



DATE: August 4, 2010

TO: Mayor Davidson & Councilmembers

FROM: Steve Sarkozy, City Manager
Brad Miyake, Deputy City Manager
Jan Hawn, Finance Director
Nav Ota, Budget One Project Manager

SUBJECT: Overview of August 4 Workshop Materials
2011-2012 Budget/2011-2017 CIP Process Status Report

Enclosed are the materials which will be reviewed at the Council Workshop. The goal of the Workshop is to provide Council with an update of both the Results Team and Leadership Team's work on the budget to date. The materials you will be reviewing are NOT the 2011-2012 Preliminary Budget. They are, however, building blocks that will be considered in developing the Preliminary Budget that will be delivered to Council in September for consideration this fall. We made a commitment to share early budget materials with you as they are developed during the process. The materials you will review are preliminary, and not polished, and should be viewed as working papers that will continue to evolve all the way up to the City Manager's Preliminary Budget.

Homework before August 4: Please read the attached memos prepared by the Results Teams (RT) for each of the seven Outcomes and for the CIP. These memos can be found behind Tabs 3 and 4. These memos provide Council with the RTs' recommended purchasing plan for each Outcome and the rationale used to prioritize and develop the purchasing plans.

We are not asking for any action or decisions at this time. Council will have multiple opportunities to deliberate the budget in detail from September to December. We would however welcome your early feedback at this time as we move forward in developing the Preliminary Budget to be provided in September.

Operating Budget

As we updated you back in April, the City of Bellevue is facing an unprecedented revenue shortfall. Based on an early forecast, we projected a **resource shortfall of \$20 million** for the biennium in the General Fund to continue our existing service programs. While there are no easy answers to addressing this revenue shortfall, the City's new budget process, Budget One, provides a solid approach to evaluating programs against the community's and the Council's highest priorities. As part of this process:

- The budget proposals prepared by the Departments and reviewed by the RTs will include **all programs and services**, not just new items. This provides Council a very high degree of transparency, and the opportunity to deliberate on any item, new or old, in the draft budget.

- Before submitting their budget proposals, the Departments have “scrubbed” their budgets and looked for cost reduction through business process improvements, cost containment efforts, and recommended level of service reductions. If accepted by the Council, these efforts will result in cost reductions over the biennium and will significantly help close the original deficit as well as fund necessary service demand changes from 2009-2010 budget. The details of the cost reductions and service demand changes for each Outcome are included behind Tab 3 and for each Department behind Tab 6C of the appendix.
- Every biennium, there are some unavoidable cost increases as a result of new mandates, contractual obligations, and pass-through regional costs. The proposals submitted by the Departments for RT review include these cost increases as well as any recommended critical enhancements. These cost increases, if accepted, would add to the overall total revenue demand.
- The RTs have reviewed and evaluated how well the budget proposals meet the Council endorsed Outcomes. In order to “purchase” the most critical proposals within the funding available, the RTs have scrutinized every proposal submitted and asked Departments to justify the programs and requested resources. Given the funding gap, the RTs in many cases requested and chose to accept a lower level of service for many programs to create an overall balanced purchasing plan for each Outcome. The recommendations they will be presenting today are additional cost savings beyond the initial Department “scrubbing” above. The RTs recommended purchasing plans for each Outcome can be found behind Tab 3.

If accepted, cost containment efforts proposed by the Departments and cost reductions recommended by the RTs will significantly reduce the overall budget shortfall.

Capital Budget

The CIP budget proposal review followed a parallel and slightly different process. The process was similar in that:

- A cross-departmental team reviewed the proposals (“CIP LT Panel”);
- The entire CIP, including existing programs and projects, additions to programs, and new projects were scrutinized by the team; and
- Given the resources picture, the team scrubbed the capital budget and looked for all opportunities to reduce costs including reducing scope, delaying, phasing and eliminating programs and projects.

The main difference for the CIP budget review is that, unlike the RTs for the operating budget, the CIP LT Panel is made up of Department Directors who are primary stakeholders of the CIP. Their charge, of creating a balanced purchasing plan within the available resources, is similar to the charge of the RTs. The results of their review are included behind Tab 4.



Next Steps

At this point in the process, the RTs have completed their job of creating recommended purchasing plans for each Outcome. The Leadership Team has begun their task of looking at the overall City purchasing plans across Outcomes. Over the next few weeks, the Leadership Team and City Manager will continue their review and refinement of the overall purchasing plan in developing the 2011-2012 Preliminary Budget.

While the efforts undertaken by the Departments and recommendations made by the RTs and the CIP panel will include substantial cost reductions, you may have concerns about reductions in service levels for some programs and elimination of other programs. As you review programs that are falling below the funding line, or being funded at a reduced level, we would appreciate any early feedback you have at this time on the work of the RTs and the LT to date.

Staff is aware that there is an enormous amount of material for this workshop. As noted above, it is not possible to deliberate on all this material in depth at today's event. Rather, our intent is to provide a solid overview of staff's work to date, and to receive any initial Council feedback to consider as this work continues to evolve. The Council will have the opportunity to spend as much time as you desire on every budget element following release of the Preliminary Budget and updated financial forecast in late September.

This has not been an easy process for a number of reasons, but it has been immensely rewarding. A budget shortfall of this magnitude would be extremely challenging and time-consuming to address under *any* budget process. Budget One is a complex and completely new budget process that has involved staff, including members of the Results Teams, who have not previously been involved in the City's budget process. The financial challenges created by the economic downturn have added their own complexities and created anxiety throughout the organization. As with any new endeavor, Budget One has been more time consuming than a traditional budget process. It will not be perfect the first time, and we will not realize all the benefits of the new process in this first go round. Despite all that, Budget One has already produced significant benefits including an in-depth review of the entire budget (including the base, as requested by Council), employee engagement, shared leadership throughout the organization, and new tools to meet the challenges of this fiscally constrained budget.



Council Budget Workshop

August 4, 2010

Table of Contents

1. Introduction/Agenda	
2. Background/Overview	
Budget One Outcomes.....	2-1
Forecast Update.....	2-3
Process Map	2-13
Calendar	2-15
Budget One Allocations.....	2.17
3. Operating Budget/Results Teams Recommendations	
Reader's Guide.....	3-1
3.a Responsive Government	
RT Ranking Summary & Purchasing Plan	3-3
Proposal List by Outcome	3-29
Summary of Proposed Changes	3-52
3.b Safe Community	
RT Ranking Summary & Purchasing Plan	3-59
Proposal List by Outcome	3-75
Summary of Proposed Changes	3-89
3.c Improved Mobility	
RT Ranking Summary & Purchasing Plan	3-93
Proposal List by Outcome	3-111
Summary of Proposed Changes	3-128
3.d Healthy & Sustainable Environment	
RT Ranking Summary & Purchasing Plan	3-133
Proposal List by Outcome	3-147
Summary of Proposed Changes	3-166
3.e Innovative, Vibrant & Caring Community	
RT Ranking Summary & Purchasing Plan	3-167
Proposal List by Outcome	3-185
Summary of Proposed Changes	3-202
3.f Quality Neighborhoods	
RT Ranking Summary & Purchasing Plan	3-207
Proposal List by Outcome	3-223
Summary of Proposed Changes	3-229



Council Budget Workshop

August 4, 2010

Table of Contents

- 3.g **Economic Growth & Competitiveness**
 - RT Ranking Summary & Purchasing Plan3-231
 - Proposal List by Outcome3-245
 - Summary of Proposed Changes3-247

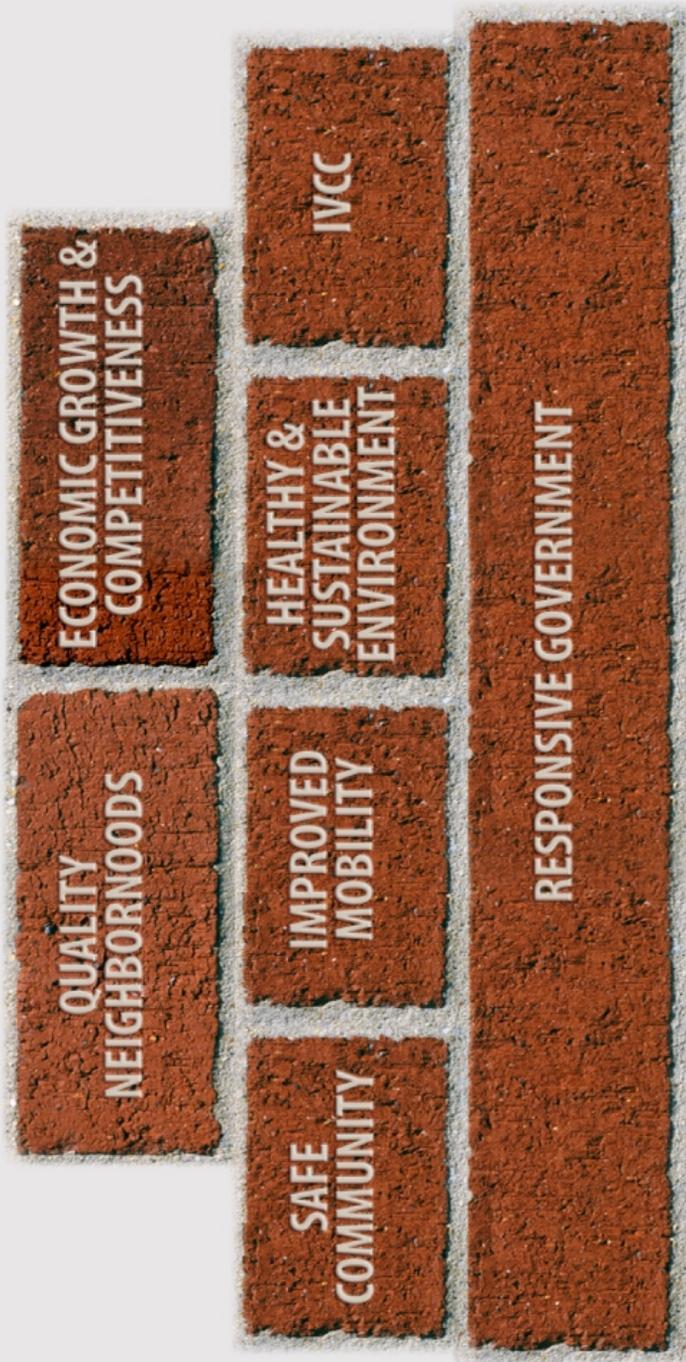
- 4. **General CIP**
 - CIP LT Panel Recommendations4-1
 - Attachment A – Ranking Worksheet4-5
 - Attachment B – Unmet Capital Needs.....4-11
 - Attachment C – Guidelines for Types of Expenditures to Include in CIP (what belongs in CIP vs. Operating Budget)4-15
 - Attachment D – White Paper: Status of Mobility and Infrastructure Initiative4-17
 - Attachment E – White Paper: Proposed 2011-17 CIP Approach to Implementing the 2008 Parks and Natural Areas Levy4-21
 - Attachment F – White Paper: Bellevue’s Neighborhood Strategy as it relates to “New NEP” and Neighborhood Partnerships4-23
 - Attachment G – White Paper: Options to address the CIP Maintenance and Operations (M&O) Transfer Issue4-29
 - Attachment H – CIP Team Ranking Criteria.....4-63
 - Attachment I - (1) & I(2) – Debt Policy Q&A (April 26, 2010 and June 14, 2010)4-77

- 5. Council Q & A5-1

- 6. Appendices
 - 6.a Organization Charts for Departments.....6-1
 - 6.b Efficiency Reports6-15
 - 1.Department Round 2 Change Summaries6-17
 - 2.CIP Ongoing Programs6-75
 - 6.c Background Articles6-81



THE SEVEN OUTCOME AREAS



Each layer is supported by the layer(s) below.



Council Budget Workshop

August 4, 2010

Forecast Update

A Financial Forecast update for the General Fund was presented to Council on April 26. This early outlook presented Council with a financial framework in which preliminary direction could be provided to staff for budget development. It represents an initial, high-level look at changes to economic assumptions and the expected impact of these changes on major revenues and expenditures. Due to the timing of the update, this early outlook Forecast update is limited in scope and includes:

- Projections based on only a few months of actual revenue and expenditure data;
- An update to major tax and program revenues, and expenditures based on changes to economic assumptions; and
- Expenditure projections at existing service levels. It does not assume any service/programs expenditure reductions or cost savings that may be included in budget proposals.

The overall General Fund gap between revenues and expenditures based on a status quo budget is projected to be approximately \$20.1 million for the 2011-2012 biennium (\$10.8 million in 2011, \$9.3 million in 2012), declining to a \$4.3 million gap by 2016 as tax revenues continue to grow. The General Fund materials presented to Council in April are included in this notebook for your review.

The Final Forecast update is scheduled to be presented to Council at the September 27 Council session together with the Preliminary Budget. It will provide Council with an updated estimate of how resources and expenditures are expected to perform over the six-year forecast period, reflecting a longer-term financial impact of the City's proposed programs, priorities and policies in relationship to the economic outlook.

The Final Forecast will include the following updates for the General Fund:

- Projections based on additional months of actual revenue and expenditure data;
- Updated economic trend information;
- Updated revenue projections, including major taxes and program specific revenues; and
- Updated expense projections, including proposed service/programs changes, updated salary and benefit costs, as well as other proposed changes to expenditures.



Council Budget Workshop

April 26, 2010

General Fund Financial Forecast 2011-2016

Basis of Forecast:

- Forecast builds upon 2010 revenue and expenditure projections.
- Calculates future resource and expenditure estimates based on recent and anticipated economic trends.
- Does not incorporate service/program reductions and cost savings that may be included in budget proposals.

Executive Summary:

- *The 2011-2012 budget gap is estimated at \$20.1 million for the two years; this is an increase of \$3 million compared to the January 2010 estimate.*
- *The recession has eroded Bellevue's tax base. Estimates for sales, business & occupation, and utility tax collections have been lowered to reflect the impact.*
- *The projected budget gap assumes a General Fund balance of 10% which continues to be below the policy target of 15%.*

Overview & Forecast Results:

The General Fund forecast reflects the recent recession and the significant decline in economic activity. While the economy has begun to recover, regional economists anticipate that recovery will be slow and take several years as housing values, employment, and personal income increase.

The Forecast provides insight into the long-term financial effects of the City's current programs, priorities and policies in relationship to economic activity. It builds upon 2010 revenue and expenditure projections and calculates future resource and expenditure estimates based on recent and anticipated economic trends.

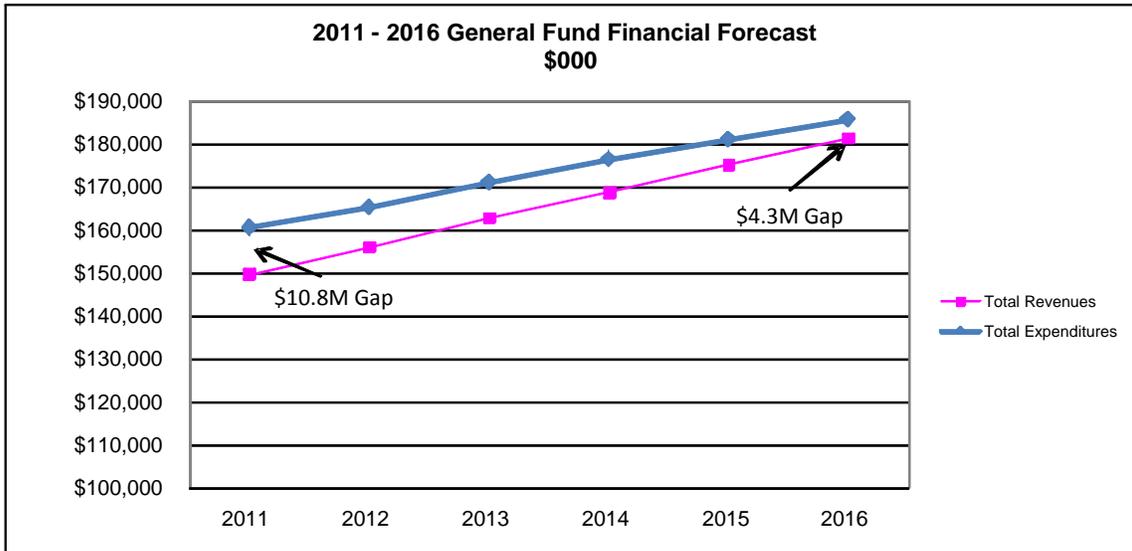
The following graph and table represent our current estimates of how General Fund resources and expenditures are expected to perform over the six-year forecast period. As illustrated below, revenues are projected to be less than expenditures through the forecast period. The overall gap between revenues and expenditures each year (excluding fund balance) is projected to be approximately \$10.8 million in 2011, and declining to a \$4.3 million gap by 2016 as tax revenues continue to grow.



Council Budget Workshop

April 26, 2010

General Fund Financial Forecast 2011-2016





Council Budget Workshop

April 26, 2010

General Fund Financial Forecast 2011-2016

2011-2016 Financial Forecast General Fund (in \$000)

	2011 Base Forecast	2012 Base Forecast	2013 Base Forecast	2014 Base Forecast	2015 Base Forecast	2016 Base Forecast
RESOURCES						
Taxes	112,137	117,548	123,251	128,215	133,491	138,612
Intergovernmental Revenues	17,027	17,335	17,680	18,039	18,410	18,794
Charges for Services	15,414	15,809	16,372	16,806	17,416	17,888
Licenses and Permits	326	337	349	363	378	393
Miscellaneous	1,836	1,915	2,007	2,108	2,217	2,271
Fines and Forfeits	260	261	262	263	265	266
Other Finance Sources	1,239	1,243	1,270	1,300	1,334	1,369
Anticipated Overcollections	1,482	1,544	1,612	1,671	1,735	1,796
Total Revenues	149,720	155,992	162,804	168,765	175,246	181,390
Change		4.2%	4.4%	3.7%	3.8%	3.5%
EXPENDITURES						
Personnel	\$98,286	\$102,213	\$106,161	\$110,408	\$113,704	\$117,350
Maintenance & Operations	62,619	63,455	64,793	65,927	67,208	68,189
Contingency	898	936	977	1,013	1,051	1,088
Anticipated Under expenditure	(1,294)	(1,333)	(860)	(887)	(910)	(933)
Total Expenditures	\$160,509	\$165,271	\$171,072	\$176,462	\$181,054	\$185,694
Change		3.0%	3.5%	3.2%	2.6%	2.6%
(Gap)/Surplus	(10,789)	(9,279)	(8,268)	(7,696)	(5,808)	(4,304)

2011-2012 Projected Gap \$(20,068)

An updated forecast will be provided in September that reflects the City Manager's proposed budget. This forecast will include additional 2010 data and updated economic projections.



Council Budget Workshop

April 26, 2010

General Fund Financial Forecast 2011-2016

Economic Outlook:

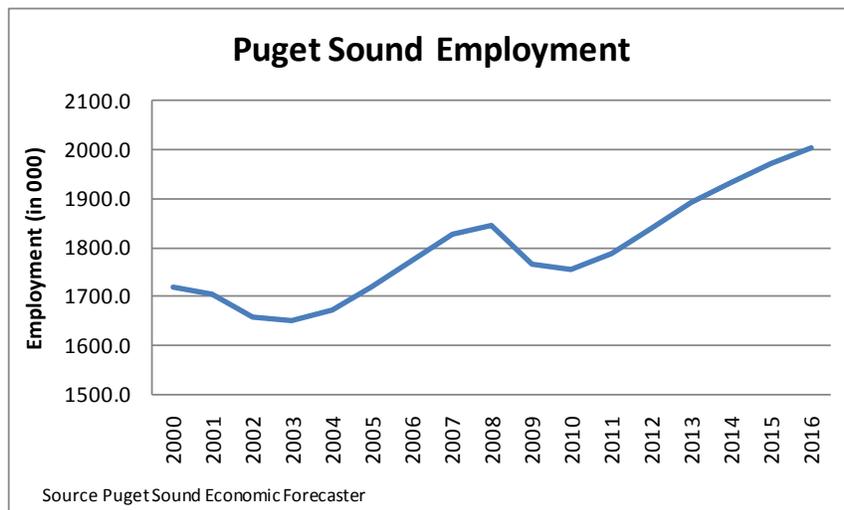
Highlights:

- *Slow recovery over several years*
- *Housing market is central to recovery*
- *Some signs that economic growth is occurring*

The Forecast assumes a slow recovery with moderate regional economic growth over the next several years. Employment and an improving housing market will play key roles in this recovery. There are several indications that the economy has begun to stabilize, including improvements in the housing market, a deceleration in job losses and some improvement in consumer spending.

Regional economists are expecting an upturn in regional employment in the first quarter of 2010.

Regional job losses during the recession totaled 96,700, essentially wiping out the employment gains of the past decade. During 2010, employment is expected to improve. The annual rate of employment growth is expected to climb to 1.9% in 2011, with modest growth through the forecast period. The following graph illustrates how employment in the Puget Sound region is expected to return to pre-recessionary levels by the end of 2012.



Local economists continue to assert that economic improvement is dependent on housing market stabilization. There are several indications that this is occurring, including moderate increases in housing prices and increasing numbers of houses sold. Housing is projected to continue to improve in 2010 and through the forecast period.

Development activity is expected to slow considerably during the first few years of the forecast and then grow at a higher rate in the later years of the forecast as office and multifamily vacancies are absorbed. Office vacancy rates in Bellevue's Central Business District (CBD)



Council Budget Workshop

April 26, 2010

General Fund Financial Forecast 2011-2016

rose to 15.5% in the fourth quarter of 2009 (up from 10.9% at the end of 2008) and are expected to take several years to recover. Similarly, residential vacancy rates in the CBD also remain high, signaling that it will be some time before new major residential projects begin construction.

There are several factors that could hamper the projected growth, including increased inflation and a reversal in the housing market. Currently, inflation remains low, but the Federal Reserve has cut interest rates, potentially marking the beginning of increases in the cost of borrowing which may slow the recent gains in the housing market.

Resource Drivers:

Highlights:

- *Tax base will take several years to recover*
- *Modest revenue growth is expected*
- *Growth is based on positive employment and housing outlook*

The recent recession substantially reduced Bellevue's tax base. Tax collections across all major economically sensitive revenues, including sales, business & occupation, and some utility taxes declined during 2009. This reduction in the revenue base is expected to impact Bellevue's tax collections through the forecast period by lowering the starting point for growth; resources are not expected to catch up with total expenditures during the forecast period. This is despite the projection that average resource growth is expected to be higher than average expenditure growth.

Taxes, which are 75% of resources, are projected to grow through the forecast period. This projected level of growth is mainly due to anticipated improvements in consumer spending and a strengthening housing market. Revenue growth is projected to grow at about 3.7% annually through the remainder of the forecast period.

As more detailed information becomes available, revenue estimates will be updated and included in an updated Financial Forecast in the fall. Key resource drivers are discussed below.

Employment Growth. The creation of jobs, which leads to growth in personal income, increases spending for goods and services creating both sales tax and business & occupation (B&O) tax revenues. Regionally, employment growth is projected to accelerate, adding around 42,000 jobs (2.3%) a year over the next biennium. The Forecast assumes employment growth will average 2.1% per year for the forecast period.



Council Budget Workshop

April 26, 2010

General Fund Financial Forecast 2011-2016

Recovering Housing Market & Increased Demand for Goods. The Forecast assumes a slowly recovering housing market. Housing prices and volume of transactions are expected to increase through the forecast period. A strengthening housing market stimulates consumption and taxable retail sales. Taxable retail sales are expected to rise an average of 7% per year for the 2011-2012 biennium and average 6.2% for the remainder of the forecast period.

Development Activity. Development activity is expected to be slow during the early years of the forecast, but return to a modest pace of growth by 2011 which is consistent with the Development Services Financial Forecast. Tax receipts associated with construction projects typically lag development activity by one year or more; the Forecast anticipates additional modest tax receipts in 2012. In subsequent years, development activity is anticipated to continue to grow but at a more moderate level than was experienced during the last upturn in development activity (2006 and 2007). Development activity is important for Bellevue because it drives growth in property, sales, business & occupation, and real estate excise taxes.

Reduced Audit Recovery. Business & occupation tax audit recovery projections have been substantially lowered for the forecast. Audit and delinquency recoveries peaked in 2006 at \$6 million per year; much of this activity was due to a small number of very large recoveries. Over the past few years, recovery amounts have become smaller. For example, in 2009, audit and detection recoveries totaled only \$2 million for the year. The forecast reflects this lower level of recoveries.

Expenditure Drivers:

Highlights:

- *Modest expenditure growth driven by personnel & health benefit costs*
 - *Regional communication center partnership expected to reduce long-term costs*
-

This forecast assumes the current budget as a starting point and does not include cost savings anticipated to be included in Budget proposals. On average, expenditure growth (3.1%) is expected to be lower than resource growth (3.7%) through the forecast period. Expenditures are projected to increase by 3.8% in 2011 and 3.0% in 2012. The increase is largely driven by cost of living increases and rising State pension and health benefit costs.

As more detailed information becomes available, expenditure estimates will be updated and included in the fall Financial Forecast. Key expenditure drivers are discussed below.

Salaries. Salaries are projected to increase by the rate of inflation or current labor agreements. This increase averages 2.6% (\$2.1 million) per year through the forecast



Council Budget Workshop

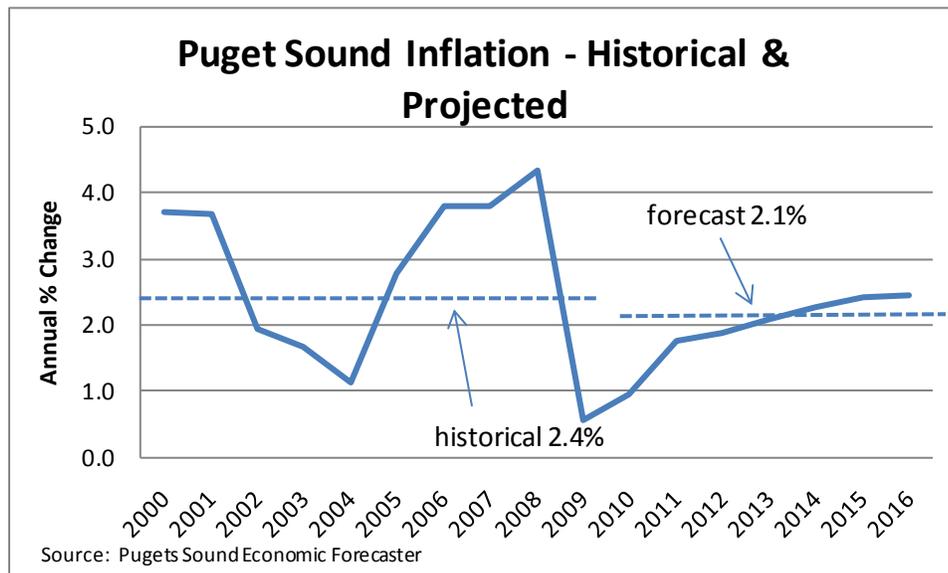
April 26, 2010

General Fund Financial Forecast 2011-2016

period. Approximately 70% of increased salary expenses are driven by cost of living adjustments and labor settlements which are typically based on the rate of inflation. The remaining 30% (\$0.6 million) are estimated increases in merit pay. The forecast assumes current levels of staffing.

Health Benefits Contributions. General Fund health benefit contributions are expected to grow by an average of 11% or \$1.5 million per year through the forecast period. These estimates are based on experience and actuarial estimates. Costs stabilized in recent years but began to accelerate again in 2009.

Other Personnel. Other personnel costs, which include pensions, specialty pay, and other benefits, are expected to rise by the rate of inflation through the forecast period. The following graph illustrates recent and projected inflation through the forecast period and illustrates that inflation varies substantially over time, but anticipated inflation rates (average 2.1%) are in line with average historical inflation rates (average 2.4%)



Maintenance and Operating (M&O). M&O costs which include supplies, fleet, information technology, and utility costs, are anticipated to grow at the rate of inflation.

NORCOM. As directed by Council, Bellevue is a partner in the North East King County Regional Public Safety Communications (NORCOM) Agency. NORCOM created a partnership where agencies are owners who make decisions jointly to improve the delivery, cost, service, and interoperability effectiveness of public safety communications services on the Eastside. This partnership is expected to reduce Bellevue's costs by \$1.7 million per year by the end of the forecast.

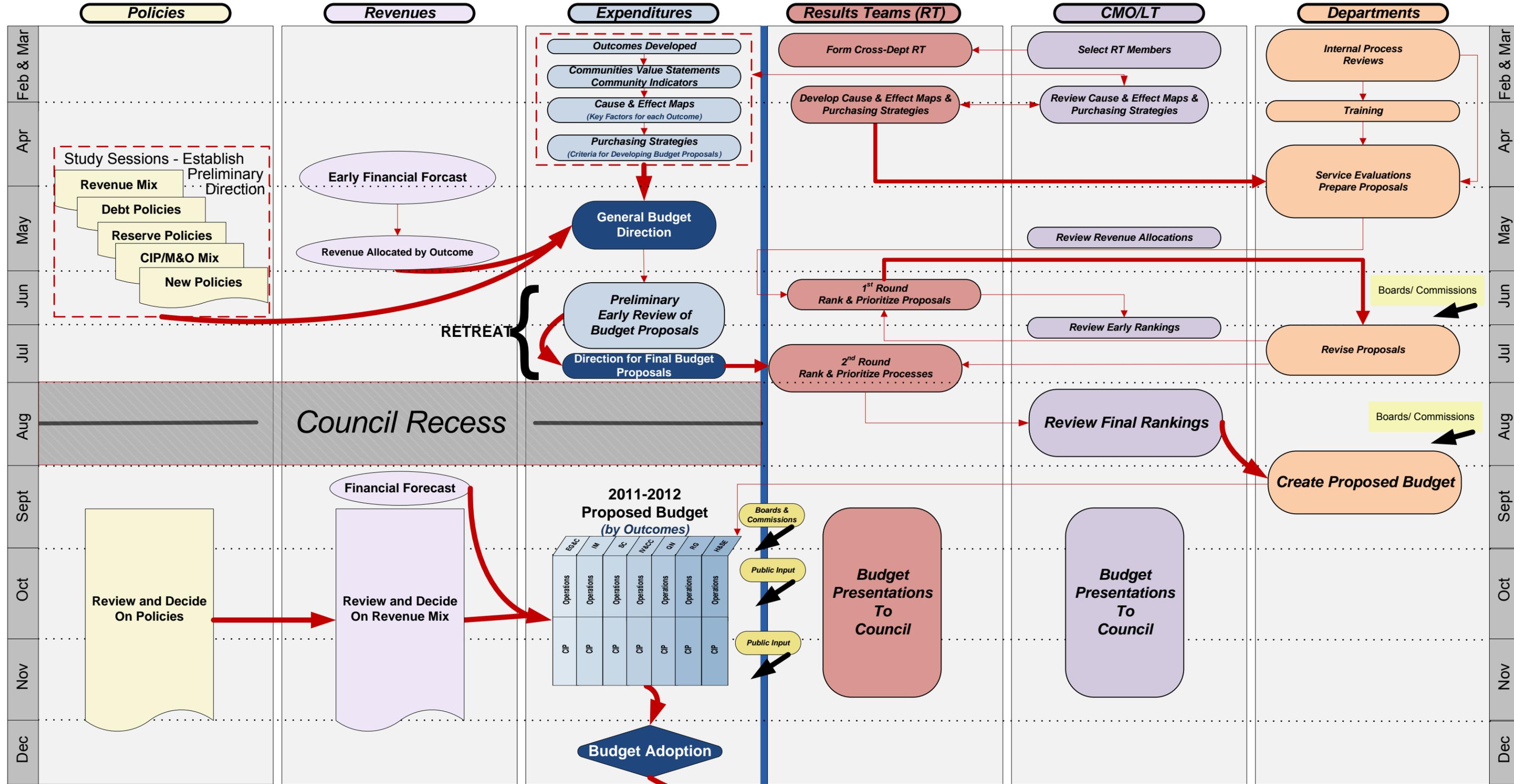
Guiding Principles

- Preserve AAA bond rating
- Provide financial sustainability
- Maintain mix of revenue that encourages growth and keeps Bellevue economically competitive

- Focus on outcomes, management by data
- Preserve critical or mandatory core services
- Maintain critical infrastructure
- Ensure accountability for performance by outcome

- Citizen perspective
- City, not department hat
- Critical, evidence based analysis

- Seek efficiencies and innovation
- Drive collaboration (internally and externally)
- Shared leadership
- Transparency



Achieve & Monitor Outcomes



Budget One Implementation 2011-2012 Budget Calendar

- Council Budget Workshop Aug. 4, 2010
- 2011-2012 Preliminary Budget Developed Aug. – Sept. 2010
- Budget Workshop Sept .27, 2010
- Financial Forecast Update Sept .27, 2010
- City Manager Presents Preliminary Budget Sept .27, 2010
- Budget Deliberations Sept. – Dec. 2010
- Key Financial Policies Review Ongoing
- Third Public Hearing Nov. 15, 2010
- Budget Adoption Dec. 6, 2010



Council Budget Workshop

August 4, 2010

Budget One Allocations

Budget One's Outcome-based budgeting process aligns resources with Outcomes valued by the community and endorsed by the City Council. Aligning resources with Outcomes sets the "price" of what the City will spend for the services that matter most to citizens. For this initial budget process, we utilized Council's prior funding policy as the basis for setting the initial allocation.

Allocation Development Process

The allocation process established the amount of resources available to support each outcome. The total allocation was made up on two types of revenue:

1. **Dedicated/Restricted Revenue** – revenues that are derived from or restricted to support the service being proposed, i.e., Fire contract revenues support Fire Service costs only.
2. **General Revenue** – revenues available to support any service proposed by departments or funds – i.e., telephone utility tax revenue is available to support all types of activities.

Dedicated/restricted revenues were allocated to outcomes based on where the relative proposal was submitted – i.e., Fire Service Proposals were submitted to the Safe Community outcome and Fire contract cities' revenues were allocated to the Safe Community outcome.

The allocation of General Revenue dollars was established based on prior Council funding policy (i.e., previous budget) as the starting point for each Outcome's allocation of the forecasted General Revenues.

Each Results Team worked with the initial allocation as a target for evaluating their Outcome. This provided them with an idea of the shortfall their Outcome might be facing and encouraged thorough evaluation of all proposals submitted. The original Round 1 allocations by Outcome for 2011-2012, based on the previous budget, were as shown below.

Outcome	Operating
Quality Neighborhoods	\$10.3M
Economic Growth & Competitiveness	\$22.3M
Improved Mobility	\$25.1M
Safe Community	\$145.2M
Innovative, Vibrant & Caring Community	\$56.4M
Healthy & Sustainable Environment	\$223.7M
Responsive Government	\$112.1M

*Note: CIP dollars were not distributed based on outcomes.

Following the initial allocation, adjustments have been made throughout the process to adapt for:

- Movement of proposals between Outcomes;
- Movement of proposals between the operating and capital budgets;
- Technical corrections to costs and revenues; and
- LT recommendations for shifts between Outcomes.



Council Budget Workshop

August 4, 2010

Budget One Allocations

Adjustments to allocations will continue based on further feedback from the Leadership Team and City Manager, updated revenues and expenditures based on the Final Forecast and ultimately City Council direction during Budget deliberations.



Budget One Round 2 Reader's Guide Council Review Materials

This is a short reader's guide to help with the organization and reading of the RT memos. To the extent possible, we have tried to be consistent in organization and terminology. Since the materials have been developed by a series of staff taskforces consisting of cross-departmental teams, inconsistencies may exist. For these, we apologize in advance.

Tab 3 -- Results Teams Recommendations:

1. **Cover Memo** -- discusses the review process of the Results Teams; how the teams tackled their reviews and rationale or reasons for their recommendations and may make recommendations for future action or study.
2. **Attachment A1: Base Purchasing Plan** – Provides a listing and ranking of all the proposals submitted by departments or cross-departmental teams and the Results Teams' recommendations regardless of available resources. The line drawn below, in this example, shows that seven of the nine proposals can be purchased within the current resource estimate.

Rank	Proposal Title	Proposal #	FTEs	Original Proposed Total Costs	RT Cost Savings			
					Revisions		Recommended Revised Costs	
					FTEs	Cost	FTEs	Costs
1	Human Services Contracts with Non-Profit Agencies	100.18NA	2.00	\$ 9,187,340	-	\$ -	2.00	\$9,187,340
2	Highland Community Center: Disability Program	100.04NN	3.00	883,553	-	-	3.00	883,553
3	Building Maintenance and Management Program	100.28A1	4.00	1,934,079	-	(20,000)	4.00	1,914,079
4	Property Management: Meydenbauer/Other	100.42NN	1.00	1,509,227	-	-	1.00	1,509,227
5	ARCH Administration and Trust Fund Contribution	115.10PN	4.75	1,007,948	-	-	4.75	1,007,948
6	North Bellevue Community Center/Aging Services	100.02NN	4.00	1,079,909	-	-	4.00	1,079,909
7	Crossroads Community Center	100.03NN	4.00	1,194,452	-	-	4.00	1,194,452
8	Human Services Planning & Contract Management	100.15NN	3.41	879,066	-	-	3.41	879,066
9	Bellevue & Crossroads Golf Operations	100.47NA	6.00	4,370,633	-	-	6.00	4,370,633

Example Only

7

- 1 **Rank:** From the eyes of a citizen, the most important priority in relation to all other rankings on the worksheet.
- 2 **Proposal Title:** Name of the proposal as submitted by department.
- 3 **Proposal Number:** A unique identifier given to each proposal to distinguish it from another.
- 4 **FTE's:** The number of Full Time Equivalent (FTE) positions recommended in the proposal.
- 5 **Original Proposal Costs:** The direct costs of the proposals, not including interfund budget relationships (such as Information Technology costs) that are included in their own proposals, most likely in the Responsive Government Outcome.
- 6 **RT Cost Savings:** Recommended funding levels and FTE's for each proposal.
- 7 **Available Resources:** The "line" drawn delineates the proposals that can be bought with available General Revenues (above the line) and the ones that cannot (below the line).



Budget One Round 2 Reader's Guide Council Review Materials

Attachment A2: LT Proposed Changes – Shows adjustments to Results Teams recommendations being contemplated and discussed by the Leadership Team. Their review of the Results Teams' work has not been completed.

3. **Expanded Purchasing Plan** -- If given a larger allocation, the Results Team would restore previous cuts in the order listed on the Expanded Purchasing Plan
4. **Reduced Purchasing Plan** -- If given a smaller allocation, the Results Team would make additional cuts in the order listed on the Reduced Purchasing Plan
5. **Cause & Effect Map** – This is the original Cause & Effect Map that highlights values, factors, and community indicators.

III. Glossary of Key Terms and Phrases Used in the Budget One Discussions

Cost Reductions — These are proposed reductions that may include efficiencies but do not include level of service reductions. Examples may include eliminating vacant positions, decrease in travel costs, and negotiating contract reductions.

Level of Service Reductions – Cost savings due to reduced or eliminated services. Examples might include reducing the operating hours of community centers, reducing the amount of street sweeping done in the city.

Service Demand Changes – This may include an enhancement to a service either reflecting increased demand for an existing services or a quality improvement to an existing service. It may also reflect a service decrease based on lower demand such as eliminating Fire Prevention Officer positions due to decreased Development Services activities. It may also include shifting of costs from the capital budget to the operating budget for items such as studies.

Revenue Enhancements – Increases in revenue to the city or to an enterprise fund. May include increased fees for an existing service such as a fee 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. May include an increase to a fee to align costs with neighboring communities such as an increase in the business license fee. Or, new revenue such as revenues associated with Photo Enforcement Cameras.

Above and below the line – A Budgeting for Outcomes (BFO) phrase. It differentiates proposals that can be purchased (above the line) from those that cannot (below the line) with available General Revenues. (Note that some proposals “below the line” that are of lesser importance may still be purchased if they have a dedicated revenue source.)

Other cost increases – Increased costs compared to previous years. Examples include Jail cost, Utility cost increases, and other such increase that are not within a department's direct control.