

City of Bellevue - Budget One

2015-2016 CIP Budget Proposal

Section 1: Proposal Descriptors

Proposal Title:	G-69 Supplemental CIP Debt Funding		
Proposal Number:	060.01NA	Outcome:	Debt Service
Parent Proposal:		Primary Dept:	Finance
Dependent Proposal:		Proposal Type:	Existing
Previous Proposal:	060.01NA	Project Status:	Existing
Attachments:	0	Primary Staff:	Zemed Yitref, x6101

Section 2: Executive Summary

This proposal provides annual debt service funding for the 2008 Limited Tax General Obligation (LTGO) Bonds issued for \$14.3 million for the purpose of financing City Council adopted Supplemental CIP projects. The bond proceeds financed the initial phase of the Supplemental CIP which included six high-priority capital projects. The annual debt service payments are supported by general tax revenues.

Section 3: Responsiveness to Request For Results

This proposal provides annual debt service funding for the City Council adopted Supplemental CIP projects (a group of six high-priority capital projects). The City Council authorized the issuance of the 2008 Supplemental CIP LTGO bonds. The City has a contractual obligation to its bondholders for repayment of the principal borrowed with interest. The full faith and credit of the City is pledged for the levy of taxes and prompt payment of principal and interest. Scalability Options - Consequence of funding at a lower level: • Loss of tax-exempt status of City bonds. • Litigation from bondholders for negligence on fiduciary obligations. Purchasing Strategies for Debt Service/Reserves/Responsive Government: *Stewards of the Public Trust*: 1) Manage public funds in a responsible manner, and 2) Manage risk, minimize liability, and provide for accountability. The methods applied by the Debt Manager (“the Manager”) to accomplish this are mandated: • Securities and Exchange Commission (SEC) Rule 15c2-12 requires ongoing financial disclosures for the City bonds. The City has an obligation to meet these continuing disclosure standards. • RCW 35.54 and Federal Tax Reform Act of 2006 requires annual monitoring of fund balances in Debt Service Funds and CIP projects to assure that the City does not earn investment interest on bond proceeds over and above the borrowing costs (arbitrage). Various U.S. Department of Treasury regulations for post-debt issuance compliance related to monitoring all outstanding tax-exempt debt. *Strategic Leadership*: 1) Establish and help realize the Community Vision, and 2) Use the Community Vision to advance community expectations (current and future) vision. • The foundation of the City’s strategic capital planning process is the Community Vision. In accordance with the Policy, we provide expertise in managing: 1) capital needs of the community while minimizing tax burden, and 2) short- and long-term financial strategy for funding a variety of capital projects while protecting future generations and maintaining future flexibility for Council. • Ensure sound management of resources: The City’s debt program is administered in a prudent and cost-effective manner by limiting debt to short-term obligations and utilizing long-term debt on an exception basis to achieve intergenerational equity. We provide low cost financing (e.g., interfund loan) to fund CIP projects thereby benefiting Bellevue’s community with the goal of maintaining the City’s AAA/Aaa bond ratings. • Leverage collaboration or partnerships with external organizations: The City partners with the State of Washington Treasurer’s Office to contract for fiscal agent services which has achieved cost savings by entering a multi-year State contract with a fiscal agent. Consequence of not funding the proposal at all: 1. Legal: If debt service payments are missed: • Loss of tax-exempt status of City bonds. • Litigation from bondholders for negligence on fiduciary obligations. 2. Customer Impact: • Potential loss of AAA rating – the City and stakeholders will suffer through higher financing costs.

Section 4: Performance Measures and Targets

Code	Performance Measure	2010	2011	2012	2013	2014	2015	2016
		Actual	Actual	Actual	Actual	Target	Target	Target
060.0016f	City's annual debt service as percent of total	9.21%	9.88%	9.63%	21%	12%	12%	12%

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	General Fund revenues							
060.0017f	City's net outstanding limited tax general obligation (LTGO) debt per capita	\$1,486.14	\$1,424.89	\$1,389.84	\$1,673.40	\$1,500.00	\$1,500.00	\$1,500.00
060.0047	Maintain Aaa bond rating	Yes						

Section 5: CIP

5A: Description and Scope?

This project provides annual debt service funding for the City Council adopted Supplemental CIP in May, 2007 that consisted a group of six high-priority capital projects financed by a \$14 million LTGO bond issue.

5B: Rationale?

The City Council authorized the issuance of the 2008 Limited Tax General Obligation (LTGO) Bonds for \$14.3 million for the purpose of financing Council adopted Supplemental CIP projects. The City has a contractual obligation to its bondholders for repayment of the principal borrowed with interest. The full faith and credit of the City is pledged for the levy of taxes and prompt payment of principal and interest.

5C: Environmental Impacts?

Each project funded by the Supplemental CIP has assessed its environmental impact.

5D: Location/Address?

Not Specified

5E: CIP Summary

G-69	<u>ITD</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenditure	7,984,274	29,700	1,035,300	1,034,534	1,037,434	1,033,464	1,037,364	1,034,051
Revenue		0	0	0	0	0	0	0

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Section 1: Proposal Descriptors

Proposal Title:	G-82 City Hall Debt Service	Outcome:	Debt Service
Proposal Number:	060.03NA	Primary Dept:	Finance
Parent Proposal:		Proposal Type:	Existing
Dependent Proposal:		Project Status:	Existing
Previous Proposal:	060.03NA	Primary Staff:	Zemed Yitref, x6101
Attachments:	0		

Section 2: Executive Summary

This proposal provides annual debt service funding for the initial 2004 and 2006 Limited Tax General Obligation (LTGO) Bonds issued for \$108.8 million, the 2012 LTGO Refunding Bonds issued for \$55.9 million, and the 2012B LTGO Refunding Bonds issued for \$43.2 million (both issues refunding the 2004 New City Building Bonds) for the purpose of financing the acquisition and development of the current City Hall building located at 450 110th Avenue Northeast. The annual debt service payments are supported by general tax revenues.

Section 3: Responsiveness to Request For Results

This proposal provides annual debt service funding for the initial 2004 and 2006 LTGO Bonds issued for \$108.8 million, the 2012 LTGO Refunding Bonds issued for \$55.9 million, and the 2012B LTGO Refunding Bonds issued for 43.2 million (both issues refunding the 2004 New City Building Bonds) for the purpose of financing the acquisition and development of the current City Hall building located at 450 110th Avenue Northeast. The City Council authorized the issuance of the 2004 and 2006 LTGO bonds, and the 2012 and 2012B Refunding bonds for the acquisition and development of the City Hall building. The City has a contractual obligation to its bondholders for repayment of the principal borrowed with interest. The full faith and credit of the City is pledged for the levy of taxes and prompt payment of principal and interest. Scalability Options - Consequence of funding at a lower level: Loss of tax-exempt status of City bonds. • Litigation from bondholders for negligence on fiduciary obligations. Purchasing Strategies for Debt Service/Responsive Government: *Stewards of the Public Trust*: 1) Manage public funds in a responsible manner, and 2) Manage risk, minimize liability, and provide for accountability. The methods applied by the Debt Manager ("the Manager") to accomplish this are mandated: • Securities and Exchange Commission (SEC) Rule 15c2-12 requires ongoing financial disclosures for the City bonds. The City has an obligation to meet these continuing disclosure standards. • RCW 35.54 and Federal Tax Reform Act of 2006 requires annual monitoring of fund balances in Debt Service Funds and Capital Investment Program (CIP) projects to assure that the City does not earn investment interest on bond proceeds over and above the borrowing costs (arbitrage). • Various U.S. Department of Treasury regulations for post debt issuance compliance related to monitoring all outstanding tax-exempt debt. *Strategic Leadership*: 1) Establish and help realize the Community Vision, and 2) Use the Community Vision to advance community expectations (current and future) vision. • The foundation of the City's strategic capital planning process is the Community Vision. In accordance with the Policy, we provide expertise in managing: 1) capital needs of the community while minimizing tax burden, and 2) short- and long-term financial strategy for funding a variety of capital projects while protecting future generations and maintaining future flexibility for Council. • Ensure sound management of resources: The City's debt program is administered in a prudent and cost-effective manner by limiting debt to short-term obligations and utilizing long-term debt on an exception basis to achieve intergenerational equity. We provide low cost financing (e.g., interfund loan) to fund CIP projects thereby benefiting Bellevue's community with the goal of maintaining the City's AAA/Aaa bond ratings. • Leverage collaboration or partnerships with external organizations: The City partners with the State of Washington Treasurer's Office to contract for fiscal agent services which has achieved cost savings by entering a multi-year State contract with a fiscal agent. Consequence of not funding the proposal at all: 1. Legal: If debt service payments are missed: • Loss of tax-exempt status of City bonds. • Litigation from bondholders for negligence on fiduciary obligations. 2. Customer Impact: • Potential loss of

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AAA/Aaa ratings – the City and stakeholders will suffer through higher financing costs.

Section 4: Performance Measures and Targets

<u>Code</u>	<u>Performance Measure</u>	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Actual</u>	<u>2014 Target</u>	<u>2015 Target</u>	<u>2016 Target</u>
060.0016f	City's annual debt service as percent of total General Fund revenues	9.21%	9.88%	9.63%	21%	12%	12%	12%
060.0017f	City's net outstanding limited tax general obligation (LTGO) debt per capita	\$1,486.14	\$1,424.89	\$1,389.84	\$1,673.40	\$1,500.00	\$1,500.00	\$1,500.00
060.0047	Maintain Aaa bond rating	Yes						

Section 5: CIP

5A: Description and Scope?

This project provides annual debt service funding for the initial 2004 and 2006 LTGO Bonds issued for \$108.8 million, the 2012 LTGO Refunding Bonds issued for \$55.9 million, and the 2012B LTGO Refunding Bonds issued for 43.2 million for the purpose of financing the acquisition and development of the current City Hall building.

5B: Rationale?

The City Council authorized the issuance of the 2004 and 2006 LTGO Bonds issued for \$108.8 million, the 2012 LTGO Refunding Bonds issued for \$55.9 million, and the 2012B LTGO Refunding Bonds issued for 43.2 million for the City Hall building. The City has a contractual obligation to its bondholders for repayment of the principal borrowed with interest. The full faith and credit of the City is pledged for the levy of taxes and prompt payment of principal and interest.

5C: Environmental Impacts?

No environmental impacts for this project.

5D: Location/Address?

Not Specified

5E: CIP Summary

<u>G-82</u>	<u>ITD</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenditure	26,589,028	6,598,600	6,597,000	6,594,005	6,582,215	6,589,788	6,580,650	6,573,940
Revenue		0	0	0	0	0	0	0

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Section 1: Proposal Descriptors

Proposal Title:	G-83 M&II LTGO Bond Debt Service	
Proposal Number:	060.23NA	Outcome: Debt Service
Parent Proposal:		Primary Dept: Finance
Dependent Proposal:		Proposal Type: Existing
Previous Proposal:	060.23NA	Project Status: Existing
Attachments:	0	Primary Staff: Zemed Yitref, x6101

Section 2: Executive Summary

This proposal provides annual debt service funding for the 2010 Limited Tax General Obligation (LTGO) Bonds issued for \$12.5 million for the purpose of financing City Council adopted Mobility & Infrastructure Initiative (M&II) projects. The annual debt service payments are supported by general tax revenue as a result of a 3% property tax rate increase levied by the City Council.

Section 3: Responsiveness to Request For Results

This proposal provides funding for the City Council adopted M&II, a group of high-priority capital projects to address growth and development in the Downtown, Bel-Red, and other areas of the City. The City Council authorized the issuance of the 2010 M&II LTGO bonds. The City has a contractual obligation to its bondholders for repayment of the principal borrowed with interest. The full faith and credit of the City is pledged for the levy of taxes and prompt payment of principal and interest. Consequence of funding at a lower level: • Loss of tax-exempt status of City bonds. • Litigation from bondholders for negligence on fiduciary obligations. This proposal provides funding for the City Council adopted M&II projects. Purchasing Strategies for Debt Service/Responsive Government: *Stewards of the Public Trust*: 1) Manage public funds in a responsible manner, and 2) Manage risk, minimize liability, and provide for accountability. The methods applied by the Debt Manager (“the Manager”) to accomplish this are mandated: • Securities and Exchange Commission (SEC) Rule 15c2-12 requires ongoing financial disclosures for the City bonds. The City has an obligation to meet these continuing disclosure standards. Various U.S. Department of Treasury regulations for post debt issuance compliance related to monitoring all outstanding tax-exempt debt. • RCW 35.54 and Federal Tax Reform Act of 2006 requires annual monitoring of fund balances in Debt Service Funds and CIP projects to assure that the City does not earn investment interest on bond proceeds over and above the borrowing costs (arbitrage). *Strategic leadership*: 1) Establish and help realize the Community Vision, and 2) Use the Community Vision to advance current and future community expectations. • The foundation of the City’s strategic capital planning process is the Community Vision. In accordance with the Policy, we provide expertise in managing: 1) capital needs of the community while minimizing tax burden, and 2) short- and long-term financial strategy for funding a variety of capital projects while protecting future generations and maintaining future flexibility for Council. • Ensure sound management of resources: The City’s debt program is administered in a prudent and cost-effective manner by limiting debt to short-term obligations and utilizing long-term debt on an exception basis to achieve intergenerational equity. We provide low cost financing (e.g., interfund loan) to fund CIP projects thereby benefiting Bellevue’s community with the goal of maintaining the City’s AAA bond rating. • Leverage collaboration or partnerships with external organizations: The City partners with the State of Washington Treasurer’s Office to contract for fiscal agent services which has achieved cost savings by entering a multi-year State contract with a fiscal agent. Consequence of not funding the proposal at all: 1. Legal: If debt service payments are missed: • Loss of tax-exempt status of City bonds. • Litigation from bondholders for negligence on fiduciary obligations. 2. Customer Impact: • Potential loss of AAA rating – the City and stakeholders will suffer through higher financing costs.

Section 4: Performance Measures and Targets

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<u>Code</u>	<u>Performance Measure</u>	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>	<u>2014</u> <u>Target</u>	<u>2015</u> <u>Target</u>	<u>2016</u> <u>Target</u>
060.0016f	City's annual debt service as percent of total General Fund revenues	9.21%	9.88%	9.63%	21%	12%	12%	12%
060.0017f	City's net outstanding limited tax general obligation (LTGO) debt per capita	\$1,486.14	\$1,424.89	\$1,389.84	\$1,673.40	\$1,500.00	\$1,500.00	\$1,500.00
060.0047	Maintain Aaa bond rating	Yes						

Section 5: CIP

5A: Description and Scope?

This project provide funding for annual principal and interest payments made by the City for a \$12 million Limited Tax General Obligation (LTGO) Bond issued for the Mobility & Infrastructure Initiative (M&II) to fund high priority projects in the short term funding strategy for the M&II.

5B: Rationale?

The City Council approved the short term funding strategy for the M&II, which includes as part of the funding strategy the issuance of \$10 million in LTGO bonds. The City has a contractual obligation to its bondholders for repayment of the principal borrowed with interest. The full faith and credit of the City is pledged for the levy of taxes and prompt payment of principal and interest.

5C: Environmental Impacts?

No environmental impacts for this project.

5D: Location/Address?

Not Specified

5E: CIP Summary

<u>G-83</u>	<u>ITD</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenditure	3,460,318	862,000	862,000	864,950	865,150	864,550	863,150	865,400
Revenue		0	0	0	0	0	0	0

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Section 1: Proposal Descriptors

Proposal Title:	G-89 New Long-term Debt Service	
Proposal Number:	060.30NA	Outcome: Debt Service
Parent Proposal:		Primary Dept: Finance
Dependent Proposal:		Proposal Type: Existing
Previous Proposal:	New Proposal	Project Status: Existing
Attachments:	0	Primary Staff: Zemed Yitref X-6101

Section 2: Executive Summary

This proposal provides annual debt service funding for the 2013 Limited Tax General Obligation (LTGO) Bonds (Sound Transit portion) issued for \$62.6 million for the purpose of financing the construction, improving and equipping a portion of the City's CIP Plan which includes streets, sidewalks and other capital improvements. The annual debt service payments are supported by general tax revenues.

Section 3: Responsiveness to Request For Results

This proposal provides annual debt service funding for the 2013 LTGO Bonds issued to finance the City Council adopted projects under the 2013-2019 Capital Investment Program Plan including Sound Transit's light rail (Eastlink MOU Commitments) related projects and Northeast Fourth Street extension and the 120th Avenue Northeast improvements. In April 2013, Council authorized the issuance of \$62.6 million LTGO Bonds. The City has a contractual obligation to its bondholders for repayment of the principal borrowed with interest. The full faith and credit of the City is pledged for the levy of taxes and prompt payment of principal and interest.

Consequence of funding at a lower level:

- Loss of tax-exempt status of City bonds.
- Litigation from bondholders for negligence on fiduciary obligations.

Purchasing Strategies for Debt Service/Responsive Government: *Stewards of the Public Trust*: 1) Manage public funds in a responsible manner, and 2) Manage risk, minimize liability, and provide for accountability. The methods applied by the Debt Manager ("the Manager") to accomplish this are mandated:

- Securities and Exchange Commission (SEC) Rule 15c2-12 requires ongoing financial disclosures for the City bonds. The City has an obligation to meet these continuing disclosure standards.
- RCW 35.54 and Federal Tax Reform Act of 2006 requires annual monitoring of fund balances in Debt Service Funds and CIP projects to assure that the City does not earn investment interest on bond proceeds over and above the borrowing costs (arbitrage).
- Various U.S. Department of Treasury regulations for post debt issuance compliance related to monitoring all outstanding tax-exempt debt.

Strategic leadership: 1) Establish and help realize the Community Vision, and 2) Use the Community Vision to advance current and future community expectations.

- The foundation of the City's strategic capital planning process is the Community Vision. In accordance with the Policy, we provide expertise in managing: 1) capital needs of the community while minimizing tax burden, and 2) short- and long-term financial strategy for funding a variety of capital projects while protecting future generations and maintaining future flexibility for Council.
- Ensure sound management of resources: The City's debt program is administered in a prudent and cost-effective manner by limiting debt to short-term obligations and utilizing long-term debt on an exception basis to achieve intergenerational equity. We provide low cost financing (e.g., interfund loans) to fund CIP projects thereby benefiting Bellevue's community with the goal of maintaining the City's AAA bond rating.
- Leverage collaboration or partnerships with external organizations: The City partners with the State of Washington Treasurer's Office to contract for fiscal agent services which has achieved cost savings by entering a multi-year State contract with a fiscal agent.

Consequence of not funding the proposal at all:

1. Legal: If debt service payments are missed:
 - Loss of tax-exempt status of City bonds.
 - Litigation from bondholders for negligence on fiduciary obligations.
2. Customer Impact:
 - Potential loss of AAA rating – the City and stakeholders will suffer through higher financing costs.

Section 4: Performance Measures and Targets

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<u>Code</u>	<u>Performance Measure</u>	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Actual</u>	<u>2014 Target</u>	<u>2015 Target</u>	<u>2016 Target</u>
060.0016f	City's annual debt service as percent of total General Fund revenues	9.21%	9.88%	9.63%	21%	12%	12%	12%
060.0017f	City's net outstanding limited tax general obligation (LTGO) debt per capita	\$1,486.14	\$1,424.89	\$1,389.84	\$1,673.40	\$1,500.00	\$1,500.00	\$1,500.00
060.0047	Maintain Aaa bond rating	Yes						

Section 5: CIP

5A: Description and Scope?

This project provide funding for annual principal and interest payments made by the City for the \$62.6 LTGO Bonds issued in 2013 for the for the purpose of financing the construction, improving and equipping a portion of the City's CIP Plan which includes streets, and sidewalks and other capital improvements.

5B: Rationale?

This proposal provides annual debt service funding for the 2013 LTGO Bonds issued to finance the City Council adopted projects under the amended 2013-2019 Capital Investment Program Plan including Sound Transit's light rail (Eastlink MOU Commitments) related projects and Northeast Fourth Street extension and the 120th Avenue Northeast improvements. The City has a contractual obligation to its bondholders for repayment of the principal borrowed with interest. The full faith and credit of the City is pledged for the levy of taxes and prompt payment of principal and interest.

5C: Environmental Impacts?

No environmental impacts for this project.

5D: Location/Address?

Not Specified

5E: CIP Summary

<u>G-89</u>	<u>ITD</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenditure	8,018,033	4,836,000	4,832,000	4,834,250	4,837,000	4,833,750	4,834,500	4,833,750
Revenue		0	0	0	0	0	0	0

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Section 1: Proposal Descriptors

Proposal Title:	G-92 New Short-term Debt Service (Interfund Loan)	
Proposal Number:	060.31NA	Outcome: Debt Service
Parent Proposal:		Primary Dept: Finance
Dependent Proposal:		Proposal Type: Existing
Previous Proposal:	New Proposal	Project Status: Existing
Attachments:	0	Primary Staff: Zemed Yitref X-6101

Section 2: Executive Summary

This proposal provides annual debt service funding for the Council-authorized interfund loan from the Utility Capital Investment Program (CIP) Fund to the General Capital Investment Program Fund (CIP) for the purpose of providing interim financing for projects included in the City's Capital Investment Program. The loan will be funded through one or more advances and will be repaid from available general CIP revenues or other available sources within three years from the date the advance is made. The annual debt service payments are supported by general tax revenues.

Section 3: Responsiveness to Request For Results

This proposal provides interim financing for the City's seven-year general CIP program which has historically been "frontloaded," meaning that while revenues over the seven-year period on the plan are sufficient to cover projected expenditures, the expenditures are historically incurred in the earlier years of the plan. As a result, a bridge financing (cash flow borrowing) is needed to cover temporary funding shortfalls. On October 7, 2013, the City Council authorized an interfund loan from the Utility CIP Fund to the General CIP Fund in an aggregate amount not exceed \$30.0 million. The General CIP Fund (borrowing fund) is obligated by Ordinance No. 6129 for repayment of the principal borrowed with interest to the Utility CIP Fund (lending fund) within 3-years from the date the loan is made. Consequence of funding at a lower level:

- Non-compliance with City Council Ordinance – jeopardize the City's unqualified (clean) audit opinion.
- Non-compliance with State Statute and industry "best practice" – may result in the State Auditors' issuing a management letter (one step below findings) and further risking the annual GFOA's Certificate of Achievement for Excellence in Financial Reporting award received by the City.

Purchasing Strategies for Debt Service/Reserves/Responsive Government:

Stewards of the Public Trust:

- 1) Manage public funds in a responsible manner, and
- 2) Manage risk, minimize liability, and provide for accountability. The methods applied by the Debt Manager ("the Manager") to accomplish this are mandated:

- Ordinance No. 6129 requires the General CIP Fund to repay the principal amount borrowed from the Utility CIP Fund with interest from available CIP revenues or other available sources within 3 years from the date the loan is made. Volume 1, Part 3, Chapter 4, Page 1 of the Washington State Budget Accounting and Reporting System (BARS) requires interest to be charged to the borrowing fund and the term of the loans should not exceed three years.
- RCW 43.09.210 requires governments to establish separate accounts for every appropriation and no department/fund shall benefit in any financial manner whatever by an appropriation or fund made for the support of another fund.

Strategic leadership:

- 1) Establish and help realize the Community Vision, and
- 2) Use the Community Vision to advance current and future community expectations.

- The foundation of the City's strategic capital planning process is the Community Vision. In accordance with the Policy, we provide expertise in managing: 1) capital needs of the community while minimizing tax burden, and 2) short- and long-term financial strategy for funding a variety of capital projects while protecting future generations and maintaining future flexibility for Council.
- Ensure sound management of resources: The City's debt program is administered in a prudent and cost-effective manner by limiting debt to short-term obligations and utilizing long-term debt on an exception basis to achieve intergenerational equity. We provide low cost financing (e.g., interfund loans) to fund CIP projects thereby benefiting Bellevue's community with the goal of maintaining the City's AAA bond rating.
- Leverage collaboration or partnerships with external organizations: The City partners with the State of Washington Treasurer's Office to contract for

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fiscal agent services which has achieved cost savings by entering a multi-year State contract with a fiscal agent. Consequence of not funding the proposal at all: 1. Legal: If debt service payments are not funded: • Non-compliance with City Council Ordinance – jeopardize unqualified (clean) audit opinion. • Non-compliance with State Statute and industry “best practice” - Results in the State Auditors’ issuing a management letter (one step below findings) and further risking the annual GFOA’s Certificate of Achievement for Excellence in Financial Reporting award. 2. Customer Impact: • Potential loss of AAA rating – the City and stakeholders will suffer through higher financing costs.

Section 4: Performance Measures and Targets

<u>Code</u>	<u>Performance Measure</u>	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Actual</u>	<u>2014 Target</u>	<u>2015 Target</u>	<u>2016 Target</u>
060.0016f	City's annual debt service as percent of total General Fund revenues	9.21%	9.88%	9.63%	21%	12%	12%	12%
060.0017f	City's net outstanding limited tax general obligation (LTGO) debt per capita	\$1,486.14	\$1,424.89	\$1,389.84	\$1,673.40	\$1,500.00	\$1,500.00	\$1,500.00
060.0047	Maintain Aaa bond rating	Yes						

Section 5: CIP

5A: Description and Scope?

This project provide funding for annual principal and interest payments for the Council authorized interfund loan from the Utility CIP Fund to the General CIP Fund for the purpose of providing interim financing for projects included in the City’s Capital Investment Program. The loan will be funded through one or more advances and will be repaid from available general CIP revenues or other available sources within three years from the date the advance is made.

5B: Rationale?

The City Council adopted amended 2013-2019 Capital Investment Program Plan (Plan) has short term and long term funding strategy which includes as part of the funding strategy an interfund loan component. This loan will bridge the gap between higher spending than revenue collections in earlier years of the Plan. The General CIP Fund (borrowing fund) is obligated by Ordinance No. 6129 for repayment of the principal borrowed with interest to the Utility CIP Fund (lending fund) within 3 years from the date the loan is made.

5C: Environmental Impacts?

No environmental impacts for this project.

5D: Location/Address?

N/A

5E: CIP Summary

<u>G-92</u>	<u>ITD</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenditure	200,000	7,700,000	7,600,000	0	0	0	0	0

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Section 1: Proposal Descriptors

Proposal Title:	PW-R-82 Public Works Trust Fund Loan - Principal		
Proposal Number:	130.79PA	Outcome:	Debt Service
Parent Proposal:		Primary Dept:	Transportation
Dependent Proposal:	130.80DA	Proposal Type:	Existing
Previous Proposal:	130.79PA	Project Status:	Existing
Attachments:	0	Primary Staff:	Jason Bentosino

Section 2: Executive Summary

This proposal is for annual principal payments made by the City for any Public Works Trust Fund (PWTF) loans. The PWTF loan is a low-interest loan granted through the State of Washington Department of Community Development that allows high-priority projects to be completed earlier in the plan than would be available if General CIP Revenues were used. The proposed funding covers one active loan set to retire in 2026 (see further description in Section 4 of this proposal). This proposal is a companion to 130.80DA, which covers the annual interest payments for the loan.

Section 3: Responsiveness to Request For Results

This project is non-capital in nature. The costs represent the annual principal payments made by the City for any Public Works Trust Fund (PWTF) loans. Currently there is one active loan: \$750,000 received in 2006 for the construction of PW-W/B-69 - NE 24th Street - Northup Way to 130th Avenue NE, the loan repayment is 20 years, ending in 2026, and the interest rate is one half of one percent. Interest payments on the loan are made through a separate CIP, PW-R-83.

Section 4: Performance Measures and Targets

No Performance Measures to be displayed.

Section 5: CIP

5A: Description and Scope?

This project is non-capital in nature. The costs represent the annual principal payments made by the City for any Public Works Trust Fund (PWTF) loans. Currently there is one active loan: \$750,000 received in 2006 for the construction of PW-W/B-69 - NE 24th Street - Northup Way to 130th Avenue NE, the loan repayment is 20 years, ending in 2026, and the interest rate is one half of one percent. Interest payments on the loan are made through a separate CIP, PW-R-83.

5B: Rationale?

The Public Works Trust Fund loan is a low-interest loan granted through the State of Washington Department of Community Development that allows high-priority projects to be completed earlier in the plan than would be available if General CIP Revenues were used.

5C: Environmental Impacts?

None. This is a debt service project.

5D: Location/Address?

None

5E: CIP Summary

PW-R-82	ITD	2015	2016	2017	2018	2019	2020	2021
Expenditure	1,271,875	39,844	39,844	39,844	39,844	39,844	39,844	39,844
Revenue		0	0	0	0	0	0	0

City of Bellevue - Budget One

2015-2016 CIP Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: PW-R-83 Public Works Trust Fund Loan - Interest
Proposal Number: 130.80DA **Outcome:** Debt Service
Parent Proposal: 130.79PA **Primary Dept:** Transportation
Dependent Proposal: **Proposal Type:** Existing
Previous Proposal: 130.80DA **Project Status:** Existing
Attachments: 0 **Primary Staff:** Jason Bentosino

Section 2: Executive Summary

This proposal is for annual interest payments made by the City for any Public Works Trust Fund (PWTF) loans. The PWTF loan is a low-interest loan granted through the State of Washington Department of Community Development that allows high-priority projects to be completed earlier in the plan than would be available if General CIP Revenues were used. The proposed funding covers one active loan set to retire in 2026 (see further description in Section 4 of this proposal). This proposal is a companion to 130.79PA, which covers the annual principal payments for the loan.

Section 3: Responsiveness to Request For Results

This project is non-capital in nature. The costs represent the annual interest payments made by the City for any Public Works Trust Fund (PWTF) loans. Currently there is one active loan: \$750,000 loan received in 2006 for the construction of PW-W/B-69 - NE 24th Street - Northup Way to 130th Avenue NE, the loan repayment is 20 years, ending in 2026, and the interest rate is one half of one percent. Principal payments are made through a separate CIP, PW-R-82.

Section 4: Performance Measures and Targets

No Performance Measures to be displayed.

Section 5: CIP

5A: Description and Scope?

This project is non-capital in nature. The costs represent the annual interest payments made by the City for any Public Works Trust Fund (PWTF) loans. Currently there is one active loan: \$750,000 loan received in 2006 for the construction of PW-W/B-69 - NE 24th Street - Northup Way to 130th Avenue NE, the loan repayment is 20 years, ending in 2026, and the interest rate is one half of one percent. Principal payments are made through a separate CIP, PW-R-82.

5B: Rationale?

The Public Works Trust Fund loan is a low-interest loan granted through the State of Washington Department of Community Development that allows high-priority projects to be completed earlier in the plan than would be possible if General CIP Revenues were used.

5C: Environmental Impacts?

None. This is a debt service project.

5D: Location/Address?

None

5E: CIP Summary

PW-R-83	ITD	2015	2016	2017	2018	2019	2020	2021
Expenditure	109,284	2,391	2,191	1,992	1,793	1,594	1,395	1,195
Revenue		0	0	0	0	0	0	0