage. During this time, the Department will have periods where all Fire Prevention Division resources will be dedicated to inspections of these buildings impacting the annual fire and life safety inspections in the Biennium.
- Recent national events clearly demonstrate the need for community and business preparedness, as well as having in place comprehensive planning, training, exercise, response and recovery programs. Over the next several years emergency management agencies must continue to meet ever increasing state and federal directives in order to access any federal funding. There is also the likelihood that nation-wide certification of all emergency management programs will be required in the near future. As the City's economic center expands, and population grows and diversifies, there is an increased need for preparedness planning and education including multilingual requirements.

Fire
Emergency Medical Services

Program Statement

The Emergency Medical Division seeks to provide the highest quality of medical care possible under emergency conditions to mitigate loss of life, pain and suffering, and enhance the possibilities for rapid and complete patient recovery.

Summary of Services Provided

The Emergency Medical Services (EMS) program is designed to quickly respond to medical or traumatic emergencies. Prompt response to emergency medical incidences is reliant upon rapid response, assessment, treatment, and transportation to the nearest medical facility when appropriate, with the care of the patient being the primary focus. An enhanced 911 system and the strategic location of Fire Department resources capable of delivering basic and advanced life support services. An additional impact to a successful outcome is rapid access to 911 and citizens trained to perform basic first aid and CPR.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administration	375,010	402,359	464,931	493,084
Advanced Life Support	4,878,125	5,248,511	5,366,551	5,567,050
ALS Supplies/Equipment	90,666	107,477	93,925	96,352
Basic Life Support	8,143,119	8,543,463	8,785,001	9,119,495
BLS Supplies/Equipment	30,000	30,690	31,610	32,432
Central Stores	18,480	18,905	19,472	19,979
CPR Program	17,000	17,000	15,000	13,000
Fire LEOFF I Medical Reserve	277,498	315,246	454,933	514,074
Homeland Security/UASI Grants	234,980	30,000	50,000	50,000
S/M - Facilities	179,697	169,954	153,334	158,901
Training	180,172	187,038	206,412	213,993
Base Budget	**14,424,747**	**15,070,641**	**15,641,169**	**16,278,359**
Reserves	**4,366,036**	**4,246,758**	**4,020,050**	**3,773,829**
Additional Staffing for New Dedicated Aid Unit	-	-	118,248	339,864
ALS Data Analyst	-	-	75,211	76,998
ALS Operations MSO	-	-	157,356	120,943
Ambulance Contract Administration	-	-	36,000	36,000
Program Enhancements	**-**	**-**	**386,815**	**573,805**
Total Budget	**18,790,783**	**19,317,400**	**20,048,034**	**20,625,992**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	11,011,062	11,569,083	12,231,803	12,857,050
Interfund	1,324,034	1,470,718	1,881,524	2,110,208
M & O	1,921,652	2,030,841	1,882,857	1,884,906
Capital	168,000	-	31,800	-
Total Expenditures	**14,424,747**	**15,070,641**	**16,027,984**	**16,852,164**
Total Reserves	**4,366,036**	**4,246,758**	**4,020,050**	**3,773,829**
Total Budget	**18,790,783**	**19,317,400**	**20,048,034**	**20,625,992**

Fire
Emergency Medical Services

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	13,895,269	14,708,396	15,508,051	16,275,090
LEOFF I Medical Reserve Fund	4,573,534	4,502,004	4,424,983	4,272,903
Operating Grants/Donations Fund	321,980	107,000	115,000	78,000
Total Resources	**18,790,783**	**19,317,400**	**20,048,034**	**20,625,992**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administration	-	-	2.29	2.29
Advanced Life Support	-	-	40.52	40.52
Basic Life Support	-	-	80.10	80.10
Training	-	-	1.45	1.45
Total FTE	**117.30**	**118.36**	**124.36**	**124.36**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Increase the number of citizens trained in CPR						
# of persons trained in CPR	#	Workload	484	700	700	700
Maximize the cardiac arrest survival rate						
Cardiac arrest survival rate	%	Effectiveness	50	35	45	45
# of citizens performing CPR in the field	#	Effectiveness	59	45	45	45
Provide rapid patient care						
% of EMS Incidents where Response time <= 6 minutes	%	Effectiveness	56	90	90	90
Average Commit time/unit EMS calls (minutes)	#	Effectiveness	36.90	30.00	30.00	30.00
Number of patients treated	#	Workload	10,783	10,500	11,300	11,800
# of incidents requiring IV/airway therapy	#	Workload	2,118	2,600	2,300	2,300
Total EMS unit responses generated	#	Workload	19,525	18,000	19,500	20,000
Number of patients transported	#	Workload	6,110	6,200	6,200	6,200
% of EMS Incidents where Travel time <= 4 minutes	%	Effectiveness	69	90	90	90
% of EMS Incidents where Call Processing time <= 1 minute	%	Effectiveness	67	90	90	90
% of EMS Incidents where Turnout time <= 1 minute	%	Effectiveness	21	90	90	90
Total emergency medical calls	#	Workload	13,156	12,000	13,000	13,500

Issues related to Department Performance

Cardiac arrest survival rate: Bellevue Fire Department utilizes the Utstein formula to determine its cardiac survival rate. This is a standard performance criteria that King County EMS uses to measure cardiac survival rate. This formula defines survival as witnessed cardiac patients who were resuscitated and discharged from the hospital. In 2005, Bellevue Fire Department's survival rate was 50% which exceeds the King County average of 45.5%. Bellevue Fire and King County EMS continue to work with the international Resuscitation Outcomes Consortium (ROC) to study ways to improve cardiac survival rates. Bellevue is expected to participate in a ROC trial of new defibrillators that monitor the quality of CPR (Q-CPR) and provide feedback to rescuers.

Fire
Emergency Medical Services

Ventricular fibrillation (V-fib) is the only electrocardiogram (EKG) arrhythmias that can be immediately affected by the application of a defibrillator. Thus, it is the most survivable of the life threatening arrhythmias and is a good indicator of the efficacy of BLS response in a system. Although other arrhythmias may be survivable, the application pharmacologic agents in concert with defibrillation has much more favorable outcomes. By utilizing the Utstein protocol to evaluate Cardiac Arrest patients, King County EMS is evaluating system outcomes on only those patients that it may be possible to save. Approximately one percent of Bellevue Fire EMS calls are Cardiac Arrests.

Emergency response times: In 2005, the Department implemented several non-staffing mitigation measures to help slow the increase in response time. Despite these efforts, the Department still fell short of meeting the City Council adopted standard for response times. The use of the new mobile data terminals and automatic vehicle locaters have begun to stabilize after experiencing technical difficulties and should begin to provide more accurate data. A significant focus on turnout times was implemented in the Fall of 2005. Turnout times are reported out to each fire station captain and the platoon battalion chiefs for monitoring performance coupled with an internal effort to determine best practice for our fire stations that cross-staff a fire engine and Basic Life Support (BLS) unit. The Department experienced an immediate fifteen to twenty second improvement in the first 30 days, and the trend continues, which is reflected in the 2005 actual. Travel time and percent of incidents where total emergency response time was six minutes or less also improved.

Number of EMS service requests/unit responses generated: Requests for emergency medical assistance increased from 12,274 in 2004 to 13,156 in 2005, or 882 additional calls; due to the change in the NFIRS standard the majority of these calls were counted as Fire service calls in previous years. The moderate growth in EMS call volumes is in part due to the success of the Advanced Life Support (ALS) Dispatch Criteria revisions, nurse referral program and injury prevention programs. 40% of all ALS patients and 34% of all BLS patients are over age 65. ALS units respond most frequently to cardiac (28%), neurological (15%), respiratory (14%) and trauma (8.7%) incidents.

Program Notes

The Fire Department seeks to respond with appropriate resources in an effective time frame and takes the appropriate action to mitigate pain, suffering, and morbidity for critically ill and injured citizens. The Bellevue Fire Department operates four full time regional Advanced Life Support units covering 300 square miles and a population of 250,000. The paramedic units are located at Overlake Hospital Medical Center, Fire Station Two in Eastgate, Issaquah and North Bend. The data indicates an effective use of strategically placed EMS resources. In 2006, the Bellevue Fire Department placed into operation a new Mass Casualty Medical Supply Unit funded through a grant from Homeland Security, which is located at Bellevue Fire Station 9. This unit provides supplies for command and control as well as a cache of medical supplies and equipment for major emergency medical incidents and natural disasters.

Fire
Emergency Preparedness

Program Statement

The Emergency Preparedness program directs and coordinates City and community activities designed to minimize the impact of disaster and uncontrolled events that affect the community and environment. These activities include preparedness, mitigation, response readiness and recovery planning.

Summary of Services Provided

The Emergency Preparedness Division of the Bellevue Fire Department leads an interdepartmental effort to develop and maintain an emergency operations program for the City of Bellevue that maximizes the use of all City resources and prepares all segments of the community for disaster. The program also integrates plans, resources, and training with all necessary public agencies to most effectively manage the City's preparation for, response to, and recovery from the effects of any disaster.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administration	14,423	15,475	17,882	18,965
Donations	107,189	-	-	-
Emergency Preparedness	461,951	454,248	366,231	382,426
Emergency Preparedness - EOC	63,795	115,904	70,844	75,493
General CIP Projects	-	(119,000)	587,500	-
Operating Grants	62,070	60,802	70,000	70,000
Base Budget	**709,428**	**527,429**	**1,112,457**	**546,884**
EOC Connectivity - ViPr System M&0	-	-	8,200	12,800
Program Enhancements	**-**	**-**	**8,200**	**12,800**
Total Budget	**709,428**	**527,429**	**1,120,657**	**559,684**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	383,528	393,030	306,571	320,761
Interfund	141,259	202,208	168,075	177,459
M & O	184,642	51,192	58,511	61,464
Capital	-	(119,000)	587,500	-
Total Expenditures	**709,428**	**527,429**	**1,120,657**	**559,684**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	540,169	585,627	463,157	489,684
Operating Grants/Donations Fund	169,259	60,802	70,000	70,000
General CIP Fund	-	(119,000)	587,500	-
Total Resources	**709,428**	**527,429**	**1,120,657**	**559,684**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administration	-	-	0.09	0.09
Emergency Preparedness	-	-	2.56	2.56
Operating Grants	-	-	1.04	1.04
Total FTE	**5.80**	**3.81**	**3.69**	**3.69**

Fire
Emergency Preparedness

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Maintain the City's disaster response readiness						
EOB/EMC training programs	#	Effectiveness	15	14	14	14
EOP elements exercised	%	Workload	30	50	50	50
Number of exercises	#	Workload	2	2	4	3
Minimize loss caused by disasters and other emergencies						
FEMA cost recovery ($000)	#	Effectiveness	-	-	-	-
Public property damage ($000)	#	Effectiveness	-	-	-	-
Reduce demand for responders during disaster						
Major outreach campaigns	#	Workload	3	3	2	2
Preparedness audiences reached	#	Workload	4,124	5,000	4,000	5,000
Preparedness programs taught	#	Workload	85	150	110	125
Response training programs	#	Effectiveness	11	25	25	25
SPAN neighborhoods	#	Effectiveness	12	10	12	12
Volunteers utilized	#	Effectiveness	85	50	95	100

Issues related to Department Performance

Emergency Preparedness Response Hands On Skilled Training Programs: The community continues to be interested in receiving emergency response training. Firefighters provide the instruction for the "Search & Rescue and Disaster Medical Treatment" segments of this training program. The majority of these programs delivered in 2005 were in school settings, however, we experienced a good balance of residential community participation. On average, attendance increased by 60% in the training sessions; however, due to employee vacancies the number of training programs fell short of the target level for 2005. Approximately 80% of these trainings occurred in the fourth quarter – post hurricane event timeframe.

Emergency Preparedness audiences reached: Post Hurricane Katrina and Rita, there was a significant public interest in emergency preparedness education programs. The hurricane events provided that "teachable moment" where we take advantage of the public's heightened interest and actively engage them in the benefits of personal preparedness and planning. Our SPAN (Strengthening Preparedness Among Neighbors) program also saw a large increase, in that we went from reaching five neighborhoods in 2004 to 24 neighborhoods in 2005. Due to employee vacancies the number of audiences reached fell short of the target level for 2005.

In addition to experiencing an increase in public education activities and post hurricane events, we also experienced an increase in internal interest and enthusiasm. In response to the hurricane devastation and nation-wide resource requests for people and equipment, the Emergency Preparedness Division assisted in developing a city-wide policy to allow employees to deploy to the hurricane-affected areas and provide assistance, in addition to learning invaluable experience in a disaster zone. Additionally, this post-hurricane event enlightened a number of people who regained enthusiasm in emergency preparedness and subsequently began reassessing and reanalyzing response plans, procedures, operational readiness and capabilities. These efforts will continue into 2007 and 2008.

The federal government continues to restructure FEMA and at the same time has been requiring a number of compliancy requirements in order for jurisdictions to continue accessing federal grant funds. To meet 2005 compliancy, the Department spent time training Emergency Management Committee (EMC) and Emergency Operations Board (EOB) members on IS 700 – National Incident Management System (NIMS). Such NIMS compliancy issues will also likely continue into the coming years in order for the City to be eligible for federal grant funding.

Program Notes

Citizens and private sector awareness has increased due to national and international events (i.e. 9/11, Hurricane Katrina and the tsunami in Indonesia). Local emergency management programs are increasingly inundated by the Department of Homeland Security and Presidential directives. This is reflected in an increase in emergency preparedness demands on educational programs and resources. To remain eligible for any federal grant funding, Bellevue must continue to comply with the requirements of the National Incident management System. Efforts will continue to seek grant funds and other resources to facilitate in meeting increased demands for planning, education and recovery.

Fire
Fire Prevention

Program Statement

The Fire Prevention program, through the process of fire protection engineering, fire code enforcement, and fire investigation ensures a safe environment for the people who live, visit or conduct business in the City of Bellevue.

Summary of Services Provided

The Fire Prevention program is designed to support the Fire Department's mission through quality delivery of a multifaceted fire and life safety improvement strategy. This program consists of six functional areas: Plans Review, Code Enforcement, Investigation, Hazardous Materials, Special Projects and Administration. These sections inform and educate the public, conduct new construction plan reviews, perform fire code and life safety inspections, and investigate fires. Particular emphasis is directed toward those citizens who face a disproportionately high risk of death due to fire. These groups include the very young, the elderly, immigrant populations, and disabled persons.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administration	36,059	38,688	44,705	47,412
Fire Prevent/Educate	15,000	15,000	16,000	16,000
Fire Prevention	1,342,936	1,417,110	1,833,770	1,927,432
S/M - Facilities	16,953	16,033	14,465	14,991
Base Budget	**1,410,947**	**1,486,832**	**1,908,940**	**2,005,835**
Reserves	**15,000**	**5,000**	**22,000**	**16,000**
DSI/Fire Prevention Staffing Vehicle Costs	-	-	2,328	4,085
Program Enhancements	**-**	**-**	**2,328**	**4,085**
Total Budget	**1,425,947**	**1,491,832**	**1,933,268**	**2,025,920**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	1,098,362	1,175,726	1,495,512	1,561,036
Interfund	145,322	198,845	233,032	262,400
M & O	167,263	112,261	182,724	186,484
Total Expenditures	**1,410,947**	**1,486,832**	**1,911,268**	**2,009,920**
Total Reserves	**15,000**	**5,000**	**22,000**	**16,000**
Total Budget	**1,425,947**	**1,491,832**	**1,933,268**	**2,025,920**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	1,395,947	1,471,832	1,895,268	1,993,920
Operating Grants/Donations Fund	30,000	20,000	38,000	32,000
Total Resources	**1,425,947**	**1,491,832**	**1,933,268**	**2,025,920**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administration	-	-	0.22	0.22
Fire Prevention	-	-	15.00	15.00
Total FTE	**13.02**	**15.22**	**15.22**	**15.22**

Fire
Fire Prevention

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
100% fire code compliance for new construction						
Fire loss in Inspected Buildings ($000)	$	Effectiveness	469	500	500	500
Number of Inspectable Occupancies	#	Workload	8,350	8,000	8,350	8,400
Percentage of plans approved within 14 days	%	Efficiency	77	80	80	80
Number of new construction inspections completed	#	Workload	2,642	1,750	3,300	3,600
Conduct fire safety inspections all inspectable occupancies						
Fires per capita (per 1000)	#	Effectiveness	3.28	3.75	3.70	3.60
Total inspectable fire loss per capita (per 1000)	$	Effectiveness	16.83	25.50	25.50	25.00
Number of Fires Reported	#	Effectiveness	446	450	450	450
% of Routine/Self Inspections Completed	%	Efficiency	93	100	95	90
Minimize loss caused by disasters and other emergencies						
High Rise drills conducted	#	Workload	28	32	37	42
Reduce demand for responders during disaster						
# of Fire/Injury programs taught	#	Workload	78	150	120	140
Reduce the reoccurrence of fire by cause/origin detection						
Number of fire investigations	#	Workload	76	55	55	50

Issues related to Department Performance

Fire Loss in Inspected Buildings: Efforts to minimize or eliminate fire loss in commercial, industrial, educational, and multi-family residential buildings are a key component to the community's risk management strategy. National studies suggest that an annual fire inspection program reduces fire loss. In order to ensure that all occupancies are inspected on a regular basis, the Fire Department assigns specific geographical inspection areas and/or occupancy types to individual Fire Prevention Officers or fire crews. Total Fire loss in inspected buildings has remained fairly constant over the last four years.

Number of annual fire inspections: In total, there are approximately 8,300 occupancies in the City of Bellevue and contract communities requiring annual fire and life safety inspections. The "fire company inspection" program utilizes on-duty firefighters to inspect less complex structures and occupancies. In 2005, Fire companies conducted 5,215 commercial occupancy inspections, an increase of 25.5% from 2004. The self-inspection program for low-risk occupancies accounted for an additional 726 inspections. In addition to Fire Company and self-inspections, the Department's Fire Prevention Officers are assigned to inspect more complex occupancies that represent significant life and safety hazards. In 2005, the Fire Prevention Division completed 3,119 inspections. Due to limited staffing in Fire Prevention and an increasing need to provide inspections for new construction projects, approximately 680, or 8% of all occupancies were not inspected in 2005. The Department continues to explore and implement efficiencies to complete all routine annual fire and life safety inspections.

Fire
Fire Prevention

Program Notes

The key performance indicators are expected to remain relatively constant over the biennium, although workload related to new construction projects is expected to increase. The resource needs to maintain service levels relative to fire and life safety inspections have not kept up with growth. Currently there are approximately 4,000,000 square feet of projects under construction, 7,000,000 square feet of projects in review and 13,000,000 square feet of projects in the design stage. When all of these projects are completed, the number of high rises in Bellevue will have more than doubled.

A number of management actions have been taken to stretch capacity. Actions taken include:

- Creating a Routine Inspection Task Force to examine how the department can best complete our routine inspections. The Task Force has completed its work and published a report which we believe will help in most efficiently and effectively completing our routine inspections.
- Initiating a multi-media based Fire Prevention training series targeting both Fire Department personnel and our customers. This form of delivery for training is more efficient , ensures consistency, and disseminates the information to a much wider audience.
- Hiring 3 additional employees to respond to the significant increase in work.

Fire
Fire Suppression & Rescue

Program Statement

Fire Suppression and Rescue exists to control risk to life, property and community vitality, which may be threatened by fire or other emergency events, through the strategic deployment of resources and rapid response of personnel and equipment.

Summary of Services Provided

The Fire Suppression and Rescue program is designed to minimize loss of life and property. The program is delivered utilizing strategically placed staff and physical resources that extinguish fires and engage in physical rescue activities. Other activities include mandatory, and specialized training, continuing education for all members, to maintain compliance with State and Federal safety standards, conducting annual fire/code enforcement and life safety inspections, educating the public, and providing basic medical life support.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administration	295,681	317,244	366,580	388,778
Central Stores	14,520	14,854	15,300	15,697
Fire LEOFF I Medical Reserve	277,498	315,246	454,933	514,074
General CIP Projects	1,040,000	2,122,100	1,945,000	1,841,000
Homeland Security/UASI Grants	198,310	279,812	-	-
Operating Grants	200,000	200,000	150,000	150,000
Pension-Suppression	182,471	186,668	259,675	277,067
S/M - Facilities	142,402	134,680	121,510	125,921
SCBA Equipment/Repair	10,000	10,230	10,537	10,811
Suppression	9,975,449	10,483,217	11,086,022	11,524,398
Training	180,172	187,038	206,412	213,993
Base Budget	**12,516,502**	**14,251,088**	**14,615,969**	**15,061,739**
Reserves	**10,532,765**	**10,598,536**	**10,609,278**	**10,563,705**
Additional Staffing for New Dedicated Aid Unit	-	-	78,152	327,664
Fire Academy Costs (funds held in MND)	-	-	-	-
Program Enhancements	**-**	**-**	**78,152**	**327,664**
Total Budget	**23,049,268**	**24,849,625**	**25,303,399**	**25,953,107**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	7,602,603	7,964,580	8,508,575	9,022,698
Interfund	1,686,689	1,789,804	2,531,613	2,769,188
M & O	2,187,210	2,295,180	1,708,932	1,756,518
Capital	1,040,000	2,201,524	1,945,000	1,841,000
Total Expenditures	**12,516,502**	**14,251,088**	**14,694,121**	**15,389,403**
Total Reserves	**10,532,765**	**10,598,536**	**10,609,278**	**10,563,705**
Total Budget	**23,049,268**	**24,849,625**	**25,303,399**	**25,953,107**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	10,618,223	11,147,263	11,884,513	12,607,262
LEOFF I Medical Reserve Fund	4,573,534	4,502,004	4,424,983	4,272,903
Operating Grants/Donations Fund	398,310	479,812	215,257	174,257
General CIP Fund	1,040,000	2,122,100	1,945,000	1,841,000
Firemen's Pension Fund	6,419,200	6,598,446	6,833,646	7,057,686
Total Resources	**23,049,268**	**24,849,625**	**25,303,399**	**25,953,107**

Fire
Fire Suppression & Rescue

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administration	-	-	1.80	1.80
Suppression	-	-	86.08	86.08
Training	-	-	1.45	1.45
Total FTE	**83.60**	**85.33**	**89.33**	**89.33**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Confinement of fires to room of origin						
% of fires confined to room of origin	%	Effectiveness	90	85	85	85
# of fire & rescue service requests	#	Workload	3,550	4,600	4,000	4,000
% of fires confined to structure of origin	%	Effectiveness	98	99	99	99
Minimize loss of life and property						
Overall fire loss ($000)	$	Effectiveness	2,291	4,000	4,000	4,000
# of lives lost per 100,000 population	#	Effectiveness	-	-	-	-
# of Fire unit responses generated	#	Workload	9,194	10,000	10,000	10,000
% of Fire Incidents where Response time <= 6 minutes	%	Effectiveness	41	90	90	90
% of Fire Incidents where Travel time <= 4 minutes	%	Effectiveness	66	90	90	90
% of Fire Incidents where Turnout time <= 1 minute	%	Effectiveness	13	90	90	90
% of Fire Incidents where Call Processing time <= 1 minute	%	Effectiveness	56	90	90	90
Provide quality management and training						
# of Annual Company Fire Inspections	#	Workload	5,215	4,000	4,000	4,000
# of annual individual training hours	#	Workload	37,274	32,000	32,000	32,000
# of FTEs per 1,000 population served	#	Efficiency	0.62	0.62	0.62	0.62

Issues related to Department Performance

• Emergency response times: In 2005, the Department implemented several non-staffing mitigation measures to help slow the increase in response time. Despite these efforts, the Department still fell short of meeting the City Council adopted standard for response times. The use of the new mobile data terminals and automatic vehicle locaters have begun to stabilize after experiencing technical difficulties and should begin to provide more accurate data. A significant focus on turnout times was implemented in the Fall of 2005. Turnout times are reported out to each fire station captain and the platoon battalion chiefs for monitoring performance coupled with an internal effort to determine best practice for our fire stations that cross-staff a fire engine and Basic Life Support (BLS) unit. The Department experienced an immediate fifteen to twenty second improvement in the first 30 days, and the trend continues which is reflected in the 2005 actual. Travel time and percent of incidents where total emergency response time was six minutes or less also improved.

• Percent of fires confined to room of origin: Fires confined to room of origin is a standard by which all fire departments' performance is evaluated. This measure is influenced by a number of factors, which include fire protection systems, age of the structure, on-duty staffing levels, response times, etc. In 2005, there were 138 structure fires in the City of Bellevue and the contract communities. Ninety percent of these fires were confined to the room of origin, five percent better than our target of 85%.

• Number of Fire service requests/unit responses generated: A change in National Fire Incident Reporting System (NFIRS) reporting requirements is reflected in 2005 actual. In previous years all cancelled EMS alarms were accounted for in the 'fire services' category. The Department continues to experience a similar level of fire related services as previous years. In 2005, the department continued its efforts to mitigate increases in service requests through three major programs: public education, injury and illness prevention, and referral to other types of assistance when medically appropriate.

Fire
Fire Suppression & Rescue

• Number of annual individual training hours: In 2005, annual individual training hours increased by approximately 27% to 37,274. The 27% increase can be attributed to: 1) the completion of recruit firefighter training for four new employees. A recruit academy was not held in 2004; and, 2) an increase in specialized training (i.e., hazardous materials response, and special operations) paid for by Homeland Security grant funds and other outside resources. The department continues to provide as much "in-service" fire company training as time allows.

Program Notes

The Department continues to not meet the target for percent of structure fire incidents with a total response time of 6 minutes or less, 90% of the time. However, this has not yet affected the department's ability to have good results in confinement of fires to room and/or structure of origin. The Department has implemented several steps to improve response time which includes installation of Mobile Data Computers and Automatic Vehicle Locators, revised dispatch protocols, revised standard operating procedures, and placing additional emphasis on monitoring crew performance relative to turn out times. During the 2007-2008 biennium, several additional steps will be taken to improve this performance including implementation of a Paging and Station Alerting System and improved Computer Aided Dispatch.

Fire

Biennial Budgeted Cost Summary	2005-2006 Budget	2007-2008 Budget	% Change
Fire Suppression & Rescue	26,767,591	29,677,708	11 %
Emergency Medical Services	29,495,389	31,919,528	8 %
Fire Prevention	2,897,779	3,914,775	35 %
Emergency Preparedness	1,236,858	1,659,341	34 %
Base Budget	**60,397,616**	**67,171,351**	**11 %**
Reserves	**14,850,295**	**14,353,533**	**(3)%**
Additional Staffing for New Dedicated Aid Unit	-	863,928	-
ALS Data Analyst	-	152,209	-
ALS Operations MSO	-	278,299	-
Ambulance Contract Administration	-	72,000	-
DSI/Fire Prevention Staffing Vehicle Costs	-	6,413	-
EOC Connectivity - ViPr System M&0	-	21,000	-
Fire Academy Costs (funds held in MND)	-	-	-
Program Enhancements	**-**	**1,393,849**	**-**
Total Budget	**75,247,910**	**82,918,733**	**10 %**

Biennial Expenditure Category Summary	2005-2006 Budget	2007-2008 Budget	% Change
Personnel	41,197,975	46,304,005	12 %
Interfund	6,958,877	10,133,500	46 %
M & O	8,950,240	7,722,395	(14)%
Capital	3,290,524	4,405,300	34 %
Total Expenditures	**60,397,616**	**68,565,200**	**14 %**
Total Reserves	**14,850,295**	**14,353,533**	**(3)%**
Total Budget	**75,247,910**	**82,918,733**	**10 %**

Biennial Funding Summary	2005-2006 Budget	2007-2008 Budget	% Change
General Fund	54,362,727	61,116,944	12 %
LEOFF I Medical Reserve Fund	9,559,004	9,455,671	(1)%
Operating Grants/Donations Fund	1,502,163	655,257	(56)%
General CIP Fund	3,043,100	4,373,500	44 %
Firemen's Pension Fund	6,780,917	7,317,361	8 %
Total Resources	**75,247,910**	**82,918,733**	**10 %**

18. Hotel/Motel Taxes

Hotel/Motel Taxes

Program Outcome Statement

Meydenbauer Center provides an economic engine to the community by creating jobs, tax revenues, and commercial activity in the City. The Center strives to operate in a manner that maintains its competitive position in the marketplace maximizes local hotel room use to support the hotel industry and provides a facility for community events and performing arts while maintaining a self-supporting status.

Services and Accomplishments

The Hotel/Motel Tax Fund supports the City's economic and cultural development efforts by remitting transient occupancy tax collections to the Bellevue Convention Center Authority (BCCA) in support of Meydenbauer Center operations, by providing oversight of Meydenbauer Center and supporting Meydenbauer Center renovations activities.

Hotel/Motel Taxes

Organizational Chart

Staff support for administration of this budget is provided by the Finance Department.

Hotel/Motel Taxes

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Economic & Cultural Development	5,222,543	6,159,790	7,048,790	7,523,633
Base Budget	**5,222,543**	**6,159,790**	**7,048,790**	**7,523,633**
Reserves	**6,923,544**	**7,116,235**	**3,683,608**	**3,867,738**
Total Budget	**12,146,087**	**13,276,025**	**10,732,398**	**11,391,371**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Interfund	515,166	1,469,583	1,462,811	1,451,439
M & O	4,707,377	4,690,207	5,585,979	6,072,194
Total Expenditures	**5,222,543**	**6,159,790**	**7,048,790**	**7,523,633**
Total Reserves	**6,923,544**	**7,116,235**	**3,683,608**	**3,867,738**
Total Budget	**12,146,087**	**13,276,025**	**10,732,398**	**11,391,371**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Hotel/Motel Tax Fund	11,628,796	12,558,735	10,011,608	10,673,738
Interest & Debt Redemption-Regular Fund	517,291	717,290	720,790	717,633
Total Resources	**12,146,087**	**13,276,025**	**10,732,398**	**11,391,371**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
No Staff				

Hotel/Motel Taxes

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Economic & Cultural Development						
$ of economic impact generated ($ millions)	$	Effectiveness	17.80	14.50	16.10	17.00
# of hotel nights generated (thousands)	#	Effectiveness	12.50	11.00	14.00	18.00
Customer service rating: quality of facility/equipment	%	Effectiveness	96	95	95	95
Customer service rating: food & beverage service/quality	%	Effectiveness	95	95	95	95
# of Meydenbauer Center events	#	Effectiveness	348	325	329	340
% of time hotel room-night goals met for Meydenbauer Center	%	Effectiveness	114	100	100	100
% of events target achieved - Meydenbauer Center	%	Effectiveness	107	100	100	100
% of theater target achieved - Days Booked	%	Effectiveness	107	100	100	100
Coverage ratio (operating revenues/operating expense)	%	Effectiveness	85	82	88	92
Theatre days booked	#	Effectiveness	309	290	275	275
% of theater target achieved - Performances	%	Effectiveness	99	100	100	100
# of Arts Performances	#	Effectiveness	179	180	180	180

Hotel/Motel Taxes

2007-2008 Work Initiatives

- Transfer hotel/motel tax to the BCCA pursuant to the Operating Agreement between the City and the BCCA.
- Act as liaison between the BCCA and the City.
- Annually update with BCCA staff the BCCA Finance and Insurance Plans.
- Monitor and report on BCCA financial activity and operations.
- Support Meydenbauer Center renovation activities.

Major Challenges for the Biennium

- Providing support to the Meydenbauer Center during the renovations planned for late 2006 and early 2007 which BCCA has determined are necessary to remain competitive in the current market.

Hotel/Motel Taxes
Economic & Cultural Development

Program Statement

This program supports the City's economic and cultural development efforts by remitting hotel/motel tax collections to the Bellevue Convention Center Authority (BCCA) in support of Meydenbauer Center operations, by providing oversight of Meydenbauer Center, by acting as liaison between the City and the BCCA and by supporting Meydenbauer Center renovations activities.

Summary of Services Provided

Economic Engine

- One of the primary benefits Meydenbauer Convention Center provides to the community is economic impact. Events at Meydenbauer Convention Center bring people into the city which generates sales tax dollars for the region, stimulates employment, and increases business activity. Information obtained from the International Association of Convention and Visitors Bureaus (IACVB) is used to calculate the economic impact of Meydenbauer Convention Center activity. Based on the 2005 data, the estimated economic impact attributable to Meydenbauer Convention Center activity was $17.8 million in 2005, which was $3.3 million above target.

Competitive Position in the Market Place

- Meydenbauer Convention Center's coverage ratio (ratio of operating revenues to operating expenses) for 2005 was 85%, exceeding its target of 82%. This rate compares favorably to the industry norm, which ranges from 65% to 75%.

- Meydenbauer Convention Center continues to achieve an exceptional customer service rating. Customers are pleased with staff, food and beverage services, as well as the quality of the facility. The 2005 rating met or exceeded the targets set for all aspects of customer service.

- The number of events held at the Meydenbauer Convention Center totaled 348 for 2005, exceeding the target by 7%. Several event categories met or bettered their targets, with the main Events category generating the largest increase over budget.

Community Events

- Attendance at the Meydenbauer Convention Center Theatre totaled 47,862 in 2005, which was 14% greater than budgeted. Performances, totaling 179, exceeded budget by 9%. The coverage ratio for 2005 activity was at 54% compared to 42% budgeted.

Maximizing Hotel Use

- Meydenbauer Convention Center generated 12,500 hotel room nights attributable to events held at the Center, representing a 69% increase over 2004 activity. This measure is based on actual room nights booked for specific conventions within a reserved block of rooms. This methodology does not capture room nights booked outside the block – such as bookings made through the internet, which are becoming more prevalent with the discount prices available.

Budgeted Cost Summary		FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Hotel/motel Taxes		4,488,000	5,443,000	6,329,000	6,807,000
Land Payment		217,752	-	-	-
Limited Go - 2002		516,791	716,790	719,790	716,633
	Base Budget	**5,222,543**	**6,159,790**	**7,048,790**	**7,523,633**
	Reserves	**6,923,544**	**7,116,235**	**3,683,608**	**3,867,738**
	Total Budget	**12,146,087**	**13,276,025**	**10,732,398**	**11,391,371**

Hotel/Motel Taxes
Economic & Cultural Development

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Interfund	515,166	1,469,583	1,462,811	1,451,439
M & O	4,707,377	4,690,207	5,585,979	6,072,194
Total Expenditures	**5,222,543**	**6,159,790**	**7,048,790**	**7,523,633**
Total Reserves	**6,923,544**	**7,116,235**	**3,683,608**	**3,867,738**
Total Budget	**12,146,087**	**13,276,025**	**10,732,398**	**11,391,371**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Hotel/Motel Tax Fund	11,628,796	12,558,735	10,011,608	10,673,738
Interest & Debt Redemption-Regular Fund	517,291	717,290	720,790	717,633
Total Resources	**12,146,087**	**13,276,025**	**10,732,398**	**11,391,371**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
No Staff				

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Assure Meydenbauer Center is available for community events						
% of theater target achieved - Days Booked	%	Effectiveness	107	100	100	100
% of theater target achieved - Performances	%	Effectiveness	99	100	100	100
Assure Meydenbauer Center maintains its competitive position						
Customer service rating: quality of facility/equipment	%	Effectiveness	96	95	95	95
Customer service rating: food & beverage service/quality	%	Effectiveness	95	95	95	95
Coverage ratio (operating revenues/operating expense)	%	Effectiveness	85	82	88	92
Theatre days booked	#	Effectiveness	309	290	275	275
# of Arts Performances	#	Effectiveness	179	180	180	180
Assure Meydenbauer Center provides economic stimulation						
$ of economic impact generated ($ millions)	$	Effectiveness	17.80	14.50	16.10	17.00
# of Meydenbauer Center events	#	Effectiveness	348	325	329	340
% of events target achieved - Meydenbauer Center	%	Effectiveness	107	100	100	100
Assure Meydenbauer Center supports hotel community						
# of hotel nights generated (thousands)	#	Effectiveness	12.50	11.00	14.00	18.00
% of time hotel room-night goals met for Meydenbauer Center	%	Effectiveness	114	100	100	100

Hotel/Motel Taxes
Economic & Cultural Development

Issues related to Department Performance

Lodging Tax revenue collections continue to improve. The 2006 revenues are projected to exceed 2005 collections by 33% as a result of the addition of new hotels and increased activity. The 2007-2008 forecast projects revenues to exceed 2006 collections by 11% and 8% respectively due to new hotels and increased activity.

Program Notes

In June 2002, the City of Bellevue issued $10.5 million in 30-year Long Term General Obligation (LTGO) bonds in order to redeem the original Bond Anticipation Note (BAN). The residual proceeds were held to finance the acquisition of a site for future expansion and/or to finance capital improvements. In June 2006 the City closed on the purchase; the property is adjacent to the Center and preserves the opportunity for future expansion of the Convention Center.

Hotel/Motel Taxes

Biennial Budgeted Cost Summary	2005-2006 Budget	2007-2008 Budget	% Change
Economic & Cultural Development	11,382,333	14,572,423	28 %
Base Budget	**11,382,333**	**14,572,423**	**28 %**
Reserves	**7,116,235**	**3,867,738**	**(46)%**
Total Budget	**18,498,568**	**18,440,161**	**- %**

Biennial Expenditure Category Summary	2005-2006 Budget	2007-2008 Budget	% Change
Interfund	1,984,749	2,914,250	47 %
M & O	9,397,584	11,658,173	24 %
Total Expenditures	**11,382,333**	**14,572,423**	**28 %**
Total Reserves	**7,116,235**	**3,867,738**	**(46)%**
Total Budget	**18,498,568**	**18,440,161**	**- %**

Biennial Funding Summary	2005-2006 Budget	2007-2008 Budget	% Change
Hotel/Motel Tax Fund	17,264,487	17,002,738	(2)%
Interest & Debt Redemption-Regular Fund	1,234,081	1,437,423	16 %
Total Resources	**18,498,568**	**18,440,161**	**- %**

CITY OF BELLEVUE
WASHINGTON

Human Resources

Program Outcome Statement

Human Resources is committed to employees by providing outstanding customer service and stewardship of resources by attracting, selecting, and retaining a high performance, diverse workforce.

Services and Accomplishments

Human Resources (HR) provides services in Compensation, Health Benefits and Retirement, Employee Relations, Labor Relations, Staffing, Training and Organizational Development, HRIS/Technology, and HR Administration. HR roles include specialists and generalists, consultants, trainers, policy drafters and interpreters, service providers, administrators, facilitators and mediators, investigators, and historians in all service areas.

Compensation – The compensation system has been maintained and is current. The base salary compensation structure for all unrepresented classifications was adjusted by cost of living to maintain a competitive market position. Additionally, unrepresented classifications have been maintained so they accurately describe the current-day work activity performed in each classification.

- Training - In 2005–2006 training focused in meeting organizational business needs consistent with city-wide core values.
- Training was aligned to facilitate organizational change and enhanced through participant feedback.
- Continued with the Supervisory Pathways training program to reflect real-time HR issues and provide managers/supervisors with relevant skills they can use to effectively administratively manage their business process.
- Expanded the Employee Leadership Development program to a total of 11 modules and include skills that support business needs.
- Continued to enhance a comprehensive learning and development website and expanded the on-line registration for all HR training.
- Increased training program course catalog by 5%, 175 classes completed, 1,629 employees participated in the program.
- Increased the use of the tuition reimbursement program participation by 25% in 2005 and 10% in 2006.
- Coordinated 14 Large Management Team Training Breakfast Networking events.
- Designed curriculum to assist the Development Services group in streamlining the performance management/improvement process.
- Facilitated 9 organizational development efforts in Team Vitality to City departments.

Organizational Development - Designed 17 employee development/career plans specifying competencies to be developed, showing linkage of competencies to business goals and measures, and individual growth goals and interests. Identified learning activities and outcomes needed to implement the plans, measures to evaluate the effective completion of the development cycle and specific support and guidance from managers to assure success.

Advanced Technology Changes – The following new technology initiatives were introduced by HR, with support from the IT Department as well as outside sources:

- JD Edwards (JDE) ERP – HR and Payroll went live June 16, 2005 as part of a city-wide update of Financial and HR/Payroll technology.
- Employee Actions – HR and Payroll reviewed and modified processes to work with changes produced by the JD Edwards implementation. A portal was created on the City's Intranet called 'Employee Actions' where process steps and an electronic email form allows employees and managers the ability to send data changes to HR and Payroll.
- JDE Reporting directory – HR and Payroll utilize the shared network drive 'S:' to securely post monitoring reports. This replaced manual printing and distribution by HR and Payroll of reports that departments utilize. Examples are Timekeeping hours audits, Employer Cost, Employee Roster, Upcoming and Overdue Performance Reviews, and Partially Benefited hours/date limits.
- JDE Upgrade to Enterprise One – JDE has been re-branded as Enterprise One and the upgrade will keep our technology current with future enhancements from Oracle, as well as create the platform to implement self-service for HR and Payroll.
- MEBT.ORG – Went live October 1, 2006. In response to MEBT participants, any employee, current or past, can log in to a website created in partnership with our third party vendor Trautmann. This website shows MEBT participants' daily account activity. In the past, participants had to wait at least a month past the end of every quarter to receive a statement of their account balance and performance.

Retirement:

- Performed a comprehensive review of service delivery, benefits and plan design for all seven MEBT cities. Developed short and long-term recommendations to reduce costs and improve services for participants.
- Changed to a new SAS 70-compliant data platform for the MEBT retirement system providing a higher level of internal control and data security and resulting in service enhancements including on-line and automated account information.
- Awarded a "clean" audit opinion for MEBT financial statements.
- Successfully transitioned over 600 accounts in the IRC Section 457 Deferred Compensation Program. Managed process to transition to a new vendor, Great-West Retirement Services.
- Implemented a loans program for Deferred Compensation participants.
- Increased the use of Retirement Planning Services through expanded services and expanded outreach.
- Continued to improve and expand the Retirement Education Program with updated training sessions and enhanced website information.

Human Resources

- Completed the PSERS implementation process and implemented a revised procedures manual.
- Implemented an improved system for calculating and tracking monthly fire pension payments.
- Assisted with complex actuarial studies to project future LEOFF I medical and Fire Pension obligations.
- Assisted with conversion to JD Edwards software.

Policies and Procedures Revisions – Updated, clarified, and/or finalized new policies in the Human Resources Policies and Procedures Manual.

Employee Benefits – The City of Bellevue has experienced some success in mitigating health care cost increases over the period from 2003 through 2006. Although health care costs continue to rise, these changes mitigated the increase by approximately $2,500,000. The largest savings came from a change in physician networks and changes to the health plan.

The streamlined administration of health and welfare benefits continued, enhanced by efficiencies gained by electronic management of benefits data through Bellevue Online Benefits (BOB).

Benefit Program Compliance - In 2006, the self-insured employee medical benefits program was examined by the State of Washington Office of Risk Management. The examination performed tests of compliance with state laws and regulation and the City was found to be in compliance.

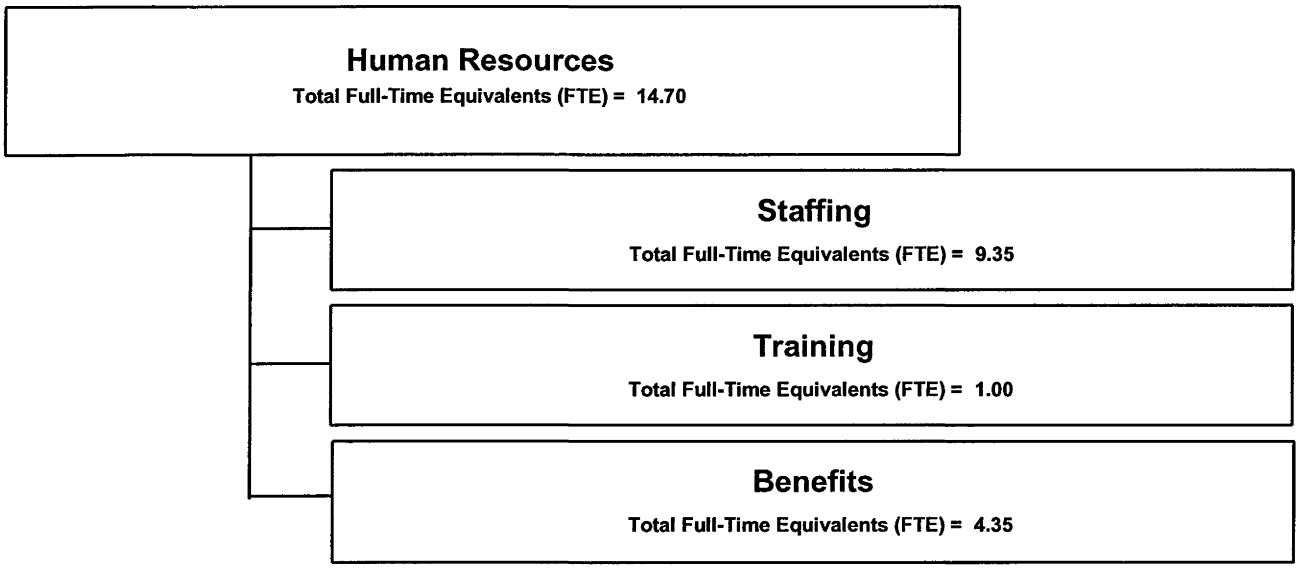
Communications – Created health and welfare benefit information packets for new hires. The contents are reviewed during the new hire orientation session, Bellevue Beginnings, which is held twice a month.

Wellness Program - the City's Wellness Program aimed at promoting healthy lifestyles and emphasizing the City's core value of "Commitment to Employees" continued in 2005 and 2006. Programs included Weight Watchers at Work; flu shots and health screenings at the benefit fair held in conjunction with the Employees Picnic.

Recruitment
- Handled a variety of recruitments, advertised in diversity publications, and worked with organizations that target minority candidates.
- Conducted five director-level recruitment processes in which appointments to the positions were made.
- Continued to work with Bellevue Community College during mock interviews with English as a Second Language students.

Human Resources

Organizational Chart



Human Resources

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Staffing	1,273,312	1,341,030	1,440,652	1,515,031
Training	171,334	188,437	203,359	210,064
Benefits	13,825,311	15,415,432	16,182,648	17,685,431
Base Budget	**15,269,957**	**16,944,899**	**17,826,659**	**19,410,526**
Reserves	**2,228,723**	**3,158,026**	**3,388,553**	**3,476,872**
Total Budget	**17,498,680**	**20,102,925**	**21,215,212**	**22,887,398**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	1,326,996	1,396,149	1,512,048	1,582,328
Interfund	354,185	373,554	386,292	411,135
M & O	13,588,776	15,175,196	15,928,319	17,417,063
Total Expenditures	**15,269,957**	**16,944,899**	**17,826,659**	**19,410,526**
Total Reserves	**2,228,723**	**3,158,026**	**3,388,553**	**3,476,872**
Total Budget	**17,498,680**	**20,102,925**	**21,215,212**	**22,887,398**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	1,807,280	1,905,714	2,024,442	2,121,439
Health Benefits Fund	15,691,400	18,197,211	19,190,770	20,765,959
Total Resources	**17,498,680**	**20,102,925**	**21,215,212**	**22,887,398**

FTE Summary	FY 2005 Adjust	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Staffing	-	-	9.35	9.35
Training	-	-	1.00	1.00
Benefits	-	-	4.35	4.35
Total FTE	**14.70**	**14.70**	**14.70**	**14.70**

Human Resources

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Staffing						
# of labor contracts successfully negotiated and implemented	#	Workload	5	3	3	-
% of staff successfully redeployed internally	%	Effectiveness	50	75	75	75
% of minority candidates hired	%	Effectiveness	15	18	18	18
Average % of minority applications per recruitment	#	Effectiveness	29	20	30	32
Avg weeks to fill a position (job posting to offer)	#	Efficiency	8	4	6	6
# of career fairs attended/outreach activities	#	Workload	2	3	3	3
Total number of applicants	#	Workload	3,201	4,000	5,000	5,000
# of recruitments coordinated	#	Workload	97	110	100	90
Average number of applicants per external recruitment	#	Workload	40	45	50	55
Training						
# of training classes facilitated or coordinated	#	Workload	78	90	75	75

Human Resources

2007-2008 Work Initiatives

Compensation
- Continue to maintain a current system and perform market studies as directed.

Benefits
- Continue to study ways to slow down the rapid acceleration of health benefits costs.
- Plans for 2007 include moving the prescription drug business for the City of Bellevue's self-insured plan from RxAmerica to Medco.

Labor
- Complete negotiations on five labor agreements expiring in 2006 and three labor agreements expiring in 2007. Successfully implement the terms of the agreements.

Training, Organizational Development, and Communication
- Implement and pilot video streaming for compliance training offered via the Intranet.
- Enhance the long-term strategy for the career development of City employees, in conjunction with the citywide training group and departments.
- Deliver centralized all-employee and supervisory training programs, and evaluate for effectiveness and improve accordingly.
- Re-design the tuition reimbursement policy to enhance participation and explore raising the allocated limits due to rising tuition rates.
- Enhance the Management Leadership Training Program (MLTP) to include 10% leadership skills training.
- Develop a program for managers/supervisors to assist employees in mentoring opportunities.

Staffing and Employee Relations
- Regularly review, update and communicate changes to the Human Resources Policies and Procedures Manual.
- Track and analyze new hire trends, existing employee data, and turnover trends and communicate the results to appropriate personnel.
- Track various employee relations in order to analyze and compare with past practices as needed.
- Overhaul HR intranet utilizing the new City standard of the SharePoint product.
- Update the Online Job Application system to provide enhanced services to job applicants. Potential capability would include packaging the technology and marketing to other cities (eGov alliance model).
- Implement self-service functionality in Enterprise One (formerly JDE) for Employees and Managers.
- Ensure compliance with City's standard for securing private electronic HR/Payroll data.
- Policy and Procedures Manual and Civil Service Manual – Publish manuals utilizing electronic document management system to provide full text search capability, change tracking and storage of revised and original documents.

Retirement
- Evaluate and implement the Pension Protection Act.
- Evaluate and implement Phase II recommendations for benefits, plan design and governance resulting from a comprehensive review of service delivery, benefits and plan design for all seven MEBT cities.
- Continue to improve retirement education program and access to retirement resources.
- Continue to evaluate providing dental services for retired LEOFF I members.
- Evaluate fees and fee structures for the MEBT and IRC section 457 deferred compensation retirement plans consistent with Department of Labor requirements.
- Work with the Investment Advisory Committee and the MEBT investment advisor to evaluate alternate investments for MEBT.
- Evaluate benefit package for Survivor Life and Long-Term Disability.
- Continue to manage Request for Proposals and selection for 8 service providers and 12 investment managers to assure optimal service and cost for retirement program participants.

Major Challenges for the Biennium

- Ensure JD Edwards system is functioning to its fullest potential, self-service is implemented, and the online application
- Monitor and manage rising health benefits costs and present alternatives to help control costs.
- Ensure labor negotiations are conducted and agreements reached whenever possible.
- Oversee significant changes to any of the retirement programs and identify alternatives to minimize any administrative fees.
- Continue to provide excellent customer service in the areas 1of training and development, recruitment and selection, employee relations, and general support.

Human Resources
Staffing

Program Statement

The City strives to achieve a balanced workforce reflective of the gender, ethnic, and cultural mix of the local labor market. Activities are also undertaken to assure compliance with all applicable federal, state, and local laws, city policies and procedures, and union contracts.

Summary of Services Provided

This program includes recruitment and selection, equal employment opportunity & affirmative action, civil service, drug testing, employee leaves, policies and procedures interpretation, workforce planning, counseling/coaching managers and employees on employee relation issues, investigations, performance management, compensation administration, job description and classification reviews, internal and external salary surveys, data entry and verification, technology projects, all activities relating to labor relations (mediation, contract negotiations, interpretation, arbitration, and grievance administration), HR technology, and HR administrative support.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Staffing	1,273,312	1,341,030	1,440,652	1,515,031
Base Budget	**1,273,312**	**1,341,030**	**1,440,652**	**1,515,031**
Total Budget	**1,273,312**	**1,341,030**	**1,440,652**	**1,515,031**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	903,394	954,513	1,056,728	1,105,817
Interfund	244,185	256,554	256,292	276,135
M & O	125,733	129,963	127,632	133,079
Total Expenditures	**1,273,312**	**1,341,030**	**1,440,652**	**1,515,031**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	1,273,312	1,341,030	1,440,652	1,515,031
Total Resources	**1,273,312**	**1,341,030**	**1,440,652**	**1,515,031**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Staffing	-	-	9.35	9.35
Total FTE	**9.00**	**9.00**	**9.35**	**9.35**

Human Resources
Staffing

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Effectively implement & monitor citywide retention policy						
# of employees identified for redeployment	#	Workload	6	7	5	5
% of staff successfully redeployed internally	%	Effectiveness	50	75	75	75
Effectively monitor & assist employees on leave						
# of employees who took FMLA	#	Workload	155	125	150	150
# of employees being assisted with ADA accommodations	#	Workload	1	5	2	2
Manage compensation program reflective of city philosophy						
# of hours to enter/verify personnel data actions/ pay cycle	#	Efficiency	26	10	10	10
# of salary surveys conducted	#	Workload	5	3	6	6
Avg length of time to complete a classification review.	#	Effectiveness	22	12	20	20
# of classification reviews completed	#	Effectiveness	48	15	40	40
Manage employee issues timely and effectively						
# of employee relations issues handled by HR	#	Workload	32	60	50	50
% of new hires who complete trial service period	%	Effectiveness	87	90	95	95
Avg length of service for employees who resign	#	Effectiveness	7.25	10.00	10.00	10.00
# of employee issues resulting in termination	#	Effectiveness	1	1	1	1
# of employees provided outplacement	#	Workload	5	4	5	5
Manage recruitment and selection process						
Workforce diversity (race/gender) as % of total workforce	%	Effectiveness	12	15	15	15
% of minority candidates hired	%	Effectiveness	15	18	18	18
Average % of minority applications per recruitment	#	Effectiveness	29	20	30	32
Avg weeks to fill a position (job posting to offer)	#	Efficiency	8	4	6	6
# of career fairs attended/outreach activities	#	Workload	2	3	3	3
Total number of applicants	#	Workload	3,201	4,000	5,000	5,000
# of recruitments coordinated	#	Workload	97	110	100	90
Average number of applicants per external recruitment	#	Workload	40	45	50	55
Negotiate labor contracts w/o impasse or arbitration						
# of labor contracts successfully negotiated and implemented	#	Workload	5	3	3	-
Reduce # of employee grievances advancing to upper mgmt						
% of grievances resulting in agreement or resolution	%	Effectiveness	66	90	75	75

Human Resources
Staffing

Issues related to Department Performance

The soft hiring freeze was lifted in the first quarter 2005 which resulted in a slight increase in recruitments. The slow increase did not reach the projected recruitment number because managers were still mindful of fiscal concerns and using savings from open positions. Even though the recruitments increased, it is interesting to note that the total number of applicants decreased. The reason for this applicant decline was primarily due to the job market shifting from an employer market to an employee market and most of the open positions for 2005 were professional or technical positions and 19% of these positions were limited term (LTE), which generally brings a smaller applicant pool.

Recruitment & Selection
In 2005, HR still had targeted 4 weeks to fill a vacancy. HR has control over when the recruitment process starts and we attempt to post a position within 24 hours after approval. Once the process starts, HR no longer has control over the duration of the recruitment, which is then in the control of the hiring managers. The average length of time to fill a position remained the standard 8 weeks for various departmental reasons, the most common being workload issues for hiring managers and staff.

Although the HR staff did not attend any job fairs in 2005 they did attend several diversity events where they spoke to and encouraged people to apply. A Senior HR Generalist is a member of a Diversity Task Force and regularly sends out job announcements through this network. We continue to run periodic announcements in diversity publications and focus on other less visible outreach efforts.

Compensation
Compensation-related work remained focused on providing comparable salaries and benefits to City employees. The City's compensation policies, procedures, and administration of compensation continue to adhere to the following organizational principles:

- Support the City's Core Values;
- Attract and retain employees to support the City's business strategy;
- Ensure internal consistency of job classifications;
- Pay fairly, but control costs;
- Continually build a high-performance culture.

Labor Relations
The City has eight labor contracts. All were settled short of arbitration during the last round of negotiations. Five will be expiring at the end of 2006 and the remaining three will expire at the end of 2007. For the 2006 contract negotiations, the escalating cost of providing health care and the associated cost containment measures needed by the City will continue to be the primary driver of talks.

Program Notes

The Human Resources Department will continue to work closely with both management and staff to foster a positive, accepting work environment which is effectively aligned with the City's strategic direction.

Human Resources
Training

Program Statement

It is the mission of Organizational Development and Training to provide the highest quality training and development opportunities to all City employees. These development opportunities enhance the core competencies critical to the continued success of the City of Bellevue and to the personal and professional development of each individual. We focus on providing tools, resources and services that help employees in their pursuit of continuous learning. We design, develop and deliver a broad array of programs that support leadership development and strategic culture change, as well as courses that improve technical and management skills.

Summary of Services Provided

This program includes all activities relating to providing centralized internal and external training, organizational development, and regular communications to employees.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Organizational Dev & Training	171,334	188,437	203,359	210,064
Base Budget	**171,334**	**188,437**	**203,359**	**210,064**
Total Budget	**171,334**	**188,437**	**203,359**	**210,064**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	100,837	104,675	114,220	119,537
M & O	70,497	83,762	89,139	90,527
Total Expenditures	**171,334**	**188,437**	**203,359**	**210,064**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	171,334	188,437	203,359	210,064
Total Resources	**171,334**	**188,437**	**203,359**	**210,064**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Organizational Dev & Training	-	-	1.00	1.00
Total FTE	**1.00**	**1.00**	**1.00**	**1.00**

Human Resources
Training

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Manage city-wide training efforts for employees						
Achieve 100% utilization of the tuition reimbursement funds	%	Effectiveness	150	100	100	100
# of hours of internal organizational development consulting	#	Workload	310	500	250	250
% of staff who rate training classes highly	%	Effectiveness	93	95	95	95
Total centralized HR training investment per FTE	$	Efficiency	38	35	40	40
Vendor-delivered training cost per program participant	$	Efficiency	46	56	60	60
# of training classes facilitated or coordinated	#	Workload	78	90	75	75
# of admin hrs for training prep	#	Workload	936	850	850	850
# of hours spent delivering training sessions	#	Workload	312	300	375	375

Issues related to Department Performance

In 2005, 63 training classes were facilitated and/or coordinated providing employees training in the following disciplines: Employee Leadership Development, Manager/Supervisor Skills enhancement, Recognizing Workplace Harassment in a Diverse Workforce, Workplace Violence Prevention, Business Writing, Building Working Relationships and Career Development for a total of 750 registered participants. These programs continue to attract an audience and will continue to be a part of the training plan during 2006. In 2005 several challenges were encountered due to the pending move to New City Hall. Specifically, 16 programs were cancelled during the Fall while planning for the move and when the move was postponed rescheduling was not an option due to lack of training room availability.

Program Notes

Human Resources staff will continue to design, publicize, schedule, and deliver high quality, cost effective programs based on employee/management training needs. It is the mission of the organizational development and training process to provide the highest quality training and development opportunities to all city employees. Programs enhance the core competencies critical to the continued success of the City and to the personal and professional development of each individual.

Human Resources
Benefits

Program Statement

The City of Bellevue's health and welfare and retirement benefit programs are strongly committed to excellence. Benefit programs are designed as part of an employment package intended to attract and retain employees with benefits that are reasonably competitive among comparable employers.

Summary of Services Provided

The health and welfare and retirement benefits programs provide to eligible employees of the City health insurance for medical, dental, vision, and life insurance, and retirement savings plan. This program also includes all activities relating to health benefits administration, retirement services administration, and oversight of the employee assistance and wellness programs.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Dental	1,485,798	1,560,089	1,655,375	1,738,145
Medical & Admin	11,820,170	13,311,694	13,963,707	15,367,708
Retirement	362,634	376,247	380,431	396,344
Vision	104,544	114,998	119,756	119,756
Wellness	52,165	52,404	63,379	63,478
Base Budget	**13,825,311**	**15,415,432**	**16,182,648**	**17,685,431**
Reserves	**2,228,723**	**3,158,026**	**3,388,553**	**3,476,872**
Total Budget	**16,054,034**	**18,573,458**	**19,571,201**	**21,162,303**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	322,765	336,961	341,100	356,974
Interfund	110,000	117,000	130,000	135,000
M & O	13,392,546	14,961,471	15,711,548	17,193,457
Total Expenditures	**13,825,311**	**15,415,432**	**16,182,648**	**17,685,431**
Total Reserves	**2,228,723**	**3,158,026**	**3,388,553**	**3,476,872**
Total Budget	**16,054,034**	**18,573,458**	**19,571,201**	**21,162,303**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	362,634	376,247	380,431	396,344
Health Benefits Fund	15,691,400	18,197,211	19,190,770	20,765,959
Total Resources	**16,054,034**	**18,573,458**	**19,571,201**	**21,162,303**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Retirement	-	-	4.35	4.35
Total FTE	**4.70**	**4.70**	**4.35**	**4.35**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Manage retirement services to provide stewardship of trusts						
# of retirement/resignation reviews	#	Workload	105	105	115	115
Avg # hours per week responding to retirement questions	#	Efficiency	40	40	40	40

Human Resources
Benefits

Issues related to Department Performance

In response to escalating health costs, the City has implemented health plan design changes. Employees will share a greater percentage of health insurance premiums in 2006, as well as paying more in the form of co-payments for services. HR staff carefully monitored medical claims experience in 2005. Evaluation of current benefits programs is ongoing to determine if new plan options would be effective in supporting cost containment efforts.

Program Notes

None

Human Resources

Biennial Budgeted Cost Summary	2005-2006 Budget	2007-2008 Budget	% Change
Staffing	2,614,342	2,955,683	13 %
Training	359,771	413,423	15 %
Benefits	29,240,743	33,868,079	16 %
Base Budget	**32,214,856**	**37,237,185**	**16 %**
Reserves	**3,158,026**	**3,476,872**	**10 %**
Total Budget	**35,372,882**	**40,714,057**	**15 %**

Biennial Expenditure Category Summary	2005-2006 Budget	2007-2008 Budget	% Change
Personnel	2,723,145	3,094,376	14 %
Interfund	727,739	797,427	10 %
M & O	28,763,972	33,345,382	16 %
Total Expenditures	**32,214,856**	**37,237,185**	**16 %**
Total Reserves	**3,158,026**	**3,476,872**	**10 %**
Total Budget	**35,372,882**	**40,714,057**	**15 %**

Biennial Funding Summary	2005-2006 Budget	2007-2008 Budget	% Change
General Fund	3,712,994	4,145,881	12 %
Health Benefits Fund	31,659,888	36,568,176	16 %
Total Resources	**35,372,882**	**40,714,057**	**15 %**

Information Technology

Program Outcome Statement

The mission of the Information Technology Department (ITD) is to use technology to enhance community participation and provide exceptional public service.

Services and Accomplishments

The service goals of ITD are:

- Bring City services to customers' doorsteps;
- Make information easily and broadly available;
- Promote active community involvement and participation;
- Facilitate affordable high-speed connectivity solutions throughout the community;
- Play a leadership role in utilizing technology to enable regional service delivery;
- Strengthen operational efficiencies;
- Leverage investments to improve the quality of service.

Awards:

- In September 2005, the City of Bellevue's television show, "It's Your City", received a 2005 Government Programming award at the 20th Annual National Government Programming Awards Ceremony from the National Association of Telecommunications Officers and Advisors (NATOA);
- In October 2005, the City received a "Gold Award" for our video "Destination Downtown" in the category Video/Film/Internal Communications from the MarCom Creative Awards (an international awards competition that recognizes outstanding achievement by marketing and communication practitioners). The video "State of the City" won an Honorable Mention in the category of Annual Report/Government;
- In November 2005, the City of Bellevue's television show, "It's Your City", received an award from the International Association of Emergency Managers (IAEM) for communications related to emergency preparedness, focusing primarily on earthquake preparedness;
- In December 2005, the "Downtown Bound" video won an Award of Distinction from the Communicator Awards. The Award of Distinction is awarded for projects that exceed industry standards in production or communication skills;
- In May 2006, the eCityGov Alliance was one of 18 finalists for the Harvard Innovations Award recognizing its efforts to collaborate on common and cross-boundary services;
- In June 2006, the Regional Fiber and Conduit Consortium received the Municipal Achievement Silver Award from the Association of Washington Cities for the partnership to expand the fiber network on the eastside;
- In August 2006, the City of Bellevue's television show, "It's Your City" was awarded 1st Place in the Magazine Format Series category at the National Association of Telecommunications Officers and Advisors (NATOA) Government Programming Awards. The City of Bellevue story about the Cascade Water Alliance won an Honorable Mention.

Additional eCityGov awards and recognitions include:

- IG Innovations Award for MBP.com
- Government Technology, Best of the Web, honorary mention
- Finalist for WSA government award
- ICMA intergovernmental cooperation award

Information Technology Accomplishments:

Direct Public Service

- Created a City Wide Roster web application that allows businesses to apply for the City Wide Roster. The Roster facilitates the ability to procure services from over 1000 pre-qualified vendors;
- Added online sports scheduling capability to Bellevue Parks Online to make it easier for teams and sports organizations to schedule venues;
- Launched the Real-Time Traffic Map to allow drivers to see current congestion of arterial roads and plan accordingly. This map is one of the first in the nation to show city arterial traffic;
- Implemented the Online Crime Map as a service to citizens and media showing where criminal activity happened in the City;
- Redesigned the City's website as a primary communication vehicle, to increase user satisfaction and to organize content around user needs rather than the City's governmental structure.

Information Technology

Improved City Operations

- Detection Database – Created an application for the Tax Office that will help identify businesses that are not paying the City's B&O tax. Over $350K has been collected to date;
- Videostreaming Training Module – Implemented "on demand" video training module that allows delivery, testing and tracking of training materials to fit the employee's schedule and avoid taking personnel out of service for training;
- Electronic Content Management – Provides electronic storage and retrieval of documents. This system went "live" early 2005. Since that time over 550K documents have been scanned and are stored in the system. This represents over 48 document types including complete annexation history, contracts from 2003 forward, 50 years of Council & all Boards and Commissions minutes, over 5K ordinances, over 7K resolutions, etc;
- Enterprise Point of Sale – Implemented in August 2005, this system enhances customer service by facilitating payment for services in a variety of methods that are convenient for our customers. This system is also enabling the decentralization of our cashiering function, allowing customers to come to a single location to receive city services and make payments. This project is almost complete;
- ERP – The Payroll, Human Resources, and Timekeeping module was successfully implemented July 2005. This initiative eliminated a redundant time-keeping system, eliminated some redundant data entry, streamlined data flow between HR and Payroll eliminating redundancies and increasing accuracy of data, and improved security and internal controls through both process and system changes;
- GIS Analysis Projects –Updated 2005 Orthophotos and supported projects such as critical areas update, state of mobility study, georeference standards for electronic submission, and pipe age analysis to guide planning and decision making;
- Continued to add features and data layers to Mapster, the City's GIS self-service tool, so staff can query data and maintain data such as city-owned lighting;
- Upgraded desktops to Microsoft Windows XP and Office 2003 providing for improved security, enhanced tool set and functionality for electronic forms, and increased collaboration;
- Motor pool Reservation – Created an intranet application that allows staff to reserve motor pool vehicles. This optimizes the use of the motor pool and allows a reduction of the number of vehicles at new City Hall;
- Multimedia Services – Successfully established multimedia services as the city-wide multimedia production and delivery resource for department content managers and message owners by providing state-of-the-art multimedia, facilities, equipment, and expert assistance from a single point of service in ITD;
- Completed implementation of the Public Safety Wireless system to allow wireless dispatch and automatic vehicle location. Over 100 Bellevue Police and Fire vehicles were installed with mobile computers. In addition, fire vehicles in Kirkland, Redmond, Mercer Island, Woodinville, and Eastside Fire and Rescue received mobile computers through Homeland Security grant funding. This allows mutual aid response to be more effective.

IT Infrastructure

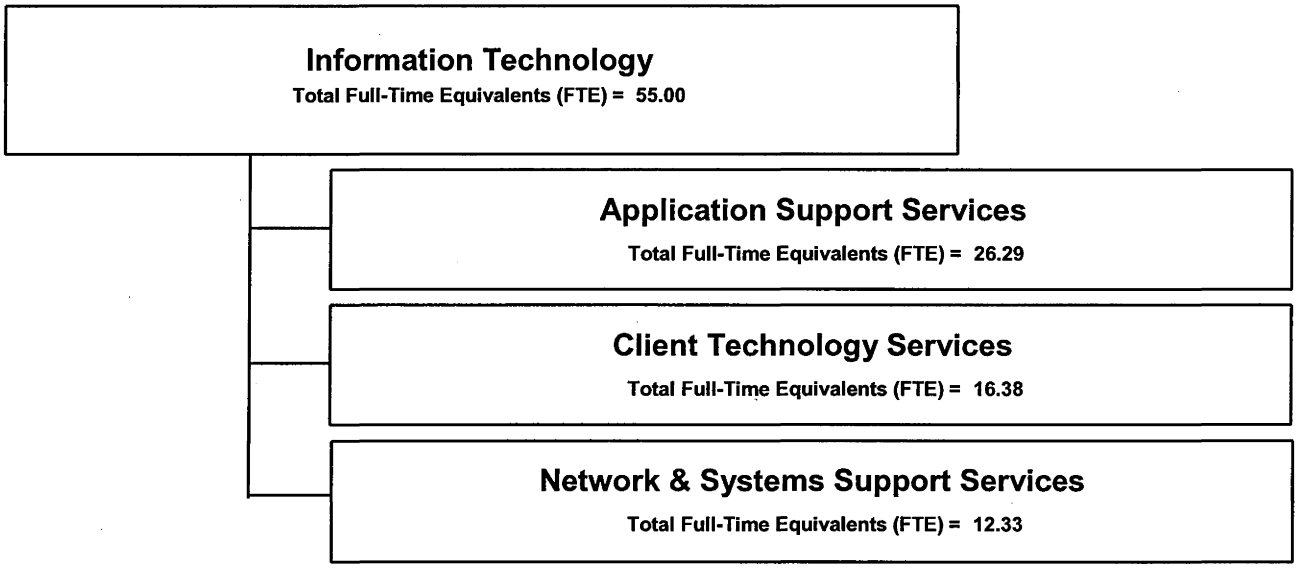
- After years of thorough planning, smoothly executed technology move into new City Hall in February 2006;
- Planned and moved 911 Communications Center into new City Hall in April 2006. Execution of move went as planned with no disruption to 911 call response;
- Implemented new parking, security and electronic signs systems for new City Hall.
- Disaster Recovery – made steady progress toward ensuring technology resources would be available post-disaster to assist the organization and community: updated and expanded back-up data and storage capabilities, updated and tested recovery plans for mission critical applications, etc.;
- Performed an independent security penetration test of the City's data network to find any security holes in our systems and firewalls. No vulnerabilities were found;
- Implemented a Storage Area Network to better manage file and e-mail storage and provide redundancy in the event of a failure;
- Installed a voice over IP (VoIP) phone system for 20% of the staff. VoIP allowed a phased move of staff to new City Hall prior to the move of the main phone system.

Regional Partnerships

- The Regional Fiber and Conduit Consortium added additional members and expanded its regional reach – new members are the City of Renton, Renton School District and Bellevue Community College. They join the City of Bellevue, City of Kirkland, University of Washington, Bellevue School District, Lake Washington School District, Overlake Hospital and Evergreen Hospital. Work is underway to extend the fiber infrastructure south from the Bellevue City Hall to Renton City Hall and to connect BCC's two Bellevue campuses to the Bellevue City Hall data center;
- eCityGov Alliance accomplishments include:
  MyBuildingPermit.com;
  Launched Snohomish County on time and on budget;
  Launched on-line permit status checking and listserv to better communicate with customers;
  Completed real-time integration with three cities that reduces their staff's time to enter permit application information in their systems;
- MyParks and Recreation.com:
  Launched online multi-city search functions in June 2005 with online registration;
  NWMaps.net;
  Made online mapping and related data available to the public in July, 2005.

Information Technology

Organizational Chart



Information Technology

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Application Support Services	10,761,097	7,513,677	8,337,241	6,822,737
Client Technology Services	1,955,696	2,457,830	3,355,335	3,850,484
Network & Systems Support Services	4,763,792	4,679,718	5,607,644	4,924,467
Base Budget	**17,480,585**	**14,651,226**	**17,300,220**	**15,597,688**
Reserves	**5,505,405**	**4,173,217**	**4,253,368**	**3,660,722**
CIP M&O	-	-	68,847	121,205
eCityGov Project Management FTE	-	-	112,625	118,578
M&O Community Needs Ascertainment	-	-	15,000	52,000
M&O ECM Project	-	-	271,443	355,352
Program Enhancements	**-**	**-**	**467,915**	**647,135**
Total Budget	**22,985,990**	**18,824,443**	**22,021,503**	**19,905,545**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	4,828,238	5,294,008	6,495,641	6,545,470
Interfund	1,434,492	1,577,778	2,104,280	1,907,913
M & O	4,619,496	4,416,440	4,466,558	5,167,956
Capital	6,598,359	3,363,000	4,688,294	2,598,122
Total Expenditures	**17,480,585**	**14,651,226**	**17,754,773**	**16,219,461**
Total Reserves	**5,505,405**	**4,173,217**	**4,266,730**	**3,686,084**
Total Budget	**22,985,990**	**18,824,443**	**22,021,503**	**19,905,545**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Land Purchase Revolving Fund	-	-	187,000	129,003
Franchise Fund	1,495,789	1,241,124	1,468,739	1,403,590
General CIP Fund	6,123,359	2,360,000	4,208,000	1,617,000
Information Technology Fund	15,366,842	15,223,319	16,157,764	16,755,952
Total Resources	**22,985,990**	**18,824,443**	**22,021,503**	**19,905,545**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Application Support Services	-	-	26.29	26.29
Client Technology Services	-	-	16.38	16.38
Network & Systems Support Services	-	-	12.33	12.33
Total FTE	**46.56**	**53.00**	**55.00**	**55.00**

Information Technology

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Application Support Services						
% of customers rating app maint & support good to excellent*	%	Effectiveness	90	80	91	92
% of customers rating consulting svcs good to excellent*	%	Effectiveness	74	80	78	82
Client Technology Services						
% of customers rating desktop svcs good to excellent	%	Effectiveness	93	85	94	95
% of Help Desk repair calls resolved at time of call	%	Effectiveness	80	61	83	85
% of Help Desk repair calls resolved within 4 hours	%	Effectiveness	9	11	11	12
% of Help Desk repair calls resolved the next business day	%	Effectiveness	9	13	6	3
# of PCs supported	#	Workload	1,388	1,500	1,500	1,500
# of technicians supporting PCs	#	Workload	3.50	4.50	4.50	4.50
Network & Systems Support Services						
% of time servers are fully functional during business hrs	%	Effectiveness	99.70	99.90	99.90	99.90
% of time phone sys is fully functional during business hrs	%	Effectiveness	99.90	99.90	99.90	99.90
# of city phone lines	#	Workload	1,595	1,700	1,700	1,700
Cost of city phone line per month	$	Efficiency	17	16	15	15
# of servers supported	#	Workload	114	110	130	135
# of technicians supporting the city's phone lines	#	Workload	0.95	0.95	0.95	0.95
Cost of phone company business line per month	$	Efficiency	37	32	37	37

Information Technology

2007-2008 Work Initiatives

Direct Public Service

- Incrementally deploy a city-wide wireless network that allows the City to improve connectivity for its mobile workers (Police, Fire, inspectors, field crews, etc.) as well as allows private sector business to deliver internet access to the public.
- Propose broadband solutions that create true choice and an open and competitive environment, that support major institutions, address needs of small and medium business, and respond to needs within neighborhoods.
- Continue to enrich websites and applications to provide relevant and timely information and communication with citizens.
- Improve service to citizens through the creation of an on-line self-service portal that will allow users to submit and track requests for service.
- Implement a system that will allow citizens to make on-line payments for utility bills, view accounts on-line, etc..

Regional Partnerships

- Continue participation in the eCityGov Alliance to provide web applications that serve common customers across many jurisdictions. Planned projects include an on-line job application, a human services portal, business license portal, and adding additional on-line permit types. The organization will continue to add new cities and counties that enhance the value of the applications for existing partners and for the community of users.
- Plan and begin implementing the technology needed to support Northeast King County Regional Public Safety Communications Agency (NORCOM).
- Offer data center co-location services to regional partners to provide disaster recovery and backup facilities. This will result in greater regional resiliency in the event of a major catastrophe.
- Continue to expand the eastside fiber network in partnership with neighboring cities, school districts, universities and hospitals.

Operational Efficiencies

- Implement an electronic content management system to ensure successful management of electronic records that complies with records retention rules.
- Upgrade our Maintenance Management system to facilitate operational best practices including: predictive maintenance, condition-based maintenance, failure criticality analysis, and annual work plans.
- Continue to improve the City's ERP system, primarily in the areas of self service (allowing employees to initiate and complete more transactions which improves efficiency), improved reporting (making it easier for managers to quickly monitor financial performance that is relevant to their area of control), and timekeeping (to eliminate some areas where we still have redundant data entry).
- Complete major upgrades of Microsoft Office, Windows and Internet Explorer to maintain high levels of security protection and minimize maintenance time and cost.
- Optimize IT operations through adoption of Information Technology Infrastructure Library (ITIL) best practices.
- Continue to institute security standards and practices that ensure compliance with credit card industry requirements, protect the City's critical data, and safeguard the City's technology infrastructure.

Major Challenges for the Biennium

- The accelerating economy increases demand for service, products and skilled employees in the market, which impacts pricing and recruitment making both more expensive.
- Intellectual property issues, mergers and acquisitions and the general volatility within and among technology companies present an ongoing challenge to accomplishing long-term strategies in tactically efficient ways.
- The rapid pace of change within the technology industry and continued pace of innovation within the organization continue to require that IT remain agile and strategic in how we approach requests for service.
- Threats from spam, viruses, and hackers continue to grow and change rapidly. The focus on security is relentless.
- The desire to be "always connected" and to have access to business systems and needed information anywhere and anytime continues to push the boundaries of the City's network and ITD responsibilities.
- Institutions that are vital to the community's economic development future will need increasing access to affordable high-speed internet bandwidth in order to enable next-generation health care and education service delivery systems.

Information Technology
Application Support Services

Program Statement

- Facilitate process improvements by consulting with departments to analyze their business processes and information requirements, identify opportunities for efficiency gain and service improvements.
- Partner with outside agencies including businesses and other governments to develop and implement solutions to achieve savings and improve service delivery for all. This includes application procurement and development as well as regional data coordination and sharing.
- Leverage technology to increase data accuracy, improve staff efficiency, and eliminate data redundancy.
- Work with departments to develop, prioritize, and establish information technology projects that support the City's business and service delivery strategies.
- Establish standards and policies for project management, applications procurement, implementation, development, and maintenance. Identify and address training and knowledge needs. Select tools for implementing new applications and develop repository of best practices for project management, system implementation, development, and maintenance.

Summary of Services Provided

This program is responsible for the procurement, development and ongoing maintenance of computer applications to ensure that consistent and cost-effective technologies are applied to the delivery of municipal services.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Application Support Services	3,783,462	5,073,307	3,700,182	3,751,168
General CIP Projects	6,123,359	2,360,000	3,855,238	1,617,000
Replacement Reserves	-	-	-	583,726
Business Administration	772,026	-	755,971	844,993
Replacement Reserves	82,250	80,370	25,850	25,850
Base Budget	**10,761,097**	**7,513,677**	**8,337,241**	**6,822,737**
Reserves	**1,979,551**	**1,998,024**	**2,330,887**	**1,944,571**
CIP M&O	-	-	22,485	55,159
eCityGov Project Management FTE	-	-	52,934	55,732
M&O ECM Project	-	-	230,992	271,805
Program Enhancements	**-**	**-**	**306,411**	**382,696**
Total Budget	**12,740,648**	**9,511,701**	**10,974,538**	**9,150,004**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	2,852,934	3,036,875	3,489,727	3,411,256
Interfund	353,246	439,845	532,838	413,913
M & O	1,431,558	1,676,958	1,197,942	1,505,625
Capital	6,123,359	2,360,000	3,423,144	1,874,639
Total Expenditures	**10,761,097**	**7,513,677**	**8,643,651**	**7,205,433**
Total Reserves	**1,979,551**	**1,998,024**	**2,330,887**	**1,944,571**
Total Budget	**12,740,648**	**9,511,701**	**10,974,538**	**9,150,004**

Information Technology
Application Support Services

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General CIP Fund	6,123,359	2,360,000	3,952,000	1,617,000
Information Technology Fund	6,617,289	7,151,701	7,022,538	7,533,004
Total Resources	**12,740,648**	**9,511,701**	**10,974,538**	**9,150,004**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Application Support Services	-	-	23.00	23.00
Business Administration	-	-	3.29	3.29
Total FTE	**28.81**	**28.48**	**26.29**	**26.29**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Applications are managed from an enterprise perspective.						
# of staff members accessing GIS Web browser	#	Workload	632	500	700	700
Appropriate technology is applied.						
% of customers rating consulting svcs good to excellent*	%	Effectiveness	74	80	78	82
Information is treated as a strategic asset.						
% of customers rating app maint & support good to excellent*	%	Effectiveness	90	80	91	92
Innovative, but proven, technologies are implemented.						
% of customers rating app dev support as good to excellent*	%	Effectiveness	90	80	91	92

Issues related to Department Performance

New application initiatives and upgrades continue to be analyzed for potential use in a regional system.

- The emergence of new technologies that enable access to information and business processes from any device at any location and at anytime are adding complexity to the current environment. Web and wireless modules are increasingly common additions to traditional client-server applications. In addition, integration tools are needed to support business processes that span many applications. These systems require high levels of IT skill to implement and maintain. This reinforces the need to emphasize managing our technology portfolio from an enterprise perspective.

- The move to the New City Hall has limited our ability to provide proactive consulting services over the last biennium. This will be a focus area over the next two years in order to help departments make operations improvements.

Program Notes

None

Information Technology
Client Technology Services

Program Statement

- Develop and maintain desktop-related standards and procedures that meet user needs, minimize costs, and are consistent with industry best practices.
- Establish a technology asset management function within Desktop Support Services that will track technology inventory, maintain a desktop financial portfolio, as well as house consolidated contract and licensing information.
- Provide desktop security that protects technology assets while optimizing use of automated tools.

Summary of Services Provided

Provides direct support and service for all automated desktop equipment. Service delivery goals include optimizing use while minimizing cost, maintaining and replacing equipment in the most cost-effective manner possible, and providing a secure environment within which the City can safely conduct business. Service delivery is structured around single point of contact. Services provided include development and maintenance of hardware/software standards, centralized procurement, trouble shooting/repair, installation, training, desktop management, security patching, upgrades and technology asset management.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Client Technology Services	796,522	1,350,803	1,882,236	1,935,094
Replacement Reserves	541,187	1,048,887	907,527	1,285,419
Business Administration	558,487	-	546,872	611,271
Replacement Reserves	59,500	58,140	18,700	18,700
Base Budget	**1,955,696**	**2,457,830**	**3,355,335**	**3,850,484**
Reserves	**1,919,048**	**410,177**	**51,052**	**-474,158**
CIP M&O	-	-	1,362	1,362
eCityGov Project Management FTE	-	-	38,293	40,317
M&O ECM Project	-	-	18,252	38,200
Program Enhancements	**-**	**-**	**57,906**	**79,878**
Total Budget	**3,874,744**	**2,868,007**	**3,464,294**	**3,456,205**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	869,583	1,034,842	1,653,702	1,709,285
Interfund	225,900	148,601	327,483	360,633
M & O	860,214	642,388	987,994	1,298,382
Capital	-	632,000	442,700	560,700
Total Expenditures	**1,955,696**	**2,457,830**	**3,411,879**	**3,929,001**
Total Reserves	**1,919,048**	**410,177**	**52,414**	**-472,796**
Total Budget	**3,874,744**	**2,868,007**	**3,464,294**	**3,456,205**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Information Technology Fund	3,874,744	2,868,007	3,464,294	3,456,205
Total Resources	**3,874,744**	**2,868,007**	**3,464,294**	**3,456,205**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Business Administration	-	-	2.38	2.38
Client Technology Services	-	-	14.00	14.00
Total FTE	**8.85**	**11.39**	**16.38**	**16.38**

Information Technology
Client Technology Services

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Partnerships are in place with departments.						
# of desktop devices supported (PCs, PDAs, printers, etc)	#	Workload	3,442	3,381	3,550	3,728
# of PCs supported	#	Workload	1,388	1,500	1,500	1,500
# of technicians supporting PCs	#	Workload	3.50	4.50	4.50	4.50
Users able to easily obtain and use technology resources.						
# Calls to Help Desk svcs (incl repair & service requests)	#	Workload	14,732	15,000	15,750	16,538
Cost of a help-desk problem (cost/call)	$	Efficiency	56.97	60.25	63.26	66.43
% of customers rating desktop svcs good to excellent	%	Effectiveness	93	85	94	95
% of Help Desk repair calls resolved at time of call	%	Effectiveness	80	61	83	85
% of Help Desk repair calls resolved within 4 hours	%	Effectiveness	9	11	11	12
% of Help Desk repair calls resolved the next business day	%	Effectiveness	9	13	6	3

Issues related to Department Performance

- Increases in the types of equipment and remote worker environments are adding complexities to the support environment.
- Increasing security requirements for data protection impact the costs associated with support and purchase of software and hardware.
- Increasing workloads relating to the use of technology services for data analysis and web-enabled technology are putting Pressure on existing support staff to meet departmental needs and critical deadlines.

Program Notes

Total Life-Cycle Cost of Ownership is intended to capture fully-loaded enterprise costs of each personal computer. This information will be collected using an accepted industry standard methodology and be the basis for assessing the City's personal computer investments.

Information Technology
Network & Systems Support Services

Program Statement

- Ensure resiliency in an 'always on' network relied on by critical infrastructure, operations and services.
- Address network storage, backup, and data protection needs.
- Explore and facilitate partnerships to leverage city assets and expand network options for schools and hospitals.
- Improve disaster recovery capabilities, plans, and procedures.
- Provide disaster recovery data center space for regional partners.

Summary of Services Provided

The City operates a complex voice and data communications system comprised of an internal telephone system, numerous central computers, and the cabling and equipment necessary for communications. This program is charged with the maintenance and operation of this network, security of City systems, and protection of electronic data.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Cable TV	1,299,858	1,078,379	1,298,958	1,190,795
Franchise	195,931	162,745	154,781	160,795
General CIP Projects	-	-	256,000	-
Land Purchase Revolving Fund	-	-	57,997	60,689
Network & Systems Support Services	2,565,657	3,035,104	2,967,853	3,026,145
Replacement Reserves	357,000	371,000	556,000	134,000
Business Administration	312,096	-	305,605	341,593
Replacement Reserves	33,250	32,490	10,450	10,450
Base Budget	**4,763,792**	**4,679,718**	**5,607,644**	**4,924,467**
Reserves	**1,606,806**	**1,765,016**	**1,871,428**	**2,190,308**
CIP M&O	-	-	45,000	64,684
eCityGov Project Management FTE	-	-	21,399	22,530
M&O Community Needs Ascertainment	-	-	15,000	52,000
M&O ECM Project	-	-	22,199	45,347
Program Enhancements	**-**	**-**	**103,598**	**184,561**
Total Budget	**6,370,598**	**6,444,735**	**7,582,671**	**7,299,336**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	1,105,721	1,222,292	1,352,212	1,424,929
Interfund	855,346	989,333	1,243,959	1,133,367
M & O	2,327,725	2,097,094	2,280,622	2,363,949
Capital	475,000	371,000	822,450	162,783
Total Expenditures	**4,763,792**	**4,679,718**	**5,699,242**	**5,085,028**
Total Reserves	**1,606,806**	**1,765,016**	**1,883,428**	**2,214,308**
Total Budget	**6,370,598**	**6,444,735**	**7,582,671**	**7,299,336**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Land Purchase Revolving Fund	-	-	187,000	129,003
Franchise Fund	1,495,789	1,241,124	1,468,739	1,403,590
General CIP Fund	-	-	256,000	-
Information Technology Fund	4,874,809	5,203,611	5,670,932	5,766,743
Total Resources	**6,370,598**	**6,444,735**	**7,582,671**	**7,299,336**

Information Technology
Network & Systems Support Services

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Business Administration	-	-	1.33	1.33
Cable TV	-	-	1.00	1.00
Franchise	-	-	1.00	1.00
Network & Systems Support Services	-	-	9.00	9.00
Total FTE	**8.90**	**13.13**	**12.33**	**12.33**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
City achieves cost savings in infrastructure management.						
# of city phone lines	#	Workload	1,595	1,700	1,700	1,700
Cost of city phone line per month	$	Efficiency	17	16	15	15
# of technicians supporting the city's phone lines	#	Workload	0.95	0.95	0.95	0.95
Cost of phone company business line per month	$	Efficiency	37	32	37	37
City staff are able to depend on the systems & network.						
% of time servers are fully functional during business hrs	%	Effectiveness	99.70	99.90	99.90	99.90
% of time phone sys is fully functional during business hrs	%	Effectiveness	99.90	99.90	99.90	99.90
% customer rating phone svc satisfaction good to excellent	%	Effectiveness	89	93	93	93
% of customers rating quality of cmptr sys good to excellent	%	Effectiveness	94	93	93	93
% customers rating cmptr sys satisfaction good to excellent	%	Effectiveness	94	94	94	94
% of customers rating phone svcs quality good to excellent	%	Effectiveness	88	93	93	93
# of internet pages accessed on City website (in millions)	#	Workload	60	70	80	85
# of servers supported	#	Workload	114	110	130	135
System performance is appropriate for demand.						
% of customers rating phone svc timeliness good to excellent	%	Effectiveness	90	93	93	93
% of customers rating timeliness of cmptr sys good to exc	%	Effectiveness	94	94	94	94

Issues related to Department Performance

- The rapid pace of change within the technology industry and continued pace of innovation within the organization continue to require that IT remain agile and strategic in how we approach requests for service.
- Threats from spam, viruses, and hackers continue to grow and change rapidly. The focus on security is relentless.
- The desire to be "always connected" and to have access to business systems and needed information anywhere and anytime continues to push the boundaries of the City's network and ITD responsibilities.

Information Technology
Network & Systems Support Services

MultiMedia Services
- Multimedia Services has been established as the city-wide multimedia production and delivery resource for department content managers and message owners by providing state-of-the-art multimedia, facilities, equipment, and expert assistance from a single point of delivery in ITD. Multimedia communications is expected to become an increasingly important mode of communications for the City.

Program Notes
None

Information Technology

Biennial Budgeted Cost Summary	2005-2006 Budget	2007-2008 Budget	% Change
Application Support Services	17,340,128	13,507,314	(22)%
Client Technology Services	3,737,399	6,010,276	61 %
Network & Systems Support Services	9,065,674	9,864,013	9 %
Application Support Services	934,646	1,652,663	77 %
Client Technology Services	676,127	1,195,544	77 %
Network & Systems Support Services	377,836	668,098	77 %
Base Budget	**32,131,811**	**32,897,908**	**2 %**
Reserves	**4,173,217**	**3,660,722**	**(12)%**
CIP M&O	-	188,690	-
eCityGov Project Management FTE	-	231,203	-
M&O Community Needs Ascertainment	-	67,000	-
M&O ECM Project	-	614,795	-
Program Enhancements	**-**	**1,101,688**	**-**
Total Budget	**36,305,028**	**37,660,318**	**4 %**

Biennial Expenditure Category Summary	2005-2006 Budget	2007-2008 Budget	% Change
Personnel	10,122,246	13,041,111	29 %
Interfund	3,012,270	4,012,193	33 %
M & O	9,035,936	9,634,514	7 %
Capital	9,961,359	7,286,416	(27)%
Total Expenditures	**32,131,811**	**33,974,234**	**6 %**
Total Reserves	**4,173,217**	**3,686,084**	**(12)%**
Total Budget	**36,305,028**	**37,660,318**	**4 %**

Biennial Funding Summary	2005-2006 Budget	2007-2008 Budget	% Change
Land Purchase Revolving Fund	-	187,000	- %
Franchise Fund	2,736,913	2,872,329	5 %
General CIP Fund	8,483,359	5,825,000	(31)%
Information Technology Fund	25,084,756	28,775,989	15 %
Total Resources	**36,305,028**	**37,660,318**	**4 %**

21. Miscellaneous
Non-Departmental

Miscellaneous Non-Departmental

Program Outcome Statement

Funding for items that generally benefit the City as a whole, but do not reside in any direct service or support services program.

Services and Accomplishments

The Miscellaneous Non-Departmental budget provides funding for memberships in governmental organizations, audit fees, other items that benefit the city as a whole, and contingency reserves.

Miscellaneous Non-Departmental

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Memberships In Professional Organizations	190,051	194,422	206,255	211,617
Audit Fees	143,846	147,154	151,568	155,509
Miscellaneous	4,039,629	5,542,433	8,191,991	11,870,227
Contingency	6,642,718	7,172,910	3,558,358	1,246,556
Base Budget	**11,016,244**	**13,056,919**	**12,108,172**	**13,483,909**
Reserves	**11,151,922**	**6,145,373**	**4,374,669**	**4,374,669**
Fire Academy Costs (funds held in MND)	-	-	110,000	-
Program Enhancements	**-**	**-**	**110,000**	**-**
Total Budget	**22,168,166**	**19,202,291**	**16,592,841**	**17,858,578**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	92,160	94,280	22,162	-
Interfund	5,308,173	6,711,574	3,977,302	5,395,000
M & O	5,018,911	5,517,065	5,093,708	7,561,663
Capital	597,000	734,000	3,125,000	527,246
Total Expenditures	**11,016,244**	**13,056,919**	**12,218,172**	**13,483,909**
Total Reserves	**11,151,922**	**6,145,373**	**4,374,669**	**4,374,669**
Total Budget	**22,168,166**	**19,202,291**	**16,592,841**	**17,858,578**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	2,221,071	3,503,635	5,784,120	2,166,663
Rainy Day Reserve Fund	4,371,669	4,371,669	4,371,669	4,371,669
Operating Grants/Donations Fund	12,081,426	7,358,988	457,052	-
Interest & Debt Redemption-Regular Fund	2,897,000	3,234,000	990,000	5,398,000
General CIP Fund	597,000	734,000	4,990,000	5,922,246
Total Resources	**22,168,166**	**19,202,291**	**16,592,841**	**17,858,578**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
No Staff	-	-	-	-
Total FTE	**-**	**-**	**-**	**-**

Miscellaneous Non-Departmental

2007-2008 Work Initiatives

Not applicable.

Major Challenges for the Biennium

Not applicable.

Miscellaneous Non-Departmental
Audit Fees

Program Statement

Pay all required audit fees.

Summary of Services Provided

Pay mandatory fees to State Auditor's Office for annual financial and legal compliance audit and pay fee for semi-monthly audit of City expenditures.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Audit Fees	143,846	147,154	151,568	155,509
Base Budget	**143,846**	**147,154**	**151,568**	**155,509**
Total Budget	**143,846**	**147,154**	**151,568**	**155,509**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
M & O	143,846	147,154	151,568	155,509
Total Expenditures	**143,846**	**147,154**	**151,568**	**155,509**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	143,846	147,154	151,568	155,509
Total Resources	**143,846**	**147,154**	**151,568**	**155,509**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
No Staff				

Issues related to Department Performance

Not applicable.

Program Notes

This program consists of payments made to the State Auditor and/or contractor. These costs are based upon the scope of the audit as designed by the auditor. Recent audits have emphasized General Fund operations.

Miscellaneous Non-Departmental Contingency

Program Statement

Maintain the Rainy Day Reserve and General Fund budget contingency to cover potential budget shortfalls resulting from economic downturn or unforeseen expenditure needs.

Summary of Services Provided

Maintain the Rainy Day Reserve and General Fund budget contingency to cover potential budget shortfalls resulting from economic downturn or unforeseen expenditure needs.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Contingency	1,341,545	1,587,626	3,101,306	1,246,556
Council Reserves	5,301,173	5,585,284	457,052	-
Base Budget	**6,642,718**	**7,172,910**	**3,558,358**	**1,246,556**
Reserves	**11,026,922**	**6,020,373**	**4,371,669**	**4,371,669**
Fire Academy Costs (funds held in MND)	-	-	110,000	-
Program Enhancements	**-**	**-**	**110,000**	**-**
Total Budget	**17,669,640**	**13,193,282**	**8,040,027**	**5,618,225**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Interfund	5,301,173	5,585,284	457,052	-
M & O	1,341,545	1,587,626	3,211,306	1,246,556
Total Expenditures	**6,642,718**	**7,172,910**	**3,668,358**	**1,246,556**
Total Reserves	**11,026,922**	**6,020,373**	**4,371,669**	**4,371,669**
Total Budget	**17,669,640**	**13,193,282**	**8,040,027**	**5,618,225**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	1,341,545	1,587,626	3,211,306	1,246,556
Rainy Day Reserve Fund	4,371,669	4,371,669	4,371,669	4,371,669
Operating Grants/Donations Fund	11,956,426	7,233,988	457,052	-
Total Resources	**17,669,640**	**13,193,282**	**8,040,027**	**5,618,225**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
No Staff				

Issues related to Department Performance

Not applicable.

Program Notes

Service levels are estimated to be maintained during 2007 and 2008 without dipping into the Rainy Day Reserve. A Rainy Day Reserve Fund contribution for 2007 and 2008 from the General Fund is not included in this budget.

Miscellaneous Non-Departmental
Memberships In Professional Organizations

Program Statement

Pay dues to maintain membership in intergovernmental organizations that benefit the City.

Summary of Services Provided

Pay dues to maintain membership in the following intergovernmental organizations on behalf of the City:

- Puget Sound Clean Air Agency
- Puget Sound Regional Council
- Association of Washington Cities
- National League of Cities
- Public Technology Incorporated
- Eastside Leadership

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Membership in Prof Org	190,051	194,422	206,255	211,617
Base Budget	**190,051**	**194,422**	**206,255**	**211,617**
Total Budget	**190,051**	**194,422**	**206,255**	**211,617**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
M & O	190,051	194,422	206,255	211,617
Total Expenditures	**190,051**	**194,422**	**206,255**	**211,617**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	190,051	194,422	206,255	211,617
Total Resources	**190,051**	**194,422**	**206,255**	**211,617**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
No Staff				

Issues related to Department Performance

Not applicable.

Program Notes

Generally, the increase in costs of membership to these organizations has been in line with changes in the Consumer Price Index (a measure of inflation).

Miscellaneous Non-Departmental
Miscellaneous

Program Statement

Pay for items that benefit the City as a whole.

Summary of Services Provided

Pay for election and voter registration costs, bank fees, watershed response, outside legal costs, excess retirement benefits, and other contingencies.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General CIP Projects	597,000	734,000	4,990,000	5,922,246
Limited Go - 2003 Ban	2,897,000	3,234,000	987,000	5,395,000
MND Miscellaneous	545,629	1,574,433	2,214,991	552,981
Base Budget	**4,039,629**	**5,542,433**	**8,191,991**	**11,870,227**
Reserves	**125,000**	**125,000**	**3,000**	**3,000**
Total Budget	**4,164,629**	**5,667,433**	**8,194,991**	**11,873,227**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	92,160	94,280	22,162	-
Interfund	7,000	1,126,290	3,520,250	5,395,000
M & O	3,343,469	3,587,863	1,524,579	5,947,981
Capital	597,000	734,000	3,125,000	527,246
Total Expenditures	**4,039,629**	**5,542,433**	**8,191,991**	**11,870,227**
Total Reserves	**125,000**	**125,000**	**3,000**	**3,000**
Total Budget	**4,164,629**	**5,667,433**	**8,194,991**	**11,873,227**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	545,629	1,574,433	2,214,991	552,981
Operating Grants/Donations Fund	125,000	125,000	-	-
Interest & Debt Redemption-Regular Fund	2,897,000	3,234,000	990,000	5,398,000
General CIP Fund	597,000	734,000	4,990,000	5,922,246
Total Resources	**4,164,629**	**5,667,433**	**8,194,991**	**11,873,227**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
No Staff	-	-	-	-
Total FTE	**-**	**-**	**-**	**-**

Issues related to Department Performance

Not applicable.

Program Notes

The Innovations Fund has been closed.

Miscellaneous Non-Departmental

Biennial Budgeted Cost Summary	2005-2006 Budget	2007-2008 Budget	% Change
Memberships In Professional Organizations	384,473	417,872	9 %
Audit Fees	291,000	307,077	6 %
Miscellaneous	9,582,062	20,062,218	109 %
Contingency	13,815,628	4,804,914	(65)%
Base Budget	**24,073,163**	**25,592,081**	**6 %**
Reserves	**6,145,373**	**4,374,669**	**(29)%**
Fire Academy Costs (funds held in MND)	-	110,000	-
Program Enhancements	**-**	**110,000**	**-**
Total Budget	**30,218,536**	**30,076,750**	**- %**

Biennial Expenditure Category Summary	2005-2006 Budget	2007-2008 Budget	% Change
Personnel	186,440	22,162	(88)%
Interfund	12,019,747	9,372,302	(22)%
M & O	10,535,976	12,655,371	20 %
Capital	1,331,000	3,652,246	174 %
Total Expenditures	**24,073,163**	**25,702,081**	**7 %**
Total Reserves	**6,145,373**	**4,374,669**	**(29)%**
Total Budget	**30,218,536**	**30,076,750**	**- %**

Biennial Funding Summary	2005-2006 Budget	2007-2008 Budget	% Change
General Fund	5,724,706	7,950,783	39 %
Rainy Day Reserve Fund	4,371,669	4,371,669	- %
Operating Grants/Donations Fund	12,660,161	457,052	(96)%
Interest & Debt Redemption-Regular Fund	6,131,000	6,385,000	4 %
General CIP Fund	1,331,000	10,912,246	720 %
Total Resources	**30,218,536**	**30,076,750**	**- %**

22. Office of Economic Development

Office of Economic Development

Program Outcome Statement

The Office of Economic Development seeks to enhance and further develop a thriving and sustainable Bellevue economy through targeted economic development strategies.

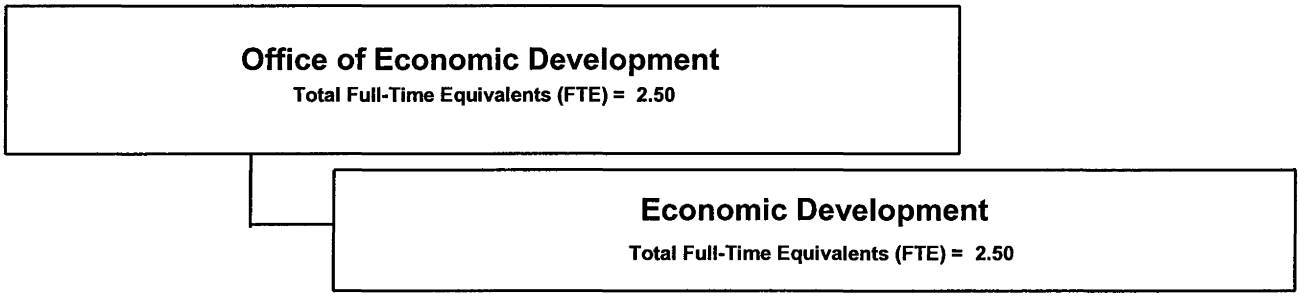
Services and Accomplishments

During 2005-2006, the Office of Economic Development:

- Handled over 150 business inquiries per year;
- Improved the liaison with Bellevue business organizations;
- Improved the liaison with regional economic organizations;
- Increased city sponsorships;
- Addressed the redevelopment of small neighborhood centers;
- Increased involvement in international trade programs;
- Met with the White House Commission on Asian Americans and Pacific Islanders.

Office of Economic Development

Organizational Chart



Office of Economic Development

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Economic Development	-	259,766	354,873	375,061
Base Budget	**-**	**259,766**	**354,873**	**375,061**
Promote Business Growth	-	-	100,000	100,000
Program Enhancements	**-**	**-**	**100,000**	**100,000**
Total Budget	**-**	**259,766**	**454,873**	**475,061**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	-	135,997	257,101	273,642
Interfund	-	18,074	21,866	23,541
M & O	-	105,695	175,906	177,878
Total Expenditures	**-**	**259,766**	**454,873**	**475,061**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	-	259,766	454,873	475,061
Total Resources	**-**	**259,766**	**454,873**	**475,061**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Economic Development	-	-	2.50	2.50
Total FTE	**-**	**2.50**	**2.50**	**2.50**

Office of Economic Development

2007-2008 Work Initiatives

As a newly created office, the Office of Economic Development will seek to expand its capabilities by developing a:

- Tourism Action Plan;
- Integrated Marketing Action Plan;
- Small Business Outreach Program;
- International Trade Action Plan;
- Demographic and Economic Data Program;
- An Economic Development Grants Program;
- Internal Marketing Program;
- Improved economic development website.

In addition the Office will:

- Sustain good relationships with business economic development organizations and public economic development organizations;
- Continue business ombudsman services;
- Complete work on Lake Hills Center redevelopment, King County Solid Waste Factoria site, King County CBD Metro site, KG development, COSTCO development, 1020 theater, Newport Hills Center redevelopment, possible sports arena, Meydenbauer Bay waterfront project.
- Meet and exceed performance measures.

Major Challenges for the Biennium

The Office of Economic Development does not anticipate any major unanticipated challenges for the biennium.

Office of Economic Development
Economic Development

Program Statement

The Office of Economic Development seeks to enhance and further develop a thriving and sustainable Bellevue economy through targeted economic development strategies

Summary of Services Provided

The Office of Economic Development uses a variety of targeted strategies including:

- Business recruitment;
- Business retention;
- Small business development;
- Promoting tourism;
- Promoting international trade.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Office of Economic Development	-	259,766	354,873	375,061
Base Budget	**-**	**259,766**	**354,873**	**375,061**
Promote Business Growth	-	-	100,000	100,000
Program Enhancements	**-**	**-**	**100,000**	**100,000**
Total Budget	**-**	**259,766**	**454,873**	**475,061**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	-	135,997	257,101	273,642
Interfund	-	18,074	21,866	23,541
M & O	-	105,695	175,906	177,878
Total Expenditures	**-**	**259,766**	**454,873**	**475,061**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	-	259,766	454,873	475,061
Total Resources	**-**	**259,766**	**454,873**	**475,061**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Office of Economic Development	-	-	2.50	2.50
Total FTE	**-**	**2.50**	**2.50**	**2.50**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Strength of Economy						
% Change in Business Longevity	%	Effectiveness	-	1.50	1.50	1.50
% Change in Commercial Assessed Value	%	Effectiveness	-	3	3	3
% Change in number of Businesses in Bellevue	%	Effectiveness	-	1.50	1.50	1.50
% Change in number of Jobs in Bellevue	%	Effectiveness	-	3	3	3

Office of Economic Development
Economic Development

Issues related to Department Performance

None

Program Notes

None

Office of Economic Development

Biennial Budgeted Cost Summary	2005-2006 Budget	2007-2008 Budget	% Change
Economic Development	259,766	729,934	181 %
Base Budget	**259,766**	**729,934**	**181 %**
Promote Business Growth	-	200,000	-
Program Enhancements	**-**	**200,000**	**-**
Total Budget	**259,766**	**929,934**	**258 %**

Biennial Expenditure Category Summary	2005-2006 Budget	2007-2008 Budget	% Change
Personnel	135,997	530,743	290 %
Interfund	18,074	45,407	151 %
M & O	105,695	353,784	235 %
Total Expenditures	**259,766**	**929,934**	**258 %**

Biennial Funding Summary	2005-2006 Budget	2007-2008 Budget	% Change
General Fund	259,766	929,934	258 %
Total Resources	**259,766**	**929,934**	**258 %**

CITY OF BELLEVUE
WASHINGTON

23. Parks & Community Services

Parks & Community Services

Program Outcome Statement

Mission:
A healthy community through an integrated system of exceptional parks, open space, recreation, cultural and human services.

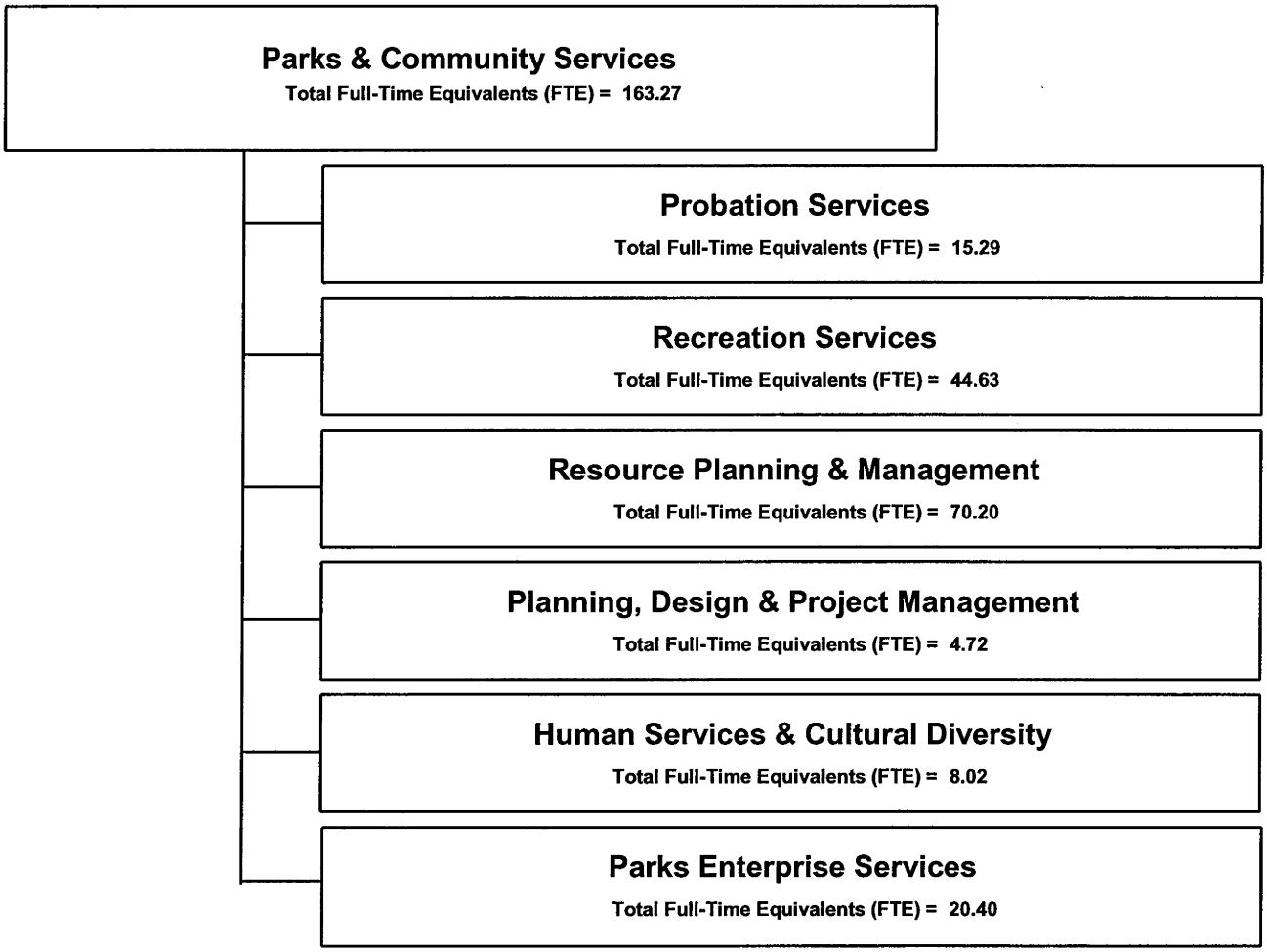
Goals:
- Plan, acquire, design, and develop a coordinated park system which satisfies the community's open space and recreation needs, and anticipates future park demands as the community grows and matures;
- Provide clean, safe, attractive and functional parks, open space, and recreation facilities while protecting the City's capital investments through ongoing maintenance and systematic renovation;
- Help reduce crime and antisocial behavior by providing/supporting prevention and intervention services such as domestic violence and sexual assault counseling, child abuse prevention, probation services, and youth programs such as day camps, after-school, and youth leadership programs;
- Work with the City's diverse population and community organizations to assist people in need of critical emergency services related to food, clothing, and shelter; transitional services related to housing, employment, and counseling; long-term assistance with care for low-income children; and services for the elderly and people with disabilities;
- Through partnerships and collaborations, provide Bellevue citizens with opportunities for recreation, socialization, skill development and education in order to enhance physical and mental health.

Services and Accomplishments

2005-2006 Accomplishments

- Department Accreditation and Gold Medal Award – In 2005, the Department completed the agency accreditation process and became one of 55 organizations nationwide that meet the professional standards of the Commission for the Accreditation of Parks and Recreation Agencies (CAPRA). In addition, the Department was awarded the prestigious Gold Medal Award by the National Recreation and Park Association (NRPA) for overall excellence.
- Human Services Needs Update and Regional Collaborations – In 2005-2006, the Department participated in the Eastside Human Services Forum in cooperation with other cities, the county, non-profit agencies, school districts, and healthcare organizations. Through the Forum, Bellevue monitored the work of the King County Task Force on Regional Human Services and provided regular input to the Task Force. In addition, the Human Services Division conducted another systematic and comprehensive update on the human services needs of Bellevue residents and served as lead in a pooled funding pilot project with six other Eastside jurisdictions.
- Key Property Acquisitions – In 2005-2006, the Department acquired key properties for future park development, including the purchase of the Yiu property at Meydenbauer Bay and the Wilburton property adjacent to the Bellevue Botanical Garden. These properties were acquired by leveraging City CIP funding with external funding sources. Grants of $3.2 million offset 44% of City acquisition costs. The 450-acre Coal Creek Natural Area and the Surrey Downs site were added to Bellevue's parkland inventory through a transfer from King County.
- Capital Investment Program Plan Implementation – Capital Investment Program Plan projects completed during 2005-2006 include the construction of the South Bellevue Community Center, development of Lewis Creek Park and Meadow Wood Park, expansion of the Crossroads Community Center, and construction of skate facilities at Lakemont and Crossroads Parks.
- Business and Technology Initiatives – During 2005-2006, the Department worked with other E-gov Alliance cities in an ongoing effort to improve access to parks and recreation services through web-based technology tools for citizens throughout the region.
- Controlled Operating Costs while maintaining High Citizen Satisfaction – The Parks & Community Services Department worked hard to manage its operating costs over the past two years in response to limited City resources. The Department balanced the need for providing high quality programs and maintaining the safety and function of park assets, while continuing to deliver high levels of citizen satisfaction with the overall quality (92%), appearance (95%), and usage (87%) of the parks system.

Parks & Community Services
Organizational Chart



Parks & Community Services

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Probation Services	1,499,475	1,500,155	1,647,740	1,729,112
Recreation Services	5,446,157	6,205,780	6,511,925	6,785,182
Resource Planning & Management	16,084,643	15,470,013	17,241,705	18,046,959
Planning, Design & Project Management	15,702,920	8,590,003	20,177,800	13,535,049
Human Services & Cultural Diversity	4,334,177	4,160,219	4,913,850	4,242,639
Parks Enterprise Services	4,905,599	4,389,624	5,424,197	5,637,094
Base Budget	**47,972,971**	**40,315,795**	**55,917,216**	**49,976,035**
Reserves	**5,498,230**	**5,623,896**	**6,002,234**	**4,589,185**
Additional Investment in Human Services	-	-	235,039	242,560
CIP M&O	-	-	294,106	529,324
FTE Conversion - Contract Administrator (1.0 FTE)	-	-	-	-
FTE Conversion - Streetscape Technician (1.0 FTE)	-	-	-	-
Human Services - CDBG Loss	-	-	20,000	20,640
Resource Management Service Vehicles	-	-	-	-
Street Trees - Developer Mitigation	-	-	17,408	28,631
Program Enhancements	**-**	**-**	**566,553**	**821,155**
Total Budget	**53,471,201**	**45,939,691**	**62,486,003**	**55,386,375**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	11,810,456	12,874,356	13,917,523	14,551,753
Interfund	4,712,838	4,643,085	5,662,004	6,135,928
M & O	15,233,855	15,092,166	17,018,973	16,997,632
Capital	16,215,822	7,706,188	19,885,269	13,111,877
Total Expenditures	**47,972,971**	**40,315,795**	**56,483,769**	**50,797,190**
Total Reserves	**5,498,230**	**5,623,896**	**6,002,234**	**4,589,185**
Total Budget	**53,471,201**	**45,939,691**	**62,486,003**	**55,386,375**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	20,963,950	22,851,866	24,738,876	26,008,875
Human Services Fund	2,542,200	2,469,652	3,692,461	3,820,294
Park M&O Reserve Fund	2,745,583	2,745,583	2,756,583	2,766,583
Land Purchase Revolving Fund	276,500	274,873	363,000	379,406
Parks Enterprise Fund	4,407,000	4,615,970	5,487,000	5,736,027
Operating Grants/Donations Fund	1,279,500	1,164,119	1,085,000	307,026
Interest & Debt Redemption-Regular Fund	250,826	253,026	275,025	421,025
Interest & Debt Redemption-Special Fund	3,893,382	2,878,021	2,873,400	1,443,300
General CIP Fund	16,194,322	7,694,688	20,129,000	13,367,000
Marina Fund	917,938	991,893	1,085,658	1,136,839
Total Resources	**53,471,201**	**45,939,691**	**62,486,003**	**55,386,375**

Parks & Community Services

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Probation Services	-	-	15.29	15.29
Recreation Services	-	-	44.63	44.63
Resource Planning & Management	-	-	70.20	70.20
Planning, Design & Project Management	-	-	4.72	4.72
Human Services & Cultural Diversity	-	-	8.02	8.02
Parks Enterprise Services	-	-	20.40	20.40
Total FTE	**159.34**	**162.33**	**163.26**	**163.26**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Human Services & Cultural Diversity						
Percent of contract goals met by contracted agencies	%	Effectiveness	90	85	85	85
Parks Enterprise Services						
Percent of cost recovery	%	Efficiency	103	100	100	100
Rounds Played at Bellevue and Crossroads Courses	#	Workload	69,625	80,000	70,000	71,000
Planning, Design & Project Management						
Households that have visited a park or facility in last year	%	Effectiveness	87	85	85	85
Citizens rating satisfaction with parks good or better	%	Effectiveness	92	85	85	85
Probation Services						
Jail cost savings from Electronic Home Detention program	$	Efficiency	314,000	350,000	350,000	350,000
Number of jail days served on Electronic Home Detention	#	Workload	4,956	6,000	5,000	5,000
Recreation Services						
Youth and parents rating programs very good or above	%	Effectiveness	93	90	90	90
Special Community Service programs rated good or above	%	Effectiveness	92	93	93	93
Number of visits to Recreation Service Programs	#	Workload	607,765	650,000	650,000	650,000
Percent cost recovery for merit programs	%	Efficiency	95	95	95	95
Cost per Youth Service visit	$	Efficiency	8.02	8.00	8.00	8.00
Resource Planning & Management						
Acres of City property managed	#	Workload	2,598	2,674	2,686	2,686
Citizens rating parks and facilities as good or excellent.	%	Effectiveness	95	85	85	85

Parks & Community Services

2007-2008 Work Initiatives

- Capital Investment Program Plan Implementation – During 2007-2008, The Department will begin Phase One construction of the Mercer Slough Environmental Education Center. Other projects planned for the biennium include replacement of the existing turf sportsfields at Robinswood Park with synthetic surface, construction of the Highland Skate Park, and development of Ashwood Plaza. In addition, a targeted opportunity fund has been created to challenge donors to invest in the community and leverage City capital funding. Targeted Challenge Grant planning and development projects in 2007-2008 include the Ivanhoe Youth Theatre, a water play area at Crossroads Park, a Visitor Center at the Bellevue Botanical Garden, and feasibility analyses for an indoor aquatic center in Bellevue.
- Planning for the Future – Major planning initiatives in the next biennium include completion of master plans for the Meydenbauer Bay waterfront, Boeing/I-90 property, Bellevue Botanical Garden, Surrey Downs, and Ashwood Park. This planning effort represents a significant work effort over the seven-year CIP plan, but is an important step to define the community's preferred outcome for each site, identify external funding partners, and prepare for future funding availability.
- Wraparound Services – Wraparound Services is a term which means the health, human service, and recreation programs for children and families that utilize schools as a service delivery point and where services are strategically integrated into the educational system through a model of collaboration between the School District, the City, and other community organizations. This program plays an important role in the City's neighborhood vitality strategy, and a pilot program at Lake Hills Elementary was initiated in 2005. In 2007-2008, the Department will work with the Bellevue School District and other community organizations to evaluate the overall effectiveness of this service delivery model and prepare alternatives for sustaining and expanding this program on an ongoing basis.
- Regional Coordination – The changing regional landscape for parks, recreation, and human services presents both significant challenges and partnership opportunities over the next two years. In 2007-2008, the Parks & Community Services Department will work with our regional partners (state, county, other cities, school districts, and non-profit organizations) to discuss the implication of these trends, ensure that our resources are being utilized as effectively as possible, and explore opportunities for joint use agreements for the development and operation of facilities which could benefit all parties.
- Update Recreation Program Plan – In 2007-2008, the Department will update the Recreation Program Plan, including a review of the City's pricing structure and scholarship policy. The plan will incorporate four major user group plans, including plans for Seniors, Individuals with Disabilities, Youth and Teens, and the Bellevue Youth Theater.
- Human Services Needs Update – Every two years, the Human Services Division conducts a comprehensive update on the human services needs of Bellevue residents. This update will be done in the context of the changing funding environment for human services and will form the basis for developing human services funding recommendations in upcoming budgets.
- Economic Development - Based on the recommendations of our departmental strategic plan, we will work to integrate the department's mission of "creating a healthy community" with the City's overall economic development strategy.

Parks & Community Services

Major Challenges for the Biennium

- Advancing the Parks and Open Space System Plan. Given limited funding for new park development, virtually no major capital projects are feasible within the 2007-2013 CIP beyond the development of the Mercer Slough Environmental Education Center. In addition, available property acquisition funding will focus on the highest priority sites, including Downtown Bellevue and the most critical park connections. In order to make progress on the community needs identified in the Parks and Open Space System Plan, we need to continue to develop new financial tools and strategies, actively pursue regional partnerships or special parks taxing districts, and create new property acquisition mechanisms.
- Human Services Funding. During the 2007-2008 budget process, the Human Services Commission received new requests totaling approximately $600,000 above available funding. These requests were primarily focused on emerging needs like homelessness issues and programs for immigrants and refugees, and are consistent with the findings from the most recent Census data and the Human Services Needs Update. These issues and funding challenges are not unique to Bellevue, and we will continue to work with the Human Services Commission and our regional partners to identify long-term funding mechanisms to meet the human services needs of the community.
- Responding to Needs of Changing Community. As recommended in the departmental strategic plan, we will continue to evaluate whether our current programs and services are still relevant to the needs of a changing community and are achieving the desired outcomes. As a result of this ongoing review, we will modify our program mix and shift resources as needed to ensure that our services remain relevant and effective.
- Coal Creek Natural Area. In 2005, King County transferred the 445-acre Coal Creek site to the City. While the 2007-2008 operating budget provides funding for the minimal maintenance of this natural area, the site is in a deteriorated state and will continue to decline. Parks staff will continue to work with other City departments and the broader community to keep this significant environmental asset available for limited public access.
- Maintaining High Performance Standards. The department will continue to evaluate the effectiveness and efficiency of our various service delivery models, including the mix of FTEs, temporary help, contract labor, and volunteers. While the 2007-2008 budget provides for two additional FTE staff by converting contract dollars into permanent staff, the department needs the ongoing flexibility to address new or growing workloads to ensure that the City is getting the best combination of efficiency, effectiveness, customer service, and performance.

Parks & Community Services
Resource Planning & Management

Program Statement

The Resource Planning and Management program provides for the management and stewardship of City-owned parks and park facilities, and open spaces, trails, and arterial landscapes. This program includes the Resource Management, and Natural Resource divisions. Services are provided in an environmentally conscious manner, and the department utilizes a combination of City staff and alternative service delivery models including contracts, inter-local agreements, partnerships and volunteers. This program provides functional and attractive parks and recreational facilities, and supports essential municipal facilities. In addition, this program provides environmental education and public outreach, manages sensitive open spaces, and protects capital investments while focusing on energy conservation and reducing liability exposure.

Summary of Services Provided

- Management, maintenance and program support for City-owned parks, open spaces, and events.
- Stewardship to ensure the protection of the City's capital investments.
- Deliver direct services that compare favorably to private sector market and industry standards.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Dept Administration	1,368,414	1,367,174	1,747,344	1,869,287
Donations	253,500	243,000	150,000	150,000
General CIP Projects	2,731,305	1,152,000	2,097,000	2,170,000
Interest - Restricted City	24,000	24,000	29,000	32,000
Interest - Restricted State	69,000	69,000	75,000	82,000
Land Purchase Revolving Fund	232,327	247,544	216,594	222,521
Management & Maintenance-Grounds	752,326	1,051,379	900,754	924,589
Natural Resources	2,879,945	3,075,319	3,242,498	3,355,665
Resource Management	7,773,826	8,240,597	8,783,515	9,240,897
Base Budget	**16,084,643**	**15,470,013**	**17,241,705**	**18,046,959**
Reserves	**3,254,556**	**3,226,008**	**3,396,823**	**3,305,688**
CIP M&O	-	-	294,106	529,324
FTE Conversion - Contract Administrator (1.0 FTE)	-	-	-	-
FTE Conversion - Streetscape Technician (1.0 FTE)	-	-	-	-
Resource Management Service Vehicles	-	-	-	-
Street Trees - Developer Mitigation	-	-	17,408	28,631
Program Enhancements	**-**	**-**	**311,514**	**557,955**
Total Budget	**19,339,199**	**18,696,021**	**20,950,042**	**21,910,602**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	5,091,803	5,413,462	5,862,366	6,130,455
Interfund	1,950,380	2,052,968	2,623,216	2,909,926
M & O	6,291,155	6,841,582	6,991,950	7,438,064
Capital	2,751,305	1,162,000	2,075,687	2,126,469
Total Expenditures	**16,084,643**	**15,470,013**	**17,553,219**	**18,604,914**
Total Reserves	**3,254,556**	**3,226,008**	**3,396,823**	**3,305,688**
Total Budget	**19,339,199**	**18,696,021**	**20,950,042**	**21,910,602**

Parks & Community Services
Resource Planning & Management

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	12,340,373	13,288,672	14,497,801	15,307,774
Park M&O Reserve Fund	2,745,583	2,745,583	2,756,583	2,766,583
Land Purchase Revolving Fund	276,500	274,873	363,000	379,406
Operating Grants/Donations Fund	327,500	243,000	150,000	150,000
General CIP Fund	2,731,305	1,152,000	2,097,000	2,170,000
Marina Fund	917,938	991,893	1,085,658	1,136,839
Total Resources	**19,339,199**	**18,696,021**	**20,950,042**	**21,910,602**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Dept Administration	-	-	6.89	6.89
Management & Maintenance-Grounds	-	-	1.20	1.20
Natural Resources	-	-	13.31	13.31
Resource Management	-	-	48.80	48.80
Total FTE	**70.09**	**70.09**	**70.20**	**70.20**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Protect City's capital investment						
Number of park sites maintained	#	Workload	316	312	312	312
Acres of City property managed	#	Workload	2,598	2,674	2,686	2,686
Square feet of active recreation facilities	#	Workload	-	-	209,887	217,887
Linear miles of trails	#	Workload	69	65	70	71
Square feet of arterial landscape (000)	#	Workload	-	-	5,202	5,222
Provide clean, safe, attractive, and functional facilities						
Parks and facilities safety rated as good or excellent.	%	Effectiveness	86	75	75	75
Citizens rating parks and facilities as good or excellent.	%	Effectiveness	95	85	85	85
Cost per square foot of streetscape	$	Efficiency	0.14	0.15	0.15	0.16
Cost per square foot of active recreation facilities	$	Efficiency	8.83	9.01	9.28	9.53
Cost per square foot of developed park	$	Efficiency	0.15	0.14	0.15	0.16

Issues related to Department Performance

None

Program Notes

The Resource Planning & Management Program provides a high level of maintenance services in a cost-effective manner. According to the 2005 Performance Measures Survey, 95% of Bellevue citizens rated park appearance as good or better.

Parks & Community Services
Probation Services

Program Statement

The Probation Services program provides misdemeanant probation and electronic home detention (EHD) services to adult offenders arrested within the City of Bellevue and referred by the judges at the King County District Court-Bellevue Division. Probation is an essential component of the criminal justice process, and the City works with community agencies and other law enforcement departments in creating programs to better serve the community. Primary services include: probation supervision, deferred prosecution evaluation and monitoring, electronic home detention, pre-sentence investigation reports, alcohol/drug assessments, pre-trial diversion, referral to community resources, collection of probation fees, domestic violence evaluations, monitoring payment of court ordered financial obligations, and recruitment and training of probation volunteers. Jail cost savings occurring because of this program are estimated at $350,000 per year.

Summary of Services Provided

- Provide misdemeanant probation supervision and services to adult offenders.
- Monitor payment of restitution and court costs, and collect probation fees.
- Manage EHD program.
- Provide services through volunteers.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Dept Administration	256,578	256,345	327,627	350,491
Electronic Home Detention	293,290	245,382	263,802	274,858
Probation	949,607	998,428	1,056,311	1,103,763
Base Budget	**1,499,475**	**1,500,155**	**1,647,740**	**1,729,112**
Total Budget	**1,499,475**	**1,500,155**	**1,647,740**	**1,729,112**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	1,127,118	1,185,487	1,293,622	1,353,773
Interfund	151,738	155,568	193,973	211,180
M & O	220,618	159,100	160,145	164,159
Total Expenditures	**1,499,475**	**1,500,155**	**1,647,740**	**1,729,112**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	1,499,475	1,500,155	1,647,740	1,729,112
Total Resources	**1,499,475**	**1,500,155**	**1,647,740**	**1,729,112**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Dept Administration	-	-	1.29	1.29
Electronic Home Detention	-	-	2.44	2.44
Probation	-	-	11.56	11.56
Total FTE	**15.22**	**15.22**	**15.29**	**15.29**

Parks & Community Services
Probation Services

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Optimize the EHD program to reduce jail costs						
Percent of EHD cases closed in compliance	%	Effectiveness	95	95	95	95
Jail cost savings from Electronic Home Detention program	$	Efficiency	314,000	350,000	350,000	350,000
Number of jail days served on Electronic Home Detention	#	Workload	4,956	6,000	5,000	5,000
Reduce tax burden by charging probation & EHD fees						
Percent of budget recovered by revenue (Probation/EHD)	%	Effectiveness	37.46	45.00	45.00	45.00
Number of probation offenders supervised	#	Workload	-	-	1,300	1,350
Reduce tax burden by increasing offender compliance						
DUI offenders completing deferred program.	%	Effectiveness	60.56	80.00	65.00	65.00
Offenders completing domestic violence continuance program	%	Effectiveness	74.73	65.00	70.00	70.00
Percent of defendant cases closed in compliance	%	Effectiveness	61.53	65.00	65.00	65.00

Issues related to Department Performance

None

Program Notes

The Probation Division supervises offenders and holds them accountable to Court orders, which results in increased public safety, involvement of citizen volunteers, and revenue collections.

Parks & Community Services
Recreation Services

Program Statement

The Recreation Services Program focuses on providing recreation, community services, and lifelong learning opportunities for youth, seniors, families, and people with disabilities of all ages. Youth Services are focused to meet the needs of the diverse youth in our community by providing opportunities for socialization, community involvement, leadership development, and education. Programs include Youth Link and Teen Services activities such as Ground Zero Teen Center and middle school latchkey care; general youth programs including youth team sports, skill-building, and skateboarding; school break day camps/child care; visual and performing arts; It's About Time for Kids Initiative; and Crossroads Community Center programs. Special Community Service programs include senior services, special events such as the 4th of July, and programs for individuals with either physical or developmental disabilities.

Summary of Services Provided

- Provide opportunities for socialization, community involvement, and education for youth 18 years and younger.
- Provide recreation, community services, and lifelong learning opportunities for seniors, families, and people with disabilities of all ages.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Community Recreation	4,582,465	5,499,693	5,638,253	5,850,538
Dept Administration	684,207	683,587	873,672	934,644
Donations	22,500	22,500	-	-
General CIP Projects	156,985	-	-	-
Base Budget	**5,446,157**	**6,205,780**	**6,511,925**	**6,785,182**
Total Budget	**5,446,157**	**6,205,780**	**6,511,925**	**6,785,182**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	3,034,317	3,589,950	3,921,304	4,095,820
Interfund	543,339	540,595	677,036	726,753
M & O	1,710,016	2,073,735	1,913,585	1,962,608
Capital	158,485	1,500	-	-
Total Expenditures	**5,446,157**	**6,205,780**	**6,511,925**	**6,785,182**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	5,266,672	6,183,280	6,511,925	6,785,182
Operating Grants/Donations Fund	22,500	22,500	-	-
General CIP Fund	156,985	-	-	-
Total Resources	**5,446,157**	**6,205,780**	**6,511,925**	**6,785,182**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Community Recreation	-	-	41.19	41.19
Dept Administration	-	-	3.44	3.44
Total FTE	**41.05**	**44.05**	**44.63**	**44.63**

Parks & Community Services
Recreation Services

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Enhance physical and mental well-being through participation						
Households participating in recreation program in past year	%	Effectiveness	24	25	25	25
Increase self-esteem and positive self-image for youth/teens						
Registered activities by Bellevue residents	%	Effectiveness	77	75	75	75
Number of individuals served for registered programs	#	Workload	16,669	10,500	11,000	11,000
Number of visits to Recreation Service Programs	#	Workload	607,765	650,000	650,000	650,000
Percent cost recovery for merit programs	%	Efficiency	95	95	95	95
Provide recreation, socialization & leadership to youth						
Youth reporting activity as productive use of time	%	Effectiveness	94	95	95	95
Cost per Youth Service visit	$	Efficiency	8.02	8.00	8.00	8.00
Reduce alienation and loneliness of citizens						
Youth and parents rating programs very good or above	%	Effectiveness	93	90	90	90
Special Community Service programs rated good or above	%	Effectiveness	92	93	93	93

Issues related to Department Performance

None

Program Notes

Youth programs contribute to the well-being of the community's youth and teens by providing a wide range of activities supervised by positive role models. Activities are structured to help build self-esteem and reduce the risk of antisocial behavior. Special Community Service programs make a positive contribution to the quality of life of seniors, people with disabilities, adults, and families living in our community. Opportunities for socialization are readily available through these activities, and are critical in maintaining the well-being of seniors and people with disabilities.

Parks & Community Services
Planning, Design & Project Management

Program Statement

The Planning, Design & Project Management program helps create and maintain a coordinated park system consistent with the community's open space and recreation facility needs identified in the Parks and Open Space System Plan. Fundamental responsibilities include the planning, design and management of park and facility capital improvement projects; permit review of development projects; and augmenting available capital improvement funding with external grants and funding sources. The total program budget includes both the operating and capital funding to implement the Parks Capital Investment Program (CIP) Plan.

Summary of Services Provided

- Plan, design, and provide project management for park development and redevelopment projects.
- Review permit applications for development projects.
- Apply for and monitor grants for park acquisition and development.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
2003 Unlimited GO Bond Refunding	2,477,250	1,430,475	1,430,100	1,443,300
Dept Administration	142,543	142,414	182,015	194,717
Donations	2,000	2,000	-	-
General CIP Projects	12,411,032	6,324,688	17,832,000	10,997,000
Limited GO - 1998	250,826	253,026	275,025	421,025
Planning Design & Project Mgt	419,269	437,401	458,660	479,007
Base Budget	**15,702,920**	**8,590,003**	**20,177,800**	**13,535,049**
Reserves	**1,416,132**	**1,447,546**	**1,443,300**	**-**
Total Budget	**17,119,052**	**10,037,549**	**21,621,100**	**13,535,049**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	427,205	449,835	480,685	503,055
Interfund	112,616	108,222	360,895	360,339
M & O	2,752,067	1,707,258	1,726,638	1,886,248
Capital	12,411,032	6,324,688	17,609,582	10,785,408
Total Expenditures	**15,702,920**	**8,590,003**	**20,177,800**	**13,535,049**
Total Reserves	**1,416,132**	**1,447,546**	**1,443,300**	**-**
Total Budget	**17,119,052**	**10,037,549**	**21,621,100**	**13,535,049**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	561,812	579,815	640,675	673,724
Operating Grants/Donations Fund	2,000	2,000	-	-
Interest & Debt Redemption-Regular Fund	250,826	253,026	275,025	421,025
Interest & Debt Redemption-Special Fund	3,893,382	2,878,021	2,873,400	1,443,300
General CIP Fund	12,411,032	6,324,688	17,832,000	10,997,000
Total Resources	**17,119,052**	**10,037,549**	**21,621,100**	**13,535,049**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Dept Administration	-	-	0.72	0.72
Planning Design & Project Mgt	-	-	4.00	4.00
Total FTE	**4.67**	**4.67**	**4.72**	**4.72**

Parks & Community Services
Planning, Design & Project Management

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Develop funding opportunities to meet LOS standards						
Households that have visited a park or facility in last year	%	Effectiveness	87	85	85	85
Citizens rating satisfaction with parks good or better	%	Effectiveness	92	85	85	85
Implement Parks & Open Space Plan through the CIP process						
CIP project funds spent in year allocated (not ongoing)	%	Efficiency	95	75	75	75
Average total change order percentage for completed projects	%	Efficiency	3	3	3	3

Issues related to Department Performance

None

Program Notes

Through the activities of the Planning, Design & Project Management Program, the City is planning for and developing the physical elements of the park system in a manner which is consistent with the open space and recreation needs of a growing and changing population.

Parks & Community Services
Human Services & Cultural Diversity

Program Statement

The Human Services & Cultural Diversity program responds to the human service needs of the community by ensuring the development and maintenance of a responsive community-based social services system. This is done by constantly assessing needs, anticipating trends, collaborating with non-profit service providers, and funding appropriate services. The goal of this program is to assist residents to become or remain economically self-sufficient and productive, and/or to overcome times of acute personal or family crisis. In addition to presenting diversity education programs, the cultural diversity program assists business and non-profit agencies with increasing outreach to ethnic communities. This program budget includes both the administration and allocation of City Human Service funding and federal Community Development Block Grant funding.

Summary of Services Provided

- Provide the Council and Human Services Commission with information on the status of human service "safety net" and the human service needs of Bellevue residents.
- Facilitate the community's response to human services needs via collaboration and funding.
- Provide cultural diversity education assistance and referral, and plan related events and programs.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Cultural Diversity	201,801	191,453	202,922	211,356
Dept Administration	171,052	170,897	218,418	233,661
Donations	1,000	1,000	-	-
Human Services	3,035,324	2,902,750	3,557,510	3,640,596
Operating Grants	925,000	894,119	935,000	157,026
Base Budget	**4,334,177**	**4,160,219**	**4,913,850**	**4,242,639**
Reserves	**201,572**	**276,634**	**608,084**	**673,016**
Additional Investment in Human Services	-	-	235,039	242,560
Human Services - CDBG Loss	-	-	20,000	20,640
Program Enhancements	**-**	**-**	**255,039**	**263,200**
Total Budget	**4,535,749**	**4,436,853**	**5,776,973**	**5,178,855**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	653,714	667,307	701,860	734,508
Interfund	651,357	440,322	485,884	502,558
M & O	3,029,106	3,052,590	3,981,145	3,268,773
Total Expenditures	**4,334,177**	**4,160,219**	**5,168,889**	**4,505,839**
Total Reserves	**201,572**	**276,634**	**608,084**	**673,016**
Total Budget	**4,535,749**	**4,436,853**	**5,776,973**	**5,178,855**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	1,067,549	1,072,082	1,149,512	1,201,535
Human Services Fund	2,542,200	2,469,652	3,692,461	3,820,294
Operating Grants/Donations Fund	926,000	895,119	935,000	157,026
Total Resources	**4,535,749**	**4,436,853**	**5,776,973**	**5,178,855**

Parks & Community Services
Human Services & Cultural Diversity

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Cultural Diversity	-	-	2.00	2.00
Dept Administration	-	-	0.86	0.86
Human Services	-	-	5.16	5.16
Total FTE	**8.31**	**8.31**	**8.02**	**8.02**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Meet needs of culturally diverse community						
Increased community involvement due to cultural diversity	%	Effectiveness	95	90	95	95
Provide resources for residents to become self-sufficient						
Number of home repair clients served	#	Workload	43	45	45	45
Housing assistance clients progressing to unsubsidized homes	%	Effectiveness	83	75	80	80
Percent of clients obtaining jobs or completing job training	%	Effectiveness	72	70	70	70
Provide support for times of personal or financial crisis						
Percent of contract goals met by contracted agencies	%	Effectiveness	90	85	85	85
Number of contracts managed	#	Workload	72	70	70	70

Issues related to Department Performance

None

Program Notes

The Human Services and Cultural Diversity Program is able to leverage community resources to help meet the needs of low- and moderate-income residents. Funds are efficiently allocated, and contracted services are regularly monitored to assure contract compliance.

Parks & Community Services
Parks Enterprise Services

Program Statement

The Enterprise Services program offers high quality programs and services including golf, tennis, aquatics, adult sports, and facility rentals. These programs are fee-based and primarily self supporting, but attempt to accommodate all residents regardless of the ability to pay through the use of scholarships, sponsorships, and fee waivers. Additionally, a portion of each program is directed to individuals with special needs.

Summary of Services Provided

- Provide activities at Robinswood Tennis Center, Bellevue Aquatic Center, Bellevue Golf Course, Crossroads Golf Course, and through the Adult Sports League programs.
- Provide ballfield rentals, picnic rentals, facility rentals (Robinswood House, Winters House, Lake Hills Clubhouse), and boat launch.
- Provide programs that accommodate the needs of special populations, youth and seniors, including developmentally disabled tennis instruction, therapy programs at the Bellevue Aquatic Center, and special programming that benefits youth and senior populations.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Adult Programs	102,497	106,144	109,481	114,436
Aquatics	1,126,956	1,186,521	1,117,777	1,163,870
Dept Administration	228,069	227,862	291,224	311,548
Donations	1,500	1,500	-	-
General CIP Projects	895,000	218,000	200,000	200,000
Golf-Crossroads	56,731	60,480	37,132	38,098
Golf-Municipal	1,330,913	1,396,267	2,389,927	2,484,461
Parks Facilities	494,799	498,506	523,172	540,711
Robinswood House	167,435	170,403	156,625	160,712
Tennis Center	501,699	523,940	598,859	623,258
Base Budget	**4,905,599**	**4,389,624**	**5,424,197**	**5,637,094**
Reserves	**625,970**	**673,708**	**554,027**	**610,481**
Total Budget	**5,531,569**	**5,063,332**	**5,978,224**	**6,247,575**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	1,476,299	1,568,314	1,657,686	1,734,141
Interfund	1,303,408	1,345,410	1,321,001	1,425,172
M & O	1,230,893	1,257,900	2,245,511	2,277,780
Capital	895,000	218,000	200,000	200,000
Total Expenditures	**4,905,599**	**4,389,624**	**5,424,197**	**5,637,094**
Total Reserves	**625,970**	**673,708**	**554,027**	**610,481**
Total Budget	**5,531,569**	**5,063,332**	**5,978,224**	**6,247,575**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	228,069	227,862	291,224	311,548
Parks Enterprise Fund	4,407,000	4,615,970	5,487,000	5,736,027
Operating Grants/Donations Fund	1,500	1,500	-	-
General CIP Fund	895,000	218,000	200,000	200,000
Total Resources	**5,531,569**	**5,063,332**	**5,978,224**	**6,247,575**

Parks & Community Services
Parks Enterprise Services

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Adult Programs	-	-	0.21	0.21
Aquatics	-	-	7.00	7.00
Dept Administration	-	-	1.15	1.15
Golf-Municipal	-	-	6.25	6.25
Parks Facilities	-	-	1.79	1.79
Tennis Center	-	-	4.00	4.00
Total FTE	**20.00**	**20.00**	**20.40**	**20.40**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Maximize the community's use of parks and facilities						
Number benefiting from scholarships, sponsors, fee waivers	#	Effectiveness	4,341	4,000	4,400	4,400
Rounds Played at Bellevue and Crossroads Courses	#	Workload	69,625	80,000	70,000	71,000
Meet cost recovery goals and minimize general fund subsidy						
Percent of cost recovery	%	Efficiency	103	100	100	100
Residents have opportunity for socialization & recreation						
Golf Customer Service Ratings	%	Effectiveness	87	90	90	90
Customers Rating Programs/Facilities as Good/Excellent	%	Effectiveness	90	92	90	90

Issues related to Department Performance

None

Program Notes

None

Parks & Community Services

Biennial Budgeted Cost Summary	2005-2006 Budget	2007-2008 Budget	% Change
Probation Services	2,999,630	3,376,852	13 %
Recreation Services	11,651,937	13,297,106	14 %
Resource Planning & Management	31,554,656	35,288,664	12 %
Planning, Design & Project Management	24,292,924	33,712,849	39 %
Human Services & Cultural Diversity	8,494,396	9,156,489	8 %
Parks Enterprise Services	9,295,223	11,061,291	19 %
Base Budget	**88,288,766**	**105,893,251**	**20 %**
Reserves	**5,623,896**	**4,589,185**	**(18)%**
Additional Investment in Human Services	-	477,599	-
CIP M&O	-	823,430	-
FTE Conversion - Contract Administrator (1.0 FTE)	-	-	-
FTE Conversion - Streetscape Technician (1.0 FTE)	-	-	-
Human Services - CDBG Loss	-	40,640	-
Resource Management Service Vehicles	-	-	-
Street Trees - Developer Mitigation	-	46,039	-
Program Enhancements	**-**	**1,387,708**	**-**
Total Budget	**93,912,663**	**111,870,144**	**19 %**

Biennial Expenditure Category Summary	2005-2006 Budget	2007-2008 Budget	% Change
Personnel	24,684,812	28,469,276	15 %
Interfund	9,355,923	11,797,932	26 %
M & O	30,326,021	34,016,605	12 %
Capital	23,922,010	32,997,146	38 %
Total Expenditures	**88,288,766**	**107,280,959**	**22 %**
Total Reserves	**5,623,896**	**4,589,185**	**(18)%**
Total Budget	**93,912,663**	**111,870,144**	**19 %**

Biennial Funding Summary	2005-2006 Budget	2007-2008 Budget	% Change
General Fund	43,815,817	50,747,751	16 %
Human Services Fund	4,810,280	6,904,671	44 %
Park M&O Reserve Fund	2,838,583	2,870,583	1 %
Land Purchase Revolving Fund	507,200	596,000	18 %
Parks Enterprise Fund	8,397,000	10,669,000	27 %
Operating Grants/Donations Fund	2,369,619	1,392,026	(41)%
Interest & Debt Redemption-Regular Fund	503,852	696,050	38 %
Interest & Debt Redemption-Special Fund	5,355,271	2,873,400	(46)%
General CIP Fund	23,889,010	33,496,000	40 %
Marina Fund	1,426,031	1,624,663	14 %
Total Resources	**93,912,663**	**111,870,144**	**19 %**

CITY OF BELLEVUE
WASHINGTON

24. Planning &
Community Development

Planning & Community Development

Program Outcome Statement

The mission of the Planning and Community Development Department (PCD) is to help create and sustain a quality natural and built environment and to guide growth and change in a manner which preserves and enhances the character of the community. PCD staff work with residents, businesses, elected leaders, and other departments to achieve Bellevue's potential as an outstanding city in which to live and work.

PCD accomplishes this mission through seven program areas: Building Review and Inspection, Land Use, Code Compliance, Comprehensive Planning, Community Development, Neighborhood and Community Outreach, and Housing. Mission-critical functions of the department are increasing satisfaction with neighborhood quality and planning for the City's future, providing timely and cost effective customer service, accomplishing an array of policy objectives established by Council and producing a safe built environment.

Goals of the department are:

- To assist the City Council and Planning Commission in establishing and implementing the Comprehensive Plan and to foster development that is consistent with the Plan;
- To administer construction codes that produce a safe, durable, efficient and accessible built environment;
- To support the development of strong and stable neighborhoods, and to strengthen the City's bond with neighborhoods through coordinated outreach programs and community partnerships;
- To enhance community problem-solving through mediation services and training;
- To provide meaningful ways for the public to be involved in land use decisions;
- To enforce codes and regulations effectively and fairly;
- To encourage the development of affordable housing;
- To represent the community's needs and views in regional planning and decision making;
- To provide citizens and governmental decision makers with accurate and useful information through surveys, forecasts, and data management;
- To collaborate in the development of projects and programs which contribute to Bellevue's economic vitality;
- To assist the City Council and City Manager in developing new programs and policies which respond to emerging community needs and issues.

Services and Accomplishments

LAND USE

Completed the Overlake Hospital Master Plan/ NE 10th Street Extension Environmental Impact Statement that preserved an essential east-west transportation corridor across I-405.

Adopted and implemented Land Use Code amendments to:
- Create the Medical Institution District Overlay that allowed for the redevelopment of the Overlake Hospital Medical Center and co-location of Group Health Cooperative;
- Implement initial Downtown Implementation Plan changes articulated in the Downtown Subarea Plan;
- Regulate the permitting of Temporary Encampments while assuring the health, safety and welfare of encampment residents and Bellevue citizens;
- Allow increased lot coverage in the Factoria -3 Land Use District to facilitate redevelopment;
- Update Critical Areas regulations in the land use code, Environmental Procedures Code and Clearing and Grading Code;
- Expand public noticing distances from 200/300 feet to 500 feet;
- Implement Development Services Initiative amendments to clarify codes and processes.

Amended the Environmental Procedures Code to implement the Temporary Encampment permit requirements and managed the cross departmental community outreach, application review and inspection.

Amended the Environmental Procedures Code and Clearing and Grading code to incorporate changes necessary to implement the Critical Areas amendments to the Land Use Code.

Amended the Sign Code to allow for increased signage for entertainment and public assembly uses in the Downtown.

Amended the enforcement provisions of the Bellevue City Code to implement the Bridle Trails Tree protection provisions and impose city-wide penalties for the removal of protected significant trees.

Amended the Nuisance Code to adopt standards for rodent infestations and control.

Planning & Community Development

Initiated Neighborhood Livability Action Agenda in collaboration with Neighborhood and Community Outreach.

Initiated amendments to the Sound Amplification Code to ease administration, to create predictable enforcement and to reduce neighborhood impacts.

BUILDING DIVISION

Implemented the provisions of RCW 64.55 regarding weather protection envelope requirements for multi-family housing, and provided training for the local design and construction community.

Worked with the Washington Association of Building Officials to achieve a common electrical code with the adoption of the 2005 National Electrical Code.

Delivered technical training for customers and staff working in 12 local cities and counties through the eastside Building Officials Partnership, including presentations such as contractor training for seismic bracing of suspended ceilings.

Provided ATC-20 (Applied Technology Council) post-earthquake building safety evaluation training to 30 City staff, and initiated cooperative planning with Facilities and Fire Department staff regarding updated procedures for post-earthquake safety evaluation of new City Hall.

Completed review, inspection, and occupancy of the following major projects:
- Lincoln Square Residential Tower and Retail Podium
- Bellevue City Hall
- Ashwood Commons I

Completed review and issued permits meeting the negotiated timeline commitments for several major projects including:
- Lincoln Square Office Tower
- Wasatch Washington Square
- Schnitzer Bravern
- Overlake Hospital South Tower
- Group Health at Overlake
- Lexus of Bellevue

Responded to the rapid growth in development activity with appropriate adjustments to staffing levels, use of consultants, and improvements to increase efficiency.

PLANNING DIVISION

Initiated intensive work on Bel-Red Corridor planning, supporting the project steering committee, developing land use and transportation alternatives, and taking these through the Draft EIS.

Worked in collaboration with the Transportation Department to begin planning for a Light Rail route from I-90 through South Bellevue, Downtown, and the Bel-Red Corridor.

Conducted a community process to identify a long-term vision and near-term implementation steps that will help cement the long-term vitality of the Crossroads Center, with results slated for adoption as part of the 2006 Comprehensive Plan update.

Worked to complete the Wilburton study, also slated for adoption in the 2006 Comprehensive Plan update; this study has been expanded to explore new potential east-west connectivity between Wilburton, Bel-Red, and Downtown.

Worked with a multi-department team to establish a long-term solution to siting Downtown bus-layovers, a key transit and urban design issue.

Initiated work on updating the Comprehensive Plan Utilities Element to incorporate Council direction to place additional emphasis on neighborhood compatibility when siting or expanding electrical facilities.

Planning & Community Development

Refined the Comprehensive Plan Amendment process to clarify and streamline requirements, while better meeting the intent of the Growth Management Act.

Produced the first-ever Bellevue Economic Profile, a comprehensive picture of Bellevue's economy and the trends shaping it.

Continued work to track and disseminate information about changing Bellevue demographics, through the new federal American Communities Survey.

Monitored and participated in key regional land use planning efforts, through support to the King County Growth Management Planning Council, and the 4-county Growth Management Policy Board Vision 2020 Update.

Completed a City-wide housing conditions survey of all 15,000+ housing units built prior to 1970.

Initiated the Neighborhood Fitness Program on the first of identified "clusters" of property maintenance concerns, bringing together a comprehensive set of tools to improve property conditions in these neighborhoods.

Continued coordination of final projects to be constructed with NIS-1 funding; continued to brief Lake Hills stakeholders regularly on project progress.

Completed the public process for design of the West Lake Hills Neighborhood Identity treatments, which are now moving forward for construction.

Designed and distributed the first-ever Language Resource Handbook, providing essential communication and resource tools for working with the 24% of Bellevue residents who are non-English speakers.

Worked with neighborhood stakeholders to update the plan for revitalizing the Lake Hills Neighborhood Shopping Center.

Managed the Neighborhood Liaison Team, which responded to a record 4,330 number of citizen contacts.

Completed Neighborhood Enhancement Program process for Northeast Bellevue, Bridle Trails, Northwest Bellevue, West Lake Hills, Crossroads, Wilburton, and West Bellevue – with over 3,000 active participants, responses to 551 action requests, and funding for 20 new projects valued at $1.7 million.

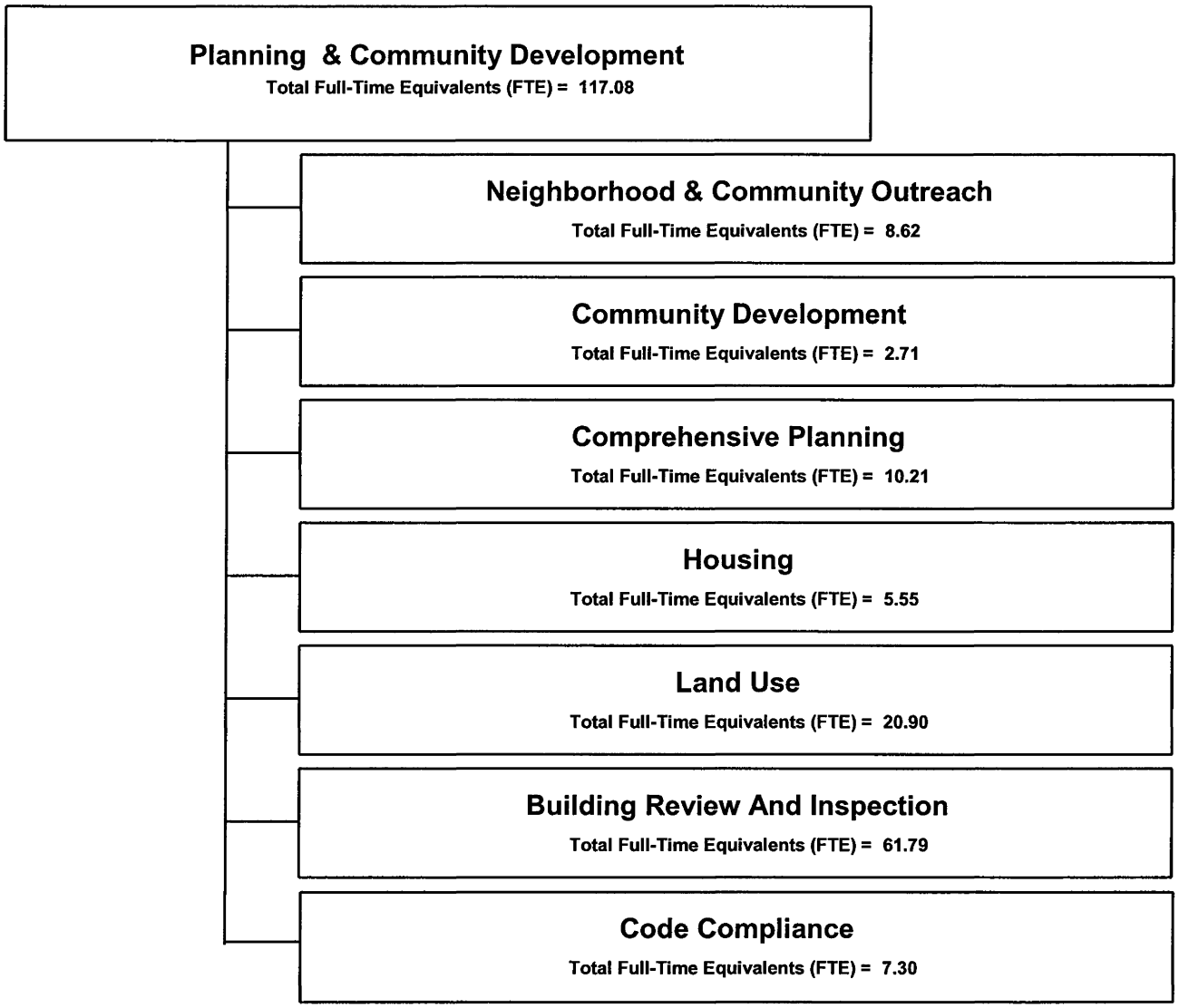
Awarded 33 Neighborhood Match grants for collaborative neighborhood improvement projects.

Conducted training programs in basic mediation, conciliation, parent-teen mediation, and a variety of shorter negotiation and conflict resolution training, while admitting 34 new volunteers to the mediation program and graduating 6 volunteers from the full mediation practicum.

Handled a record 900 number of mediation calls, resulting in conciliations, mediations, and group facilitations, and maintaining a high mediation settlement rate of 74%.

Managed over 20,000 customers/year at Mini City Hall, which continues to be the front-line City contact for many East Bellevue residents, including those with special needs and limited English skills.

Planning & Community Development
Organizational Chart



Planning & Community Development

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Neighborhood & Community Outreach	2,563,874	2,529,328	2,682,492	2,733,123
Community Development	4,318,510	2,798,093	8,506,293	6,643,495
Comprehensive Planning	3,222,217	3,005,726	3,524,508	3,055,250
Housing	2,116,269	2,141,214	2,159,947	2,204,481
Land Use	4,344,087	4,377,850	4,717,273	4,922,298
Building Review And Inspection	7,846,220	8,299,904	11,537,097	11,836,177
Code Compliance	1,673,620	1,709,401	1,780,258	1,857,717
Economic Development	206,036	-	-	-
Base Budget	**26,290,833**	**24,861,517**	**34,907,868**	**33,252,541**
Reserves	**8,383,327**	**7,523,072**	**15,188,541**	**14,251,312**
Enhanced Funding for Planning Services	-	-	96,500	102,000
Land Use Code - Amendment Backlog	-	-	100,000	-
Program Enhancements	**-**	**-**	**196,500**	**102,000**
Total Budget	**34,674,160**	**32,384,589**	**50,292,909**	**47,605,853**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	8,948,742	9,496,127	10,951,507	11,393,608
Interfund	10,680,523	10,598,603	13,328,055	13,807,265
M & O	3,484,349	3,856,702	4,125,536	3,972,151
Capital	3,177,219	910,085	6,699,270	4,181,517
Total Expenditures	**26,290,833**	**24,861,517**	**35,104,368**	**33,354,541**
Total Reserves	**8,383,327**	**7,523,072**	**15,188,541**	**14,251,312**
Total Budget	**34,674,160**	**32,384,589**	**50,292,909**	**47,605,853**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	5,812,065	5,801,673	6,307,171	6,545,556
Development Services Fund	21,430,120	21,269,561	30,761,202	30,478,565
Housing Fund	3,225,162	2,959,376	4,640,754	4,558,293
Interest & Debt Redemption-Regular Fund	579,594	1,343,894	1,336,982	1,331,439
General CIP Fund	3,627,219	1,010,085	7,246,800	4,692,000
Total Resources	**34,674,160**	**32,384,589**	**50,292,909**	**47,605,853**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Neighborhood & Community Outreach	-	-	8.62	8.62
Community Development	-	-	2.71	2.71
Comprehensive Planning	-	-	10.21	10.21
Housing	-	-	5.55	5.55
Land Use	-	-	20.90	20.90
Building Review And Inspection	-	-	61.79	61.79
Code Compliance	-	-	7.30	7.30
Total FTE	**97.79**	**118.02**	**117.08**	**117.08**

Planning & Community Development

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Building Review And Inspection						
Total number of construction inspections performed	#	Workload	47,011	30,000	30,000	30,000
Total construction permit applications completed per year	#	Workload	9,047	6,000	6,000	6,000
Average number of days for processing building permits	#	Efficiency	11.15	20.00	20.00	20.00
Obtain final inspections on all construction req. permits	%	Effectiveness	90	80	80	80
Code Compliance						
% of cases closed with initial response within target	%	Efficiency	100	100	100	100
Number of complaints received	#	Workload	1,275	1,500	1,500	1,500
Comprehensive Planning						
Citizen satisfaction with City's planning for future	%	Effectiveness	74	65	65	65
Housing						
Produce 110 new low income housing units per year	#	Effectiveness	51	110	110	110
Land Use						
# of Land Use hours per total # of applications reviewed	ratio	Efficiency	4.46	5.00	5.00	5.00
Land Use billable hours	%	Workload	32	36	36	36
Neighborhood & Community Outreach						
% rating their neighborhood good or excellent	%	Effectiveness	90	92	92	92

Planning & Community Development

2007-2008 Work Initiatives

The City of Bellevue's Planning and Community Development Department consists of the following Programs:
- Neighborhood and Community Outreach;
- Community Development;
- Comprehensive Planning;
- Housing;
- Land Use;
- Building Review and Inspection;
- Code Compliance.

The Neighborhood and Community Outreach program improves information flow and connection between the City, its residents, and businesses. Staff coordinates construction of neighborhood improvement projects and provides guidance and partners with community organizations.

The Community Development program identifies and develops partnerships with citizen groups and business organizations encouraging their involvement in the planning and design concept phases of capital projects for civic places. It also provides support for the Arts Commission.

The Comprehensive Planning program engages residents and other stakeholders, City Commissions, and the City Council in maintaining the City's Comprehensive Plan and guides the Plan's implementation.

The Housing program increases the supply of affordable housing to meet the City's needs for a diverse housing mix, and for consistency with the housing targets established in the Countywide Planning Policies.

The Land Use program assists the Planning Commission and City Council to foster development consistent with the Comprehensive Plan. Staff manage the discretionary review process and provide land use/zoning and other property information to citizens and businesses.

The Building Review and Inspection program implements construction code through review and inspection of projects and provides public information to a wide range of customers.

The Code Compliance program staff investigates and resolve neighborhood complaints and violations of City and State codes. Staff facilitates compliance and works to achieve positive results.

NEIGHBORHOOD PROGRAM

The City has had a strong on-going commitment to protect and enhance the quality of our residential neighborhoods. Recent work indicates that there are emerging issues requiring City attention. This work initiative involved the following component tasks:

Articulate a coherent neighborhood strategy - The City has many programs that directly or indirectly touch our neighborhoods. This effort will organize these many disparate activities so that they can be more easily described to those interested in neighborhood issues.

Neighborhood Action Plan - Implement the adopted Neighborhood Action Plan, focusing on improving property maintenance in identified target "clusters" and on infill/redevelopment pressures affecting other City neighborhoods.

Implement intervention actions targeted at problem properties - Recent work shows seven areas within the City with concentrations of properties having significant maintenance or code related issues. These actions may include:
- Homeowner assistance, where necessary to resolve problems;
- Communication with absentee owners;
- Targeted code enforcement, trash pick-up, and other similar actions;
- Provide support through human service agencies, police, and others;
- Other regulatory actions as necessary.

Implement actions to manage redevelopment occurring within neighborhoods - These actions will include regulatory and non-regulatory actions, including:
- A code amendment to prevent lot combination;

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- Analysis of impacts from 'mega' houses, possibly resulting in future land use controls;
- Development of design compatible retrofit ideas to stimulate property owner investment, and to guide design in established areas with distinctive character.

Continued efforts to encourage shopping center revitalization.

Initiate effort to catalogue public investments necessary to respond to livability issues – this includes sidewalk improvements and boulevard design.

Continued efforts to give voice to neighborhoods that do not have neighborhood associations.

ENVIRONMENTAL STEWARDSHIP

Support the City Manager initiative to clarify the City's environmental ethic, identify gaps in current performance, and develop strategic direction for the future. Activities to be developed include the following:

Gap analysis to identify what additional work needed for State mandated Shoreline update;

Finish geologic mapping for City;

Prepare critical area handbook to assist homeowners;

Retain outside consultants (when necessary) to perform peer review of single family critical area reports;

Establish data and monitoring of critical environmental resources;

Identify other environmental initiatives to advance the City's environmental program (i.e. Bel-Red urban stream initiative), identify linkages between existing and new environmental programs;

Explore green buildings initiative.

COMMUNITY DEVELOPMENT/ECONOMIC DEVELOPMENT

Support and compliment the marketing, recruitment, and retention efforts of the Office of Economic Development. Specific initiatives include:

Light Rail Planning: Work with Sound Transit and the Transportation Department to refine light rail routing alternatives and mitigation, and follow-through from the November 2007 vote.

Bel-Red: Complete the Bel-Red Corridor project, adopting a new land use and transportation vision for the study area, complete with implementing mechanisms, phasing and financial strategies.

Overlake/Bel-Red reconciliation: Work with City of Redmond to reconcile land use plans and forecasts for the two cities' respective planning areas, to ensure that land use, transportation, and public investments remain in sync.

Downtown Amenity Incentive System: Review and update the key incentive system in the Downtown zoning code, recalibrating it to today's economics and introducing new amenities from the Downtown Implementation Plan.

Advance the Downtown Implementation Plan livability initiative, including work on way-finding, mid-block connections, park acquisition, green/themed streets, and other livability features.

NE 6th Street Corridor: Clarify the vision and program for the NE 6th Street Corridor, testing the potential for additional design improvements, a people mover, light rail interface, remote parking garage, and other elements.

Meydenbauer Redevelopment Planning: Develop a land use vision for the area between the Downtown Park and the new waterfront park at Meydenbauer Bay.

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Eastgate: Update the Subarea Plan for the Eastgate area, together with the adjoining Eastgate potential annexation area.

Utilities Element: Update the Utilities Element of the Comprehensive Plan, consistent with Council direction to address neighborhood impacts of electrical facilities while maintaining a reliable power supply.

Housing Implementation: Implement the new housing policy direction adopted in the major update to the Comprehensive Plan, addressing housing affordability and diversity.

CODE AMMENDMENT IMPLEMENTATION

Land use code amendments are necessary to establish implementation strategies and regulatory frameworks for the following planning efforts:
- Wilburton Subarea;
- Crossroads Center;
- Bel-Red Corridor/HCT Planning;
- Downtown Subarea Plan District Character.

Amendments to the Land Use Code identified as necessary to achieve goals of the Neighborhood Livability Action Agenda.

Amendments to the Land Use Code as necessary to recalibrate the amenity incentives and ensure that the outcomes contemplated in the Downtown Subarea Plan are being achieved.

Amendments to the Land Use Code to include new regulations and incentives for innovative housing.

Amendments to the Sign Code to accommodate needs of Medical Institution District tenants.

Initiation of the Shoreline Management Act update mandated by the State.

Initiate Land Use Code Amendments to provide flexibility in the regulations of the Factoria 1 Land Use District. Necessary to foster development of anticipated growth that is economically viable in the current market.

Implement the Neighborhood Livability Action Agenda in collaboration with Neighborhood and Community Outreach.

Expansion of Code Compliance Officer competencies to facilitate City-wide property maintenance through non-code enforcement based assistance, education and coaching.

Continued proactive sign code enforcement.

Evaluation of sign code effectiveness in light of desired outcomes.

Participation in the inspection services improvement component of the Development Services Initiative.

DEVELOPMENT SERVICES INITIATIVE -- CONTINUOUS IMPROVEMENT

Continue to implement the DSI Inspection Services Improvement measures, while working with the Bellevue Downtown Association and developers to ensure that quality inspection services are delivered in a timely, efficient, predictable, and service-oriented manner.

Continue work on code modification to implement "do the right thing". Engage in a "quality of development assessment" to determine if we are getting what we want.

Develop a common Eastside Cities adoption and amendment proposal and present to Council for implementation of the 2006 International Codes.

Implement technology enhancements to better utilize GIS information, and to facilitate document exchange over the internet.

Planning & Community Development

Improve the inspection process, part of which includes wireless access for inspection services.

Complete review, inspection, and occupancy of the following major projects:
- Lincoln Square Office Tower;
- Avalon-Meydenbauer-Safeway;
- Wasatch Washington Square;
- Schnitzer Bravern;
- Bellevue Towers;
- Overlake Hospital South Tower;
- Group Health at Overlake;
- Lexus of Bellevue;
- Ashwood Commons II;
- Hanover 1020 Tower;
- Hine Tower 333 (former Bellevue Technology Tower);
- 1200 Bellevue Way Townhomes.

Major Challenges for the Biennium

- High Capacity Transit
  The High Capacity Transit (HCT) system will link the I-90 corridor with south Bellevue, Downtown, and the Bel-Red corridor. It will create significant new transportation capacity and new land use opportunities in station areas, as well as potential impacts on Bellevue neighborhoods. At issue are matters such as route options to reduce neighborhood impacts in south Bellevue, tunneling, and the number and location of stations to serve Downtown.
- Environmental Stewardship
  Bellevue has a long history of environmental stewardship, reflecting the strong values and preferences of the community. This arena is becoming increasingly complex as the City and its environs build out and become more dense, and as the inter-jurisdictional and regional scope of many environmental issues becomes apparent.
- Neighborhood Strategy
  Bellevue has a basic array of successful neighborhood programs that form a foundation for quality neighborhoods and strong City-resident interactions. Neighborhood Liaisons, the Neighborhood Enhancement Program, Crossroads Mini City Hall, Neighborhood Mediation, and ongoing work with neighborhood associations are some of these key ongoing program areas. In recent years, the City has enhanced this foundation with new work in the area of neighborhood livability. One focus has been on older neighborhoods facing special challenges, through the Neighborhood Investment Strategy. A second focus involves preserving neighborhood character in the face of change, which can affect neighborhoods of any age.
- Urban Design and the Great Place Strategy
  Great public places – great streets, great parks, great plazas and other gathering places —make some communities special. Done well enough, they delight the senses, invite people back for repeat visits, and make a community livable and memorable, even world class. Bellevue has a great start in the area of urban design, but we are missing many of the pieces needed to move to the next level. A number of livability/memorability improvements were identified in the DIP, and moving these forward will take the city center to the next level. City-wide, other key urban design/livability improvements await focused attention, particularly the "urban boulevard" concept in the Comprehensive Plan.
- Development Services
  The recent upturn in development activity is projected to extend into 2008 and will continue to test the changes set in place with the Development Services Improvement (DSI) efforts to create a business model that provides fast, predictable, one-city services for the development community and city residents.

Planning & Community Development
Neighborhood & Community Outreach

Program Statement

The mission of this program is to improve City/neighborhood engagement, protect and enhance neighborhood quality, and build neighborhoods' sense of community and problem-solving capacity.

Summary of Services Provided

To improve City/neighborhood relationships and build neighborhood capacity, this program:

- Improves information flow and connection between the City, its residents and businesses so plans and programs are more responsive to needs and desires;
- Coordinates the construction of neighborhood improvement projects; supports the development of strong and stable residential neighborhoods by providing information, coordination, and partnerships with community organizations;
- Fosters problem solving skills to strengthen relationships and decrease reliance upon City government intervention;
- Develops strategies as needed to address issues affecting neighborhood quality and stability.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General CIP Projects	308,344	249,927	300,000	250,000
Mediation	182,097	190,694	191,657	200,983
Mini City Hall	128,422	137,275	146,034	152,462
Neighborhood Outreach	498,988	488,420	523,705	547,799
NEP	109,837	114,714	111,958	116,808
Subsidy in General Fund	1,104,292	1,102,318	1,198,362	1,243,656
Support Svcs/Development Svcs OTO	231,893	245,980	210,776	221,415
Base Budget	**2,563,874**	**2,529,328**	**2,682,492**	**2,733,123**
Total Budget	**2,563,874**	**2,529,328**	**2,682,492**	**2,733,123**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	733,023	762,176	818,022	856,088
Interfund	1,342,583	1,334,742	1,383,540	1,441,468
M & O	179,924	182,482	180,930	185,567
Capital	308,344	249,927	300,000	250,000
Total Expenditures	**2,563,874**	**2,529,328**	**2,682,492**	**2,733,123**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	1,104,292	1,102,318	1,198,362	1,243,656
Development Services Fund	1,151,237	1,177,083	1,184,130	1,239,467
General CIP Fund	308,344	249,927	300,000	250,000
Total Resources	**2,563,874**	**2,529,328**	**2,682,492**	**2,733,123**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Mediation	-	-	1.56	1.56
Mini City Hall	-	-	1.00	1.00
Neighborhood Outreach	-	-	3.81	3.81
NEP	-	-	0.80	0.80
Support Svcs/Development Svcs OTO	-	-	1.45	1.45
Total FTE	**7.85**	**8.63**	**8.62**	**8.62**

Planning & Community Development
Neighborhood & Community Outreach

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Enhance problem solving skills in the community						
% agreements reached in mediation	%	Effectiveness	74	80	80	80
Helping residents improve their neighborhoods						
# of neighborhood liaison contacts	#	Effectiveness	4,330	2,750	2,750	2,750
% aware of/satisfied with NEP	%	Effectiveness	37.94	43.95	43.95	43.95
% feeling very strong sense of community	%	Effectiveness	29	32	32	32
Improve connections between citizens and the City						
# of single family households participating in NEP	#	Effectiveness	2,943	1,400	1,400	1,400
Value of volunteer hours at Crossroads Mini City Hall	$	Efficiency	25,845	18,500	19,000	19,500
# using Crossroads Mini City Hall	#	Effectiveness	22,283	20,150	20,150	20,150
% aware or satisfied with Crossroads Mini City Hall	%	Effectiveness	66.95	75.95	75.95	75.95
Increase satisfaction w/ neighborhood quality and livability						
% rating their neighborhood good or excellent	%	Effectiveness	90	92	92	92

Issues related to Department Performance

Per the most recent Performance Measures survey, the percentage of residents rating their neighborhoods good or excellent remained at a very high 90%.

Program Notes

This program will continue its emphasis on fostering City/neighborhood partnerships to maintain the outstanding quality of Bellevue neighborhoods. A newer focus is the Action Agenda that targets additional efforts on special issues affecting certain areas of the City. Special issues include property maintenance in some older neighborhoods, and infill/redevelopment pressures affecting other neighborhoods.

Planning & Community Development
Land Use

Program Statement

The Land Use Division is responsible for executing the City Vision articulated in the Comprehensive Plan to sustain a quality natural and built environment that preserves community character and to foster development that is compatible with its surroundings, respectful of neighborhoods and economically viable.

Summary of Services Provided

The Land Use Planners assist Planning Commission and City Council in establishing and adaptively managing implementation strategies that are embodied in the land use code (as regulations and incentives) to foster development consistent with the Comprehensive Plan. The staff manage the private and public discretionary review process to optimize competing community goals and objectives. The staff provide meaningful ways for the public to be involved in land use decisions while administering the review process in a predictable manner and provide land use/zoning and other property information to citizens and businesses.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General CIP Projects	-	-	7,990	7,500
Land Use Planners	2,110,744	2,106,557	2,317,236	2,425,851
Subsidy in General Fund	1,743,620	1,740,502	1,892,151	1,963,667
Support Svcs/Development Svcs OTO	489,724	530,792	499,895	525,281
Base Budget	**4,344,087**	**4,377,850**	**4,717,273**	**4,922,298**
Reserves	**1,013,364**	**918,197**	**1,908,130**	**1,770,138**
Land Use Code - Amendment Backlog	-	-	100,000	-
Program Enhancements	**-**	**-**	**100,000**	**-**
Total Budget	**5,357,451**	**5,296,047**	**6,725,402**	**6,692,437**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	1,739,679	1,807,759	1,969,684	2,061,338
Interfund	2,349,604	2,313,231	2,466,453	2,571,330
M & O	254,804	256,860	373,145	282,130
Capital	-	-	7,990	7,500
Total Expenditures	**4,344,087**	**4,377,850**	**4,817,273**	**4,922,298**
Total Reserves	**1,013,364**	**918,197**	**1,908,130**	**1,770,138**
Total Budget	**5,357,451**	**5,296,047**	**6,725,402**	**6,692,437**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	1,743,620	1,740,502	1,892,151	1,963,667
Development Services Fund	3,613,831	3,555,545	4,825,261	4,721,270
General CIP Fund	-	-	7,990	7,500
Total Resources	**5,357,451**	**5,296,047**	**6,725,402**	**6,692,437**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Land Use Planners	-	-	17.50	17.50
Support Svcs/Development Svcs OTO	-	-	3.40	3.40
Total FTE	**21.31**	**21.08**	**20.90**	**20.90**

Planning & Community Development
Land Use

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Excellent customer service						
Land Use billable hours	%	Workload	32	36	36	36
% of Cost Recovery target achieved	%	Effectiveness	92	90	90	90
# of Land Use hours per total # of applications reviewed	ratio	Efficiency	4.46	5.00	5.00	5.00
Meaningful opportunities for public involvement						
Avg weekly walk-in customers served by LU in the Permit Ctr	#	Workload	125	100	100	100

Issues related to Department Performance

Performance measures indicate that Land Use Program efficiency continues to improve and that public information demands are increasing. The baseline number of applications did not change dramatically, but there was a significant increase in the number of large complex projects submitted for review and projects managed by land use staff. Design reviews increased by 100% during the past biennium. Approvals were issued for "mega projects" such as the Washington Square Condominium Tower (Wasatch) and the Overlake Hospital South Tower Expansion. In addition, considerable time was spent on the Bravern mixed use project, Group Health Ambulatory Health Care Center, Bellevue Towers and scores of other complex projects that issued early in 2006.

Commercial development clients requested staff to negotiate more compressed timelines in order to time construction completion to meet increasing tenant space demands as vacancy rates continued to fall. At the same time, Land Use staffing resources were redeployed to the Critical Areas Update.

Program Notes

The measure of weekly customer demand met at the Land Use Zoning and Information desk was added to ensure that the public information component of the land use mission is not compromised as a result of permit review obligations.

Planning & Community Development
Building Review And Inspection

Program Statement

The Building Division is responsible for the customer service orientated application of the construction and clearing & grading codes to sustain a quality natural environment and create a safe built environment.

Summary of Services Provided

The Building Division reviewers and inspectors provide public information to a broad range of customers, while performing services directly related to implementation of construction codes.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General CIP Projects	-	-	151,810	142,500
Inspection	2,775,191	3,117,591	3,978,476	4,152,237
Permit Station Imprvmts	20,000	20,000	20,300	20,300
Plans Examiners	1,676,118	1,893,350	2,397,283	2,389,955
Support Svcs/Development Svcs OTO	3,374,911	3,268,963	4,989,228	5,131,185
Base Budget	**7,846,220**	**8,299,904**	**11,537,097**	**11,836,177**
Reserves	**5,036,111**	**4,563,160**	**9,482,826**	**8,797,051**
Total Budget	**12,882,331**	**12,863,064**	**21,019,923**	**20,633,228**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	4,209,705	4,645,980	5,666,386	5,906,106
Interfund	2,918,119	2,921,595	4,845,761	4,999,867
M & O	718,396	732,329	873,141	787,704
Capital	-	-	151,810	142,500
Total Expenditures	**7,846,220**	**8,299,904**	**11,537,097**	**11,836,177**
Total Reserves	**5,036,111**	**4,563,160**	**9,482,826**	**8,797,051**
Total Budget	**12,882,331**	**12,863,064**	**21,019,923**	**20,633,228**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Development Services Fund	12,882,331	12,863,064	20,868,113	20,490,728
General CIP Fund	-	-	151,810	142,500
Total Resources	**12,882,331**	**12,863,064**	**21,019,923**	**20,633,228**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Inspection	-	-	31.80	31.80
Plans Examiners	-	-	17.05	17.05
Support Svcs/Development Svcs OTO	-	-	12.94	12.94
Total FTE	**44.80**	**62.30**	**61.79**	**61.79**

Planning & Community Development
Building Review And Inspection

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Assure that new construction meets minimum code standards						
Total number of construction inspections performed	#	Workload	47,011	30,000	30,000	30,000
Total construction permit applications completed per year	#	Workload	9,047	6,000	6,000	6,000
Obtain final inspections on all construction req. permits	%	Effectiveness	90	80	80	80
Percent of combination inspections to total inspections	%	Effectiveness	4	15	15	15
Assure that there is a consistency in code application						
Maintain a 3 or better BCE Classification	number rating	Effectiveness	2	2	2	2
Average number of days for processing building permits	#	Efficiency	11.15	20.00	20.00	20.00
% of technical staff certified or licensed	%	Effectiveness	100	100	100	100
Total technical training hours per FTE	ratio	Workload	23.71	120.00	120.00	120.00
Cost of plan review per $1,000 of construction valuation	ratio	Efficiency	1.70	4.00	4.00	4.00

Issues related to Department Performance

Timelines for single-family projects were extended during the 2006 workload peak of major projects in plan review, while negotiated timeline commitments on major projects were achieved for multiple and simultaneous applications.

Program Notes

- The target is to complete 80 percent of building permit application reviews within the DSI calendar timeline.
- The increased level of major project development has resulted in a corresponding increased demand for upfront services such as pre-application meetings.

Planning & Community Development
Housing

Program Statement

The mission of this program is to increase the supply of affordable housing in Bellevue, so that the community maintains a full range of housing opportunities.

Summary of Services Provided

This program increases the supply of affordable housing to meet the City's needs for a diverse housing mix, and for consistency with the housing targets established in the Countywide Planning Policies. Results are achieved through the City's policy and Code framework, incentives, and direct subsidies. To achieve effective results, the City channels housing subsidies through the Eastside consortium ARCH, which evaluates funding proposals consistent with priorities set by the City Council.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Arch Project	251,165	265,564	273,754	286,293
Bank Project	800,000	800,000	803,000	803,000
Housing/Comm Svce-Operating	423,904	428,065	435,318	441,056
Subsidy in General Fund	464,965	464,134	504,574	523,644
Support Svcs/Development Svcs OTO	176,235	183,451	143,301	150,487
Base Budget	**2,116,269**	**2,141,214**	**2,159,947**	**2,204,481**
Reserves	**2,173,997**	**1,893,812**	**3,564,000**	**3,469,000**
Total Budget	**4,290,266**	**4,035,026**	**5,723,947**	**5,673,481**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	427,875	456,520	480,960	503,326
Interfund	866,460	863,151	851,108	872,841
M & O	821,935	821,543	827,879	828,313
Total Expenditures	**2,116,269**	**2,141,214**	**2,159,947**	**2,204,481**
Total Reserves	**2,173,997**	**1,893,812**	**3,564,000**	**3,469,000**
Total Budget	**4,290,266**	**4,035,026**	**5,723,947**	**5,673,481**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	464,965	464,134	504,574	523,644
Development Services Fund	600,139	611,516	578,619	591,543
Housing Fund	3,225,162	2,959,376	4,640,754	4,558,293
Total Resources	**4,290,266**	**4,035,026**	**5,723,947**	**5,673,481**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Arch Project	-	-	3.56	3.56
Housing/Comm Svce-Operating	-	-	1.00	1.00
Support Svcs/Development Svcs OTO	-	-	0.99	0.99
Total FTE	**4.56**	**5.60**	**5.55**	**5.55**

Planning & Community Development
Housing

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Achieve County-wide housing targets						
Total affordable units created or preserved	#	Workload	18	176	176	176
Produce 110 new low income housing units per year	#	Effectiveness	51	110	110	110
Leverage use of Housing Fund dollars by at least 1:5	ratio	Efficiency	0.04	0.08	0.08	0.08
Average City cost per affordable housing unit	$	Efficiency	7,462	17,500	17,500	17,500
Total projects funded	#	Workload	2	4	4	4
Increase # of units that meet needs of population at risk						
Meet target for new moderate income units	#	Effectiveness	10	78	78	78

Issues related to Department Performance

In 2005, the Housing Program did not meet the target for low-income housing production. While only one new project was funded in 2005, there is a huge demand for affordable housing. Several potential projects are in the works and may come forward to request funding in the coming biennium.

Program Notes

The coming biennium would appear to be an appropriate time to review the existing Housing Trust Fund priorities, which were adopted in 1998 and have not been visited in the intervening years. This review may refine the criteria to ensure that worthy projects are competitive.

Planning & Community Development
Code Compliance

Program Statement

The Code Compliance section of the Land Use Division is responsible for enforcing the regulations that sustain a quality and safe natural and built environment and that preserve community character.

Summary of Services Provided

The Code Compliance Officers investigate and resolve neighborhood complaints and violations of City and State codes citywide. Staff aid in problem solving, facilitate substantial compliance and work to achieve positive results for all parties to a complaint or enforcement incident.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Code Compliance	685,212	712,987	771,853	808,873
Subsidy in General Fund	755,568	754,217	819,932	850,922
Support Svcs/Development Svcs OTO	232,840	242,197	188,473	197,922
Base Budget	**1,673,620**	**1,709,401**	**1,780,258**	**1,857,717**
Total Budget	**1,673,620**	**1,709,401**	**1,780,258**	**1,857,717**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	601,221	631,899	682,811	714,578
Interfund	1,007,003	1,011,871	1,026,697	1,069,581
M & O	65,397	65,632	70,750	73,558
Total Expenditures	**1,673,620**	**1,709,401**	**1,780,258**	**1,857,717**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	755,568	754,217	819,932	850,922
Development Services Fund	918,052	955,184	960,326	1,006,795
Total Resources	**1,673,620**	**1,709,401**	**1,780,258**	**1,857,717**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Code Compliance	-	-	6.00	6.00
Support Svcs/Development Svcs OTO	-	-	1.30	1.30
Total FTE	**6.60**	**7.36**	**7.30**	**7.30**

Planning & Community Development
Code Compliance

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Increase neighborhood education and understanding						
# hours attending neighborhood meetings	hours	Effectiveness	5	30	30	30
Provide excellent customer service						
Number of complaints received	#	Workload	1,275	1,500	1,500	1,500
Resolve disputes to gain compliance w/ City and State codes						
% of cases successfully upheld by the Hearing Examiner	%	Effectiveness	98	95	95	95
Violations resolved through voluntary compliance methods	%	Effectiveness	95	95	95	95
Cases per officer	#	Efficiency	255	425	425	425
Cost per case resolved	$	Efficiency	529	300	300	300
% of cases closed with initial response within target	%	Efficiency	100	100	100	100
Fair Housing complaints received	#	Workload	-	5	5	5
Use the civil violation process when needed						
Total Civil Violation hearings held	#	Workload	330	350	350	350

Issues related to Department Performance

This program is structured to reflect a philosophy that tailors the enforcement approach to the severity of the problem. Public health and safety issues and sign code enforcement are responded to proactively. Voluntary compliance is sought for the majority of non-emergency neighborhood complaints and code violations.

The increase in anticipated cases acknowledges that code compliance has undertaken a more collaborative working relationship with the Neighborhood and Community Outreach section of PCD. As a result, it is anticipated that officers will carry a load of non-traditional "cases" that will rely on diplomacy and encouragement to secure resolution rather than code authority. These "cases" will be handled by code compliance officers in addition to their traditional load of code violation cases.

In addition to the increase in the number of matters anticipated to demand code compliance officer attention, additional time will be spent on education and outreach. The initial focus of this effort will be property maintenance in several cluster areas. Code compliance will assist in issue identification through windshield surveys, formulate target profiles, and make proactive contact with property owners. The emphasis will be on enhancing awareness of neighborhood expectations, education and coaching to achieve desired property maintenance outcomes. Additional proactive enforcement will be utilized in the cluster areas and for repeated incidents of poor maintenance conditions.

To support the Neighborhood Livability Action Plan, the geographic areas assigned to code compliance officers has been realigned to correspond to the liaison/NEP boundaries. It is the expectation that officers will be collaborating with liaisons to address emerging neighborhood issues before they become a problem. In addition, the officers will target educational opportunities to the specific needs of neighborhoods and attend meetings held by neighborhood groups and homeowner associations in their assigned areas.

Program Notes

Council approved the addition of one 2-year LTE to collaborate with Neighborhood and Community Outreach in support of the Neighborhood Livability Action Agenda item focused on improving property maintenance in eight primary cluster areas. Educational techniques developed as part of this effort are anticipated to be applied on a case-by-case basis to property maintenance complaints raised citywide.

Planning & Community Development
Comprehensive Planning

Program Statement

The mission of this program is to help the community establish and maintain a compelling vision of Bellevue's desired future, refining the vision and its implementation in the face of change.

Summary of Services Provided

This program engages Bellevue residents and visitors, other stakeholders, City Commissions, and the City Council in maintaining the City's Comprehensive Plan and guiding the Plan's implementation. The program collects and analyzes data and information to understand change, and develops adaptive strategies that help maintain the community vision. Key foci include: demographic and economic data analysis and forecasting; land use, growth management and economic development planning; neighborhood planning; annexation; and special studies.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Comp Planning	1,179,559	1,202,303	1,297,227	1,352,893
General CIP Projects	500,000	245,000	590,000	-
Subsidy in General Fund	1,278,654	1,276,368	1,387,578	1,440,022
Support Svcs/Development Svcs OTO	264,004	282,055	249,704	262,335
Base Budget	**3,222,217**	**3,005,726**	**3,524,508**	**3,055,250**
Enhanced Funding for Planning Services	-	-	96,500	102,000
Program Enhancements	**-**	**-**	**96,500**	**102,000**
Total Budget	**3,222,217**	**3,005,726**	**3,621,008**	**3,157,250**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	879,802	932,343	1,009,252	1,056,222
Interfund	1,594,099	1,575,186	1,670,907	1,739,705
M & O	248,316	253,196	350,849	361,323
Capital	500,000	245,000	590,000	-
Total Expenditures	**3,222,217**	**3,005,726**	**3,621,008**	**3,157,250**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	1,278,654	1,276,368	1,387,578	1,440,022
Development Services Fund	1,443,563	1,484,358	1,643,431	1,717,228
General CIP Fund	500,000	245,000	590,000	-
Total Resources	**3,222,217**	**3,005,726**	**3,621,008**	**3,157,250**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Comp Planning	-	-	8.50	8.50
Support Svcs/Development Svcs OTO	-	-	1.71	1.71
Total FTE	**9.15**	**10.30**	**10.21**	**10.21**

Planning & Community Development
Comprehensive Planning

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Continued citizen involvement in community planning						
Citizen satisfaction with City's planning for future	%	Effectiveness	74	65	65	65
% of annexation requests successfully completed	%	Effectiveness	100	100	100	100
Continued compliance with the Growth Management Act						
Average time between CPA apprvl and rezone apprvl	months	Efficiency	6	5	5	5
# of CPAs, rezones processed	#	Workload	7	5	5	5
Avg time once owner appl. is received and rezone approved	months	Effectiveness	4	4	4	4
Improve citywide demographic information						
Number of major surveys conducted or managed	#	Workload	10	10	10	10
Annual percent of PAA annexed	%	Effectiveness	97	99	97	97
Increase citizen understanding of the nature of growth						
Average age of demographic materials	years	Effectiveness	0.50	0.50	0.50	0.50
Planning Commission Meetings Conducted	#	Workload	27	22	22	22

Issues related to Department Performance

The latest performance measure survey shows that the key measure "satisfaction with the job the City is doing in planning for the future" was exceeded. Nonetheless, the current period of heightened development activity, along with a number of ambitious planning initiatives, presents a number of challenges to maintaining these high satisfaction levels.

Program Notes

A number of significant planning initiatives are now underway that will significantly affect the City's future for years to come. These are spread throughout many areas of the City.

Planning & Community Development
Economic Development

Program Statement
This program was moved to the City Manager's Office in 2006.

Summary of Services Provided

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Econ Dev	206,036	-	-	-
Base Budget	**206,036**	**-**	**-**	**-**
Total Budget	**206,036**	**-**	**-**	**-**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	115,863	-	-	-
Interfund	19,250	-	-	-
M & O	70,923	-	-	-
Total Expenditures	**206,036**	**-**	**-**	**-**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Development Services Fund	206,036	-	-	-
Total Resources	**206,036**	**-**	**-**	**-**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Econ Dev	1.35			

Issues related to Department Performance
N/A

Program Notes
This program was moved to the City Manager's Office in 2006.

Planning & Community Development
Community Development

Program Statement

The Community Development program builds capital projects to accomplish the City's vision, and supports the arts through commissioning capital art projects, assisting local art organizations, and funding arts programs. Capital projects in this program often require integrated efforts of multiple departments, involving public and private partnerships.

Summary of Services Provided

The Community Development Program identifies and develops partnerships with citizen groups and business organizations encouraging their involvement in the planning and design concept phases of capital projects for civic places. Staff organize workshops to establish broad community involvement and coordinate the development and construction of civic capital projects.

The Community Development Program also provides support for the Arts Commission by planning for and commissioning temporary and permanent art works placed in public spaces as components of civic construction. Small grants and technical assistance are provided to local arts groups. Staff develop and recommend cultural policies and conduct long-term cultural planning for the City as well as coordinate with regional partners to strengthen and increase resources for local arts.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Arts	229,554	234,325	255,363	264,646
Community Development	151,268	160,041	170,716	179,127
General CIP Projects	2,818,875	515,158	6,197,000	4,292,000
I&D Redm Reg Levy	511,863	1,279,463	1,276,863	1,277,238
Subsidy in General Fund	464,965	464,134	504,574	523,644
Support Svcs/Development Svcs OTO	141,984	144,972	101,778	106,839
Base Budget	**4,318,510**	**2,798,093**	**8,506,293**	**6,643,495**
Reserves	**159,855**	**147,903**	**233,585**	**215,123**
Total Budget	**4,478,365**	**2,945,997**	**8,739,879**	**6,858,618**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	241,575	259,449	324,393	295,949
Interfund	583,405	578,827	1,083,589	1,112,472
M & O	1,124,654	1,544,659	1,448,842	1,453,557
Capital	2,368,875	415,158	5,649,470	3,781,517
Total Expenditures	**4,318,510**	**2,798,093**	**8,506,293**	**6,643,495**
Total Reserves	**159,855**	**147,903**	**233,585**	**215,123**
Total Budget	**4,478,365**	**2,945,997**	**8,739,879**	**6,858,618**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	464,965	464,134	504,574	523,644
Development Services Fund	614,930	622,811	701,323	711,534
Interest & Debt Redemption-Regular Fund	579,594	1,343,894	1,336,982	1,331,439
General CIP Fund	2,818,875	515,158	6,197,000	4,292,000
Total Resources	**4,478,365**	**2,945,997**	**8,739,879**	**6,858,618**

Planning & Community Development
Community Development

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Arts	-	-	1.00	1.00
Community Development	-	-	1.00	1.00
General CIP Projects	-	-	-	-
Support Svcs/Development Svcs OTO	-	-	0.71	0.71
Total FTE	**2.17**	**2.74**	**2.71**	**2.71**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Completion of projects which create public spaces						
Increase in # and distribution of permanent public art works	#	Effectiveness	3	5	3	3
Number of art contracts per FTE	ratio	Efficiency	16	20	20	20
% of CIP projects completed on schedule vs total planned	%	Effectiveness	90	80	90	90
% of CIP projects completed within CIP budget estimate	%	Effectiveness	90	90	90	90
Number of contracts managed	#	Workload	27	50	25	50
Strengthen art organizations, awareness and programs						
Number of art organizations assisted	#	Effectiveness	30	30	30	30
Number of Arts Commission meetings staffed	#	Workload	34	18	20	30
Public information events and products accomplished	#	Workload	40	200	40	200
Number of people involved in public processes for projects	#	Effectiveness	800	600	600	600
Success in partnership and interdepartmental coordination						
Number of projects involving partnerships or joint funding	#	Effectiveness	10	15	10	15
Total contract dollars managed (in millions)	$	Workload	1.40	0.73	0.50	0.75
Total contract dollars managed of products accomplished	$	Workload	1,399,000	730,000	500,000	750,000

Issues related to Department Performance

Much of the Community Development Program's resources over the 2005-2006 Biennium were focused on the design and construction of the New City Hall as well as the development and implementation of the Cultural Compass.

Program Notes

The Public Art Program has historically been funded through an annual allocation of $400,000 per year. Actual expenditure levels may exceed this annual allocation, as it did in 2005, when reserves are spent on larger projects or several small projects. Conversely, annual capital expenditures may be less than the annual allocation.

Planning & Community Development

Biennial Budgeted Cost Summary	2005-2006 Budget	2007-2008 Budget	% Change
Neighborhood & Community Outreach	5,093,202	5,415,615	6 %
Community Development	7,116,603	15,149,788	113 %
Comprehensive Planning	6,227,943	6,579,758	6 %
Housing	4,257,484	4,364,427	3 %
Land Use	8,721,938	9,639,571	11 %
Building Review And Inspection	16,146,124	23,373,274	45 %
Code Compliance	3,383,021	3,637,975	8 %
Economic Development	206,036	-	- %
Base Budget	**51,152,350**	**68,160,409**	**33 %**
Reserves	**7,523,072**	**14,251,312**	**89 %**
Enhanced Funding for Planning Services	-	198,500	-
Land Use Code - Amendment Backlog	-	100,000	-
Program Enhancements	**-**	**298,500**	**-**
Total Budget	**58,675,422**	**82,710,221**	**41 %**

Biennial Expenditure Category Summary	2005-2006 Budget	2007-2008 Budget	% Change
Personnel	18,444,869	22,345,115	21 %
Interfund	21,279,126	27,135,320	28 %
M & O	7,341,051	8,097,687	10 %
Capital	4,087,304	10,880,787	166 %
Total Expenditures	**51,152,350**	**68,458,909**	**34 %**
Total Reserves	**7,523,072**	**14,251,312**	**89 %**
Total Budget	**58,675,422**	**82,710,221**	**41 %**

Biennial Funding Summary	2005-2006 Budget	2007-2008 Budget	% Change
General Fund	11,613,738	12,852,727	11 %
Development Services Fund	36,558,082	49,675,345	36 %
Housing Fund	4,010,541	5,635,047	41 %
Interest & Debt Redemption-Regular Fund	1,855,757	2,608,302	41 %
General CIP Fund	4,637,304	11,938,800	157 %
Total Resources	**58,675,422**	**82,710,221**	**41 %**

Police

Program Outcome Statement

The Bellevue Police Department's Mission Statement is "Providing a safe environment through community involvement and innovation." It strives to achieve this mission by adherence to its Guiding Principles:

- Respect: We begin by treating others as we would like to be treated. We are fair and considerate in what we do.
- Integrity: We are honest, ethical, steadfast and always strive to do the right thing. We lead by example.
- Accountability: On all levels we take responsibility for our actions and decisions.
- Service: We are active and committed to providing exceptional service to our communities through teamwork, innovation, and education.

Services and Accomplishments

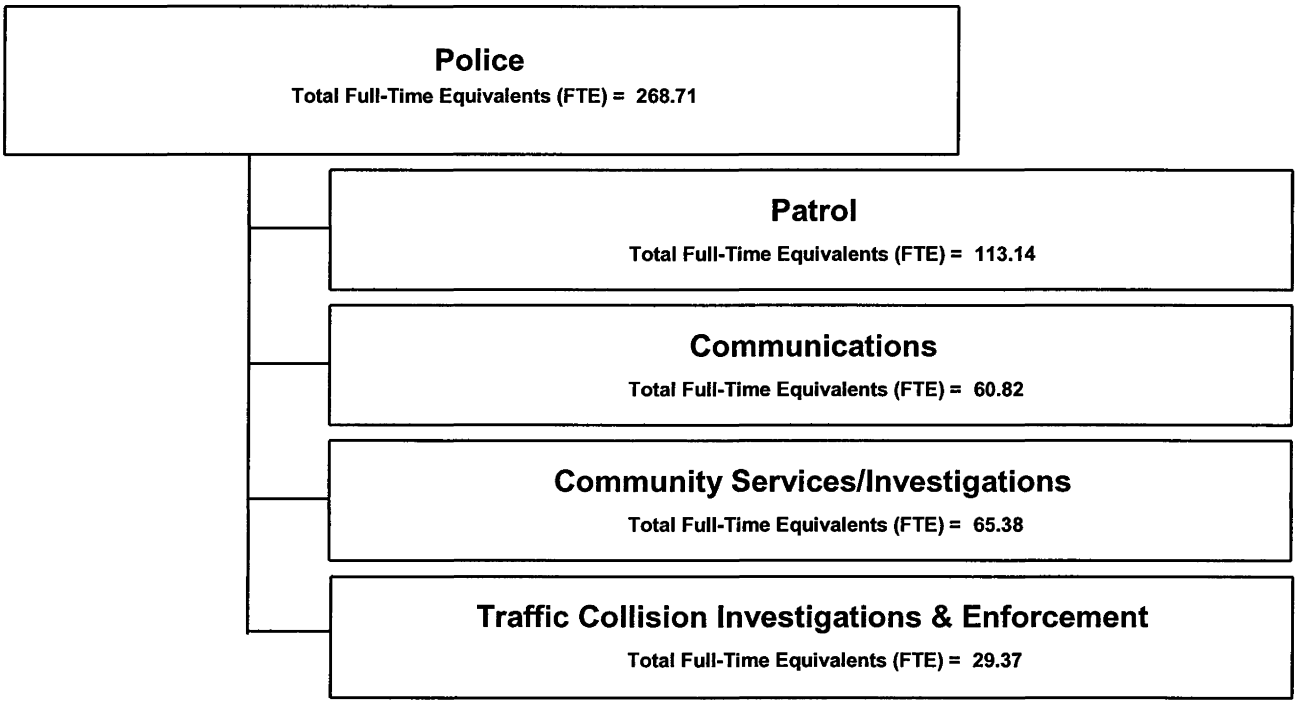
The Bellevue Police Department consists of four major divisions that serve the community: Police Patrol, Community Services and Investigations, Communications (Dispatch functions), and Traffic Collision Investigation and Enforcement. Each in different ways helps to assure a safe environment in not only the City of Bellevue but in surrounding communities as well.

The following are the major 2005-2006 accomplishments for the Department:

- The Department used existing technologies and communication channels to take more opportunities to educate Bellevue citizens, the business community, and other agencies on the successful achievements of the department in areas of public safety, reductions in crime, and community participation;
- The citywide website was improved enhancing the ability for citizens to quickly access the Police Department electronically. A third substation opened this year at the downtown transit station. A new field reporting system for Police mobile wireless computers has been selected and the scope of work and contract negotiations are in process which will enhance an officer's ability to document information and quickly share information throughout the organization;
- The Department established an Office of Professional Standards (OPS) to address both internal and citizen complaints and ensure continued national accreditation. All complaints are tracked through OPS and any of a serious nature are investigated by this office. This helps to ensure fair treatment in disciplinary matters. The office tracks all proofs in preparation of the next accreditation and works on policy revisions as needed;
- The Department drafted a comprehensive policing policy for the downtown sector, especially with regard to "vertical policing", i.e. high-rise residential units that are being built in the downtown core. This policy report has been delivered to Police and other City staff members for their consideration;
- The Department explored the possibility of equipping patrol officers with defibrillators. The commander of Personnel Services Unit researched and prepared a thorough report and recommendation to senior management. Senior management concurred that the financial and training impact could not be justified at this time;
- A new program for burglar alarm administration, including a new ordinance that includes annual registration fees, an accelerated false alarm fee schedule, and provisions for other fees was examined, with the intention of reducing the number of false alarms throughout the City;
- The Department continued to explore funding sources for necessary technology, equipment, and training to meet the challenges in the coming years. Identification of suitable grant opportunities continued. The federal Bryne grant was cut by nearly 60% in 2004 but rebounded to nearly 100% for the 2005-2006 budget cycle. This grant helps fund positions in the Eastside Narcotic Task Force. Through a regional partnership, a new surveillance van will be purchased to be used regionally. Personnel have taken advantage of federally funded training opportunities specifically in the area of disaster preparation and prevention.

Police

Organizational Chart



Police

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Patrol	14,540,244	14,933,136	16,582,919	16,796,694
Communications	6,549,855	7,178,126	7,762,297	7,983,433
Community Services/Investigations	8,704,320	8,736,676	9,389,369	9,741,100
Traffic Collision Investigations & Enforcement	4,311,617	4,129,434	4,528,799	4,700,774
Base Budget	**34,106,037**	**34,977,371**	**38,263,384**	**39,222,001**
Reserves	**9,325,136**	**8,816,475**	**7,713,408**	**6,922,145**
Total Budget	**43,431,173**	**43,793,846**	**45,976,792**	**46,144,146**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	21,002,805	21,610,060	23,919,636	24,732,566
Interfund	5,187,106	5,994,538	8,304,747	9,071,664
M & O	7,469,382	7,476,773	5,333,501	5,417,771
Capital	446,744	(104,000)	705,500	-
Total Expenditures	**34,106,037**	**34,977,371**	**38,263,384**	**39,222,001**
Total Reserves	**9,325,136**	**8,816,475**	**7,713,408**	**6,922,145**
Total Budget	**43,431,173**	**43,793,846**	**45,976,792**	**46,144,146**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	32,732,981	33,981,433	36,276,158	37,792,734
LEOFF I Medical Reserve Fund	9,777,688	9,394,841	8,796,228	8,145,731
Operating Grants/Donations Fund	673,504	536,572	198,906	205,681
General CIP Fund	247,000	(119,000)	705,500	-
Total Resources	**43,431,173**	**43,793,846**	**45,976,792**	**46,144,146**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Patrol	-	-	113.14	113.14
Communications	-	-	60.82	60.82
Community Services/Investigations	-	-	65.38	65.38
Traffic Collision Investigations & Enforcement	-	-	29.37	29.37
Total FTE	**269.96**	**267.76**	**268.71**	**268.71**

Police

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Communications						
Calls answered by call receivers within 10 seconds	%	Effectiveness	98	99	99	99
Patrol						
Patrol response time to critical emergencies	#	Effectiveness	4.48	3.50	4.20	4.20
Number of crime reports taken by Patrol	#	Workload	11,527	11,500	12,000	12,500
P1 crimes committed per 1,000 population (WASPC standards)	#	Effectiveness	42	40	42	42
Number of felony arrests by Patrol	#	Workload	579	560	570	570
Number of warrant arrests by Patrol	#	Workload	631	700	650	650
Percentage citizens feeling safe/moderately safe (Survey)	%	Effectiveness	78.10	90.00	80.00	80.00
Customer satisfaction indicating good or excellent service	%	Effectiveness	86	88	86	86
Number of misdemeanor arrests by Patrol	#	Workload	1,696	1,900	1,700	1,700
Traffic Collision Investigations & Enforcement						
Number of citations issued	#	Workload	21,983	26,000	24,000	24,000
Number of collisions investigated	#	Workload	1,967	2,000	2,000	2,000
Injury collisions as a percentage of total collisions	%	Effectiveness	22	24	24	24

Police

2007-2008 Work Initiatives

Major Work Initiatives for 2007/2008:

- Further define our principles/core values. Weave the guiding principles into all of our processes. Recruiting, hiring, ethics, leadership and communication training to improve professionalism and service to the community.
- Implement effective technology, maintain training and ongoing evaluation of technology. Technology that is user friendly, useful in crime identification and reduction.
- Effectively evaluate and manage growth and change. Ensure BPD is on the leading edge of best police practices (CALEA) and responds effectively to the change in the community ensuring BPD continues its high level of service by regularly evaluating the work we do and move/increase resources as needed.
- Continue the long range budget planning process, researching outside funding opportunities/regional partnerships.

Major Challenges for the Biennium

The Department continues to actively research the potential long-term impacts of the planned growth in Bellevue's Central Business District and other Eastside business corridors, which could result in unprecedented growth in "vertical" neighborhoods (urban condominiums and apartments). How to adequately police these new neighborhoods will be a challenge for the Department in the coming years. There are likely to be subtle yet measurable increases in calls, responses, and resources allocated, wholly dependent upon the rate of growth in these vertical neighborhoods, their rate of occupancy, and the crimes reported in these sectors.

Police
Patrol

Program Statement

The Police Patrol department will continue its community-oriented patrol tactics that enhance the quality and quantity of police contacts with citizens as well as identify and solve community problems that contribute to the erosion of community security and safety. The department also will maintain its practice of continuing to recruit, hire, and develop top quality personnel at all levels who demonstrate potential in the community-oriented police philosophy.

Summary of Services Provided

The Patrol division is designed to maximize public safety by providing timely response to calls for assistance, and active, visible patrol of the City. Patrol uses tactics that are designed to enhance the quantity and quality of community contacts which contribute to community safety and security.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administration	548,845	579,258	875,805	908,566
Bomb Squad	-	-	8,000	16,000
Courts & Custody	1,385,892	1,335,363	1,438,667	1,464,384
Crowd Control	-	-	7,000	14,000
General CIP Projects	247,000	(119,000)	587,500	-
Operating Grants	220,829	15,000	-	-
Patrol	9,829,949	10,668,200	10,826,406	11,388,906
Personnel Services	493,491	521,711	583,080	609,869
Police Honor Guard	4,312	4,411	5,092	5,258
Police LEOFF I Medical Reserve	292,612	332,400	479,689	542,049
Property & Evidence	121,047	172,467	100,962	106,124
Records	1,319,149	1,346,907	1,536,200	1,600,498
SWAT/HNT	77,118	76,417	134,518	141,041
Base Budget	**14,540,244**	**14,933,136**	**16,582,919**	**16,796,694**
Reserves	**4,064,903**	**3,841,294**	**3,417,040**	**3,066,510**
Total Budget	**18,605,148**	**18,774,430**	**19,999,958**	**19,863,204**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	8,989,660	9,704,820	10,266,310	10,601,793
Interfund	1,987,907	2,238,885	3,579,213	4,002,746
M & O	3,115,934	3,093,430	2,149,896	2,192,155
Capital	446,744	(104,000)	587,500	-
Total Expenditures	**14,540,244**	**14,933,136**	**16,582,919**	**16,796,694**
Total Reserves	**4,064,903**	**3,841,294**	**3,417,040**	**3,066,510**
Total Budget	**18,605,148**	**18,774,430**	**19,999,958**	**19,863,204**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	13,779,803	14,704,735	15,515,729	16,254,646
LEOFF I Medical Reserve Fund	4,331,516	4,161,915	3,896,729	3,608,559
Operating Grants/Donations Fund	246,829	26,780	-	-
General CIP Fund	247,000	(119,000)	587,500	-
Total Resources	**18,605,148**	**18,774,430**	**19,999,958**	**19,863,204**

Police
Patrol

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administration	-	-	3.37	3.37
Courts & Custody	-	-	4.00	4.00
Patrol	-	-	90.00	90.00
Personnel Services	-	-	3.10	3.10
Property & Evidence	-	-	0.89	0.89
Records	-	-	11.78	11.78
Total FTE	**110.70**	**110.38**	**113.14**	**113.14**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
86% Satisfaction Rate for Police Calls for Service						
Total number of citizen complaints (Department total)	#	Effectiveness	143	150	155	160
Patrol response time to critical emergencies	#	Effectiveness	4.48	3.50	4.20	4.20
Number of crime reports per Patrol officer	#	Efficiency	188	155	187	187
Number of crime reports taken by Patrol	#	Workload	11,527	11,500	12,000	12,500
Customer satisfaction indicating good or excellent service	%	Effectiveness	86	88	86	86
Hold P1 Crime Rate per 1,000 pop. at 5% less than Average						
Total number of calls dispatched. (Department Total)	#	Workload	86,267	80,000	87,000	88,000
P1 crimes committed per 1,000 population (WASPC standards)	#	Effectiveness	42	40	42	42
Number of Field Interview Reports by Patrol	#	Workload	2,975	2,500	2,500	2,500
Number of felony arrests by Patrol	#	Workload	579	560	570	570
Number of warrant arrests by Patrol	#	Workload	631	700	650	650
Number of misdemeanor arrests by Patrol	#	Workload	1,696	1,900	1,700	1,700
Number of Part I property crimes	#	Workload	4,711	4,800	4,700	4,700
Reduce # of Injuries Resulting from Crime by 2% Annually						
Percentage citizens feeling safe/moderately safe (Survey)	%	Effectiveness	78.10	90.00	80.00	80.00
Number of assault cases (felony and misdemeanor)	#	Effectiveness	645	650	640	645

Issues related to Department Performance

While the Police Patrol department's published goal is to respond to 100% of critical emergency calls within 6 minutes (from the time of dispatch to arrival on-scene), it also maintains an internal target of 3.5 minutes when possible. In 2005, average response time was 4.5 minutes.

The percentage of Bellevue citizens who feel safe or moderately safe while walking in their neighborhood has consistently been in the 90% range, reflecting the quality of overall police services in the community. In addition, in 2005 86% of respondents in a police survey reported that the services they received during a police interaction was good or excellent. While this fell short of the target of 88%, it still shows an overwhelming majority of citizens who are satisfied with the job the department is doing.

Police
Patrol

Program Notes

Bellevue continues to be a safe city with overall crime decreasing gradually. In 2005, total Part One crimes (Homicide, Rape, Robbery, Aggravated Assault, Burglary, Larceny, MV Theft, and Arson) decreased 3.5% over 2004. Through aggressive targeting of problem areas and known criminals, vehicle crimes (such as thefts, prowls, and car strips) have slowly been decreasing. Even though Bellevue experienced its first homicides in six years in 2005, overall violent crimes slightly decreased. With the establishment of the Office of Professional Standards in 2005, citizen complaints and internal investigations will increase, because all complaints from any source or for any reason are tracked, investigated, and resolved. Finally, the challenges posed by the growth in the downtown business district, where new retail, commercial, and residential units are being built at a record rate, may require the department to re-think how it handles policing downtown Bellevue.

Police
Communications

Program Statement

Continue to plan for and employ up-to-date technology. Strive to meet all state, county, and municipal standards for answering calls for service and time to dispatch. Continue to explore regionalization of dispatch services among Eastside and Northside jurisdictions.

Summary of Services Provided

The Bellevue Communications Center is a regional 911 dispatch center, serving two police stations and 14 fire departments, serving a citizen population of approximately 640,000 in a 1,200 square mile area. It is the mission of the Center to receive calls for service and dispatch the necessary emergency response.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administration	265,131	279,822	423,075	438,901
Courts & Custody	22,856	22,022	23,726	24,150
Fire Dispatch	2,465,810	2,516,609	2,675,398	2,789,400
General CIP Projects	-	-	118,000	-
Operating Grants	17,081	111,954	-	-
Personnel Services	238,391	252,023	281,669	294,610
Police Dispatch	2,703,519	3,101,158	3,217,842	3,350,107
Police LEOFF I Medical Reserve	141,352	160,573	231,723	261,847
Property & Evidence	58,474	83,314	48,772	51,265
Records	637,241	650,651	742,092	773,152
Base Budget	**6,549,855**	**7,178,126**	**7,762,297**	**7,983,433**
Reserves	**1,951,073**	**1,849,923**	**1,650,669**	**1,481,339**
Total Budget	**8,500,928**	**9,028,049**	**9,412,966**	**9,464,772**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	4,121,324	4,377,199	4,733,298	4,928,547
Interfund	1,174,214	1,457,226	1,841,078	1,961,735
M & O	1,254,317	1,343,701	1,069,921	1,093,151
Capital	-	-	118,000	-
Total Expenditures	**6,549,855**	**7,178,126**	**7,762,297**	**7,983,433**
Total Reserves	**1,951,073**	**1,849,923**	**1,650,669**	**1,481,339**
Total Budget	**8,500,928**	**9,028,049**	**9,412,966**	**9,464,772**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	6,391,422	6,905,599	7,412,573	7,721,585
LEOFF I Medical Reserve Fund	2,092,425	2,010,496	1,882,393	1,743,186
Operating Grants/Donations Fund	17,081	111,954	-	-
General CIP Fund	-	-	118,000	-
Total Resources	**8,500,928**	**9,028,049**	**9,412,966**	**9,464,772**

Police
Communications

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administration	-	-	1.63	1.63
Courts & Custody	-	-	0.07	0.07
Fire Dispatch	-	-	24.10	24.10
Personnel Services	-	-	1.50	1.50
Police Dispatch	-	-	27.41	27.41
Property & Evidence	-	-	0.43	0.43
Records	-	-	5.68	5.68
Total FTE	**61.09**	**60.41**	**60.82**	**60.82**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Maintain 90% Rating "Good/Excellent" by Contract Customers						
Number of customer contacts	#	Workload	343,375	483,771	346,818	350,286
Number of inquiries from contract agencies	#	Effectiveness	78	20	25	25
Satisfaction rating with services to contract agencies	%	Effectiveness	90	100	100	100
Time to review inquiries from contract agencies and citizens	#	Workload	163.20	150.00	125.00	80.00
Total number of calls answered	#	Workload	224,137	272,000	226,378	228,641
Maintain Acceptable Elapsed Time Standards						
Call elapsed time: Fire Calls Priority 1 (minutes/seconds)	#	Effectiveness	0.45	0.30	0.40	0.35
Call elapsed time: Fire Calls Priority 2 (minutes/seconds)	#	Effectiveness	1.06	0.52	1.00	0.58
Call elapsed time: Police Calls Priority 1 (minutes/seconds)	#	Effectiveness	1.52	1.30	1.19	1.07
Call elapsed time: Police Calls Priority 2 (minutes/seconds)	#	Effectiveness	1.53	2.00	1.40	1.40
Calls answered by call receivers within 10 seconds	%	Effectiveness	98	99	99	99
Dispatched events	#	Workload	119,238	172,000	120,430	121,634
Number of calls answered per staffed telephone position	#	Efficiency	2,075	2,400	2,000	2,000
Number of citizen inquiries regarding call handling	#	Effectiveness	1	2	1	1
Reduce 911 Hang-up Calls by 5% (annual comparative)						
Cost per dispatch	#	Efficiency	29.30	29.30	29.27	29.25
Number of 911 hang up calls	#	Effectiveness	1,074	1,070	1,063	1,052

Issues related to Department Performance

The King County E-9-1-1 agency requires that 90% of 9-1-1 calls be answered within ten seconds. In 2005, 96% of all calls received by the Bellevue Communications Center were answered within ten seconds, thus exceeding the standard set by the County, resulting in the full revenue distribution to the City of Bellevue. This occurred despite a 3% increase in the number of incoming calls, from 167,504 in 2004 to 172,933 in 2005.

Police
Communications

Program Notes

The Bellevue Communications Center continues to be challenged by staffing concerns. Attrition is sometimes significant and filling vacancies, especially because of extensive training of new hires, results in excess overtime by current staff.

Combining the Police and Fire dispatch services from several Eastside and Northside cities and districts into a single location is a proposal which will continue to be examined in 2007. A regional group of Fire and Police agencies have been exploring the creation of a regional dispatch center which is now being referred to as NORCOM. The project has tentative acceptance from various staff personnel, and the recommendation is to go forward to each agency's elected officials. The goal is to provide a higher level of service for the public while at the same time realizing significant cost efficiencies.

Police
Community Services/Investigations

Program Statement

- Increase investigations leading to arrest and charging of suspect(s) committing violent crimes, including domestic Violence;
- Enhance ability to identify suspects committing crimes through collection of evidence and addition of fingerprints to AFIS database;
- Reduction of crime through police/community partnerships, education, and problem solving;
- Seek honest and effective feedback from the community;
- Maximize resources with respect to criminal investigations in order to maintain a Part One Violent/Property Crime clearance rate that exceeds both the State and National averages.

Summary of Services Provided

The Community Services division manages, evaluates, and delivers community-oriented police services through a police/community partnership. This partnership jointly identifies community safety issues and applies innovative problem-solving strategies in an effort to maintain safe and vital neighborhoods. A primary focus is to better serve Bellevue's youth, families and neighborhoods. The division includes downtown bicycle officers, community station officers, crime prevention officers, and school resource officers.

The Police Investigations division provides investigation and timely resolution of reported incidents that require long-term and/or community-sensitive attention. This program is implemented through the specialized units of Person Crimes, Property Crimes, Fraud/White Collar Crimes, Special Investigations (Eastside Narcotics Task Force) and Crime Analysis and Prevention.

Through a combination of quality criminal investigations, forensic analysis of evidence, and interaction with our customer base, the CSS/Investigations program improves the Police Department's ability to manage, evaluate, and deliver law enforcement and community-oriented police services.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administration	287,431	303,359	458,661	475,818
Community Services	2,837,266	2,425,210	2,467,125	2,555,992
Courts & Custody	467,505	450,460	485,307	493,983
Investigations	2,628,757	2,932,754	3,243,076	3,349,682
Narcotics	875,404	919,197	837,325	867,975
Office Of Professional Stndrds	214,417	225,052	285,010	294,947
Operating Grants	227,622	237,645	198,906	205,681
Personnel Services	258,442	273,221	305,360	319,390
Police LEOFF I Medical Reserve	153,242	174,079	251,214	283,872
Property & Evidence	63,392	90,321	52,874	55,577
Records	690,841	705,378	804,511	838,184
Base Budget	**8,704,320**	**8,736,676**	**9,389,369**	**9,741,100**
Reserves	**2,297,154**	**2,165,717**	**1,789,511**	**1,605,938**
Total Budget	**11,001,474**	**10,902,393**	**11,178,880**	**11,347,038**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	5,454,712	5,329,445	6,217,410	6,409,104
Interfund	1,267,518	1,485,131	1,701,496	1,829,592
M & O	1,982,090	1,922,099	1,470,464	1,502,405
Total Expenditures	**8,704,320**	**8,736,676**	**9,389,369**	**9,741,100**
Total Reserves	**2,297,154**	**2,165,717**	**1,789,511**	**1,605,938**
Total Budget	**11,001,474**	**10,902,393**	**11,178,880**	**11,347,038**

Police
Community Services/Investigations

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	8,323,457	8,324,952	8,939,249	9,251,547
LEOFF I Medical Reserve Fund	2,268,424	2,179,603	2,040,725	1,889,810
Operating Grants/Donations Fund	409,594	397,838	198,906	205,681
Total Resources	**11,001,474**	**10,902,393**	**11,178,880**	**11,347,038**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administration	-	-	1.76	1.76
Community Services	-	-	19.00	19.00
Courts & Custody	-	-	1.35	1.35
Investigations	-	-	26.00	26.00
Narcotics	-	-	5.00	5.00
Office Of Professional Standards	-	-	2.00	2.00
Operating Grants	-	-	2.00	2.00
Personnel Services	-	-	1.62	1.62
Property & Evidence	-	-	0.46	0.46
Records	-	-	6.19	6.19
Total FTE	**68.89**	**68.01**	**65.38**	**65.38**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
To Foster a Safer Community						
Violent crimes cases assigned	#	Workload	-	-	550	550
Property crime cases assigned	#	Workload	-	-	350	350
Number of CSS calls for service	#	Workload	-	-	3,000	3,000
Number of lab processing requests	#	Workload	-	-	1,500	1,500
% of violent crimes assigned that are closed	%	Effectiveness	-	-	70	70
% of lab requests processed	%	Effectiveness	-	-	60	60
% of property crimes assigned closed by arrest/prosecution	%	Efficiency	-	-	20	20
% of property crimes that are closed	%	Effectiveness	-	-	20	20
% of CSS calls for service resulting in police activity	%	Effectiveness	-	-	33	33
% of population who feel safe in their community	%	Effectiveness	-	-	87	87
% of violent crimes assigned closed by arrest/prosecution	%	Efficiency	-	-	66	66
% of AFIS hits from AFIS submissions	%	Efficiency	-	-	30	30
% of CSS calls resulting in problem resolution	%	Efficiency	-	-	75	75
% of increase/decrease in customer survey satisfaction	%	Efficiency	-	-	2	2
Hours spent resolving community problems	#	Workload	-	-	2,700	2,700

Police
Community Services/Investigations

Issues related to Department Performance

Part One violent crime clearance increased four percent in 2005, from 65% in 2004 to 69% in 2005. Violent crime remained very low in 2005, with 1.48 violent crimes reported per 1,000 population. Also, a total of 4,711 Part One property crimes were reported in 2005, down from 4,890 in 2004, a decrease of 4%.

In part due to specific efforts by detectives directed at motor vehicle thefts and crimes, the number of car thefts in 2005 decreased from 608 in 2004 to 567 in 2005. Bellevue was the only regional jurisdiction that showed a decrease in the number of vehicles reported stolen.

Customer satisfaction surveys continue to indicate a high satisfaction rate among the community for the quality of police services they receive. A large percentage of Bellevue citizens continue to feel safe or moderately safe while walking alone in their neighborhoods or in the downtown business district, both in daytime and after dark.

The Police Department has begun to implement a downtown policing plan that has analyzed the police responses downtown, along with call load, response times, and citizen panel input. This will allow the department to more efficiently respond to citizen concerns and to develop strategic plans. In June 2006, Sound Transit completed construction of a Downtown Transit Station Police substation, which should contribute to the overall downtown policing strategy.

Program Notes

In 2006, the Community Services and Investigations units were combined for the purposes of performance measure tracking, allowing for more meaningful and measureable outcomes. Most of the measurements are new, so there are no prior performance measures to portray alongside the current ones.

Also in 2006, the Investigations unit completed a years-long project to upgrade its criminal forensics facility, purchasing several state-of-the-art forensics tools using Federal grant funding and City of Bellevue capital funds. Case clearance rates are expected to increase as the lab becomes fully functional in 2007.

The Community Services unit's main focus will continue to be the partnership with neighborhoods and businesses in preventing crime and in education. Community substations in Factoria, Crossroads, and Downtown provide visible neighborhood presence, and the Department's School Resource Officers (SRO's) are on-site at the Bellevue School District's four high schools, one transitional school, and the district's middle schools.

Police
Traffic Collision Investigations & Enforcement

Program Statement

The Traffic department will continue to emphasize neighborhood traffic safety using enforcement, traffic engineering, and community involvement. Authorized by the City Council in 2002, the Neighborhood Action Team unit within Traffic Enforcement focuses its attention in specific neighborhoods in the City that citizens have reported problems in, usually neutralizing those problems (speeding, lack of adherence to signage, etc.) in a short period of time.

The unit is also continuing its partnership with Bellevue's Transportation department to provide coordinated flagging services on local construction projects.

Using state-of-the-art computer hardware and software, the Traffic Collision and Investigation unit can rapidly and accurately determine the causes of major traffic collisions that involve injury.

Summary of Services Provided

The Traffic division has the primary role of ensuring as much as possible the safe and efficient flow of vehicular and pedestrian traffic throughout the City. The Traffic unit is responsible for providing traffic services to the community, with the primary purpose of reducing the number of motor vehicle collisions as well as protecting the livability of our neighborhoods through traffic enforcement. This involves educating the public about traffic laws and good driving habits. It also involves the active and appropriate enforcement of traffic laws, conducting high-quality collision investigations and interacting with the Courts, traffic engineers, and other organizations involved in the pursuit of traffic safety.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administration	137,521	145,141	219,445	227,654
Courts & Custody	201,547	194,198	209,221	212,961
Personnel Services	123,651	130,722	146,099	152,811
Police LEOFF I Medical Reserve	73,318	83,288	120,193	135,818
Property & Evidence	30,330	43,214	25,297	26,591
Records	330,532	337,487	384,917	401,028
Traffic	2,909,773	2,651,197	3,107,779	3,248,740
Traffic Control	504,946	544,187	315,847	295,170
Base Budget	**4,311,617**	**4,129,434**	**4,528,799**	**4,700,774**
Reserves	**1,012,005**	**959,540**	**856,188**	**768,358**
Total Budget	**5,323,623**	**5,088,974**	**5,384,988**	**5,469,132**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	2,437,109	2,198,596	2,702,619	2,793,122
Interfund	757,467	813,295	1,182,960	1,277,591
M & O	1,117,041	1,117,543	643,221	630,060
Total Expenditures	**4,311,617**	**4,129,434**	**4,528,799**	**4,700,774**
Total Reserves	**1,012,005**	**959,540**	**856,188**	**768,358**
Total Budget	**5,323,623**	**5,088,974**	**5,384,988**	**5,469,132**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	4,238,299	4,046,147	4,408,606	4,564,956
LEOFF I Medical Reserve Fund	1,085,323	1,042,827	976,381	904,176
Total Resources	**5,323,623**	**5,088,974**	**5,384,988**	**5,469,132**

Police
Traffic Collision Investigations & Enforcement

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administration	-	-	0.84	0.84
Courts & Custody	-	-	0.58	0.58
Personnel Services	-	-	0.78	0.78
Property & Evidence	-	-	0.22	0.22
Records	-	-	2.95	2.95
Traffic	-	-	23.60	23.60
Traffic Control	-	-	0.40	0.40
Total FTE	**29.28**	**28.96**	**29.37**	**29.37**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Maintain Annual Motor Vehicle Collisions per 1,000 pop at 10% State Average						
Total investigated collisions per 1,000 population	#	Effectiveness	16.10	15.00	15.00	15.00
Ratio of citations issued per hour of Patrol time (Traffic)	#	Efficiency	1.32	2.00	1.30	1.30
Number of collisions investigated per Traffic officer	#	Efficiency	210	250	210	210
Number of citations issued	#	Workload	21,983	26,000	24,000	24,000
Number of collisions investigated	#	Workload	1,967	2,000	2,000	2,000
Traffic Service Requests investigated (hours of work)	#	Workload	1,127	2,300	1,200	1,200
Number of collisions investigated by Patrol officers	#	Efficiency	713	550	700	700
Maintain Annual Persons Injured in Motor Vehicle Accidents per 1,000 pop at 10% State Average						
Number of fatal collisions	#	Effectiveness	-	2	-	-
Injury collisions as a percentage of total collisions	%	Effectiveness	22	24	24	24
Maintain Seatbelt Usage in City at 95%						
Percent of traffic collisions in which seatbelts were undone	%	Effectiveness	1.00	1.40	1.40	1.40
Percentage of seatbelt use by Bellevue motorists	%	Effectiveness	93	90	95	95
Minimize DUI Fatality Accidents						
Occurrence of DUI related fatality collisions	#	Effectiveness	-	2	1	1
DUI arrests versus DUI related collisions	#	Effectiveness	8	6	6	6
Total DUI arrests	#	Workload	234	400	300	300

Issues related to Department Performance

In 2005, 25% of all traffic collisions in the City of Bellevue resulted in injury, above the target of 24%. While there were more traffic-related injuries in 2005 compared to 2004 and 2003, the total number of collisions has decreased or stayed flat over the same period. Traffic enforcement efforts, including targeted programs at DUI enforcement, seat belt enforcement, and school zone speeding enforcement, have reduced overall collisions but so far have had no effect on injury-related collisions. The Department is examining different ways to affect and hopefully reduce injury-related traffic collisions.

Police
Traffic Collision Investigations & Enforcement

Program Notes

The Traffic Program provides a vital and necessary service to all who use Bellevue's streets. The primary goal is to provide this service in the most efficient and effective manner possible. It will continue to evaluate its service delivery methods and strategy to ensure that the maximum results can be achieved at the lowest possible cost.

Police

Biennial Budgeted Cost Summary	2005-2006 Budget	2007-2008 Budget	% Change
Patrol	29,473,380	33,379,613	13 %
Communications	13,727,980	15,745,729	15 %
Community Services/Investigations	17,440,996	19,130,470	10 %
Traffic Collision Investigations & Enforcement	8,441,052	9,229,573	9 %
Base Budget	**69,083,408**	**77,485,385**	**12 %**
Reserves	**8,816,475**	**6,922,145**	**(21)%**
Total Budget	**77,899,883**	**84,407,530**	**8 %**

Biennial Expenditure Category Summary	2005-2006 Budget	2007-2008 Budget	% Change
Personnel	42,612,865	48,652,202	14 %
Interfund	11,181,644	17,376,411	55 %
M & O	14,946,155	10,751,272	(28)%
Capital	342,744	705,500	106 %
Total Expenditures	**69,083,408**	**77,485,385**	**12 %**
Total Reserves	**8,816,475**	**6,922,145**	**(21)%**
Total Budget	**77,899,883**	**84,407,530**	**8 %**

Biennial Funding Summary	2005-2006 Budget	2007-2008 Budget	% Change
General Fund	66,714,414	74,068,892	11 %
LEOFF I Medical Reserve Fund	10,055,365	9,228,551	(8)%
Operating Grants/Donations Fund	1,002,104	404,587	(60)%
General CIP Fund	128,000	705,500	451 %
Total Resources	**77,899,883**	**84,407,530**	**8 %**

26. Transportation

Transportation

Program Outcome Statement

The mission of the Transportation Department is to provide a safe and efficient transportation system that supports livable neighborhoods and a vital economy in partnership with the community.

Services and Accomplishments

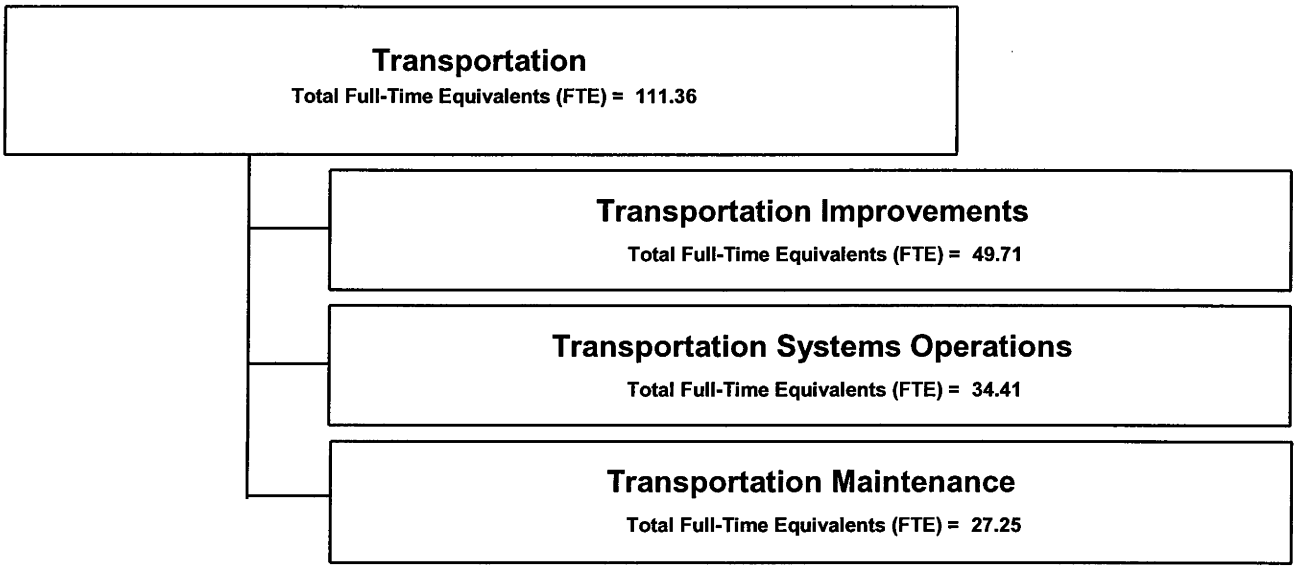
The Transportation Department consists of four major divisions: Planning, Capital Projects, Traffic Management and Streets Maintenance. The planning division forecasts future transportation conditions, identifies facility & service needs and coordinates with regional transportation providers to ensure Bellevue's interests are served. The capital projects division designs and constructs transportation system projects and provides developer and franchise utility inspection services. The traffic management division operates and maintains the City's traffic signals & street lighting system and provides neighborhood education and project implementation services, development review and right of way use permitting support, and general engineering and downtown parking monitoring services. The streets maintenance division maintains roadways, walkways, bikeways, trails, traffic devices, pavement markings, signs, and roadside vegetation.

Accomplishments:

- Advanced identification of a preferred long-term land use and transportation vision for the Bel-Red corridor planning efforts by establishing a Steering Committee, selecting a consultant team, developing various Transportation alternatives in conjunction with businesses and property owners, initiating an Environmental Impact Study (EIS) and soliciting public feedback through 15 public meetings where a number of alternatives were proposed;
- Selected a preferred design alternative for West Lake Sammamish Parkway with strong community support;
- Supported Council in the selection of light rail and the I-90 route as the preferred HCT alternative;
- Successfully advocated and secured $80 million in funding for the NE 10th extension project and $250 million for the I-405/SR 520 ramp braid funding through the State Legislature, in conjunction with partnering agencies;
- Effectively partnered with WSDOT and other agencies to complete the Environmental Assessment for the Downtown to Newport Hills I-405 Nickel project;
- Filed approximately 30 grant applications requesting over $50 million and resulting in the award of over $12 million in outside funds to supplement the Transportation Capital Investment Program budget;
- Improved transit mobility in Bellevue by completing a $150 million freeway interchange project, Access Downtown, with HOV ramps in partnership with the WSDOT, Sound Transit, FHWA and the Transportation Improvement Board;
- Completed Stage 1 design, acquired all necessary right of way, and initiated construction for the NE 10th Street Extension project in coordination with Overlake Hospital, Group Health Cooperative and the WSDOT;
- Achieved the City's 2005-2006 traffic improvement goals to protect neighborhoods and improve mobility by designing approximately 68 and constructing approximately 73 capital projects;
- Successfully managed Downtown traffic during the recent construction boom enabling residents and visitors to enjoy Bellevue services while maintaining construction schedules;
- Implemented early actions from the City's Intelligent Transportation Plan and improved emergency management, traffic flow, and communications by installing 18 new traffic cameras and 13 miles of new fiber optic cable as part of the federally funded Homeland Security Project;
- Worked with fourteen neighborhoods, developing and/or constructing traffic calming projects to address citizen concerns with vehicle speeds, non-local traffic and pedestrian safety. In addition, responded to over 750 calls, letters and emails from citizens regarding neighborhood traffic concerns;
- Improved traffic flow and communications by upgrading and seamlessly co-locating the Traffic Management Center with the Eastside Communication Center at new city hall;
- Improved resident and commuter access to traffic information by implementing an on-line real time traffic map for Bellevue arterials;
- Streamlined permitting processes to facilitate timely permit delivery.

Transportation

Organizational Chart



Transportation

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Transportation Improvements	34,405,323	31,207,384	27,937,532	21,567,493
Transportation Systems Operations	6,453,576	6,650,519	6,725,245	6,793,143
Transportation Maintenance	10,530,800	9,929,965	13,280,789	12,725,804
Base Budget	**51,389,698**	**47,787,867**	**47,943,566**	**41,086,439**
Reserves	**5,675,192**	**3,980,001**	**2,407,777**	**1,816,025**
CIP M&O	-	-	33,506	86,081
Pothole Patching	-	-	64,000	64,000
Signals System Non CIP M&O	-	-	29,846	29,846
Snow & Ice Response	-	-	23,831	13,831
Program Enhancements	**-**	**-**	**151,183**	**193,758**
Total Budget	**57,064,890**	**51,767,869**	**50,502,526**	**43,096,222**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	9,995,577	10,254,385	10,723,650	11,188,804
Interfund	5,953,903	5,559,951	10,116,071	8,472,007
M & O	6,153,313	6,726,751	6,170,905	6,347,014
Capital	29,286,906	25,246,780	21,084,123	15,272,372
Total Expenditures	**51,389,698**	**47,787,867**	**48,094,749**	**41,280,197**
Total Reserves	**5,675,192**	**3,980,001**	**2,407,777**	**1,816,025**
Total Budget	**57,064,890**	**51,767,869**	**50,502,526**	**43,096,222**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	18,561,459	18,959,824	19,637,712	20,404,958
Land Purchase Revolving Fund	5,078,172	2,994,768	2,728,897	1,743,962
Franchise Fund	-	47,300	56,797	58,910
Operating Grants/Donations Fund	194,002	-	72,000	-
LID Control Fund	1,095,742	1,026,977	1,318,012	1,576,492
LID Guaranty Fund	2,673,929	2,755,260	1,966,108	327,900
General CIP Fund	29,461,585	25,983,740	24,723,000	18,984,000
Total Resources	**57,064,890**	**51,767,869**	**50,502,526**	**43,096,222**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Transportation Improvements	-	-	49.71	49.71
Transportation Systems Operations	-	-	34.40	34.40
Transportation Maintenance	-	-	27.25	27.25
Total FTE	**109.85**	**112.36**	**111.36**	**111.36**

Transportation

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Transportation Improvements						
# projects completed	#	Effectiveness	11	15	11	10
# of CIP projects under design	#	Workload	32	13	13	16
% of areas achieving concurrency	%	Effectiveness	100	100	100	100
# of CIP projects under construction	#	Workload	32	18	10	13
Design cost at bid award as a % of contract cost	%	Efficiency	19	23	23	23
% variance of construction from original contract	%	Effectiveness	4	7	7	7
Transportation Maintenance						
Avg pavement ratings for residential streets	#	Effectiveness	80	75	76	77
Customer satisfaction rating for clean streets	%	Effectiveness	96	95	95	95
Transportation Systems Operations						
# of Neighborhood Traffic Calming Requests received	#	Workload	190	300	200	200
% of neighborhood locations 70%+ satisfied	%	Effectiveness	100	90	90	90

Transportation

2007-2008 Work Initiatives

- Finalize the preferred land use and transportation future for the Bel-Red corridor and begin implementation of the adopted vision including reconciliation of Bellevue's and Redmond's plans for Bel-Red and Overlake improvements.
- Initiate an implementation strategy for the Downtown Plan and coordinate transportation efforts and initiatives in downtown, such as Great Streets, NE 2nd design, the 106th/108th couplet, and future planning of the NE 6th pedestrian corridor.
- Support major economic development initiatives, such as Meydenbauer Center expansion, redevelopment in the Wilburton area, and other special projects.
- Construct Stage 1 of NE 10th Street in cooperation with Overlake Hospital, Group Health & WSDOT and continue to support WSDOT in implementing Stage 2 of the NE 10th Street project.
- Coordinate with state and federal agencies and provide environmental and design support of the NE 8th to SR 520 Braided Ramps (TPA) project to improve regional access to I-405 at NE 10th.
- Continue to provide leadership and work collaboratively with Sound Transit, King County, Seattle and Eastside communities to aggressively plan the East Link corridor to further implement the City's Regional Mobility Interest Statement and future HCT Interest Statement.
- Advance Bellevue's regional transportation objectives for the I-90, I-405 and SR 520 corridors and identify potential city supporting actions, including:
  - Advocate for additional I-405 access ramps in downtown Bellevue consistent with I-405 Corridor EIS work, the Downtown Implementation Plan, NE 10th/Overlake project and surrounding area circulation plans.
  - Continue to support the planned construction of SR 520 Bridge Replacement and HOV Project consistent with City Council and Eastside cities preferred alternative and the SR 520 Bridge Replacement and Corridor interest statement.
  - Support Sound Transit and WSDOT in Phase 1 construction of the critical cross-lake I-90 Two-Way Transit/HOV project (R8A).
  - Provide leadership and advocacy for new transportation funding via regional and statewide funding efforts.
  - Ensure the County's Transit Now Program responds to Council's clear interest in achieving urban services levels for the City and Eastside. Pursue a downtown circulator and other community enhancement projects consistent with the Transit Now ordinance.
  - Ensure the County's Six-Year Plan Update reflects City priorities and capital investments as articulated in the City's 2003 Transit Plan.
- Closely monitor projected workforce levels and take proactive measures to respond to increases in workload resulting from an increase in CIP funding for the 2007-2013 timeframe, city support on regional projects, and/or additional revenue dedicated to transportation needs.
- Initiate a new CIP program to document, track, prioritize and implement major maintenance projects as a result of aging infrastructure.
- Continue to implement improvements resulting from the interdepartmental Development Services Improvement initiative.
- Begin planning for the replacement of the central traffic computer, including the communication network requirements.
- Actively manage downtown development by balancing the demand for the City's right of way with the impacts on the citizens who live, work and shop in downtown.
- Continue supporting citywide efforts to implement new tools and processes to increase customer satisfaction, operational efficiency, and compliance with federal and state regulations.

Transportation

Major Challenges for the Biennium

Significant reductions in transportation funding relative to project needs beginning in 2003 has meant fewer key projects are being funded and implemented. The department has identified well over $250 million of unfunded needs in the next 6-12 years. While this level of funding may be unrealistic, the needs, and in some cases the community expectations, are high. Current unfunded needs include neighborhood protection and investment projects, economic development projects, regional 'Mega-Projects', and projects that are not fully funded for implementation, such as West Lake Sammamish Parkway, but have gained strong community support. With limited resources secured for the 2007-2013 CIP update, it will be increasingly difficult to deliver projects meeting customer needs.

The City is also changing due to the transition to an urban center with significant increases in downtown employment, housing and street level retail. Downtown right of way management and traffic system operations are two key areas that are challenged from this growth. A comprehensive evaluation of downtown right of way management issues is needed to ensure land use policies, development standards, traffic standards and parking enforcement activities support the long term growth of the City.

Workload to operate the transportation system has increased significantly over the last few years due to system growth in overall size as well as implementation of Intelligent Transportation System (ITS) technologies. Staff are constantly challenged to maintain current service levels while simultaneously implementing effective traffic solutions. An increase in staffing levels will be necessary in the next biennium in order to effectively manage transportation traffic operational goals.

Planning for the Bel-Red Corridor was initiated in 2005 to develop alternative future development scenarios for the Bel-Red Corridor. This partnership effort will identify opportunities for economic development and will be closely coordinated with Sound Transit Phase II planning activities. Two primary goals of this work are to gain consensus of a preferred alternative and to better define the associated transportation improvements. Depending on the outcome of this study, the City may also partner with the City of Redmond to update the Bel-Red/Overlake Transportation Study.

Regional planning efforts will continue to advance Bellevue's regional transportation objectives for the I-90, I-405 and SR 520 corridors and provide leadership for Sound Transit, Seattle and Eastside communities to aggressively plan for Phase II Sound Transit improvements. The City will support WSDOT's construction of I-405 widening projects through Bellevue, assist Sound Transit in initiating the East Link EIS and selection of a preferred alternative, and coordinate with WSDOT to implement the I-405, SR 520 Braid project. These activities will require extensive inter-departmental coordination, technical support, and significant community outreach efforts. Staffing resources will be devoted to support these efforts to ensure Bellevue's interests are reflected and protected.

Transportation
Transportation Improvements

Program Statement

Maintain mobility for residents, shoppers, and commuters through a balanced system of transportation alternatives supporting the City's land use vision, reducing auto dependency, and protecting neighborhoods from transportation impacts.

Summary of Services Provided

This program area provides for planning, design, development and construction of City owned transportation facilities; coordination with other jurisdictions to provide transit and regional facilities; and major repairs to existing facilities.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administrative Support	-	-	177,509	186,177
Capital Projects Management	200,373	205,965	181,798	213,652
CIP Project Inspection	990,870	873,972	863,564	900,418
Community Relations	184,055	191,104	207,122	216,035
CPD/ROW Inspection	614,730	636,619	728,305	757,776
Department Overhead	-	-	564,218	618,764
Department Shared Resources	892,371	949,687	-	-
Design	901,914	953,676	1,049,637	1,054,614
Development Review	444,615	456,862	598,839	626,023
Directors Office	161,642	165,529	180,561	208,218
Financial Services	200,701	209,726	280,160	255,267
General CIP Projects	24,170,857	21,607,363	17,203,855	12,445,000
Implementation Planning	460,259	487,754	555,298	628,590
Land Purchase Revolving Fund	2,150,162	721,515	1,179,077	1,085,891
Local Improvement District Control Fund	1,022,490	975,488	770,913	746,438
Local Improvement District Guaranty Fund	-	1,100,000	1,655,250	-
Long Range Planning	383,441	340,152	453,842	521,182
Management/Program Support	373,919	292,654	-	-
Modeling & Analysis	437,730	450,292	541,803	562,457
Operating Grants	194,002	-	72,000	-
Organizational Development	-	-	57,248	59,929
Planning Management	354,691	301,761	319,195	172,794
Regional Projects	227,185	259,351	273,031	284,417
Traffic Management	39,317	27,914	24,308	23,851
Base Budget	**34,405,323**	**31,207,384**	**27,937,532**	**21,567,493**
Reserves	**5,675,192**	**3,980,001**	**2,407,777**	**1,816,025**
Total Budget	**40,080,515**	**35,187,385**	**30,345,309**	**23,383,518**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	5,007,870	5,060,637	5,324,655	5,547,186
Interfund	3,443,756	2,977,513	7,487,419	5,699,664
M & O	1,957,109	2,298,831	1,554,330	1,570,171
Capital	23,996,588	20,870,403	13,571,128	8,750,472
Total Expenditures	**34,405,323**	**31,207,384**	**27,937,532**	**21,567,493**
Total Reserves	**5,675,192**	**3,980,001**	**2,407,777**	**1,816,025**
Total Budget	**40,080,515**	**35,187,385**	**30,345,309**	**23,383,518**

Transportation
Transportation Improvements

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	6,867,812	6,803,018	7,056,437	7,290,164
Land Purchase Revolving Fund	5,078,172	2,994,768	2,728,897	1,743,962
Operating Grants/Donations Fund	194,002	-	72,000	-
LID Control Fund	1,095,742	1,026,977	1,318,012	1,576,492
LID Guaranty Fund	2,673,929	2,755,260	1,966,108	327,900
General CIP Fund	24,170,857	21,607,363	17,203,855	12,445,000
Total Resources	**40,080,515**	**35,187,385**	**30,345,309**	**23,383,518**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administrative Support	-	-	2.14	2.14
Capital Projects Management	-	-	1.00	1.00
CIP Project Inspection	-	-	7.00	7.00
Community Relations	-	-	1.80	1.80
CPD/ROW Inspection	-	-	5.85	5.85
Design	-	-	8.00	8.00
Development Review	-	-	5.00	5.00
Directors Office	-	-	1.08	1.08
Financial Services	-	-	2.16	2.16
General CIP Projects	-	-	0.00	-
Implementation Planning	-	-	5.00	5.00
Long Range Planning	-	-	3.00	3.00
Modeling & Analysis	-	-	4.00	4.00
Organizational Development	-	-	0.54	0.54
Planning Management	-	-	1.00	1.00
Regional Projects	-	-	2.00	2.00
Traffic Management	-	-	0.14	0.14
Total FTE	**51.39**	**53.90**	**49.71**	**49.71**

Transportation
Transportation Improvements

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Alternative travel modes						
# of miles of bikeways under design per FTE	#	Efficiency	0.80	0.20	0.20	0.20
# of miles of walkways under design per FTE	#	Efficiency	1.00	0.50	0.30	0.30
% of planned walkway system completed	%	Effectiveness	58	62	63	64
% of planned bikeway system completed	%	Effectiveness	36	40	41	42
Transportation System Implementation						
% of development reviews completed	%	Effectiveness	100	100	100	100
# projects completed	#	Effectiveness	11	15	11	10
# of development projects reviewed per FTE	#	Efficiency	71	63	45	45
# of developer projects reviewed	#	Workload	212	189	180	180
# of CIP projects under design	#	Workload	32	13	13	16
% of areas achieving concurrency	%	Effectiveness	100	100	100	100
# of CIP projects under construction	#	Workload	32	18	10	13
Design cost at bid award as a % of contract cost	%	Efficiency	19	23	23	23
Construction engineering labor as %	%	Efficiency	7	11	10	10
Design cost for roadway projects as a %	%	Efficiency	28	23	23	23
Design cost for intersection projects %	%	Efficiency	-	23	23	23
Design cost for walkway/bikeway projects as a %	%	Efficiency	15	23	23	23
% variance of construction from original contract	%	Effectiveness	4	7	7	7

Issues related to Department Performance

The Department's efforts over the past several years continue to pay dividends. Improvements to the initial project scoping and needs analysis phase resulted in efficiencies in project design. Moreover, the focus on the Project Delivery Roadmap clearly defines roles and responsibilities of the project team, develops formal team charters, and improves coordination of the project team members and stakeholders. These initiatives continue to lead to a significant improvement in the ability of the department to deliver its' program. In addition, improvements have also been implemented focusing on constructability reviews during the design phase to improve the quality of our construction contracts.

The economy in the region has quickly rebounded from the downturn of the past few years. The economic rebound coupled with major cost increases for the materials needed to construct transportation, as well as other, projects in the region meant 2005 saw an increasing number of bids received exceeding the engineers estimate. This was especially apparent on the 150th Avenue SE project, which was 15% over the engineers estimate. Because of the extremely high bids on the 150th project, and the limited additional funding available from King County for this project, all bids were rejected, the project's scope was reduced, and ultimately the project was re-bid and awarded in 2006.

It is impossible to foresee all the issues associated with a particular construction project prior to implementation, particularly issues associated with underground work. However, focus on constructability reviews throughout the design process minimizes cost increases between bid award and construction contract completion. The total percent of variance between the actual construction costs from the original construction contract was -0.4% in 2005 yet had averaged 5% from 2001-2004. The focus on the Project Delivery Roadmap and constructability reviews are key factors in this success.

Transportation
Transportation Improvements

Based on the projects for which the design phase was completed in 2005, final design costs were 19% of their respective construction contract amounts. This reflects a 4% favorable variance from the performance measure target of 23%. Design costs include any consultant costs, city staff time, and other miscellaneous costs such as printing and advertising. In addition, workload levels were higher than anticipated in both design and construction, 36 and 35 vs. targets of 25 and 22 for design and construction, respectively. This is a reflection of the higher number of smaller scale neighborhood projects resulting from transportation related projects in the Neighborhood Enhancement Program (NEP) and Neighborhood Traffic Calming Program (NTCP) projects.

The Transportation Department prepares a transportation concurrency "snapshot" annually and reports to the City Council on how transportation capacity is keeping up with permitted land development. The January 10, 2006 report to Council indicated that CIP projects contribute significantly to congestion reduction, reducing overall failed intersections from four to three, bringing the Newcastle Mobility Management Area (MMA) into compliance with its level of service (LOS) standard with 8% reserve capacity, and improving the reserve capacity in 8 other MMAs. All of the 13 MMAs in the City meet their LOS standards as set in the adopted Comprehensive Plan, assuming completion of the CIP. The range of reserve capacity available (to accept further traffic growth) in the 13 MMAs is from 8% to 39%. The percentage of areas achieving concurrency is 100%.

Program Notes

- Transportation Improvements is the largest program in the Transportation Department. The majority of the funds budgeted in this program are for Capital Investment Program projects.
- Targets reflect a decrease in Transportation funding for capital projects.
- A 1.0 LTE was added in late 2005 to address increased permit workload and special projects such as the impact fee update and the Development Services Initiative process improvement projects.

Transportation
Transportation Systems Operations

Program Statement

Effectively and safely operate and maintain the City's transportation system.

Summary of Services Provided

The System Operations program is responsible for the efficient and safe operation of the roadway system, cost effective maintenance of the traffic signal and street lighting systems, and improved system safety. This is achieved through the design and implementation of engineering solutions to traffic problems, educating citizens about traffic impacts in neighborhoods, and improving traffic flows through traffic system adjustments and enhancements.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administrative Support	-	-	118,340	124,118
Department Overhead	-	-	376,145	412,510
Department Shared Resources	594,914	633,125	-	-
Directors Office	107,761	110,353	120,374	138,812
Financial Services	133,800	139,817	186,773	170,178
Franchise Fund	-	47,300	56,797	58,910
General CIP Projects	447,728	470,570	401,000	222,000
Management/Program Support	249,279	195,102	-	-
Neighborhood Services	470,381	488,502	565,663	592,273
Organizational Development	-	-	38,165	39,953
Right Of Way Review	383,970	490,513	555,053	579,920
Signals	1,870,034	1,956,568	2,130,331	2,214,889
Street Lighting	1,118,460	1,163,011	1,176,731	1,208,431
Traffic Engineering	835,731	784,186	850,554	884,639
Traffic Management	241,517	171,472	149,318	146,510
Base Budget	**6,453,576**	**6,650,519**	**6,725,245**	**6,793,143**
CIP M&O	-	-	31,859	53,090
Signals System Non CIP M&O	-	-	29,846	29,846
Program Enhancements	**-**	**-**	**61,705**	**82,936**
Total Budget	**6,453,576**	**6,650,519**	**6,786,950**	**6,876,079**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	3,130,556	3,181,748	3,365,533	3,516,007
Interfund	1,403,784	1,440,810	1,447,092	1,535,317
M & O	1,471,508	1,557,391	1,588,824	1,619,155
Capital	447,728	470,570	385,500	205,600
Total Expenditures	**6,453,576**	**6,650,519**	**6,786,950**	**6,876,079**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	6,005,848	6,132,649	6,329,153	6,595,169
Franchise Fund	-	47,300	56,797	58,910
General CIP Fund	447,728	470,570	401,000	222,000
Total Resources	**6,453,576**	**6,650,519**	**6,786,950**	**6,876,079**

Transportation
Transportation Systems Operations

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administrative Support	-	-	1.43	1.43
Directors Office	-	-	0.72	0.72
Financial Services	-	-	1.44	1.44
Neighborhood Services	-	-	4.80	4.80
Organizational Development	-	-	0.36	0.36
Right Of Way Review	-	-	5.00	5.00
Signals	-	-	11.00	11.00
Street Lighting	-	-	2.00	2.00
Traffic Engineering	-	-	6.80	6.80
Traffic Management	-	-	0.85	0.85
Total FTE	**31.66**	**31.66**	**34.40**	**34.40**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Intersection Optimization						
# of timing pattern adjustments performed per FTE	#	Efficiency	98	63	63	65
# of signals operated	#	Workload	177	177	179	181
Minimize Neighborhood Congestion						
# of Neighborhood Traffic Calming Requests per FTE	#	Efficiency	100	150	100	100
# of Neighborhood Traffic Calming Requests received	#	Workload	190	300	200	200
% of neighborhood locations 70%+ satisfied	%	Effectiveness	100	90	90	90
Reduce Traffic Accidents						
# of mid-block corridors with collision rate > 8	#	Effectiveness	15	12	13	13
# of intersections with collision rate > 1	#	Effectiveness	13	12	12	12
Annual accident cost savings	#	Effectiveness	1,790	1,400	1,800	1,800
# of accident locations reviewed per FTE	#	Efficiency	45	45	-	-
# of high accident locations reviewed/scoped/designed	#	Workload	45	45	-	-

Issues related to Department Performance

The Neighborhood Traffic Calming Program continues to see increases in citizen requests for addressing excessive vehicle speeds and cut-through traffic. With an extensive public process, it is appropriate to expect at least two to three major traffic calming projects being constructed within a calendar year. In 2005, six projects were constructed and five more were in development or design compared to five and seven in 2004, respectively.

Transportation
Transportation Systems Operations

Program Notes

- The number of traffic accidents at intersections and mid-block locations are affected by annexations and increased traffic volumes within the City. Without design and implementation of engineering solutions targeted to high accident locations, the number and cost of traffic accidents would be significantly higher.
- Accident rates at locations where accident reduction projects have been implemented are analyzed before and after project implementation. This data is used in conjunction with average accident cost data obtained from the National Safety Council to calculate annual accident cost savings.
- Neighborhood Traffic Control requests (excluding requests for Residential Permit Parking Zones) may be satisfied through project design and implementation or through targeted outreach and education.
- The number of signals operated by the City increases due to annexations, as new signals are installed for CIP projects or when the City assumes operating responsibility for WSDOT signals.
- An increase in downtown development and City construction projects resulted in an increase in the number of traffic signal timing patterns performed in 2005.

Transportation
Transportation Maintenance

Program Statement

Provide clean, attractive streets, walkways, and bikeways while minimizing the City's liability and preserving the transportation infrastructure.

Summary of Services Provided

Maintenance program services include maintenance of a roadway system condition inventory; targeted pavement overlays; fast and effective response to system hazards; routine roadway, walkway, bikeway, bridge and rockery maintenance; routine street cleaning; snow & ice removal; and roadside vegetation control.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administrative Support	-	-	32,872	34,477
Department Overhead	-	-	104,485	114,586
Department Shared Resources	165,254	175,868	-	-
Directors Office	29,934	30,654	33,437	38,559
Financial Services	37,167	38,838	51,882	47,272
General CIP Projects	4,843,000	3,905,808	7,118,145	6,317,000
Maintenance Admin	2,310,221	2,416,256	2,455,334	2,567,477
Management/Program Support	69,244	54,195	-	-
Organizational Development	-	-	10,601	11,098
Roadside Vegetation Maint	325,374	326,828	348,765	371,388
Roadway Maint	834,621	881,566	874,445	910,135
Roadway Surfacing	150,502	241,603	237,387	248,232
Sidewalk Maint	600,501	620,164	686,544	689,735
Snow & Ice Control	146,543	148,449	182,615	189,651
Street Cleaning	195,605	224,080	245,736	264,443
Traffic Control Devices Maint	822,834	865,656	898,541	921,751
Base Budget	**10,530,800**	**9,929,965**	**13,280,789**	**12,725,804**
CIP M&O	-	-	1,647	32,991
Pothole Patching	-	-	64,000	64,000
Snow & Ice Response	-	-	23,831	13,831
Program Enhancements	**-**	**-**	**89,478**	**110,822**
Total Budget	**10,530,800**	**9,929,965**	**13,370,267**	**12,836,626**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	1,857,152	2,012,000	2,033,461	2,125,611
Interfund	1,106,362	1,141,628	1,181,560	1,237,026
M & O	2,724,696	2,870,529	3,027,751	3,157,689
Capital	4,842,590	3,905,808	7,127,495	6,316,300
Total Expenditures	**10,530,800**	**9,929,965**	**13,370,267**	**12,836,626**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
General Fund	5,687,800	6,024,157	6,252,122	6,519,626
General CIP Fund	4,843,000	3,905,808	7,118,145	6,317,000
Total Resources	**10,530,800**	**9,929,965**	**13,370,267**	**12,836,626**

Transportation
Transportation Maintenance

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Administrative Support	-	-	0.40	0.40
Directors Office	-	-	0.20	0.20
Financial Services	-	-	0.40	0.40
Maintenance Admin	-	-	1.00	1.00
Organizational Development	-	-	0.10	0.10
Roadside Vegetation Maint	-	-	3.00	3.00
Roadway Maint	-	-	5.00	5.00
Roadway Surfacing	-	-	2.15	2.15
Sidewalk Maint	-	-	6.00	6.00
Snow & Ice Control	-	-	1.00	1.00
Street Cleaning	-	-	1.00	1.00
Traffic Control Devices Maint	-	-	7.00	7.00
Total FTE	**26.80**	**26.80**	**27.25**	**27.25**

Transportation
Transportation Maintenance

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Clean, attractive streets						
Avg cost per sq ft to repair roadway	$	Efficiency	7.47	6.25	6.50	6.50
Area of roadway repaired	#	Workload	7,461	3,000	25,000	25,000
# of routine sweeping requests per 1,000 customers	#	Effectiveness	0.42	0.50	0.50	0.50
# of potholes repair requests per lane mile	#	Effectiveness	0.77	0.50	0.50	0.50
Avg cost per mile of streets swept	$	Efficiency	20	35	35	35
# of street miles swept	#	Workload	4,746	7,500	6,640	6,640
Customer satisfaction rating for clean streets	%	Effectiveness	96	95	95	95
Maintenance cost per sign	$	Efficiency	24.18	50.00	40.00	40.00
# of signs maintained	#	Workload	2,583	4,500	4,500	4,500
Hazardous condition response						
% of traffic sign emergency calls responded to within 1 hour	%	Effectiveness	95	100	95	95
% of pothole requests responded to within 24 hours	%	Effectiveness	90	100	100	100
# of paid claims > $3,000 related to Street Maintenance	#	Effectiveness	-	-	-	-
Maintain & preserve the roadway						
% of residential lane miles with rating of 30 or more/total	%	Effectiveness	96	91	91	90
% of art. lane miles with rating of 50 or more / total	%	Effectiveness	88	87	86	85
Avg pavement ratings for residential streets	#	Effectiveness	80	75	76	77
Avg pavement ratings for arterials/collectors	#	Effectiveness	83	80	81	78
Cost per lane mile resurfaced	$	Efficiency	225,713	125,000	132,500	140,450
# lane miles in system	#	Workload	942	957	942	942
Useful, attractive sidewalks						
% of concrete sidewalks repaired as planned (3rd Program Note)	%	Effectiveness	48	100	100	100
Avg repair cost per sq ft of concrete sidewalk	$	Efficiency	18.39	14.00	14.25	14.25
Customer satisfaction rating for sidewalk maint & repair	%	Effectiveness	92	90	90	90
Area of concrete sidewalk repaired	#	Workload	4,887	10,000	10,000	10,000

Issues related to Department Performance

The economy in the region has quickly rebounded from the downturn of the past few years. The economic rebound coupled with major cost increases for the materials needed to maintain and preserve transportation infrastructure meant 2005 saw an increasing number of bids received exceeding the engineers' estimate. This was especially apparent on the 2005 Overlays contract which was 21% over the engineers' estimate. As a result, the Overlay contract focusing on downtown streets was awarded but a second contract focusing on neighborhood streets was delayed and combined with the 2006 overlay contract.

Transportation
Transportation Maintenance

According to the 2005 Customer Satisfaction survey, the City's street cleaning efforts continued to result in a high degree of satisfaction by Bellevue citizens. Satisfaction ratings, over the last 5 years, have been 95% or higher. This high satisfaction rating is primarily due to the establishment of sweeping route assignments and sweeping frequency levels of service which we apply based on system use. (For example, we apply a higher level of service for bike lane routes.)

The economy in the region has quickly rebounded from the downturn of the past few years. The economic rebound coupled with major cost increases for the materials needed to maintain and preserve transportation infrastructure meant 2005 saw an increasing number of bids received exceeding the engineers' estimate. This was especially apparent on the 2005 Overlays contract which was 21% over the engineers estimate. As a result, the Overlay contract focusing on downtown streets was awarded but a second contract focusing on neighborhood streets was delayed and combined with the 2006 overlay contract.

Residential pavement ratings were on target for 2005. Pavement ratings normally fluctuate over a two year period. Pavement is surveyed every two years establishing a baseline condition rating. This baseline information is combined with results of pavement improvements made to streets over the course of two calendar years. No adjustment is made for the deterioration of pavement in the second year of the pavement assessment cycle. This results in a measure that fluctuates within a 5% variance over a two year period.

The number of pothole repair requests per lane mile were at an all time high in 2005. This is due to a service level change in 2003 that significantly reduced the number of permanent paving repairs, replacing them with temporary spot improvements. The intent of this service level change was to reduce maintenance costs by waiting until the annual overlay program came through and performed permanent repairs. Unfortunately, the result was an increase in the frequency of temporary mitigation repairs necessary to keep the system operational and an increase in customer requests for repairs. This level of service change also did not result in significant cost savings as planned. In 2007-2008, this service level will be changed to begin performing permanent paving repairs at the pre-2003 Service Level as requested by customers.

Program Notes

- Roadways are rated on a scale from 0-100, with 100 being a new surface. Roadways are typically a candidate for maintenance when a score reaches 50 for arterial streets and 30 for residential streets. Additional information about the City's pavement rating system is included in the annual State of Mobility Report, available through the Transportation Department.
- The survey measures satisfaction with arterial sidewalks. Residential sidewalks are repaired by the City but not cleaned. Residential sidewalk maintenance is a shared responsibility of the homeowner, City contractors, and multiple City departments. Current funding levels allow for cleaning of arterial sidewalks only once each year. The timing of the survey may influence the level of satisfaction.
- The amount of concrete & asphalt sidewalk repairs may vary each year depending on the condition assessment results.
- Cost per lane mile resurfaced varies according to the type of street resurfaced. Arterials need thicker overlays and tend to require more expensive repairs than residential streets. The 2005 overlay contract focused exclusively on downtown arterials.
- Targets in 2007 & 2008 reflect a restoration to the 2002 service level for this activity.
- Less traction sand was applied to the roadway in 2005 due to an increase in de-icing chemical use, reducing the cost per lane mile for street sweeping.
- Improvements to the sign inspection program in 2005 resulted in a higher percentage of minor sign repairs and a lower percentage of complete sign replacements, lowering the average maintenance cost per sign over time.
- In 2007-2008, the area of roadway repaired service level will be changed to begin performing permanent paving repairs at the pre -2003 Service Level as requested by customers.

Transportation

Biennial Budgeted Cost Summary	2005-2006 Budget	2007-2008 Budget	% Change
Transportation Improvements	65,612,707	49,505,025	(25)%
Transportation Systems Operations	13,104,095	13,518,387	3 %
Transportation Maintenance	20,460,764	26,006,593	27 %
Base Budget	**99,177,566**	**89,030,005**	**(10)%**
Reserves	**3,980,001**	**1,816,025**	**(54)%**
CIP M&O	-	119,587	-
Pothole Patching	-	128,000	-
Signals System Non CIP M&O	-	59,692	-
Snow & Ice Response	-	37,662	-
Program Enhancements	**-**	**344,941**	**-**
Total Budget	**103,157,567**	**91,190,971**	**(12)%**

Biennial Expenditure Category Summary	2005-2006 Budget	2007-2008 Budget	% Change
Personnel	20,249,962	21,912,454	8 %
Interfund	11,513,854	18,588,078	61 %
M & O	12,880,064	12,517,919	(3)%
Capital	54,533,686	36,356,495	(33)%
Total Expenditures	**99,177,566**	**89,374,946**	**(10)%**
Total Reserves	**3,980,001**	**1,816,025**	**(54)%**
Total Budget	**103,157,567**	**91,190,971**	**(12)%**

Biennial Funding Summary	2005-2006 Budget	2007-2008 Budget	% Change
General Fund	37,521,283	40,042,670	7 %
Land Purchase Revolving Fund	5,144,930	2,923,039	(43)%
Franchise Fund	47,300	115,707	145 %
Operating Grants/Donations Fund	194,002	72,000	(63)%
LID Control Fund	2,049,467	2,347,405	15 %
LID Guaranty Fund	2,755,260	1,983,150	(28)%
General CIP Fund	55,445,326	43,707,000	(21)%
Total Resources	**103,157,567**	**91,190,971**	**(12)%**

27. Utilities

Utilities

Program Outcome Statement

Bellevue Utilities provides exceptional service to the public by providing:
- a reliable supply of safe, high-quality drinking water that meets all the community's water needs;
- a reliable wastewater disposal system that ensures public health and safety and protects the environment;
- a surface water system designed to achieve fishable and swimmable waters and control damage from storms;
- a convenient and unobtrusive solid waste collection system that contributes to a healthy and pleasing cityscape in an environmentally sensitive way;
- timely, cost-effective equipment maintenance and asset management services to City departments.

Services and Accomplishments

Bellevue Utilities consists of the following divisions: Engineering, Resource Management and Customer Service, and Operations and Maintenance (O&M). Engineering plans and builds the City's water, sewer and storm drainage systems and provides project review and construction quality control for development projects. Resource Management and Customer Service provides billing services for customers, develops rates and budgets, provides contract management service for the collection of solid waste, and provides resource conservation services and education to customers. O&M performs inspections, repairs, and preventive maintenance to insure reliable operation of water, sewer, and surface water systems. O&M maintains the City's street and walkway systems, under the budget direction of the Transportation Department. Additionally, O&M provides maintenance and asset management services for vehicles, and for specialized mechanical, electronic and communication equipment in support of all City functions.

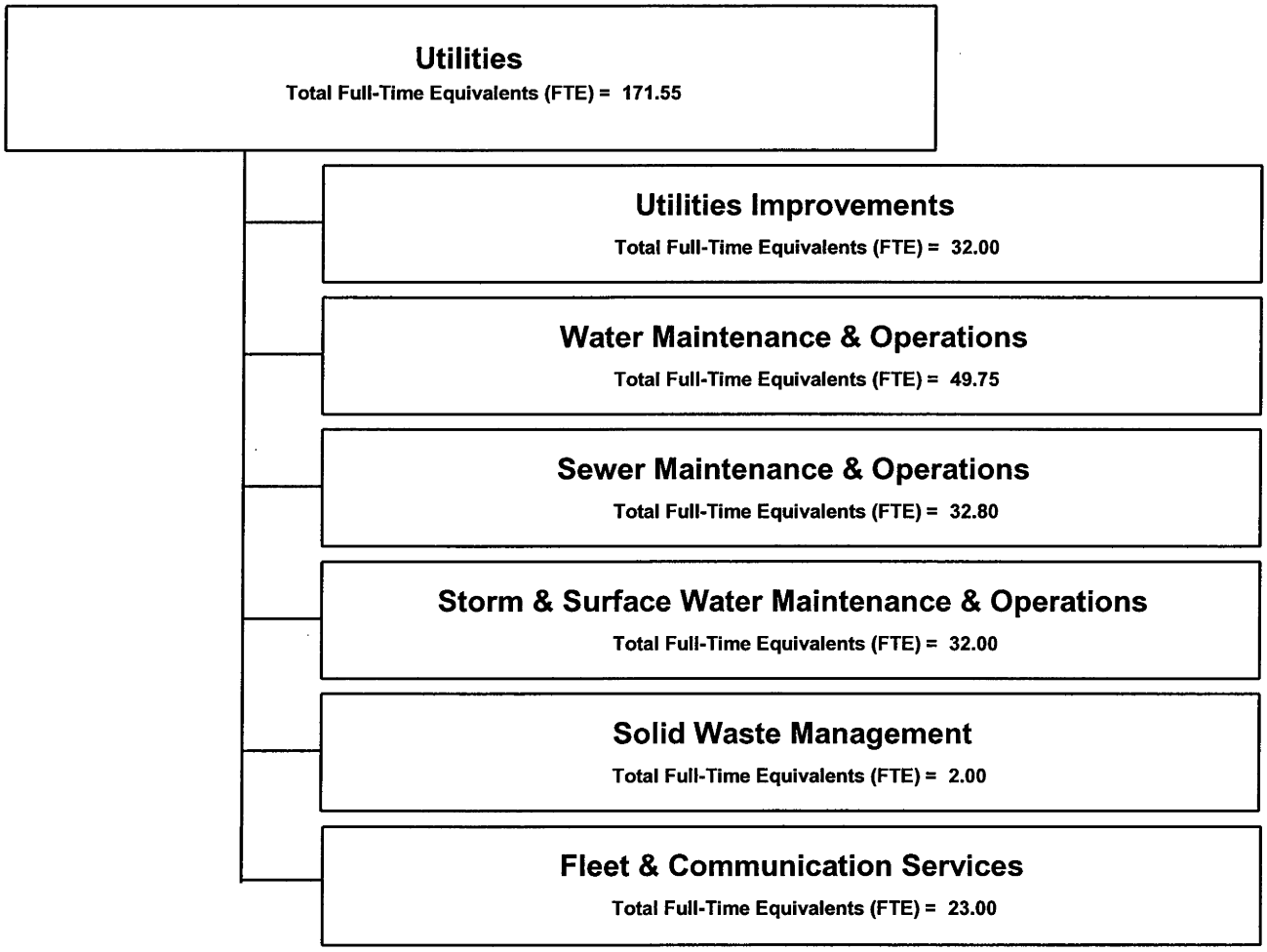
The following are the major 2005-2006 accomplishments:
- Invested $13.7 million in utility infrastructure improvements, via the Utility Capital Investment Program (Water, Sewer & Storm Drainage), including:
  - Continued renewal and replacement of aging or under-capacity water, sewer & storm drainage pipelines;
  - Continued seismic retrofit of water storage reservoirs;
  - Continued water quality upgrades at drinking water storage reservoirs;
  - Replaced the East Creek culverts at Kamber Road, to reduce flooding frequency and improve fish passage;
  - Initiated a flood control program to reduce flooding of structures throughout the City;
  - Completed the first major project to replace a culvert at SE 6th Street on Sturtevant Creek;
  - Initiated a program to replace aging large volume commercial water meters;
  - Initiated the Coal Creek Basin capital projects as stipulated in the settlement agreement.
- Enhanced the Asset Management Program, including:
  - Continued development of renewal and replacement criteria and condition assessment programs for each utility, to prudently manage utility infrastructure assets;
  - Performed failure and claims reduction analyses for three utilities – Water, Wastewater, and Surface Water.
- Continued implementation of water supply action plan which provides a vision and direction for achieving Bellevue's long-term water supply needs through Cascade Water Alliance, including:
  - Completed an agreement for the sale of wholesale water between Tacoma and Cascade for water supply;
  - Completed transfer of the Bellevue Pipeline to Cascade;
  - Continued design of Tacoma/Eastside and North Segment pipelines;
  - Completed new interlocal agreements among members;
  - Continued negotiations for purchase of Lake Tapps and progress toward the Lake Tapps water right;
  - Continued development of Cascade's long-term Conservation Plan;
  - Entered into a Memorandum of Understanding with King County regarding water supply planning and began implementation through planning committees;
  - Entered into a Memorandum of Understanding with Pierce County regarding future management of Lake Tapps;
  - Completed first bond sale of $55 million;
  - Completed Transmission and Supply Plan;
- Participated in Department of Ecology's development of National Pollution Discharge Elimination System (NPDES) Phase II permit requirements. Managed stormwater programs to meet anticipated permit conditions.
- Investigated methods to reduce costs of proposed new flood control (detention) requirements of the State Stormwater Manual, including investigation of low impact development techniques that will work in Bellevue.
- Finalized and approved Water Resource Inventory Area 8 (WRIA 8) Salmon Conservation Plan as part of regional watershed planning. Plan approved by Council on June 21, 2005 and, with 100% local jurisdiction ratification, has been submitted to the Shared Strategy for Puget Sound Salmon Recovery and federal agencies.
- Continued participation in regional waste export system planning as part of the Metropolitan Solid Waste Management Advisory Committee.
- Completed the final draft of the Water Comprehensive Plan Update. Expect to submit to Council for adoption in 2007.
- Implemented the Water Telemetry System upgrades.

Utilities

- Developed and distributed annual Drinking Water Quality Report required by the Environmental Protection Agency. Maintained 100% compliance with all state and federal drinking water quality regulations.
- Continued work on developing long range plans for local water conservation program consistent with anticipated new state requirements. Completing the Conservation Potential Assessment in 2006 with Cascade Water Alliance was the first step to creating the plan. New finalized state requirements are anticipated late in 2006.
- Successfully improved Bellevue's Federal Community Rating System score from a Class 6 to a Class 5 community. As a result, Bellevue is in the top 3% of communities participating in this federal floodplain management program nationwide, and our citizens are eligible for a total 25% reduction in federal flood insurance premiums.
- Assumed operations and maintenance of King County Water District #1 (Yarrow Point) effective 1/1/05, providing water service to 211 customers.
- Negotiated Mutual Aid Agreement with Bellevue School District for sharing resources in an emergency.
- Continued commercial account meter reading improvements resulting in $550,000 in additional revenues.
- Produced a video about the Cascade Water Alliance which received an Honorable Mention at the National Association of Telecommunications Officers and Advisors (NATOA) Government Programming Awards on August 25, 2006.

Utilities

Organizational Chart



Utilities

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Utilities Improvements	25,172,855	29,407,557	29,325,519	30,497,652
Water Maintenance & Operations	20,524,758	22,705,456	24,584,350	26,100,503
Sewer Maintenance & Operations	27,276,393	28,205,280	29,990,393	29,307,407
Storm & Surface Water Maintenance & Operations	6,459,427	6,653,020	7,404,447	6,978,693
Solid Waste Management	1,700,249	1,905,845	1,891,018	1,699,452
Fleet & Communication Services	7,725,512	9,069,178	9,251,408	10,589,752
Base Budget	**88,859,194**	**97,946,336**	**102,447,135**	**105,173,459**
Reserves	**63,589,565**	**69,006,002**	**86,004,446**	**99,337,425**
MERF/EERF: Fleet & Communications Rate Model	-	-	15,000	-
MERF: Alternative Fuel Study	-	-	50,000	-
MERF: Fleet FTE - Mechanical Services Technician	-	-	66,634	69,616
MERF: Fleet Utilization Study	-	-	50,000	-
MERF: Fleet Warranty Management Program	-	-	56,656	76,375
Water: Automated Meter Reading Study	-	-	40,000	-
Program Enhancements	**-**	**-**	**278,290**	**145,991**
Total Budget	**152,448,759**	**166,952,338**	**188,729,871**	**204,656,875**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	12,789,068	13,450,854	14,596,928	15,163,782
Interfund	19,236,272	19,714,073	22,136,447	28,078,960
M & O	45,145,009	48,269,488	50,575,274	52,369,843
Capital	11,688,845	16,511,921	15,416,776	9,706,865
Total Expenditures	**88,859,194**	**97,946,336**	**102,725,425**	**105,319,450**
Total Reserves	**63,589,565**	**69,006,002**	**86,004,446**	**99,337,425**
Total Budget	**152,448,759**	**166,952,338**	**188,729,871**	**204,656,875**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Solid Waste Fund	1,792,900	1,761,800	2,045,757	1,892,781
Operating Grants/Donations Fund	377,762	693,314	443,133	247,571
Storm & Surface Water Utility Fund	14,699,420	15,818,304	17,281,280	17,728,345
Water Utility Fund	38,361,643	41,420,870	45,393,069	48,770,457
Sewer Utility Fund	35,196,915	36,747,726	39,194,787	40,493,804
Utility CIP - Drainage	9,370,803	10,564,970	11,742,508	14,587,148
Utility CIP - Water	9,795,673	13,440,107	17,791,715	20,939,068
Utility CIP - Sewer	12,798,727	15,955,387	23,358,001	28,612,612
Utility Revenue Bond Redemption SSWU	2,011,450	2,127,904	2,056,649	1,866,725
Utility Revenue Bond Redemption Water	585,906	476,223	503,185	580,950
MERF- Operations	4,291,923	4,534,180	5,140,527	5,011,580
MERF - Replacement	13,410,284	13,822,839	14,567,070	13,455,838
EERF- Operations	882,435	927,450	992,906	995,474
EERF- Replacement	8,872,918	8,661,264	8,219,284	9,474,522
Total Resources	**152,448,759**	**166,952,338**	**188,729,871**	**204,656,875**

Utilities

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Utilities Improvements	-	-	32.00	32.00
Water Maintenance & Operations	-	-	49.75	49.75
Sewer Maintenance & Operations	-	-	32.80	32.80
Storm & Surface Water Maintenance & Operations	-	-	32.00	32.00
Solid Waste Management	-	-	2.00	2.00
Fleet & Communication Services	-	-	23.00	23.00
Total FTE	**169.56**	**170.55**	**171.55**	**171.55**

Utilities

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Fleet & Communication Services						
Average % of vehicles and equipment in service	%	Effectiveness	92	98	98	98
% good or better responses to Communications customer survey	%	Effectiveness	100	95	95	95
# of vehicles and mechanical equipment in service	#	Workload	877	870	877	877
Sewer Maintenance & Operations						
Public wastewater system backups/1,000 service connections	#	Effectiveness	0.16	0.40	0.40	0.40
Average cost per foot of sewer pipe jet cleaned	$	Efficiency	0.29	0.39	0.32	0.32
Feet of sewer pipe jet cleaned	#	Workload	648,246	500,000	750,000	750,000
Customer satisfaction rating	%	Effectiveness	92	85	85	85
Solid Waste Management						
Customer satisfaction rating	%	Effectiveness	92	85	85	85
Single-family residential recycling rate (% waste recycled)	%	Effectiveness	65	62	65	66
Multifamily recycling rate	%	Effectiveness	15	15	15	15
Storm & Surface Water Maintenance & Operations						
Customer satisfaction rating	%	Effectiveness	92	85	85	85
# of cited violations under the Clean Water Act	#	Effectiveness	-	-	-	-
Average cost per foot of drainage pipe cleaned	$	Efficiency	1.38	1.61	1.61	1.61
Utilities Improvements						
% of annual capital investment completed as planned	%	Effectiveness	82	100	100	100
$ in millions of annual capital investment	$	Workload	7.00	10.00	9.50	9.50
Water Maintenance & Operations						
Service interruptions per 1,000 service connections	#	Effectiveness	1.57	3.00	3.00	3.00
# of state and federal drinking water standards violations	#	Effectiveness	-	-	-	-
Overall percentage water demand reduction since 1990	%	Effectiveness	17.20	18.00	19.00	20.00
Water conservation programs costs per customer per year	$	Efficiency	6.89	7.11	7.25	7.40
Customer satisfaction rating	%	Effectiveness	92	85	85	85

Utilities

2007-2008 Work Initiatives

2007-2008 Major Work Initiatives are:

- Implement the Updated Utility Capital Investment Program (Water, Sewer & Storm Drainage). For 2007-2008, this includes over $19.0 million in utility infrastructure improvements. Major projects include:
  - Continue renewal and replacement of aging or under-capacity water, sewer & storm drainage pipelines and associated structures, including accelerated replacement of beyond-service-life pressure reducing valves, and improvements at the BelRed Water Supply Inlet;
  - Continue seismic retrofit of water storage reservoirs;
  - Initiate a 10+ year program for retrofit of water pump stations and continue ongoing efforts to retrofit sewer pump stations throughout Bellevue;
  - Continue to make water quality upgrades at drinking water storage reservoirs;
  - Complete projects to improve water quality treatment capacity at existing stormwater detention ponds;
  - Construct flood control projects to reduce flooding of structures throughout the City;
  - Continue a program to replace aging large-volume commercial water meters;
  - Continue design and construction of capital projects in the Coal Creek Basin, as stipulated in the settlement agreement;
- Continue work on long-term strategy to respond to increased operations and maintenance requirements mandated by regional, state and federal environmental mandates (e.g., Safe Drinking Water Act, Endangered Species Act, National Pollution Discharge Elimination System).
- Continue the development of the Asset Management Program, including renewal and replacement criteria and condition assessment programs for each utility, to prudently manage investments in utility infrastructure.
- National Pollution Discharge Elimination System (NPDES):
  - Continue to manage stormwater programs to meet NPDES Phase II permit conditions;
  - Represent Phase I and II jurisdictions in Ecology's Stakeholder NPDES Monitoring Committee to improve permit requirements. Caucus with other Phase I and II jurisdictions.
- Comprehensive Plans:
  - Complete environmental review, formal approval and adoption of the Water Comprehensive Plan by Bellevue, King County, and Washington Department of Health;
  - Initiate the Stormwater Comprehensive Plan Update;
  - Initiate the Wastewater Comprehensive Plan Update.
- Continue implementation of the Cascade Water Alliance action plan including:
  - Finalize design and review under the State Environmental Policy Act (SEPA) and begin construction of Tacoma/Eastside and North Segment pipelines;
  - Finalize purchase of Lake Tapps;
  - Finalize water right for Lake Tapps;
  - Begin conceptual design of treatment and transmission facilities for Lake Tapps;
  - Finalize and implement long range conservation plan;
  - Finalize and implement, if appropriate, county-wide water supply plan.
- Develop and finalize new interlocal agreement for Salmon Recovery Plan implementation in Water Resource Inventory Area 8 (WRIA 8). Participate in Plan and regional salmon recovery implementation efforts as directed by Council.
- Continue participation in regional waste export system planning and Solid Waste Comprehensive Plan update as part of regional solid waste management activities.
- Customer Billing Enhancements:
  - Complete the final phases of the Utilities Customer Service Information System implementation;
  - Add utility information and billing capability to the City's interactive voice response system. This will facilitate utility bill payments by telephone.
- Develop local water conservation program in compliance with finalized Water Efficiency Rule (new state requirements) in conjunction with Cascade Water Alliance.
- Develop a "Low Impact Development Manual" which identifies emerging storm water management techniques which will work in Bellevue, and include them in the Utility Engineering Standards.
- Continue to enhance Water, Wastewater and Surface Water system condition assessment, preventive maintenance and corrective maintenance activities through innovative methods (e.g., specialized video inspection applications, specialized cleaning equipment, trenchless point repair equipment).
- Support the environmental permitting efforts for the I-405 corridor and SR 520 Washington State Department of Transportation (WSDOT) projects.
- Participate in planning and needs assessment in preparation for the Electronic Communication Services (ECS) move to the Bellevue Service Center.

Utilities

Major Challenges for the Biennium

- Sewage treatment charges from METRO will increase in 2007 and are being driven by higher debt service resulting from increased capital costs (including the Brightwater treatment plant).

- Water costs from the Cascade Water Alliance (Cascade) have increased based on Cascade's current capital program, debt service related to its first bond sale, and 2007-2008 operating costs. The increases incorporate incremental decisions reviewed with Council during 2006, including the Tacoma water purchase agreement and pipeline design and construction activities.

- Regional water resource decisions may be made over the next biennium that could have significant programmatic and cost implications for Bellevue Utilities. These efforts include county-wide water supply planning, regional salmon recovery planning, and state Puget Sound protection and recovery. Utilities will monitor regional water resource activities and participate in regional issues, as directed by Council.

- Local Capital Investment: Since adoption of the last budget, the economic outlook and forecasted construction inflation have changed significantly. Utilities staff have updated cost estimates and critically reviewed the adopted Capital Investment Program (CIP) to determine appropriate revisions to programs and projects. The 2007-2013 Capital Investment Program Plan presents these detailed changes.

Utilities
Utilities Improvements

Program Statement

The focus of the Utility Improvements program is to plan and implement investment in capital facilities to assure the continued availability of reliable Utility systems.

Summary of Services Provided

Continued investment in utility capital infrastructure. The program is designed to protect the existing utility infrastructure investment, to optimize system performance and reliability, and to ensure cost effective system expansion. Program Elements include system planning and analysis; development, design and construction of the Capital Investment Program (CIP); and project review and construction quality control of development projects.

2007 - 2008 Initiatives are:
- Complete the update of the Water Comprehensive Plan;
- Initiate Stormwater and Wastewater Comprehensive Plans;
- Document the Asset Management Program for utility infrastructure, and define specific objectives to be implemented over time;
- Invest $19 million in utility capital infrastructure in 2007 and 2008;
- Develop and/or update hydraulic models of major stream systems;
- Continue mandatory audit of federal Community Rating System program for floodplain management;
- Continue to implement the Coal Creek Basin capital projects as stipulated in the settlement agreement.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Capital Investment	8,110,050	10,513,190	10,117,000	9,518,000
Debt Service	3,254,689	3,131,808	2,745,194	2,322,931
Engineering Division/CIP Contribution	13,808,116	15,762,559	16,463,325	18,656,721
Base Budget	**25,172,855**	**29,407,557**	**29,325,519**	**30,497,652**
Reserves	**24,909,967**	**30,597,376**	**44,064,283**	**55,981,628**
Total Budget	**50,082,822**	**60,004,933**	**73,389,802**	**86,479,280**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	2,453,702	3,058,311	3,366,958	3,386,337
Interfund	12,543,166	13,385,678	15,223,964	16,955,984
M & O	2,280,937	2,924,378	1,893,494	1,791,231
Capital	7,895,050	10,039,190	8,841,103	8,364,100
Total Expenditures	**25,172,855**	**29,407,557**	**29,325,519**	**30,497,652**
Total Reserves	**24,909,967**	**30,597,376**	**44,064,283**	**55,981,628**
Total Budget	**50,082,822**	**60,004,933**	**73,389,802**	**86,479,280**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Storm & Surface Water Utility Fund	5,005,546	6,404,193	6,487,484	6,827,739
Water Utility Fund	6,976,873	7,038,960	6,608,880	7,241,974
Sewer Utility Fund	3,537,844	3,997,189	4,841,380	5,823,064
Utility CIP - Drainage	9,370,803	10,564,970	11,742,508	14,587,148
Utility CIP - Water	9,795,673	13,440,107	17,791,715	20,939,068
Utility CIP - Sewer	12,798,727	15,955,387	23,358,001	28,612,612
Utility Revenue Bond Redemption SSWU	2,011,450	2,127,904	2,056,649	1,866,725
Utility Revenue Bond Redemption Water	585,906	476,223	503,185	580,950
Total Resources	**50,082,822**	**60,004,933**	**73,389,802**	**86,479,280**

Utilities
Utilities Improvements

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Capital Investment	-	-	-	-
Engineering Division/CIP Contribution	-	-	32.00	32.00
Total FTE	**36.15**	**32.00**	**32.00**	**32.00**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Develop and update a comprehensive plan for each utility						
Cost of system planning per $ million of asset value	$	Efficiency	262	325	478	480
$ millions of asset value managed for reinvestment	$	Workload	2,122	2,232	2,251	2,318
FEMA Community Rating System ranking	#	Effectiveness	5	5	5	5
Ensure the continued integrity of utility infrastructure						
% of projects completed within CIP budget	%	Effectiveness	100	100	100	100
% of annual capital investment completed as planned	%	Effectiveness	82	100	100	100
% of projects completed on schedule	%	Effectiveness	136	95	100	100
# of CIP projects per FTE	#	Efficiency	13.60	12.00	12.00	12.00
$ in millions of annual capital investment	$	Workload	7.00	10.00	9.50	9.50
# of CIP projects under construction	#	Workload	50	51	50	50
# of CIP projects under design	#	Workload	73	66	65	65
# of projects planned for completion	#	Workload	25	21	23	21
Increase the ability to provide 1,000 gpm fireflow by 2020						
% of customers with at least 1,000 gpm fire flow protection	%	Effectiveness	94.90	95.20	95.50	95.90
Support economic growth with timely development reviews						
% of development reviews completed within 120 days	%	Effectiveness	100	100	100	100
# of development site reviews completed per FTE/LTE	#	Efficiency	6.80	8.30	7.00	7.00
# of developer sites reviewed	#	Workload	41	50	42	42

Issues related to Department Performance

The FEMA Community Rating System ranking affects the cost of flood insurance premiums for the citizens of Bellevue. Communities are ranked on a 10-point scale, with 1 being the best. As recommended in the 2004 FEMA audit of Bellevue's flood management policies and practices, Bellevue was awarded an improved rating (moved the rating from a 6 to a 5) for 2005, which resulted in a 25% flood insurance premium reduction, and places Bellevue in the top 3% of participating communities nationwide.

The cost of system planning per $ million of asset value increased in 2007 and 2008 to more fully account for Utility Planning initiatives. System planning costs include staff salaries and consultant services. Prior to 2006, planning costs for some stream-related studies and activities, and staff associated with the asset management program, were not fully captured.

Development activity increased in 2005; continued growth is expected in 2006.

Utilities
Utilities Improvements

Program Notes

The focus of the Utility Improvements Program is to plan and implement investment in capital facilities to assure the continued availability of reliable Utility systems. Progress towards meeting this goal is measured in part by evaluating the percent completion of planned Utility capital investments for the year, and total dollars spent for Utility capital projects over the period. While the Utilities' target completion rate for planned capital investment is always 100%, many factors can prevent achievement of that goal. In 2005, 82% of planned capital spending (includes unspent 2004 carry-forward funds and 2005 budget, and is adjusted for project savings) was completed, reflecting an investment of $7.0 million. Major 2005 CIP accomplishments, and reasons for project delays, are explained below for each Utility.

The Water Utility expended 61% of the water capital improvements budget, and completed 100% of the total number of projects planned for completion in 2005. Total water expenditures were over $2 million. Program accomplishments included:

- Completed work on several small diameter main replacement projects, including some larger projects bid in previous years (W-16);
- Completed one water service extension (W-68);
- Completed improvements to the Factoria Reservoir, and relocation of a deep main at the South Bellevue Community Center (W-69).

Some projects were delayed, including replacement of the Rosemont Asbestos Cement (AC) Water main (W-87), to honor a neighborhood request for coordination with other private utility work in order to minimize the time of construction impact; and reservoir water quality upgrades (W-92) at the Clyde Hill 465 reservoir to facilitate coordination with other pump station upgrades planned at the site. The first phase for two new programs, Replacement of Large Commercial Water Meters (W-98) and Service Lines & Saddle Replacement (W-99) were designed, and was bid in 2006.

The Wastewater Utility expended 70% of the sewer capital improvements budget, and completed 100% of the number of projects planned for completion in 2005. Total wastewater expenditures were just over $1.1 million. Significant accomplishments included the following:

- The release of an RFQ for pre-design of 5 pump stations (S-16);
- Implementation of two major trunkline repair contracts, and work in anticipation of upcoming Transportation projects (S-24);
- Construction of one sewer extension and several others in preliminary design (S-30);
- Pre-design work to select the most cost effective solution at the proposed bogline lift station site (S-50).

The Storm Water Utility expended 91% of the storm capital improvements budget; and completed 113% of the number of projects planned for completion in 2005. Total storm expenditures were just over $3.8 million. Accomplishments included the following:

- Initiated a flood control program to reduce flooding of structures throughout the City. Completed the first major project to replace a culvert at SE 6th Street on Sturtevant Creek;
- Completed the Richards Creek Culvert Reconstruction project (D-71, D-90, D-81, D-86);
- Initiated the suite of projects in Coal Creek, associated with the 2004 settlement agreement. Specifically, design of overbank stormwater outfall improvements (D-98 & D-99), preparation of the programmatic EIS (D-100), and Coal Creek stabilization work (D-69);
- Early completion of the 116th Ave SE Outfall in Newport Hills (D-76);
- Implementation of several infrastructure repair contracts throughout the City, many ahead of planned street overlays (D-64);
- A stream channel modification project near Ardmore Park (D-86).

Utilities
Water Maintenance & Operations

Program Statement

Protect, maintain, operate, and administer the City's water system for the purpose of providing a reliable supply of safe drinking water.

Summary of Services Provided

Utilities Water Maintenance and Operations efforts aim at protecting, maintaining, and operating the City's water system to provide a reliable supply of safe drinking water. Programs and services include the maintenance of adequate water pressure, fire, and consumption flows and quality throughout the system; efficient and effective emergency repairs and services; monitoring the system and supply for, and ensures compliance with, all state and federal drinking water standards for public water systems; and administering programs which ensure the wise and efficient use of water.

2007-2008 Initiatives are:

- Continue support for Cascade Water Alliance (Cascade) efforts to meet current and future demands for clean, safe water, through effective management of current supplies and development of new water supply;
- Continue implementation of a comprehensive system-wide drinking water quality plan;
- Continue water quality and conservation programs and meet requirements of the new water efficiency rule;
- Continue production of the federally mandated Consumer Confidence Report;
- Complete the final phases of the Utilities Customer Service Information System implementation;
- Continue development of asset management program elements including: asset inventory, condition assessment, residual life, life cycle costs, levels of service, risk, maintenance planning, repair and replacement, and funding strategy.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Environment Division	598,451	-	-	-
O&M Division	13,749,781	15,035,462	16,236,956	17,821,829
Resource Mgmt/Customer Service Division	6,176,526	7,669,994	8,347,394	8,278,674
Base Budget	**20,524,758**	**22,705,456**	**24,584,350**	**26,100,503**
Reserves	**10,860,012**	**11,676,454**	**14,159,839**	**15,427,980**
Water: Automated Meter Reading Study	-	-	40,000	-
Program Enhancements	**-**	**-**	**40,000**	**-**
Total Budget	**31,384,770**	**34,381,910**	**38,784,189**	**41,528,483**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	3,337,314	3,579,279	3,906,592	4,086,005
Interfund	1,852,735	1,678,083	1,992,764	2,121,859
M & O	15,058,041	16,612,614	17,879,729	19,845,913
Capital	276,668	835,480	845,265	46,726
Total Expenditures	**20,524,758**	**22,705,456**	**24,624,350**	**26,100,503**
Total Reserves	**10,860,012**	**11,676,454**	**14,159,839**	**15,427,980**
Total Budget	**31,384,770**	**34,381,910**	**38,784,189**	**41,528,483**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Water Utility Fund	31,384,770	34,381,910	38,784,189	41,528,483
Total Resources	**31,384,770**	**34,381,910**	**38,784,189**	**41,528,483**

Utilities
Water Maintenance & Operations

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
O&M Division	-	-	37.00	37.00
Resource Mgmt/Customer Service Division	-	-	12.75	12.75
Total FTE	**45.80**	**49.75**	**49.75**	**49.75**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Continue to increase water use efficiency						
Overall percentage water demand reduction since 1990	%	Effectiveness	17.20	18.00	19.00	20.00
Water conservation programs costs per customer per year	$	Efficiency	6.89	7.11	7.25	7.40
# of requests for water conservation info and assistance	#	Workload	421	350	350	350
Ensure a safe supply of drinking water						
# of state and federal drinking water standards violations	#	Effectiveness	-	-	-	-
Average cost per linear foot of main flushed	$	Efficiency	0.11	0.12	0.12	0.12
# of backflow prevention assemblies (BPA) certified	#	Workload	8,654	7,300	10,700	11,500
# of water system samples tested	#	Workload	2,580	2,600	3,000	3,000
% on time completion of backflow testing & system monitoring	%	Effectiveness	96	100	100	100
Cost/customer to meet required drinking water standards	$	Efficiency	5.55	6.00	7.42	7.56
# of linear feet of main flushed	#	Workload	526,538	550,000	550,000	550,000
Improve delivery of water to customers						
Service interruptions per 1,000 service connections	#	Effectiveness	1.57	3.00	3.00	3.00
% of valves exercised as planned	%	Effectiveness	96	100	100	100
Average cost for valves exercised	$	Efficiency	5.36	4.00	5.00	5.00
# of valves exercised	#	Workload	4,307	4,500	4,180	4,180
# of water main repairs	#	Workload	28	38	38	38
Total system miles	#	Workload	616	616	616	617
Maintain a customer satisfaction rating of 85% or better						
# of customers billed for water services	#	Workload	37,055	37,150	37,287	37,453
Customer satisfaction rating	%	Effectiveness	92	85	85	85
Minimize City liability concerns						
# of claims paid	#	Effectiveness	5	5	5	5
# of claims greater than $20,000	#	Effectiveness	3	-	-	-

Utilities
Water Maintenance & Operations

Issues related to Department Performance

The provision of high-quality service to our customers is a central objective of all Utility programs. Customer surveys help us measure and track customer satisfaction. The Department's satisfaction rating of customers who said that they were fairly to very satisfied with the Bellevue Utilities Department was 92% in 2005.

Historically the valve survey program targets 50% of all valves (4,180 valves each year). 2005 performance fell short of this target primarily due to high turnover of temporary staff. The cost increased in 2005 due to a combination of higher hourly rates paid for temporary staff and added costs to train staff due to higher turnover rates. The 2007-2008 targets reflect the leveling of this cost.

Continued progressive operations, maintenance and monitoring of the water system and supply provides customers with water that meets or exceeds all state and federal drinking water standards.

In 2005, more than 2,400 backflow devices were added to the system. This increase in backflow devices resulted in less than the target number of inspections.

Aging infrastructure continues to impact costs and the number of claims paid out. While the number of water main breaks predicted for future years is based on an average, less predictable are claims for dig-ups, vehicle accidents, etc. Maintenance costs and claims can be expected to increase as systems begin reaching the end of their reliable service life.

Water system sampling projections for 2007-2008 reflect anticipated additional sampling requirements for disinfection by-products per federal Safe Drinking Water Act requirements.

Customer information requests for water conservation programs fluctuate depending on summer water supply status and forecast, as well as on special regional conservation programs being offered.

Customers receive water that meets or exceeds regulatory requirements. There were no violations of state or federal drinking water quality standards or monitoring and reporting requirements in 2005. The Cross Connection Control Program continued to canvass the City for previously unidentified cross connections (connections that could potentially contaminate the public water system). Combined with the continued economic development in the commercial areas, the effort resulted in the identification and control of over 1,000 additional cross connections.

One method the Utility uses to measure reliability of its services is the number of unplanned water service interruptions per 1,000 service connections. Interruptions in 2005 were 1.57 per 1,000, which represents a 28% reduction from the 2004 rate and well below the 2005 target of 3.0. This consistently low rate is due to ongoing pipe replacement and proactive maintenance practices.

Program Notes

Efforts within this program are aimed at the protection, maintenance, and operation of the City's water system to provide a reliable supply of safe drinking water.

Preliminary data indicates that overall, customers continue to be extremely efficient with water use.

Costs in 2005 associated with "Environment Division" are related to an internal reorganization of the Department and are spread to other costs centers.

Utilities
Sewer Maintenance & Operations

Program Statement

Protect, maintain, operate and administer the City's sewage disposal system in a manner which ensures public health and safety and protects the environment.

Summary of Services Provided

Utilities Sewer Maintenance and Operations efforts aim at protecting, maintaining and operating the City's wastewater infrastructure in a manner that ensures the health and safety of the public and protects the environment. Programs and services include the maintenance and operations of wastewater collection and pumping systems to assure continuous and reliable service.

2007-2008 Initiatives are:
- Continue to enhance Wastewater preventive maintenance activities through innovative methods;
- Continue development of asset management program elements including: asset inventory, condition assessment, residual life, life cycle costs, levels of service, risk, maintenance planning, repair and replacement, and funding strategy;
- Complete the final phases of the Utilities Customer Service Information System implementation;
- Continue participation in policy amendments to, and tracking implementation of, the Regional Wastewater Services Plan.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Environment Division	65,477	-	-	-
O&M Division	23,008,738	23,426,851	24,867,129	24,442,400
Resource Mgmt/Customer Service Division	4,202,178	4,778,429	5,123,264	4,865,007
Base Budget	**27,276,393**	**28,205,280**	**29,990,393**	**29,307,407**
Reserves	**4,382,678**	**4,545,257**	**4,363,014**	**5,363,333**
Total Budget	**31,659,071**	**32,750,537**	**34,353,407**	**34,670,740**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	2,160,868	2,510,050	2,589,708	2,707,964
Interfund	1,543,624	1,368,031	1,497,986	1,585,443
M & O	23,311,004	23,443,899	24,913,203	25,014,000
Capital	260,897	883,300	989,496	-
Total Expenditures	**27,276,393**	**28,205,280**	**29,990,393**	**29,307,407**
Total Reserves	**4,382,678**	**4,545,257**	**4,363,014**	**5,363,333**
Total Budget	**31,659,071**	**32,750,537**	**34,353,407**	**34,670,740**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Sewer Utility Fund	31,659,071	32,750,537	34,353,407	34,670,740
Total Resources	**31,659,071**	**32,750,537**	**34,353,407**	**34,670,740**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
O&M Division	-	-	25.00	25.00
Resource Mgmt/Customer Service Division	-	-	7.80	7.80
Total FTE	**28.61**	**32.80**	**32.80**	**32.80**

Utilities
Sewer Maintenance & Operations

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Ensure that wastewater does not pollute local surface waters						
Non-weather pump station overflows/1,000 service connections	#	Effectiveness	-	0.11	0.11	0.11
% completion planned pump station inspection & maintenance	%	Effectiveness	86	100	100	100
% of industrial waste pretreatment systems certified	%	Effectiveness	100	100	100	100
Cost of pump station maintenance/1,000 service connections	$	Efficiency	3,644	4,500	4,500	4,500
Hours of pump station maintenance/1,000 service connections	#	Workload	65	85	85	85
Industrial Waste program costs per customer per year	$	Efficiency	1.63	1.75	1.82	1.85
# of industrial waste pretreatment systems certified	#	Workload	685	825	835	885
Improve service of the wastewater system						
% of time sewer service restored within 5 hours of stoppage	%	Effectiveness	88	80	80	80
Public wastewater system backups/1,000 service connections	#	Effectiveness	0.16	0.40	0.40	0.40
% completion of planned sewer pipe jet cleaning program	%	Effectiveness	95	100	100	100
% completion of planned sewer line inspection program	%	Effectiveness	132	100	100	100
% completion of planned manhole inspection program	%	Effectiveness	28	100	100	100
Average cost per foot of sewer pipe jet cleaned	$	Efficiency	0.29	0.39	0.32	0.32
Average cost per manhole inspected	$	Efficiency	15.82	16.00	16.00	16.00
# of manholes inspected	#	Workload	1,386	5,000	5,000	5,000
Feet of sewer pipe inspected	#	Workload	292,763	185,000	338,000	338,000
Feet of sewer pipe jet cleaned	#	Workload	648,246	500,000	750,000	750,000
Total system miles	#	Workload	658	659	659	660
Average cost per foot of sewer pipe inspected	$	Efficiency	0.50	0.71	0.60	0.60
Maintain a customer satisfaction rating of 85% or better.						
Customer satisfaction rating	%	Effectiveness	92	85	85	85
# of customers billed for sewer services	#	Workload	36,167	36,350	36,512	36,633
Minimize City liability concerns						
# of claims paid	#	Effectiveness	9	10	10	10
# of claims greater than $20,000	#	Effectiveness	2	1	1	1

Utilities
Sewer Maintenance & Operations

Issues related to Department Performance

The provision of high-quality service to our customers is a central objective of all Utility programs. Customer surveys help us measure and track customer satisfaction. The Department's satisfaction rating of customers who said that they were fairly to very satisfied with the Bellevue Utilities Department was 92% in 2005.

A method used to measure service reliability is the number of public wastewater system backups per 1,000 connections. Although there is variability from year to year in actual occurrences, a long-term analysis shows an upward trend due to the aging wastewater infrastructure. The Utility continues to concentrate preventive maintenance efforts on known problem areas, and focuses on renewal and replacement of system components approaching the end of their useful life.

The actual cost per foot of sewer pipe cleaned in 2005 is lower than the 2006 target, and is closer to what is expected in 2007 and 2008.

Use of Pump Operations staff to backfill other positions as well as injuries to key crewmembers caused a reduction in pump station inspections. Also, an increase in the number of lakeline locates (which are difficult to plan for and often time-consuming) hindered staff from meeting regular pump station inspection and maintenance schedules. The 2005 planned control upgrade had to be postponed until 2006 due to the unanticipated loss of key technical staff, which contributed to the low costs.

Crews were able to focus inspections on critical sewer lines in close proximity to each other. As a result, higher footage totals were achieved. The average cost per foot of sewer pipe cleaned was significantly less than projected totals in 2005. This was due to concentrating cleaning efforts in known problem areas. The targets for average cost per foot of sewer pipe inspected and jet cleaned are lowered for 2007/2008, to mirror trends.

Industrial Waste costs increased in 2005 because mitigating impacts of grease discharges to the aging sewer system are a higher priority with economic development in commercial areas. The number of industrial waste pretreatment systems certified decreased in 2005 because some major re-development projects initiated that year eliminated multiple, smaller point of application pretreatment systems in-lieu of single, larger combination systems.

The plan to inspect 5,000 manholes in 2005 was scaled back due to temporary vacancies, staff injuries, and other competing priorities such as emergency sewer pipe repairs. The manhole inspection accomplishments in 2005 were a continuation of the 2004 scheduled inspection.

Additions to preventive maintenance cleaning schedules and support of increased video inspection levels were recommended by a consultant study. As a result, the 2007-2008 targets are increased for "feet of sewer pipe jet cleaned and inspected". This will be accomplished through a re-prioritization of more discretionary work.

Program Notes

Efforts within this program are aimed at the protection, maintenance and operation of the City's wastewater infrastructure in a manner that ensures the health and safety of the public and protects the environment. Bellevue strives to maintain and operate wastewater collection and pumping systems to assure continuous and reliable service.

Costs in 2005 associated with "Environment Division" are related to an internal reorganization of the Department and are spread to other costs centers.

Utilities
Storm & Surface Water Maintenance & Operations

Program Statement

Protect, maintain, operate, and administer the City's natural and developed storm and surface water system for the purpose of providing fishable and swimmable water, and a system which minimizes damage from storms.

Summary of Services Provided

Utilities Drainage Maintenance and Operations efforts are aimed at protecting, maintaining, and operating the City's natural and developed storm and surface water systems to provide fish a safe habitat, to provide waters suitable for swimming, and to provide a system that minimizes storm damage while ensuring water quality protection, flood control, and compliance with state and federal requirements. Programs and services are designed to protect water quality, enhance habitat, control flooding, and comply with state and federal requirements.

2007-2008 Initiatives are:

- Continue work on a long-term strategy to respond to increased operations and maintenance requirements resulting from regional, state and federal environmental mandates;
- Continue development of asset management program elements including: asset inventory, condition assessment, residual life, life cycle costs, levels of service, risk, maintenance planning, repair and replacement, and funding strategy;
- Manage storm water programs to meet National Pollution Discharge Elimination System (NPDES) Phase II permit conditions;
- Complete the final phases of the Utilities Customer Service Information System implementation;
- Participate in WRIA 8 Salmon Conservation Plan implementation as part of regional watershed planning;
- Evaluate new State storm water technical requirements as mandated.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Environment Division	1,483,924	-	-	-
Grant	-	70,000	-	-
O&M Division	1,964,048	2,757,923	3,404,491	3,297,158
Resource Mgmt/Customer Service Division	3,011,455	3,825,097	3,999,956	3,681,535
Base Budget	**6,459,427**	**6,653,020**	**7,404,447**	**6,978,693**
Reserves	**3,234,447**	**2,831,091**	**3,389,349**	**3,921,913**
Total Budget	**9,693,874**	**9,484,111**	**10,793,796**	**10,900,606**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	3,027,334	2,399,496	2,690,958	2,814,571
Interfund	1,722,068	1,557,608	1,524,975	1,607,539
M & O	1,685,880	2,128,468	2,335,188	2,419,583
Capital	24,145	567,448	853,326	137,000
Total Expenditures	**6,459,427**	**6,653,020**	**7,404,447**	**6,978,693**
Total Reserves	**3,234,447**	**2,831,091**	**3,389,349**	**3,921,913**
Total Budget	**9,693,874**	**9,484,111**	**10,793,796**	**10,900,606**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Operating Grants/Donations Fund	-	70,000	-	-
Storm & Surface Water Utility Fund	9,693,874	9,414,111	10,793,796	10,900,606
Total Resources	**9,693,874**	**9,484,111**	**10,793,796**	**10,900,606**

Utilities
Storm & Surface Water Maintenance & Operations

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
O&M Division	-	-	22.00	22.00
Resource Mgmt/Customer Service Division	-	-	10.00	10.00
Total FTE	**33.90**	**32.00**	**32.00**	**32.00**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Maintain a customer satisfaction rating of 85% or better.						
Customer satisfaction rating	%	Effectiveness	92	85	85	85
# of customers billed for storm water services	#	Workload	30,445	30,550	30,613	30,678
Average cost per foot of drainage pipe cleaned	$	Efficiency	1.38	1.61	1.61	1.61
Maintain a quality comprehensive storm water mgmt program						
% completion of planned catch basin repair program	%	Effectiveness	62	100	100	100
% completion of planned catch basin cleaning program	%	Effectiveness	71	100	100	100
% of private structures requiring cleaning when inspected	%	Effectiveness	14	15	15	15
% completion of planned storm drainage pipe cleaning program	%	Effectiveness	75	100	100	100
Average cost per private structure inspected	$	Efficiency	14.10	15.00	14.75	14.50
# of catch basins cleaned	#	Workload	2,629	3,700	3,700	3,700
Total system pipe & ditch miles	#	Workload	465	467	486	487
Feet of pipe cleaned	#	Workload	22,510	30,000	30,000	30,000
# of cited violations under the Clean Water Act	#	Effectiveness	-	-	-	-
Average cost per catch basin repaired	$	Efficiency	912	750	750	750
# of private structures inspected	#	Workload	8,238	8,000	8,200	8,400
# of catch basins repaired	#	Workload	105	150	150	150
Average cost per catch basin cleaned	$	Efficiency	21.96	21.00	21.00	21.00
Minimize the City's liability concerns						
# of claims paid	#	Effectiveness	-	2	2	2
# of claims greater than $20,000	#	Effectiveness	-	-	-	-
% of time that flow is restored within 2 hours of a stoppage	%	Effectiveness	80	90	90	90

Issues related to Department Performance

The provision of high-quality service to our customers is a central objective of all Utility programs. Customer surveys help us measure and track customer satisfaction. The Department's satisfaction rating of customers who said that they were fairly to very satisfied with the Bellevue Utilities Department was 92% in 2005.

In 2005, inspections of storm drainage pipes revealed that less pipes required cleaning than planned. Therefore, less feet of pipe were cleaned, resulting in a completion percentage below target.

Utilities
Storm & Surface Water Maintenance & Operations

The increase in the target of private structures inspected in 2007 and 2008 reflects the addition of private drainage systems to the program from new development and re-development projects. The cost per private structure inspected will decrease slightly in 2007 and 2008 from 2006 projections as the number of structures inspected continues to increase.

As catch basins age, the extent of needed repairs and therefore costs to repair them increases driving up the unit costs and reducing the number that are completed.

In 2005, Bellevue once again incurred no violations under the Clean Water Act. Utility programs were in compliance with federal and state Clean Water Act requirements.

Catch basin and pipeline cleaning are performed as part of the routine system-wide cleaning of the storm drainage system. Video inspection of pipelines is proving to be a cost effective asset as part of the condition assessment program. Pipeline cleaning costs were lower in 2005 than the previous year, and were well below the 2005 target. This was primarily the result of no longer encountering a significant number of locations where roots were obstructing drainage pipes. Cost in 2006 are expected to be consistent with the historic trends.

Program Notes

Bellevue's approach to stormwater management has evolved over a period of almost 30 years. From its inception, the City adopted an open stream corridor philosophy. Thus, where appropriate, the City's Stormwater Utility, through its regulatory framework, has attempted to preserve open stream systems with their associated riparian corridors.

Efforts within this program are aimed at protecting, maintaining, and operating the City's natural and developed storm and surface water systems to provide fish a safe habitat, to provide waters suitable for swimming, and to provide a system that minimizes storm damage while ensuring water quality protection, flood control, and compliance with state and federal requirements.

Costs in 2005 associated with "Environment Division" are related to an internal reorganization of the Department and are spread to other costs centers.

Utilities
Solid Waste Management

Program Statement

Utilities Solid Waste Management focuses on providing contract management services for waste collection and disposal, and recycling collection and processing. It also focuses on providing educational services to customers for the purpose of promoting the conservation of resources.

Summary of Services Provided

Provide management services to customers for the purpose of disposing of solid waste, minimizing costs and environmental degradation, and conserving resources. Under contractual arrangements, Allied Waste Services of Bellevue collects residential, multifamily and commercial garbage/recyclables/yard debris, as well as provides city-wide litter control, service to City facilities and special drop-off collection event services. City-managed technical assistance projects include: commercial recycling and waste prevention programs, household hazardous waste prevention and recycling projects, special recycling collection events, public education/outreach and participation in the Northwest Natural Yard Days program.

2007-2008 Initiatives are:
- Continue to manage contract services;
- Participate in regional waste export system planning and Solid Waste Comprehensive Plan update as part of regional solid waste management activities;
- Implement enhanced recycling outreach and education programs consistent with the Department's integrated resource conservation approach.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Commercial Recycling Incentive Program	479,995	479,995	471,697	480,937
Operating Grants	364,090	607,612	443,133	247,571
Solid Waste Administration	592,074	571,631	689,257	723,300
Solid Waste Grants	264,090	246,607	286,931	247,644
Base Budget	**1,700,249**	**1,905,845**	**1,891,018**	**1,699,452**
Reserves	**470,413**	**479,269**	**597,872**	**440,900**
Total Budget	**2,170,662**	**2,385,114**	**2,488,890**	**2,140,352**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	169,693	178,537	187,884	196,626
Interfund	298,809	471,861	486,292	495,303
M & O	1,131,747	1,187,248	1,216,842	1,007,523
Capital	100,000	68,199	-	-
Total Expenditures	**1,700,249**	**1,905,845**	**1,891,018**	**1,699,452**
Total Reserves	**470,413**	**479,269**	**597,872**	**440,900**
Total Budget	**2,170,662**	**2,385,114**	**2,488,890**	**2,140,352**

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Solid Waste Fund	1,792,900	1,761,800	2,045,757	1,892,781
Operating Grants/Donations Fund	377,762	623,314	443,133	247,571
Total Resources	**2,170,662**	**2,385,114**	**2,488,890**	**2,140,352**

Utilities
Solid Waste Management

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Solid Waste Administration	-	-	2.00	2.00
Total FTE	**2.10**	**2.00**	**2.00**	**2.00**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Conserve resources and reduce environmental degradation						
Average monthly single-family waste generation (lbs/house)	#	Effectiveness	308	307	306	304
Annual cost/customer - single-family yard waste collection	$	Efficiency	93	94	96	99
Annual cost/customer - multifamily/business garbage	$	Efficiency	5,463	5,500	5,627	5,796
Annual cost/customer - single-family garbage collection	$	Efficiency	170	173	175	180
Tons of yard debris collected single-family	#	Workload	17,797	15,000	15,000	15,000
Tons of garbage collected single-family	#	Workload	17,311	17,500	17,500	17,800
Admin. costs as a percent of contractor's revenue	%	Efficiency	2.39	2.50	2.50	2.50
Tons of garbage collected multifamily and businesses	#	Workload	60,690	65,000	65,000	65,000
Maintain customer satisfaction rating of 85% or better.						
Customer satisfaction rating	%	Effectiveness	92	85	85	85
Average percentage of successful pickups	%	Workload	99.70	99.90	99.90	99.90
Meet state goal of recycling 50% of generated solid waste.						
Single-family residential recycling rate (% waste recycled)	%	Effectiveness	65	62	65	66
Multifamily recycling rate	%	Effectiveness	15	15	15	15
Combined business and residential recycling rate	%	Effectiveness	32	38	35	38
Annual cost/customer - single-family recyclables collection	$	Efficiency	79	80	82	85
Tons of recyclables collected single-family	#	Workload	13,614	14,000	14,000	14,300
Tons of recyclables collected multifamily	#	Workload	2,489	2,500	2,500	2,500

Utilities
Solid Waste Management

Issues related to Department Performance

The provision of high-quality service to our customers is a central objective of all Utility programs. Customer surveys help us measure and track customer satisfaction. The Department's satisfaction rating of customers who said that they were fairly to very satisfied with the Bellevue Utilities Department was 92% in 2005.

Single-family residential customers recycled 65% of their waste in 2005. This is one of the highest single-family recycling rates in the nation. This measure exceeded the City's target of 60%. The multifamily recycling rate remained at 15% in 2005, the same as in 2003 and 2004. The flat line in multifamily recycling rates follows a national trend.

The Administrative Costs as a Percentage of Contractor Revenue measure is a ratio of City expenditures on solid waste to contractor revenues, therefore as contractor revenues decrease, the overall figure increases.

Yard debris collected in 2005 increased due to high yard debris generation, the inclusion of food waste with the yard debris, and new weekly collection frequency.

The tons of business and multifamily garbage collected decreased in 2005, which is likely due to the effectiveness of the new solid waste contract and economic factors.

Program Notes

None

Utilities
Fleet & Communication Services

Program Statement

The focus of the Fleet & Communication Services program is to safeguard the City's investment in equipment and to support service delivery to Bellevue's citizens by providing timely, cost-effective maintenance and asset management services to City departments.

Summary of Services Provided

Provide timely, cost-effective maintenance and asset management services to City departments for vehicles, specialized mechanical equipment, radios, and electronic equipment needed to support City functions. Safeguard the City's investment in equipment through asset management, maintenance, and repair services. Manage the City's fuel system in a cost effective manner to meet customer needs and comply with applicable regulations. Provide motor pool services for customer's temporary transportation or construction needs.

2007-2008 Initiatives are:
- Continue to evaluate changes in equipment technology and develop processes that will maximize their benefits.
- Implement project to co-locate Fleet & Communications operations at the BSC.
- Continue to train Fleet & Communications staff to learn and maintain technical skills necessary to effectively service specialized equipment.

Budgeted Cost Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
EERF Capital Purchase	1,405,274	1,576,886	359,248	215,526
EERF Equipment Maintenance	652,135	685,756	769,347	792,836
MERF Capital Purchase	1,781,811	2,557,418	3,528,338	943,513
MERF Equipment Maintenance	3,073,438	3,402,287	3,724,587	3,844,723
MERF Replacement Reserves	-	-	-	3,877,940
MERF/EERF Administration	812,854	846,831	869,888	915,214
Base Budget	**7,725,512**	**9,069,178**	**9,251,408**	**10,589,752**
Reserves	**19,732,048**	**18,876,555**	**19,430,089**	**18,201,671**
MERF/EERF: Fleet & Communications Rate Model	-	-	15,000	-
MERF: Alternative Fuel Study	-	-	50,000	-
MERF: Fleet FTE - Mechanical Services Technician	-	-	66,634	69,616
MERF: Fleet Utilization Study	-	-	50,000	-
MERF: Fleet Warranty Management Program	-	-	56,656	76,375
Program Enhancements	**-**	**-**	**238,290**	**145,991**
Total Budget	**27,457,560**	**27,945,733**	**28,919,787**	**28,937,414**

Expenditure Category Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
Personnel	1,640,157	1,725,181	1,854,828	1,972,279
Interfund	1,275,870	1,252,812	1,410,466	5,312,832
M & O	1,677,400	1,972,881	2,336,818	2,291,593
Capital	3,132,085	4,118,304	3,887,586	1,159,039
Total Expenditures	**7,725,512**	**9,069,178**	**9,489,698**	**10,735,743**
Total Reserves	**19,732,048**	**18,876,555**	**19,430,089**	**18,201,671**
Total Budget	**27,457,560**	**27,945,733**	**28,919,787**	**28,937,414**

Utilities
Fleet & Communication Services

Funding Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
MERF- Operations	4,291,923	4,534,180	5,140,527	5,011,580
MERF - Replacement	13,410,284	13,822,839	14,567,070	13,455,838
EERF- Operations	882,435	927,450	992,906	995,474
EERF- Replacement	8,872,918	8,661,264	8,219,284	9,474,522
Total Resources	**27,457,560**	**27,945,733**	**28,919,787**	**28,937,414**

FTE Summary	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Budget
EERF Equipment Maintenance	-	-	4.00	4.00
MERF Equipment Maintenance	-	-	16.00	16.00
MERF/EERF Administration	-	-	3.00	3.00
Total FTE	**23.00**	**22.00**	**23.00**	**23.00**

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Ensure that internal warranty service work is 1% or less.						
Internal warranty work as % of vehicle & maintenance repairs	%	Effectiveness	0.20	0.50	0.50	0.50
Internal warranty work % of communication equipment repairs	%	Effectiveness	0.40	0.50	0.50	0.50
Maintain % vehicles in service at 95% & radios at 99%						
Average % of vehicles and equipment in service	%	Effectiveness	92	98	98	98
Average % of radios in service	%	Effectiveness	99	99	99	99
# of light duty vehicles per Fleet Maintenance Technician	#	Efficiency	36.20	33.20	33.00	33.00
# of total pieces of equipment/Fleet Maintenance Technician	#	Efficiency	87.70	87.00	87.00	87.00
# of radios & related equipment per Communication technician	#	Efficiency	331	318	340	340
# of vehicles and mechanical equipment in service	#	Workload	877	870	877	877
# of light duty vehicles in service	#	Workload	362	332	362	362
# of radios and related electronic equipment in service	#	Workload	1,322	1,270	1,322	1,322
Provide services that rate "good" on 95% of survey responses						
% good or better responses to Fleet customer survey	%	Effectiveness	85	95	95	95
% good or better responses to Communications customer survey	%	Effectiveness	100	95	95	95
Sustain maintenance cost/mile increases at no more than CPI						
Average maintenance cost per mile for light duty vehicles	$	Effectiveness	0.20	0.24	0.24	0.24
% increase in maintenance cost/mile for light duty vehicles	%	Effectiveness	(0.20)	2.30	2.30	2.40

Utilities
Fleet & Communication Services

Issues related to Department Performance

The City continues to do a good job of maintaining its vehicles and mechanical equipment. This allows for a high number of vehicles and mechanical equipment in service, resulting in a 92% in-service rate. This is a drop from the previous year, by 4 percentage points, and was due to an increased workload from our customers. Fleet Operations is reviewing what resources will be needed to get the in-service rate back above 95%.

Customer service for the Communication section remains high, with a 2005 survey result of 100% customer satisfaction rating.

In the "average maintenance cost per mile for light duty vehicles" category, cost per mile decreased due to an increase in "miles driven" and due to a proactive preventative maintenance program.

In 2005, Fleet had significant unplanned work for Public Safety, resulting in a backlog of work and increased downtime. The increase in downtime also impacted customer satisfaction, resulting in an 85% customer service rating. Resources are being evaluated to decrease downtime and increase customer satisfaction. As the number of vehicles (including heavy and light duty) and radios continues to grow, it will be challenging to maintain service levels without additional resources.

Radios are being built with a high degree of reliability, which has reduced the overall amount of repairs and services. Both the quality of the radios, and the technician's work, have achieved a very high level of customer satisfaction.

Program Notes

The New City Building (NCB) Comprehensive Finance Plan adopted by Council calls for City reserves to temporarily fund the debt service payment on the 2004 NCB bonds. As part of this plan, the City is budgeted to borrow $3.9 million from MERF's replacement reserves in 2008.

After the NCB Comprehensive Finance Plan was adopted, the City identified one-time resources resulting from the planned change at year end 2007 from a cash budgeting basis to modified accrual. During the May 2006 budget retreat, Council earmarked a portion of these resources to reduce borrowing from reserves. Once reserve balances are restated in January 2008, a portion of the additional reserve balance ($8m) will be used to reduce reserve borrowing. The budgeted loan from MERF's replacement reserves will then be negated as part of the 2007-2008 Mid-Bi Budget update.

City of Bellevue
2007-2008 Biennial Budget

Utilities

Biennial Budgeted Cost Summary	2005-2006 Budget	2007-2008 Budget	% Change
Utilities Improvements	54,580,412	59,823,171	10 %
Water Maintenance & Operations	43,230,214	50,684,853	17 %
Sewer Maintenance & Operations	55,481,673	59,297,800	7 %
Storm & Surface Water Maintenance & Operations	13,112,447	14,383,140	10 %
Solid Waste Management	3,606,094	3,590,470	- %
Fleet & Communication Services	16,794,690	19,841,160	18 %
Base Budget	**186,805,530**	**207,620,594**	**11 %**
Reserves	**69,006,002**	**99,337,425**	**44 %**
MERF/EERF: Fleet & Communications Rate Model	-	15,000	-
MERF: Alternative Fuel Study	-	50,000	-
MERF: Fleet FTE - Mechanical Services Technician	-	136,250	-
MERF: Fleet Utilization Study	-	50,000	-
MERF: Fleet Warranty Management Program	-	133,031	-
Water: Automated Meter Reading Study	-	40,000	-
Program Enhancements	**-**	**424,281**	**-**
Total Budget	**255,811,532**	**307,382,300**	**20 %**

Biennial Expenditure Category Summary	2005-2006 Budget	2007-2008 Budget	% Change
Personnel	26,239,922	29,760,710	13 %
Interfund	38,950,345	50,215,407	29 %
M & O	93,414,497	102,945,117	10 %
Capital	28,200,766	25,123,641	(11)%
Total Expenditures	**186,805,530**	**208,044,875**	**11 %**
Total Reserves	**69,006,002**	**99,337,425**	**44 %**
Total Budget	**255,811,532**	**307,382,300**	**20 %**

Biennial Funding Summary	2005-2006 Budget	2007-2008 Budget	% Change
Solid Waste Fund	3,097,959	3,340,666	8 %
Operating Grants/Donations Fund	1,057,404	690,704	(35)%
Storm & Surface Water Utility Fund	27,283,277	31,620,276	16 %
Water Utility Fund	68,922,501	80,003,687	16 %
Sewer Utility Fund	67,561,963	75,325,577	11 %
Utility CIP - Drainage	14,007,970	17,225,148	23 %
Utility CIP - Water	16,767,107	26,151,068	56 %
Utility CIP - Sewer	17,295,437	30,879,612	79 %
Utility Revenue Bond Redemption SSWU	3,170,250	2,779,557	(12)%
Utility Revenue Bond Redemption Water	976,419	938,893	(4)%
MERF- Operations	8,420,472	9,844,300	17 %
MERF - Replacement	15,604,650	16,984,176	9 %
EERF- Operations	1,579,585	1,764,866	12 %
EERF- Replacement	10,066,538	9,833,770	(2)%
Total Resources	**255,811,532**	**307,382,300**	**20 %**

CITY OF BELLEVUE
WASHINGTON