



2014 POPULAR ANNUAL FINANCIAL REPORT

*How is the City of Bellevue
doing financially?*



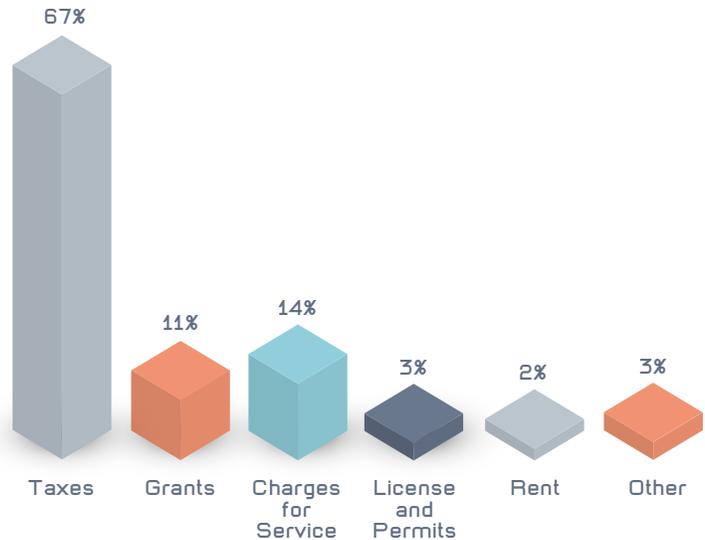
** Info contained in this section focuses on general government activity (utilities info is provided later in this report)*

What is a Popular Annual Financial Report (“PAFR”)?

The city’s PAFR is an easy-to understand summary of its Comprehensive Annual Financial Report (“CAFR”), a detailed report showing its financial condition. The PAFR is a tool designed to inform the residents of Bellevue about how the city is doing. It is not intended to be a substitute for the CAFR. To access the CAFR visit www.bellevuewa.gov/financial_reports.htm.

Where does the city’s money come from?

The vast majority of the city’s money comes from taxes. Examples of taxes include property tax, sales tax, and utilities tax.



Did you know...

...only about \$0.11 out of every \$1.00 you pay for property taxes goes to the city?

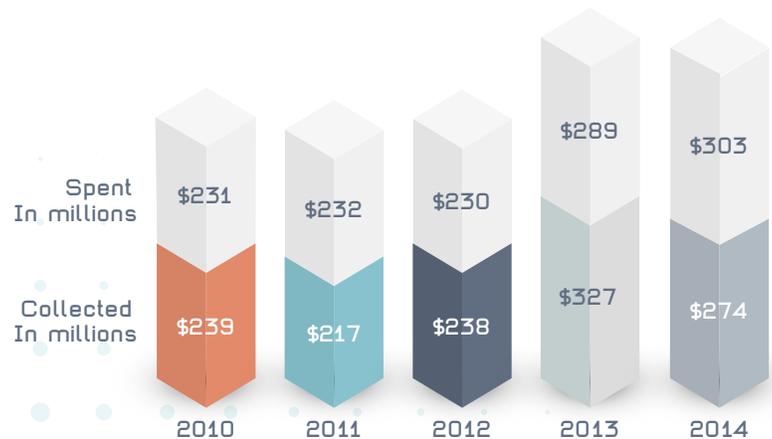
Did you know...

...that the city is required by law to spend certain money from certain sources on certain things? For instance, the money you pay for your permits can’t be used to pay for a new park – it can only be used to pay for development-related services.



How much money has the city collected and spent in the past?

During the past five years the city has, on average, spent about the same as it collected. 2011 and 2014 are years when the city spent more; however, we accumulated funds in prior years (a “reserve”). This reserve balance at the end of 2010 and 2013 was \$64 million and \$117 million, respectively. The city is able to utilize the reserve when necessary.



How does the city plan for the future?

The city has a policy to keep a certain amount of money in its “savings account” for unanticipated events. This is how the city can spend more than it collects – it uses money that it has saved during previous years.

Generally speaking, what does the city spend its money on?

During the past five years most of the city’s money was spent on services (for example, public safety). This is because the city is a full-service city. In other words, it contracts out almost none of its services to other organizations (for example, emergency services). A smaller amount of the city’s money was spent on capital costs, such as new roads and replacement of old equipment.

What does the city spend its money on in terms of these services?

In addition to public safety, the majority of the city’s money buys services like administrative services, parks, and transportation-related services (for example, hours for working on transportation-related construction projects).

What does all that money buy?

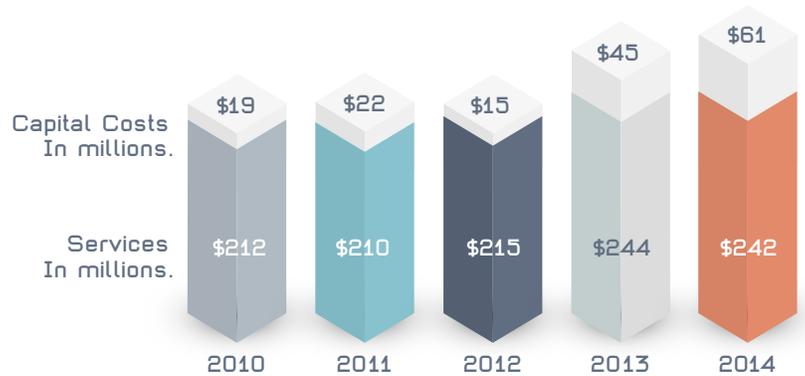
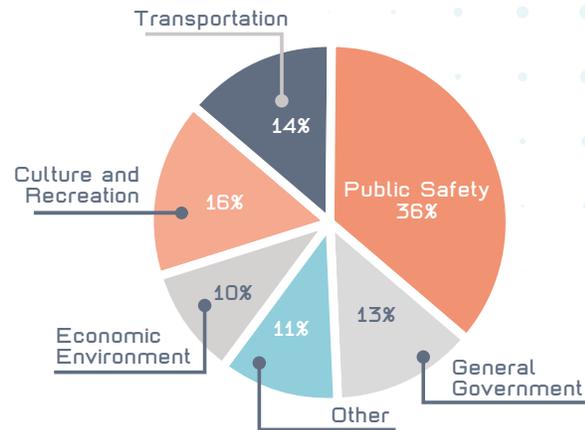
The city is patrolled by 180 police officers and 220 firefighters on over 400 miles of paved streets which are constantly being serviced. Furthermore, the city has over 2,700 acres of parkland amongst 77 parks, over 90 miles of trails, and over 150 various recreational locations.

Did you know...

...about two in every five city employees works for the police or fire department? Unlike many other disciplines, these services must be staffed 24 hr/day 7 days/week.

Did you know...

...it is the city’s policy to keep 15 percent of the money it collects on general fund activities just in case unanticipated events (for example, natural disaster) occur?



Areas of Government Services and Number of Employees

Public Safety	460
Transportation	117
Culture and Recreation	162
General Government	352

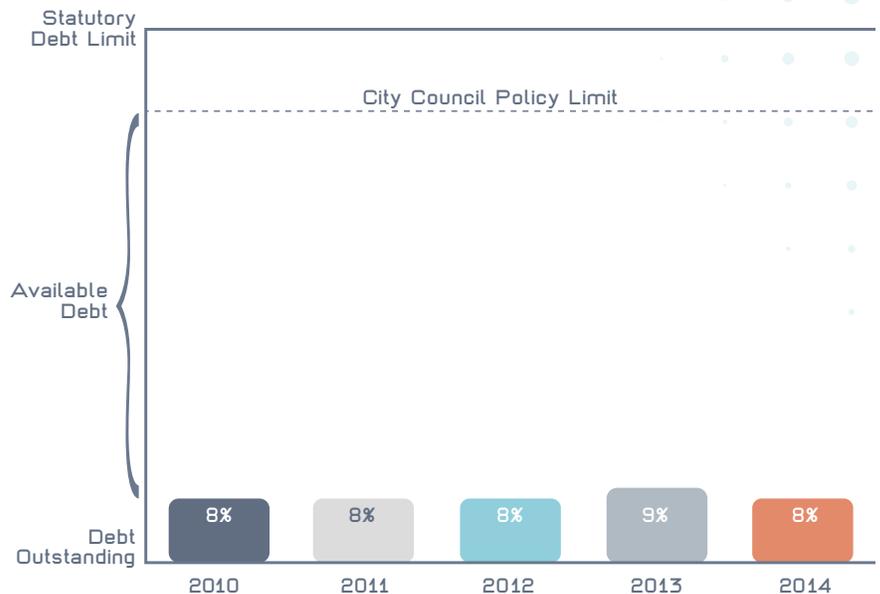
What were the big things that happened in Bellevue?

- Land of approximately \$27 million was purchased for construction projects in 2014
- Development services revenue increased \$4.7 million due to an increase in construction activity in Bellevue
- Total taxes (sales, property, B&O, utility, etc.) collected rose by \$13.6 million of which \$3 million was a one-time collection of business and occupancy tax
- The city received federal capital grant funding totaling \$7.2 million for transportation related projects
- The city spent approximately \$18 million on capital assets related to transportation projects, including the following:
 - ⇒ West Lake Sammamish Parkway Improvements
 - ⇒ NE 4th Street expansion
 - ⇒ 120th Ave NE improvements

How does the city use debt?

Cities borrow money not only to help pay for projects, but to share the costs of those projects between current and future residents. The city has a state statutory debt limit made up of multiple components: general purpose debt (voted and non-voted), excess levy for parks, and excess levy for utilities. During the past five years, the city used less than 10 percent of its total state limit. As a note, the city council has further limited the amount of city debt to a maximum of 75 percent of the statutory limits.

Principal and interest payments on outstanding debt averaged 5 to 10 percent of all costs for the city in the past 5 years.



Did you know...

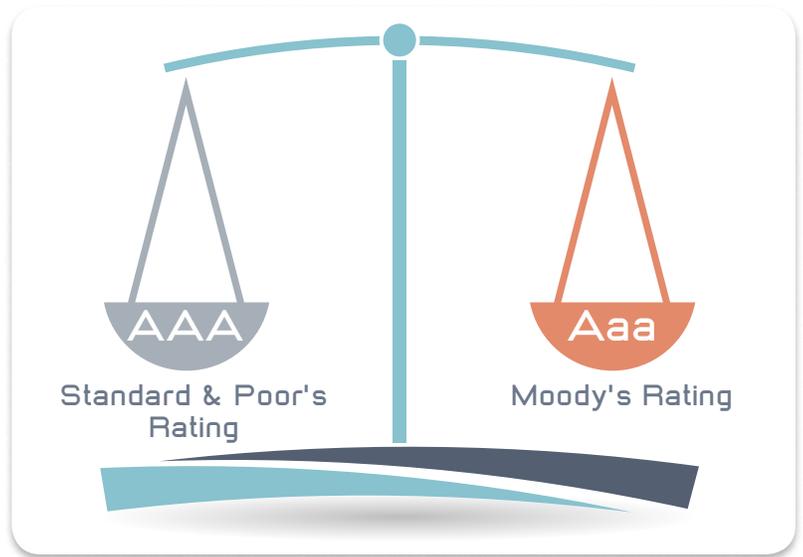
...general purpose debt is split between council issued and voter issued? The city has no voter issued debt.



Did you know...

...the city has received the highest rating by the two most-used bond rating agencies, Standard & Poor's and Moody's, for 18 years in a row?

This means that if and when the city borrows money, the interest rates will be lower. This also means fewer of your tax dollars will go towards interest payments.



What does the city own?

As of the end of 2014, the city owned about \$1.7 billion in capital assets. The majority of that was land (such as parks) and infrastructure (such as roads). These capital assets are important to the proper functioning of the city.



For more information about the city's financial position in addition to the CAFR, feel free to review the city's Budget by visiting www.bellevuewa.gov/budgets.htm.

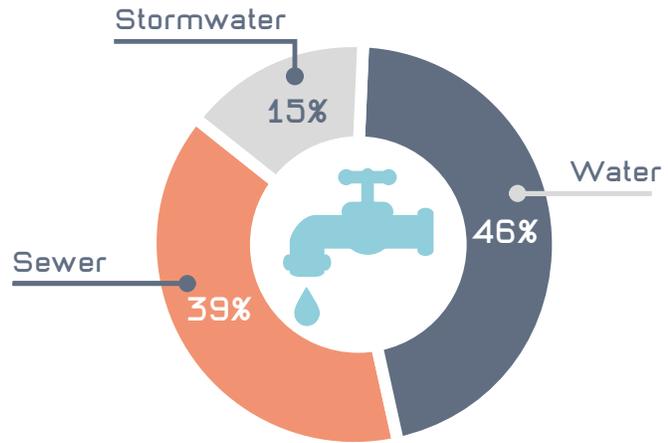
**Info contained in this section focuses on utilities.*

What is Bellevue Utilities and why has its information been separated out?

Utilities provides water, sewer, and stormwater services to residents and businesses of Bellevue and neighboring communities of Beaux Arts, Clyde Hill, Hunts Point, Medina, Yarrow Point, and section of Issaquah and Kirkland, servicing an area over 37 square miles. The reason the utilities are separated out is because these are business-type activities that are not paid for by taxes. In addition, utility rate revenue cannot be used to pay for general government services (such as police and fire services.)

How does Utilities generate money to pay for its costs?

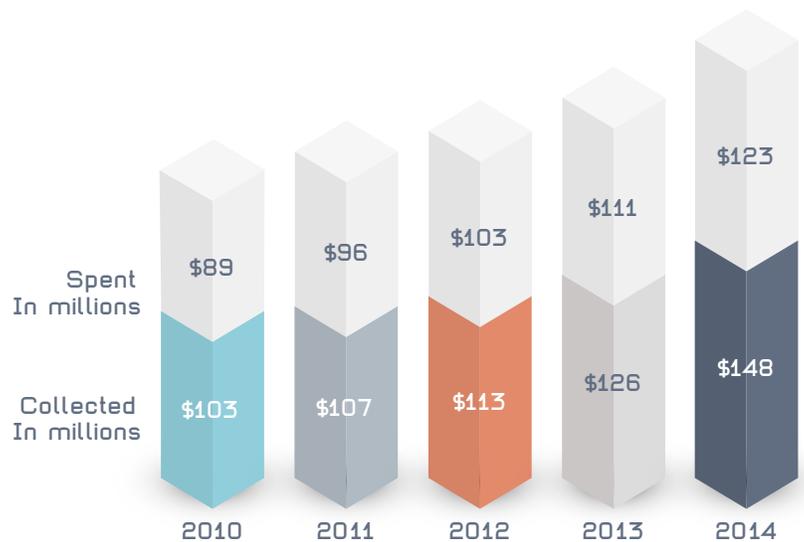
Water, sewer, and stormwater management services are paid for by rates collected from customers. These rates can only be spent to provide utility services. Every time you turn on your water or flush your toilet that service is paid for by utility rates.



How does Utilities determine how much money to collect?

To make sure there is enough funds to maintain reliable services to customers, Utilities' goal is to collect adequate money to pay for drinking water supply, sewerage treatment, and operating costs, as well as for utility system repair and replacement costs now and in the future.

Utilities has no debt. Debt is used sparingly and is reserved for catastrophic circumstances (such as earthquakes).



How does Utilities plan for system asset replacements?

Utilities owns, operates, and maintains \$3.5 billion (+) in critical infrastructure, which is aging. Due to the long lives of utility systems, Utilities plans 75 years into the future by saving money each year so that it doesn't have to come up with a huge amount of money later to pay for major expenses. This protects customers from having large rate increases. This also places the cost of major repairs and replacements equally on current and future residents that benefit from these investments.

(+) estimated water/sewer/storm system replacement costs.

Did you know ...

... Utilities critical system assets include:

- 1,600 miles of pipelines (water, sewer, stormwater)
- 25 water reservoirs
- 68 water and sewer pump stations

Need more information about this document?

Contact the City of Bellevue's Finance Department by phone at **425-452-6800** or by email at **FinanceDepartment@bellevuewa.gov**. We're here to help!

