

Planning Bellevue's Fiscal Future

Navigating Boom Times and Budget Constraints

**Toni Call, Director
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October 11, 2022





- # Agenda
- Where does spending occur?
 - Why don't taxes keep pace with spending?
 - What is the City doing about it?
 - Let's finish up with what is in the Preliminary Budget



Poll Question

Getting to know you

- **How long have you lived in Bellevue?**
- **Have you heard the City discuss the budget before?**



Does the City Provide . . .

☒ Transit

☒ Public Schools

☒ Police

☒ Emergency Medical Response

☒ Sidewalk Repair

☒ Library

☒ Water, Sewer, Garbage Pick Up

☒ Parks and Recreation Programming

☒ Felony Prosecution (not Misdemeanors)

☒ Public Health

☒ Affordable Housing Services

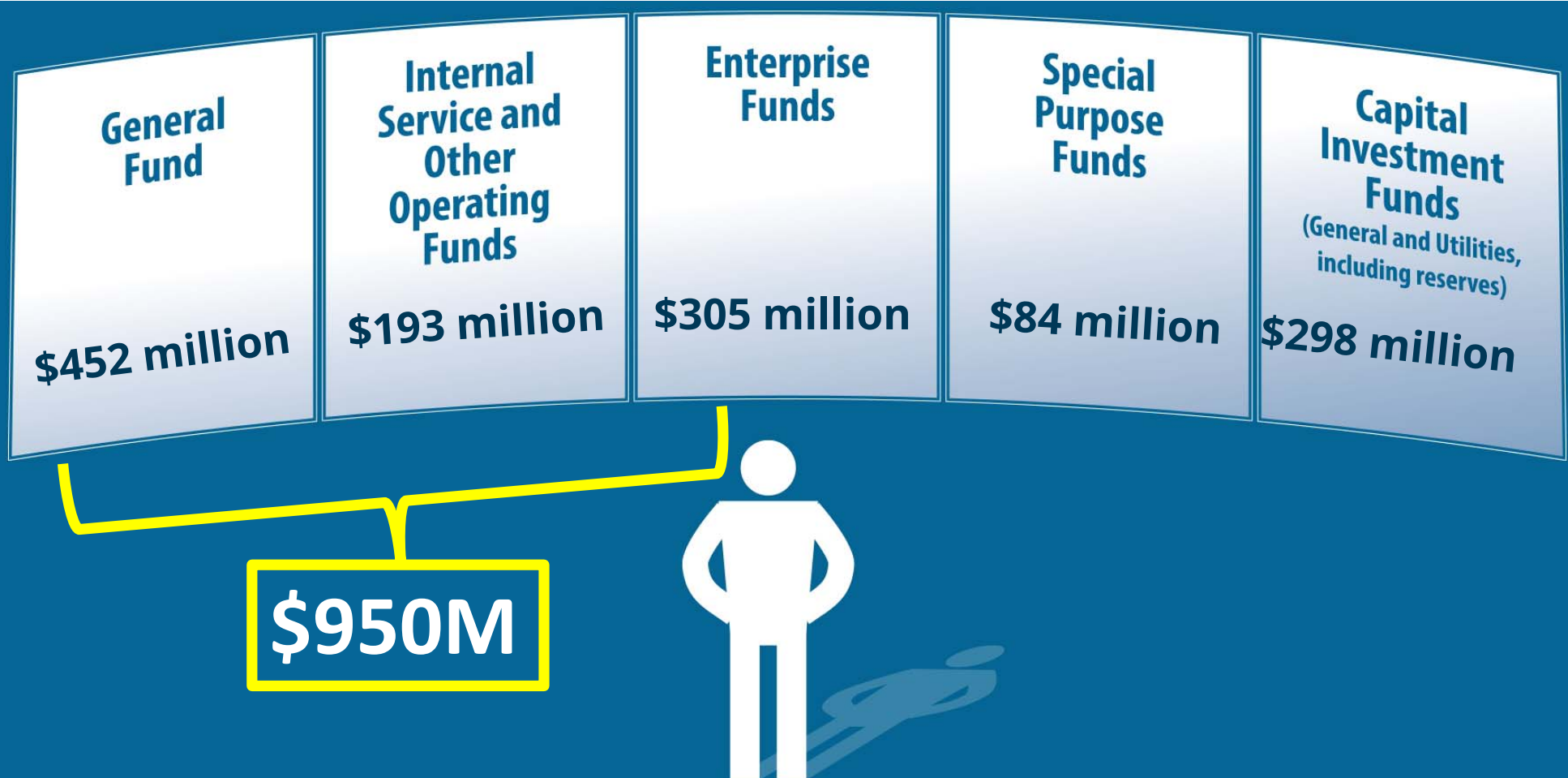
☒ Homelessness Programs

☒ Environmental Stewardship





Total Two-Year Budget \$2.2B



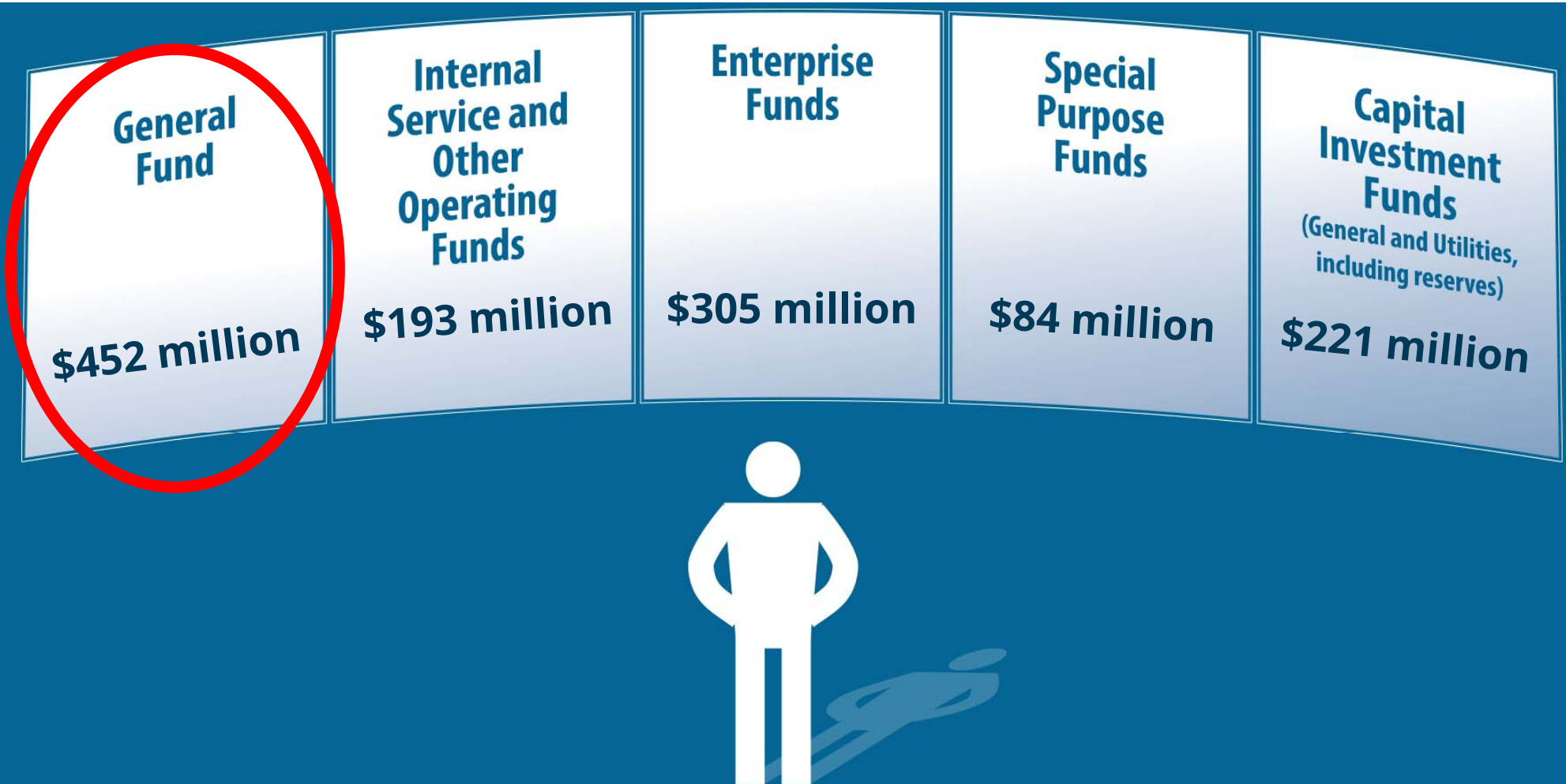
Excludes Reserves & Transfers between funds totaling



How did we spend the \$950M Operating Budget?



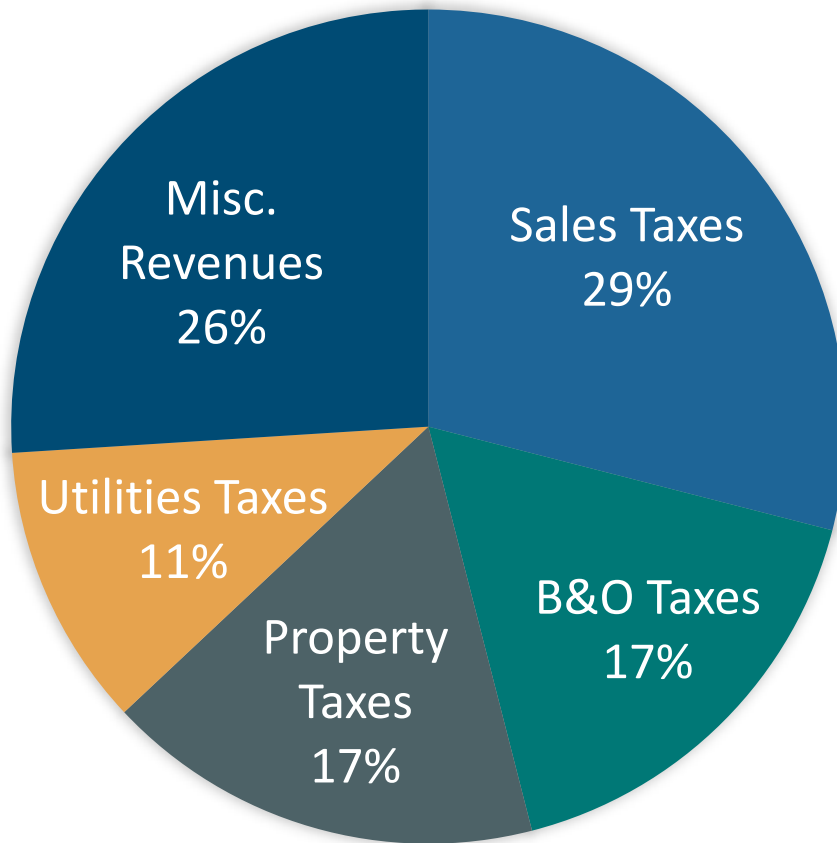
Total Two-Year Budget \$2.2B



Net of transfers between funds and reserves except as noted



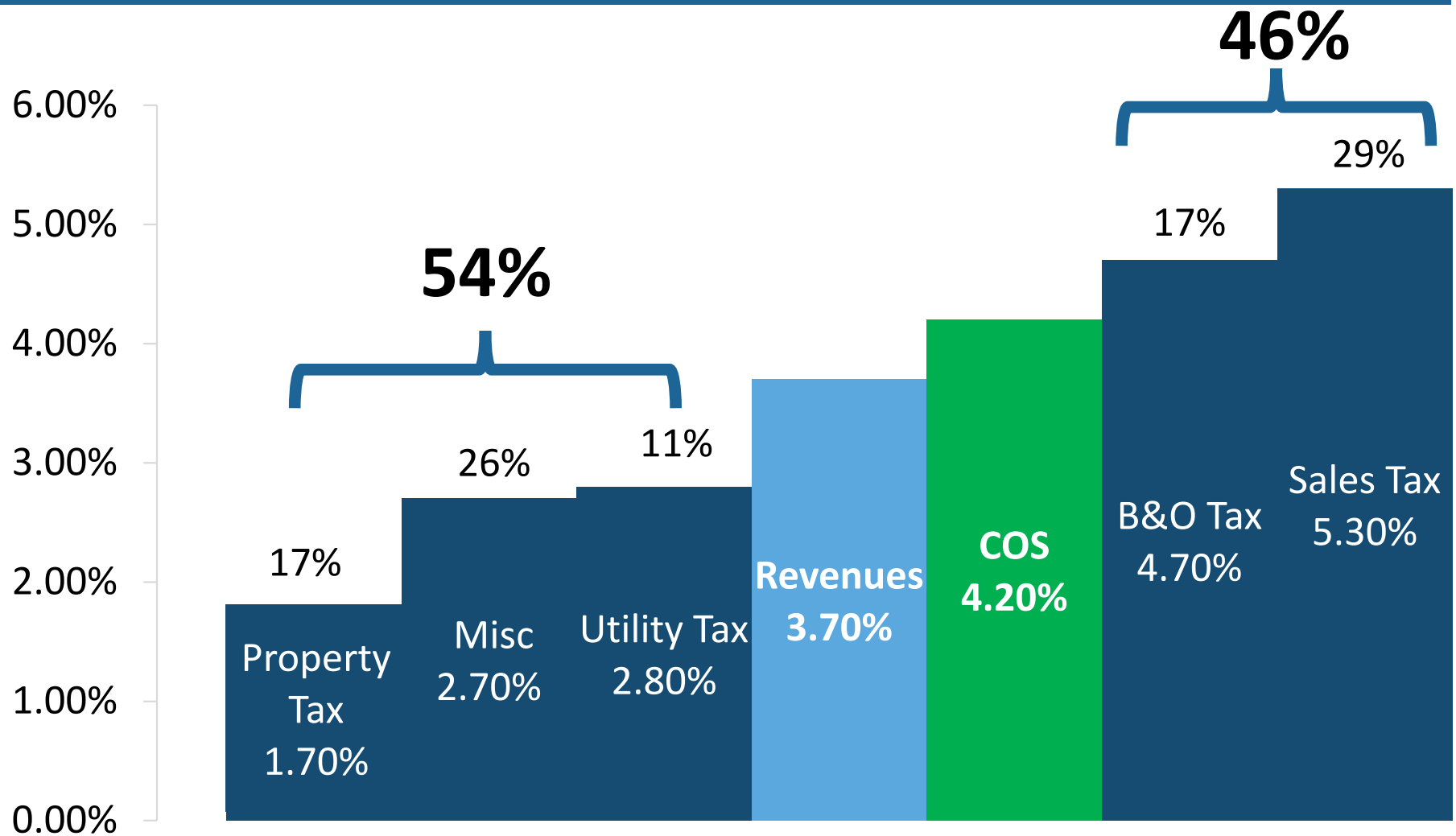
Overview of Revenue – General Fund



- Sales Taxes – Overall 5% to 6% growth
- B&O Taxes – Includes job growth
- Property Taxes – 1% with Council approval plus New Construction
- Utilities Taxes – Rates and decrease in land lines/cell data; 2-3% growth
- Misc. Revenues – Includes Grants, Debt Services, Transfers, and Reserves



Year over Year Growth Rate –



Poll Question

- **Thinking about your property tax bill:
How much do you think comes to the City?**
 - A. 10%**
 - B. 20%**
 - C. 50%**
 - D. 80%**



Where do your Property Taxes Go?



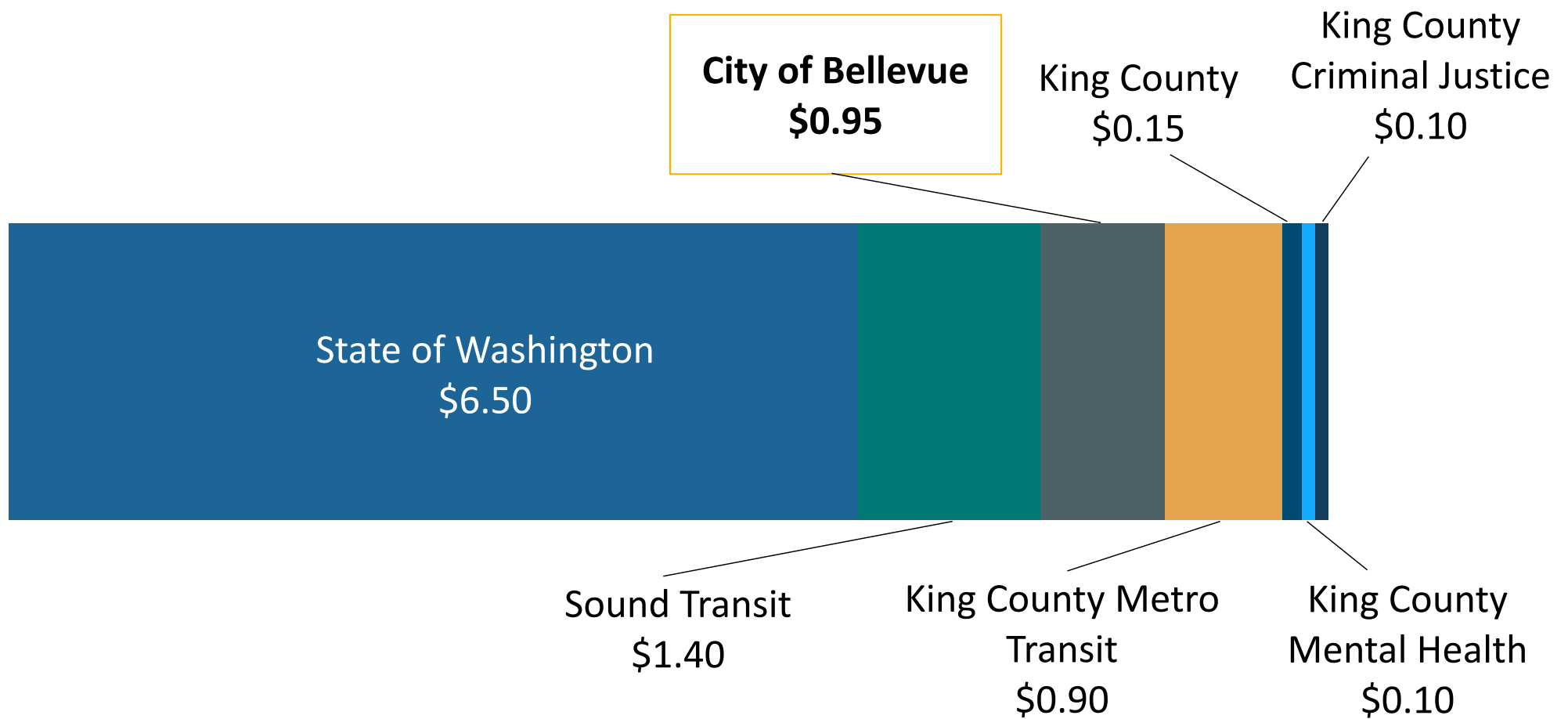
Poll Question

- **You purchase a \$100 coat in Bellevue, you pay \$10.10 in sales tax. How much of that sales tax comes to the City of Bellevue:**
 - A. \$0.50 (50 cents)**
 - B. \$0.95 (95 cents)**
 - C. \$3.00 (3 dollars)**
 - D. \$6.00 (6 dollars)**



Where does your Sales Tax Go?

On a \$100 purchase in Bellevue, \$10.10 of sales tax goes to:



General Fund Sustainability: What has the City done?

- **Prior to 2023/2024 –**
 - Intentionally built reserves
 - Adjusted 1 percent Councilmanic property tax
 - Implemented Fire inspection fees
 - Reduced ongoing costs in 2021/2022: (total ~\$8M annually)
- **2023-2024 proposes additional revenue adjustments**
 - 2% Property Tax (~\$18 per \$1M property owner) - \$1M
 - Business & Occupation tax - \$3.5M
 - Land Use Permit fees - \$1M

These actions have all taken steps toward fiscal sustainability, yet do not solve the structural deficit and they do assist in the near term....

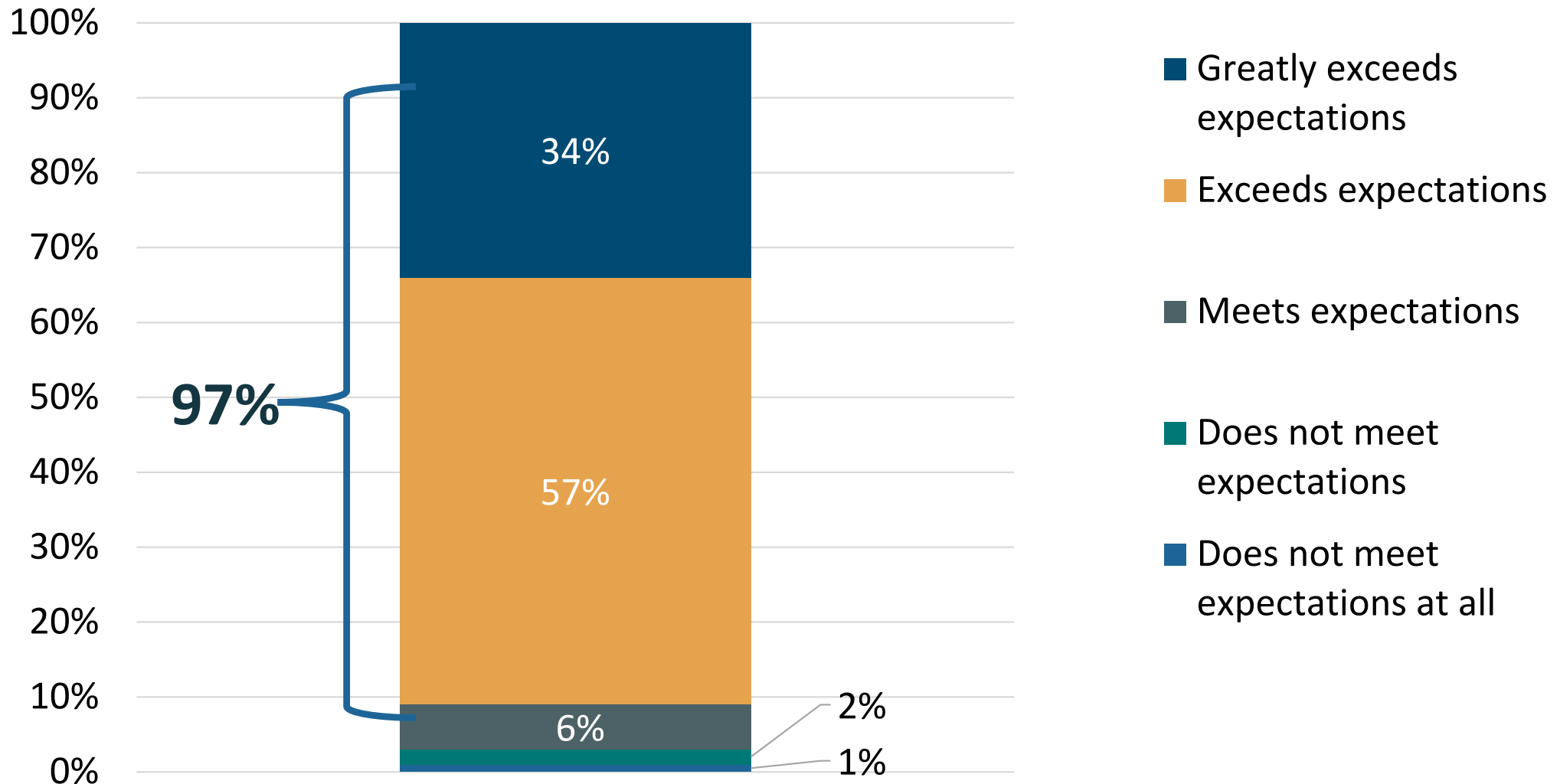


Public Involvement: What we heard

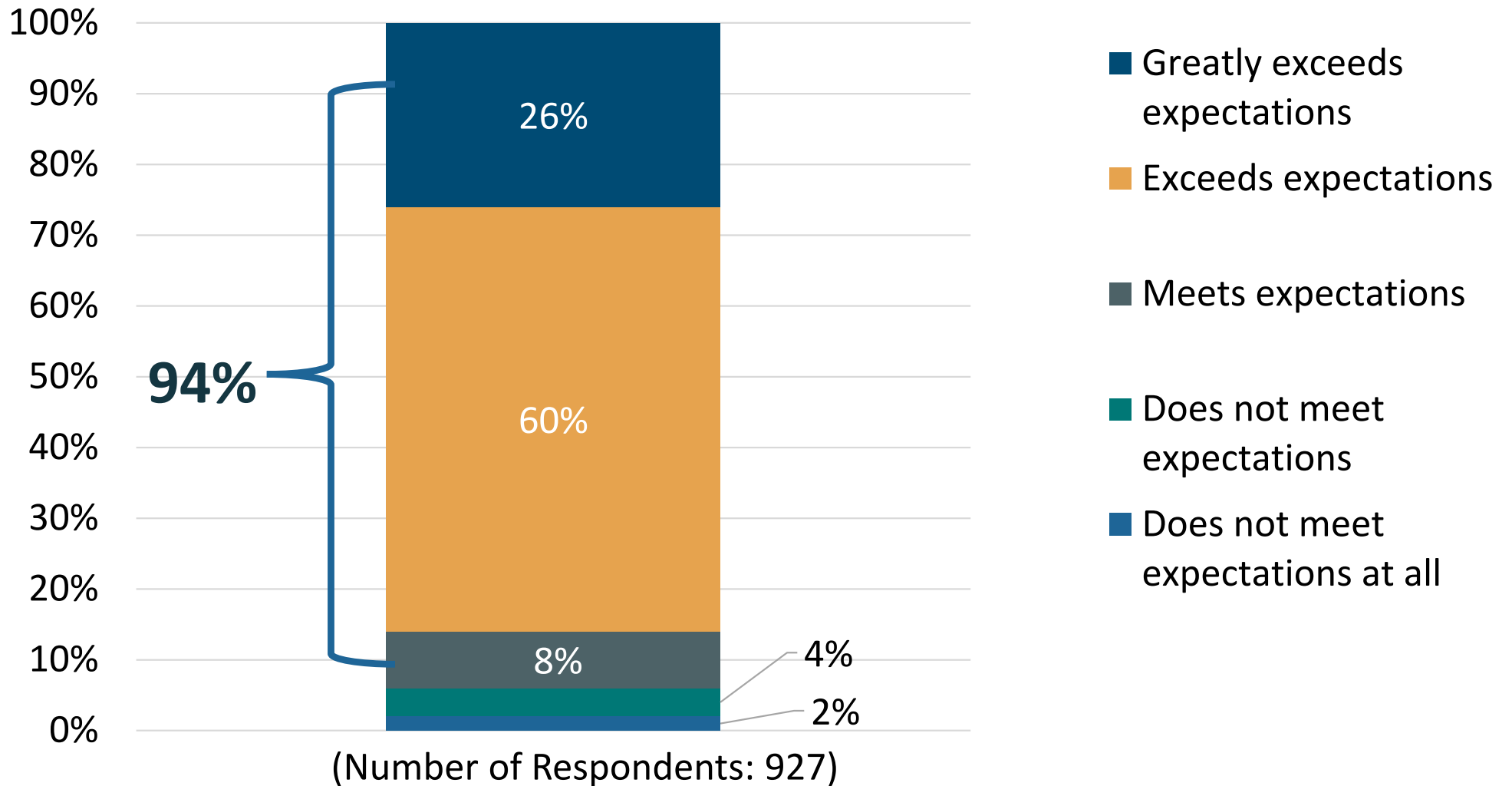
- **Budget, Performance and Business Surveys**
 - **2,137 responses across all surveys**
 - **Key Takeaways:**
 - **97% of residents say that Bellevue is a “good” to “excellent” place to live**
 - **Affordability/cost of living, public safety and homelessness were largest areas of concern**



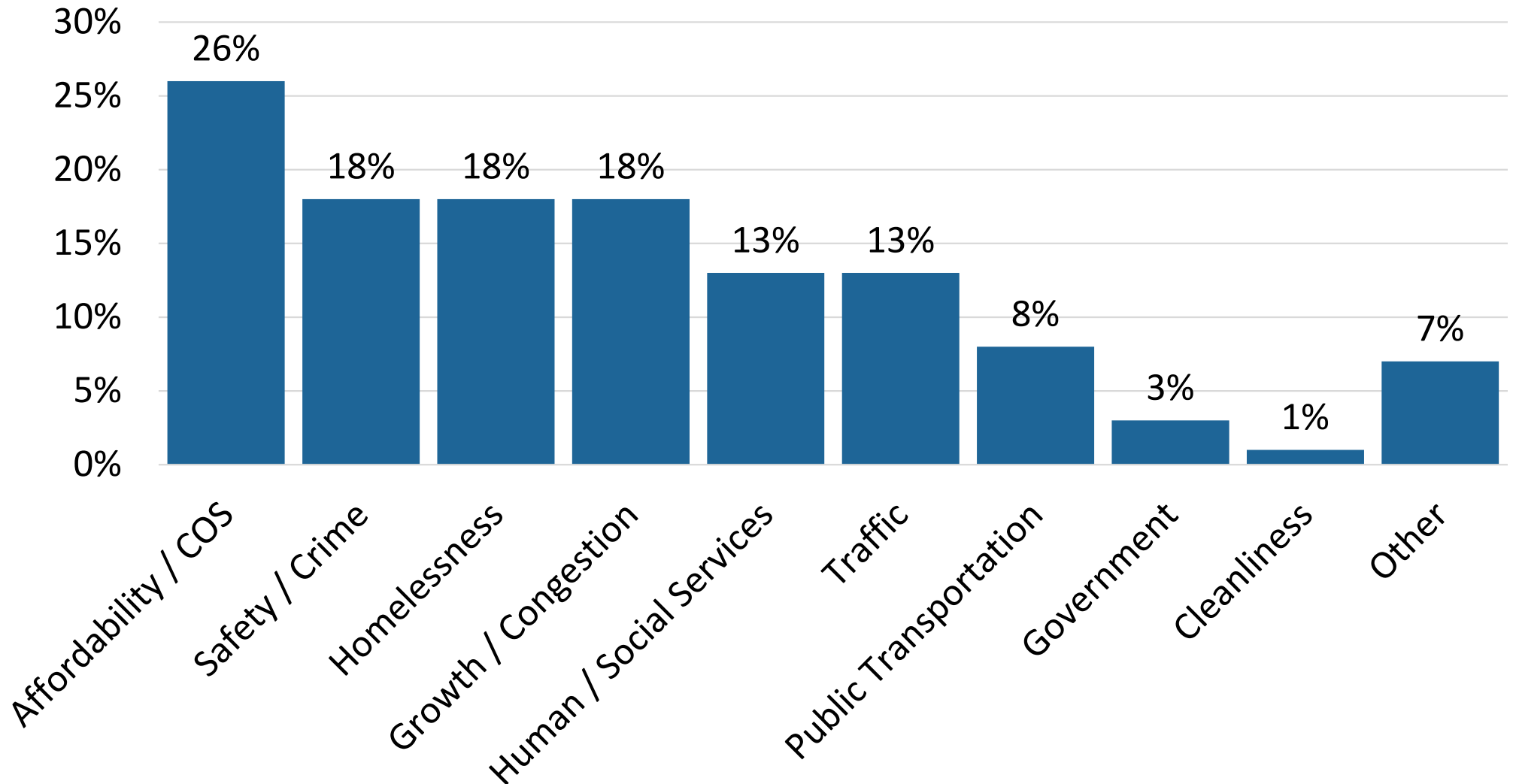
Budget Survey: Overall Quality of Life



Budget Survey: Overall Quality of Services



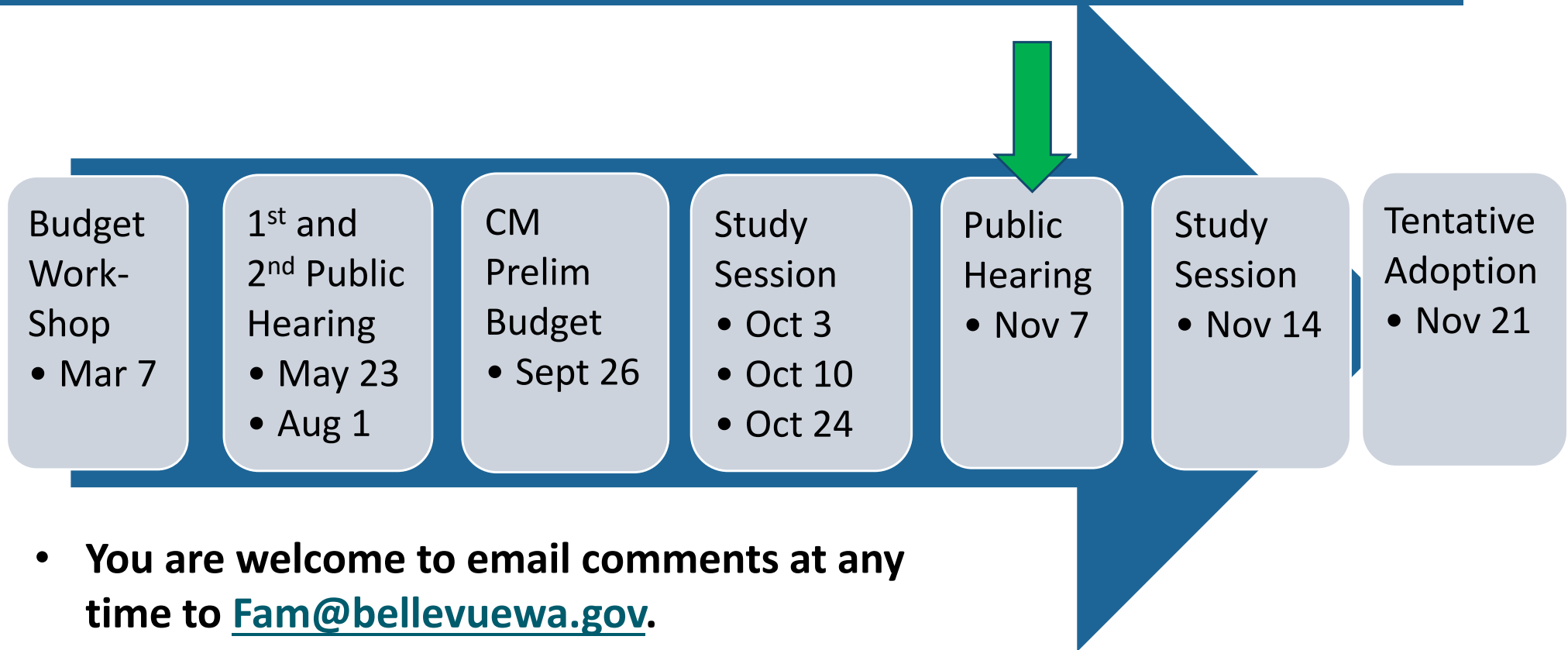
Biggest Problems Facing Bellevue



Operating Budget Responds



Budget Milestone Calendar



- You are welcome to email comments at any time to Fam@bellevuewa.gov.
- Join us at the Nov. 7 meeting to comment in-person or via Zoom!



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