Resource Summary

This chapter illustrates 2009-2010 Budget resource estimates primarily through the use of graphic presentations. Text describing the graphic presentations is included to highlight some of the key information presented.

This Resource Summary is organized into the following sections:

A. Total City Budget Resources

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

B. Operating Funds Budget Resources

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

C. Special Purpose Funds Budget Resources

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

D. Capital Project Funds Budget Resources

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

A. TOTAL CITY BUDGET RESOURCES

Figure 4-1 presents the 2009-2010 resource budget for all City funds and contains a comparison to 2007-2008 resources. Resources for 2009-2010 are anticipated to increase $70.0 million or 6.5% from 2007-2008. The increase is primarily due to an increase in beginning fund balances ($45.5 million), taxes ($31.8 million) and Utility Service Fees ($25.8 million).

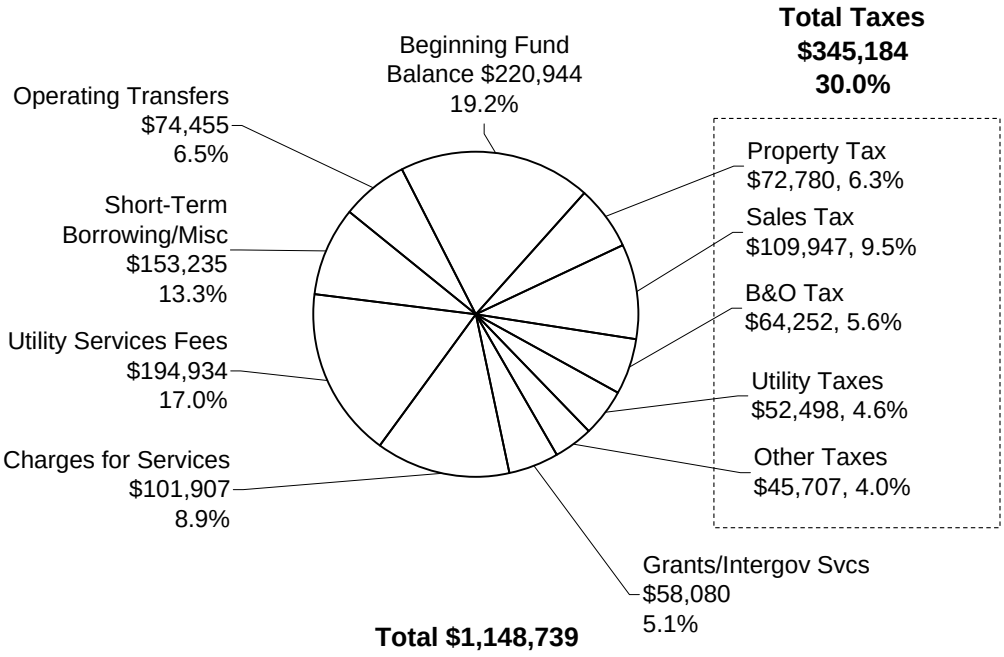
As illustrated in the pie chart, taxes represent the largest resource category contributing 30.0% of total City resources. Tax collections are anticipated to increase by $31.8 million based on the economic growth projected for the region. Within the taxes category, the largest components include sales tax, property tax and business and occupation (B&O) tax.

Beginning Fund Balance (BFB) is the second largest category of resources. This level of reserves is dictated by policies which specify that the City shall maintain adequate reserves to cover future liabilities (e.g., equipment replacement reserves). These reserve policies allow the City to handle large expenditure increases caused by the timing of certain expenditure items without having to raise revenues. Additionally, the 2009-2010 Biennial Budget proposes a new General Fund reserve policy and target reserve level to assure that we will be in a position to weather economic tides or to respond to natural disasters. The new policy sets an annual target of 15% of General Fund revenues as a sustaining reserve level and includes the existing “Rainy Day” fund reserves.

Utility Service Fees is the third largest category of resources. This revenue category is made up of water, sewer and storm and surface water service fees. These revenues are projected to grow by nearly $25.8 million over the 2007-2008 biennium primarily attributable to pass-through rate increases in Metro sewer costs and Cascade Water Alliance costs, investments associated with aging infrastructure, regulatory requirements such as NPDES and water quality programs, and capital program cost increases.

Figure 4-1

2009-2010 Total City Budget Resources
$000



Comparison to 2007-2008 Budget

	2007-2008 Budget	2009-2010 Budget	$ Change	% Change
Taxes				
Sales Tax	$102,893	$109,947	$7,054	6.9%
Property Tax	57,513	$72,780	15,267	26.5%
Business & Occupation Tax	53,403	$64,252	10,849	20.3%
Utility Taxes	45,384	$52,498	7,114	15.7%
Other Taxes	54,237	$45,707	(8,530)	(15.7%)
Total Taxes	$313,430	$345,184	$31,755	10.1%
Beginning Fund Balance	175,443	220,944	45,501	25.9%
Utility Services Fees	169,161	194,934	25,773	15.2%
Short-Term Borrowing/Miscellaneous	142,474	153,235	10,761	7.6%
Charges for Services	97,923	101,907	3,983	4.1%
Operating Transfers	106,809	74,455	(32,355)	(30.3%)
Grants/Intergovernmental Services	73,510	58,080	(15,431)	(21.0%)
Total Resources	$1,078,751	$1,148,738	$69,989	6.5%

FIGURE 4-2
SUMMARY OF LOCALLY LEVIED TAXES

Bellevue has a diverse mix of revenues that grow and retract based on various drivers. Through a diverse revenue base, and conservative financial management, Bellevue is able to weather economic downturns with minimal negative impact.

This figure includes specific information on each of the taxes levied to support City services. Included for each tax are the maximum allowable rate, the current City rate, the 2009 and 2010 budgets, and supplemental information.

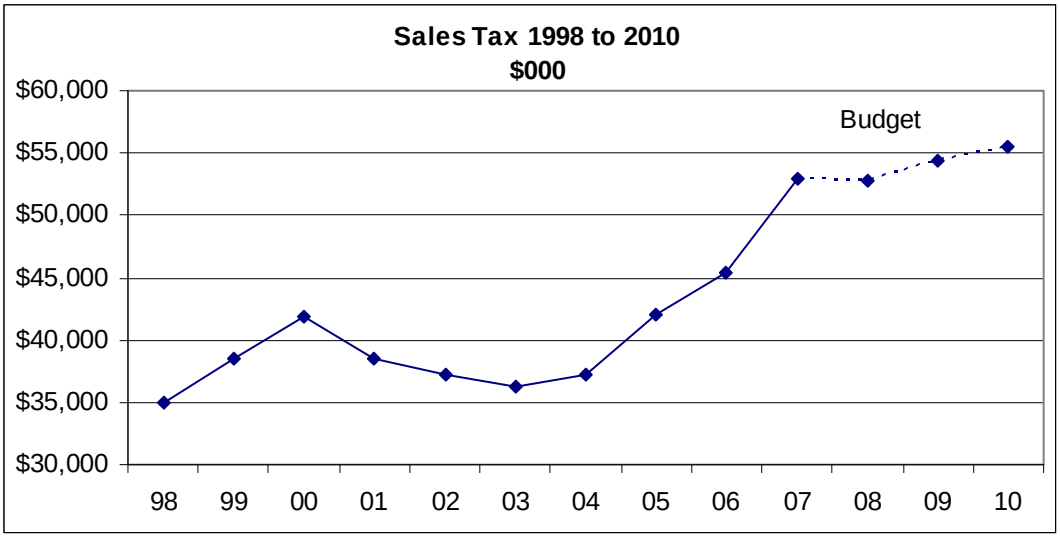
1. Sales Tax

Sales tax is imposed on the sale of most goods and some services. This tax is remitted to the State by businesses and in turn, the State provides the City with a portion of this revenue on a monthly basis. The total sales tax rate is 9.0% in Bellevue and Bellevue receives 0.85% of this rate.

Growth in sales tax revenues is driven by growth in sales at retail outlets, direct expenditures by households and businesses, and development activity. Sales tax revenues support activities of the General Fund, General CIP Fund and Housing Fund.

Historical Collections & Trends

Sales tax collections have continued to grow in Bellevue since 2004. From 2005-2007, sales tax collections grew significantly, primarily due to increases in development activity and consumer spending (retail and services sectors growth). For 2008 through the 2009-2010 biennium, construction related activity is budgeted to drop-off and consumer spending is expected to slow.



Maximum Rate:	1.0%*
Current Rate:	1.0%*
2009 Estimate:	
General Fund**	$37,674,000
General CIP Fund	12,988,000
Supplemental CIP Fund	1,078,000
Mobility CIP Fund	867,000
Housing Fund	100,000
Interest & Debt Redemption – Regular Fund	1,666,000
Total 2009 Sales Tax	$54,373,000
2010 Estimate:	
General Fund**	$37,428,000
General CIP Fund	8,171,000
Supplemental CIP Fund	1,078,000
Mobility CIP Fund	1,806,000
Housing Fund	100,000
Interest & Debt Redemption – Regular Fund	6,992,000
Total 2010 Sales Tax	$55,575,000

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

** Includes a portion of CIP allocation for maintenance and operating costs associated with completed capital projects.

Each 0.1% of the sales tax rate generates $5,437,000 in 2009 and $5,558,000 in 2010 of sales tax revenue.

Watch Areas

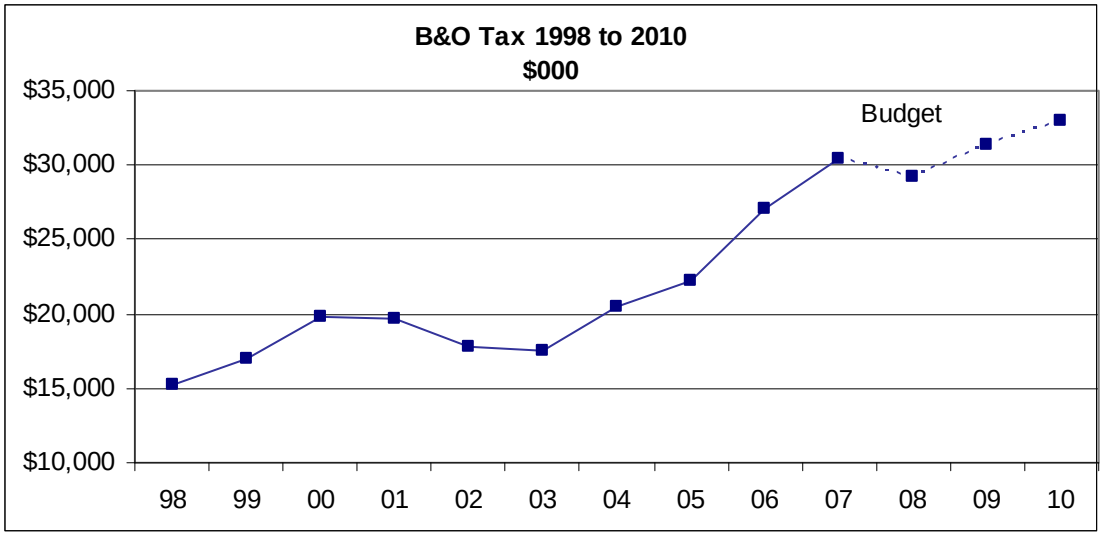
Streamlined Sales Tax: With passage of Substitute Senate Bill 5089, Washington changed from an origin-based system for local retail sales tax to a destination-based system effective July 1, 2008. Prior to July 1, 2008, Washington retailers collected local sales tax based on the jurisdiction from which a product was shipped or delivered - the "origin" of the sale. Starting July 1, 2008, they must collect based on the destination of the shipment or delivery - the "destination" of the sale. This legislation will shift sales tax revenues among local jurisdictions, some jurisdictions are expected to gain revenues while others will lose. The State has adopted a provision to mitigate losses until a jurisdiction's revenue exceeds its losses. While these legislative changes are complex and the ongoing impacts are difficult to estimate, the existing budget and 2009-2014 Forecast include an estimate of these changes to the tax codes.

2. Business & Occupation (B&O) Tax

Business and occupation (B&O) tax is made up of two components: gross receipts and square footage. The gross receipts B&O tax is primarily measured on gross proceeds of sales or gross income. The square footage B&O tax applies to businesses whose activities produce gross revenue indirectly, such as at a headquarter locations. In some cases, businesses are excluded from paying this tax (e.g. gross receipts for a business less than $135,000 or offices with less than 250 square feet). The City levies the same rate for all types of business activities. The gross receipt B&O tax rate is 0.1496% of receipts/income and the square footage rate is $0.21 per square foot. B&O revenues support General Fund and the Capital Investment Program (CIP) Fund activities.

Historical Collections & Trends

Following a similar pattern to sales tax, B&O tax collections grew considerably from 2004-2007, reflecting a strong economy and healthy growth in collections resulting from audit activities. A decline in audit activity and the impact of B&O apportionment will slow collections in 2008. However, the business tax base is steadily growing and is budgeted to sustain B&O tax growth through the biennium.



Maximum Rate:	0.2%
Current Rate:	0.1496%
2009 Estimate:	
General Fund (0.11%)	$23,026,000
General CIP Fund - Unrestricted (0.03%)	6,279,000
General CIP Fund - Restricted Transportation Only (0.0096%)	2,010,000
Total 2009 Business & Occupation Tax	$31,315,000
2010 Estimate:	
General Fund (0.11%)	$24,218,000
General CIP Fund - Unrestricted (0.03%)	6,604,000
General CIP Fund - Restricted Transportation Only (0.0096%)	2,115,000
Total 2010 Business & Occupation Tax	$32,937,000

A majority of voters may approve a rate in excess of 0.2%. Each 0.01% of the business and occupation tax rate generates $2,093,000 in 2009 and $2,202,000 in 2010 of B&O tax revenue.

Watch Areas

B&O Apportionment: State legislative changes to B&O tax, called apportionment, are expected to adversely affect Bellevue's General Fund and Capital Improvement Program Fund (CIP) beginning in 2008. Apportionment will narrow our current tax base by reallocating a portion of it to other jurisdictions. The legislative changes are complex and impacts are difficult to estimate. The budget included a projected impact in 2009 and beyond. Future budgets will reflect Bellevue's experience as more information becomes available.

3. Property Tax

Property tax is applied to the assessed value (AV) of all taxable real and personal property located within the City, with several exceptions such as public structures (government buildings, roads, etc.), property owned by several types of non-profit organizations, personal property (up to a specified dollar value), and others.

Real property includes land, buildings, and improvements to the land such as driveways. Personal property includes movable assets used in conducting a business such as machinery, supplies, and other non-inventory items. The King County Department of Assessments determines the assessment of real and personal properties and collects this revenue for the City. Official property tax records are maintained by the King County Assessor's Office.

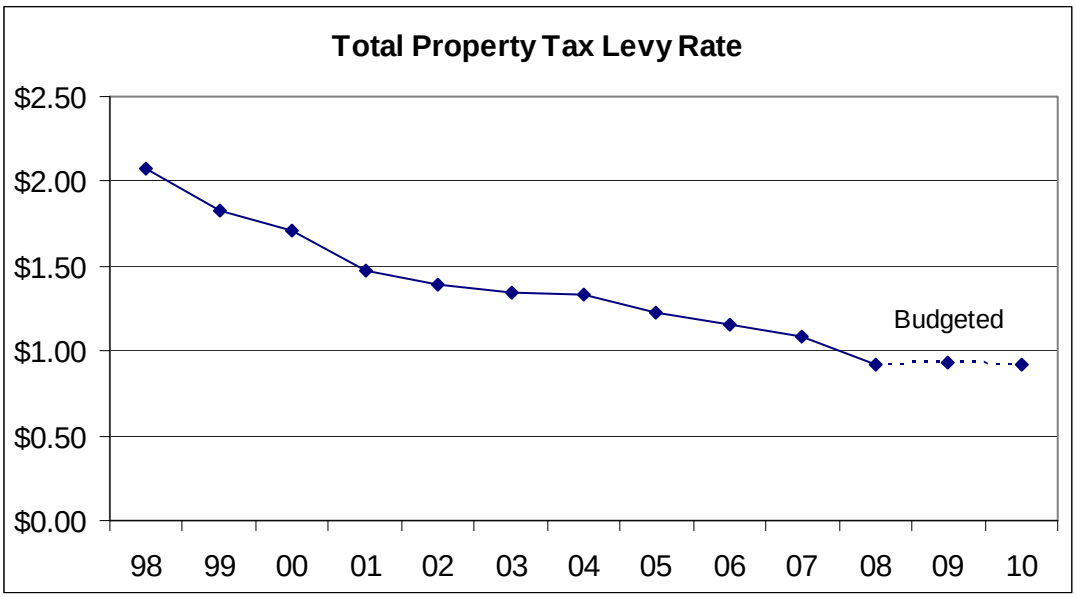
Property tax revenues support General Fund activities as well as the Human Services Fund, which accounts for human services activities, including agency contracts, and Youth Link programs.

Historical Collections & Trends

Under Initiative 747, the regular levy can grow at a maximum of one percent annually or the rate of "inflation" (defined as the increase in the implicit price deflator (IPD), whichever is less, plus additions for new construction, changes in value of state-assessed utility property and newly annexed property (referred to as "add-ons"). For nine of the past eleven years, Bellevue has opted to only levy the additional property tax associated with add-ons, but has preserved, or "banked," its remaining allowable levy capacity (maximum allowable levy less actual levy). In 2008, Bellevue had $8.7 million in banked capacity available.

In 2007 and 2008, the Bellevue City Council approved the use of some banked capacity to support the ongoing maintenance and operating costs of City infrastructure. The Forecast does not reflect the use of any additional amounts of banked capacity.

As displayed below, Bellevue's property tax levy rate continues to decline. Bellevue's property tax levy has fluctuated based on changes in new construction, debt service requirements and most recently, the use of banked capacity.



Maximum Rate:	$3.17/$1,000 AV
2009 Rate:	$0.94/$1,000 AV
2009 Levy:	
General Fund	$28,528,000
Human Services Fund	2,492,000
Parks M&O Fund	660,000
General CIP Fund	3,389,000
Total 2009 Regular Property Tax Levy	$35,069,000
2010 Estimated Rate:	$0.92/$1,000 AV
2010 Estimated Levy:	
General Fund	$31,079,000
Human Services Fund	2,583,000
Parks M&O Fund	660,000
General CIP Fund	3,389,000
Total 2010 Estimated Regular Property Tax Levy	$37,711,000

Current law limits the property tax increase from the prior highest allowable regular levy to the lesser of 101% or 100% plus inflation, where inflation is measured by the percentage change in the IPD (whichever is less). For 2008 the IPD changed 4.5%.

Based on the estimated 2009 levy of $35,069,000 and the 2010 levy of $37,711,000 each $0.01 per $1,000 assessed value (AV) of the regular property tax levy rate generates $373,000 in 2009 and $410,000 in 2010 in property tax revenue.

The 2009 regular levy and 2010 estimated levy include property tax lid lift revenues of $991,000. This levy lid lift was approved by the voters in May 1988 to pay maintenance and operating costs of City park facilities funded through a $16.5 million park bond issue.

The 2009 regular levy AV is at $37.6 billion, an increase of $6.2 billion or 19.8% from the 2008 AV. The 2010 regular levy AV is estimated to be $40.3 billion, an increase of $2.7 billion or 7.2% from the 2009 AV.

Voted Property Tax Levy

The City accumulated reserves sufficient to cover the last voted levy's debt service payment in 2008. No voted property tax monies are levied in 2009.

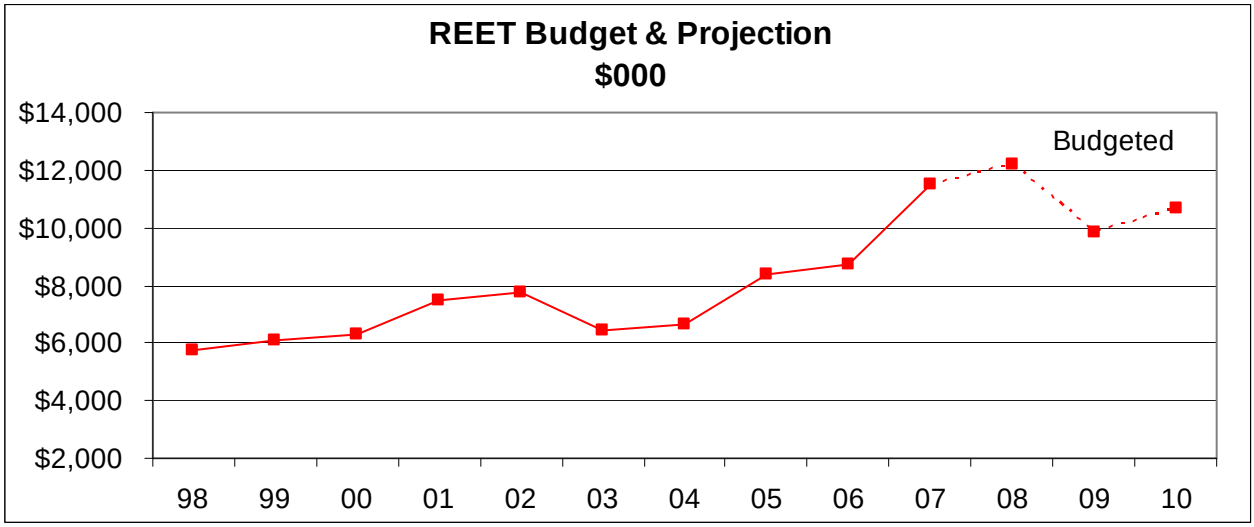
Parks & Opens Space Levy: A parks and open space levy lid lift was authorized by the voters in the November 2008 election to provide capital funding over the next 20 years and ongoing maintenance and operations funding. This levy lid lift increased the 2009 property tax levy rate by $0.11 per $1,000 of assessed value.

4. Real Estate Excise Tax (REET)

The Real Estate Excise Tax (REET) is levied on all sales of real estate. The rate is 0.5% of the selling price of the property. The first 0.25% of local REET must be used to fund capital facilities expenditures that have been identified in the City's comprehensive plan. The second 0.25% of local REET revenues must also be used to fund capital facilities, with the added stipulation that they cannot be used for the acquisition of land for parks. REET revenues are cyclical in nature, mimicking underlying real estate market trends.

Historical Collections & Trends

Real Estate Excise Tax collections increased an annual average of 11.5% per year between 1998 and 2006. Collections increased 94.3% in 2007, fueled by the sale of the portfolio of a major landholder in Bellevue.



Maximum Rate:	0.5%
Current Rate:	0.5%
2009 Estimate:	$9,870,000
2010 Estimate:	$10,704,000

Revenue proceeds are receipted to the General Capital Investment Program Fund for use on capital projects. Each 0.25% of the real estate excise tax rate generates $4,935,000 in 2009 and $5,352,000 in 2010 of real estate excise tax revenue.

Watch Areas

Residential Housing Market: The current slowdown in home sales and new housing permits has significantly affected REET collections in 2008. While local economists are projecting housing permits to increase in 2009, the recent credit market collapse could further delay future development activity, including housing starts.

5. Utility Tax

Bellevue levies a tax on the gross income derived from sales of utility services provided in the City. Services include electricity, gas, water, sewer, storm drainage, garbage, telephone, and cellular phone. The revenues generated by these taxes support General City operations.

Electric Utility Tax

Maximum Rate:	6.0%
Current Rate:	5.0%
2009 Estimate:	$7,322,000

2010 Estimate:	$7,600,000

A majority of the voters may approve a rate in excess of 6%. Each 0.1% of the electric utility tax rate generates $146,000 in 2009 and $152,000 in 2010 of electric utility tax revenue.

Gas Utility Tax

Maximum Rate:	6.0%
Current Rate:	5.0%
2009 Estimate:	$3,428,000
2010 Estimate:	$3,558,000

A majority of the voters may approve a rate in excess of 6%. Each 0.1% of the gas utility tax rate generates $69,000 in 2009 and $71,000 in 2010 of gas utility tax revenue.

Water Utility Tax

Maximum Rate:	None
Current Rate:	5.0%
2009 Estimate:	$1,516,000
2010 Estimate:	$1,663,000

Tax levied on the City's Water Utility. Each 0.1% of the water utility tax rate generates $30,000 in 2009 and $33,000 in 2010 of water utility tax revenue.

Sewer Utility Tax

Maximum Rate:	None
Current Rate:	5.0%
2009 Estimate:	$1,825,000
2010 Estimate:	$1,886,000

Tax imposed on the City's Sewer Utility. Each 0.1% of the sewer utility tax rate generates $37,000 in 2009 and $38,000 in 2010 of sewer utility tax revenue.

Storm Drainage Utility Tax

Maximum Rate:	None
Current Rate:	5.0%
2009 Estimate:	$705,000
2010 Estimate:	$757,000

Tax levied on the City's Storm & Surface Water Utility. Each 0.1% of the storm drainage utility tax rate generates $14,000 in 2009 and $15,000 in 2010 of storm drainage utility tax revenue.

Garbage Tax

Maximum Rate:	None
Current Rate:	4.5%
2009 Estimate:	$1,040,000
2010 Estimate:	$1,071,000

Tax levied upon the private garbage collection company that services Bellevue. Each 0.1% of the garbage tax rate generates $23,000 in 2009 and $24,000 in 2010 of garbage tax revenue.

Telephone Utility Tax

Maximum Rate:	6.0%
Current Rate:	6.0%
2009 Estimate:	
Telephone Utilities	$3,071,000
Cellular Telephone Utilities	5,102,000
Total 2009 Telephone Utility Tax	$8,173,000
2010 Estimate:	
Telephone Utilities	$3,065,000
Cellular Telephone Utilities	5,415,000
Total 2010 Telephone Utility Tax	$8,480,000

Tax levied on all telephone companies. Each 0.1% of the telephone utility tax rate generates $136,000 in 2009 and $141,000 in 2010 of telephone utility tax revenue.

Watch Areas

Pass-Through Costs: Electricity, gas, water, and sewer utilities service fees are subject to pass-through rate increases or decreases that affect tax collections. While the Forecast projects nominal utility service fee increases (generally equal to projected inflation), changes resulting from the pass-through of wholesale costs can be significant and are not reflected in the Forecast until approved by the appropriate authoritative bodies.

Legislation: State and Federal legislation can have an affect on tax revenues as services/products may be determined taxable or not taxable. Often the timing of new legislation does not coincide with budget development and impacts are difficult to estimate. The Forecast attempts to incorporate the projected impact of new legislation when materiality warrants.

Other Factors: Utility tax revenues can be affected by uncontrollable variables, such as the weather, market saturation, or new technology. While the Forecast incorporates market trends and historical experience into projections, impact of these variables is not always predictable.

6. Other Taxes

Accommodations (Hotel/Motel) Tax

100% of accommodations taxes are committed to the Bellevue Convention Center Authority (BCCA), a public development authority created by the City Council on December 4, 1989.

Maximum Rate:	5.0%
Current Rate:	5.0%
2009 Estimate:	$7,339,000
2010 Estimate:	$8,290,000

Proceeds are used first to pay Convention Center related debt. Collections in excess of debt requirements are transferred to the BCCA to support operations. There is a 2% credit against the State sales tax on accommodations in Bellevue. The accommodations tax may be used only for tourism facilities and tourism promotion purposes. Each 0.1% of the tax generates $147,000 in 2009 and $166,000 in 2010.

Television Cable Franchise Fee

Maximum Rate:	5.0%
Current Rate:	5.0%
2009 Estimate:	$1,703,000
2010 Estimate:	$1,842,000

Fees levied on cable television companies operating in the City. This fee is collected in the Franchise Fund, where it will be used to support the development of cable television activities. Each 0.1% of the television cable fee generates $34,000 in 2009 and $37,000 in 2010 of television cable franchise revenue.

Motor Vehicle Fuel Tax

2009 Estimate:	$1,315,000
2010 Estimate:	$1,333,000

Unit tax levied on each gallon of motor vehicle fuel sold and distributed to Cities and Counties. City distribution is on a per-capita basis. Generally, as the price of fuel rises, the amount of fuel purchased decreases and revenues decline. Distribution amounts are projected to increase approximately 1.3% per year over the next biennium.

Admissions Tax

Maximum Rate:	5.0%
Current Rate:	3.0%
2009 Estimate:	$535,000
2010 Estimate:	$548,000

Tax levied on persons who pay an admission charge for entrance to an event or establishment. It is collected for the City by the business charging the admission for entrance to theaters, amusement parks, and swimming pools, among others. Each 0.1% of the admissions tax rate generates $18,000 in 2009 and 2010 of admissions tax revenue.

Gambling Tax- General Fund

Maximum Rate:	2% - 5%
Current Rate:	2% - 5%
2009 Estimate:	$10,000
2010 Estimate:	$10,000

Gambling tax on amusement games, bingo, and raffle activities. State law provides that the City must first use these proceeds to pay for enforcement activities. In Bellevue, the remaining funds are dedicated to providing youth facilities.

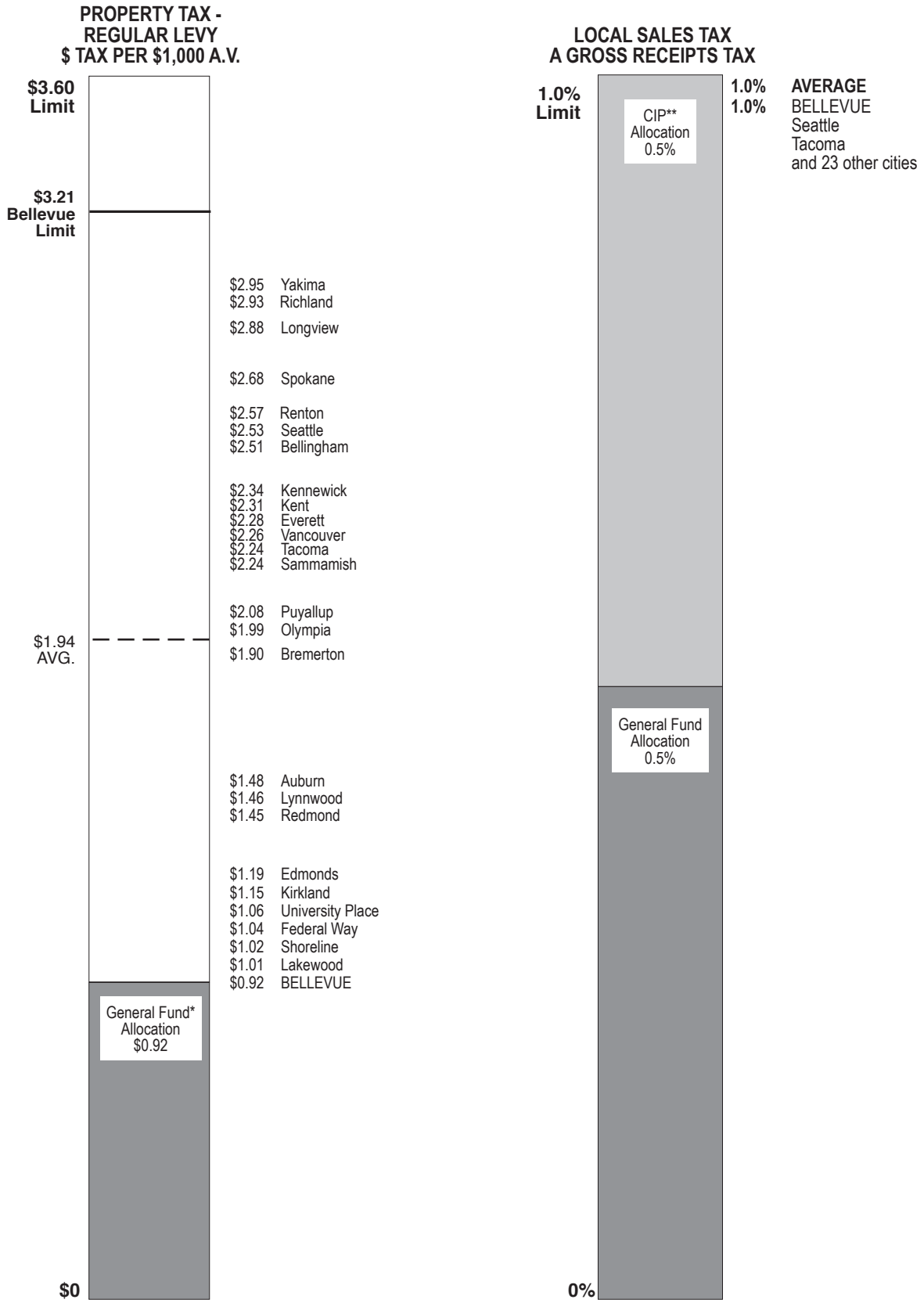
Gambling Tax- Human Services Fund

Maximum Rate:	5.0%
Current Rate:	5.0%
2009 Estimate:	$250,000
2010 Estimate:	$250,000

Gambling tax on punch board and pull tab activities. The proceeds from this revenue source are receipted into the Human Services Fund. They are reserved for the purpose of providing youth facilities to the extent that funds from this tax are not first required to enforce gambling laws as required by State law.

Figure 4-3(A)
Comparison of 2008 Urban Tax Rates
Rates in Effect for Property and Local Taxes as of January 2008

This figure provides a comparison of City of Bellevue tax rates to the tax rates of the 25 other Washington cities with over 30,000 population. Comparisons in Figure 4-3(A) show that Bellevue's property tax rate is well below the average for these Washington cities and that like 25 other cities, our sales tax rate is 1.0%.



* A portion of the General Fund allocation supports the Human Services Fund.
** A portion of the CIP allocation supports the Housing, Facilities, and Land Purchase Revolving Funds, and General Fund maintenance and operating costs associated with completed capital projects.

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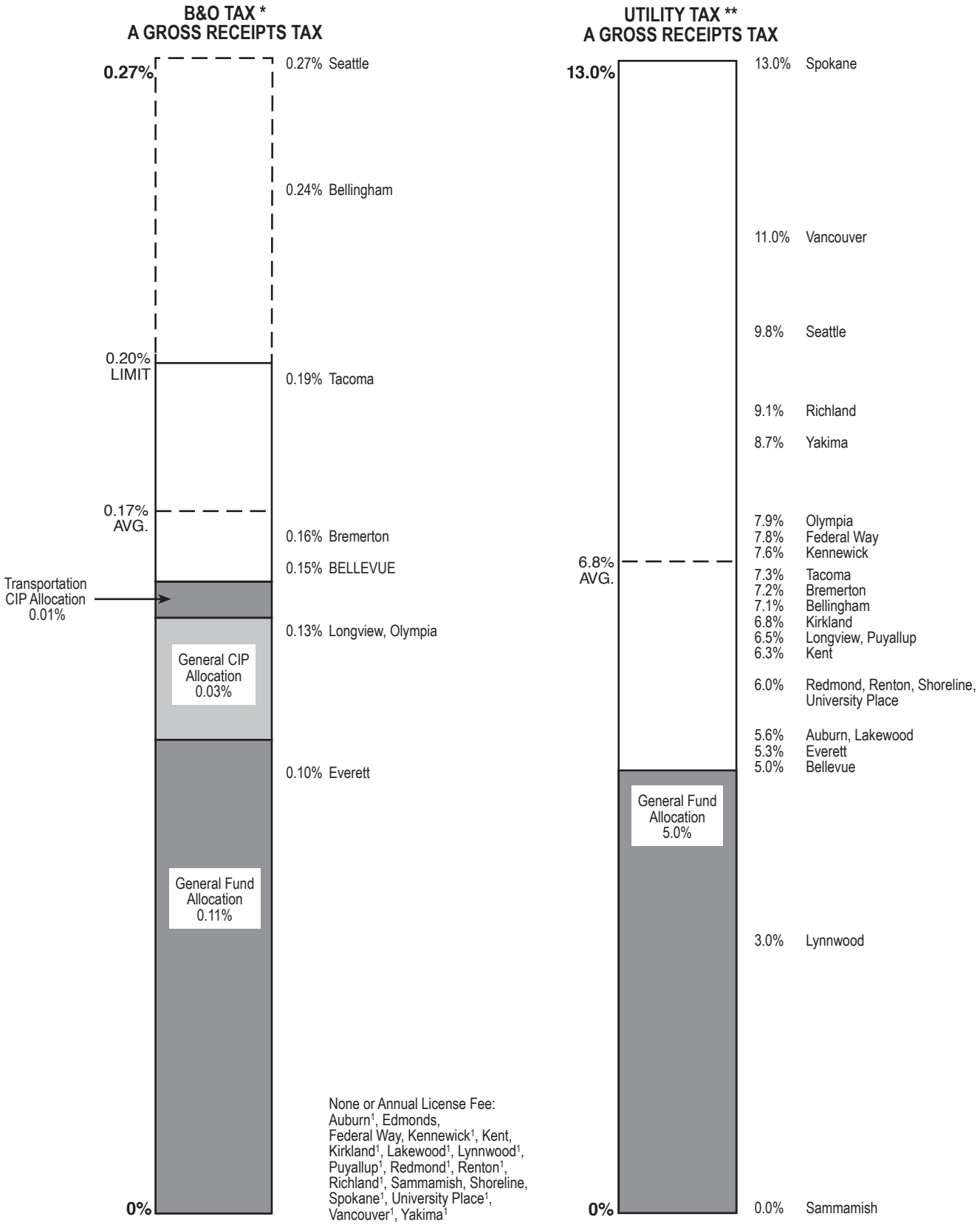
Figure 4-3(B)
Comparison of 2008 Urban Tax Rates
Rates in Effect for Property and Local Taxes as of January 2008

Comparisons in Figure 4-3(B) show that Bellevue's business & occupation (B&O) tax rate is slightly below the average of those cities with a B&O tax (0.15%) and that Bellevue's utility tax rates are well below the average of the 25 Washington cities.



** Unweighted average B&O tax on service, retail, wholesale, manufacturing and services activities for those cities which impose a gross receipts business tax.

*** Unweighted average of natural gas, electric, telephone, water, sewer, storm drainage, cable, and garbage.

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

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FIGURE 4-4
PROPERTY VALUATION & TAX LEVY INFORMATION
1980 through 2009

This figure displays historical property tax information for comparison purposes. Official property tax records are maintained by the King County Assessor's Office. Property owners are taxed on 100% of the fair market value of their property.

					Tax Rate per $1,000 Assessed Valuation		
Year	Regular Levy Assessed Valuation ($ in millions)	% Change from Prior Year	Regular Property Tax Levy ($000)	% Change from Prior Year	Voted Levy	Regular Levy	Total Property Tax Rate
1980	1,794	18.6	4,891	13.8	0.71	2.72	3.43
1981	3,194	78.1	5,635	15.2	0.37	1.76	2.13
1982	3,400	6.4	6,229	10.5	0.77	1.84	2.61
1983	4,460	31.2	7,078	13.6	0.44	1.58	2.02
1984	4,482	0.5	7,748	9.5	0.45	1.73	2.18
1985	4,737	5.7	8,545	10.3	0.22	1.80	2.02
1986	4,882	3.1	9,304	8.9	0.70	1.90	2.60
1987	5,366	9.9	10,230	10.0	0.41	1.90	2.31
1988	5,620	4.7	11,257	10.0	0.21	2.00	2.21
1989	6,455	14.9	13,409	19.1	0.20	2.08	2.28
1990	6,610	2.4	14,556	8.6	0.53	2.20	2.73
1991	9,065	37.1	16,113	10.7	0.31	1.76	2.07
1992	9,238	1.9	17,143	6.4	0.29	1.85	2.14
1993	9,958	7.8	18,414	7.4	0.26	1.85	2.11
1994	10,249	2.9	20,422	10.9	0.20	1.99	2.19
1995	10,701	4.4	19,492	(4.6)	0.35	1.82	2.17
1996	10,876	1.6	19,861	1.9	0.35	1.83	2.18
1997	11,308	4.0	21,026	5.9	0.34	1.86	2.20
1998	12,115	7.1	21,246	1.0	0.32	1.75	2.07
1999	13,652	12.7	21,685	2.1	0.24	1.59	1.83
2000	14,981	9.7	22,497	3.7	0.21	1.50	1.71
2001	17,605	17.5	23,489	4.4	0.14	1.34	1.48
2002	19,705	11.9	24,859	5.8	0.13	1.26	1.39
2003	20,696	5.0	25,214	1.4	0.13	1.22	1.35
2004	21,212	2.5	25,572	1.4	0.13	1.21	1.34
2005	22,214	4.7	25,814	0.9	0.07	1.16	1.23
2006	23,957	7.8	26,264	1.7	0.06	1.10	1.16
2007	26,612	11.1	27,638	5.2	0.05	1.04	1.09
2008	31,396	18.0	28,904	4.6	0.00	0.92	0.92
2009	37,617	19.8	31,201	7.9	0.11	0.83	0.94

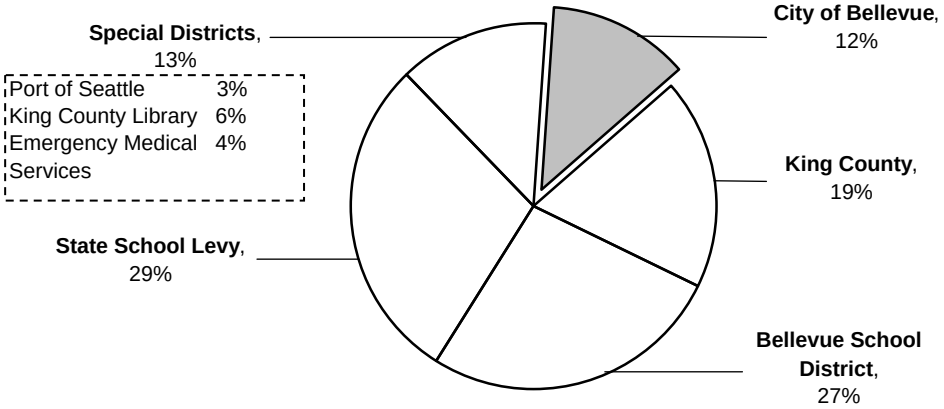
Note- 2008 Regular Property Tax Levy reflects retirement of the 2003 Unlimited Tax General Obligation bonds.

Figure 4-5

Property Taxes
Typical Distribution of Property Tax Dollars

This figure illustrates the property tax distribution for a typical Bellevue taxpayer in 2008. As shown in the pie chart, Bellevue's property tax levies make up only 12% of a property owner's tax bill. The largest components are the State school levy and the Bellevue School District levy.

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



The following table displays the 2008 property tax bills for hypothetical low-, medium-, and high-assessed value (AV) homes.

	2008 Rate/$1,000 of AV	Low AV = $200,000	Medium AV = $600,000	High AV = $800,000
Emergency Medical Services	$0.30	$60	$180	$240
Port of Seattle	0.23	47	139	184
King County Library	0.45	91	270	359
City of Bellevue	**0.92**	**184**	**553**	**738**
King County	1.36	273	819	1,091
Bellevue School District	1.96	393	1,179	1,574
State School Levy	2.13	426	1,280	1,708
Total	$7.35	$1,474	$4,420	$5,894

B. OPERATING FUNDS BUDGET RESOURCES

Figure 4-6 presents the 2009-2010 resource budget for the City's 23 operating budget funds. This figure highlights that the largest operating budget resource categories are taxes at 31.9%, utility services fees at 23.2%, and beginning fund balance at 15.9%. Overall, operating budget resources are projected to increase by $79.8 million or 10.6%.

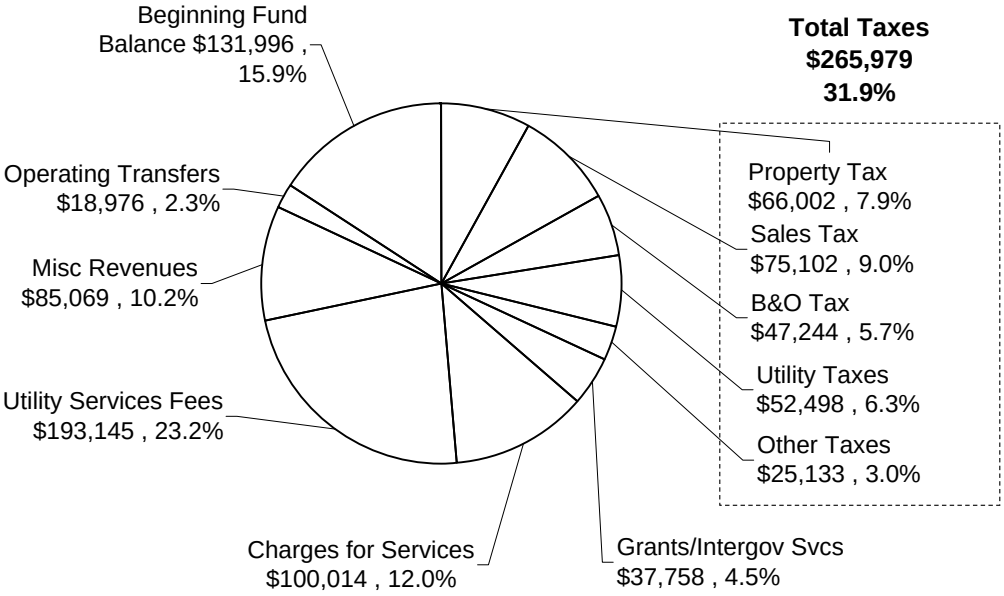
- Tax revenues are projected to increase moderately in the biennium based on projected levels of development activity, utility service fee increases, employment growth and consumer spending.

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

- Beginning fund balance increased reflecting the impact of the change in budgetary basis to modified accrual in 2008.

Figure 4-6

2009-2010 Total Operating Budget Resources
$000



Total $832,937

Comparison to 2007-2008 Budget

	2007-2008 Budget	2009-2010 Budget	$ Change	% Change
Taxes				
Sales Tax	$71,243	$75,102	$3,858	5.4%
Property Tax	56,132	66,002	9,870	17.6%
Utility Taxes	45,384	52,498	7,114	15.7%
Business & Occupation Tax	39,269	47,244	7,975	20.3%
Other Taxes	22,011	25,133	3,122	14.2%
Total Taxes	$234,039	$265,979	$31,940	13.6%
Utility Services Fees	166,922	193,145	26,223	15.7%
Beginning Fund Balance	122,402	131,996	9,594	7.8%
Charges for Services	96,855	100,014	3,159	3.3%
Miscellaneous	74,144	85,069	10,925	14.7%
Grants/Intergovernmental Services	37,540	37,758	218	0.6%
Operating Transfers	21,189	18,976	(2,213)	(10.4%)
Total Resources	$753,091	$832,937	$79,845	10.6%

Figure 4-7 is a summary of the General Fund resource changes from 2007-2008 to 2009-2010. General Fund resources are anticipated to increase $33.1 million or 10.9% over 2007-2008.

- Business and Occupation (B&O) Tax receipts are anticipated to be $8.0 million or 20.3% higher than in 2007-2008. This growth is projected based on historic collections and trends. Additional growth of the daytime population will also contribute to B&O tax growth as major employers move into new downtown buildings. Growth in the B&O tax is assumed a function of employment growth and inflation.

- Sales Tax revenues are anticipated to increase $3.9 million or 5.4% primarily due to development activity. Additional growth of the daytime population will also contribute to sales tax growth as major employers move into new downtown buildings and frequent Bellevue's shops and restaurants.

- Utility tax collections are anticipated to be $6.9 million or 16.5% higher in 2009-2010 than in 2007-2008. Tax collections for electric, natural gas, garbage, water, sewer and storm drainage utilities are projected to increase based on recent or proposed utility service rate increases and population growth. Telephone utility tax revenues are projected to decline some based on historical trends.

- Property taxes are projected to grow by $8.1 million or 15.7% as major development is completed. The Forecast incorporates the property tax levy increase as well as the authorized increases for new construction and adjustments for refunds, omitted assessments for prior years, etc.

- Charges for Services revenues are anticipated to be $3.0 million or 11.2% higher reflecting growth in General Fund staff support of activities outside of the General Fund such as development activities and the demand for permitting and inspection services.

- Miscellaneous revenues are projected to grow $2.6 million or 54.3% due to the recognition of one time revenues associated with the move to NORCOM.

- Intergovernmental Services revenues are anticipated to be $0.1 million or 0.4% lower reflecting the elimination of dispatch revenues as the City's dispatch activities move to NORCOM.

- Beginning Fund Balance is anticipated to be $4.8 million or 22.6% less than in 2007-2008 due to the one-time recognition of fourteen months of revenue with the move to modified accrual in the 2007-2008 biennium. The 2009-2010 budget proposes a new General Fund reserve policy. The new policy sets an annual target of 15% of General Fund revenues as a sustaining reserve level and includes the existing "Rainy Day" fund reserves.

Figure 4-7

Total General Fund Resources by Source

	2007-2008 Budget	2009-2010 Budget	Variance	% Change
Beginning Fund Balance	**21,207,152**	**16,413,000**	**(4,794,152)**	**(22.6)%**
Property Tax	**51,503,798**	**59,607,254**	**8,103,456**	**15.7 %**
Sales Tax	**71,243,454**	**75,101,746**	**3,858,292**	**5.4 %**
Business & Occupation Tax	**39,269,240**	**47,244,000**	**7,974,760**	**20.3 %**
Utility Tax				
Elect Util Tax Priv	13,059,000	14,922,000	1,863,000	14.3 %
Gas Util Tax Priv	5,864,000	6,986,000	1,122,000	19.1 %
Garbage/Solid Waste Priv	1,675,000	2,111,000	436,000	26.0 %
Telephone Util Tax	5,916,000	6,136,000	220,000	3.7 %
Util Tax Cell Phone	8,440,000	10,517,000	2,077,000	24.6 %
Water Util Tax Public	2,629,000	3,179,000	550,000	20.9 %
Sewer Util Tax Public	3,107,000	3,711,000	604,000	19.4 %
Storm Drain Util Tax	1,403,000	1,462,000	59,000	4.2 %
Total Utility Tax	**42,093,000**	**49,024,000**	**6,931,000**	**16.5 %**
Other Tax	**8,035,000**	**8,944,000**	**909,000**	**11.3 %**
Intergovernmental Services	**34,878,461**	**34,746,525**	**(131,936)**	**(0.4)%**
Charges for Services	**26,655,860**	**29,640,235**	**2,984,375**	**11.2 %**
Utility Service Fees	**136,946**	**144,089**	**7,143**	**5.2 %**
Miscellaneous Revenues	**4,777,945**	**7,371,890**	**2,593,945**	**54.3 %**
Operating Transfers	**5,065,263**	**9,777,358**	**4,712,095**	**93.0 %**
Total General Fund Resources	**304,866,119**	**338,014,097**	**33,147,978**	**10.9 %**

C. SPECIAL PURPOSE FUNDS BUDGET RESOURCES

Figure 4-8 is a summary of the City's Special Purpose resource changes from 2007-2008 to 2009-2010. Overall, Special Purpose resources are projected to be $38.1 million less in 2009-2010 than in 2007-2008.

- Beginning fund balance increase of $2.9 million in 2009-2010 is attributed to a transfer from the General Fund and the Land Purchase Revolving Fund for future New City Hall debt service.

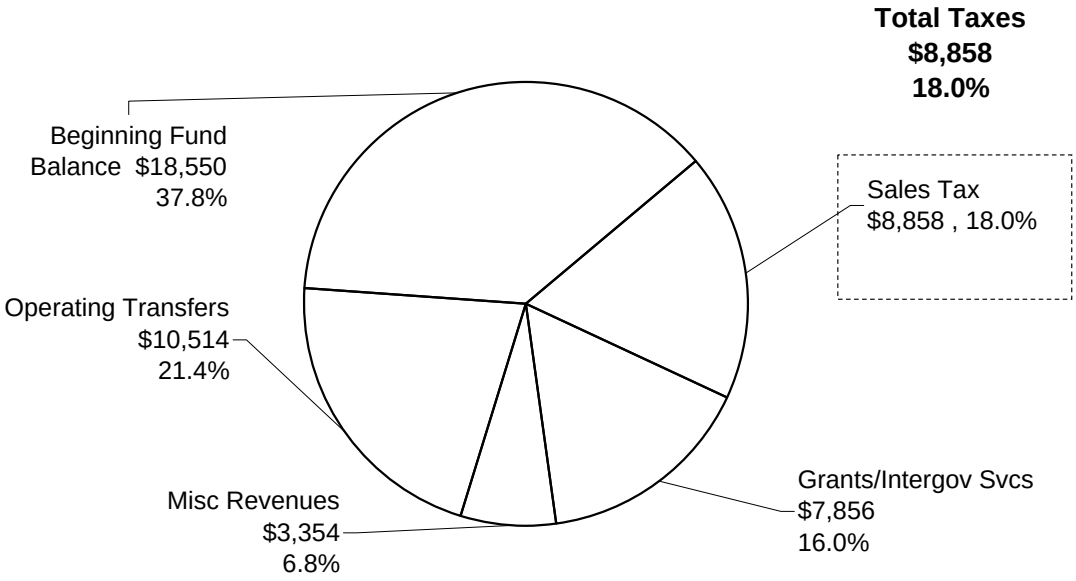
- Tax revenues will increase by $6.1 million due to the reallocation of sales tax to fund principal payments on the 2004 Limited Tax General Obligation Bonds (LTGO) for the New City Hall project, offset by a decrease in property tax revenues due to the retirement of the 2003 UTGO bonds in 1/1/08 (Parks M&O levy).

- Operating Transfers are expected to decrease by $45.5 million or 81.2% primarily due to the retirement of the 2003 Limited Tax General Obligation (LTGO) bond anticipation notes (CIP Line of Credit) in 2008.

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

Figure 4-8

2009-2010 Total Special Purpose Budget Resources
$000



Total $49,132

Comparison to 2007-2008 Budget

	2007-2008 Budget	2009-2010 Budget	$ Change	% Change
Beginning Fund Balance	$15,678	$18,550	$2,872	18.3%
Operating Transfers	56,039	10,514	(45,524)	(81.2%)
Taxes				
Sales Tax	1,391	8,858	7,467	537.0%
Property Tax	1,381	0	(1,381)	(100.0%)
Total Taxes	2,771	8,858	6,087	219.6%
Miscellaneous	4,416	3,354	(1,062)	(24.1%)
Grants/Intergovernmental Services	8,364	7,856	(508)	(6.1%)
Total Resources	$87,268	$49,132	($38,136)	(43.7%)

D. CAPITAL PROJECT FUNDS BUDGET RESOURCES

Figure 4-9 is a summary of the City's Capital Project resource changes from 2007-2008 to 2009-2010. Overall, Capital Project resources are slightly higher than the 2009-2010 budget due to the following:

- Sales Tax receipts are anticipated to decrease by $4.3 million or 14.1% due to the reallocation of revenues to fund principal payments on the 2004 Limited Tax General Obligation Bonds (LTGO) for the New City Hall project (see *Section C. Special Purpose Funds Budget Resources*).

- Property Tax receipts are anticipated to increase by $6.8 million due to voter approval of a new parks and natural areas levy in November 2008. The levy, which replaces one which expired in 2008, provides funding to provide additional investments in Bellevue's park and natural areas system.

- Real Estate Excise Tax receipts are anticipated to decrease by $11.7 million or 36.2% which reflects the recent credit market collapse and the market risks related to delays in future development activity, including housing starts.

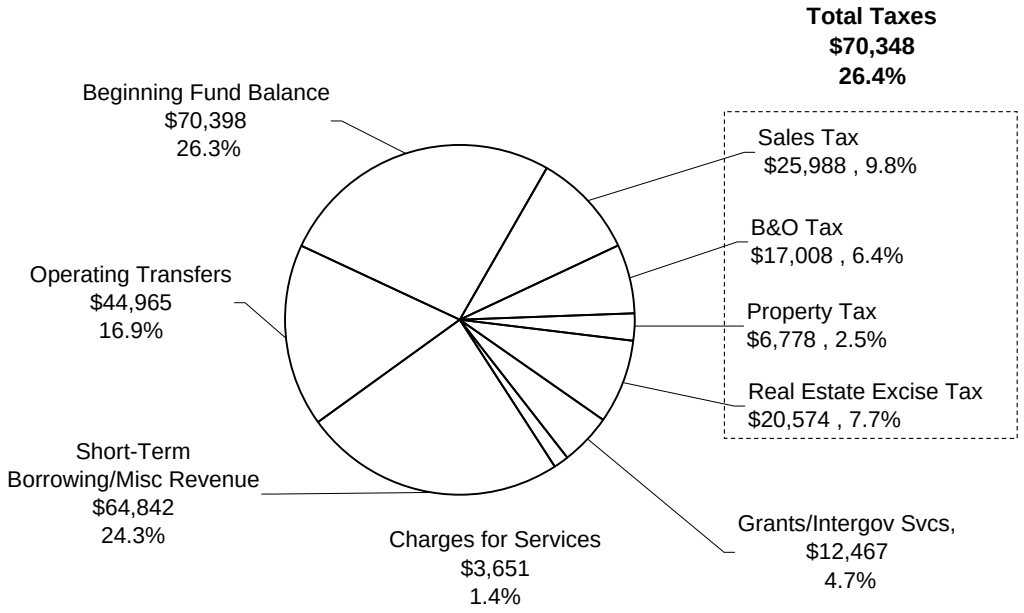
- Business and Occupation Tax receipts are anticipated to be $2.9 million or 20.3% higher than in 2007-2008. This growth is projected based on historic collections and trends. Additional growth of the daytime population will also contribute to B&O tax growth as major employers move into new downtown buildings. Growth in the business and occupation tax is assumed a function of employment growth and inflation.

- Operating Transfers and Beginning Fund Balance are anticipated to increase by $48.4 million or 72.3% due to a project delays in 2007-2008 and subsequent increase in planned capital expenditures in 2009-2010.

- Grants/Intergovernmental Services revenues are projected to decrease by $15.1 million or 54.8% primarily due to the completion of several multi-agency partnership projects such as the Mercer Slough Environmental Education Center (P-AD-75) and 150th Avenue SE/Newport Way to SE 36th Street.

Figure 4-9

2009-2010 Total Capital Project Budget Resources
$000



Total $266,671

Comparison to 2007-2008 Budget

	2007-2008 Budget	2009-2010 Budget	$ Change	% Change
Taxes				
Sales Tax	$30,259	$25,988	($4,271)	(14.1%)
Property Tax	0	6,778	6,778	N/A
Real Estate Excise Tax	32,226	20,574	(11,652)	(36.2%)
Business & Occupation Tax	14,134	17,008	2,874	20.3%
Total Taxes	$76,619	$70,348	($6,271)	(8.2%)
Operating Transfers	29,582	44,965	15,383	52.0%
Beginning Fund Balance	37,362	70,398	33,036	88.4%
Short-Term Borrowing/Miscellaneous	63,934	64,842	908	1.4%
Grants/Intergovernmental Services	27,607	12,467	(15,140)	(54.8%)
Charges for Services	3,287	3,651	364	11.1%
Total Resources	$238,391	$266,671	$28,280	11.9%

CITY OF BELLEVUE WASHINGTON