

Expenditure Summary

This chapter presents a high level summary of the key components of the 2015-2016 Preliminary Budget.

For the purpose of this chapter, the Preliminary 2015-2016 Budget is compared to the Amended 2013-2014 Budget.

The Expenditure Summary is organized into the following sections:

A. Budget By Outcome and Department

Figure 7b-1 displays the 2015-2016 operating and special purpose funds by Outcome and by Department. These values exclude double-budgeting and reserves.

Figure 7b-2 displays the 2016 personnel positions (known as full time equivalents, or FTEs) by Outcome and by Department.

B. Total City Budget

Figure 7b-3 details the 2015-2016 Preliminary **Budget net of interfund double-budgeting and reserves** for the operating, special purpose and capital investment program perspectives, and compares **net budget growth** from the 2013-2014 Amended Budget.

Figure 7b-4 lists the City's 2015-2016 total budgeted **resources by source** and **expenditures by Outcome** and compares them with the 2013-2014 Amended Budget, showing dollar and percentage changes.

Figure 7b-5 lists the City's 2015-2016 total budgeted **expenditures and reserves by category** and compares them with the 2013-2014 Amended Budget, showing dollar and percentage changes.

Figure 7b-6 provides a graphic display of the portion of the City's 2015-2016 total budgeted resources comprised by revenue source and the portion of expenditures comprised by category, including dollars and percentage of total.

Figure 7b-7 charts and graphs the total City **budget per capita** for 2013 to 2016.

Figure 7b-8 charts and graphs the total City **budgeted staff positions (FTE) per capita** for 2013 to 2016.

Expenditure Summary

C. Total Operating Budget

Figure 7b-9 lists the 2015-2016 total City budgeted **operating expenditures and reserves by fund** and compares them with the 2013-2014 Amended budget, showing dollar and percentage changes.

Figure 7b-10 provides a graphic display of the portion of the City's budgeted operating resources comprised by source and the portion of expenditures comprised by group, including dollars and percentage of total.

D. Total Special Purpose Budget

Figure 7b-11 lists the 2015-2016 total City's budgeted **special purpose expenditures by fund** and compares them with the 2013-2014 Amended Budget, showing dollar and percentage changes.

Figure 7b-12 provides a graphic display of the portion of City's budgeted special purpose resources comprised by source and the portion of expenditures comprised by group, including dollars and percentage of total.

E. Total Capital Investment Budget

Figure 7b-13 lists the City's 2015-2016 total budgeted **capital investment program expenditures by Outcome** and compares them with the 2013-2014 Amended Budget, showing dollar and percentage changes.

Figure 7b-14 provides a graphic display of the portion of City's budgeted capital investment program resources comprised by source and expenditures comprised by Outcome, including dollars and percentage of total.

F. Total Debt Information – Based on Statutory Limits

Figure 7b-15 displays the City's total **statutory debt capacity and debt issued** as of January 1, 2015, comparing general government, parks and open space, and utility system use of debt capacity.

Figure 7b-16 lists the City's **general obligation and revenue bond issuance** amount and date, maturity date, interest rate, source of funding and debt service requirements for 2015-2016 by bond.

Figure 7b-17 displays the City's **annual debt service requirements** for existing non-voted general obligation bonds from 2015 through 2044 and lists the city's bond ratings.

Expenditure Summary

A. Budget By Outcome and Department

Figure 7b-1
2015-2016 Prelim Budget Operating and Special Purpose Funds

Operating & Special Purpose Funds	Safe Community	Improved Mobility	Healthy & Sustainable Environment	Innovative, Vibrant & Caring Community	Quality Neighborhoods	Economic Growth & Competitiveness	Responsive Government	Total	%
City Attorney	\$3,916,393	\$0	\$0	\$0	\$0	\$0	\$12,596,462	\$16,512,855	2.3%
City Clerk	0	0	0	0	0	0	4,303,386	4,303,386	0.6%
City Council	0	0	0	0	0	0	769,244	769,244	0.1%
City Manager	0	0	0	30	0	0	4,754,416	4,754,446	0.7%
Civic Services	30,345	0	0	0	0	71,746	30,609,492	30,711,583	4.3%
Community Council	0	0	0	0	0	0	8,284	8,284	0.0%
Development Services	11,098,959	0	175,000	0	1,750,725	9,256,972	7,774,834	30,056,490	4.2%
Finance	0	0	0	0	0	26,269,500	17,074,137	43,343,637	6.0%
Fire	78,708,616	0	0	155,932	0	903,337	357,743	80,125,628	11.2%
Human Resources	0	0	0	267,596	0	0	55,653,083	55,920,679	7.8%
Information Technology	215,000	0	257,811	0	0	380,997	22,110,435	22,964,243	3.2%
Miscellaneous Non-Departmental	2,371,756	0	0	0	0	0	31,023,213	33,394,969	4.7%
Parks & Community Services	3,066,558	0	5,567,103	65,043,440	3,933,374	0	846,200	78,456,675	10.9%
Planning & Community Development	0	601,841	216,321	6,365,587	0	1,276,842	2,421,563	10,882,154	1.5%
Police	67,488,324	0	0	0	0	0	0	67,488,324	9.4%
Transportation	5,459,358	39,155,311	766,687	0	0	2,738,454	1,189,904	49,309,714	6.9%
Utilities	1,181,773	0	183,062,846	1,417,622	0	1,079,218	1,233,180	187,974,639	26.2%
Total Operating & Special Purpose Fund Proposals	\$173,537,082	\$39,757,152	\$190,045,768	\$73,250,207	\$5,684,099	\$41,977,066	\$192,725,576	\$716,976,950	100.0%
Percent of Total	24.2%	5.5%	26.5%	10.2%	0.8%	5.9%	26.9%	100.0%	

*Technical Adjustments	1,025,960
Net Operating and Special Purpose Funds	718,002,910
Total Operating & Special Purpose Fund Interfunds	183,479,774
2016 Reserves	104,279,555
Total Operating and Special Purpose Funds	1,005,762,239

* Technical Adjustments include the exclusion of reserves from proposals and other miscellaneous transactions

Figures may not foot due to rounding.

Expenditure Summary

B. Total Budget

Figure 7b-2

2016 FTE Comparison by Outcome and Department - Note: Outcome sheets include both FTEs and LTEs

	Safe Community	Improved Mobility	Healthy and Sustainable Environment	Innovative Vibrant and Caring Community	Quality Neighborhoods	Economic Growth and Competitiveness	Responsive Government	Total	%
City Attorney	8.00	-	-	-	-	-	17.60	25.60	2.0%
City Clerk	-	-	-	-	-	-	15.75	15.75	1.2%
City Council	-	-	-	-	-	-	7.00	7.00	0.5%
City Manager	-	-	-	-	-	-	11.00	11.00	0.8%
Civic Services	-	-	-	-	-	0.25	64.35	64.60	5.0%
Finance	-	-	-	-	-	-	47.00	47.00	3.6%
Fire	234.56	-	-	0.75	-	3.00	1.00	239.31	18.4%
Human Resources	-	-	-	0.75	-	-	14.80	15.55	1.2%
Information Technology	-	-	-	-	-	-	58.75	58.75	4.5%
Parks & Community Services	12.00	-	15.00	130.28	7.00	-	-	164.28	12.6%
Development Services	43.00	-	-	-	7.00	36.10	22.75	108.85	8.4%
Planning & Community Development	-	2.00	0.90	19.11	-	3.00	3.00	28.01	2.2%
Police	222.00	-	-	-	-	-	-	222.00	17.0%
Transportation	11.00	96.91	3.00	-	-	9.10	4.00	124.01	9.5%
Utilities	5.27	-	154.15	0.70	-	4.60	5.03	169.75	13.0%
Miscellaneous Non-Departmental	-	-	-	-	-	-	1.00	1.00	0.1%
Total	535.83	98.91	173.05	151.59	14.00	56.05	273.03	1,302.46	100.0%
Percent of Total	41.1%	7.6%	13.3%	11.6%	1.1%	4.3%	21.0%	100.0%	

Figures may not foot due to rounding.

Expenditure Summary

Figure 7b-3
Budget Summary
\$000

	2013-2014	2013-2014	2014	2013-2014	2015-2016	2015-2016	2016	2015-2016	Net of Double Budgeting and Reserves	
	Amended Budget	Double-Budgeting*	Reserves	Budget Net of Double Budgeting	Prelim Budget	Double-Budgeting	Reserves	Budget Net of Double Budgeting	\$ Change	% Change
<u>TOTAL CITY BUDGET</u>										
Operating Funds										
General	\$352,639	(\$54,437)	(\$20,702)	\$277,499	\$383,562	(\$58,714)	(\$23,149)	\$301,699	\$24,200	8.7%
Utilities	268,989	(69,735)	(19,966)	179,288	291,509	(78,682)	(24,853)	187,975	8,687	4.8%
Development Services	40,177	(11,463)	(5,019)	23,695	54,954	(15,289)	(9,609)	30,056	6,361	26.8%
Parks Enterprise	14,067	(3,919)	(1,433)	8,715	13,846	(3,236)	(1,059)	9,551	836	9.6%
Internal Services	77,100	(9,311)	(13,482)	54,307	79,126	(8,642)	(11,602)	58,881	4,574	8.4%
Other Operating	123,819	(27,759)	(31,757)	64,304	130,311	(16,439)	(23,027)	90,845	26,541	41.3%
Total Operating Budget	\$876,790	(\$176,624)	(\$92,358)	\$607,808	\$953,309	(\$181,003)	(\$93,299)	\$679,008	\$71,199	11.7%
Special Purpose Funds										
Grants	\$8,853	(\$578)	(\$49)	\$8,225	\$5,951	(\$1,128)	(\$839)	\$3,984	(\$4,242)	(51.6%)
Debt Service	48,578	(358)	(1,421)	46,799	34,002	(1,339)	(729)	31,933	(14,865)	(31.8%)
Trust/Other	12,737	(10)	(9,176)	3,551	12,500	(10)	(9,412)	3,078	(473)	(13.3%)
Total Special Purpose Budget	\$70,168	(\$946)	(\$10,646)	\$58,575	\$52,453	(\$2,477)	(\$10,980)	\$38,995	(\$19,580)	(33.4%)
Capital Project Funds										
General Capital Investment Program	\$237,817	(\$40,440)	\$0	\$197,377	\$240,753	(\$41,911)	(\$11,393)	\$187,449	(\$9,928)	(5.0%)
Utility Capital Investment Program	\$161,016	(11,692)	(95,112)	54,212	\$225,853	(7,191)	(151,237)	67,425	13,213	24.4%
Total Capital Project Fund Budget	\$398,834	(\$52,132)	(\$95,112)	\$251,590	\$466,606	(\$49,102)	(\$162,630)	\$254,874	\$3,285	1.3%
<u>TOTAL CITY BUDGET</u>	\$1,345,791	(\$229,702)	(\$198,117)	\$917,973	\$1,472,368	(\$232,581)	(\$266,910)	\$972,877	\$54,904	6.0%

Figures may not foot due to rounding

*The budget is adjusted to remove internal transactions between City funds including transfer between funds and changes for service provided by one fund to another within the City.

Expenditure Summary

Figure 7b-4
2015-2016 Total City Budget
Resources by Source & Expenditures by Outcome
\$000

	Operating Funds		Special Purpose Funds		Capital Funds		Total Budgets			
	2013-2014 Amended Budget	2015-2016 Prelim Budget	\$ Change	% Change						
Beginning Fund Balance	\$98,637	\$99,107	\$12,347	\$12,323	\$108,057	\$137,944	\$219,041	\$249,373	\$30,332	13.8%
Revenues by Source										
Property Tax	\$70,374	\$75,086	\$0	\$0	\$6,778	\$6,778	\$77,152	\$81,864	\$4,712	6.1%
Sales Tax	76,161	84,485	1,200	1,150	24,410	31,597	101,771	117,232	15,461	15.2%
Business & Occupation Tax	41,709	45,937	0	0	15,057	16,537	56,766	62,474	5,707	10.1%
Utility Taxes	53,961	54,923	0	0	0	0	53,961	54,923	962	1.8%
Other Taxes	28,713	33,267	0	0	25,324	27,797	54,037	61,064	7,027	13.0%
Grants	698	629	7,248	4,669	30,135	23,548	38,081	28,845	(9,235)	(24.3%)
Intergovernmental Services	39,117	41,089	1,118	1,254	2,955	3,170	43,191	45,514	2,323	5.4%
Charges for Services	116,464	131,958	40	40	8,067	11,040	124,571	143,038	18,467	14.8%
Utility Services Fees	233,085	263,451	0	0	4,688	4,595	237,773	268,046	30,273	12.7%
Miscellaneous Revenues	93,449	111,656	3,277	1,574	7,154	36,543	103,880	149,772	45,892	44.2%
Short-Term Debt	0	0	0	0	28,415	102,950	28,415	102,950	74,535	262.3%
Long-Term Debt	0	0	0	0	82,272	0	82,272	0	(82,272)	(100.0%)
Operating Transfers	24,422	11,723	44,938	31,443	55,521	64,107	124,881	107,273	(17,608)	(14.1%)
Total Revenues	\$778,153	\$854,202	\$57,821	\$40,130	\$290,776	\$328,662	\$1,126,750	\$1,222,995	\$96,245	8.5%
Total Resources	\$876,790	\$953,308	\$70,168	\$52,453	\$398,834	\$466,606	\$1,345,791	\$1,472,368	\$126,577	9.4%
Expenditures by Outcome										
Safe Community	\$155,343	\$171,674	\$3,433	\$1,863	\$5,361	\$11,968	\$164,137	\$185,505	\$21,368	13.0%
Improved Mobility	42,518	39,706	356	51	137,201	91,010	180,076	130,767	(49,308)	(27.4%)
Healthy and Sustainable Environment	227,359	190,046	170	0	54,113	74,616	281,642	264,662	(16,980)	(6.0%)
Innovative Vibrant and Caring Community	64,890	70,334	3,430	2,917	42,040	36,096	110,361	109,347	(1,014)	(0.9%)
Quality Neighborhoods	8,503	5,684	0	0	2,000	2,650	10,503	8,334	(2,169)	(20.6%)
Economic Growth and Competitiveness	29,757	41,977	0	0	100	16,150	29,857	58,127	28,270	94.7%
Responsive Government	156,991	160,292	47,262	32,433	9,545	20,044	213,798	212,769	(1,029)	(0.5%)
Total Expenditures By Outcome	\$685,360	\$679,713	\$54,652	\$37,264	\$250,361	\$252,534	\$990,372	\$969,511	(\$20,862)	(2.1%)
Interfunds and Other Expenditures	\$99,071	\$180,296	\$4,870	\$4,208	\$53,360	\$51,442	\$157,301	\$235,947	\$78,645	50.0%
Ending Fund Balance*	\$92,358	\$93,299	\$10,646	\$10,980	\$95,112	\$162,630	\$198,117	\$266,910	\$68,793	34.7%
Total Expenditures	\$876,790	\$953,308	\$70,168	\$52,453	\$398,834	\$466,606	\$1,345,791	\$1,472,368	\$126,577	9.4%

Figures may not foot due to rounding

*2013-2014 Ending Fund Balances do not match 2015-2016 Beginning Fund Balances because the budgets were developed at different times and the 2015-2016 Beginning Fund Balance reflects updated 2014 Ending Fund Balance projections.

Expenditure Summary

Figure 7b-5
2015-2016 Total City Budget
Expenditures and Reserves by Category
\$000

Figure 7b-5 shows the City's total expenditure budget by category and compares the Amended 2013-2014 and 2015-2016 biennial budgets, including dollar and percentage changes.

In comparison to the Amended 2013-2014 Budget, 2015-2016 personnel grew 11.0 percent (\$38 million) primarily as a result of salary increases (resulting from inflation), merit increases, and medical benefit and pension cost increases.

Overall, maintenance and operations (M&O) costs are 0.7 percent less, primarily as a result of operating transfers to other funds (due to borrowing revenue and the transfer of this revenue from one fund to another), debt service payments and other intergovernmental services & taxes.

	2013-2014	2015-2016	\$	%
	Amended Budget	Prelim Budget	Change	Change
Personnel				
Salaries	\$212,841	\$230,449	\$17,608	8.3%
Medical	69,515	84,007	14,491	20.8%
Pensions	31,297	35,469	4,173	13.3%
Temporary Help	8,392	7,234	(1,158)	(13.8%)
Other (Medicare, Workers' Comp, etc.)	16,682	19,053	2,371	14.2%
Overtime	7,305	7,711	406	5.6%
Subtotal Personnel	346,031	383,922	37,891	11.0%
M&O				
Outside Services	101,667	108,786	7,119	7.0%
Interfund Service Payments	90,816	123,787	32,971	36.3%
Operating Transfer to Other Funds	125,876	108,794	(17,082)	(13.6%)
Supplies	51,038	57,065	6,027	11.8%
Other Services & Charges	24,487	26,800	2,313	9.4%
Debt Service	75,341	31,998	(43,343)	(57.5%)
Repairs and Maintenance	17,072	18,260	1,188	7.0%
Utilities	18,708	19,640	932	5.0%
Other Intergovernmental Services & Taxes	54,307	59,609	5,302	9.8%
Jail Costs	1,640	1,807	167	10.2%
Communication Services	2,389	2,574	185	7.7%
Travel/Training	2,015	2,192	176	8.7%
Subtotal M&O	565,356	561,311	(4,045)	(0.7%)
Capital Outlays	264,702	260,224	(4,478)	(1.7%)
Reserves	169,702	266,910	97,208	57.3%
Total City Budget	\$1,345,791	\$1,472,368	\$126,577	9.4%

Figures may not foot due to rounding

*Does not adjust for double budgeting. Net total City budget growth is 7.2% without double budgeting.

Expenditure Summary

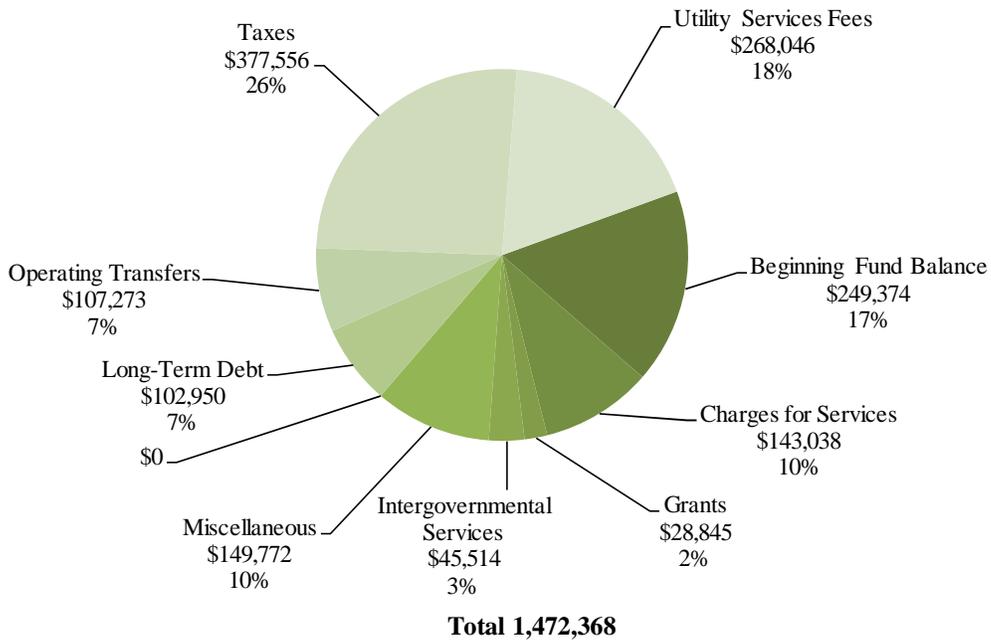
Figure 7b-6

2015-2016 Total City Budget Resources by Source and Expenditures by Category \$000

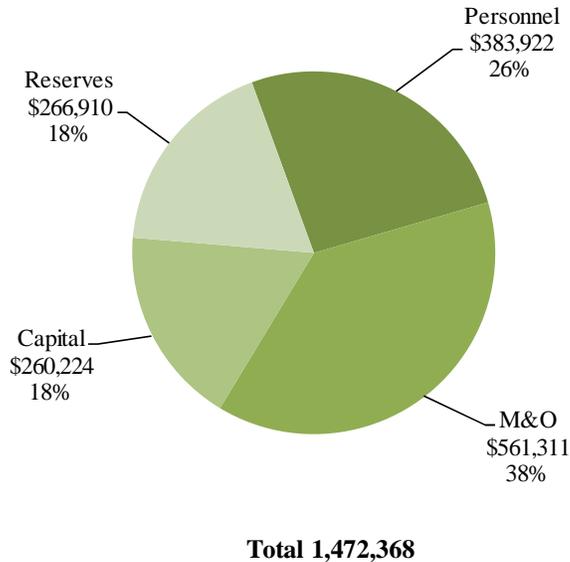
Figure 7b-6 presents the 2015-2016 total city budgeted resources (by source) and expenditures (by category). As the resources chart indicates, taxes make up the largest slice of the pie at 26 percent (\$378 million), followed by utility services fees at 18 percent (\$268 million) and beginning fund balance at 17 percent (\$249 million).

On the expenditure chart, maintenance and operations accounts for 38 percent (\$561 million) of the expenditure budget, followed by personnel at 26 percent (\$384 million).

Resources



Expenditures



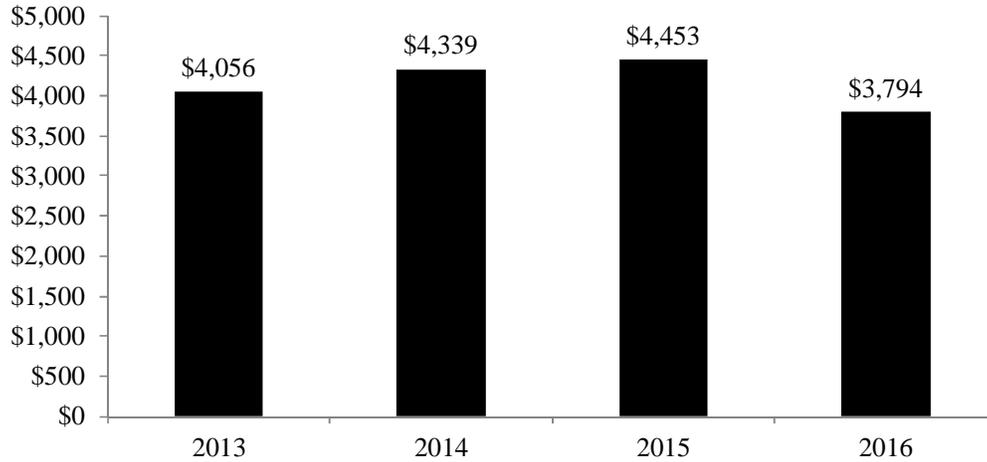
Expenditure Summary

Figure 7b-7

Total Budget Comparison Constant Dollar Total Budget Per Capita

Figure 7b-7 displays a 2013 to 2016 comparison of the total city budget (excluding reserves) per capita in 2013 dollars (adjusted for inflation).

Total Budget per Capita



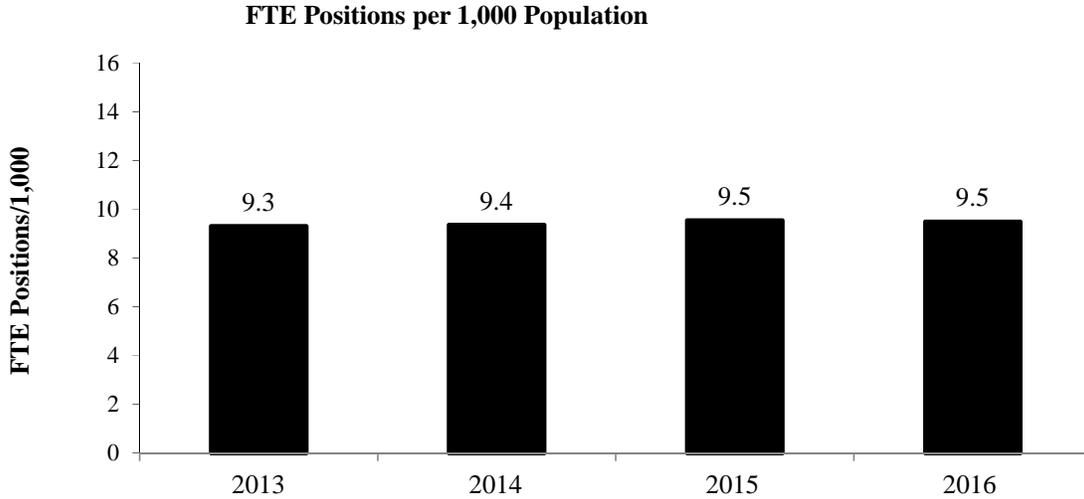
	2013	2014	2015	2016
Total City Budget (\$000)	\$543,309	\$604,364	\$641,147	\$564,310
Budget in 2013 \$ (\$000)	535,808	583,190	604,886	520,935
Population	132,100	134,400	135,849	137,315
Total Budget per Capita	\$4,056	\$4,339	\$4,453	\$3,794

Expenditure Summary

Figure 7b-8

Total Budget Position Trends Full-Time Equivalent Positions per 1,000 Population

Figure 7b-8 presents total city position data per 1,000 population. The 2013-2014 populations include annexations.



	Adopted 2013	Mid-Bi 2014	Prelim 2015	Prelim 2016
Positions	1,228	1,257	1,295	1,302
Population	132,100	134,400	135,849	137,315
Positions/1,000	9.3	9.4	9.5	9.5

Expenditure Summary

C. Total Operating Budget

NOTE: This section compares the 2015-2016 Proposed Budget to the 2013-2014 Amended Budget. This section differs from the Forecast section (Chapter 4) in that the Forecast compares to projected 2014 year end.

As shown in [Figure 7b-9](#), the 2015-2016 operating budget totals \$953 million, an increase of 8.7 percent over the prior biennium. Inflation, rising wholesale costs, increased reserves, and technical adjustments account for most of the increase. The highlights are discussed below.

General Fund

The General Fund shows a two-year increase of \$31 million over 2013-2014. Salary and benefit costs due to inflation (COLA) and the addition of nearly 30 FTEs/LTEs make up the bulk of the increase, including health benefits costs and state pension cost increases. Other cost increases include equipment and infrastructure repair, maintenance and replacement, utilities and outside services.

Utilities Funds

The utilities funds show an overall budget increase, primarily attributable to costs associated with purchased water from the Cascade water alliance, King County Metro wastewater treatment costs, and increase in the CIP program. Payments to Cascade and King County represents about 37% of the utility operating budget. The Solid Waste fund reflects an increase in fund balance resulting from prior years savings.

Development Services Fund

The 2015-2016 Development Services budget reflects a continued high level of development activity. To meet the demand, an increase in permit review and inspection staffing levels is included in the budget. Reserves reflect the most recent rapid development growth in Bellevue and assure that staffing levels will keep pace with activity through the development cycle. Reserves also fund the Development Services Center, capital equipment and technology systems.

Parks Enterprise Fund

Parks Enterprise Fund balances were reduced in 2014 as reserves were transferred to the Parks Enterprise Facility Improvement CIP (P-R-2) to construct driving range improvements at the Bellevue Golf Course. The fund balance included in the Preliminary Budget continues to meet Parks Enterprise Fund reserve targets of 2 months operating expenses.

Internal Services Funds

The decrease in expenditures in the Equipment Rental Fund from 2013-2014 is due to use of reserves for planned equipment replacement.

Information Technology Fund

The IT fund shows an overall budget increase primarily due to added resources for the council priority broadband fiber and franchise program, and adjustments to timing of IT equipment replacements (funded by replacement reserves).

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Other Operating Funds

The Franchise Fund is being closed based on the determination by the State Auditor that due to GASB 54 the fund activities no longer qualified as a Special Purpose Fund. The cable franchise revenues are now being receipted directly in the General Fund.

The Health Benefits Fund is in a transition year. While the escalation of the fund has slowed between the 2013-14 and the proposed 2015-16 budgets, the figures allocated ensure the City is appropriately conservative in maintaining adequate funds for claims and other expenses. The city commits to continue to use actuarial guidance when formulating the Health Benefits fund budget.

The Hotel/Motel Taxes Fund increase is due to projected increases in Transient Occupancy Tax (TOT) and \$8.5M in planned bond proceeds to be issued in 2015 for Convention Center renovations.

The Human Services Fund shows an increase due to fund increases for inflation, population growth and annexation-generated population increases, as well as a modest increase in fund balance due to the timing of various contracts.

The Land Purchase Revolving fund is increasing slightly due to projected increases in fund balance as property rental revenues (including Bayvue Village apartments) exceeds operating expenses.

The LEOFF 1 Medical Reserve Fund decrease reflects the expected use of fund balance over the next biennium. The City currently uses a pay-as-you-go approach to fund these benefits based on the City Council policy decision to discontinue pre-funding this expense.

The Parks Maintenance & Operations Fund shows little change due to M&O expenses for completed parks levy projects fully offsetting the annual proceeds from the 2008 Parks Levy.

The Risk Funds (General Self-Insurance, Unemployment Compensation and Workers' Compensation Funds) show little change based on the leveling-off of claims in all three risk funds, as well as the most current actuarial review of reserve requirements.

Expenditure Summary

Figure 7b-9

**2015-2016 Total Operating Budget
Expenditures and Reserves by Fund
\$000**

<u>Operating Budget</u>	<u>2013-2014 Amended Budget</u>	<u>2015-2016 Prelim Budget</u>	<u>\$ Change</u>	<u>% Change</u>
General Fund	\$352,639	\$383,562	\$30,923	8.8%
Utilities				
Water Utility Fund	\$103,945	\$115,017	\$11,073	10.7%
Sewer Utility Fund	115,135	124,030	8,895	7.7%
Storm & Surface Water Utility Fund	47,309	49,218	1,909	4.0%
Solid Waste Fund	2,600	3,244	644	24.8%
Subtotal Utilities	<u>\$268,989</u>	<u>\$291,509</u>	<u>\$22,520</u>	<u>8.4%</u>
Development Services Fund	\$40,177	\$54,954	\$14,777	36.8%
Parks Enterprise Fund	\$14,067	\$13,846	(\$221)	(1.6%)
Internal Services				
Equipment Rental Fund	\$30,684	\$29,661	(\$1,024)	(3.3%)
Facilities Services Fund	14,770	15,190	420	2.8%
Information Technology Fund	31,646	34,275	2,629	8.3%
Subtotal Internal Services	<u>\$77,100</u>	<u>\$79,126</u>	<u>\$2,026</u>	<u>2.6%</u>
Other Operating Funds				
Franchise Fund	3,798	0	(3,798)	(100.0%)
General Self-Insurance Fund	9,608	8,920	(687)	(7.2%)
Health Benefits Fund	50,352	56,105	5,753	11.4%
Hotel/Motel Taxes Fund	21,031	29,665	8,633	41.0%
Human Services Fund	8,458	9,458	999	11.8%
Land Purchase Revolving Fund	3,297	3,696	399	12.1%
LEOFF I Medical Reserve Fund	12,958	7,640	(5,318)	(41.0%)
Marina Fund	1,597	1,662	66	4.1%
Park M&O Reserve Fund	6,813	6,774	(39)	(0.6%)
Unemployment Compensation Fund	871	899	28	3.2%
Workers' Compensation Fund	5,036	5,493	457	9.1%
Subtotal Other Operating Funds	<u>123,819</u>	<u>130,311</u>	<u>6,493</u>	<u>5.2%</u>
Total Operating Budget	<u><u>\$876,790</u></u>	<u><u>\$953,309</u></u>	<u><u>\$76,519</u></u>	<u><u>8.7%</u></u>

Figures may not foot due to rounding

*Does not adjust for double budgeting.

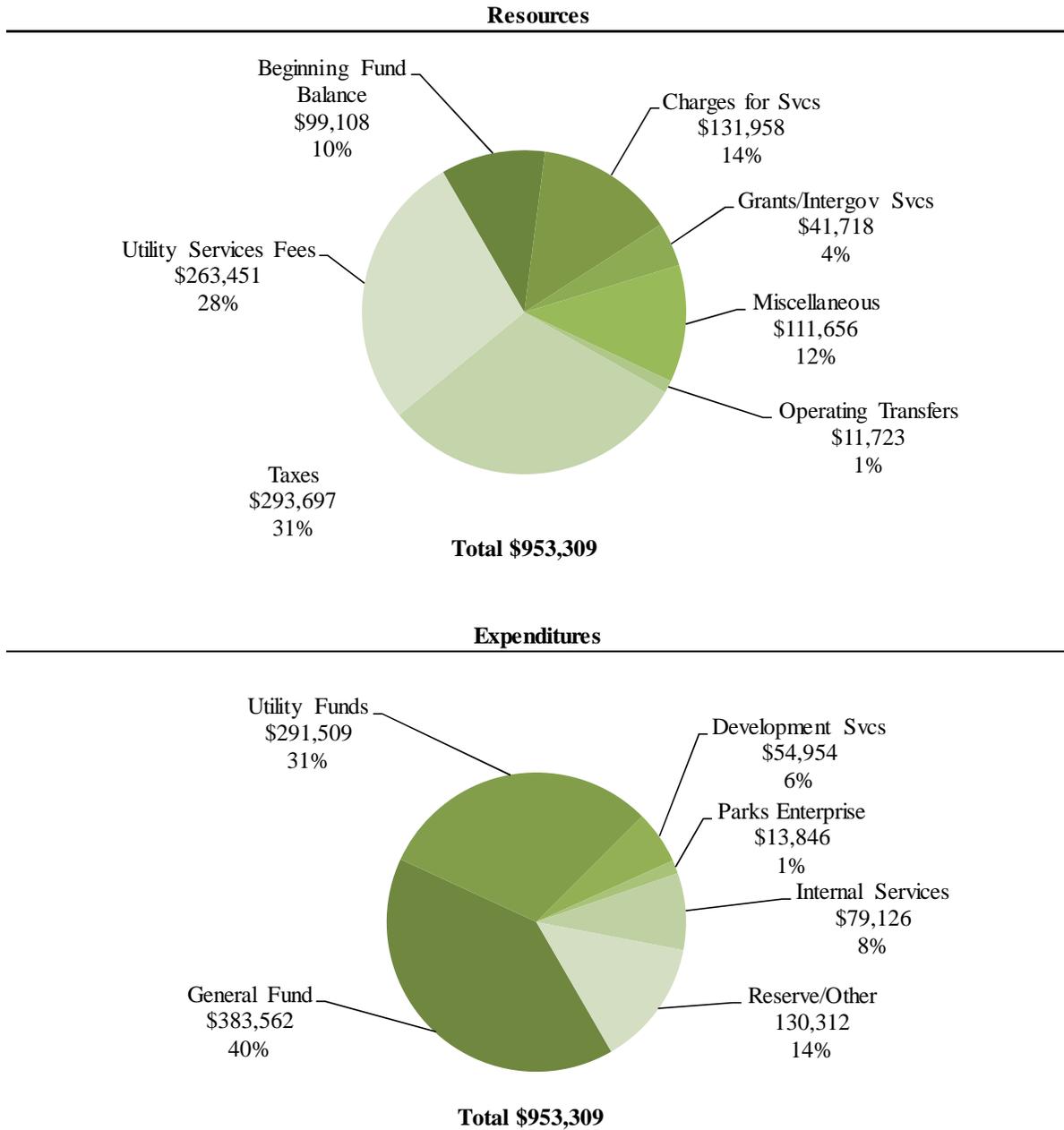
Expenditure Summary

Figure 7b-10

**2015-2016 Operating Budget
Resources by Source and Expenditures by Group
\$000**

Figure 7b-10 presents the 2015-2016 total operating budget resources (by source) and expenditures (by group). At 31 percent of the pie, taxes represent the largest resource category followed by utility services fees and charges for services. Together, these three sources represent 72 percent of operating budget resources.

The General Fund is the largest operating budget fund at \$384 million; it represents 40 percent of expenditures.



Figures may not foot due to rounding

Expenditure Summary

D. Total Special Purpose Budget

The **Operating Grants and Donations Fund** decreases due to projections for fewer grants being received.

The **I&D Redemption - Regular Levy Fund** decreases due to the payoff of the existing line of credit in 2013. The 2015-2016 budget does not include any line of credit borrowing.

Figure 7b-11

**2015-2016 Special Purpose Budget
Expenditures and Reserves by Fund
\$000**

<u>Special Purpose Budget</u>	<u>2013-2014 Amended Budget</u>	<u>2015-2016 Prelim Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Grants				
Operating Grants & Donations Fund	\$8,853	\$5,951	(\$2,902)	(32.8%)
Subtotal Grants	<u>8,853</u>	<u>5,951</u>	<u>(2,902)</u>	<u>(32.8%)</u>
Debt Service				
I&D Redemption-Regular Levy Fund **	\$46,683	\$31,935	(14,748)	(31.6%)
LID Control Fund **	1,297	1,012	(285)	(22.0%)
LID Guaranty Fund **	598	1,055	457	76.3%
Subtotal Debt Service	<u>48,578</u>	<u>34,002</u>	<u>(14,576)</u>	<u>(30.0%)</u>
Trust/Other				
Firemen's Pension Fund **	\$7,406	\$7,195	(211)	(2.9%)
Housing Fund	5,331	5,305	(25)	(0.5%)
Subtotal Trust/Other	<u>12,737</u>	<u>12,500</u>	<u>(237)</u>	<u>(1.9%)</u>
 Total Special Purpose Budget	 <u><u>\$70,168</u></u>	 <u><u>\$52,453</u></u>	 <u><u>(\$17,715)</u></u>	 <u><u>(25.2%)</u></u>

** Funds listed with a double asterisk are not appropriated during this process.

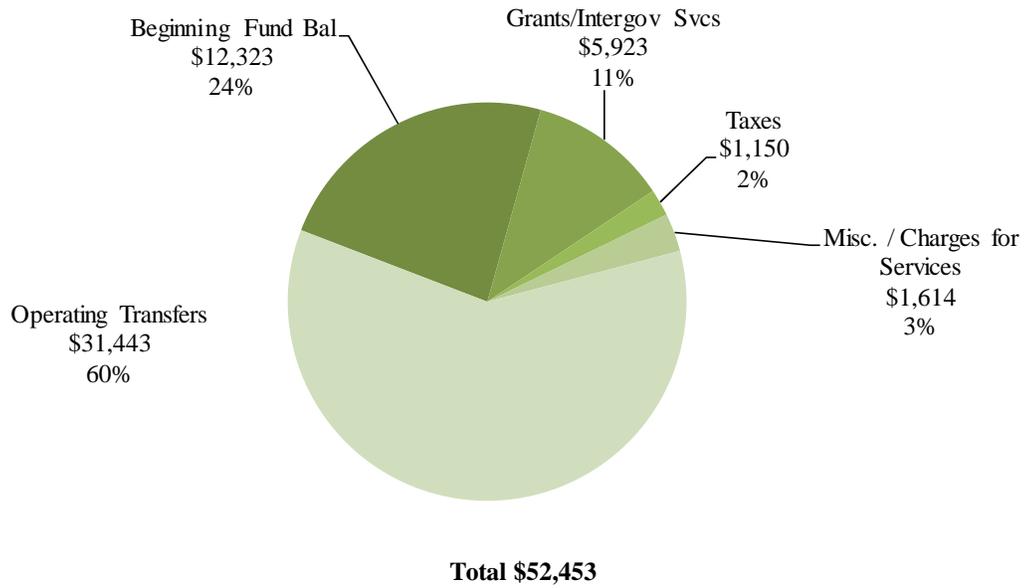
Expenditure Summary

Figure 7b-12

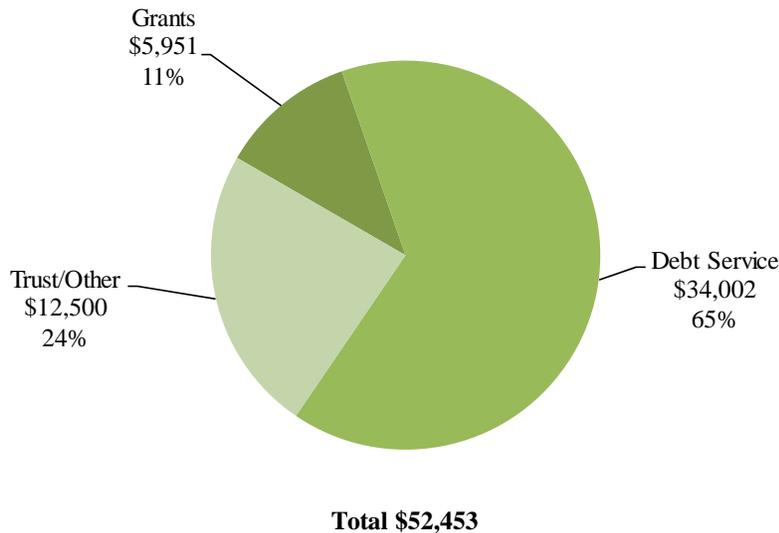
2015-2016 Special Purpose Budget Resources by Source and Expenditures by Group \$000

Figure 7b-12 depicts the resource and expenditure budget for the city's special purpose funds (not including the three capital funds). For the purposes of this display, resources have been categorized into five main components. Excluding transfers between funds, the largest resource category is the beginning fund balance at 24 percent (\$12 million). This is primarily due to large reserves being held in some of these funds (e.g., Firemen's Pension Fund) to cover anticipated future expenses. The largest expenditure category is debt service at 65 percent (\$34 million).

Resources



Expenditures



Figures may not foot due to rounding.

Expenditure Summary

E. Total Capital Investment Budget

Bellevue's Capital Investment Program (CIP) Plan presents a schedule of major public facility improvements for implementation within a seven-year period.

Figure 7b-13 presents the CIP expenditure budget by Outcome and Fund.

The General CIP Fund increase is partially due to property acquisitions required by the Sound Transit MOU and the City's alignment of major transportation projects with the development of the East Link Light Rail in order to leverage City funds. There are also a number of large-scale Parks projects under development during the 2015-2021 CIP.

Utilities CIP

Utilities CIP increases reflect replacement of aging infrastructure and capacity projects to support anticipated growth. In addition Utilities CIP reserves include repayment of a \$15M interfund loan to the General Capital Investment Fund, and budgets the potential for another \$15M in issuance as authorized by Council in October 2013, and additional transfers to Renewal and Replacement reserves.

Figure 7b-13

**2015-2016 Capital Investment Program Budget
Expenditures and Reserves by Outcome
\$000**

	2013-2014 Amended Budget	2015-2016 Prelim Budget	\$ Change	% Change
General Capital Investment Program Fund				
Base CIP				
Economic Growth and Competitiveness	\$100	\$16,150	\$16,050	16050.0%
Healthy and Sustainable Environment	1,000	0	(1,000)	(100.0%)
Improved Mobility	136,102	91,010	(45,092)	(33.1%)
Innovative Vibrant and Caring Community	42,040	36,096	(5,944)	(14.1%)
Quality Neighborhoods	2,000	2,650	650	32.5%
Safe Community	5,361	11,968	6,607	123.2%
Responsive Government	9,545	20,044	10,498	110.0%
Interfunds	0	17,982	17,982	na
Debt/Reserves	41,668	44,853	3,185	7.6%
Subtotal Base CIP	\$237,817	\$240,753	\$2,936	1.2%
Utility Capital Investment Program Fund				
Base CIP				
Healthy and Sustainable Environment	\$53,113	\$74,616	\$21,503	40.5%
Improved Mobility	1,099	0	(1,099)	(100.0%)
Interfunds	11,692	0	(11,692)	(100.0%)
Reserves	95,112	151,237	56,125	59.0%
Subtotal Utility Capital Investment Program Fund	\$161,016	\$225,853	\$64,837	40.3%
Total Capital Project Budget	\$398,834	\$466,606	\$67,773	17.0%

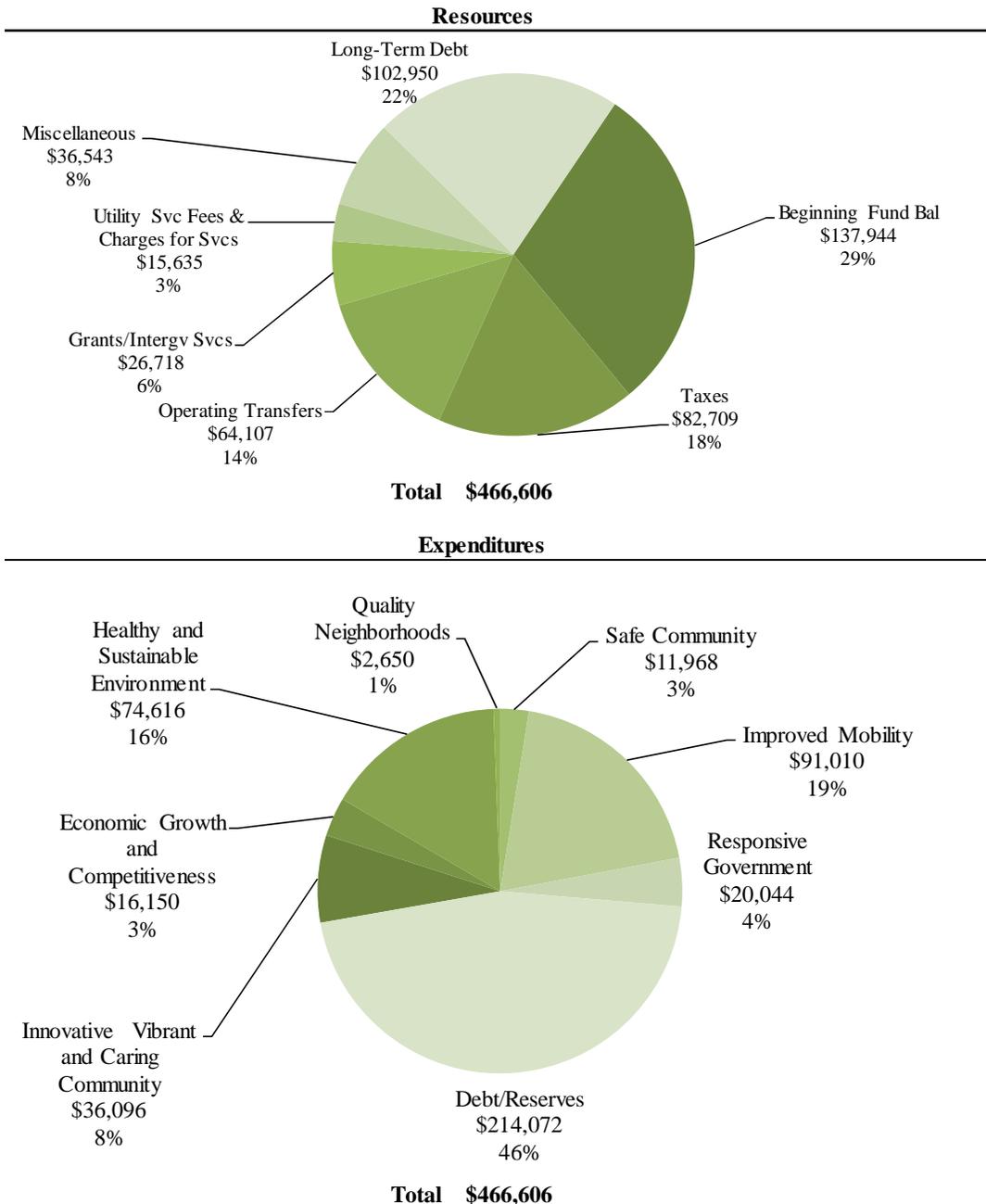
Expenditure Summary

Figure 7b-14

2015-2016 Capital Investment Program Budget Resources by Source and Expenditures by Outcome \$000

Figure 7b-14 depicts the resource and expenditure budget for the city's two capital investment program (CIP) funds. Resources have been divided into eight categories. The largest are: beginning fund balance (representing the utilities reserve and replacement funds for future capital improvements), taxes and operating transfers, which together use 61 percent of the CIP funds.

The expenditure pie has been divided into the eight Outcomes. Excluding Debt Service/Reserves, the largest use of CIP funds occur in the Improved Mobility and Healthy & Sustainable Environment Outcomes, which together use 35 percent of the CIP funds.



Figures may not foot due to rounding.

Expenditure Summary

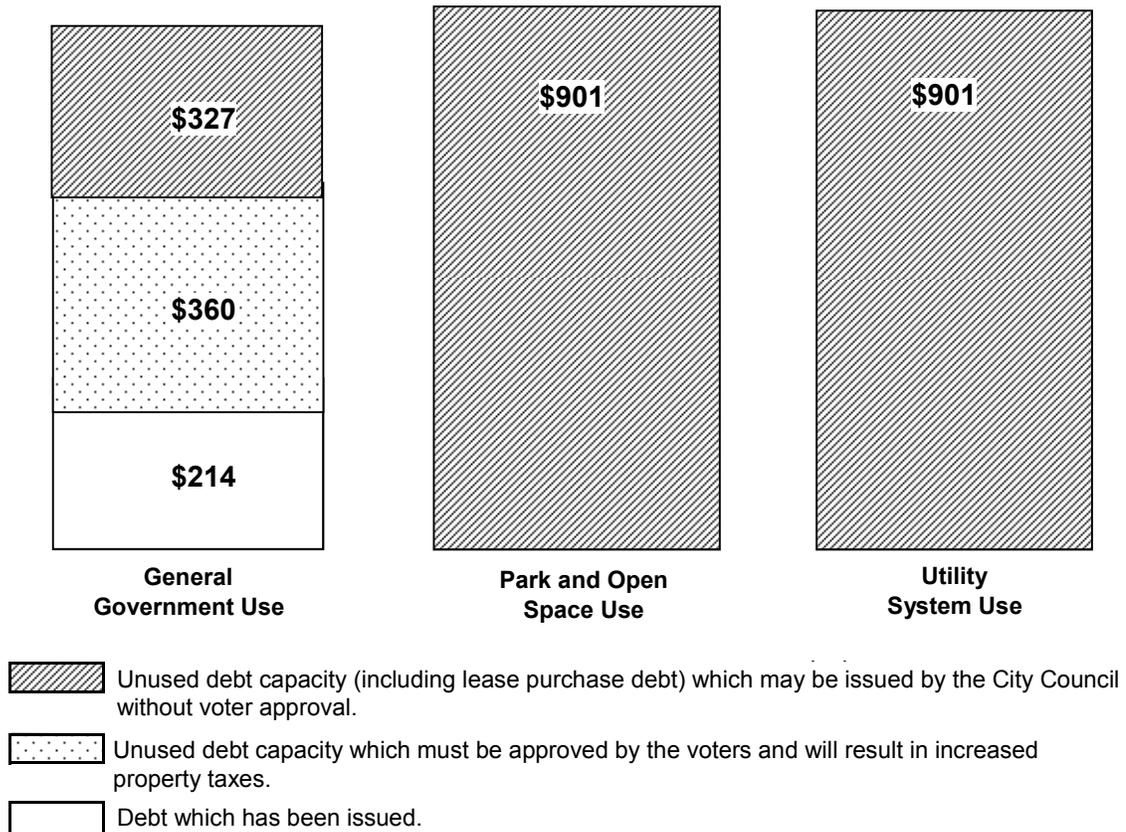
F. Total Debt Information – Based on Statutory Limits

State Law enables the City to issue debt for three general categories of use: General Government, Park and Open Space, and the Utility System. The debt issued in each category is limited to 2.5 percent of the City's assessed valuation (for a total limit of 7.5 percent). In addition, the State Constitution also allows for non-voted (councilmanic) debt limited to 1.5 percent of the City's assessed valuation, to be included within the General Government 2.5 percent limit. Such councilmanic debt can be funded by Property Taxes, but does not result in an increase to Regular Levy Property Taxes. Publicly-voted bonds (which exclude councilmanic debt) require a 60 percent majority approval for passage of a bond election and a total voter turnout of at least 40 percent of the total votes cast in the last general election. Publicly-voted bonds are funded by Voted Levy Property Taxes and the approval of these bonds results in an increase to Voted Levy Property Taxes.

Figure 7b-15 exhibits by category the City's total general obligation debt capacity, the amount of debt issued, and the allocation of remaining debt capacity between voted and councilmanic limits. As of January 1, 2015, the City's remaining general government debt capacity was approximately \$687 million, approximately \$360 million in voted capacity and \$327 million in councilmanic capacity. The approximate remaining debt capacity for park and open space use is \$901 million and for utility system use is \$901 million.

Figure 7b-15
Total Debt Capacity and Debt Issued
as of January 1, 2015
(\$ Millions)

Maximum Legal Capacity = \$36,031 x 0.025 = \$901



Expenditure Summary

Figure 7b-16 presents detailed information on the City's General Obligation and Revenue Bond debt. For each debt issue, this figure lists the amount issued, the issue and maturity dates, interest rate, source of debt payment funding, and the debt service requirements included in the 2015-2016 Budget.

Figure 7b-16

GENERAL OBLIGATION AND REVENUE BOND DEBT INFORMATION

\$000

	Original Amount Issued	Issue Date
Non-Voted General Obligation (G.O.) Bonds:		
1995 Limited G.O.	\$5,140	1995
2006 Limited GO (City Building II)	6,060	2006
2008 Limited GO (Supplemental CIP)	14,230	2008
2010 Limited GO Refunding (Marina)	3,280	2010
2010 Limited GO Refunding (BCCA)	9,595	2010
2010 Limited GO (Mobility Infrastructure Initiative)	11,825	2010
2012 Limited GO Refunding (City Building)	55,875	2012
2012B Limited GO Refunding (City Building)	43,185	2012
2013 Limited G.O. (Sound Transit)	62,605	2013
2013 Limited G.O. (Local Revitalization Financing)	7,800	2013
2015 Limited G.O. (BCCA Capital Improvements) ⁽¹⁾	8,500	2015
Subtotal Non-Voted G.O. Bonds	\$228,095	
Revenue Bonds:		
1991 Bellevue Convention Center Authority, Series B ⁽²⁾	\$21,120	1991
1994 Bellevue Convention Center Authority Refunding ⁽²⁾	13,749	1994
Subtotal Revenue Bonds	\$34,869	
TOTAL GENERAL OBLIGATION AND REVENUE BONDS	\$262,964	

⁽¹⁾ The BCCA Capital Improvement Bonds were authorized by the City Council on August 4, 2014. The Bonds will be issued by June 2015.

⁽²⁾ The Bellevue Convention Center Authority (BCCA) is a component unit of the City for financial reporting purposes. The Authority's revenue bonds are secured by Lease Purchase Rental payments from the City paid for with Hotel/Motel Tax revenues and other revenues of the City available without a vote of the City's electors.

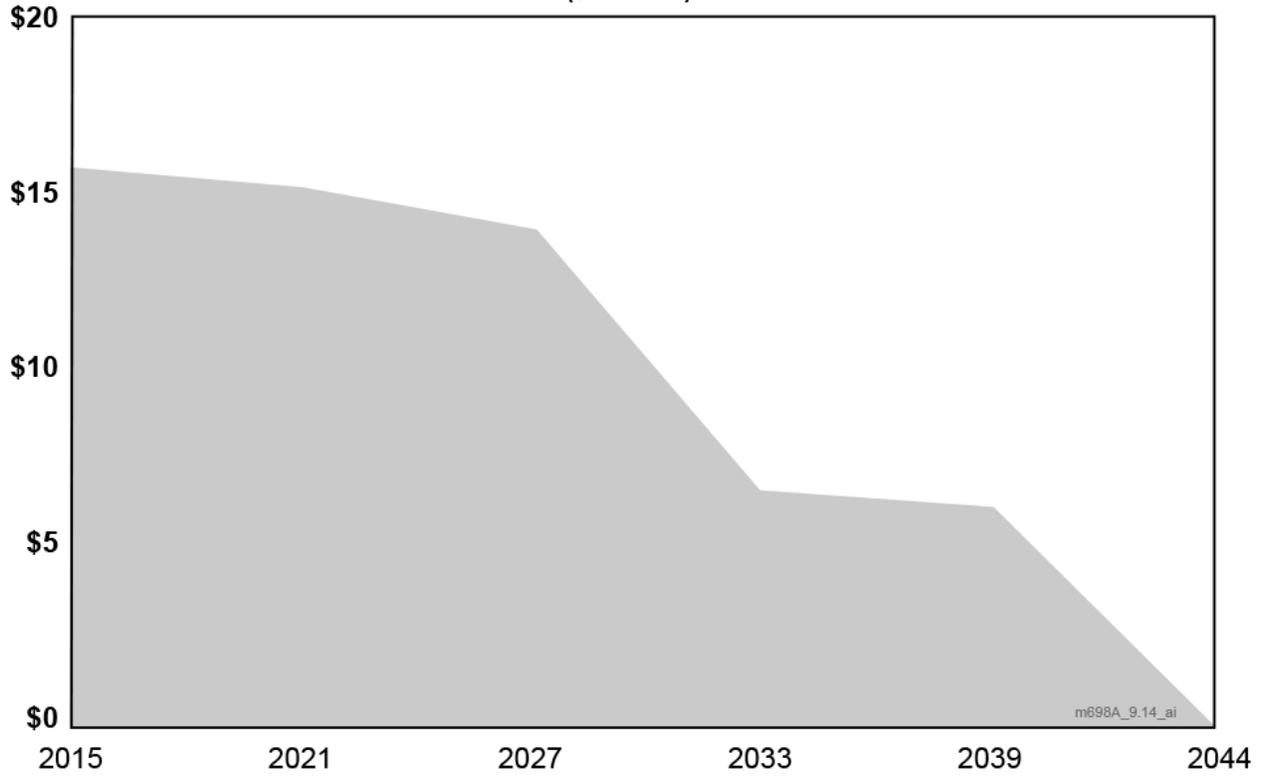
Expenditure Summary

Final Maturity Date	Interest Rate	Source of Debt Service Funding	2015-2016 Debt Service Requirement	
			Principal	Interest
2025	5.15 - 5.80%	Hotel/Motel Taxes	\$478	\$1,042
2026	3.80 - 4.25%	Sales Tax	570	323
2027	3.00 - 4.25%	Sales Tax	1,300	770
2018	2.00 - 3.00%	Moorage Fees	760	86
2032	2.00 - 4.00%	Hotel/Motel Taxes	700	592
2030	2.00 - 5.00%	Sales Tax	960	769
2039	2.00 - 5.00%	Sales Tax	3,285	5,121
2043	2.00 - 5.00%	Sales Tax	115	3,784
2032	2.00 - 5.00%	Sales Tax	4,425	5,246
2037	2.00 - 5.00%	Sales Tax	380	615
2034	2.00 - 5.00%	Sales Tax	305	295
			\$13,278	\$18,643
2019	5.70 - 7.20%	BCCA	\$1,124	\$5,371
2025	5.60 - 6.60%	BCCA	1,127	4,003
			\$2,251	\$9,374
			\$15,529	\$28,017

Expenditure Summary

Figure 7b-17 presents the annual debt service requirements for the City's councilmanic (non-voted) debt through 2044. The 2015 debt service requirements are \$15.7 million for councilmanic debt. If no further debt is issued, the final debt payment for the councilmanic debt occurs in 2043. This graph shows the City's annual debt service requirements decreasing over time.

Figure 7b-17
ANNUAL DEBT SERVICE REQUIREMENTS
FOR EXISTING NON-VOTED GENERAL OBLIGATION BONDS
 (\$ Millions)



CITY BOND RATINGS

On January 1, 2015 the City held the following bond ratings:

<u>Bond Type</u>	<u>Standard and Poor's</u>	<u>Moody's</u>
Unlimited Tax General Obligation	AAA	Aaa
Limited Tax General Obligation	AAA	Aa1
Revenue	N/A	Aa1