Council Budget Workshop

August 4, 2010

Council Questions

During the June 14 Council Workshop and subsequent Council sessions, Council asked the following questions related to various City policies and budget.

Council asked:

1. *Is Bellevue's highest property tax rate actually $11.02?*

2. *What is the average impact to taxpayers of raising taxes to the maximum allowable?*

3. *Find a way to compare Seattle's SEPA fees to Bellevue's impact fees.*

4. *Compare impact fees in Bellevue's CIP as a percent of the total CIP to other cities.*

5. *Look at the impact of impact fees on development.*

6. *Show PACE impact fees in 2009 and what they will be in the future.*

7. *Provide an analysis of purchasing versus leasing computers.*

8. *Provide a 10-year forecast of projected revenues/expenses (Finance Plan) for BCCA.*

9. *Provide a revenue and expenditure statement, bond repayment schedules, and rent rolls for the Marina.*

10. *Show the impact of the proposed annexation on the comparison of Bellevue and Seattle's debt.*

11. *What is the relationship between wholesale water rate increases to the City of Bellevue and retail rate increases to City of Bellevue customers?*

12. *Why is the increase mentioned above 13.7% instead of the 11.9% presented by Cascade at Council on July 26?*

13. *Will this difference in Cascade's annual budgeting vs. Bellevue's bi-annual budgeting continue?*

14. *What is the relationship between wholesale sewer rate increases to the City of Bellevue and retail rate increases to City of Bellevue customers?*

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Council Budget Workshop

August 4, 2010

Revenues

1. Is Bellevue's highest property tax rate actually $11.02?

Property Tax Rates:
While cities levy specific property tax rates, there are other taxing jurisdictions that have an impact on the overall rate paid by property tax by property owners within any given city. Variation in rates is commonly due to the inclusion of hospital districts and school levies which can vary based on the taxing districts rather than the city lived in. These levy rates are summarized in levy codes.

Bellevue's highest levy code as reported by King County, is 0388 with a total levy amount of $11.02/$1,000 AV. This levy code includes the Issaquah School and H-1 Hospital District levies. There is, however, only one parcel in this levy code. The parcel (shown below) is vacant land owned by King County. King County is exempt from paying property tax.

The highest property tax rate paid by Bellevue residents is $10.57 and is in levy codes 0385 and 0391. This high property tax rate is driven primarily by the Issaquah School district levy of $4.81.

Council Budget Workshop

August 4, 2010

Revenues

2. What is the average impact is to taxpayers of raising tax rates to the maximum allowable?

Revenue Increase at Maximum Tax Rates:
The City has maintained utility tax rates lower than most jurisdictions and lower than the average among neighboring cities. Bellevue's B&O tax rate is average compared to neighboring jurisdictions. The following table shows the annual revenue increases resulting from raising these tax rates to their maximum, as well as the impact to a typical resident and business.

REVENUE INCREASE AND IMPACT AT MAXIMUM (OR AVERAGE) RATES

	2010 Projected Tax Revenue	Current Rate	Maximum Rate (or Average[1])	Revenue Increase	Residential Typical Activity	Residential Average Impact	Business Typical Activity	Business Average Impact
Electricity	$7,622,000	5.0%	6.0%	$1,524,400	$94	$1	$590	$6
Gas	3,050,364	5.0%	6.0%	610,073	96	1	547	5
Telephone	2,838,397	6.0%	6.0%	-		-		-
Cell Phone	4,518,000	6.0%	6.0%	-		-		-
Water[1]	3,330,886	10.4%	9.3%	(352,305)	48	(1)	2,278	(25)
Sewer[1]	1,951,690	5.0%	7.7%	1,053,913	55	1	3,443	93
Storm[1]	764,918	5.0%	7.6%	397,757	17	0	496	13
Garbage[1,2]	957,000	4.5%	9.5%	1,063,333	17	1	496	25
B&O[3,4]	25,776,000	0.1496%	0.20%	8,683,893	-	-	467,222	235
Total	$50,809,255			$12,981,064	$327	$4	$475,073	$352

[1]No maximum rates for Water, Sewer, Storm, Garbage; used average rates of neighboring cities.

[2]Estimated typical business activity. No "typical" solid waste customers tracked.

[3]City Council reserved from its levied capacity a rate of .0001 for convention center purposes per Ord. 4094.

[4]Typical gross receipt reporting business.

Council Budget Workshop Policy Response

August 4, 2010

Impact Fees

3. Find a way to compare Seattle's SEPA fees to Bellevue's impact fees.

On June 14, it was noted that Seattle is the only other city in the vicinity where development intensity is comparable to Bellevue. Nowhere else are buildings over 20 stories permitted and built. Typical impact fee programs, including Bellevue's, do not measure impacts to the transportation based on building height but solely on trip generation. One 40 story office building may have the same trip generation potential as four 10-story or ten 4-story buildings, more typical of a suburban office park development than an urban downtown. Bellevue's impact fee program does provide a 25 percent adjustment to the trip generation factor for most downtown development. This adjustment does not change the fee per trip rate in the downtown but does adjust the trip generation factor due to the higher density of buildings, a diverse mixture of land uses, and the proximity of substantial transit service.

As presented and discussed with Council on June 14, the City of Seattle does not have a transportation impact fee program comparable to Bellevue or many other Eastside and statewide cities. One primary reason for this is that Seattle does not have a major infrastructure expansion program to respond to or prepare for growth. In Seattle, a mature, fully developed city, there are few areas where significant new growth is expected or planned. Development occurs in a much more random or infill nature. Bellevue continues to have an aggressive infrastructure expansion program to support our adopted land use growth plans. Impact fees can only be used to fund new or expanded infrastructure that is intended to serve new growth.

Historically, Seattle has used SEPA to require new development to mitigate its direct impact on the City's transportation infrastructure, typically on the roadways and intersections in close proximity to the development site. This method is much less predictable to the development community which is trying to quickly determine its overall development costs. More recently, Seattle has introduced an alternative, voluntary mitigation fee program within select areas of the city experiencing more focused redevelopment, i.e., South Lake Union and Northgate. Any fees collected must be spent on specified projects within those subareas. Even if a developer elects to pay this fee, the City may impose additional mitigation requirements for impacts outside the subarea.

Council Budget Workshop Policy Response

August 4, 2010

Impact Fees

Bellevue also reviews development proposals under SEPA and, in rare instances, requires developers to mitigate their specific, direct impacts to the transportation system in addition to paying a fee to mitigate their proportional-share impact to the cost of citywide transportation network enhancements. If a SEPA-required mitigation is also an improvement identified in the adopted impact fee program, the developer will be given a credit against their required impact fee. Credits can sometimes exceed the fees due, and in certain scenarios the City may be required to reimburse the developer for improvements and/or land dedications exceeding the value of the required mitigation.

Council Budget Workshop Policy Response

August 4, 2010

Impact Fee Comparison

4. Compare impact fees in Bellevue's CIP as a percent of total CIP to other Cities.

For background purposes, impact fees are one-time charges assessed by local governments against new development. The fees are charged in attempt to recover the costs incurred by government in providing the public facilities required to serve the new development. Impact fees are only used to fund facilities, such as roads, schools, and parks, that are directly associated with the new development. The City of Bellevue only assesses a transportation impact fee, which was recently updated and adopted by Council in May 2009 at a rate of $2,000 per trip generated by the development. The fee is scheduled to increase incrementally up to $5,000 beginning in 2016, and to grow by inflation thereafter. Impact fees can only be applied to projects that add system capacity to accommodate the increased number of trips attributed to growth. Impact fees cannot be used for stand-alone non-capacity improvements, such as safety projects or pavement overlays.

The chart below provides a comparison of other cities' impact fees as a percentage of total CIP. Since impact fees can only be applied to projects that add system capacity, the chart also provides a comparison of the transportation impact fees as a total of the transportation CIP budget.

Comparison of Impact Fees to other cities
$$ in Thousands

Comparative Cities	CIP Plan	Total Adopted CIP ($$$)	Total Impact Fees* ($$$)	% of Total CIP	Total Trans CIP ($$$)	Total Trans Impact Fees ($$$)	% of Total Trans CIP
Bellevue	2009-2015	$347,368	$3,653	1.1%	$140,783	$3,653	2.6%
Redmond	2009-2014	235,453	22,733	9.7%	105,442	15,348	14.6%
Issaquah**	2009-2014	-	-	-	-	-	-
Kirkland***	2009-2014	100,983	17,246	17.1%	47,120	17,246	36.6%
Sammamish	2009-2014	83,300	23,500	28.2%	65,120	23,500	36.1%

* Total Impact Fees could include both Transportation and Park's Impact Fees

** Information not available

*** Impact fees are estimated based on information provided in the 09-14 CIP adopted budget.

Council Budget Workshop Policy Response

August 4, 2010

Impact Fees

5. *Look at the impact that impact fees have on development. If your impact fee is lower than everyone else are you at an advantage or disadvantage.*

There is no easy answer to this question as there are many, many factors that influence a developer's choice of where to develop. One piece of documentation on this subject was authored by Bellevue's Office of Economic Development together with Matt Terry, then PCD Director, in October 2008. A memorandum with the subject: "Corporate Location Decisions, Bellevue's Competitiveness, and the Role of Taxes/Fees", was provided to the Council most recently in the June 14, 2010 desk packet. The authors used a source document prepared for the City by a team of leasing and sales specialists from GVA Kidder Mathews, a commercial real estate firm.

In summary, the evaluation found little evidence that taxes and fees are as influential as what is commonly assumed. Quality of life, business opportunities, and central location matter more, especially given that the biggest portion of growth in the Bellevue real estate market is driven by the technology sector and related services. The Kidder Mathews document indicates that the following location decision-making factors were consistently rated as important in planning for the future (generally ranked in order of importance):

- Access to Customers and Markets
- Access to Specialized Talent
- Quality of Life for Employees
- Quality of Local Infrastructure
- Risk Mitigation/Diversifications
- Government Requirements.

The site selection criteria above do to not call out taxes and fees specifically, but these costs do of course fall under government requirements.

Another recent publication, *Effects of Proportionate-Share Impact Fees* (Burge, Gregory S., Arthur C. Nelson, and John Matthews. 2007. *Housing Policy Debate*, 18: 679-710), synthesizes disparate literature and current knowledge about the market impacts of proportionate share impact fees finding that, for the most part, they facilitate development in several important ways. The authors hoped that by summarizing existing literature concerning the effects of impact fees. Current debates focus primarily on the effect of impact fees on housing prices, residential construction rates, commercial development, and economic growth defined more broadly. They provide several relevant findings from the recent literature as follows:

- Political resistance to large, across-the-board property tax increases has compromised the conventional approach to paying for infrastructure needs brought on by new development. Alternative financing mechanisms such as impact fees are increasingly being recognized as more feasible policies that enable communities to grow in ways that meet the needs of both current and future residents.

- Unlike most types of taxes, impact fees are earmarked for providing facilities that will directly serve new development and may be better characterized as user fees (benefit taxes). Existing empirical evidence strongly indicates this provision is valued by both residential development and has just begun to provide insights that it is also valued by commercial development. While most impact fee programs across the U.S. (Bellevue included) do not reflect the full marginal cost of infrastructure improvements, they do establish a clear link between those paying for, and those receiving benefits from, new infrastructure.
- In the absence of impact fees, local governments may simply not be able to generate the revenue necessary to accommodate growth. They are likely to react by limiting the supply of buildable land or by enacting other development restrictions.
- Impact fees have complex effects on housing prices even though the direction of this effect is clear. Theoretical and empirical investigations suggest that while impact fees do raise housing prices, this is not because they are simply “passed forward” to buyers. Instead, housing prices rise because impact fees reduce the burden on property taxes while still providing valuable facilities to the community, increasing residents’ willingness to pay for housing.
- Impact fees have dramatically different short versus long-run impacts on building permit applications. The development community predictably calls attention to the notable drop-off in permitting that tends to occur right after implementation. However, investigations have shown that while this is true, it is only part of the story. Developers will predictably try to obtain as many approved permits as they can in the months leading up to a fee increase, which is offset by a period of several months following implementation where relatively few permits are issued. This very-short-run spike-dip phenomenon is unlikely to have a noticeable impact on housing starts or aggregate development rates over longer periods of time.
- Finally, while literature on the relationship between impact fees and economic development is unfortunately sparse, there are two important recent studies that suggest impact fees do not slow job growth. In fact, both investigations of this relationship find a positive effect, suggesting impact fees add something of value to the community such that economic growth is actually enhanced. This suggests that impact fees are not a drag on local economies as most opponents of impact fee programs have conjectured, and that, at best, impact fees are an effective growth management tool that reduces risk and uncertainty in the development process over time by using impact fee revenues to provide valuable public infrastructure concurrent with new development.

Council Budget Workshop Policy Response

August 4, 2010

Impact Fees

6. Show PACE impact fees in 2009 and what they will be in future years

PACE's application is for a performing arts center of 124,331 gross square footage and 2,380 seats. It is located in downtown Bellevue at the southwest corner of 106th Avenue NE and NE 10th Street. An existing office building of 26,568 gross square footage located at the site will be demolished. The table below indicates the gross and net impact fee for the development were the building permit issued in 2009, 2010-2012 (the current adopted impact fee), 2013-2015 (the second step in a three step phase in approved by Council in 2009, and in 2016 (the third step increase).

Tateuchi Performing Arts Center	Impact Fee 2009	Impact Fee 2010 - 2012	Impact Fee 2013 - 2015	Impact Fee 2016
Gross Fee	$36,372	$155,000	$232,500	$387,500
Existing Use Credit	$25,240	$68,280	$102,552	$170,832
Net Impact Fee	$11,132	$86,720	$129,948	$216,668

Council Budget Workshop

August 4, 2010

Purchase Versus Lease Computers

7. Provide an analysis of purchasing versus leasing computers.

At the April 26 meeting, Council requested that staff provide the analysis of purchasing versus leasing computers. The following is the information prepared by the Information Technology Department as part of their analysis of operations prior to submitting budget proposals.

Computer Leasing Analysis

Recommendation

We do not recommend leasing PCs and laptops at this time. The analysis did not identify any savings from leasing and it limits our future options, which might have negative financial consequences. We do recommend reviewing this again in two years for the next biennium budget.

Benefits of Leasing PCs and Laptops (Why would this be a good idea)

Traditionally the primary benefits of leasing include:

- Stabilization of cash flow over time
- Tax benefits related to depreciation
- Reduced administrative burden and costs related to disposal of used equipment
- Overall cost savings in some cases.

The first two benefits listed above do not apply to the City of Bellevue. Some agencies utilize leasing to equalize cash flow over time; however, the City's budget and reserve policies eliminate the need to do this. We do not have the same tax implications as private businesses so there is no benefit in that area.

We would benefit minimally from not having to dispose of surplus equipment. Since the vendor owns the equipment they are fully responsible for disposing of equipment at the end of the lease. However, this advantage is negated by a new surplus arrangement that the City has enacted which reduces our labor in the surplus process and may return some salvage value back to the City. The internal effort to manage a lease program is roughly equivalent to managing the current program, so ITD would not realize any administrative benefit.

Council Budget Workshop

August 4, 2010

Purchase Versus Lease Computers

Three different leasing options were evaluated, with lease (interest) rates varying from 1.54% to 4.02% over a 4 year lease. The cost varied depending on the type of lease, however the total cost exceeded the purchase option by $30K-$83K over a 4 year period. The City minimizes acquisition costs for equipment through centralized purchasing and volume discounts with State contract pricing.

Costs/Risks of Leasing PCs and Laptops (What is the cost and/or associated risks)

- We lose flexibility and financial advantages by locking into a 4 year useful life. We are investigating virtual desktop technology that may extend the life of a PC by 2 to 3 years. It is not advantageous to enter into a lease agreement if the useful life of the equipment is uncertain. Extending the terms of a lease, or changing any of the conditions, will result in substantial financial consequences making it economically unviable.
- We lose the ability to take advantage of one-time pricing programs that are offered from time to time.
- We lose any savings from new surplus arrangements that result in increased salvage value and cash back to the City.
- We are locked into a leasing contract, when PC and laptop prices may continue to fall.

Council Budget Workshop Policy Response

August 4, 2010

BCCA's Financial Forecast

8. Provide a 10 Year forecast of projected revenues/expenses (Finance Plan) for BCCA.

On June 14, 2010, Council requested a 10-year forecast for the Bellevue Convention Center Authority (BCCA). The following table displays the BCCA's 2010 Finance Plan (consolidated for presentation) approved by the Finance Oversight Committee (FOC) on December 8, 2009.

Bellevue Convention Center Authority
2010-2019 Finance Plan

	Transient Occupancy Tax (TOT)	Debt	Remaining TOT	Net Operations	Net Theatre	Transfer to Capital	Transfers (to)/from Reserves	Ending Fund Balance
2010	$ 5,267,476	$ (5,594,324)	$ (326,848)	$ (708,589)	$ (159,940)	$ -	$ 1,195,377	$ 762,995
2011	5,967,288	(5,912,671)	54,617	(638,924)	(165,538)	-	749,845	762,995
2012	7,085,224	(6,252,258)	832,966	(604,745)	(171,332)	(409,409)	-	410,475
2013	8,020,122	(6,923,921)	1,096,201	(563,323)	(177,328)	(320,112)	(35,438)	410,475
2014	8,545,243	(7,230,158)	1,315,085	(591,489)	(183,535)	(403,059)	(137,002)	410,475
2015	8,914,629	(7,724,793)	1,189,836	(621,063)	(189,959)	(240,176)	(138,638)	410,475
2016	9,528,994	(8,130,077)	1,398,917	(652,116)	(196,607)	(409,845)	(140,349)	410,475
2017	9,962,737	(8,573,547)	1,389,190	(684,722)	(203,488)	(358,843)	(142,136)	410,476
2018	10,415,538	(9,032,000)	1,383,538	(718,958)	(210,610)	(309,965)	(144,004)	410,477
2019	10,889,253	(9,063,588)	1,825,665	(754,906)	(217,982)	(706,819)	(145,958)	410,477

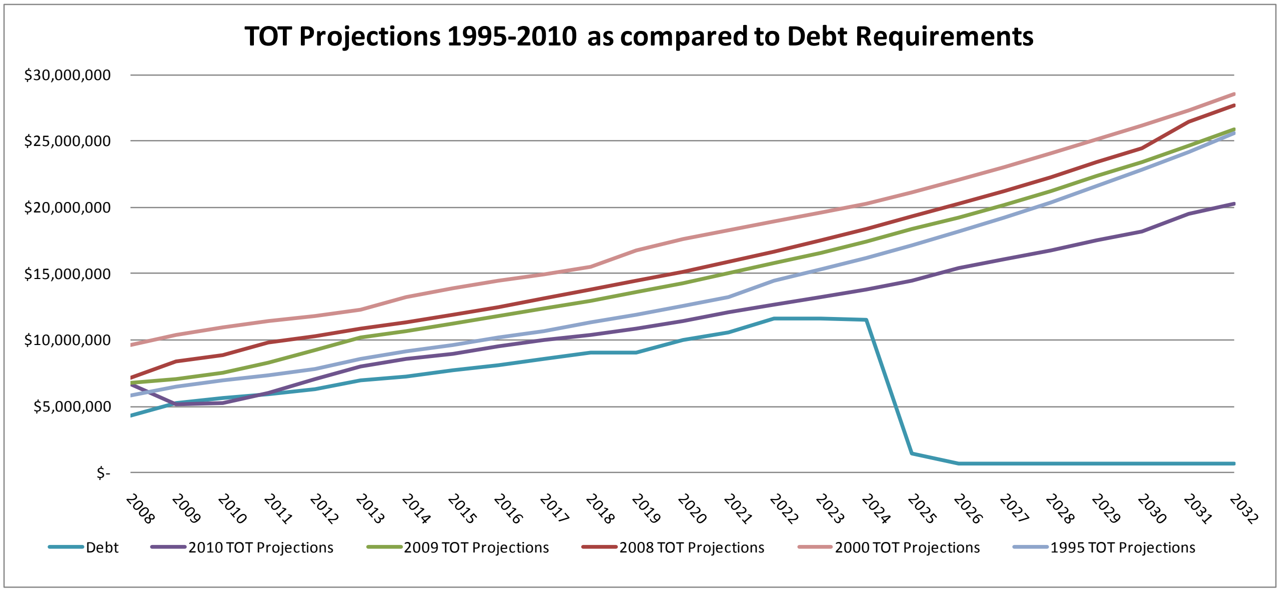
As displayed in the adopted Finance Plan above, TOT is projected to be insufficient to cover required debt payments and net operation costs in 2010. The Plan includes the use of reserves to cover shortfalls in debt and operating funding through 2011 with reserve repayment starting in 2013.

A historical look at TOT projections compared to outstanding debt is illustrated below.

Council Budget Workshop Policy Response

August 4, 2010

BCCA's Financial Forecast



As shown in this chart, past projections estimated TOT collections would be in excess of debt requirements, with the exception of the 2009 update. The 2009 TOT projections estimated that TOT collections would fall short of debt requirements in 2009 and 2010.

The next TOT analysis and projection update will be performed in the August-September 2010 time frame. Subsequent development, review and adoption of the BCCA 2011 Finance Plan will occur in December 2010.

Council Budget Workshop Policy Response

August 4, 2010

Marina Finance Plan

9. Provide a revenue and expenditure statement, bond repayment schedules, and rent rolls for the Marina.

The debt service payments for the 1998 LTGO Marina are funded from moorage rental fees generated from the Meydenbauer Bay (Pier 1 and 2) and Bellevue Yacht Basin (Pier 3) Marinas.

The Meydenbauer Bay Marina Finance Plan was established in 1998 to ensure that there are adequate resources generated from moorage fees and rental income from the duplex to pay principal and interest on the bonds and sufficiently fund maintenance, operations, and reserves.

In accordance with the Finance Plan, the cash flow projection is updated annually. The current cash flow update was done effective April 26, 2010. The forecast indicates that there will be $238,000 in net cash available at the marina in 2018 after the full repayment of the Marina bonds.

Below is a consolidated cash flow summary for Meydenbauer Bay and Bellevue Yacht Basin Marinas.

Meydenbauer Bay Marina Finance Plan
2010 Consolidated Cash Flow Summary (Meydenbauer Bay and Bellevue Yacht Basin)

Year	Beg. Fund Bal.	+	Oper. Rev.	Int. Erngs	-	Oper. Exp.	=	Oper. Gain/ Loss	-	Marina Debt Service	=	Ending Fund Balance	Debt & Contgcy (1)	Capital R & R (2)
2004	398,888		471,361	8,802		163,608		316,555		243,225		472,218	400,000	72,218
2005	428,267		450,224	12,115		153,645		308,694		250,825		486,136	400,000	86,136
2006	486,136		490,348	30,391		148,244		372,495		253,025		605,606	400,000	205,606
2007	605,606		497,496	40,038		158,670		378,864		275,025		709,445	400,000	309,445
2008	729,087		499,362	31,156		221,486		309,032		421,025		617,094	400,000	217,094
2009	543,631		507,203	11,935		178,895		340,243		410,775		473,099	400,000	73,099
2010	473,099		522,405	11,354		136,215		397,544		400,400		470,243	400,000	70,243
2011	470,243		534,943	15,988		137,826		413,105		439,900		443,448	400,000	43,448
2012	443,448		547,246	14,634		140,996		420,884		427,000		437,332	400,000	37,332
2013	437,332		560,380	14,869		144,380		430,870		413,950		454,252	400,000	54,252
2014	454,252		573,829	15,445		147,845		441,429		500,750		394,931	394,931	0
2015	394,931		587,601	13,428		151,393		449,636		483,150		361,417	361,417	0
2016	361,417		601,704	12,288		155,027		458,965		465,150		355,232	355,232	0
2017	355,232		617,950	13,144		159,213		471,881		546,750		280,363	280,363	0
2018	280,363		634,634	10,373		163,511		481,497		523,500		238,359	238,359	0

(1) In accordance with the Finance Plan, 10% of the annual net revenues up to a maximum amount of $400,000 are reserved for debt service payments and to provide additional protection for the City's General Fund.

Council Budget Workshop Policy Response

August 4, 2010

Marina Finance Plan

(2) In compliance with the Finance Plan, 2.5% and 4.5% of gross revenues up to a maximum of $400,000 for the Meydenbauer Bay and Bellevue Yacht Basin Marinas respectively are reserved for capital repair and replacements.

The debt service schedule for the 1998 LTGO Marina Bonds is provided below:

1998 Limited Tax General Obligation Bonds - Marina					
Year	**Principal**	**Coupon**	**Interest**	**Debt Service**	**Total Debt O/S**
Beg Bal 1/1/10					$3,350,000
2010	$250,000	4.80%	$150,400	$400,400	3,100,000
2011	300,000	4.90%	139,450	439,450	2,800,000
2012	300,000	5.00%	127,000	427,000	2,500,000
2013	300,000	5.05%	113,950	413,950	2,200,000
2014	400,000	5.10%	100,750	500,750	1,800,000
2015	400,000	5.15%	83,150	483,150	1,400,000
2016	400,000	5.20%	65,150	465,150	1,000,000
2017	500,000	5.25%	46,950	546,950	500,000
2018	500,000	5.25%	23,500	523,500	0

Council Budget Workshop Policy Response

August 4, 2010

Marina Finance Plan

The current moorage rental fee schedules for the Meydenbauer Bay (Pier 1 and 2) and Bellevue Yatch Basin (Pier 3) marinas are listed below.

City of Bellevue Marina at Meydenbauer Bay
Pier 1 Moorage Rates

Property Name	Lease Type (Term)	Monthly Rent (Breakdown)	Monthly LHET (Breakdown)	Monthly Total	Slip Size	Slip Type
1	month to month	376.37	48.33	424.70	35' x 16'	Uncovered
2	month to month	390.30	50.12	440.42	35' x 16'	Uncovered
3	month to month	390.30	50.12	440.42	35' x 16'	Uncovered
4	month to month	390.30	50.12	440.42	35' x 16'	Uncovered
5	month to month	390.30	50.12	440.42	35' x 16'	Uncovered
6	month to month	390.30	50.12	440.42	35' x 16'	Uncovered
7	month to month	987.13	126.75	1113.88	69' x 23'	Uncovered
8	month to month	987.13	126.75	1113.88	69' x 23'	Uncovered
9	month to month	987.13	126.75	1113.88	69' x 23'	Uncovered
10	month to month	987.13	126.75	1113.88	69' x 23'	Uncovered
11	*See Below	2336.24	299.97	2636.21	120' x 30'	Uncovered
12	*See Below	2643.01	339.36	2982.37	130' End Tie	Uncovered
14	month to month	351.29	45.11	396.40	45' x 19'	Uncovered
15	month to month	630.37	80.94	711.31	50' x 19'	Uncovered
16	month to month	630.37	80.94	711.31	50' x 19'	Uncovered
17	month to month	630.37	80.94	711.31	50' x 19'	Uncovered
18	month to month	630.37	80.94	711.31	50' x 19'	Uncovered
19	month to month	630.37	80.94	711.31	50' x 19'	Uncovered
20	month to month	630.37	80.94	711.31	50' x 19'	Uncovered
21	month to month	630.37	80.94	711.31	50' x 19'	Uncovered
22	month to month	630.37	80.94	711.31	50' x 19'	Uncovered
23	month to month	630.37	80.94	711.31	50' x 19'	Uncovered
24	month to month	630.37	80.94	711.31	50' x 19'	Uncovered

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Council Budget Workshop Policy Response

August 4, 2010

Marina Finance Plan

City of Bellevue Marina at Meydenbauer Bay
Pier 2 Moorage Rates

Property Name	Lease Type (Term)	Monthly Rent (Breakdown)	Monthly LHET (Breakdown)	Monthly Total	Slip Size	Slip Type
2	month to month	463.06	59.46	522.52	42' x 18'	Covered
3	month to month	617.95	78.38	696.33	42' x 18'	Covered
4	month to month	617.95	78.38	696.33	42' x 18'	Covered
5	month to month	617.09	79.24	696.33	42' x 18'	Covered
6	month to month	617.09	79.24	696.33	42' x 18'	Covered
7	month to month	495.13	63.57	558.70	42' x 18'	Uncovered
8	month to month	495.13	63.57	558.70	42' x 18'	Uncovered
9	month to month	617.09	79.24	696.33	42' x 18'	Covered
10	month to month	617.09	79.24	696.33	42' x 18'	Covered
11	month to month	617.09	79.24	696.33	42' x 18'	Covered
12	month to month	617.09	79.24	696.33	42' x 18'	Covered
13	month to month	617.09	79.24	696.33	42' x 18'	Covered
14	month to month	617.09	79.24	696.33	42' x 18'	Covered
15	month to month	1020.76	131.07	1151.83	90' End Tie	Uncovered
17	month to month	418.19	53.7	471.89	30' x 15'	Covered
18	month to month	418.19	53.7	471.89	30' x 15'	Covered
19	month to month	418.19	53.7	471.89	30' x 15'	Covered
20	month to month	418.19	53.7	471.89	30' x 15'	Covered
21	month to month	317.66	40.79	358.45	30' x 15'	Uncovered
22	month to month	317.66	40.79	358.45	30' x 15'	Uncovered
23	month to month	418.19	53.7	471.89	30' x 15'	Covered
24	month to month	418.19	53.7	471.89	30' x 15'	Covered
25	month to month	418.19	53.7	471.89	30' x 15'	Covered
26	month to month	418.19	53.7	471.89	30' x 15'	Covered
27	month to month	418.19	53.7	471.89	30' x 15'	Covered
28	month to month	418.19	53.7	471.89	30' x 15'	Covered
29	month to month	418.19	53.7	471.89	30' x 15'	Covered
30	month to month	418.19	53.7	471.89	30' x 15'	Covered

Budget One
one city
one public
one purpose

Council Budget Workshop Policy Response

August 4, 2010

Marina Finance Plan

City of Bellevue Marina at Meydenbauer Bay
Pier 3 Moorage Rates

Property Name	Lease Type (Term)	Monthly Rent (Breakdown)	Monthly LHET (Breakdown)	Monthly Total	Slip Size	Slip Type
4	month to month	214.37	27.53	241.90	25' 8" x 11' 5"	Uncovered
5	month to month	204.95	26.31	231.26	27' 4" x 12'	Covered
6	month to month	230.56	29.61	260.17	26' 9" x 11' 8"	Covered
7	month to month	230.56	29.61	260.17	28' 2 " x 10'	Covered
8	month to month	241.91	31.06	272.97	29' 2" x 10' 2"	Covered
9	month to month	279.24	35.85	315.09	30' 7" x 10' 4"	Covered
10	month to month	279.24	35.85	315.09	30' 9" x 11' 9"	Covered
11	month to month	274.89	35.3	310.19	31' 3" x 10' 5"	Covered
12	month to month	259.62	33.34	292.96	31' 9" x 10' 5"	Covered
13	month to month	279.24	35.85	315.09	31' 10" x 11' 3"	Covered
14	month to month	279.24	35.85	315.09	33' 4" x 11' 3"	Covered
15	month to month	263.84	33.88	297.72	33' 4" x 14' 11"	Uncovered
16	month to month	263.84	33.88	297.72	32' 4" x 14' 11"	Uncovered
17	month to month	263.84	33.88	297.72	31' 6" x 15' 3"	Uncovered
18	month to month	255.59	32.82	288.41	31' x 15' 3"	Uncovered
19	month to month	247.35	31.76	279.11	30' 4" x 11' 10"	Uncovered
20	month to month	239.11	30.7	269.81	29' 8" x 12' 8"	Uncovered
21	month to month	239.11	30.7	269.81	29' 8" x 12' 8"	Uncovered
22	month to month	393.37	50.51	443.88	49' 9" x n/a	Uncovered
23	month to month	181.4	23.29	204.69	22' x 12' 9"	Uncovered
24	month to month	206.12	26.47	232.59	25' x 12' 9"	Uncovered
25	month to month	222.64	28.59	251.23	27' 8" x 11' 7"	Uncovered
27	month to month	263.84	33.88	297.72	33' 9" x 15' 6"	Uncovered
28	month to month	305.07	39.17	344.24	37' 7" x 14' 4"	Uncovered
29	month to month	288.58	37.05	325.63	39' 10" x 14' 4"	Uncovered
30	month to month	255.59	32.82	288.41	35' 8" x 11' 7"	Uncovered
31	month to month	239.11	30.7	269.81	31' 10" x 11' 7"	Uncovered
32	month to month	255.59	32.82	288.41	31' 1" x 10'	Uncovered
33	month to month	263.84	33.88	297.72	32' 9" x 10'	Uncovered
34	month to month	148.81	19.11	167.92	39' 4" x 11' 5"	Uncovered
35	month to month	190.12	24.41	214.53	41' 5" x 11' 5"	Uncovered
36	month to month	380.77	48.89	429.66	45' 4" x 16' 4"	Covered
38	month to month	380.77	48.89	429.66	45' 8" x 16' 4"	Covered
47	Month to month	155.2	19.93	175.13	18' 2" x 9' 7"	Uncovered
59	month to month	24.26	3.11	27.37	28' 5" x 8' 8"	Uncovered

Council Budget Workshop

August 4, 2010

Debt

10. Show the impact of the proposed annexation on the comparison of Bellevue and Seattle's debt.

At the June 14 workshop, staff presented a comparison of Bellevue's and Seattle's debt. The following table compares the City of Bellevue to the City of Seattle in terms of annual debt service as a percent of General Fund Budget and net outstanding general obligation (GO) debt per capita.

Bellevue vs. Seattle - Debt Comparison				
Year	Bellevue Annual Debt Service as a % of General Fund Budget	Seattle Annual Debt Service as a % of General Fund Budget	Bellevue Net Outstanding GO Debt Per Capita (1)	Seattle Net Outstanding GO Debt Per Capita (2)
2009	7.10%	7.00%	$1,551	$1,511

Council asked about what that comparison would look like including South Bellevue's PAAs. The following table illustrates the impact.

Bellevue vs. Seattle - Debt Comparison						
Year	Bellevue Annual Debt Service as a % of General Fund Budget	Bellevue Annual Debt Service as a % of General Fund Budget (Including South Bellevue PAAs) (1)	Seattle Annual Debt Service as a % of General Fund Budget	Bellevue Net Outstanding GO Debt Per Capita) (2)	Bellevue Net Outstanding GO Debt Per Capita (Including South Bellevue PAAs) (3)	Seattle Net Outstanding GO Debt Per Capita (4)
2009	6.94%	6.87%	7.00%	$1,551	$1,485	$1,511

[1)] General Fund budget is expected to increase by $1.8 million as a result of the South Bellevue PAAs. No G.O. debt to be absorbed from South Bellevue PAAs (i.e., KCFD #14 and Water District #117).

Council Budget Workshop

August 4, 2010

Debt

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[2] Net debt of $187.1 million divided by Bellevue's 2009 estimated population of 120,600.

[3] Net debt of $187.1 million divided by Bellevue's 2009 estimated population of 126,000 including 5,400 from South Bellevue PAAs.

[4] Net debt of $ 909.8 million divided by Seattle's 2009 estimated population of 602,000.

Council Budget Workshop

August 4, 2010

Follow-up from Cascade Water Alliance Presentation

11. What is the relationship between wholesale water rate increases to the City of Bellevue and retail rate increases to City of Bellevue customers?

The wholesale purchase of water from Cascade is one of many expenses to Bellevue's water utility. Wholesale charges from Cascade represent approximately 51% of Bellevue's projected 2011 water utility expenses and 54% of projected 2012 expenses. Therefore, a 1% increase in wholesale water costs translates into a 0.51% increase in retail rates to City of Bellevue customers in 2011 and 0.54% in 2012. The wholesale rate increase of 13.7% in 2011 and 7.9% in 2012 translate into retail rate increases of 7.0% and 4.3%, respectively. For the typical single family customer, wholesale rate increases for water will add approximately $2.79 to the average monthly utility bill in 2011, and $1.88 in 2012. Local program costs will be addressed as part of the current budget process.

12. Why is the increase mentioned above 13.7% instead of the 11.9% presented by Cascade at Council on July 26?

Both numbers are accurate. It's a matter of perspective and the time base from which one starts. Cascade establishes wholesale water charges to its members annually and bills them for the upcoming year. For example, Bellevue's 2010 wholesale water charges were set in 2009. At the July 26 Council meeting, Cascade reported an increase of 11.9% for 2011. This represents the increase from their 2010 bill to Bellevue of $15.3 million to their projected bill of $17.0 million in 2011.

Council Budget Workshop

August 4, 2010

Follow-up from Cascade Water Alliance Presentation

Bellevue establishes its budget and the associated rates, based on projections from Cascade, on a two-year basis. For example, 2010 wholesale water costs and 2010 water rates were set in 2008. As a result, Bellevue's budget for the second year of the biennium (i.e., 2010) will not necessarily match Cascade's more current estimate of costs for that year. For example, in 2008, Cascade projected Bellevue's wholesale water cost to be $15.0 million; this was included in Bellevue's budget and rates for 2010 and is the basis for what ratepayers are currently paying. In 2009, Cascade updated its cost estimates for 2010 and revised the projection of Bellevue's 2010 wholesale water bill to $15.3 million.

As seen from the ratepayer's perspective, the effective wholesale rate increase in 2011 will be based on the difference between what Bellevue budgeted in 2008 for 2010 ($15.0 million) and what Cascade plans to bill Bellevue for wholesale water supply in 2011 ($17.0 million), or 13.7%. See table below.

	Projected 2010 wholesale cost to Bellevue	**Projected 2011 wholesale cost to Bellevue**	**% increase for wholesale**
CWA Perspective:	$15.3 million (set in 2009)	$17.0 million (set in 2010)	11.9%
Ratepayer Perspective: Bellevue's budget and basis for 2010 rates	$15.0 million (set in 2008)	$17.0 million (set in 2010)	13.7%

13. Will this difference in Cascade's annual budgeting vs. Bellevue's bi-annual budgeting continue?

Cascade is moving to a two-year budget, at which point the difference in timing discussed above should no longer be an issue.

Council Budget Workshop

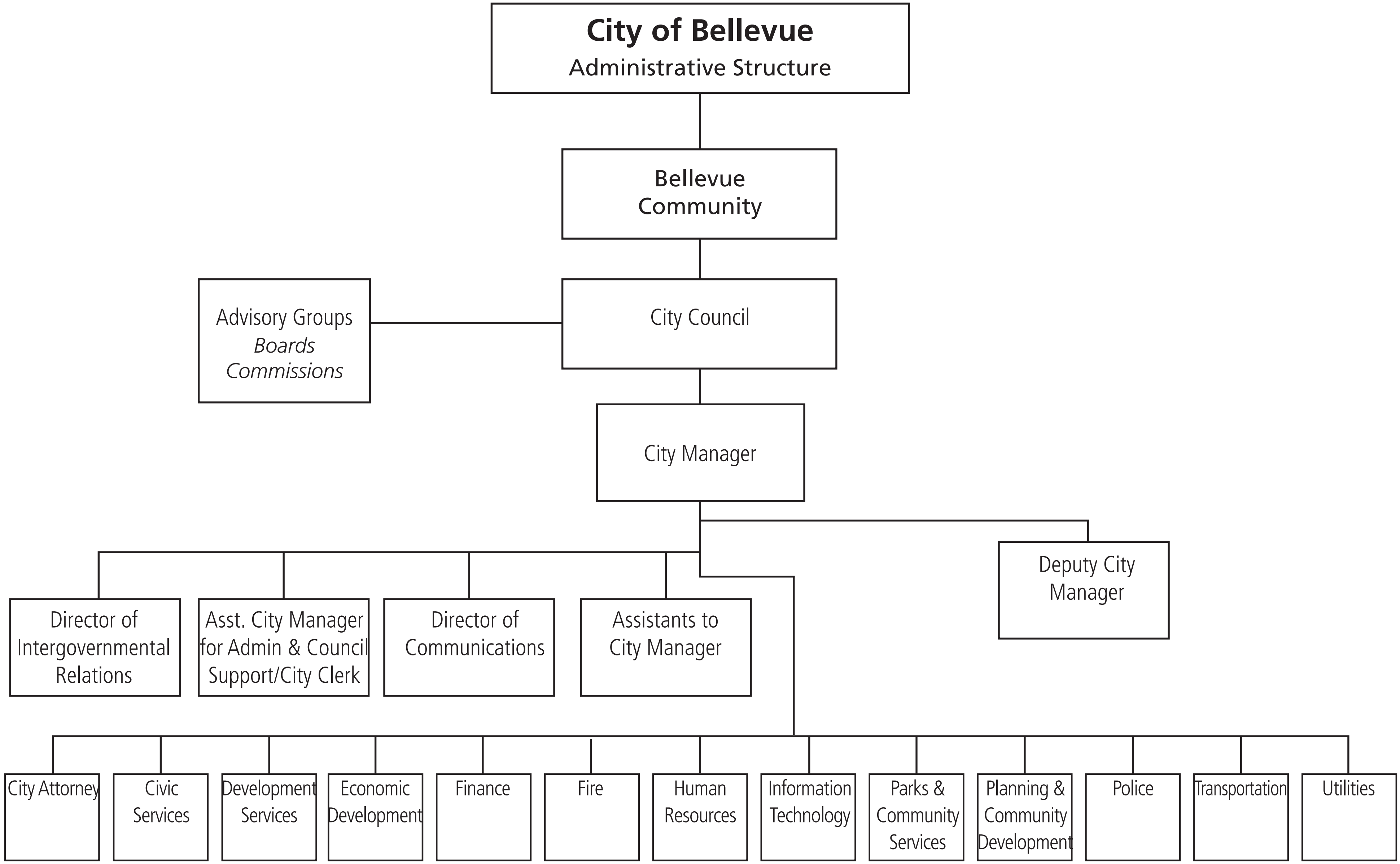
August 4, 2010

Follow-up from Cascade Water Alliance Presentation

14. What is the relationship between wholesale sewer rate increases to the City of Bellevue and retail rate increases to City of Bellevue customers?

Wholesale charges from the King County represent about 60% of Bellevue's projected sewer utility expenses in 2011. Therefore, a 1% increase in wholesale sewer treatment costs translates into a 0.6% increase in retail rates to City of Bellevue customers.

King County operates on a 2-year budget cycle, similar to Bellevue. For 2011, the projected King County wholesale rate increase of 13.2% translates into a retail rate increase of 7.9%. This is a two-year rate, so there is no rate increase for wholesale in 2012. For the typical single family customer, wholesale rate increases for sewer will add approximately $4.09 to the average monthly utility bill in 2011, and $0 in 2012. Local program costs will be addressed as part of the current budget process.



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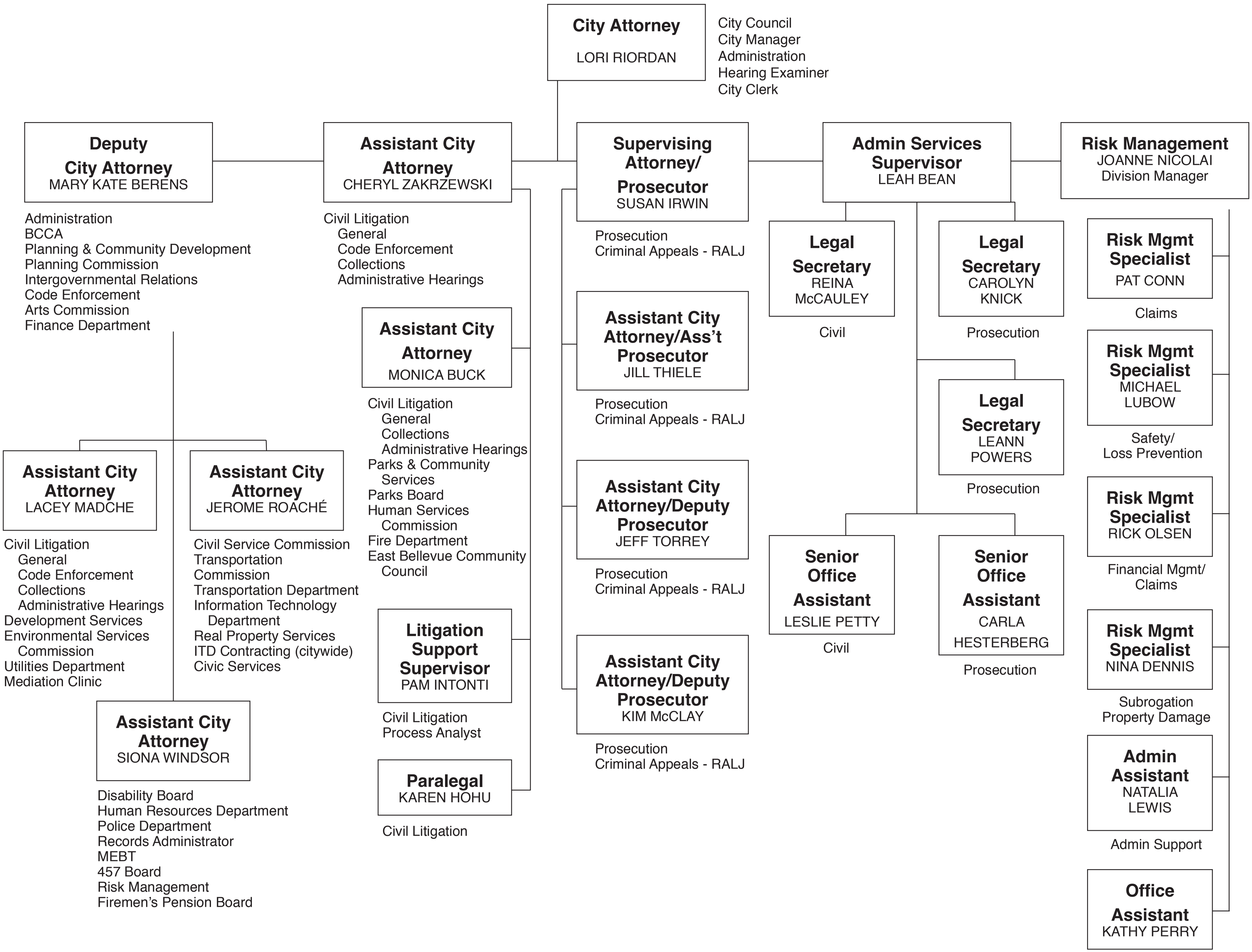

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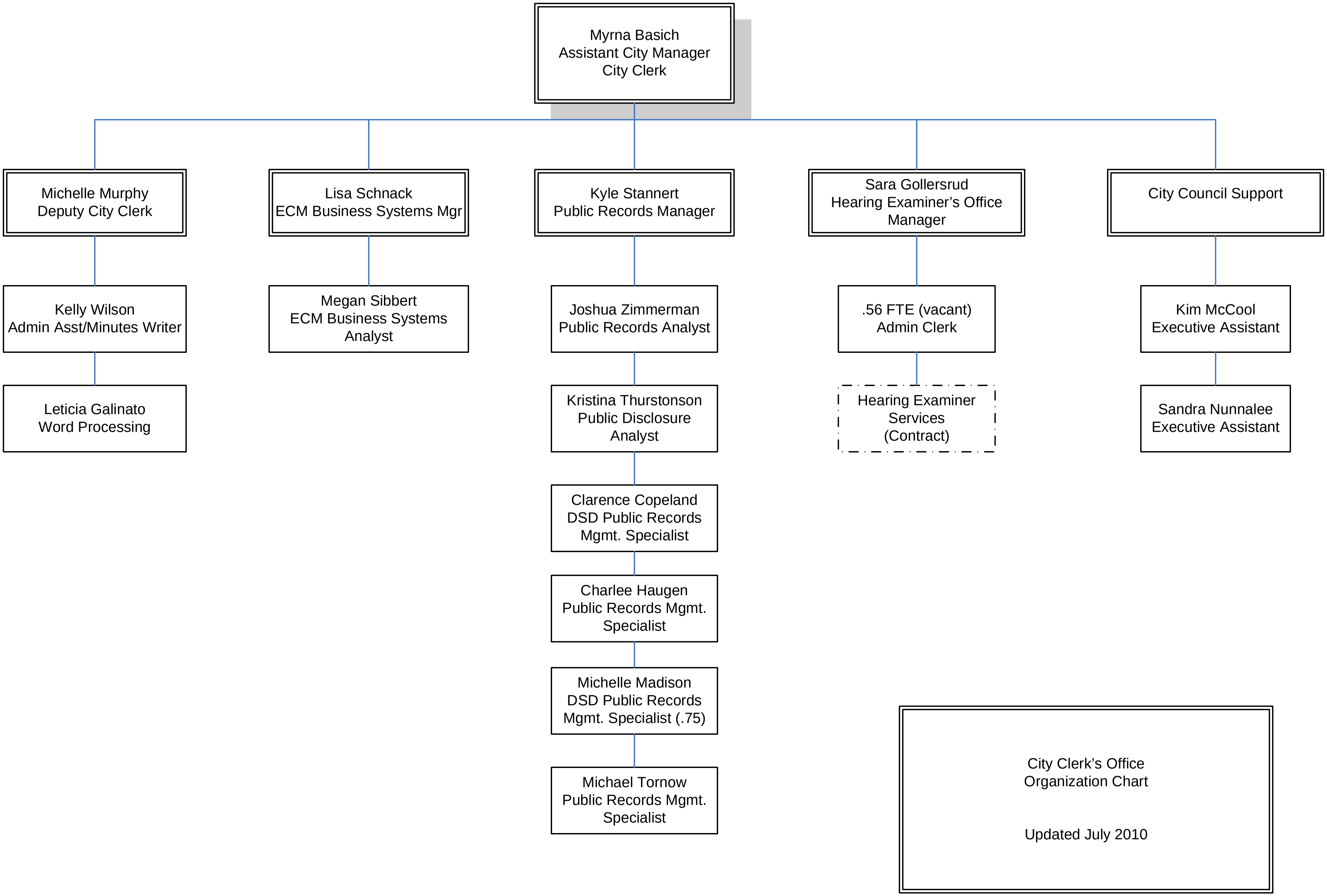

Myrna Basich
Assistant City Manager
City Clerk
Michelle Murphy
Deputy City Clerk
Kelly Wilson
Admin Asst/Minutes Writer
Leticia Galinato
Word Processing
Lisa Schnack
ECM Business Systems Mgr
Megan Sibbert
ECM Business Systems Analyst
Kyle Stannert
Public Records Manager
Joshua Zimmerman
Public Records Analyst
Kristina Thurstonson
Public Disclosure Analyst
Clarence Copeland
DSD Public Records Mgmt. Specialist
Charlee Haugen
Public Records Mgmt. Specialist
Michelle Madison
DSD Public Records Mgmt. Specialist (.75)
Michael Tornow
Public Records Mgmt. Specialist
Sara Gollersrud
Hearing Examiner's Office Manager
.56 FTE (vacant)
Admin Clerk
Hearing Examiner Services (Contract)
City Council Support
Kim McCool
Executive Assistant
Sandra Nunnalee
Executive Assistant
City Clerk's Office
Organization Chart
Updated July 2010

Civic Services Department

- **Nora Johnson**
  Director
  - LAND SURVEY — **Lynn Call**
    - OFFICE: Steve Bratz, Jeff Collin, Buck Harrison, (Lynn Caseman)
    - FIELD CREW: Mark Blessington, Rene Cruz, Shannan Bartlett, Terry Martin, Karen Lathim, Geoff Thomson
  - REAL PROPERTY — ***Max Jacobs**
    - Patti Ebert, (Jim Firestone), Gwynne Johnson, Marley Jo Marinacci
  - FACILITIES — **Frank Pinney**
    - FACILITIES PLANNING & DEVELOPMENT: Susan Harper, *Shannon Horst, Marina Stefanovic
    - CITY RESOURCE CONSERVATION MANAGER: *Emma Johnson
    - PROGRAM ADMINISTRATOR: Julie Reznick
    - FACILITIES MANAGEMENT — **Earl Meldahl**
      - **Tracy McMahan**: Kim Luettgen, Steve McBride, Tyler Nelson, Dave Schaut, Jim Schneider, Jim Wesley, Vacant
      - **Paul Bartelmes**: Mike Leonard
  - SERVICE FIRST — **Laurie Leland**
    - PROGRAM COODINATOR: Kyla Wallace
    - SERVICE FIRST DESK: Travis DesAutels, Betsy Donworth, Pavla Grover, Shary King, Joan Ready, Lynn Riggs, Ian Toms
  - FLEET & COMMUNICATIONS — **Pete Bednar**
    - ELECTRONIC COMMUNICATIONS — **Mike Cox**: Scott Comerford, Paul LaFrance, Tommy Thompson
    - INVENTORY & PARTS — **Sean Pownall**: Paul Bergeron, *Bobby Kulvanish, Kristine Russell (1040 ongoing)
    - CONTRACTS: Todd Shepler
    - WARANTY PROGRAM: Tom Wall
    - FLEET MAINTENANCE — **Pat Spencer**
      - HEAVY DUTY — **Steve Maloy**: John Baumgaertner, Greg Bethel, Dan Biggs, Carter Dillon, Ron Luther, Tim Thorlton
      - LIGHT DUTY — **Demitri Bergeron**: Bruce Bartanen, Phouvane Sipraseuth, Steve Tilander (Student Intern)
  - FINANCIAL MGMT. AND SYSTEMS — **Anna Marie Wellman**
    - Suzanne Dindio, Terry Pedersen, Shari Phillips, Ellen Smith, Teresa Starbuck

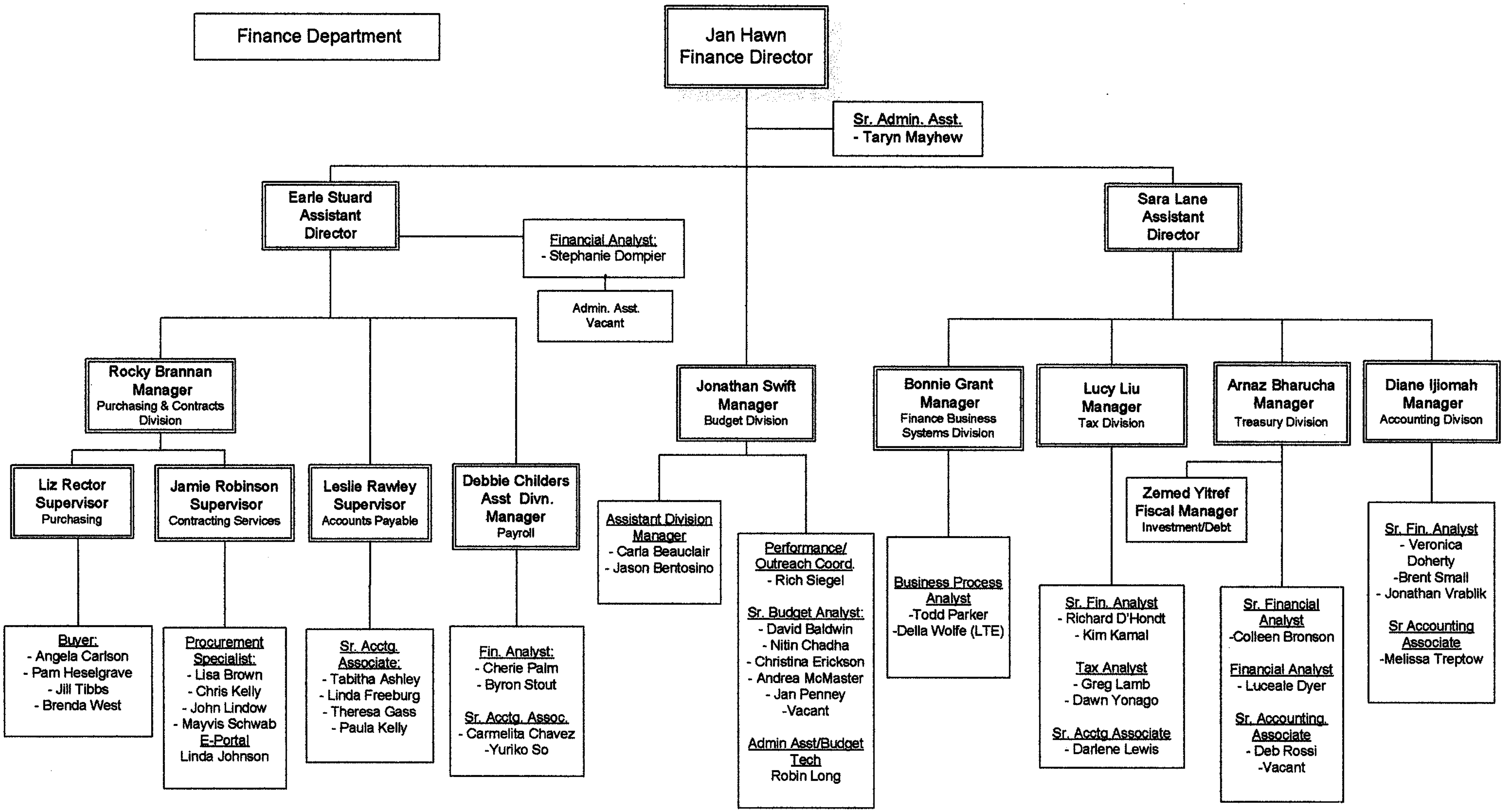
(part-time non-FTE)
*LTE
Bold = Manager, supervisor, lead, etc.

7/12/10

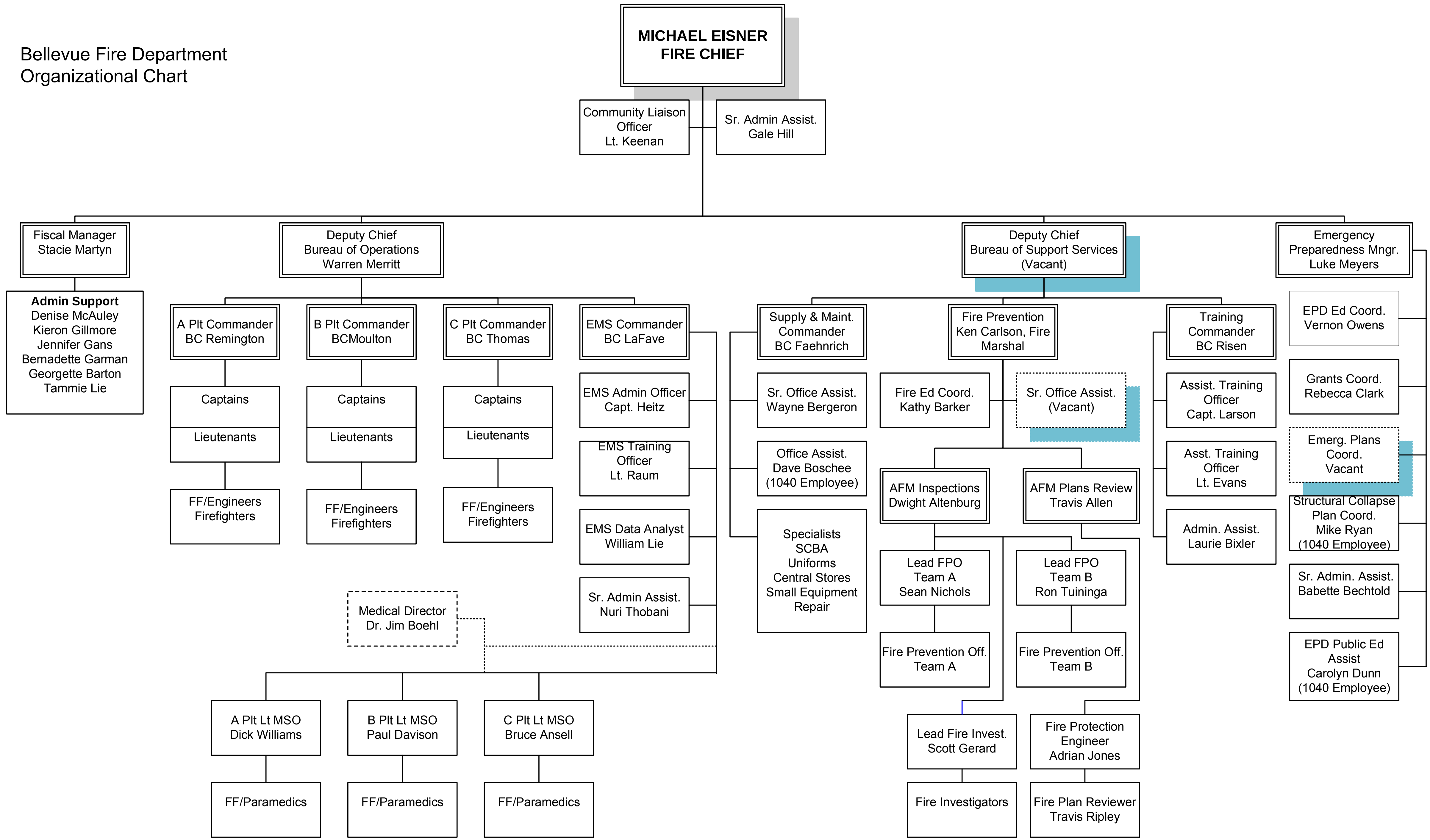
Development Services Department

As July 13, 2010

- **Mike Brennan** — Director
  - **Sharon Taylor** — Director's Assistant
  - **Ranodda DeChambeau** — Org Dev. & Training Coordinator
  - **Ken Carlson** — Fire Review & Inspection
  - **Laurie Gromala** — Transportation Review
  - **Dave Berg** — Transportation Inspection
  - **Wes Jorgensen** — Utilities Review & Inspection
  - **Joe Guinasso** — Business Services Director
    - **Magen Michaud** — Business Systems Mgr.
      - Lionel Forde — Systems Analyst
      - Steph Collier — Business Analyst
    - **Teri Jones** — Fiscal Manager
      - Melissa Kamphaus — Sr. Budget Analyst
      - Robin Gillmore — Sr. Acctg. Assoc.
      - Michelle McBride — Budget Analyst
      - Hiedi Popochock — Billing Administrator
    - **Angie Lillie** — Permit Center Manager
      - Colleen Burgeson — Permit Tech.
      - Lori Santo — Permit Tech.
      - Julie Stams — Permit Tech
      - Dawn Helmerson — Permit Tech
    - **Bobbi Pochman** — PIO & Info Svc
      - Debra Orr-Miscoe — Dev. Svs. Tech Support
      - Roberta Oh — Dev. Svs. Tech Support
      - Haden de Lambert — Dev. Svs. Tech Support
      - Kathie Gillis — Dev. Svs. Tech Support
    - **Tom Campbell** — Code Compliance Sup.
      - Dennis Barry — Code Officer
      - Betty Cruz — Code Officer
      - Liz Krzyminski — Code Officer
      - Gerry Miyazaki — Code Officer
      - Robin Zambrowsky — Code Officer
      - Raj Johal — Code Officer
      - Keith Tidwell — Code Officer
  - **Carol Helland** — Land Use Director
    - **Catherine Drews** — Legal Planner
    - **Matthews Jackson** — Planning Mgr. Neighborhood Dev. Team
      - Drew Folsom — Assistant Planner
      - Leah Chulsky — Assistant Planner
      - Carol Orr — Assistant Planner
      - Ruth Densley — Land Use Tech.
      - Christina Behar — Assistant Planner
    - **Michael Paine** — Planning Mgr. Environmental Team
      - Reilly Pittman — Associate Planner
      - Heidi Bedwell — Associate Planner
      - Kevin LeClair — Senior Planner
      - David Pyle — Senior Planner
    - **Liz Stead** — Planning Mgr. Urban Design Team
      - Mike Upston — Senior Planner
      - Ken Thiem — Senior Planner
      - Toni Pratt — Senior Planner
      - Carol Hamlin — Senior Planner
      - Sally Nichols — Associate Planner
  - **Gregg Schrader** — Building Official/Director
    - **Doug Fox** — Inspection manager
      - **Bob Lloyd** — Inspection Supervisor
        - George Joyner — Elec. Inspector
        - Bob Johnston — Elec. Plans Examiner
        - David Sher — Elec. Plans Examiner
        - Jan Borjeson — Elec. Inspector
        - Paris Renfrow — Elec. Inspector
        - Bruce Reynolds — Elec. Inspector
      - **Mark Muld** — Inspection Supervisor
        - Pam Rosencrans — Mechanical Inspector
        - Mark Tullis — Plumbing Inspector
        - Brooke Ludwig — Plumbing Inspector
        - Darrel Davis — Mechanical Inspector
        - Robert Heavey — Plumbing Inspector
        - Russ Cahoon — Combination Inspector
        - Robert Pemble — Plumbing Inspector
      - **Ken Hageman** — Inspection Supervisor
        - Bill Pompa — Building Inspector
        - Jim Babst — Building Inspector
        - Matthew Long — Building Inspector
        - Robert Shaw — Building Inspector
        - Jeff Castle — Building Inspector
        - Chuck Miller — Building Inspector
    - **Lee Kranz** — Plans Examination Sup.
      - Mark Chang — Struct. Plans Exam.
      - Haruo Young — Building Plans Exam.
      - Valerie Graber — Mech. Plans Exam.
      - Douglas Beck — Struct. Plans Exam.
      - Sheri Crawford — Building Plans Exam.
      - Behrooz Khorrami — Building Plans Exam.
      - Jon Anderson — Building Plans Exam.
    - **Tom McFarlane** — C & G Supervisor
      - Janney Gwo — C & G Reviewer
      - Aaron Roden — C & G Inspector
      - Savina Uzunow — C & G Reviewer
      - Mark O'Malley — C & G Inspector
    - **Tom Miller** — Bldg. Supervisor
      - Makis Kannattha — Building Plans Exam.
      - Atul Shoery — Building Plans Exam.
      - Scott Shannon — Building Inspector
      - Carrie Prince — Building Plans Exam.
      - Rick Kirschner — Building Inspector
      - Shane Cline — Building Inspector

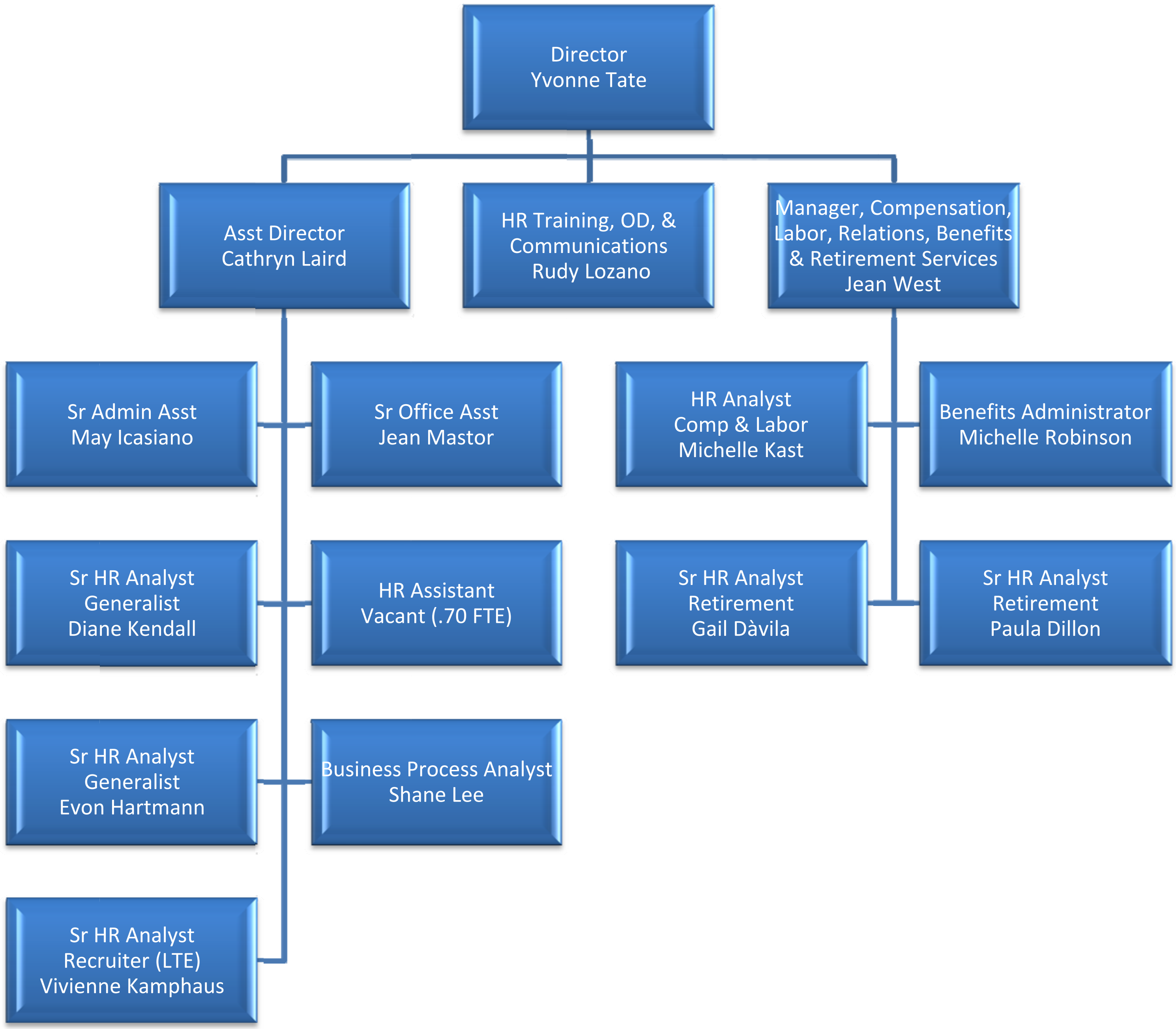

Finance Department
Jan Hawn
Finance Director
Sr. Admin. Asst.
- Taryn Mayhew
Earle Stuard
Assistant
Director
Financial Analyst:
- Stephanie Dompier
Admin. Asst.
Vacant
Sara Lane
Assistant
Director
Rocky Brannan
Manager
Purchasing & Contracts
Division
Liz Rector
Supervisor
Purchasing
Buyer:
- Angela Carlson
- Pam Heselgrave
- Jill Tibbs
- Brenda West
Jamie Robinson
Supervisor
Contracting Services
Procurement
Specialist:
- Lisa Brown
- Chris Kelly
- John Lindow
- Mayvis Schwab
E-Portal
Linda Johnson
Leslie Rawley
Supervisor
Accounts Payable
Sr. Acctg.
Associate:
- Tabitha Ashley
- Linda Freeburg
- Theresa Gass
- Paula Kelly
Debbie Childers
Asst Divn.
Manager
Payroll
Fin. Analyst:
- Cherie Palm
- Byron Stout
Sr. Acctg. Assoc.
- Carmelita Chavez
-Yuriko So
Jonathan Swift
Manager
Budget Division
Assistant Division
Manager
- Carla Beauclair
- Jason Bentosino
Performance/
Outreach Coord.
- Rich Siegel
Sr. Budget Analyst:
- David Baldwin
- Nitin Chadha
- Christina Erickson
- Andrea McMaster
- Jan Penney
-Vacant
Admin Asst/Budget
Tech
Robin Long
Bonnie Grant
Manager
Finance Business
Systems Division
Business Process
Analyst
-Todd Parker
-Della Wolfe (LTE)
Lucy Liu
Manager
Tax Division
Sr. Fin. Analyst
- Richard D'Hondt
- Kim Kamal
Tax Analyst
- Greg Lamb
- Dawn Yonago
Sr. Acctg Associate
- Darlene Lewis
Arnaz Bharucha
Manager
Treasury Division
Zemed Yitref
Fiscal Manager
Investment/Debt
Sr. Financial
Analyst
-Colleen Bronson
Financial Analyst
- Luceale Dyer
Sr. Accounting.
Associate
- Deb Rossi
-Vacant
Diane Ijiomah
Manager
Accounting Divison
Sr. Fin. Analyst
- Veronica
Doherty
-Brent Small
- Jonathan Vrablik
Sr Accounting
Associate
-Melissa Treptow

Bellevue Fire Department
Organizational Chart



Revised: 3/01/2010

Human Resources Organization Chart



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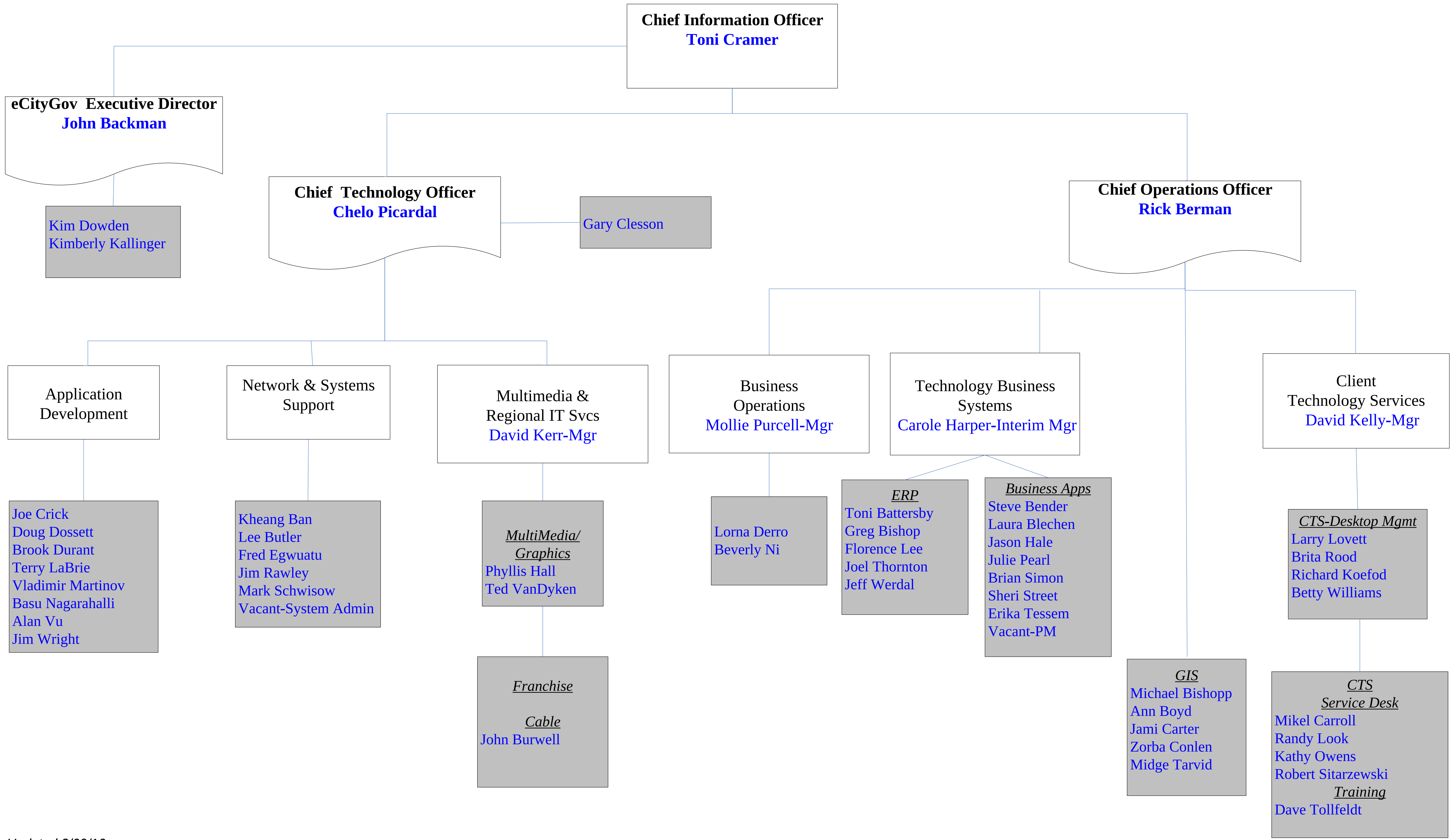


Updated 3/09/10

Parks & Community Services Department

February 2010

Patrick Foran
Director

- Viki Stover, *Sr Admin Asst*
- Park Board/Human Svcs Comm
- Strategic Planning
- Budget
- Policy Development
- Probation
- Public Outreach
- Intergovernmental Liaison

Shelley McVein
Deputy Director

- CIP/Planning & Development
- Natural Resources
- Resource Management
- Communications
- Park Acquisitions
- Legislative Liaison

Terry Smith
Assistant Director

- Community Centers
- Human Services/Commission
- Park Board Liaison
- Community Services Office – Parks Customer Service
- Seniors
- Teens
- Youth
- TRACKS/Adventuring
- Fit/Active Bellevue
- Wrap-Around Services

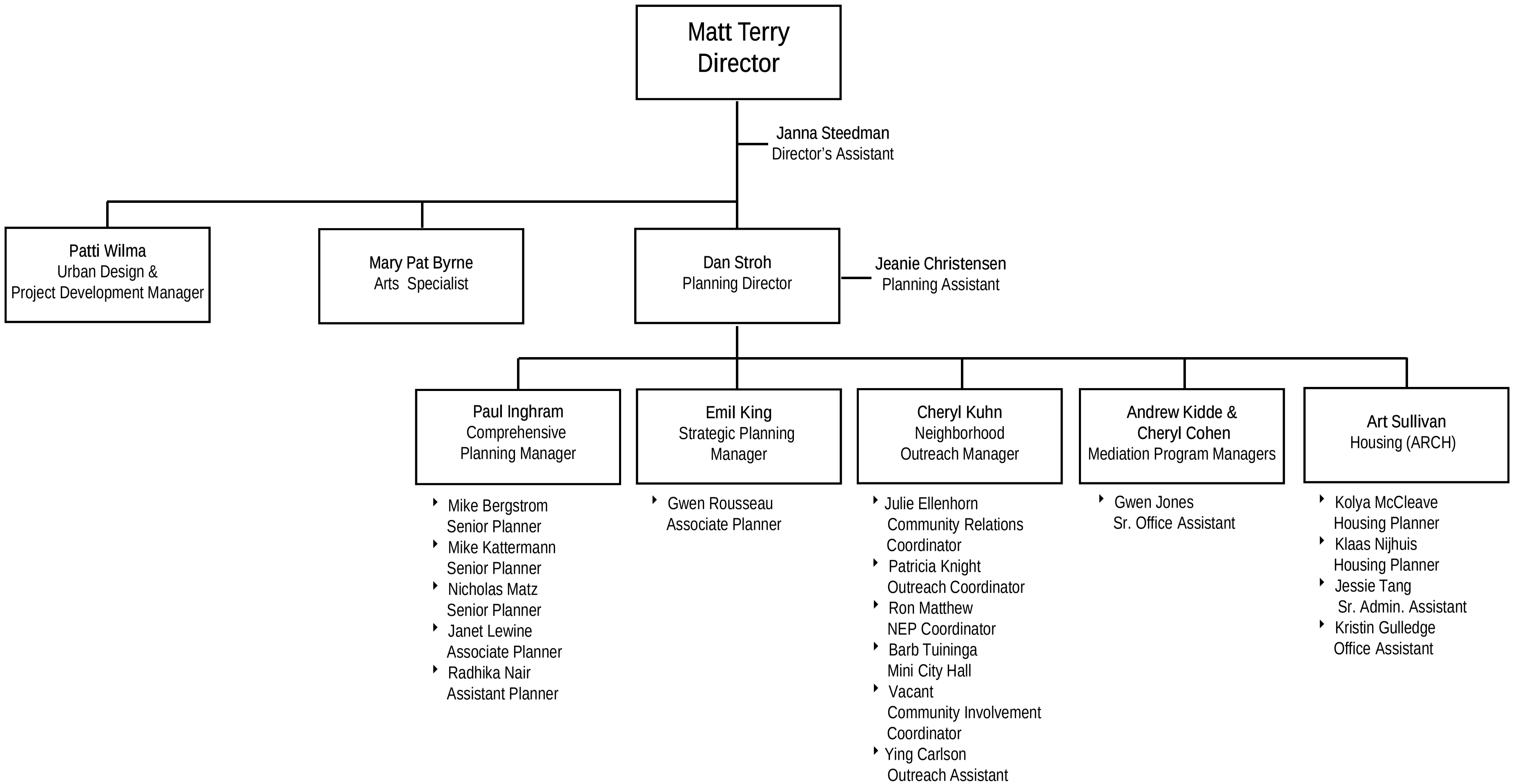
Shelley Brittingham
Assistant Director

- Accreditation
- Bellevue Youth Theatre
- Botanical Garden Manager
- Cultural Arts
- Cultural Diversity
- Enterprise
- Environmental Education
- GAPS
- Historical Society Liaison
- Kelsey Creek Farm
- NW Arts Center
- Special Events Committee
- Volunteer Administration

Doug Sanner
Fiscal Manager

- Administration/IT
- Budget
- Marketing/Research
- Program Evaluation/ Quality Control
- Organization Development

DEPARTMENT OF PLANNING & COMMUNITY DEVELOPMENT



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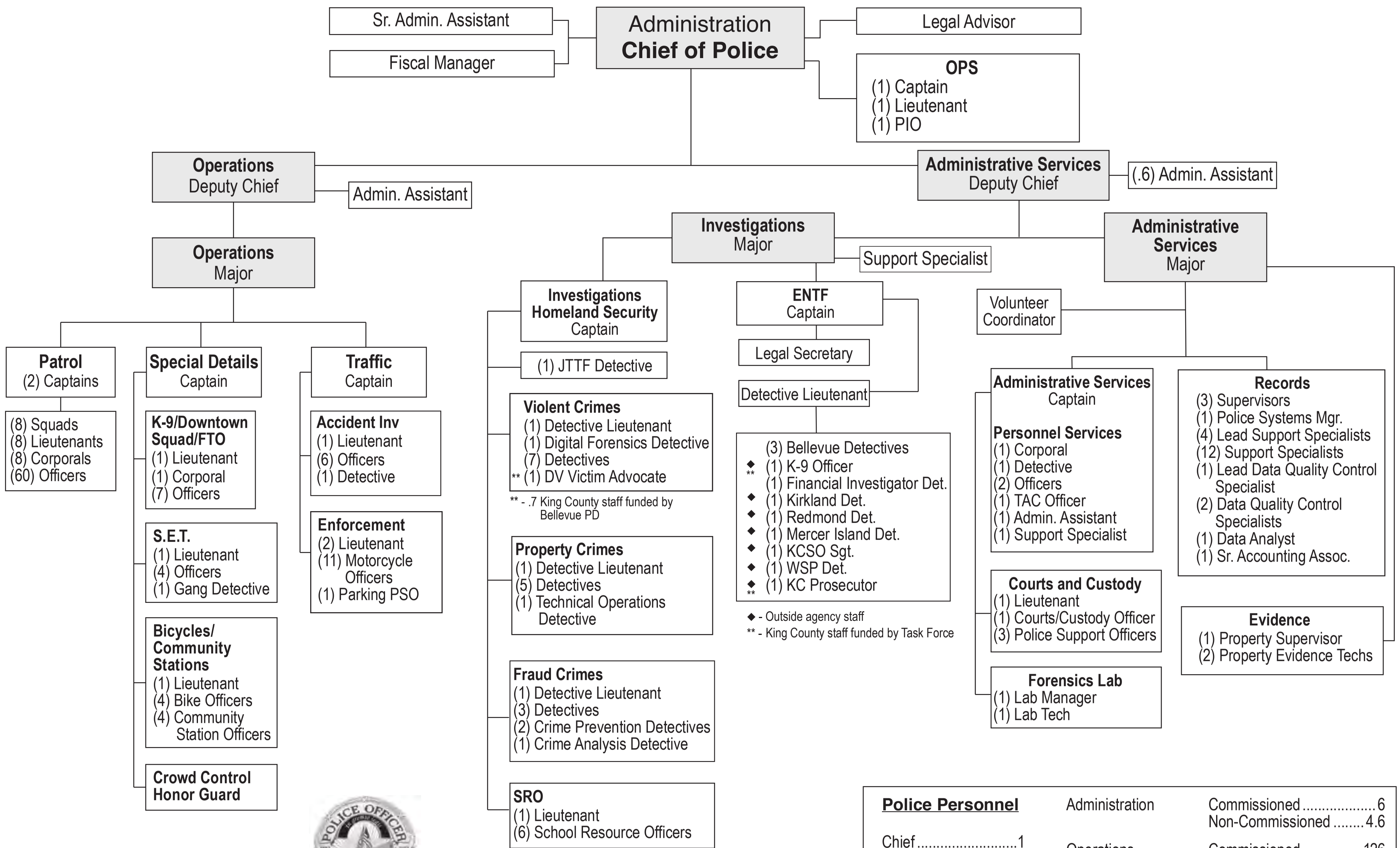

2010
City of Bellevue Police Department Organization Chart

Police Personnel

Chief 1
Deputy Chief 2
Majors 3
Captains 8
Lieutenants 21
Corporals 10
Detectives 28
Officers 107

Administration	Commissioned	6
	Non-Commissioned	4.6
Operations	Commissioned	126
	Non-Commissioned	1
Investigations	Commissioned	39
	Non-Commissioned	2
Administrative Services	Commissioned	9
	Non-Commissioned	36

Total Commissioned Personnel 180
Non-Commissioned Personnel 43.6
Total Police Department Personnel 223.6
(Totals reflect Bellevue FTEs only.)

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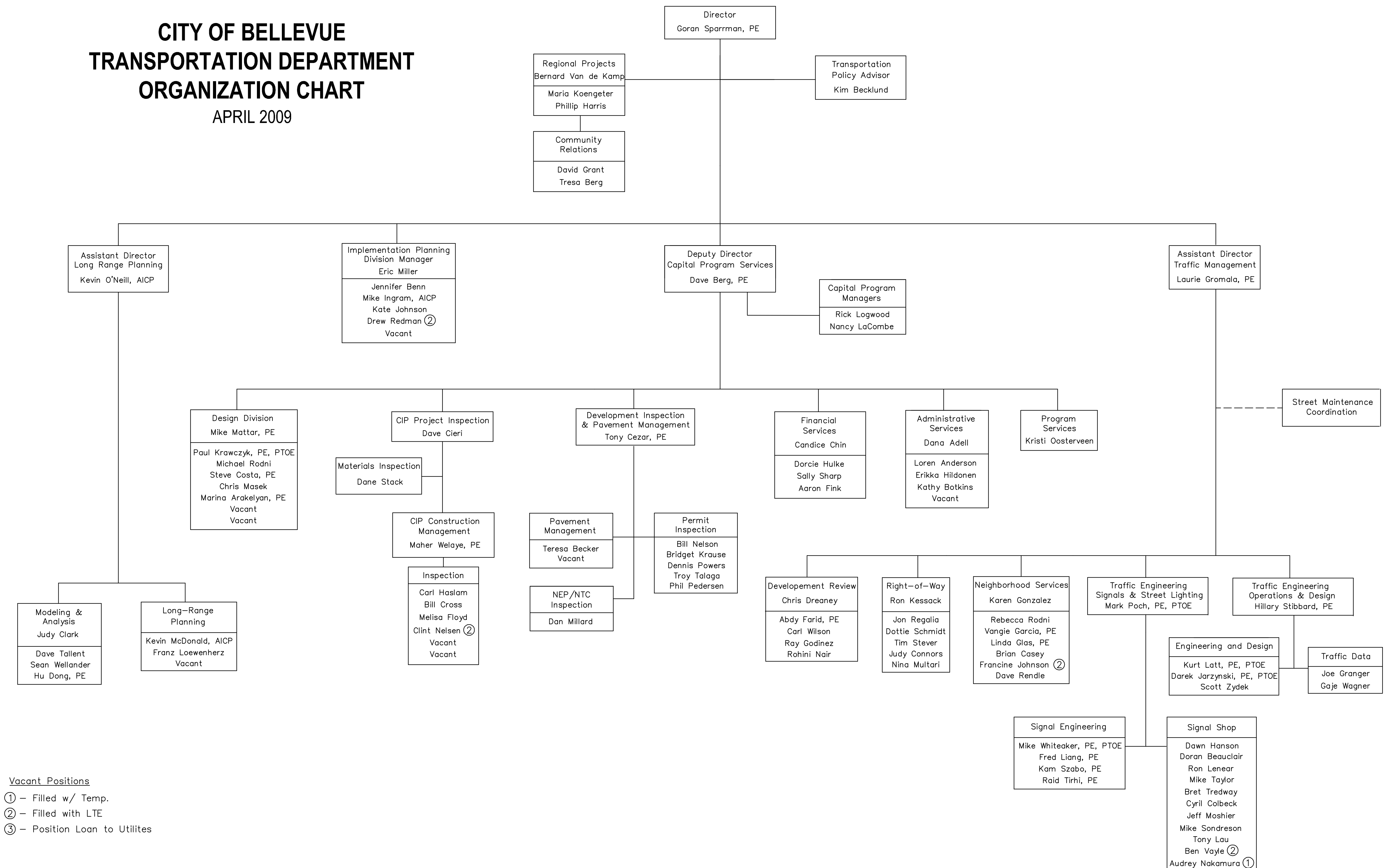
CITY OF BELLEVUE
TRANSPORTATION DEPARTMENT
ORGANIZATION CHART
APRIL 2009



Vacant Positions

1 – Filled w/ Temp.

2 – Filled with LTE

3 – Position Loan to Utilites

04/06/09 – C. MASEK

CITY OF BELLEVUE UTILITIES

Sewer Utility Fund, Storm & Surface Water Utility Fund
Water Utility Fund, Solid Waste Fund

Director's Office

Director
Denny Vidmar

Intergovernmental/Policy

Inter. Gov. Affairs Mgr. – Alison Bennett
Policy Advisor – Joyce Nichols

Policy Development for:
- Water Supply, Surface Water & Habitat, Wastewater & Solid Waste

Legislative Issue Tracking

Management Assistant Vacant

Deputy Director
Nav Otal

Resource Management & Customer Service

Assistant Director
Anne Weigle

CUSTOMER SERVICE
Customer Accounts & Service
Senior/Disabled Discounts Program
Utility Billing

OUTREACH
Water Conservation
Pollution Prevention
Recycling Education
Public Info & Emergency Communication

SOLID WASTE MANAGEMENT
Garbage, Recycling & Yard Waste

FINANCIAL MANAGEMENT
Budget Development & Monitoring
Rates Studies & Development
Financial Forecasts

AUTOMATION PLANNING & IMPLEMENTATION

Engineering

Assistant Director
Wes Jorgenson

DEVELOPMENT SERVICES
Permit Review

SYSTEM PLANNING & MAPPING
Capital Investment Program Development
Comprehensive Planning & Analysis
System Mapping

DESIGN SERVICES
Capital Project Design
Engineering Standards

CONSTRUCTION SERVICES
Contract Management
Construction Inspection

STREAM SYSTEMS MANAGEMENT
Stream & Habitat Analysis
Fisheries Management
Stream Team

Operations & Maintenance

Assistant Director
Mike Jackman

SERVICES MANAGEMENT
Customer Service/Work Request Management

FIELD SERVICES - WATER, WASTEWATER, SURFACE WATER & STREETS
Capital Project Support
Preventive Maintenance & Repair
Service Installations
System Operations & Control
Emergency Response
Private Systems Advice
System Location Services
Meter Reading
Traffic Control Markings & Signs
Street Sweeping & Vegetation Management

TECHNICAL SERVICES
Private Drainage Systems Inspection
Surface Water Quantity & Quality Control
Drinking Water Quality
Industrial Waste Management
Surface Water Quality Enforcement
Hazardous Waste Disposal
Property Management

Council Budget Workshop

August 4, 2010

Department Efficiency Reports

Before submitting their budget proposals, Departments scrubbed their budgets and looked for cost reductions through business process improvements, cost containment efforts, and recommended level of service reductions.

The following pages contain a summary page and detailed descriptions that reflect the efforts of the Departments' and the Results Teams' work to date. Budget One modifies the City's approach to budget by breaking down traditional departmental budgets into purchasing plans by Outcome. Creating new forms to capture these efficiencies by Outcome and by Department was not originally contemplated as part of the Budget One process. As such, these documents are a work in progress and may need further reconciliation.

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City Attorney's Office
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010
1. Department Proposed Reductions		
a. Cost Reductions	**($75K) / (1.0%)**	**0 / 0%**
b. Level of Service Reductions:	**N/A**	
c. Service Demand Change/Revenue Enhancement	**$60K / 0.8%**	**0 / 0%**
2. RT/LT Proposed Reductions:	**N/A**	
3. Currently Below the Funding Line:	**N/A**	

1. Department Proposed Reductions

a. Cost Reductions ($75K) / (1.0%) 0 / 0%

- Reduce travel/training budget for all staff to reflect minimum annual CLE requirements at in-state seminars only
- Reduce various M&O expenses in Risk Management Division based on renegotiation, consolidation and reduction in costs for professional services contracts and decreased purchases for training materials.

b. Level of Service Reductions: N/A

c. Service Demand Change/Revenue Enhancement $60K / 0.8% 0 / 0%

- Continue 2010 pilot program of staffing infraction calendars in order to increase number of contested infractions that are found "committed." Committed infractions lead to city revenue (revenue generating/cost neutral)

2. RT/LT Proposed Reductions: N/A

3. Currently Below the Funding Line: N/A

City Attorney's Office

Summary of Cost Savings, Level of Service Reductions and Service Demand Changes

Ref # Only	Efficiencies, Enhancements & Level of Service Adjustments for:				CAO	Annual Changes ($) - Increase / (Decrease)				
	Proposal #	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
1	010.01NN	CAO	100	CAO Department Mgm't & Support	RG	Cost Reductions	($1,035)	-	-	Reduce travel training budget to reflect minimum necessary annual CLE credits gained through in-state seminars only
2	010.03NN	CAO	100	Criminal Prosecution Services	SC	Cost Reductions	($1,453)	-	-	Reduce travel training budget to reflect minimum necessary annual CLE credits gained through in-state seminars only
3	010.07NN	CAO	100	Civil Litigation Services	RG	Cost Reductions	($1,085)	-	-	Reduce travel training budget to reflect minimum necessary annual CLE credits gained through in-state seminars only
4	010.08NN	CAO	100	Legal Advice Services	RG	Cost Reductions	($1,303)	-	-	Reduce travel training budget to reflect minimum necessary annual CLE credits gained through in-state seminars only
5	010.09NA	CAO	5240	Risk Mgm't Svs -- Ins., Claims, Safety	RG	Cost Reductions	($70,000)	-	-	Reduce various M&O expenses based on renegotiation, consolidation and reduction in costs for professional services contracts and decreased purchases for training materials.
6	120.12NN	CAO	100	DV Prevention & Response	SC	Cost Reductions	($468)	-	-	Reduce travel training budget to reflect minimum necessary annual CLE credits gained through in-state seminars only
7	010.02NN	CAO	100	Infraction Prosecution Services	SC	Service Demand Changes	$60,000	-	-	Provide for contract prosecutors to defend contested infractions. Anticipated to result in additional infraction revenue to general fund of $140,000
				TOTAL	CAO		($15,344)	-	-	

City Clerk's Office
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010

1. Department Proposed Changes

a) Cost Reductions	**($118K) / (6.0%)**	**0 / (0%)**

- Eliminates duplicative SAN maintenance and reduces scanning licensing ($54,250).
- M&O savings across Clerk's Office to base levels ($6,750).
- Savings from Interlocal Agreement posting to City web site (authorized by RCW 39.34.040) in lieu of recording at King County ($5,600).
- Negotiated one-time credit ($40,000) to offset "hostage clause" (while achieving better service) when changing vendors for offsite records storage.
- Decrease in City Council Travel / Training ($10,110).
- M&O savings within East Bellevue Community Council budget ($1,300).

b) Level of Service Reductions	**($65K) / (3.3%)**	**(.80) / (5.4%)**

- Eliminates Administrative Assistant position 9/30/2011 in Records Management Division ($22,196). Planned retirement aligns with timing of efficiencies to be gained from automating contract routing process using ECM workflow tools.
- Eliminates .56 FTE Administrative Assistant position in Hearing Examiner's Office ($43,027). Reducing administrative support leaves no margin to respond to peak administrative workloads in this office or other divisions.

c) Service Demand Changes	**($11K) / (0.6%)**	**1.0 / 6.6%**

- Outsource large-volume scanning projects at cost of $12,000 annually. Offset by centralized administration of scanners and eliminating replacement costs for 7 of 12 scanners ($59,800).
- Temporary help allocation of $5,000 for case load fluctuation to compensate for reduction of .56 FTE staffing described in Level of Service Reductions (above).
- Outsource maintenance/posting of City Code to internet at cost of $500 annually. Outsourcing frees ITD resources, provides better public search, viewing and printing options.
- Planned conversion of ECM Business System Manager LTE to FTE upon retirement described in Level of Service Reductions (above) to continue system implementation, manage ongoing operations, and provide automated business process improvements. $24,445. LTE expires 10/31/11.
- Enhance City Council's efficiency and effectiveness by upgrading Council's cell phone service to Personal Digital Assistant devices. $6,631.

2. RT/LT Proposed Reductions:

a) Level of Service Reductions:	**($65K) / (3.3%)**	**(.8) / (5.0%)**

- Eliminates Administrative Assistant position in Records Management **01/01/2011**. The program anticipated eliminating this position in Q4 2011 with the retirement of a staff and the implementation of ECM Program workflows for contract routing in late summer. Eliminating the position will restrict the program's ability to perform this work until the ECM project implementation has been completed.

City Clerk’s Office
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010
3. Currently Below the Funding Line:		
a) Word Processing Services / 020.03.NN	**($81K) / (4.1%)**	**0 / 0%**

- Word Processing Services is an internal service, providing transcription and word processing services for City departments. 85% of this centralized work program enables Police Investigations (120.10NA) and Criminal Prosecution (010.03NN) by creating transcripts of victim and witness testimony.

    - If discontinued, Police Department's ability to meet deadlines mandated by due process and to provide reliable transcripts to prosecuting and defense attorneys and to court will be compromised. Outsourcing of transcription services is estimated to cost $22,000 - $39,000 more per year than in-house service provision.

City Clerk's Office

Summary of Cost Savings, Level of Service Reductions and Service Demand Changes

Ref # Only	Proposal	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
	Efficiencies, Enhancements & Level of Service Adjustments for: CCO					Annual Changes ($) - Increase / (Decrease)				
1	020.03NN	CCO	100	Word Processing Services	SC	BTL	$80,509	-	-	Word Processing Services enables Police Investigations and Criminal Prosecution in solving crimes and prosecuting criminals. 85% of its centralized work program is dedicated to these functions, with the remaining 15% distributed to other City departments in providing specialized admin assistance and/or transcription services. If discontinued, Police Department's ability to meet deadlines mandated by due process and to provide reliable transcripts to attorneys and court of witness testimony could be compromised. Outsourcing of transcription services is estimated to cost $22,000 - $39,000 more per year.
2	020.08PA	CCO	100	Enterprise Content Management (ECM) Program	RG	Cost Reductions	($54,250)	-	-	Achieves savings for SAN maintenance and eliminates extra Kofax licensing.
3	020.01NN	CCO	100	City Clerk Operations	RG	Cost Reductions	($6,750)	-	-	M&O savings- Trims expenditures across department to base levels. Risk inability to address emergent issues such as equipment failure or other unanticipated expenses beyond base projections.
4	020.04DN	CCO	100	Centralized/Outsourced Records Conversion	RG	Service Demand Changes	$12,000	-	-	Centralizing/Outsourcing large-volume scanning projects at annual cost of $12,000 offsets one-time replacement cost of $59,800 for 7 current scanners and provides additional minor annual Cost Reductions/efficiencies to ITD #090.09NN ($4,400) and CCO ($500).
5	020.04DN	CCO	100	Centralized/Outsourced Records Conversion	RG	Service Demand Changes	($59,800)	-	-	Centralizing/Outsourcing large-volume scanning projects at annual cost of $12,000 offsets one-time replacement cost of $59,800 for 7 current scanners and provides additional minor annual Cost Reductions/efficiencies to ITD #090.09NN ($4,400) and CCO ($500).
6	020.04PN	CCO	100	Records Management Services	RG	Department Proposed Service Reductions	($22,196)	(0.25)	-	Eliminates Administrative Assistant position 9/30/2011. Planned retirement aligns with efficiencies gained from automating contract routing process using ECM workflow tools. (Lean Six Signa/One City/Baldrige)
7	020.04PN.A1	CCO	100	Records Management Services	RG	RT Level of Service Reduction	($64,804)	(0.75)	-	Eliminates Administrative Assistant position 01/01/2011 per RT recommendation. The program anticipated eliminating this position in Q4 2011 with the retirement of a staff member and the implementation of ECM Program workflows for contract routing. Eliminating the position will restrict the program's ability to perform this work until the ECM project implementation has been completed.
8	050.01NN	EBCC	100	East Bellevue Community Council	RG	Cost Reductions	($1,300)	-	-	M&O savings- Trims expenditures to minimum levels.
9	020.07NA	CCO	100	Hearing Examiner's Office	RG	Department Proposed Service Reductions	($43,027)	(0.56)	-	Eliminates .56 FTE Administrative Assistant position. Reducing administrative support leaves no remaining margin to provide administrative assistance for this office or respond to peak workloads in other divisions.

Ref # Only	Proposal	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
	Efficiencies, Enhancements & Level of Service Adjustments for: CCO					Annual Changes ($) - Increase / (Decrease)				
10	020.07NA	CCO	100	Hearing Examiner's Office	RG	Service Demand Changes	$5,000	-	-	Temporary help for case load fluctuation to compensate for reduction of .56 FTE staffing described in 020.07NA (above).
11	030.01NN	Council	100	Legislative Branch - City Council	RG	Cost Reductions	($10,110)	-	-	Decrease in Travel / Training Dollars
12	020.01NN	CCO	100	City Clerk Operations	RG	Service Demand Changes	$500	-	-	Outsourced maintenance/posting of City Code to internet, which frees ITD resource (Eff); provides better pubic search, viewing and printing options (LOSE).
13	020.08PA	CCO	100	Enterprise Content Management (ECM) Program	RG	Service Demand Changes	$24,445	1.00	(1.00)	Offsetting planned conversion of ECM Business System Manager LTE to FTE upon retirement described in 020.04PN (above) to continue system implementation, manage ongoing operations, and provide automated business process improvements. LTE expires 10/31/11
14	020.08PA	CCO	100	Enterprise Content Management (ECM) Program	RG	Service Demand Changes	$0	-	-	Negotiated $38,000 reduction in ECM software maintenance; $80,000 ongoing beginning in 2012. (ITD #090.90NN)
15	030.01.NN	Council	100	Legislative Branch - City Council	RG	Service Demand Changes	$6,631	-	-	Councilmembers serve part-time. To enhance their ability to perform at optimum Cost Reductions and effectiveness, the City in 2009 upgraded Council's cell phone service to Personal Digital Assistant devices.
16	020.04N	CCO	100	Records Management Services	RG	Cost Reductions	($40,000)	-	-	Negotiated $40,000 one-time credit to offset "hostage clause" box removal fees when changing offsite storage vendor.
17	020.01NN	CCO	100	City Clerk Operations	RG	Cost Reductions	($5,600)	-	-	Achieved savings on King County Recording fees for Interlocal Agreements by posting to City web site (recently authorized by RCW 39.34.040). 2010 mid year KC fee increase equates to savings of $5,600 in 2011.
18	020.05NN	CCO	100	Disclosure of Public Records & Information	RG	Cost Reductions	$0	-	-	Saved 129 hours of City Attorney review time at estimated cost of $9,000 and improved median processing time for response to requestors by 63%.
19	020.08PA	CCO	100	Enterprise Content Management (ECM) Program	RG	Cost Reductions	$0	-	-	Achieved $40,000 in free consulting as a designated Oracle Insight project reserved for strategic customers (key focus of consulting engagement was on best practices for using business process improvement tools to automate workflows, using Paperless Permitting as a primary example). (One City/Baldrige)
20	020.08PA	CCO	100	Enterprise Content Management (ECM) Program	RG	Service Demand Changes	$0	-	-	Implementing self-service web portal for public access to greater variety of frequently requested documents; eliminates duplicate posting of documents to the City's web site.
21	020.08PA	CCO	100	Enterprise Content Management (ECM) Program	RG	Service Demand Changes	$0	-	-	Automating agenda packet process, Accounts Payable process, contract routing and additional queue of enterprise-wide or departmental business processes using ECM system's business process improvement tools. (Lean Six Sigma/One City/Baldrige)
				TOTAL	CCO		($178,752)	(0.56)	(1.00)	

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Civic Services Department
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010

1. Department Proposed Reductions

a. Cost Reductions **($396K) / (3%)** **(.56)/(1)%**

- Elimination of a Service First Coordinator (.56 FTE) without impact on 'wait time' for citizen requests and internal customers
- Reduction in M&O costs through streamlining/eliminating contracts and other administrative costs
- Reduction in fuel usage due to conversion of many light duty vehicles to hybrids

b. Level of Service Reductions **($314K) / (2%)** **(2.88)/(4)%**

- Elimination of contract to service outside agency allowing for elimination of two Electronic Technicians
- Elimination of .44 FTE Real Property Agent reducing timeliness of response to City needs
- Elimination of .44 FTE Facilities Planning requiring re-evaluation of assignments

c. Service Demand Changes **$583K / 4%** **3.88 /9%**

- Conversion of Real Property manager LTE to FTE required for ongoing professional real estate expertise and leadership in coordinating real estate transactions for City
- Conversion of one LTE in Fleet & Communications to support fuel management and required equipment/technology upgrades
- Funded through CIP, the addition of 2.0 LTEs to manage Public Safety facilities for Fire Department and 1.44 FTEs (Real Property and Facilities) to support the East Link Tunnel Funding Package and Project Umbrella agreement
- Addition of .44 FTE (Facilities) to provide support for relocation of courts from Surrey Downs to alternate site

2. RT/LT Proposed Reductions:

a. Level of Service Reductions: **($566K)/ (4%)** **(1.00) /(2)%**

- Additional elimination of one Service First Coordinator requiring operational changes and reducing timeliness of response to citizen requests
- Under Facilities Services, reductions include deferred preventive maintenance, elimination of internal tenant services and a reduction in custodial services. These reductions are not a long term solution
- Reduction in inventory maintained for Fleet needs, causing delays in servicing vehicles/equipment and returning them to City departments for their operations

Civic Services Department
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010

3. Currently Below the Funding Line:

a. Parking & Employee Transportation Svcs/045.02NN $368K/3% 0/0%

- Program manages onsite parking at City Hall (CH) & Bellevue Service Center (BSC) and provides employees at these work sites incentives to commute to work by carpool, vanpool, bus, bike, or walking in an effort to decrease traffic congestion, improve air quality, and reduce fuel consumption as required by Washington State Commute Trip Reduction (CTR) Law. Revenue from parking fees offset the costs of operating the program.
- Impact of not Funding
  - Legal: The City will not comply with State CTR law or its own local CTR ordinance.
  - Customer Impact: If the proposal was not funded at all there would be no management of employee parking at either CH or BSC. Without staff to administer employee commute modes there would be no fees collected and no reason to have gates for the CH general employee garage and they would be raised. Parking would be first-come first-served. Without the ORCA card and incentives to rideshare, many employees would likely revert to drive-alone commuters and would very quickly exceed parking capacity at both sites. In this circumstance, employee parking would undoubtedly spill over into visitor spaces, consuming most of that parking capacity as well and angering citizens who come to CH and cannot find parking. (CH only has about 450 stalls available from the employee and visitor garages for over 1,200 FTEs, LTEs, 1040s, contractors, and visitors.) At BSC, the spillover also would impact adjacent private lots, angering their tenants.
  - Other: The City will need to inform employee unions of ETS program changes and bargain their effects.

b. Resource Conservation Manager Program/045.14NN $84K/1% 0/0%

- The Resource Conservation Manager program is an interdepartmental effort to implement cost-effective projects to reduce energy and fresh water consumption in City facilities. A grant from Puget Sound Energy will partially fund the Resource Conservation Manager (RCM) position through April 2012. The RCM will create a system to measure and report on progress, and lead an interdepartmental Resource Conservation Team to help implement resource conservation throughout the organization. This proposal also extends the RCM position through December 2012. The position will result in the following outcomes:
  Reduce municipal greenhouse gas emissions by over 1,050 metric tons of CO2; and
  Reduce the City's energy costs by 13%, saving more than $219,000 from March 2009-December 2012.
- Impact of not Funding
  - City employee behavior change is not sustained and the City may lose ground on the more than $80,000 in savings per year achieved in the RCM program.
  - Greenhouse gas emissions stay the same or increase (currently 18,423 Metric Tons of CO_2) and City's emission target is not met.
  - The City Council signed an agreement with PSE to implement the RCM program (Ordinance 5863, April 6, 2009). If the City does not retain the RCM position through April 15, 2012, PSE will terminate the contract and the City will not be reimbursed for the position's expenses.

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Civic Services

Summary of Cost Savings, Level of Service Reductions and Service Demand Changes

Ref # Only	Proposal #	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
	Efficiencies, Enhancements & Level of Service Adjustments for: CS					Annual Changes ($) - Increase / (Decrease)				
1	040.10D1	CS	1280	Civic Services Support for Relocation of courts from Surrey Downs to Alternate Site	RG	Service Demand Changes	$53,000	0.44	-	Project Planning Support for Proposal Owner: City Manager.
2	045.01NN.A1	CS	100	Service First	RG	RT Level of Service Reduction	($82,000)	(1.00)	-	Staff reduction by 1.0 FTE will require operational changes, e.g., increased customer wait times, in person transactions over phone, web, mail, & phone calls to voicemail returned within 1 business day versus 'live'.
3	045.01NN	CS	100	Service First	RG	Cost Reductions	($30,000)	-	-	Reduce overtime, sponsorships, training budget
4	045.02NN	CS	100	Parking & Employee Transportation Services	IM	BTL	($31,000)	(0.35)	-	Transfer .35FTE in 2011 & another .25FTE in 2012 to Civic Svcs Management; parking program will be absorbed through Service First by 2012.
5	045.02NN	CS	100	Parking & Employee Transportation Services	IM	Cost Reductions	($12,000)	-	-	Eliminate software contract.
6	045.04NN	CS	100	Real Property Support to Departments	RG	Department Proposed Service Reductions	($45,000)	(0.44)	-	Staff cut of .44 FTE will reduce timeliness of response to City needs.
7	045.04NN	CS	100	Real Property Support to Departments	RG	Cost Reductions	($16,600)	-	-	Maintain 2010 M&O level funding; will take on wireless leasing functions previously handled by Utilities &O Parks.
8	045.04NN	CS	100	Real Property Support to Departments	RG	Service Demand Changes	$134,000	1.00	-	Convert 1.0 LTE to FTE/Real Property Manager position, required too provide professional real estate expertise and leadership in coordinating real property transactions for City.
9	045.08D1.A1	CS	1280	Facilities Preventive & Major Maintenance	RG	RT Level of Service Reduction	($100,000)	-	-	Move all but essential repairs and upgrades to out years, e.g., building automation.
10	045.08D3.A1	CS	1280	Facility Tenant Services	RG	RT Level of Service Reduction	($135,300)	-	-	Eliminate tenant service or common area improvements except for essential work.
11	045.01NN.A1	CS	100	Service First	RG	Cost Reductions	($44,000)	(0.56)	-	Staff reduction by .56 FTE will require operational changes, e.g., increased customer wait times, in person transactions over phone, web, mail, & phone calls to voicemail returned within 1 business day versus 'live'.
12	045.08PA	CS	1280	Facilities Maintenance & Operations	RG	Cost Reductions	($100,000)	-	-	This proposal reduces costs by $100,000 per year
13	045.08PA.A1	CS	1280	Facilities Maintenance & Operations	RG	RT Level of Service Reduction	($127,000)	-	-	Reduce custodial services including number of window washings at City Hall and Bellevue Service Center.
14	045.09NA	CS	1280	Facility Security	RG	Cost Reductions	$0	-	-	Decrease cost by minimizing scope and very competitive bid process.
15	045.10NN	CS	1280	Facility Emergency Management & Response	RG	Department Proposed Service Reductions	$0	-	-	Scale back planning and participation in future drills.
16	045.11NN	CS	1280	Facility Planning & Project Management	RG	Department Proposed Service Reductions	($53,000)	(0.44)	-	Reduce staff by .44 FTE and re-evaluate assignments to projects being considered.
17	045.14NN	CS	1280	Resource Conservation Manager Program	HSE	BTL	($83,615)	-	-	Grant funding and savings in utility costs will more than pay for this position.
18	045.15NN	CS	1280	Facilities Reserves	RG	Cost Reductions	$0	-	-	Reserves used to fund operations. Reduced reserve amount by over $200,000.

Ref # Only	Proposal #	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
	Efficiencies, Enhancements & Level of Service Adjustments for:				CS	Annual Changes ($) - Increase / (Decrease)				
19	045.1601	CS	5211	Fleet Maintenance & Repair	RG	Cost Reductions	$0	-	-	Maintain current level of service
20	045.1604	CS	5211	Fleet & Communications - Surplus/Disposal	RG	Cost Reductions	$0	-	-	Pilot program for online public auction
21	045.1606	CS	5211	Fuel System Management	RG	Cost Reductions	($186,000)	-	-	Savings on fuel usage through better management and conversion to hybrids for less consumption
22	045.1606	CS	5211	Fuel System Management	RG	Service Demand Changes	$75,000	1.00	-	Conversion of 1.0 LTE to FTE/will eliminate ongoing 1040 positions which resulted in high turn over and repeated training in fuel management.
23	045.1612	CS	5211	Fleet & Communications Management	RG	Cost Reductions	$0	-	-	Maintain level of service
24	045.1613.A1	CS	5211	Fleet and Communications Inventory/Stores Management	RG	RT Level of Service Reduction	($121,600)	-	-	Reduction of inventory may impact shop operations by not having parts on hand and impact customers by delay/use of alternate transportation.
25	045.16PA	CS	5211 & 5212	Vehicle/Equipment Acquisition	RG	Cost Reductions	$0	-	-	Purchase of more fuel efficient vehicles
26	045.17D1	CS	5213	Electronic Communications Shop – Other Agencies	RG	Department Proposed Service Reductions	($216,000)	(2.00)	-	Reduce staff by 2.0 FTE; NORCOM contract not sufficient to sustain FTEs; eliminate contract.
27	045.17PN	CS	5213	Electronic Communications Shop – City Equipment	RG	Cost Reductions	$0	-	-	Maintain level of service
28	045.18NN	CS	100	Civic Services Management and Support	RG	Cost Reductions	($7,500)	-	-	Eliminate non-essential M&O costs
29	070.12DN	CS	1280	Civic Services Support for Public Safety Facilities Renovation	SC	Service Demand Changes	$170,000	-	2.00	Manage public safety facilities for Fire Department
30	130.39PN	CS	1280	East Link Tunnel Funding Package & Project Umbrella Agreement	IM	Service Demand Changes	$106,000	1.00	-	Facilities Project Planning Support for proposal owner: Transportation
31	130.39PN	CS	100	East Link Tunnel Funding Package & Project Umbrella Agreement	IM	Service Demand Changes	$45,000	0.44	-	Real Property Support for Proposal Owner: Transportation
				TOTAL	CS		($807,615)	(0.91)	2.00	

City Manager's Office
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010
1. Department Proposed Reductions		
a. Cost Reductions	**($56K) / (3%)**	**0 / 0%**
• General expenditure cuts		
b. Level of Service Reductions	**($46K) / (3%)**	**(0.5) / (5%)**
• Eliminate Senior Admin Assistant		
c. Service Demand Changes	**$188K / 11%**	**1.0 / 10%**
• Add Civic Engagement FTE to expand services		
• Host KC/JAG jail coordinator position - majority of funding comes from other agencies.		
2. RT/LT Proposed Reductions:		
a. Level of Service Reductions:	**($99K)/ (6%)**	**(1.0) / (10%)**
• Civic Engagement FTE enhancement not accepted		
3. Currently Below the Funding Line:	**NA**	

City Manager's Office

Summary of Cost Savings, Level of Service Reductions and Service Demand Changes

Ref # Only	#	Dept	Fund	Proposal Title	d to	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
	Efficiencies, Enhancements & Level of Service Adjustments for:				CMO	Annual Changes ($) - Increase / (Decrease)				
1	040.03NN	CMO	100	Civic Engagement	RG	Service Demand Changes	$98,703	1.00	-	Add FTE (was previously .56 LTE in MND) to expand services
2	040.03NN	CMO	100	Civic Engagement	RG	RT Level of Service Reduction	($98,703)	(1.00)	-	RT did not recommend accepting this enhancement at this time.
3	040.02NN	CMO	100	Communications	RG	Service Demand Changes	$7,723	-	-	Slight increase to expenditure budget to enhance services.
4	040.08NN	CMO	100	Intergovernmental relations	RG	Service Demand Changes	$81,426		1.00	Increase to expenditure budget to host KC/JAG jail coordinator position. Majority of funding comes from other agencies.
5	040.04NN	CMO	100	City Management and Planning	RG	Cost Reductions	($55,664)	-	-	Cut expenditure budget.
6	040.02NN	CMO	100	Communications	RG	Department Proposed Service Reductions	($44,545)	(0.50)		Eliminate Sr Admin Asst
				TOTAL	CMO		($11,060)	(0.50)	1.00	

Development Services Department
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010
1. Department Proposed Reductions		
a. Cost Reductions	**($347K) / (2.8%)**	**(.4) / (.4%)**

- Distribution of mandated public notices through electronic media reducing newspaper publication fees.
- Streamline business processes, realignment of priorities to respond to life/health/safety/environmental violations, expand timeframe for less serious violations in Code Compliance.
- Reduction in consulting costs by using expertise of DS staff to provide research/drafting to support policy implementation and code development.

b. Service Demand Changes	**($1, 063K) / (8.5%)**	**(13.3) / (13.1%)**

- Reduce 15 FTEs and 3.75 LTEs redeploying those duties across the balance of DS staff, right-sizing staffing levels to anticipated demand.
- Collaboration between City departments (DS, Fire, Transportation, Utilities, Information Technology, City Clerks Office) and partnerships with other jurisdictions in the region through MyBuildingPermit.com and clients in the development community to enable the electronic submittal and issuance of permit materials.
- DSD services for East Link project in conjunction with the city-wide Transportation initiative.

2. RT/LT Proposed Reductions: NA

3. Currently Below the Funding Line: NA

Development Services

Summary of Cost Savings, Level of Service Reductions and Service Demand Changes

Ref # Only	Efficiencies, Enhancements & Level of Service Adjustments for:				DSD	Annual Changes ($) - Increase / (Decrease)				
	Proposal	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
1	110.01PA	DSD	1420	Development Services Public Information	RG	Service Demand Changes	($179,964)	(1.00)	(1.00)	Cost Reductions related to electronic noticing and by elimination 1.0 FTE to align service levels with reduced demand due to the recession. (74% of $179K)
2	110.03PA	DSD	1420	Dev Svcs - Review Services	EGC	Cost Reductions	($300,000)	0.00	0.00	Reductions for outside professional services
3	110.04NN	DSD	1420	Inspection Services	RG	Service Demand Changes	($1,073,290)	(11.00)	(1.00)	Reduction of 11.0 FTE Inspectors and 1.0 Admin Assistant LTE as a result of economic downturn.
4	110.03PA	DSD	1420	Dev Svcs - Review Services	EGC	Service Demand Changes	($370,699)	(3.00)	(1.75)	Reduction of 2.0 FTE Plan Reviewers, 1.0 Permit Tech, 1.8 LTE senior office assistant and consulting services as a result of economic downturn.
5	110.07NN	DSD	1420	Code Compliance	IVCC	Cost Reductions	($46,536)	(0.44)	-	Reduced participation in public meetings; reduced coordination of social services.
6	130.07PA	DSD	3680	East Link Overall	IM	Service Demand Changes	$120,628	1.00	-	Part of transportation mobility package for East Link Overall
7	110.08NN	DSD	1420	Paperless Permitting Initiative	EGC	Service Demand Changes	$350,302	-	2.50	Project will provide efficiencies through collaboration between city departments (DS, Fire, Transportation, Utilities, Information Technology, City Clerks Office) and partnerships with other jurisdictions through MyBuildingPermit.com and clients in the development community
8	130.39PN	DSD	3680	East Link Tunnel Funding Pkg	IM	Service Demand Changes	$90,475	0.75	-	Part of transportation mobility package for East Link Tunnel
				TOTAL	DSD		($1,409,084)	(13.69)	(1.25)	

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Finance Department
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010

1. Department Proposed Reductions

a. Cost Reductions **($960K) / (12%)** **(7.75) / (14.0%)**

- Eliminate all vacant positions and 4 filled positions through system enhancements, process improvements and reallocation of work with the department and City.
- M&O savings through renegotiation of contracting costs and modest reductions in internal service levels.
- Elimination of legal defense contingency for tax audits and contingency for other extraordinary unbudgeted costs – shifting reliance to MND.

b. Level of Service Reductions **($101K) / (1.3%)** **0 / 0%**

- Reduce # of copiers throughout the City
- Reduce courier services to City facilities
- Reduce Postage, Bulk Mail budget shifting communication mode to paperless

c. Service Demand Changes **$161K / 2.0%** **2 / 3.6%**

- Increase Tax Audit Enforcement Program to increase compliance with City Tax code (revenue generating/cost neutral)

2. RT/LT Proposed Reductions:

a. Level of Service Reductions: **($593K)/ (7.5%)** **(1) / 1.8%**

- Eliminate one buyer shifting buying responsibilities for purchases under $5k to departments, increasing PO processing time from 2 to 4 days and reducing capacity to negotiate pricing.
- Eliminate budget for recurring City-wide expenses in MND.

b. LT Proposed Change **$375 / 4.8%** **0 / 0%**

- Restore budget for recurring City-side expenses in MND.

c. Revenue Enhancements **$152K**

- Increase Business License fee from $30 to $70 to align with neighboring City fees and cover administrative costs of licensing.

3. Currently Below the Funding Line: NA

Finance Department
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010

4. Currently Below the Funding Line: None

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Finance

Summary of Cost Savings, Level of Service Reductions and Service Demand Changes

Ref # Only	Proposal	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
	Efficiencies, Enhancements & Level of Service Adjustments for: FIN					Annual Changes ($) - Increase / (Decrease)				
1	060.07PN	Fin	100	Finance Department Management & Support	RG	Cost Reductions	($89,087)	(1.00)		Eliminate Senior Admin Asst - tasks to be absorbed elsewhere
2	060.07PN	Fin	100	Finance Department Management & Support	RG	Cost Reductions	($75,450)	(1.00)		Eliminate Vacant Admin Asst position
3	060.07PN	Fin	100	Finance Department Management & Support	RG	Cost Reductions	($105,764)	(1.00)	-	Eliminate Business Process Analyst position - reduce project capacity. Funded from CIP
4	060.07PN	Fin	100	Finance Department Management & Support	RG	Cost Reductions	($26,300)	-		M&O professional svcs/temp help savings
5	060.13NN	Fin	100	Citywide Banking & Revenue Receipting	RG	Cost Reductions	($69,200)	(1.00)		Eliminate Sr Acctg Assoc position
6	060.13NN	Fin	100	Citywide Banking & Revenue Receipting	RG	Cost Reductions	($52,798)	(0.75)		Eliminate Vacant Sr Acctg Assoc position
7	060.13NN	Fin	100	Citywide Banking & Revenue Receipting	RG	Cost Reductions	($22,500)	-		M&O professional svcs/collections/temp help savings
8	060.13NN	Fin	100	Citywide Banking & Revenue Receipting	RG	Cost Reductions	$7,262	0.40		Move part of Sr Acctg Assoc from Accounting to Treasury
9	060.15PA	Fin	100	Tax Administration	RG	Cost Reductions	($125,000)	-	-	Eliminate Contract Audit Defense
10	060.15PA	Fin	100	Tax Administration	RG	Cost Reductions	($45,000)	-	-	M&O printing/lockbox/courier savings
11	060.16NN	Fin	100	Disbursements	RG	Cost Reductions	($79,711)	(1.00)		Eliminate AP clerk - reduction in volumes/process efficiencies
12	060.16NN	Fin	100	Disbursements	RG	Cost Reductions	($28,041)		-	M&O temp help/OT/professional svcs/hardware savings
13	060.16NN	Fin	100	Disbursements	RG	Cost Reductions	$42,698	0.50		Reallocated from Contracting Services
14	060.17NN	Fin	100	Procurement	RG	Cost Reductions	($126,000)	(1.00)		Eliminate Finance Division Manager FTE - distributed work to other staff
15	060.17NN	Fin	100	Procurement	RG	Cost Reductions	($42,698)	(0.50)		Reallocated resource to Accounts Payable (process efficiencies)
16	060.17NN	Fin	100	Procurement	RG	Cost Reductions	($21,241)	-	-	M&O temp help/OT/postage/hardware/supplies savings
17	060.18NN	Fin	100	Financial Accountability & Reporting	RG	Cost Reductions	($14,000)	-	-	M&O professional svcs/minor equip
18	060.18NN	Fin	100	Financial Accountability & Reporting	RG	Cost Reductions	($7,262)	(0.40)		Reallocate resource to Treasury
19	060.19NN	Fin	100	Financial Planning	RG	Cost Reductions	($90,359)	(1.00)		Eliminate 1 Vacant FTE
20	060.19NN	Fin	100	Financial Planning	RG	Cost Reductions	($10,000)	-	-	M&O professional svcs/minor equipment savings
21	060.19NN	Fin	100	Financial Planning	RG	Cost Reductions	$21,000	-	(1.00)	Return current LTE to 1040 status
22	060.07DN	Fin	100	Central Services	RG	Department Proposed Service Reductions	($50,000)	-	-	Reduction in First Class and Bulk Mail Postage
23	060.07DN	Fin	100	Central Services	RG	Department Proposed Service Reductions	($43,600)	-	-	Reduction in the number of copiers
24	060.07DN	Fin	100	Central Services	RG	Department Proposed Service Reductions	($4,800)	-	-	Reduction of courier service to outlying City offices

Ref # Only	Proposal	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
	Efficiencies, Enhancements & Level of Service Adjustments for:				FIN	Annual Changes ($) - Increase / (Decrease)				
25	060.07DN	Fin	100	Central Services	RG	Department Proposed Service Reductions	($3,000)	-	-	Restructure pricing in the Copy Center
26	060.15PA	Fin	100	Tax Administration	RG	Service Demand Changes	$161,382	2.00		Enhancement of Tax Enforcement Activities (revenue generating)
27	060.17NNA1	Fin	100	Procurement	RG	RT Level of Service Reduction	($92,940)	(1.00)	-	Eliminate one buyer. Transfer responsibility for purchasing items under $5K to departments, reducing ability to negotiate prices and increase PO processing time from 2 to 4 days.
28	060.08NA	Fin	100	MND	RG	RT Level of Service Reduction	($500,000)	-	-	Eliminate budget for recurring City-wide expenses. Utilize MND contingency.
29	060.08NA	Fin	100	MND	RG	LT Allocation	$375,000	-	-	LT recommendation to restore partial budget for recurring items that benefit City at large.
30	060.15PAA1	Fin	100	Business Tax and License Administration	RG	RT Proposed Revenue Enhancement	$152,000	-	-	Increase One Time license fee from current $30 to $70 to cover administrative costs of licensing.
				TOTAL	FIN		($965,409)	(6.75)	(1.00)	

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Fire Department
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010

1. Department Proposed Reductions

a. Cost Reductions — **($414K) / (1.2%)** — **(2.00) / (0.8%)**

- Civic Services to assume responsibility for Fire Facilities enabling the elimination of one Administrative Battalion Chief position. The Battalion Chief is represented by IAFF, Local 1604, and the elimination of this position will require the City to bargain with the Union.
- Elimination of a Sr. Office Assistant position in Fire Prevention; duties have been assumed by existing Fire Administration staff.
- M&O reductions, consistent with 2009-2010 cost containment efforts.

b. Level of Service Reductions — **($599K) / (1.8%)** — **(10.00) / (4.0%)**

- Reduced staffing of one Aid Car to 12-hours per day during peak-hours on overtime. This will result in the elimination of 8 Firefighter positions. The positions are represented by IAFF, Local 1604, and this reduction will require the City to bargain with the Union.
- Eliminate 2 Fire Prevention Officer positions and outside professional services due to decrease in Development Service activity.

c. Revenue Enhancements — **$120K**

- Increased revenue support for the Advanced Life Support/Medical Service Officers funded by the King County Emergency Medical Service Levy.

2. RT/LT Proposed Reductions:

a. Level of Service Reductions: — **($132K) / (0.4%)** — **(0.44) / (0.2%)**

- Reduce administrative support by eliminating a partial FTE and part-time employees and the implementation of voluntary staff furloughs. This reduction will reduce the department’s ability to maintain current customer service levels and to meet the support needs of the Operations and Fire Prevention divisions.

b. Revenue Enhancements — **$93K / 0.3%**

- Increase annual Fire Operational Permit Fee from $50 to $100 to align with neighboring jurisdictions fees.
- New fee implemented for re-inspection of occupancies that failed to comply with fire code violations found during the initial fire inspection and not corrected by the first follow-up inspection.

Fire Department

Summary of Cost Savings, Level of Service Reductions and Service Demand Changes

Ref # Only	Efficiencies, Enhancements & Level of Service Adjustments for: Fire					Annual Changes ($) - Increase / (Decrease)				
	Proposal	Dept	Fund	Proposal Title	Submitted	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
1	070.01NA	Fire	100	Fire Suppression and Emergency Medical Response	SC	Cost Reductions	($143,000)	-	-	M&O reductions, consistent with 2009-2010 cost containment efforts.
2	070.02NA	Fire	100	Advance Life Support Services	SC	RT Proposed Revenue Enhancement	$120,000	-	-	Increased ALS revenue due revision in allocation of the Medical Service Officer (MSO).
3	070.03NN	Fire	100	Fire Training	SC	Cost Reductions	($16,000)	-	-	M&O reductions, consistent with 2009-2010 cost containment efforts.
4	070.04PN	Fire	100	Emergency Management	SC	Cost Reductions	($7,500)	-	-	M&O reductions, consistent with 2009-2010 cost containment efforts.
5	070.05NA	Fire	100	Fire Department Management and Support	SC	Cost Reductions	($145,000)	(1.00)	-	Civic Services to assume responsibility for Fire Facilities enabling the elimination of one Administrative Battalion Chief position. Net savings includes minor reclassification of civilian position that will be responsible for coordinating daily Facility and Fleet needs to Civic Services. Because the Battalion Chief is represented by IAFF, Local 1604, the elimination of this position will require the City to bargain with the Union.
6	070.05NA	Fire	100	Fire Department Management and Support	SC	Cost Reductions	($17,000)	-	-	M&O reductions, consistent with 2009-2010 cost containment efforts.
7	070.05NB	Fire	100	Fire Department Management and Support Alternative	SC	RT Level of Service Reduction	($132,000)	(0.44)	-	Eliminates a partial FTE (0.44) and two part-time employees and includes voluntary staff furloughs. Will reduce the department's ability to maintain current customer service levels and to meet the support needs of the Operations and Fire Prevention divisions.
8	070.06NA	Fire	100	Fire Prevention	SC	Cost Reductions	($70,000)	(1.00)	-	Elimination of Sr. Office Assistant position, duties have been assumed by existing Fire Administration staff.
9	070.06NA	Fire	100	Fire Prevention	SC	Cost Reductions	($15,000)	-	-	M&O reductions, consistent with 2009-2010 cost containment efforts.
10	070.06NB	Fire	100	Fire Prevention - Alternate Revenue Enhancement	SC	RT Proposed Revenue Enhancement	$93,000	-	-	Implementation of new and increased fees to support the increase cost recovery. Under this proposal, a new fee would be charged for re-inspection of occupancies that failed to comply with fire code violations found during the initial fire inspection and not corrected by the first follow-up inspection; and annual Operational Permit Fees, that have been $50 for over fifteen years would increase to $100.
11	070.11NN	Fire	100	Public Safety Dispatch Services	SC	Other Cost Changes	$25,000	-	-	Estimated increase in Fire's portion of the NORCOM fees based on proposed NORCOM Budget.
12	070.01NA	Fire	100	Fire Suppression and Emergency Medical Response	SC	Department Proposed Service Reductions	($357,000)	(8.00)	-	Department's recommendation reduced staffing of one Aid Car to 12 hour per day during peak-hours on overtime. Program staffing is reduced by eight firefighters, M&O was increased to pay for overtime. The Results Team choose a deeper level reduction (See proposal 070.01NB.A1.).

Ref # Only	Proposal	Dept	Fund	Proposal Title	Submitted	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
	Efficiencies, Enhancements & Level of Service Adjustments for:				**Fire**	**Annual Changes ($) - Increase / (Decrease)**				
13	070.01NB.A	Fire	100	Fire Suppression and Emergency Medical Response - Alternative	SC	RT Level of Service Reduction	($438,000)	-	-	Alternative level of service chosen by Results Team that eliminates the ladder truck at Fire Station 1 (Ladder 1) full-time, instead of reducing staffing of one Aid Car to part-time. Existing apparatus are reconfigured to reconstitute a Lightforce. The 8 FTEs to associated with the reduction are the same FTE as were eliminated in the base proposal. Because the positions are represented by IAFF, Local 1604, this reduction will require the City to bargain with the Union.
14	070.01NB.A	Fire	100	Fire Suppression and Emergency Medical Response - Alternative	SC	LT Allocation	$438,000	-	-	LT recommendation to restore funding of department recommended proposal rather than reduced service level.
15	110.03PA	Fire	1280	Dev Svcs - Review Services	EGC	Department Proposed Service Reductions	($60,000)	-	-	Reductions due to decrease in DS activity. - $60K savings offset by revenue reduction.
16	110.04NN	Fire	1280	Dev Svcs - Inspection	SC	Department Proposed Service Reductions	($182,000)	(2.00)	-	Reduction of two Fire Prevention Officer positions due to decrease in DS activity.
17	070.07NN	Fire	100	Fire Facilities Maintenance & Operating	SC	Other Cost Changes	$40,000	-	-	M&O changes due to increased utility costs and cost of repair and maintenances services associated with WA State Department of Labor and Industries prevailing wage requirements.
18	070.09NN	Fire	1640	Urban Area Security Initiative (UASI) Participation	SC	Cost Reductions	$0	1.00	-	Ongoing grant funding for UASI Grant Coordinator to manage the City's UASI Grant program.
19	070.09NN	Fire	1640	Urban Area Security Initiative (UASI) Participation	SC	Cost Reductions	$0	0.40	1.00	Staffing increase to accomplish UASI projects.
				TOTAL	**Fire**		($866,500)	(11.04)	1.00	

Human Resources Department
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010

1. Department Proposed Reductions

a. Cost Reductions	**($1,733K) / (16.3%)**	**(0.7) / (4.8%)**

- Life insurance rate reductions resulted in a savings of $134,212 for 2011 and 2012.
- Changes were made to the self-insured plan which resulted in a savings of $760,000 for 2011 and 2012.
- The Health Benefits reserves were reviewed and $765,680 savings were identified for 2011 and $800,832 for 2012.
- A vacant .70 FTE G19 HR Assistant will be eliminated and an existing G16 Senior Office Assistant will be reclassified to HR Assistant to complete that body of work.
- A vacant 1.0 FTE G30 Retirement Services Manager position will be converted to an existing 1.0 LTE G24 Senior HR Analyst.

b. Service Demand Changes	**$118K / 1.1%**	**0 / 0%**

- Increase City Training Program
- ADA Assessment of City facilities and Public Programs

2. RT/LT Proposed Reductions:

a. Level of Service Reductions	**($73K) / (.7%)**	**0 / 0%**

- Eliminate tuition reimbursement that benefits a limited number of staff in favor of general training through One City that better meets the City's objectives and benefits a larger number of employees.

3. Currently Below the Funding Line:

a. Proposal Title / Proposal # **N/A**

Human Resources

Summary of Cost Savings, Level of Service Reductions and Service Demand Changes

Ref # Only	Proposal	Dept	Fund	Proposal Title	Submitted	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
	Efficiencies, Enhancements & Level of Service Adjustments for:				HR	Annual Changes ($) - Increase / (Decrease)				
1	080.01NA	HR	5250	Health Benefits Operating Fund	RG/Reserves	Cost Reductions	($894,212)		0.80	Life Insurance rate reduction = $134,212 for 2011 and 2012; Self-insured plan design changes = $760,000 for 2011 and 2012. Adding .80 LTE G19 HR Assistant to provide efficient assistance during the health care reform implementation, a process expected to be complex and lengthy.
2	080.02NA	HR	5250	Health Benefit Reserves	RG/Reserves	Cost Reductions	($765,680)	-	-	Savings for 2011 = $765,680; Savings for 2012 = $800,832
3	080.03NN	HR	100	Human Resources Administration	RG	Cost Reductions	($40,693)	(0.70)	-	Vacant .70 FTE G19 HR Assistant will be eliminated; existing 1.0 FTE G16 Senior Office Assistant will be reclassified to G19 HR Assistant. The annual change is the difference between the G19 and G13 classification plus a 5% promotional increase.
4	080.04NN	HR	100	Labor and Compensation	RG	Cost Reductions	$0	-	-	0
5	080.05NN	HR	100	Retirement Services	RG	Cost Reductions	($32,444)	(1.00)	-	Vacant 1.0 FTE G30 Retirement Services Manager will be eliminated; FTE will be used to convert an existing 1.0 LTE G24 Senior HR Analyst. The annual change is the difference between the maximum of the G30 and G24 pay ranges.
6	080.06NA	HR	100	Staffing Services	RG	Cost Reductions	$0	1.00	-	Requesting to convert LTE to FTE. (See Proposal #080.05NN above)
7	080.07NA	HR	100	Training and Development	RG	Service Demand Changes	$8,430	-	-	The operating expenses have increased to fund the training program identified for 2011 and 2012.
8	080.07NAA1	HR	100	Training and Development	RG	RT Level of Service Reduction	($72,684)	-	-	Eliminate tuition reimbursement that benefits a limited number of staff in favor of general training that better meets the City's objectives and benefits a larger number of staff.
9	080.08DN	HR	100	ADA Facilities & Program Assessments	RG	Service Demand Changes	$110,000	-	-	Add consulting funds to conduct ADA assessments of the City's facilities and public programs.
				TOTAL	HR		($1,687,283)	(0.70)	0.80	

Information Technology Department
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010

1. Department Proposed Reductions

a. Cost Reductions **($1,184K) / (11%)** **(2.0) net / (4%)**

- Eliminate 5 FTEs (4 staff, 1 management) and 1 LTE staff as a result of business process improvements, new technologies, and reduced workload stemming from lack of new investments during the down economy. Redeploy 1.0 FTE to further consolidate efficiencies in support of multiple departments.
- M&O savings from aggressively re-negotiating maintenance contracts during a down economy. Shifting contract work to internal staff who have some limited capacity from reduced workload, thus reducing professional service costs without impact to service levels.
- Transition from outsourced vendor for network services to in-house resources. Redeployment and downward reclassification of two positions noted above is offset by significant reduction in contract services. One-time savings by negotiating multi-year discounts on routine maintenance contracts.

2. RT/LT Proposed Reductions:

a. Cost Reductions **($147K) / (1%)** **0 / 0%**

- Further M&O reduction in maintenance contracts as result of renegotiating multi-year discounts and acceleration of network services sourcing transition plan without impact to service levels.

3. Currently Below the Funding Line: N/A

Information Technology

Summary of Cost Savings, Level of Service Reductions and Service Demand Changes

Ref # Only	Proposal	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
	Efficiencies, Enhancements & Level of Service Adjustments for: ITD					Annual Changes ($) - Increase / (Decrease)				
1	090.01NN	ITD	5270	Computer Management	RG	Cost Reductions	($53,000)	-	-	Reduced M&O (Prof Svcs) due to reduced call counts (automated tools for desktop management) and ability of staff to do more tasks in house.
2	090.01NN	ITD	5270	Computer Management	RG	Cost Reductions	($19,000)	-	-	Other M&O reductions due to electrical conservation and managed printing initiative.
3	090.02NN	ITD	5270	Help Desk & Training Services	RG	Cost Reductions	($50,000)	(1.00)	-	Reduced 1 staff (IT Trainer) $98K, and will retain $50K for contracted training. (used 2 year average of savings)
4	090.03NA	ITD	5270	Software Development Services	RG	Cost Reductions	($15,000)	-	-	Reduce software maintenance costs through the elimination of duplicate web content management systems.
5	090.04NN	ITD	5270	IT Security Program	RG	Cost Reductions	($13,200)	-	-	Annual savings by reducing security consulting hours based on historical usage of this service.
6	090.06NN	ITD	5270	Geographic Information Systems (GIS) Services	RG	Cost Reductions	($30,350)	-	(1.00)	Conversion of LTE to FTE, person performs functions from 3 depts (address assignment, street naming, database maintenance). LTE ends 8/31/11. (Used 2 year average of increase).
7	090.06NN	ITD	5270	Geographic Information Systems (GIS) Services	RG	Cost Reductions	$93,700	1.00	-	0
8	090.07NA	ITD	5270	Multi-Media Services	RG	Cost Reductions	($162,500)	(1.00)	-	Reduce one IT Manager position as a result of workload declines in other areas and the ability to make minor organizational adjustments (IT Fund - 2 year average of savings)
9	090.07NA	ITD	5270	Multi-Media Services	RG	Cost Reductions	($25,000)	-	-	Reduce M&O costs by more efficient use of 1040. IT Fund.
10	090.09NN	ITD	5270	Technology Business System Support	RG	Cost Reductions	($392,450)	(3.00)	-	Reduce staff by 3 FTEs to meet reduced demand, 1 FTE transitions to 090.08NA. (used 2 year average of savings).
11	090.09NN	ITD	5270	Technology Business System Support	RG	Cost Reductions	($123,000)	-	-	Reduce maintenance contracts ECM
12	ITD	ITD	5270	All Proposals	RG	Cost Reductions	($182,000)	-	-	Cost containment carried over from 2010--Expense removed from baseline. HW/SW maintenance contracts.
13	090.08NA	ITD	5270	ITD Network Systems and Services	RG	Cost Reductions	$258,900	2.00	-	After a business process review, moved from an outsourced vendor to inhouse resources, which adds 1 new position and 1 transfer from 090.09NN with a reclass down (-$6K). Cost is offset by savings through an accelerated staffing plan that reduces the outsourcing contract sooner and one-time efficiencies through pre-payment of maintenance contracts.

Efficiencies, Enhancements & Level of Service Adjustments for: ITD

Ref # Only	Proposal	Dept	Fund	Proposal Title	Submitte	Annual Changes ($) - Increase / (Decrease) Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
14	090.08NA	ITD	5270	ITD Network Systems and Services	RG	Cost Reductions	($356,000)	-	-	After a business process review, moved from an outsourced vendor to inhouse resources, which adds 1 new position and 1 transfer from 090.09NN with a reclass down (-$6K). Cost is offset by savings through an accelerated staffing plan that reduces the outsourcing contract sooner and one-time efficiencies through pre-payment of maintenance contracts.
15	090.08NA	ITD	5270	ITD Network Systems and Services	RG	RT Proposed Cost Reductions	($126,000)	-	-	Further M&O reduction in maintenance contracts and acceleration of network services sourcing transition plan.
16	090.08NA	ITD	5270	ITD Network Systems and Services	RG	Cost Reductions	($115,000)	-	(1.00)	One time reduction of 1 LTE vacancy budgeted through 2011. - $115K in 2011.
17	090.11.NN	ITD	1260	Franchise Administration	RG	RT Proposed Cost Reductions	($20,650)	-	-	Prepay 2011 Granicus maintenance and reduce legal services.
				TOTAL	ITD		($1,330,550)	(2.00)	(2.00)	

Office of Economic Development
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010

1. Department Proposed Reductions

a. **Level of Service Reductions** **($69K) / (80%)** **(0.5) / (100%)**

b. Eliminate 0.5 FTE staff support of Sister City Program. Work will need to be merged with OED staff. Support should be adequate but will reduce ability of OED to support administrative functions of CMO, Environmental Stewardship Initiative and One City program.

c. **Service Demand Changes** **$250K / 42.7%** **0 / 0%**
   - Provide Lobbying resources to seek additional Federal Funding.

2. RT/LT Proposed Reductions:

a. **Level of Service Reductions:** **($75K) / (11%)** **(0) / (0%)**
   - Reduces OED M&O expenses—results in the elimination or reduction in OED support funding for memberships (enterpriseSeattle, Trade Development Alliance, Bellevue Economic Partnership, Seattle Sports Council, etc.), funding of small business development programs (Bellevue Entrepreneur Center, Regional Small Development Program, etc.), funding of international business development (Choose China and Initiative India programs, trade seminars, etc.), funding for consultants for neighborhood retail center redevelopment and other economic studies (Newport Hills, Kelsey Creek, Eastgate, status of auto dealerships, demographic data development, etc.), and funding for work to support other economic development projects and programs, especially those that occur on the spur of the moment. (~$58K)

   - Eliminates funding for Sister City program by merging program (but not the funds) into the OED M&O budget—ability to maintain program is further exacerbated with the OED M&O reduction noted above. Not likely to continue staff exchanges or provide adequate support of in-bound and out-bound city delegations. (~$17K)

   - Merges proposed business survey into OED M&O budget but without the funds—reduces ability to carry out OED programs let alone even conduct a business survey. Business survey unlikely to be implemented (proposed as a separate $50K program in Round One)

b. **Level of Service Enhancements:** **$100K / 100%** **0 / 0%**
   - Establishes an initiative to seek $800MM in federal funding to implement the capital and other programs of the Bel-Red Corridor Plan. Adds $100K for lobbyists and consultants to help us create a pilot and demonstration project with federal grants and stimulus funds.

Office of Economic Development

Summary of Cost Savings, Level of Service Reductions and Service Demand Changes

Ref # Only	Efficiencies, Enhancements & Level of Service Adjustments for:				OED	Annual Changes ($) - Increase / (Decrease)				
	Proposal	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
1	055.01NNA1	OED	100	Office of Economic Devel. Operations	EGC	RT Level of Service Reduction	($58,000)	-	-	Reduced amount for memberships. Depend on MND for unanticipated costs.
2	055.01NNA1	OED	100	Sister Cities	EGC	Department Proposed Service Reductions	($69,558)	(0.50)	-	Eliminate 0.5 FTE and shift work to OED
3	055.01NNA1	OED	100	Business Survey	EGC	Service Demand Changes	$0	-	-	Develop pilot level of business survey function with existing resources to better target programs and support economic growth and development, and accurately measure performance.
4	055.04NN	OED	100	New Capital Funding for Bel-Red Corridor	EGC	Service Demand Changes	$250,000	-	-	Provide lobbying resources to seek additional federal funding for BelRed projects.
5	055.04NN	OED	100	New Capital Funding for Bel-Red Corridor	EGC	RT Level of Service Reduction	($150,000)	-	-	Reduced amount for Bel-Red Lobbying
				TOTAL	OED		($27,558)	(0.50)	-	

Parks Department
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010

1. Department Proposed Reductions

a. Cost Reductions — ($1,128K) / (4.5%) — (5.96) / (4.1%)

- Eliminate 5.96 vacant positions, flattening the organization and reallocating work within the department.
- Reduce temporary and seasonal help throughout the department.
- Increase Recreation program fees and contract instructor percentages to City.
- Reduce printing and mailing of brochures and program information.

b. Level of Service Reductions — ($764K) / (3.1%) — 0 / 0%

- Reduce operating hours of community centers and programs.
- Eliminate 24Hour Relay funding. Eliminate Youth Link Board/Council and shift funding to Wraparound Services and Youth Safety proposals.
- Reduce park maintenance expenses to 2009 levels, including reductions in materials (bark, sand, supplies), services (painting, flooring, repairs), and contracted labor.

c. Service Demand Changes — $576K / 2.3% — 1 / 0.7%

- Bellevue Cares Initiative—provide support and resources for citizens in need due to economic recession.
- Community Alliances and Partnerships—create offender work crew program and partner with non-profit agencies to help maintain or restore nature spaces throughout the City.
- Probation Case Management System Replacement – Implement an automated case management system, a tool which helps hold offenders accountable and coordinates information with other partners in the justice system.

2. RT/LT Proposed Reductions:

a. Cost Reductions: — ($324K)/ (1.3%) — 5 / 3.4%

- Reduce contract labor by hiring 5 FTE positions, with ongoing savings of $216K per year. Savings due to contract prevailing wage of $40 per hour, making in-house crews more cost efficient than contract labor.
- Increase staff charges to CIP projects and the Land Purchase Revolving Fund.

b. Level of Service Reductions: — ($882K)/(3.6%) — (2) / (1.4%)

- Reduce Probation/Electronic Home Detention proposal by 2 FTEs ($160K) and M&O ($65K). Conduct an independent evaluation to ensure that programs are "right sized", and use the results of this study to determine final costs for this proposal.
- Reduce Street Trees, Landscaping, and Vegetation Management program by a total of 15%. This requires a fundamental shift in the City's approach to maintenance of landscaping and public safety response to ROW vegetation, and requires the elimination of essential maintenance frequencies, tree pruning, and

vegetation control. Staff will prioritize safety related roadside vegetation and hazard tree response.
- In addition to the ongoing 5% decrease in Parks Maintenance funding, the following level of service reductions were also recommended: reduce janitorial contract frequencies at community centers (from seven to five days per week); close restrooms and remove sani-cans at neighborhood parks or lower-demand sites; reduce landscape maintenance at City Hall and BSC; eliminate parking lot sweeping contracts; reduce seasonal help at Waterfront Parks by the equivalent of 1.7 positions.
- Reduce the subsidy of the Northwest Arts Center by $150,000 per year. In order to keep facility open, eliminate subsidized programs and change the business model to focus on rental income/private use. Increase Bellevue College TELOS fees to market rates, focus on full cost recovery classes and private rentals, and eliminate partially-benefitted staff as necessary to meet cost recovery goals.
- Reduce Beach Lifeguard service to only Newcastle and Meydenbauer beach parks. No service at Enatai, Chism, Clyde, and Chesterfield parks.
- Eliminate City funding for Severe Weather Shelter program, seeking volunteers to operate an overnight shelter during extremely cold weather.
- Reduce the Bellevue Cares Initiative by funding the program for only one year.
- Eliminate City Special Event Funding for BDA sponsored events: Magic Season, Bellevue Jazz Festival, and Live at Lunch.

Currently Below the Funding Line:

a. Community Alliances and Partnerships 100.41NN

($286K)/(1.2%)   (1) / (0.7%)

- Description: This proposal will provide funding to establish and manage a Blueberry Farm Work Program to assist with maintenance and operations of Bellevue's existing agricultural lands. The program will provide cost effective labor, alternatives to jail, and rehabilitative services for offenders. In addition, the proposal will provide funding to support non-profit service contracts to assist with environmental stewardship activities throughout the Park system. This program will increase community outreach, citizen involvement and volunteerism for environmental stewardship projects.
- Impact of not Funding: Eliminate proposal to both manage an offender work crew program and to partner with non-profit agencies to help maintain or restore nature spaces throughout the parks system.

b. Probation Case Management System Replacement 100.54NN

($170K)/(0.7%)   (0) / (0%)

- Description: Currently, Bellevue Probation has an integrated computer system, Intuitive Case Management (ICM), supporting our work activities. In addition, we access the State of Washington Judicial Information System (JIS) for information sharing. ICM, developed by a local vendor in an Access database, and implemented in 2004 as a place holder for a new system, has significant functional and design issues that have limited its effective use. As a result of its ongoing issues, and because of the need for security of critical data, replacement of the ICM system is necessary.

- Impact of not Funding: Eliminate proposal to implement an automated case management system, a tool which helps hold offenders accountable and coordinates information with other partners in the justice system (police, prosecution, court, treasury).

Parks and Community Services

Summary of Cost Savings, Level of Service Reductions and Service Demand Changes

Ref # Only	Proposal	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
	Efficiencies, Enhancements & Level of Service Adjustments for: Parks					Annual Changes ($) - Increase / (Decrease)				
1	100.01NN	Parks	100	South Bellevue Community Center	IVCC	Cost Reductions	($139,490)	(1.00)	-	Elimination of 1.0 FTE- Community Svcs Program Coordinator ($93,010). Reduce temp help $6,500. Increase fees, rentals, and contract percentages to City ($39,980).
2	100.02NN	Parks	100	North Bellevue Community Center/Aging Services	IVCC	Cost Reductions	($70,022)	(0.56)	-	Elimination of .56 FTE- Community Services Coordinator ($52,085), reduction of Temporary Help ($2,375), Professional Services ($4,215), and other operating expenses ($11,347).
3	100.04NN	Parks	100	Highland Community Center: Disability Program	IVCC	Cost Reductions	($36,000)	-	-	Increased use of volunteers in Special Olympic activities and sport programs for disabled will replace partially benefited employees. Two FTE will run more direct programs displacing partially benefited employees ($18,000). Increased rental fees to generate more revenue. More time available on Sundays to serve the public gathering needs with potential increase in revenue ($18,000).
4	100.07NN	Parks	100	Youth Health & Fitness	IVCC	Cost Reductions	($43,300)	-	-	Reduced printing/mailing materials by utilizing other communication tools, such as Facebook, Blogs, Twitter and websites. Renegotiation of provider contracts and added revenue generating services.
5	100.08NN	Parks	100	Kelsey Creek Living Farm & Learning Center	IVCC	Cost Reductions	($44,600)	-	-	Increase rental fees and hours, reduce contractor percentages for classes ($34,900). Reduce supplies, field trips, and temporary staffing ($9,700).
6	100.09NN	Parks	100	Northwest Arts Center	IVCC	Cost Reductions	($13,199)	-	-	Increase rental fees and hours, reduce contractor percentages for classes, increase class fees.
7	100.11NN	Parks	100	Bellevue Youth Theatre	IVCC	Cost Reductions	($27,800)	-	-	Raise the cost of Day Camps extended care and program by 10%. Decrease one week at the Theatre at Meydenbauer.
8	100.14NN	Parks	100	Child & Youth Safety Initiative	SC	Cost Reductions	($50,000)	-	-	Elimination of Youth Court service contract with Youth Eastside Services. Probation Services will assume court service responsibility. Cost Reductions savings: $50,000.
9	100.15NN	Parks	100	Human Services Planning & Contract Management	IVCC	Cost Reductions	($19,828)	-	-	Reduction temporary help, professional services, other operating support, etc.
10	100.19NN	Parks	100	Cultural Diversity Program	IVCC	Cost Reductions	($86,974)	(1.00)	-	Eliminate vacant Administrative Assistant position ($75,450). Cancel "Bellevue Today Radio Program", eliminate 12 1-hour radio programs providing cultural diversity information and advertising City programs.
11	100.21NN	Parks	100	Bellevue Probation Services	SC	Cost Reductions	($44,598)	-	-	Reduced operating costs in training, supplies, membership fees, volunteer events.
12	100.34NN	Parks	100	City Sport Field Program	IVCC	Cost Reductions	($19,965)	-	-	Combines resources from multiple work groups into one unified work group to improve staff Cost Reductions and use of existing resources. Convert a vacant crew-leader position into an entry level skilled worker.

Ref #	Efficiencies, Enhancements & Level of Service Adjustments for: Parks									
						Annual Changes ($) - Increase / (Decrease)				
Only	Proposal	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
13	100.35NN	Parks	100	Bellevue Botanical Garden	IVCC	Cost Reductions	($22,000)	-	-	Reduction of temporary help budget and reduction of an internship from a 9-month program to an 8-week summer program. Garden staff will adjust their work schedules to provide year-round weekend staff coverage formerly provided by interns.
14	100.42NN	Parks	100	Property Management: Meydenbauer/Other	IVCC	Cost Reductions	($18,500)	-	-	Modify marina caretaker services agreement to include custodial services for public restroom ($2,500). Reduce rental property management agreement to exclude rental commission fees ($16,000).
15	100.44NA	Parks	100	Parks & Community Services Management and Support	IVCC	Cost Reductions	($120,699)	(1.00)	-	Eliminate vacant Resource Manager position ($120,699), flattening organization and reassigning workload among staff
16	100.45NN	Parks	100	Community Center Customer Service, Outreach, and Support	IVCC	Cost Reductions	($60,000)	-	-	Reduction in print and mailing expenses related to production of Connections program brochure. Reduction requires more efficient use of print resources, more centralized coordination of advertising efforts, and increased use of electronic tools to communicate program information. In addition, transferred 0.56 FTE Sr Office Assistant to South Bellevue Community Center.
17	100.48NN	Parks	1430	Robinswood Tennis Center	IVCC	Cost Reductions	($65,795)	(0.40)	-	Eliminate vacant Enterprise Program Manager position ($46,195). Reduce temporary staff by contracting instructor positions ($3,800) and adjusting operating hours during low demand times ($4,800). Increase youth class sizes following Quick Start Tennis format, enhancing revenues $11,000
18	100.49NA	Parks	1430	Bellevue Aquatic Center	IVCC	Cost Reductions	($88,736)	(1.00)	-	Eliminate vacant Recreation Tech/lifeguard position ($66,841) and transfer Sr. Accounting Assoc position to Tennis Center. Partially offset with increased temporary help costs.
19	100.50NN	Parks	multiple 100	Facilities Scheduling, Adult Leagues, Robinswood House	IVCC	Cost Reductions	($25,000)	-	-	Eliminate temporary help by reassigning FTE staff to field scheduling function. Relocation of 1040 staff from City Hall to SBCC during evening hours eliminates need for Gym Supervisor.
20	100.02NN	Parks	100	North Bellevue Community Center/Aging Services	IVCC	Department Proposed Service Reductions	($5,625)	-	-	Operating hours reduced 7.5 hours per week.
21	100.03NN	Parks	100	Crossroads Community Center	IVCC	Cost Reductions	($131,602)	(1.00)	-	Reduction of 1 FTE ($105,604). Reduction of 125 of hours of operation per year and 2175 hours of temporary staff.
22	100.04NN	Parks	100	Highland Community Center: Disability Program	IVCC	Department Proposed Service Reductions	($13,000)	-	-	1040 staff cuts in direct programming for disabled.
23	100.07NN	Parks	100	Youth Health & Fitness	IVCC	Department Proposed Service Reductions	($7,750)	-	-	Reduction in skate park operation by 100 hours during summer weeknights. Elimination of low performing classes.
24	100.08NN	Parks	100	Kelsey Creek Living Farm & Learning Center	IVCC	Department Proposed Service Reductions	($11,000)	-	-	Reduce special events and temporary staff working in summer day camps
25	100.09NN	Parks	100	Northwest Arts Center	IVCC	Department Proposed Service Reductions	($7,466)	-	-	Reduce 1040 staff support ($3500) and professional services at Special Events ($3966)
26	100.11NN	Parks	100	Bellevue Youth Theatre	IVCC	Department Proposed Service Reductions	($4,200)	-	-	The Recreation Coordinator will provide direct service by replacing a current 1040's. Hire lower cost 1040 temps. Replace non-essential positions with volunteers.

Efficiencies, Enhancements & Level of Service Adjustments for: Parks

Ref # Only	Proposal	Dept	Fund	Proposal Title	Submitte	Annual Changes ($) - Increase / (Decrease) Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
27	100.13NN	Parks	100	Youth Development	IVCC	Department Proposed Service Reductions	($50,000)	-	-	Cut 24-Hour Relay Challenge and Shutterbugs Photography Day Camp. In addition, eliminate Youth Link Board/Council and repurpose resources to enhanced Wrap-Around and Child and Youth Safety Initiative. Proposal shifts staff to community centers (1 FTE) and school programs (1 FTE)
28	100.24NN	Parks	100	Community Parks Program	IVCC	Department Proposed Service Reductions	($43,161)	-	-	Reduction in materials (bark, sand, gravel, etc.), services (turf aeration, seeding, top-dressing, trail surfacing, planting bed mulching etc.) and temporary/contract labor.
29	100.25NN	Parks	100	Neighborhood Parks Program	QN	Department Proposed Service Reductions	($48,729)	-	-	Reduction in materials (bark, sand, gravel, etc.), services (turf aeration, seeding, top-dressing, trail surfacing, planting bed mulching etc.) and temporary/contract labor.
30	100.26NN	Parks	100	Waterfront Parks Program	IVCC	Department Proposed Service Reductions	($44,675)	-	-	Reduction in materials (bark, sand, gravel, etc.), services (turf aeration, seeding, top-dressing, trail surfacing, planting bed mulching etc.) and temporary/contract labor.
31	100.28NN	Parks	100	Building Maintenance and Management Program	IVCC	Department Proposed Service Reductions	($80,660)	-	-	Reduce the use of professional services; Reduction in building maintenance tasks, such as painting re-lamping, gym floor finishing. Roofing repairs
32	100.29NN	Parks	100	Contracted Janitorial Services Program	IVCC	Department Proposed Service Reductions	($73,790)	-	-	Reduce Contracted Janitorial Service; Reduce carpet & Upholstery cleaning
33	100.30NN	Parks	100	Park Custodial Program	IVCC	Department Proposed Service Reductions	($9,438)	-	-	Reduction of the use of temporary help during early spring and fall; beach parks gates will remain unlocked at Chism, Meydenbauer, Clyde, & Enatai. Gate unlocks at Overlake Blueberry Farm & Killarney during Fall and Winter months
34	100.31NN	Parks	100	Electrical & Mechanical Maintenance/Energy Management Program	IVCC	Department Proposed Service Reductions	($10,010)	-	-	Reduce HVAC & Electrical Service
35	100.32NN	Parks	100	Playground, Skate & Sports Court Safety Program	QN	Department Proposed Service Reductions	($10,268)	-	-	Reduction of contracted service to playground and sport court service
36	100.33NN	Parks	100	Park Amenities & Outdoor Water Features Maintenance Program	QN	Department Proposed Service Reductions	($46,822)	-	-	Reduce the usage of temporary help and reduction of contracted services by reducing maintenance and repair on benches, picnic tables, signage, picnic shelters and other park amenities.
37	100.34NN	Parks	100	City Sport Field Program	IVCC	Department Proposed Service Reductions	($25,136)	-	-	Reduction in materials (sand, infield mix, seed, etc.),services (turf aeration, seeding, top-dressing and infield renovation, etc.) and temporary help labor.
38	100.36NN	Parks	100	Nature Parks, Rangers & Visitor Centers	HSE	Department Proposed Service Reductions	($40,693)	-	-	Reduction in temporary help labor, summer park patrol, park lock-up and visitor center staffing. There will be a reduction in interpretive exhibits, displays and environmental education outreach.
39	100.37NA	Parks	100	Greenways & Trails	HSE	Department Proposed Service Reductions	($41,287)	-	-	Reduction in temporary help labor, a building materials and supplies (fencing, signage, bark, boardwalks and bridge supplies, etc.) Reduction in trail maintenance, surfacing and bark mulch applications.
40	100.38NA	Parks	100	Nature Space & Forest Management	HSE	Department Proposed Service Reductions	($39,030)	-	-	Reduction in forest enhancement and maintenance services, a reduction in the number of forest enhancement plantings and maintenance levels, reduced frequencies in boundary line inspections and temporary labor.

Efficiencies, Enhancements & Level of Service Adjustments for: Parks

Ref # Only	Proposal	Dept	Fund	Proposal Title	Submitte	Annual Changes ($) - Increase / (Decrease) Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
41	100.39NA	Parks	100	Street Trees, Landscaping & Vegetation Management Program	QN	Department Proposed Service Reductions	($66,982)	-	-	Reduction in materials (trees, plants, bark, sand, etc.), services (pruning, turf aeration, seeding, top-dressing and planting bed mulching etc.) and temporary/contract labor.
42	100.49NA	Parks	1430	Bellevue Aquatic Center	IVCC	Department Proposed Service Reductions	($17,760)	-	-	Close at 8pm instead of 9pm. Reduction of 1040 help.
43	100.51NN	Parks	100	Bellevue School District Sport Field Program	QN	Department Proposed Service Reductions	($10,755)	-	-	Reduction in materials (sand, infield mix, seed, etc.), services (turf aeration, seeding, top-dressing and infield renovation, etc.) and temporary help labor.
44	100.52NN	Parks	100	City Facility Vegetation Management	IVCC	Department Proposed Service Reductions	($20,197)	-	-	Reduction in materials (bark, sand, gravel, etc.), services (pruning, turf aeration, seeding, top-dressing, planting bed mulching etc.) and contract labor costs.
45	100.53NA	Parks	100	Water Conservation & Irrigation Program	HSE	Department Proposed Service Reductions	($35,922)	-	-	Reduction in materials (irrigation parts, controllers and components), services and water usage.
46	100.20NN	Parks	100	Bellevue Cares Initiative	IVCC	Service Demand Changes	$120,000	-	-	New proposal in response to recession. $140K costs offset by $20 Revenue
47	100.41NN	Parks	100	Community Alliances & Partnerships	HSE	Service Demand Changes	$286,495	1.00	-	New program to manage an offender work crew program and to partner with non-profit agencies to help maintain or restore nature spaces throughout the parks system.
48	100.54NN	Parks	100	Probation Case Management System Replacement	RG	Service Demand Changes	$170,000	-	-	New program to implement an automated case management system, a tool which helps hold offenders accountable and coordinates information with other partners in the justice system (police, prosecution, court, treasury).
49	100.41NN	Parks	100	Community Alliances and Partnerships	HSE	BTL	($286,495)	(1.00)	-	Eliminate proposal to both manage an offender work crew program and to partner with non-profit agencies to help maintain or restore nature spaces throughout the parks system.
50	100.37NN	Parks	100	Greenways & Trails	HSE	RT Proposed Cost Reductions	($64,421)	1.00	-	Reduce contract labor by hiring one Lead Worker (1.0 FTE) and 9-month seasonal worker. Savings due to contract prevailing wage of $40.02 per hour.
51	100.38NN	Parks	100	Nature Space & Forest Management	HSE	RT Proposed Cost Reductions	($74,300)	2.00	-	Reduce contract labor by hiring two Skilled Workers (2.0 FTE). Savings due to contract prevailing wage of $40.02 per hour.
52	100.53NN	Parks	100	Water Conservation & Irrigation Program	HSE	RT Proposed Cost Reductions	($46,000)	1.00	-	Reduce contract labor by hiring one Lead Worker (1.0 FTE). Savings due to contract prevailing wage of $40.02 per hour.
53	100.39A1	Parks	100	Street Trees, Landscaping & Vegetation Management Program	IVCC	RT Proposed Cost Reductions	($31,000)	1.00	-	Reduce contract labor by hiring one Lead Worker (1.0 FTE). Savings due to contract prevailing wage of $40.02 per hour.
54	100.46A1	Parks	100	Park Planning, Development, &Project Management	IVCC	RT Proposed Cost Reductions	($108,000)	-	-	Increase staff charges to CIP and Land Purchase Revolving Fund, reducing net cost of this proposal to the General Fund but also decreasing capital funding for park property acquisition.
55	100.29A1	Parks	100	Contracted Janitorial Services Program	IVCC	RT Level of Service Reduction	($50,000)	-	-	Reduce janitorial service frequencies from 7 to 5 days per week. Community Center restrooms will not be cleaned daily, paper products will not be replenished, and trash will not be dumped. The overall impact will be unsanitary conditions and reduced useful lives of carpets, wood, and resilient flooring.

Efficiencies, Enhancements & Level of Service Adjustments for: Parks

Ref # Only	Proposal	Dept	Fund	Proposal Title	Submitte	Annual Changes ($) - Increase / (Decrease): Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
56	100.39A1	Parks	100	Street Trees, Landscaping & Vegetation Management Program	IVCC	RT Level of Service Reduction	($106,346)	-	-	This requires a fundamental shift in the City's approach to maintenance of landscaping and public safety response to ROW vegetation. This represents a 15% reduction in services, and requires the elimination of essential maintenance frequencies, tree pruning, and vegetation control. Staff will prioritize safety related roadside vegetation and hazard tree response.
57	100.30A1	Parks	100	Park Custodial Program	IVCC	RT Level of Service Reduction	($25,000)	-	-	Targeted restroom closures or removal of sani-cans based on seasonal use/lower demand sites. Greatest impact will be on neighborhood park sites.
58	100.10A1	Parks	100	Special Events Permitting & Sponsorship	IVCC	RT Level of Service Reduction	($67,500)	-	-	Eliminate City cash contributions for Special Events. Reduction impacts three Bellevue Downtown Association events: Magic Season ($25k), Bellevue Jazz Festival ($40k), and Live at Lunch ($2.5k).
59	100.52A1	Parks	100	City Facility Vegetation Management	IVCC	RT Level of Service Reduction	($15,000)	-	-	Reduce landscape maintenance at municipal facilities, including Bellevue City Hall, BSC, and other facilities. Reduced aesthetics, loss of plants, and increased weeds in shrub beds.
60	100.20A1	Parks	100	Bellevue Cares Initiative	IVCC	RT Level of Service Reduction	($70,000)	-	-	Reduce recession response funding proposal by $70K due to relatively low ranking within the outcome and potential overlap with Human Services funding.
61	100.09NN	Parks	100	Northwest Arts Center	IVCC	RT Level of Service Reduction	($150,000)	-	-	Reduce the General Fund subsidy of the center by $150,000 per year. In order to keep facility open, eliminate subsidized programs and change business model to focus on rental income/private use. Increase Bellevue College TELOS fees to market rates, focus on full cost recovery classes and private rentals, and eliminate partially-benefitted staff as necessary to meet cost recovery goals.
62	100.28NN	Parks	100	Building Maintenance and Management Program	IVCC	RT Level of Service Reduction	($10,000)	-	-	Eliminate parking lot sweeping contracts. Reduction will result in increased debris in storm drains, airborne dust, safety concerns for pedestrians, and reduce the life spans of asphalt surfaces.
63	100.26NN	Parks	100	Waterfront Park Program	IVCC	RT Level of Service Reduction	($50,000)	-	-	Reduce seasonal help by approximately 3,600 hours (equivalent of 1.7 FTE). This reduction will reduce seasonal maintenance levels at waterfront parks due to the companion elimination of seasonal lifeguarding services at Enatai, Chism, clyde and Chesterfield parks.
64	100.54NN	Parks	100	Probation Case Management System Replacement	SC	BTL	($170,000)	-	-	Eliminate proposal to implement an automated case management system, a tool which helps hold offenders accountable and coordinates information with other partners in the justice system (police, prosecution, court, treasury).
65	100.40A1	Parks	100	Beach Lifeguards	SC	RT Level of Service Reduction	($66,396)	-	-	Reduce summer Beach Lifeguard service to only Newcastle and Meydenbauer beach parks. No lifeguard service at Enatai, Chism, Clyde and Chesterfield parks, cancel ranger-led canoe/kyak trips.
66	100.17A1	Parks	100	Severe Weather Shelter	SC	RT Level of Service Reduction	($47,200)	-	-	Eliminate City funding for Severe Weather Shelter program, a life-saving overnight shelter during extremely cold conditions.

	Efficiencies, Enhancements & Level of Service Adjustments for:				Parks					
Ref #						Annual Changes ($) - Increase / (Decrease)				
Only	Proposal	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
67	**100.21NN**	Parks	100	Probation/EHD Services	SC	RT Level of Service Reduction	($225,000)	(2.00)	-	Implement Results Team recommendation to eliminate 2 FTEs ($160K) and M&O ($65K) across Probation and EHD proposals. Conduct independent evaluation to ensure that programs are "right sized", and then use study results to determine final costs for this proposal
				TOTAL	**Parks**		($2,978,627)	(2.96)	-	

Planning & Community Development Department
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010

1. Department Proposed Reductions

a. Cost Reductions — **($195K) / (6.2%)** — **(.2) / (0.8%)**

- Eliminate outside printing costs; reduction in travel/training costs; overtime and city sponsored events.
- Eliminate contract for teen specialist but continue service through shifting responsibilities within division staff.
- Reduces funds allocated for consultant services.
- Continue to use volunteers to add skilled labor to Mediation program.
- Re-assign .5 administrative assistant within Neighborhood Outreach with the remainder for .2 FTE personnel savings.

b. Level of Service Reductions — **($280K) / (8.9%)** — **(0) / (0%)**

- Eliminate LTE position.
- Reduce annual contribution by 50% to Housing Trust Fund.

c. Level of Service Enhancements — **($106K) / (3.4%)** — **(1.0) / (4.8%)**

- PCD services for East Link Tunnel in collaboration with city-wide project with Transportation as lead.

2. RT/LT Proposed Reductions:

a. Level of Service Reductions: — **($110K) / (3.5%)** — **(0) / (0%)**

- Eliminate funding of arts organizations.

3. Currently Below the Funding Line:

a. Neighborhood Shopping Centers/115.03NB — **($172K) / (5.4%)** — **(.6) / (2.7%)**

- Description: To improve the economic vitality of the City's neighborhood shopping centers. To study the problems, including market conditions, land uses, and development forms, and identify solutions. Dedicated staff and outside expertise are required.
- Impact of not funding: Delayed improvement of neighborhood shopping centers.

4. Withdrawn Proposals:

a. City Capital Investment Strategy/11503.NC — **$287K / 8%** — **1.0 / 5%**

- Description: Represents a very cost-effective approach through inter-departmental collaboration among PCD, Finance, CMO and other affected departments to maximize efficiency, the likelihood of success, and the value of this investment. 2012 funding only.
- Impact of not funding: Limited effort among departments to develop strategy.

Planning and Community Development

Summary of Cost Savings, Level of Service Reductions and Service Demand Changes

Ref # Only	Proposal	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
	Efficiencies, Enhancements & Level of Service Adjustments for: PCD					Annual Changes ($) - Increase / (Decrease)				
1	115.01NN	PCD	100	Comprehensive Planning Core Services	RG	Cost Reductions	($128,000)	-	-	Eliminates outside printing costs to take advantage of in-house printing services and electronic communication media. Reduction in travel/training costs, overtime, professional services and city sponsored events. Partners with local high schools and college planning programs to provide opportunities for students to learn about public policy work and augment some basic staff functions.
2	115.02NN	PCD	100	Trends Analysis & Forecasting	RG	Cost Reductions	$0	-	-	Advance the use of web-based access tools to make information more readily available and easier to use for our customers.
3	115.03PA	PCD	100	Planning and Development Initiatives	IVCC	Cost Reductions	$0	-	-	Eliminates an open (created but never funded) FTE position. PCD is currently absorbing the work associated with the open position with current staff.
4	115.03PA	PCD	100	Planning and Development Initiatives	IVCC	Cost Reductions	($7,000)	-	-	Reduces funds allocated for consultant services by $7,000 per year.
5	115.08PN	PCD	3680	Neighborhood & Community Outreach	QN	Cost Reductions	CIP Reduction	-	-	Operating budget proposal incorporates the activity formerly funded by NIS-3 (Neighbor Link). Allows for the elimination of NIS-3 CIP project for an annual Cost Reductions of $25,000 in CIP. See CIP summary sheet.
6	115.08PN	PCD	3680	Neighborhood & Community Outreach	QN	Cost Reductions	CIP Reduction	-	-	Operating budget proposal that modifies the current activities funded by NIS-2 (Neighborhood Partnerships) to utilize available Outreach staff and reduce the need for CIP funding from $264k/year to $100k/year in CIP. See CIP summary sheet.
7	115.08PN	PCD	100	Neighborhood & Community Outreach	QN	Cost Reductions	$0	-	-	Draws upon the resources of volunteers and community partners to enhance outreach efforts (particularly Mini City Hall).
8	115.11NN	PCD	100	Mediation Services	QN	Cost Reductions	($12,000)	-	-	Eliminate contract for parent teen specialist ($12,000 per year), but continue service through shifting responsibilities within existing Mediation program.
9	115.11NN	PCD	100	Mediation Services	QN	Cost Reductions	$0	-	-	Continue to use volunteers to add skilled labor to the program (4,165 hours in 2009).
10	115.11NN	PCD	100	Mediation Services	QN	Cost Reductions	($3,000)	-	-	Begin to charge a fee for annual basic mediation training (received approximately $2,300 in April of 2010). Explore other fee for training opportunities.
11	115.12NN	PCD	100	PCD Administration, Management and Support	IVCC	Cost Reductions	($37,072)	(0.16)	-	PCD has historically had a half-time administrative assistant within the Neighborhood Outreach some of which has been re-assigned with remainder of $10,276 in annual Cost Reductions. To address the continued need for this service, this proposal broadens the roles of two existing support positions in PCD Admin, improving Cost Reductions and saving costs.

Ref # Only	Efficiencies, Enhancements & Level of Service Adjustments for: PCD					Annual Changes ($) - Increase / (Decrease)				
	Proposal	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
12	115.03PA	PCD	100	Planning and Development Initiatives	IVCC	Department Proposed Service Reductions	($73,627)	-	(1.00)	Eliminates an existing LTE position.
13	115.09PN	PCD	100	Arts Core Program	IVCC	Cost Reductions	($7,500)	-	-	Proposes 5% decrease in annual operating costs through reduction in professional services.
14	115.10PN	PCD	100	ARCH Administration & Trust Fund	IVCC	Department Proposed Service Reductions	($206,000)	-	-	Proposed 50% reduction in annual contribution to Housing Trust Fund for 2011-2012. This saves $412,000 from the General Fund over 2 years.
15	115.09PN.A1	PCD	100	Arts Core Program	IVCC	RT Level of Service Reduction	($110,000)	-	-	Eliminate funding of arts organizations to save $220,000 over 2 years.
16	115.05NN	PCD	100	Downtown Livability (enhanced)	IVCC	Service Demand Changes	$0	-	-	Recommended for 2012 LTE and consultant project work.
17	115.03NB	PCD	100	Neighborhood Shopping Centers (enhanced)	QN	BTL	($171,763)	0.56	0.56	Costs for preliminary market and planning study for Newport Hills Shopping Center being shared by property owners in 2010 (approx. $12,000). Similar cost sharing partnerships to be sought in 2011 and 2012. (2 year avg)
18	130.39PN	PCD	100	East Link Tunnel Funding Package (enhanced)	IM	Service Demand Changes	$105,828	1.00	1.00	PCD services for East Link Tunnel in collaboration with city-wide project with Transportation as lead.
				TOTAL	PCD		($650,134)	1.40	0.56	

Police Department
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010

1. Department Proposed Reductions

	$ +/(-)	FTE +/(-)
a. Cost Savings	**($376K) / (1.2%)**	**(3.0) / (1.3%)**

- Eliminate three civilian positions and redistribute work among remaining staff
- M&O savings through reductions in overtime, ammunition reserves, contract renegotiation
- Reduction in jail costs through optimal prisoner jail assignments

	$ +/(-)	FTE +/(-)
b. Level of Service Reductions	**($336K) / (1.1%)**	**(3.0) /(1.3%)**

- Closing the Transit Center police substation
- Elimination of the middle school SRO and reduction of one high school SRO (Robinswood closing)

	$ +/(-)	FTE +/(-)
c. Service Demand Changes	**$449K / 1.5%**	**0.0 / 0%**

- Jail contract renegotiation (King County, SCORE)
- Electronic ticketing which should result in greater infraction revenue
- Police Special Event overtime for police presence at Bellevue events

2. RT/LT Proposed Reductions:

	$ +/(-)	FTE +/(-)
a. Level of Service Reductions	**($388K) / (1.3%)**	**(4.0) / (1.8%)**

- Reduction of two motorcycle officers with resulting reduction in infraction revenue and fewer officers directly enforcing traffic laws which result in safer driving behavior
- Reduction of one narcotics detective, negatively impacting the enforcement of illegal narcotics and vice operations on the eastside
- Reduction of an additional Records Specialist, resulting in slower response to customer service requests, inputting data and processing paperwork

	$ +/(-)	FTE +/(-)
b. Revenue Enhancements	**$433K**	

- Increase estimate of new revenue from Photo Enforcement Cameras

Police Department
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010

3. Currently Below the Funding Line:

a. Criminal Investigations – JTTF (120.11NN)	**($128K) / (0.4%)**	**(1.0) / (0.4%)**

- **Description**: The FBI Joint Terrorism Task Force (JTTF) is a group of small individual units of highly trained, locally based, passionately committed investigators, analysts, linguists, SWAT experts, and other specialists from dozens of U.S. law enforcement and intelligence agencies. The Bellevue Police Department has had a dedicated investigator participating in the Seattle JTTF since 2008. This position has a direct impact on the Safe Community Outcome through its influence on terrorism and major crimes throughout the Puget Sound region.

- **Impact of not Funding:** The Department of Homeland Security has identified Bellevue as a potential target for terrorism and made it a voting member of the Urban Area Strategic Initiative (UASI). Having a Bellevue detective participate in the JTTF strengthens our relationship with the FBI and encourages mutual information sharing, all while also combating terrorism in the region. This detective would lose his “Top Secret” clearance and Bellevue would be losing a valuable asset to the region’s and the City’s security.

- **Total Police Department FTE reductions:** Seven commissioned officer positions and four professional (civilian) staff positions. Fewer police staff than in 2000.

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Police

Summary of Cost Savings, Level of Service Reductions and Service Demand Changes

Ref # Only	Proposal #	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
	Efficiencies, Enhancements & Level of Service Adjustments for: Police					Annual Changes ($) - Increase / (Decrease)				
1	120.01NA	Police	100	Street Patrol	SC	Cost Reductions	($38,000)	-	-	Discretionary reductions Cost Containments 2009-2010 (Overtime, professional services, supplies, repair and maintenance)
2	120.06NN	Police	100	Community Stations	SC	Cost Reductions	$0	-	-	Discretionary reductions Cost Containments 2009-2010
3	120.07NA.A1	Police	100	Traffic Enforcement	SC	Cost Reductions	($85,400)	(1.00)	-	Cost Reductions reduction of Admin Assist Position #0944
4	120.07NA.A1	Police	100	Traffic Enforcement	SC	Cost Reductions	($3,000)	-	-	Discretionary reductions Cost Containments 2009-2010 (Overtime, supplies, professional services)
5	120.07NA.A1	Police	100	Traffic Enforcement	SC	RT Level of Service Reduction	($197,630)	(2.00)	-	Reduction of two motorcycle officers from unit of eleven. Probable reduction of 3,400 infractions written, may increase overtime during special events, may see an increase in criminal activity
6	120.07NA.A1	Police	100	Traffic Enforcement	SC	Cost Reductions - Revenue	$433,339	-	-	Increase mostly in red light revenue and in overall infraction revenue
7	120.10NA	Police	100	Criminal Investigations	SC	Cost Reductions	($1,500)	-	-	Discretionary reductions Cost Containments 2009-2010
8	120.11NN	Police	100	Criminal Investigations - JTTF	SC	BTL	($128,333)	(1.00)	-	Reduction of one detective who participates in the regional Joint Terrorism Task Force. Less information sharing on local potential terrorism activity, no participation on any regional terrorism law enforcement activities.
9	120.14PN.A1	Police	100	Narcotics Enforcement	SC	Cost Reductions	($1,500)	-	-	Discretionary reductions Cost Containments 2009-2010
10	120.14PN.A1	Police	100	Narcotics Enforcement	SC	RT Level of Service Reduction	($116,006)	(1.00)	-	Reduction of 1 sworn narcotics detective and $6,000 in discretionary overtime. There will be fewer arrests, fewer drugs taken from street, fewer asset forfeitures, and increases in criminal activity.
11	120.16NA	Police	100	Courts and Custody	SC	Cost Reductions	($41,600)	-	-	Jail cost reductions through Cost Containments 2009-2010
12	120.17NA	Police	100	Personnel Services Unit	SC	LT Allocation	$122,000	1.00	-	LT recommendation to restore funding of department recommended proposal rather than reduced service level.
13	120.17NA	Police	100	Personnel Services Unit	SC	RT Level of Service Reduction	($122,000)	(1.00)	-	RT recommendation for reduced service level to meet base purchasing plan.
14	120.17NA	Police	100	Personnel Services Unit	SC	Cost Reductions	($48,000)	-	-	Discretionary reductions Cost Containments 2009-2010 (Overtime, travel/training, weapons, equipment)
15	120.19NA.A1	Police	100	Records	SC	Cost Reductions	($146,500)	(2.00)	-	Cost Reductions reduction of one Records Supervisor #0478 and one Records Specialist (#0048)
16	120.19NA.A1	Police	100	Records	SC	Cost Reductions	($10,000)	-	-	Discretionary reductions Cost Containments 2009-2010 (Overtime, supplies, professional services, other services)
17	120.19NA.A1	Police	100	Records	SC	RT Level of Service Reduction	($74,440)	(1.00)	-	Reduction of one civilian FTE, resulting in reduced hours of operation, slower data entry into police records management systems, longer turnaround times for dissemination, fewer quality control audits, and possible officer safety exposure.
18	120.20NN	Police	100	Police Property and Evidence	SC	Cost Reductions	$0	-	-	Discretionary reductions Cost Containments 2009-2010
19	120.21NN	Police	100	Office of Professional Standards	SC	Cost Reductions	$0	-	-	Discretionary reductions Cost Containments 2009-2010

	Efficiencies, Enhancements & Level of Service Adjustments for:				Police	Annual Changes ($) - Increase / (Decrease)				
Ref # Only	Proposal #	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
20	120.06NN	Police	100	Community Stations	SC	Department Proposed Service Reductions	($119,100)	(1.00)	-	Close Transit Station permanently and give back Police Position #0944. Greater rent savings in 2012; lease is in force through 6/30/2011.
21	120.13NN	Police	100	School Resource Officer Program	SC	Department Proposed Service Reductions	($217,000)	(2.00)	-	Reduce Middle School and High School SRO #0456 and #1085, leaving 4 SRO's
22	100.10NN	Police	100	Parks Special Events	IVCC	Service Demand Changes	$57,600	-	-	Police overtime enhancement for Bellevue Special Events
23	120.07NA	Police	100	Traffic Enforcement	SC	Service Demand Changes	$90,000	-	-	Purchase and implementation of Electronic Ticketing which will result in greater infraction revenues
24	120.16NA	Police	100	Courts and Custody	SC	Service Demand Changes	$119,200	-	-	Jail contract increases 2011
25	120.19NA	Police	100	Police Records (NORCOM Dispatch)	SC	Service Demand Changes	$156,800	-	-	Estimated Increase in Police's portion of the NORCOM fees based on proposed NORCOM Budget.
26	120.22NA	Police	100	Police Department Mgmt and Support	SC	Service Demand Changes	$25,000	-	-	Discretionary enhancements2009-2010 (Supplies, professional services, legal fees, travel/training, printing)
				TOTAL	Police		($346,070)	(11.00)	-	

Transportation Department
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010

1. Department Proposed Reductions

a. Cost Reductions — ($609K) / (3.2%) — (6.5) FTE / (5.5%)

- Identified efficiency in using 50% of an existing 1.0 FTE Netwk/Sys Admin for Intelligent Transportation Systems (ITS)
- Identified CIP efficiencies from implementation of Job Order Contracting and using in-house staff for the design of the Overlay Program
- Eliminate vacant 1.0 Sr. Construction Proj Inspector position in Development Services
- Reduction of 30% of vacant 1.0 FTE Program Administrator position in Trans Facility Planning Prioritization & Capital Programming
- Eliminate vacant 1.0 FTE Admin Asst in Department Management and Administration
- Eliminate vacant 0.75 FTE Eng Trans, reduce 75% of 1.0 FTE Sr. Eng, eliminate vacant Construction Inspector position, and allow 1.0 LTE Inspector position to expire in 2010.
- Eliminate vacant 1.0 FTE Water Quality Supervisor position housed in Utilities but funded by Transportation's operating budget

b. Level of Service Reductions — ($424K) / (2.2%) — (4.6) FTE / (3.7%)

- Reduce Neighborhood Traffic Calming Program totaling 1.65 FTE and $141K annual reduction
- Eliminate 1.0 FTE to reduce streets sweeping service levels by 50%
- Eliminate 1.0 FTE Eng Tech position in the Traffic Data Program
- Reduce 20% of 1.0 FTE Mgt Asst to Director in Department Management and Administration
- Reduce 25% of 1.0 FTE to reduce service in permanent replacements of sidewalk panels in the Walkway Maintenance and Repair program
- Reduce 25% of 1.0 FTE in the ROW Vegetation and Hazardous Tree Management program
- Reduce 25% of 1.0 FTE in Sign Maintenance Installation and Repair program

c. Service Demand Changes — $487K / 2.5% — 4.17 FTE / 3.6%

- New 3.56 FTE and $387K annually for East Link Light Rail proposal
- New 0.5 FTE in the East Link Tunnel Funding Package & Prj Umbrella Agreement
- New 1.0 FTE Associate Planner from LTE conversion in Transportation Demand Management Program
- New 0.56 FTE Sr. Planner from LTE conversion for Trans Facility Planning Prioritization & Capital Programming and Capital Funding Strategy Development & Administration

d. Other Cost Increases — $500K / 2.6% — 0 FTE / 0%

- Budget increase of $500K annually to fund true cost of Utilities Drainage Billings

Transportation Department
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010

2. RT/LT Proposed Reductions:

a. Level of Service Reductions:	**($598K) / (3.1%)**	**(3.2) / (2.7%)**

- Eliminate LTE conversion of 1.0 Associate Planner to FTE in the Transportation Demand Management Program
- Eliminate 1.0 FTE in Street Lights Maintenance and generate some electricity savings by making spot repairs only and turning off 1,400 city owned mid-block lights
- Additional reduction of consultant dollars totaling $87,500 annualized impacting discretionary professional services and CIP monitoring system
- Eliminate 1.0 FTE Admin Asst position in Traffic Signal Maintenance, impacting Maximo and work documentation
- Reduce cost in Transportation Emergency Mgmt & Preparedness by $15K annually
- Additional $50K annual reduction to the Walkway Maintenance and Repair program
- Additional $4K annual reduction to Roadway Maintenance and Repair program
- Additional $36K annual reduction to ROW Vegetation and Hazardous Tree Management program
- Additional $16K annual reduction to Traffic Control Devices Maintenance and Repair program
- Additional $24K and 0.15 FTE annual reduction in Sign Maintenance Installation and Repair program

3. Currently Below the Funding Line:

a. Downtown Parking Enforcement – Existing Program / 130.17.PN.A1	**($140K) / (1%)**	**(0.3) FTE / 0%**
b. Downtown Parking Program (Parking Kiosks) / 130.17PN.A1	**$0 / 0%**	**0 / 0%**
c. East Link Tunnel Funding Package & Prj Umbrella Agreement / 130.39PN	**$0 / 0%**	**0 / 0%**
d. Transportation Demand Management TDM / 130.34NN.A2	**($100K) / (1%)**	**(1.0) FTE / (1%)**
e. Downtown Transportation Plan Update / 130.05NN.A3	**($120K) / (1%)**	**(0.95) FTE / (1%)**
f. M&O for Newly Completed CIP Projects / 130.99NN	**$0 / 0%**	**0 / 0%**

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Transportation

Summary of Cost Savings, Level of Service Reductions and Service Demand Changes

	Efficiencies, Enhancements & Level of Service Adjustments for: Trans									
Ref #						Annual Changes ($) - Increase / (Decrease)				
Only	Proposal #	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
1	130.15DN	Trans	100	Neighborhood Traffic Calming Program	QN	Department Proposed Service Reductions	($141,000)	(1.65)	-	0
2	130.26NN	Trans	100	Street Cleaning Sweeping	HSE	Department Proposed Service Reductions	($90,000)	(1.00)	-	This proposal reduces streets sweeping service levels by 50%. Owned equipment is to remain available for peak periods and until the impacts can be evaluated in the next budget cycle.
3	130.29NN	Trans	100	Traffic Data Program	IM	Department Proposed Service Reductions	($92,940)	(1.00)	-	Reduction of 1.0 Eng Tech. Traffic volume counts and turning movement counts at signalized intersections will be performed only at critical or mandated locations, and general traffic engineering studies will be eliminated. Vehicle speed studies will be performed as scheduling permits, and traffic data will continue to be provided to WSDOT for the Federal Highway Administration's (FHWA) Highway Performance Monitoring System (HPMS), as mandated.
4	130.37NN.A2	Trans	100	Walkway Maintenance and Repair	IM	Department Proposed Service Reductions	($46,618)	(0.25)	-	The Department originally proposed reducing service in permanent replacements of sidewalk panels while enhancing the inspection cycle and temporary repair of safety issues from a 5-year inspection cycle to a 2-year inspection cycle. This reduces liability and collects data that will be needed to consider longer-term solutions.
5	130.23NN.A2	Trans	100	Sign Maintenance Installation and Repair	IM	Department Proposed Service Reductions	($16,293)	(0.25)	-	The Department originally proposed to test a 50% service reduction to non-critical signs such as speed limit and crosswalk signs; results to be reviewed prior to the next budget cycle.
6	130.38NA.A2	Trans	100	ROW Vegetation and Hazardous Tree Management Program	IM	Department Proposed Service Reductions	($38,000)	(0.25)	-	Dept initially proposed decrease of 25% of 1.0 FTE Maint Worker with reduction of service for roadside mowing.
7	130.39PN	Trans	100	East Link Tunnel Funding Package & Prj Umbrella Agmt	IM	BTL	($100,000)	(0.50)	-	The total Transportation cost and FTEs in this proposal are a service enhancement.
8	130.11NN.A1	Trans	100	Intelligent Transportation Systems	IM	Cost Reductions	$0	(0.50)	-	The Department originally proposed an efficiency of utilizing 50% of an existing 1.0 FTE Netwk/Sys Admin 2 for this project. This is no cost impact because the position was formerly budgeted in the CIP.
9	130.33NA.A1	Trans	100	Transportation CIP Delivery Support	IM	Cost Reductions	$0	-	-	The Department expects to achieve efficiencies in the CIP program from implementation of Job Order Contracting.
10	130.85DA.A1	Trans	100	Pavement Management	IM	Cost Reductions	$0	-	-	The design for the Overlay program will be done with in-house staff. This enables cost avoidance in the CIP when compared to contracting with a consulting firm for design services.
11	110.04NN	Trans	Mult	DS-Inspection Services	SC	Cost Reductions	($93,010)	(1.00)	-	RT recommended proposal as is. Vacant Sr Construction Proj Inspector position is eliminated in Transportation.
12	130.36NN.A1	Trans	100	Trans Facility Planning Prioritization & Cap Programming	IM	Cost Reductions	($30,000)	(0.30)	-	Reduction of 30% of vacant Program Administrator position.

Ref # Only	Proposal #	Dept	Fund	Proposal Title	Submitte	Annual Changes ($) - Increase / (Decrease): Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
	Efficiencies, Enhancements & Level of Service Adjustments for: Trans									
13	130.04NA.A1	Trans	100	Department Management and Administration	IM	Cost Reductions	($98,502)	(1.20)	-	Reduction of 20% of 1.0 FTE Mgt Asst to Director and eliminate vacant 1.0 FTE Admin Asst. More administrative work is shifted to professional staff.
14	130.33NA.A1	Trans	100	Transportation CIP Delivery Support	IM	Cost Reductions	($270,000)	(2.50)	(1.00)	Eliminates 0.75 vacant Eng Trans FTE and reduces 75% of 1.0 FTE Sr Eng. Eliminates vacant Construction Inspector position and 1.0 LTE Inspector not renewed beyond 2010. This proposal is sized to reflect the resources needed to deliver the 2011 – 2017 CIP as recommended by the LT CIP Panel.
15	N/A	Trans	100	Not Applicable	IM	Cost Reductions	($117,757)	(1.00)	-	Elimination of vacant 1.0 FTE Water Quality Supv position. This position had been housed in Utilities but funded by Transportation's Operating Budget. The incumbent has transferred to another position within Utilities.
16	130.06NN	Trans	100	Drainage Billing	HSE	Other Cost Changes	$500,000	-	-	The 2009-2010 Adopted Budget amounts for drainage were $2,506,585 and $2,629,408 respectively. The $3M annual amount requested in the 2011-2012 proposal reflects actual full cost for the drainage billing.
17	130.27NA.A2	Trans	100	Street Lights Maintenance	SC	RT Level of Service Reduction	($175,000)	(1.00)	-	This proposal reduces the level of service by making spot repairs only; not maintaining Fire, Parks, and Civic Services lights; and turning off 1400 city owned mid-block lights. The impact includes $100K in electricity savings.
18	130.04NA.A1	Trans	100	Department Management and Administration	IM	RT Level of Service Reduction	($87,500)	-	-	RT recommended additional reduction of consultant dollars totaling $87,500 annualized that impacts funding for professional services ($75K each in 2011 and 2012) and the CIP monitoring system ($25K in 2011 only).
19	130.31NA.A1	Trans	100	Traffic Signal Maintenance	IM	RT Level of Service Reduction	($90,000)	(1.00)	-	RT recommended additional 1.0 FTE reduction over the proposal submitted. This proposal is reduced by eliminating the administrative assistant position (and thus Maximo and work documentation), and reducing the repair parts budget. The signal shop depends on the administrative assistant to accomplish as much work documentation, dispatch, timekeeping, computer work, asset tracking, and other office tasks as possible to increase staff's available time to be in the field to accomplish actual work on the signal system. This proposal will increase the administrative tasks each staff member must deal with on a daily basis, resulting in less productivity. This is especially true for the three working crew chiefs, placing even more pressure on these individuals that are already expected to be field maintenance experts, work planners, and supervisors.
20	130.35NN.A1	Trans	100	Emergency Mgmt & Preparedness Trans	IM	RT Level of Service Reduction	($15,000)	-	-	RT recommended a LOSR

Efficiencies, Enhancements & Level of Service Adjustments for: Trans

Ref # Only	Proposal #	Dept	Fund	Proposal Title	Submitte	Annual Changes ($) - Increase / (Decrease) Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
21	130.37NN.A2	Trans	100	Walkway Maintenance and Repair	IM	RT Level of Service Reduction	($50,230)	-	-	RT recommended alternate maintenance proposals that total a reduction of 10% across all four proposals (which can include credit for reductions already taken). This alternative proposal works in concert with the Round 2 alternative proposals for Sign Maintenance, Traffic Control Devices Maintenance, and Roadway Safety and Maintenance as part of a requested 10% reduction alternative. Additional reductions offered in this alternate proposal include total $50,230 annually and include approximately $32,000 in equipment reduction, $15,000 in temporary help, and $3,000 in miscellaneous operating costs. If it is determined service levels need to be restored in 2014-14, purchase of equipment will be far more than the savings offered.
22	130.22NN.A2	Trans	100	Roadway Maintenance and Repair	IM	RT Level of Service Reduction	($4,000)	-	-	RT recommended alternate maintenance proposals that total a reduction of 10% across all four proposals (which can include credit for reductions already taken). This proposal provides a reduction to misc. operating costs amounting to $4,020; offering part of an additional 10% budget reduction in concert with the Round 2 alternative proposals for Sign Maintenance, Traffic Control Devices Maintenance, and Walkway Safety and Maintenance.
23	130.38NA.A2	Trans	100	ROW Vegetation and Hazardous Tree Management Program	IM	RT Level of Service Reduction	($36,322)	-	-	This RT recommended proposal reduces roadside mowing service levels from 5 feet wide in the spring, and 10 to 15 feet wide in the fall to once a year service at 10 feet wide.
24	130.28NN.A2	Trans	100	Traffic Control Devices Maintenance and Repair	IM	RT Level of Service Reduction	($16,310)	-	-	RT recommended alternate maintenance proposals that total a reduction of 10% across all four proposals (which can include credit for reductions already taken). This alternative proposal works in concert with the Round 2 alternative proposals for Sign Maintenance, Roadway Maintenance and Repair, and Walkway Safety and Maintenance as part of a requested 10% reduction alternative. Additional reductions offered in this alternate proposal include total $16,310 annually including $13,000 in contracted repairs, and approximately $3,300 in miscellaneous operating costs and training. These reductions impact the current backlog and public safety implications of the work.
25	130.23NN.A2	Trans	100	Sign Maintenance Installation and Repair	IM	RT Level of Service Reduction	($24,000)	(0.15)	-	RT recommended alternate maintenance proposals that total a reduction of 10% across all four proposals (which can include credit for reductions already taken). Additional reductions offered in this alternate proposal include total approximately $24,000 annually including 0.15 FTE, $10,000 in repair supplies, and approximately $3,000 in miscellaneous operating costs and training. The service would represent reduction of the critical sign inspection program from annually to every 2 years and non-critical signs from every four years to no proactive inspection (response to complaints only) Many of the non-critical signs, such as curve warning signs still have safety impacts and many others are regulatory.

Ref # Only	Proposal #	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
	Efficiencies, Enhancements & Level of Service Adjustments for: Trans					Annual Changes ($) - Increase / (Decrease)				
26	130.34NN.A2	Trans	100	Transportation Demand Management TDM	IM	RT Level of Service Reduction	($100,000)	(1.00)	(1.00)	RT recommended additional 1.0 FTE reduction. This alternate, reduction of service proposal eliminates capacity (0.5 FTE reduction) to pursue new TDM initiatives in areas outside Downtown (i.e., implementation of Citywide TDM plan now under development). It also eliminates capacity (0.5 FTE reduction) to monitor Transportation Management Program (TMP) compliance at buildings subject to these requirements (currently, there are 54); associated with this reduction, it is anticipated the City Code requirements for TMPs would be eliminated. The Department originally proposed conversion of an LTE to a 1.0 FTE Assoc Planner.
27	130.36NN.A1	Trans	100	Trans Facility Planning Prioritization & Cap Programming	IM	Service Demand Changes	$0	0.11	(0.11)	This proposal includes 20% of an 0.56 LTE conversion to a 0.56 FTE Sr. Planner.
28	130.07PA	Trans	100	East Link Overall	IM	Service Demand Changes	$387,477	3.56	-	The resource requirements for this proposal total 10.61 FTEs, including: Transportation (3.0 FTE Regional Projects, 1.05 FTE Long Range Transportation Planning, 1 Traffic Management/Right of Way, 0.56 FTE in Outreach/Public Information, and 1 Capital Project/Engineering); 2 FTEs in Planning and Community Development; and 1.0 FTE in Development Services. The Transportation RLOSE portion of this proposal includes the 0.56 FTE in Outreach/Public Information; 2.0 Sr Engs (one in each Traffic Mgt/ROW and Capital Project/Eng); and 1.0 FTE Sr. Planner.
29	130.39PN	Trans	100	East Link Tunnel Funding Package & Prj Umbrella Agmt	IM	Service Demand Changes	$100,000	0.50	-	The total Transportation cost and FTEs in this proposal are a service enhancement.
30	130.34NN.A2	Trans	100	Transportation Demand Management TDM	IM	BTL	($100,000)	(1.00)	(1.00)	RT recommended additional 1.0 FTE reduction. This alternate, reduction of service proposal eliminates capacity (0.5 FTE reduction) to pursue new TDM initiatives in areas outside Downtown (i.e., implementation of Citywide TDM plan now under development). It also eliminates capacity (0.5 FTE reduction) to monitor Transportation Management Program (TMP) compliance at buildings subject to these requirements (currently, there are 54); associated with this reduction, it is anticipated the City Code requirements for TMPs would be eliminated. The Department originally proposed conversion of an LTE to a 1.0 FTE Assoc Planner.
31	130.17.PN.A2	Trans	100	Downtown Parking Enforcement - Existing Program	EGC	BTL	($140,000)	(0.30)	-	0
32	130.17PN.A1	Trans	100	Downtown Parking Program (Parking Kiosks)	EGC	BTL	$0	-	-	RT recommended not funding this proposal at all. If approved and funded, the proposal would have generated an efficiency because of new revenue generated in future years.
33	130.05NN.A3	Trans	100	Downtown Transportation Plan Update	IM	BTL	$0	-	-	The project would also be supported by a $350,000 consulting budget that would be funded out of the CIP.
34	130.99NN	Trans	100	M&O for Newly Completed CIP Projects	IM	BTL	$0	-	-	Not funding this proposal would result in no ability for Streets, Parks, and Traffic Operations to provide ongoing maintenance for the following CIP projects recently completed: PW-W/B-74 152nd Ave SE; PW-W/B-56 Pedestrian Access Impr (124th Ave SE Trail); PW-R-151 145th Place SE; and PW-R-161 120th Ave NE Impr (Sgmt 1)

	Efficiencies, Enhancements & Level of Service Adjustments for:				Trans					
Ref #						Annual Changes ($) - Increase / (Decrease)				
Only	Proposal #	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
35	130.32NN.A1	Trans	100	Transit Enhancement Program	IM	RT Level of Service Reduction	$0	-	-	RT recommended eliminating professional services budget that was formerly in the CIP - therefore there are no savings in the operating budget.
36	130.13NN.A1	Trans	100	Long Range Transportation Planning Core Services	IM	RT Level of Service Reduction	$0	-	-	RT recommended eliminating professional services budget that was formerly in the CIP - therefore there are no savings in the operating budget.
				TOTAL	Trans		($985,005)	(11.68)	(3.11)	

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Utilities Department
Round 2 Change Summary
August 4, 2010

	$ +/(-) Change/ % of 2010	FTE +/(-) Change/ % of 2010
1. Department Proposed Reductions		
a. Operations and Capital Cost Reductions	**($3,769K)**	**0**
• Operations Cost Containment	($1,035K) / (13.2%)[1]	

Benefit to customers. Utilities continues to contain costs through a variety of mechanisms including zero-based budgeting, process improvements, outsourcing, prioritizing work, and privatizing programs where feasible.

• Reduce budget by 8% for CIP programs	($2,734K) / (8.0%)[2]	

Benefit to customers. Inflation was anticipated in 2009-10 but did not occur.

b. Service Demand Changes	**$336K / 1.0%[4]**	**2 / 0.1%**

- Maintain Capital Project Delivery Level of Service
  Add design engineer in 2011and inspector in 2012 to support delivery of CIP programs that address aging infrastructure, capacity for growth, and mandates.

2. RT/LT Proposed Reductions:

a. Level of Service Reductions	**($72K) / below**	**0**

- Eliminate APWA Re-accreditation. ($15K) / (0.2%)[1]
  No adverse impact to customers. Benefits of re-accreditation can be better achieved through One City and Budget One processes.
- Defer Replacement of 3-4 Non-standard Fire Hydrants Annually. ($57K) / (2.8%)[5]
  Fire response in the vicinity of these hydrants will remain sub-standard, taking longer for fire responders to connect hoses to the hydrants.

Notes:

1. Percentage reduction based on 2010 non-personnel operating expenses. Excludes wholesale, RCFCs, CIP and R&R transfers, debt service, taxes, and interfunds.
2. Percentage reduction based on total CIP budget.
3. Percentage reduction based on 2010 operating reserves.
4. Percentage increase based on 2010 personnel costs.
5. Percentage reduction in total fire flow capacity costs.

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Utilities

Summary of Cost Savings, Level of Service Reductions and Service Demand Changes

	Efficiencies, Enhancements & Level of Service Adjustments for:				Util					
Ref #						Annual Changes ($) - Increase / (Decrease)				
Only	Proposal	Dept	Fund	Proposal Title	Submitte	Type	Amount	FTE	LTE	Detail of Cost Reductions / Efficiencies / Service Reductions
1	140.42.NB	Util	4200 & 4440 & 4450	Elimination of APWA re-accreditation	HSE	RT Level of Service Reduction	($15,000)	-	-	Elimination of Utilities participation in the APWA re-accreditation process
2	Utilities	Util	4200 & 4440 & 4450	2012 Operating Transfer to CIP	HSE	Cost Reductions	($1,687,000)	-	-	Savings due to adjustments to 2012 inflation
3	Utilities	Util	4200 & 4440 & 4450	Operating Transfer to CIP	HSE	Cost Reductions	($1,047,400)	-	-	Savings due to adjustments to inflation
4	Utilities	Util	4200 & 4440 & 4450	Cost Containment	HSE	Cost Reductions	($1,035,400)	-	-	Cost containment in contract, repair & maintenance, and misc admin activities
5	140.01.NA	Util	4200 & 4440 & 4450	2012 Capital Project Delivery	HSE	Service Demand Changes	$220,000	1.00	-	Addition of one Senior Inspector in 2012 due to increased CIP activity, plus new position added in 2011
6	140.59NA	Util	4440	Fireflow Capacity	HSE	RT Service Level Reduction	($57,000)	0.00	0.00	Defer replacement of 3-4 non-standard fire hydrants annually
7	140.01.NA	Util	4200 & 4440 & 4450	Capital Project Delivery	HSE	Service Demand Changes	$115,500	1.00	-	Addition of one Senior Engineer in 2011 due to increased CIP activity
				TOTAL	Util		($3,506,300)	2.00	-	

2011-2012 Budget Development

CAPITAL IMPROVEMENT PROGRAM

Ongoing Programs by Major Program Area

Recommended Average Annual Funding compared to 2009-2015 CIP

Major Program Area	CIP Plan No.	Project Title	Outcome	Avg Annual Allocation ($000) Recommended 2011-2017	2009-2015 CIP	$ Difference	% Difference	Notes
Community Development								
Community Dev	CD-11	Public Art Program	IVCC	$350	$350	$0	0%	Continue funding of $350K/yr for the City's Art Program. Return unspent dollars of approximately $600K
Community Dev	CD-2	Community Development Planning	IVCC	-	129	(129)	-100%	Recommend shift program to operating budget.
Community Dev	CD-22	Urban Boulevards/Great Streets	IVCC	-	293	(293)	-100%	Consolidate into new ongoing program "Enhanced ROW and Urban Boulevards". Total annual average allocation of $667K/yr reduced to $624K/yr, over 5% reduction in funding.
Community Dev	New	Enhanced Right-of-Way (ROW) and Urban Boulevards	IVCC	624	-	624	NA	Consolidates funding from CD-22, P-AD-78, and G-77. Total annual average allocation of $667K/yr reduced to $624K/yr, over 5% reduction in funding.
Total Community Development				**$974**	**$771**	**$203**	**26%**	
General Government								
Gen Govt	G-5	CIP Financial Management/Tracking	RG	$0	$278	($278)	-100%	Overall financial planning and management funded through the operating budget
Gen Govt	G-77	Right of Way Planting and Restoration Program (ESI)	IVCC	-	50	(50)	-100%	Consolidate into new ongoing program "Enhanced ROW and Urban Boulevards". Total annual average allocation of $667K/yr reduced to $624K/yr, over 5% reduction in funding.
Total General Government				**$0**	**$328**	**($328)**	**-100%**	
Neighborhood Enhancement Program								
NEP	NEP-1	New Neighborhood Enhancement Program	QN	$1,000	$1,500	($500)	-33%	New NEP approach; Also recommended to be funded is the completion of the last NEP cycle totaling $3.1M to be complete by end of 2012.
Total Neighborhood Enhancement Program				**$1,000**	**$1,500**	**($500)**	**-33%**	
Neighborhood Investment Strategy								
NIS	NIS-2	Neighborhood Partnerships	QN	$100	$264	($164)	-62%	Recommend streamline current activities and funding to a reconstituted "Neighborhood Partnerships" proposal.

2011-2012 Budget Development

CAPITAL IMPROVEMENT PROGRAM

Ongoing Programs by Major Program Area

Recommended Average Annual Funding compared to 2009-2015 CIP

Major Program Area	CIP Plan No.	Project Title	Outcome	Avg Annual Allocation ($000) Recommended 2011-2017	2009-2015 CIP	$ Difference	% Difference	Notes
NIS	NIS-3	Neighborhood Community Building	QN	-	25	(25)	-100%	Activities conducted under the general Neighborhood Outreach program.
Total Neighborhood Investment Strategy				**$100**	**$289**	**($189)**	**-65%**	
Parks								
Parks	P-AD-15	Property Acquisition	IVCC	$0	$1,441	($1,441)	-100%	Recommend eliminate program. Fund from Park Levy and CIP match.
Parks	P-AD-27	Planning/Design for Existing/Future Parks	IVCC	-	245	(245)	-100%	Recommend eliminate program. One-time discrete proposal to finish previously approved Ashwood, Meydenbauer, etc.
Parks	P-AD-34	Trail Development	HSE	-	203	(203)	-100%	Recommend eliminate program. Fund from Park Levy and King County Levy.
Parks	P-AD-52	Mini Park Opportunities	QN	-	660	(660)	-100%	Recommend eliminate program. Fund neighborhood parks (Lake Sammamish, Bridle Trails) from Park Levy.
Parks	P-AD-78	Citywide Streetscapes Enhancement Program	IVCC	-	324	(324)	-100%	Consolidate into new ongoing program "Enhanced ROW and Urban Boulevards". Total annual average allocation of $667K/yr reduced to $624K/yr, over 5% reduction in funding.
Parks	P-R-11	Renovation & Refurbishment of Park Facilities	IVCC	4,074	3,497	577	17%	Proposed funding based on annual Renovation and Refurbishment Plan for Parks & Community Services facilities. Separated into two ongoing proposals: Park Renovation (IVCC) and Forest, Greenways, Trails & Natural Space Improvement Program (HSE).
Parks	P-R-2	Enterprise Facility Improvements	IVCC	373	338	35	10%	Ongoing major maintenance at the golf course. Fully funded by Parks Enterprise Fund.
Total Parks				**$4,447**	**$6,710**	**($2,262)**	**-34%**	
Public Safety								
Public Safety	PS-16	Renovation of Public Safety Facilities	SC	$732	$710	$22	3%	Proposed funding estimated to be needed for maintaining facilities at an appropriate level through major repair, renovations, and/or upgrades at all nine Fire Stations and the Public Safety Training Center.

2011-2012 Budget Development

CAPITAL IMPROVEMENT PROGRAM

Ongoing Programs by Major Program Area

Recommended Average Annual Funding compared to 2009-2015 CIP

Major Program Area	CIP Plan No.	Project Title	Outcome	Avg Annual Allocation ($000) Recommended 2011-2017	2009-2015 CIP	$ Difference	% Difference	Notes
Public Safety	PS-19	Public Safety Facility Studies	SC	-	15	(15)	-100%	Recommend eliminate program. Any required future studies, will be funded out of PS-16 or within project specific CIP budgets.
Total Public Safety				**$732**	**$725**	**$7**	**1%**	
Transportation								
Transportation	PW-I-84	Signal Warrant/Safety Program	SC	$0	$164	($164)	-100%	Consolidated into the Signals and Street Lighting program (PW-M-20). Total avearge annual allocation of $300K/yr reduced to $200K/yr, a 33% reduction in funding.
Transportation	PW-M-1	Street Overlays	IM	5,290	6,337	(1,047)	-17%	Consolidates funding from Curb, Gutter, and Sidewalk Rehabilitation Program (PW-M-3). Total average annual allocation of $6.7M/yr reduced to $5.3M, a 20% reduction in funding. The reduction in funding will primarily affect the frequency of overlay on residential streets. Currently, residential street pavement ratings are very high compared to minimum standards. There will likely be an increase in citizen complaints and requests for Streets Maintenance activities. There will be a direct reduction in the amount of wheelchair ramp retrofitting to achieve ADA compliance.
Transportation	PW-M-12	Citywide Rockeries Reconstruction	SC	-	234	(234)	-100%	Consolidate funding with rescoped Major Maintenance Program (PW-M-19). Total average annual allocation of $875K/yr reduced to $600K/yr, over 30% reduction.
Transportation	PW-M-18	Wetland Monitoring	RG	18	12	6	50%	Continue funding of program.
Transportation	PW-M-19	Major Maintenance Program	SC	600	460	140	31%	Rescoped to consolidate funding from Trail Maintenance (PW-W/B-53), Minor Capital Programs - Streets (PW-M-8), and Rockeries Reconstruction (PW-M-12). Total average annual allocation of $875K/yr reduced to $600K/yr, over 30% reduction.
Transportation	PW-M-2	Minor Capital - Traffic Operations	IM	157	356	(199)	-56%	Signals and lighting component recommended as stand alone program PW-M-20.

2011-2012 Budget Development

CAPITAL IMPROVEMENT PROGRAM

Ongoing Programs by Major Program Area

Recommended Average Annual Funding compared to 2009-2015 CIP

Major Program Area	CIP Plan No.	Project Title	Outcome	Avg Annual Allocation ($000) Recommended 2011-2017	2009-2015 CIP	$ Difference	% Difference	Notes
Transportation	PW-M-20	Minor Capital - Signals and Lighting	IM	200	-	200	NA	New program entails the signals & lighting component of the existing PW-M-2 and the Signal Warrant/Safety Program PW-I-84. Total average annual allocation of $300K/yr reduced to $200K/yr, a 33% reduction in funding.
Transportation	PW-M-3	Curb, Gutter, and Sidewalk Rehabilitation Program	IM	-	365	(365)	-100%	Consolidate funding with the Street Overlays Program (PW-M-1). Total annual average allocation of $6.7M reduced to $5.3M, a 20% reduction in funding.
Transportation	PW-M-7	Neighborhood Traffic Calming Program	IM	-	969	(969)	-100%	Recommend eliminate capital implementation components of the program (Phase II). The non-capital components (Phase I) proposed as part of a separate operating proposal. Decreases ability to respond to citizen calls by 50% creating significant backlog; reduces ability to develop citizen action plans even for Ph. 1 measures by 50-60%; reduces effectiveness of program to reduce vehicle speeds, cut-through traffic, and otherwise protect neighborhoods from the traffic impacts of CIP projects, light rail and growth.
Transportation	PW-M-8	Minor Capital Programs - Streets	SC	-	79	(79)	-100%	Consolidate funding with rescoped Major Maintenance Program (PW-M-19). Total average annual allocation of $875K/yr reduced to $600K/yr, over 30% reduction.
Transportation	PW-R-136	Traffic Safety Technologies	IM	-	79	(79)	-100%	Consolidate funding with the ITS Master Plan Implementation Program (PW-R-156).
Transportation	PW-R-156	ITS Master Plan Implementation	IM	400	400	-	0%	Rescoped to be consolidated with the Traffic Safety Technologies Program (PW-R-136)
Transportation	PW-R-44	Transportation Planning Studies	IM	-	125	(125)	-100%	Shift program to operating budget
Transportation	PW-R-46	Major Safety Improvements	IM	100	119	(19)	-16%	A reduction in this program will cause a commensurate reduction in accident projects implemented and the measureable reduction in costs to the public of traffic accidents. Less measureable safety improvements will also be reduced.
Transportation	PW-R-87	Transportation Demand Management	IM	-	145	(145)	-100%	Shift program to operating budget.

2011-2012 Budget Development

CAPITAL IMPROVEMENT PROGRAM

Ongoing Programs by Major Program Area

Recommended Average Annual Funding compared to 2009-2015 CIP

Major Program Area	CIP Plan No.	Project Title	Outcome	Avg Annual Allocation ($000) Recommended 2011-2017	2009-2015 CIP	$ Difference	% Difference	Notes
Transportation	PW-W/B-49	Pedestrian Facilities Compliance Program	IVCC	100	66	34	52%	Enhancement to program to allow a shift from a reactive model to a modestly proactive model to respond to ADA compliance issues.
Transportation	PW-W/B-53	Trail Maintenance Program	SC	-	103	(103)	-100%	Consolidate funding with rescoped Major Maintenance Program (PW-M-19). Total average annual allocation of $875K/yr reduced to $600K/yr, over 30% reduction.
Transportation	PW-W/B-56	Pedestrian Access Improvements	IM	465	484	(19)	-4%	Continue funding of program.
Total Transportation				**$7,330**	**$10,496**	**($3,166)**	**-30%**	
Grand Total				**$14,583**	**$20,819**	**($6,236)**	**-30%**	

A how-to guide for budget reform: Part 1

Correcting the process will yield better results

Geoffrey Lawrence

In part one of his how-to budgeting series, Nevada Policy Research Institute fiscal policy analyst Geoffrey Lawrence demonstrates how fixing the state's budgeting process could help Nevada out of its financial problems. The current "baseline budgeting is essentially a cost-plus budgeting process that fails to evaluate existing programs for performance," he writes.

Tuesday, April 20, 2010

IKEA shoppers know that assembling a kitchen table with the instruction guide for a dresser is nearly impossible.

Yet, Nevada lawmakers facing severe state financial constraints regularly seek to assemble state budgets using an instruction manual entirely wrong for the task.

The "baseline budgeting" process that the state currently uses is completely inadequate for the task that will face lawmakers in the 2011 session. To meet current fiscal challenges while maintaining the quality of essential services, lawmakers will need a new budgeting tool — one allowing them to allocate spending in the manner most efficient for meeting citizen needs.

If compelled in 2011 to once again operate within baseline-budgeting parameters, lawmakers will be largely helpless as they confront their need to set appropriate priorities. That's because baseline budgeting is essentially a cost-plus budgeting process that fails to evaluate existing programs for performance.

Absent this evaluation process, lawmakers often find themselves making across-the-board cuts when revenues are not sufficient to fund the baseline. This penalizes highly effective programs that provide essential services just as much as the non-performing programs that deserve more pruning back.

As Frank Partlow, executive director of the bipartisan Spending and Government Efficiency (SAGE) Commission, points out in his recent book, *SAGE Nevada*, "The existing process of inflating the previous biennium's budget to account for inflation and growth may have sufficed for a state whose revenues were growing each year, but it clearly will no longer work in what may become at best a flat revenue stream for many years to come."

Clearly, Nevada lawmakers need a new approach if they are to continue to fund essential services in the face of current fiscal challenges. Fortunately, they need not re-invent the wheel.

In response to faltering revenues in his state in 2002, then-Washington governor Gary Locke developed an approach he called Priorities of Government. Alternatively known today as "Budgeting for Outcomes" (BFO), Outcome-Based Budgeting or Priority-Based Budgeting, the approach met such success that it has since been adopted in Iowa, Michigan, South Carolina and Louisiana, as well as in local governments across the country.

The premise behind the BFO process is that lawmakers should prioritize the *results* that they want government to achieve for citizens. Then, after determining the most effective way of purchasing those results, available funds are allocated to do so. In Washington, as in other states where BFO has been implemented, this has implied a rethinking of the structure of government.

The central value of BFO is that the process forces Executive Branch officials to consider alternative strategies for delivering quality services at the least cost. Often, government agencies devote little discussion to how best to achieve the goals set by lawmakers. Too frequently the strategies taken to achieve those goals are the result of unilateral, intuitive reasoning by department heads — rather than a thorough vetting process that examines the relative efficiency of all reasonable alternatives.

Recognizing this dynamic, Florida in 2006 established a Council on Efficient Government tasked with reviewing the efficiency of agency operations by comparing existing practices to a range of alternatives available in the business sector. The Council's aim is to facilitate restructuring of state government akin to what large corporations might do in response to a change in revenues.

The BFO process includes a similar function but at a more specialized level. Most of the budgeting work is performed by "results teams" organized to determine the most cost-effective means through which government can provide the measurable results that the lawmakers want to purchase.

Such an approach would wield unlimited potential for helping Nevada out of its current fiscal woes.

Budgeting For Outcomes Can Help California

Written By: David Osborne
Publication date: 04/01/2010
Publisher: Reason Foundation

The following is the introduction to my new Reason study, The Next California Budget*, on how to fix the state's budget process:*

California often leads the nation, and the current fiscal crisis is no exception. Jaws dropped from coast to coast at the size of its $26.3 billion shortfall, a quarter of the general fund. Even more astounding was state leaders' difficulty in reaching a budget deal—not just this year, but year after year. With its repeated use of borrowing and IOUs, the Golden State has become the poster child for fiscal irresponsibility.

Regardless of how Californians feel about the latest budget, most would agree that somehow, some way, the state's leaders must do it differently next year. Californians are tired of watching their leaders debate how much to spend on X vs. Y, with no attention to the results these expenditures produce or the long-term liabilities they create for the state. Taxpayers are not unwilling to fund state government, but they want their tax dollars to produce genuine value. They want their leaders to fund programs that work, and to kill—or fix—those that don't.

One factor contributing to the paralysis has been the constitutional two-thirds requirement, in both houses of the legislature, to approve a budget. There are many perspectives on the wisdom of this constitutional amendment, but most would agree that it is a blunt instrument. Without some other form of fiscal accountability on the legislature's part, however, citizens are not likely to consider repeal. This paper argues for an alternate form of fiscal discipline, known as Budgeting for Outcomes (BFO). It would help the governor and/or legislature build the budget in a way that delivers the results citizens want at a price they are willing to pay.

Budgeting for Outcomes has already proven its value in Washington State, Iowa and more than a dozen other states, cities, counties and school districts. It combines strategic planning, zero-based budgeting and performance budgeting in a workable, common-sense package. Since it debuted with Washington Governor Gary Locke seven years ago, it has spread rapidly, as the box below demonstrates.

Jurisdictions That Have Used Budgeting for Outcomes

States

- Washington
- Iowa
- South Carolina
- Michigan
- Louisiana Dept. of Culture, Recreation and Tourism

Counties

- Snohomish, WA
- Multnomah, OR
- Mesa County, CO

- Polk County, FL
- Larimer County, CO
- Coconino County, AZ

Cities

- Azusa, CA
- Spokane, WA
- Dallas, TX
- Ft. Collins, CO
- Northglenn, CO
- Redmond, WA
- Eugene, OR
- Savannah, GA
- Baltimore, MD
- Tacoma Metro Parks, WA

School Districts

- Jefferson County, CO
- Billings, MT

Budgeting for Outcomes has not been equally successful in all these jurisdictions; it is no magic wand. As with other reforms, its success depends on whether political leaders are willing to use it to make the hard choices necessary. Nor does BFO guarantee that there will be no future budget shortfalls. The natural hills and valleys of the business cycle will assure shortfalls in times of recession. And until this country manages to control health care spending—which has gone up an average of 10 percent a year for the last 50 years—many states will face structural deficits even in good times. But Budgeting for Outcomes can help elected leaders manage these challenges—deciding what is worth funding and what must be jettisoned—in a more rational, effective and transparent way. Most jurisdictions that have tried it, including Washington, have been pleased enough to continue using it.

BFO starts where most budget processes end: elected leaders make a decision about how much money they want to spend next year. They decide up front whether to raise or cut taxes or fees. Then they work with citizens to define the results most important to them: a better economy, better schools, better health, better safety, better mobility, a cleaner environment and so on. They decide how much each of these outcomes is worth and divide the money among them.

For each finite pot of money, they assign a team of strategic thinkers who understand the policy arena but don't have an axe to grind or a budget to protect. These "results teams" act as buyers for the citizens. Their task is to produce the outcome, not to fund programs. "Better mobility" as an outcome does not necessarily mean more money for the Highway Patrol or the Department of Transportation, for instance; it may mean congestion pricing on toll roads and more fiber optic cable.

Results teams start by doing the research necessary to figure out what factors most affect their desired outcome. Given that analysis, they recommend what strategies the state should pursue. Once they define these purchasing strategies, the results teams ask government program managers—the sellers in this marketplace—to make their best offers. These offers lay out what programs they can deliver to contribute to these strategies, at what costs, with what results. (All tax expenditures—i.e., tax breaks for particular groups or activities—should also be treated as offers, just like other spending programs.)

The results teams then rank these offers, from most cost-effective to least, draw a line where the money runs out, send the rankings back out, and ask for better offers. At this point, when managers see their programs ranked low, they wake up and start scouring the globe for new ways to produce better results for less money. When the second round of offers comes in, the results teams again rank them, buy from the top, and draw a line when the money runs out. They send their rankings to the elected leaders, who use them to put together the budget. (Normally the executive does this and presents the budget to the legislature, but given California's political realities, the governor and legislative leaders might be wise to work together on the process.) Adjustments to reality are always necessary: some low-ranked programs are mandated by the courts, for instance, or by a higher level of government. Others, particularly in California, are mandated by voter initiative. But most of the rankings hold, and the budget thus proposes to fund what works and eliminate what doesn't.

Every citizen can understand the resulting budget, because it reflects common sense and taxpayers' priorities. It can be summarized in one page per outcome: a list of programs to be funded, a line, and below that, a list of programs the state can no longer afford, because they don't produce enough value.

Performance-Based (Priority-Based) Budgeting: How to Address Budget Shortfalls in The States

Written By: Bob Williams
Published In: Alec Policy Forum
Publication date: 04/01/2009
Publisher: American Legislative Exchange Council

Bob Williams, founder of the Evergreen Freedom Foundation, explains how performance-based budgeting helped Washington balance its state budget in 2003 without raising taxes. He writes, “The conventional budgeting approach ignores the efficiency and effectiveness of existing state programs. Rarely is the question asked about how existing programs can be improved or how can we maximize the return on the tax dollars that are collected.”

At least 42 states have major budget shortfalls. How can legislators advance Jeffersonian principles of free markets, limited government, federalism, and individual liberty when there is a budget crisis?

The temptation will be to try to take the usual approach—across the board cuts, raid accounts from non-general fund accounts, delay funding of some legislation, avoid full funding of pensions, and use the federal stimulus funds to postpone meaningful budget reforms. "Those actions may give states a temporary “patch” in their budget shortfall, but when the federal funds run out in a year or two, the states that did not take action to permanently solve their budgetary shortfalls will face an even greater one.

When budgets are built in this traditional manner, without deliberate efforts to develop core governing principles first, legislators become “enablers” for agencies and programs that likely have fundamental design flaws or that may be providing services in direct conflict with lawmakers’ policy views. Building budgets the conventional way virtually assures overspending since there is little, if any, focus on efficiency or effectiveness. Debating, writing, and approving a state budget are the primary task legislators must accomplish because the budget drives all policy.

Governors and state agencies cannot spend even one dollar without legislative approval. Conventional thinking in most states has legislators adjusting the current budget for inflation, adding caseload increase, splicing in a few new initiatives, and calling this the baseline budget. This type of approach is almost entirely focused on inputs (more money). Legislators then often find that the baseline budget is higher than the estimated revenue forecast. They then focus on cutting programs, raising taxes, or a combination of both until the total of the general fund matches the forecasted revenue. However, today most state economies are too weak to withstand a tax hike. An increase in tax rates at this time may very well produce less revenue (after the tax rates are raised) due to the negative economic impact.

The conventional budgeting approach ignores the efficiency and effectiveness of existing state programs. Rarely is the question asked about how existing programs can be improved or how can we maximize the return on the tax dollars that are collected.

Zero-Base Budgeting in the States

This article from the National Conference of State Legislatures looks at the experiences of states that have enacted zero-based budgeting. “It forces an end to thinking that current activities and funding will continue with minor (or incremental) changes, and requires a reconsideration of every activity and demand for resources,” the report notes.

By Ron Snell

Zero-base budgeting (ZBB), in its original form, is a system of budgeting that begins every budget cycle at zero, rejecting any assumption that the activities that were funded in the last budget will continue in the coming one. It requires a rationale for each activity that will be funded for the new budget. It is intended to foster analysis of every activity, prioritization of budget activities, cost-effectiveness and economy.

ZBB appeared in the private sector in the early 1970s. Its first prominent advocate in the public sector was Jimmy Carter when he was governor of Georgia. As governor and then as president, Jimmy Carter applied it first in Georgia and then to the U.S. government in the mid- and late-1970s. The federal Office of Management and Budget developed ZBB in detail as a federal budget method by 1978.

Proponents say zero-base budgeting has these advantages:

It forces an end to thinking that current activities and funding will continue with minor (or incremental) changes, and requires a reconsideration of every activity and demand for resources.

It emphasizes analysis and comparison of programs, and encourages the termination of low-priority programs.

It encourages the reallocation of existing resources from lower priority programs or activities to those with higher priorities.

Participation by all agency managers improves management development, communications with policymakers, and discussion of key issues and problems at all levels.[1]

Before looking at the 1970s federal model of ZBB, it's important to note that two additional forms of ZBB have developed in the public sector. These have seen widespread use in many states, through not continual use in any state. The two other variants are:

Alternative budgeting, in which agencies are required to make budget requests at various levels below and above their current level along with comparisons of the consequences of budgeting at the different levels; and

A periodic review from the ground up of the budgets, responsibilities, strategies and performance of state agencies. "Periodic" could mean once in anywhere from five to eight years.

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1. The Original Form of ZBB

Zero-base budgeting was designed as a tool to control expenditures through identifying the purpose and measuring the effectiveness and efficiency of activities. The form created for the federal government in the late 1970s went like this:[2]

> ZBB began with identifying a decision unit: a program, activity or organizational entity. These should be small enough for good analysis, but not so small and numerous that they overwhelm the budget process.
>
> For each decision unit, managers identified a decision package built on four funding levels:
>
> a) The minimum essential to program viability;
> b) The current or maintenance level;
> c) An intermediate amount, between the minimum and current levels; and
> d) An enhancement level—additional funding for increased services.
>
> Decision packages included statements of intended agency results, preferably quantified; measures of workload, efficiency and effectiveness; and budget requests.
>
> Managers ranked decision packages by order of priority within their area of control, guided by policy directives from their supervisors.
>
> Decision packages moved up the administrative chain for renewed review, prioritization, revision, consolidation or deletion.
>
> Eventually they formed the basis for budget requests.

The process as used in the federal government turned out to be very heavy on paper (in those pre-computer days of the late 1970s) and relatively light on critical analysis. In 1979, the U.S. Government Accounting Office could find little evidence that ZBB had improved the federal budget process. It recommended less paperwork, fewer decision packages and more analysis, fewer funding options and less rigidity. The Reagan administration preserved some elements of ZBB in the form of alternative funding options[3] from agencies, with a focus on how agencies would prioritize activities when budgets were reduced.

The original form of ZBB has been widely attacked as unworkable. Even the advantages which President Carter claimed it had brought to Georgia when he was governor have since appeared to be exaggerated. It was not possible to assimilate the ZBB focus or decision packages into the state budget process and the techniquest were not found useful in allocating resources. Federal efforts have been termed "an exercise in futility."[4] Some of the disadvantages laid to this form of ZBB are:

It is difficult to apply usefully to entitlement programs and to programs like education that are seen as central, continuing functions of government.

The process can create extreme competition and conflict over resource allocation.

The process can be time-consuming and expensive.[5]

2. ZBB as Alternative Budgeting

At the end of the 1970s and in the early 1980s, states developed a form of ZBB as a way of cutting budgets that helped address the fiscal difficulties of the time. This form did not include the full array of decision units, decision packages and multiple rankings as decision making rose through agency ranks.

States turned ZBB into alternative budgeting (also called "target budgeting"), which means that agencies making budget requests are instructed to do so at various percentages of their base budget—for example, at 90 percent, 100 percent and 110 percent—and to analyze the effect of those levels on agency responsibilities.

This highly simplified version of ZBB was widespread in state budgeting at the time. It fitted well within traditional state budget processes, and was a useful tool when budgets had to be cut or resources reallocated from agency to agency. It gained a sense of prestige and novelty from its nominal link to ZBB, but it did not involve radical change in established procedures, or greatly increase bureaucratic work. This form tended to avoid the priority rankings that had been a major feature of the original federal form of ZBB, and was used in practice mainly to evaluate the ways agencies and programs would adapt to reduced resources.

This meant in practice that the zero-base evaluation of state agencies had fallen away and that what had started out as a state model of ZBB had evolved into a form of budgeting probably as old as budgeting itself—the consideration of alternatives. Whatever it may be called (not ZBB these days), this is the central practice of executive and legislative budgeting—the consideration of the impact of alternative levels of funding. For a time it was formalized with specific levels of alternative proposals and given the name of ZBB; the very useful practice continues without the name.[6]

3. ZBB as a Periodic Agency Review

It is probably true that state government cannot adapt to a budgeting process that calls for justification of every activity and program annually or biennially: at least, no state has been able to do so. State governments are not in a position where they can reconsider whether to support subsidies to school districts or Medicaid support annually. The apparatus of ZBB involves multiple layers of activity description, analysis and recommendations which would be unwieldy in the smallest state government, let alone a state whose annual spending reaches $50 billion, $60 billion or $70 billion a year. The required analysis is time-consuming for agencies, legislative staff and legislators.

For those reasons, most recent efforts to adopt ZBB in state governments call for a periodic ZBB analysis of state agencies. They suggest a cycle that would cover from four to eight years, after which it would be repeated.

Florida enacted an eight-year cycle of ZBB agency reviews in 2000 and began the reviews in 2001.

The Oklahoma legislation of 2003 that mandated ZBB called for a four-year cycle of legislative ZBB reviews of state budgets.

Governor Butch Otter began ZBB in Idaho in 2009 by executive order, laying out a six-year rotation of agency budget reviews and justifications.

The Florida legislation designed a joint legislative-executive process for agency review which would occur in the months the legislature was not in session. Legislators and teams of analysts from the House, Senate, the Legislature's program analysis agency and the executive budget agency worked on a fundamental examination of the scheduled agencies.

The Oklahoma process was legislatively driven, in keeping with the strong legislature/weak governor approach to budgeting in that state. A joint interim committee was directed to conduct the ZBB reviews assisted by fiscal staff from both chambers.

Governor Otter's plan for Idaho is executive focused. It calls for reviewing and justifying each agency's budget on a six-year schedule. The Idaho plan is just getting underway and it is too soon for any evaluation of the process.

Although both the Florida and the Oklahoma projects have been abandoned, periodic ZBB agency reviews would seem to hold great potential value. Both those states' periodic reviews foundered in part because of the complexity of the reviews and the great amount of material the reviewers had to assimilate. A periodic review of agency purposes, procedures and productivity, in more depth than the annual appropriation process allows, could be valuable for the executive branch and the legislature. It would not have to be in the form of the original federal version of ZBB with all the complexity of decision packages and multiple reviews. Probably the chief limits on legislatures' ability to carry out such reviews are the demands they would make on legislators' time, and legislative staff resources.

4. The Appeal of ZBB Continues

Legislation calling for ZBB was introduced in 15 states in 2009. In addition to Illinois, those included some other large states—California, Georgia and Ohio. Seventeen states have reported its use in some form, and as already noted, a number of states have made serious efforts to put ZBB into effect in recent years. In addition, in 2006, Governor John Lynch of New Hampshire ordered all state agencies to use a ZBB approach in building budget requests for fiscal years 2008 and 2009.

On the other side of the coin, none of the 2009 legislation passed. As the Illinois Legislative Research Unit has pointed out, it is hard to find evidence of ZBB in most of the 17 states that report its use.[7] Aside from the recent executive orders to use ZBB in Idaho and New Hampshire, it is not clear that any state uses ZBB as its primary budgeting technique.

An Iowa ZBB program at the beginning of this century and the Oklahoma ZBB plan have been substantially reshaped into performance budgeting. Idaho's ZBB efforts are too new to be evaluated. Florida abandoned zero-based reviews within three years of having begun them in 2001. The Florida ZBB work produced reports of great thoroughness and usefulness. It was also expensive and time-consuming, and as legislative priorities shifted, it was discontinued after the third round of ZBB reviews.

Oklahoma's experience is instructive as another Legislature that made a serious effort to use ZBB as a budgeting tool. After the legislation was adopted six years ago, a joint committee was established and began meeting to conduct ground-up reviews of state agencies (planned for a four-year cycle). The Department of Education, which distributes and oversees aid to school districts, was one of the initial agencies. The time it took to explain all the services it provides exhausted the committee. The process was valuable to legislators for all they learned, but it was so time-consuming they never reached the point of considering money. Since that time the Legislature has voted three times to repeal ZBB, by bipartisan majorities. In practice, it is not used by either the Legislature or the executive branch.

5. Lessons Learned

ZBB responds to a serious and widespread desire to look at public budgeting in a fresh way, free of old assumptions, and make a new beginning. Past experience does not control the future. What can be learned from the kinds of experience related here?

ZBB has more than one form and a proposal to adopt it should be clear on whether it is expected to be an analysis of all government, a tool to respond to a fiscal crisis, or a periodic, revolving review of state agency operations and budgets.

In any of its forms, ZBB is likely to be an elaborate and time-consuming process, and will add at least a level—or many levels—of complexity to the current budget process.

It will take continued commitment from leadership and a commitment of time from legislators immediately involved to make it useful to a legislature.