

Stakeholder Outreach and Reader's Guide

Introduction

Understanding a municipal budget and its specialized terminology can be a challenging exercise. In order to make review of the City of Bellevue's budget easier, this section provides information on how the City obtains stakeholder feedback, highlights the type of information contained in each chapter, describes some parts in detail, presents a glossary of commonly used budget terms, and gives directions for locating additional budget information.

This section is organized as follows:

Stakeholder Outreach

- A. Bellevue Budget Survey – details the citizen survey procedures and results.
- B. Public Hearings – provides resident comments during the three public hearings regarding the 2011-2012 Budget.

Reader's Guide

- A. 2011-2012 Budget Documents – identifies the information presented in each volume of the budget
- B. Basis of Accounting – discusses the basis of accounting used to present budget information.
- C. Glossary - provides definitions for many of the terms used in the budget document.
- D. Locating Additional Budget and Financial Information - provides a list of other documents containing information about the City's finances.



Stakeholder Outreach

A. Bellevue Budget Survey

Obtaining stakeholder feedback is one of several tools the City of Bellevue uses to plan its biennial budget. As part of the 2011-2012 Budget process, the City of Bellevue conducted a telephone survey to obtain resident feedback on budget priorities and three public hearings were held.

A. Bellevue Budget Survey

1. Background and Objectives

The City of Bellevue's budget is produced every two years and includes a seven-year Capital Improvement Plan. The budget serves as a major policy document and describes how the City intends to finance its services and infrastructure. The Operating Budget Survey is designed to provide a statistically valid tool to enhance the City's knowledge of Bellevue residents' perceptions about the City and to better understand community priorities and expectations regarding city services. It has been performed on a biennial basis since 1998 to help support decision making for each upcoming budget.

The methodology was changed in 2010 to address the high incidence of cell phone-only households or households whose members primarily use cell phones. All Bellevue households were sampled using an address-based sample. Those sampled who had a listed or published telephone number were sent an advance letter notifying them of the upcoming survey and were contacted by telephone. Sampled households without a listed or published phone were assumed to be cell phone-only or primarily cell phone households. These households were sent a letter and three reminders asking them to participate in the survey by going online or calling a toll-free number. This methodology resulted in a total of 745 total interviews—205 completed over the telephone and 540 completed via the Web—nearly twice as many as in previous years. In addition, this methodology yielded a much more representative sample in terms of respondent demographics and household characteristics.

The survey addresses the following areas:

- General feelings about the direction in which the City is headed
- Attitudes toward quality of life at citywide and neighborhood levels
- Biggest problems at citywide and neighborhood levels
- Satisfaction with the Bellevue Police Department on different measures
- Importance and satisfaction ratings for specific city facilities and services
- Priorities for the City budget
- Preferences on strategies for addressing traffic congestion
- Value received for tax dollars and opinion of tax and service levels

2. Key Metrics

Bellevue receives high ratings for all of its key metrics. These key metrics provide an overall picture of the health of the City from the perspective of its residents:

- 97 percent of all residents rate Bellevue as a good (52%) to excellent (44%) place to live.
- 91 percent of all residents rate their neighborhoods as good (55%) to excellent (36%) places to live.



Stakeholder Outreach

A. Bellevue Budget Survey

- 79 percent rate Bellevue as being close to very close to meeting their expectations for an ideal quality of life.
- 95 percent say the quality of city services meets (19%) or exceeds (76%) their expectations.
- 87 percent of all residents say that Bellevue is headed in the right direction.
- 78 percent of all Bellevue residents feel they are getting value (i.e., their money's worth) for the tax dollars they pay.
- Three out of four (75%) residents feel that Bellevue should keep both taxes and services at their current levels, nearly the same as in 2008.

3. Priorities for City Services

While all of the 35 city services evaluated were considered to be at least somewhat important, receiving a rating of 4 or higher on a 7-point scale (4 is the midpoint), seven items were identified as being the most important:

- Responding to fires
- Responding to citizen calls for police
- Investigating and solving crimes
- Providing emergency medical services
- Protecting water quality in Bellevue's lakes and streams
- Maintaining street lights and traffic signals
- Maintaining existing streets and sidewalks

With the exception of maintaining existing streets and sidewalks, these items were also ranked as the most important in 2008. Maintaining existing streets and sidewalks increased from the 11th most important item in 2008 to the 7th most important item in 2010.

Consistent with the earlier finding that the overall quality of city services meets or exceeds Bellevue residents' expectations, their satisfaction with each of these individual aspects of city services receives relatively high ratings—a mean of 4.37 or greater on a 7-point scale (4 is the midpoint).

Residents are most satisfied with six items:

- Responding to fires
- Providing emergency medical services
- Ensuring clean and well-maintained parks
- Keeping Bellevue streets clean
- Maintaining street lights and traffic signals
- Responding to citizen calls for police

While still generally satisfied, residents are the least satisfied with:

- Promoting affordable housing
- Community policing
- Reducing traffic problems in neighborhoods
- Prosecuting misdemeanor crimes in Bellevue
- Building or widening city roads
- Providing outreach to give neighborhoods access to city services
- Making improvements for bicycle riders
- Promoting jobs and economic development



Stakeholder Outreach

A. Bellevue Budget Survey

A quadrant analysis was done to identify how to best allocate resources across these services based on what is most important to residents and their relative satisfaction with these items, as follows:

Quadrant A contains those items that are most important to Bellevue residents and have the highest satisfaction ratings. This quadrant includes (in order of satisfaction):

- Responding to fires
- Providing emergency medical services
- Ensuring clean and well-maintained parks
- Keeping Bellevue streets clean
- Maintaining street lights and traffic signals
- Responding to citizen calls for police
- Protecting water quality of Bellevue lakes and streams
- Maintaining existing streets and sidewalks
- Preserving open spaces and natural areas
- Providing opportunities for healthy lifestyles
- Building neighborhood improvements
- Investigating and solving crimes

Current levels of service should be maintained for all attributes in this quadrant. Particular attention should be paid to maintaining resources for investigating and solving crimes. While this attribute experienced a significant increase in resident satisfaction between 2008 and 2010, this attribute has the lowest satisfaction rating of any service in this quadrant, and satisfaction is only slightly above average.

Quadrant B contains those items that are most important to Bellevue residents but have below-average satisfaction ratings. This quadrant includes (in order of satisfaction):

- Preparing for disasters
- Managing the city's planning and zoning
- Providing services for citizens in need
- Promoting jobs and economic development
- Prosecuting major crimes

Resources should be devoted to improving levels of service in these areas. Particular emphasis should be placed on promoting jobs and economic development and providing services for citizens in need. Reflecting the economy, the importance of these two items increased significantly in 2010. Satisfaction with economic development decreased significantly from 2008. At the same time, satisfaction with the level of service provided for citizens in need has been increasing steadily since 2006 along with funding support.

Particular attention should also be paid to managing the City's planning and zoning practices. Satisfaction with this important element of service has been decreasing steadily since 2006.

4. Budget Priorities

In the past Budget Surveys, respondents were read a list of six items and asked to indicate which of the items were the most important, second most important, and third



Stakeholder Outreach

A. Bellevue Budget Survey

most important items for the City to give priority to over the next two years. In 2010, an alternative methodology, MaxDiff Scaling, was used. MaxDiff is more powerful than traditional rating scales or ranking questions as it forces respondents to choose between items much as they would do in real life. Results suggest there are four primary priorities for service:

- Priority One: Public safety
- Priority Two: Neighborhood quality and the environment
- Priority Three: Economic growth and responsive government
- Priority Four: Mobility and community

5. Traffic and Congestion

Traffic and congestion continues to be a major issue for Bellevue residents. However, there have been improvements:

- Resident satisfaction with the reduction in traffic accidents by enforcing traffic laws is at its highest level ever—mean rating of 5.47 on a 7-point scale.
- Resident satisfaction with the number of traffic patrols in neighborhoods has also increased—mean satisfaction rating of 5.35.

On the other hand, resident satisfaction with traffic problems in neighborhoods has continued to decrease from its high of 4.99 in 2006 to 4.63 today.

Bellevue residents agree most strongly that the City should work with regional transit agencies to improve local and regional public transportation serving Bellevue. Three out of five residents strongly agree with this strategy. There is also relatively strong support for encouraging people to use alternative modes of transportation such as carpooling, vanpooling, or transit (45% strongly agree).

6. Police and Safety

Slightly less than one-third (31%) of Bellevue residents have had direct contact with the Bellevue police in the past year. Of those with direct contact, satisfaction is relatively high. Roughly two-thirds (63%) of residents reported that they are either completely (37%) or very (26%) satisfied with the quality of services provided by the Bellevue police department.

Citizen satisfaction with Bellevue police has increased in several areas:

- Investigating and solving crimes increased from a mean of 5.42 in 2008 to 5.60 in 2010.
- Prosecuting misdemeanor and gross misdemeanor crimes increased from a mean of 5.19 in 2008 to 5.31 in 2010.

At the same time, attention should be paid to responsiveness to citizen calls for assistance. Mean satisfaction has decreased from a high of 5.96 in 2006 to 5.83 in 2010. This element of service is the second most important to citizens.



Stakeholder Outreach

A. Bellevue Budget Survey

7. Environmental Stewardship

Environmental stewardship is considered to be a high priority by Bellevue residents. More than four out of five (83%) residents strongly agree that safe drinking water and clean air are critical components of the environment.

There has been a significant increase in citizen satisfaction with the water quality in Bellevue's lakes and streams—from a mean of 5.50 in 2008 to 5.75 in 2010.

8. Communications

While not as important as other elements of service, there has been a decrease in resident satisfaction with the ease of getting information about city services and programs—from a high of 5.39 in 2006 to 5.13 in 2010.

Just over two in five (42%) residents who have used a social networking site in the past 12 months report that they would be interested in using social media to communicate with the City. This equates to a total of 28 percent of all Bellevue residents.

9. Sampling and Data Collection

To address the high incidence of cell phone-only households or households whose members primarily use cell phones, the 2010 Budget Survey methodology was changed significantly.

In the past, a random-digit dialing (RDD) telephone survey was used. Strict quotas were used to ensure representation of men and women, different age groups, and residents of multi-family versus single-family dwelling types roughly proportionate to their actual incidence in the population.

While RDD telephone survey research continues to be used widely, it has come under increased scrutiny due to the proliferation of cell phones as well as declining response rates. This has called into question the representativeness of surveys conducted using traditional RDD samples. Estimates today are that as many as 20 to 30 percent of all individuals no longer have a landline telephone and rely strictly on a cell phone or other mobile device to make and receive calls. An additional 20 to 35 percent have both landline and cell phone numbers but rely primarily on their cell phones.

Some studies address the problem of cell phone sampling by including a cell phone sample. In the case of Bellevue, this is an expensive and inefficient solution. It is inefficient because it is impossible to target cell phone households living in Bellevue as most of East King County shares the 425 area code. An alternative solution that is being increasingly used is address-based sampling with a dual mode for collecting the data among hard-to-reach populations as well as the growing number of cell phone-only and cell phone-primary households. The benefits of address-based sampling are described in the passage below from Centris Marketing Intelligence.

Stakeholder Outreach

A. Bellevue Budget Survey

Recent advances in database technologies along with improvements in coverage of household addresses have provided a promising alternative for surveys that require representative samples of households. Obviously, each household has an address and virtually all households receive mail from the U.S. Postal Service (USPS)... Given the evolving problems associated with telephone surveys on the one hand, and the exorbitant cost of on-site enumeration of housing units in area probability sampling applications on the other, many researchers are considering the use of [USPS databases] for sampling purposes. Moreover, the growing problem of non-response—which is not unique to any individual mode of survey administration—suggests that more innovative approaches will be necessary to improve survey participation. These are among the reasons why multi-mode methods for data collection are gaining increasing popularity among survey and market researchers. It is in this context that address-based sample designs provide a convenient framework for an effective administration of surveys that employ multi-mode alternatives for data collection.¹

Virtually all survey samples today require some degree of weighting to ensure the results can be projected to the general population of interest. The weights were applied in two stages. The first-stage weight adjusted for the response rates between the two survey modes. The second weight is a post-stratification weight to make adjustments for imperfections in the sample and to ensure that the final sample represents the general population in Bellevue. Specifically, a post-stratification weight was applied to ensure that the gender and age distributions of the sample match that of all Bellevue residents.

Because of the change in methodology and the differences in the final sample makeup, changes to the questionnaire, and the introduction of post-stratification weighting, comparing the current survey results with previous years could be misleading. Therefore, there are limited comparisons to previous years. Instead, the 2010 Budget Survey should be considered a new baseline measure against which to measure future trends.

10. Margin of Error

The margin of error is a statistic expressing the amount of random sampling error in a survey's results. The larger the margin of error, the less faith one should have that the survey's reported results are close to the true figures; that is, the figures for the whole population. The margin of error decreases as the sample size increases, but only to a point. The margin of error in Bellevue's Budget Survey for the entire sample is generally no greater than plus or minus 3.6 percentage points around any given percent at a 95 percent confidence level. This means that if the same question were asked of a different sample but using the same methodology, 95 times out of 100, the same result within the stated range would be achieved.

¹ White Paper, Address Based Sampling, Centris Marketing Intelligence, December 2008.



Stakeholder Outreach

B. Public Hearings

B. Public Hearings

Although only a single public hearing is required by State of Washington code, the City of Bellevue held three public hearings on the 2011-2012 Budget to provide stakeholders multiple opportunities to officially comment on the budget. Two public hearings -- one in May and the other in July -- were held prior to the submission of the Preliminary Budget to the Council. These two public hearings offered residents and other stakeholders the opportunity to let the Council know what issues were important to them before City management leaders formulated their budget request. The third public hearing was held in November, after the Council received the Preliminary Budget, to give interested parties the chance to address new budget proposals, comment on significant budget issues, and ask the Council to include funding for initiatives not recommended by City managers.

During the public hearings, approximately 72 stakeholders addressed the Council. Community turnout during the three public hearings was unprecedented. The third and final public hearing lasted until midnight. The majority of comments focused on funding for human service programs. Bellevue is well known for its support of human services programs through a partnership with non-profit agencies in the community. Thousands of Bellevue residents are assisted each year through this partnership. Other testimony touched upon tax levels, and infrastructure improvements.

Following are the comments from residents and others during the public hearings.

1st Public Hearing – May 17th 8:00 PM

The following citizens came forward to testify before the Council:

- 1 Mike Nesteroff, Hopelink Board, thanked the Council for its support of human services and provided an update on Hopelink's programs and activities. He requested continued support to Hopelink and human services in general.
- 2 Dave Osmer, President of the Board for the Eastside Domestic Violence Program, thanked the Council for its contribution of \$170,000 in 2009, and requested continued support for this organization. He reviewed the program's services, noting that 16 requests for shelter and assistance are denied for every one person the shelter is able to help.
Kirk Ishizaki, Finance Director, Eastside Domestic Violence Program, thanked the Council for its continued support of the program and other human services.
- 3 Kevin Kelly, Bellevue Chamber of Commerce, stated that this is not the time to increase business taxes. He encouraged the Council to balance the budget within existing revenues.
- 4 Patrick Bannon, Bellevue Downtown Association (BDA), thanked the Council for its time and work in the current budget process. He noted that the BDA will submit its budget recommendations by the July public hearing. The BDA hopes to continue to see the City and Council focus on improved mobility, public safety, and the overall livability of the Downtown.
- 5 Hal Ferris – Planning Commission / Urban Land Institute Workforce Housing Committee / Common Ground / St. Andrews / Lord & Associates

Issue: Requesting substantial increase in funding for ARCH



Stakeholder Outreach

B. Public Hearings

6 Rachel Krefetz – Housing Development Consortium

Issues:

Requesting that City reevaluate housing assistance goals.

Requesting another dedicated funding source for ARCH, in addition to the General Fund and CDBG grants

7 Leslie Lloyd – Bellevue Downtown Association

Issues:

Requesting continued capital improvements for the Downtown

Requesting a budget for cultural tourism

8 Shannon Boldizar – Bellevue Chamber of Commerce

Issue: Requesting no new taxes, and that Council engage the business community in the budget process

2nd Public Hearing – July 19st 8:00 PM

The following individuals came forward to testify before the Council:

1. Charles Watts, an attorney in Bellevue, thanked the Council for its support of the Eastside Legal Assistance Program (ELAP) and requested continued financial assistance.
2. Stan Kiel, Executive Director of ELAP, reported that the program served more than 800 people in 2008 and 1,000 people in 2009. ELAP represents low income individuals including seniors and domestic violence victims
3. With the assistance of an interpreter, a client described her experience with the Eastside Legal Assistance Program, which helped her obtain a small inheritance to which she was entitled.
4. Jo Ellen Munson, Branch Manager for Therapeutic Health Services, thanked the Council and Human Services Commission for its consistent support of human service agencies. Therapeutic Health Services is an out-patient substance abuse and mental health agency.
5. Wendy Bain described her personal history of owning a home and having a successful career. She acknowledged that some bad choices led her to seek help from Therapeutic Health Services, at which time she was unemployed and homeless. She is now working again and has been promoted twice, and rents a home for herself and her daughter. She thanked the agency for helping her turn around her life between last September and this past May. Ms. Bain hopes the agency will be able to continue to help others.
6. Barbara Cohen said she began working in 1979 with the Eastside Recovery Center, which became Therapeutic Health Services. She was employed by the City of Bellevue in probation services for 10 years, is a resident of Bellevue, and has served on the Board of Therapeutic Health Services for 20 years. She encouraged continued support of this agency.
7. Jo Ellen Munson read a translated statement from a client of Russian Counseling Services, which is an active partner with Therapeutic Health Services. The individual stated that he has been sober for five years, has a family and successful business, and has quit smoking. He feels that counseling is more helpful than detention to help

Stakeholder Outreach

B. Public Hearings

- people to understand their problems and find the right way to solve them. He has referred others to THS, which unfortunately is not able to help all of them due to budget constraints. He encouraged the Council to support the agency's important services, including assistance to Russian-speaking individuals.
8. Karina O'Malley spoke on behalf of Helen Leuzzi, Executive Director of The Sophia Way, which is the first shelter and housing program for single homeless women on the Eastside. She thanked the City for its amazing support of human services and its commitment to help its citizens. The Sophia Way opened 19 months ago and has housed 33 women in apartments and community housing. The group plans to help a total of 48 women by the end of the year. She asked the Council for its support of this provider.
 9. Linda Nageotte, President and CEO of Food Lifeline, said that they are the largest hunger relief organization in Washington state. Bellevue has historically funded local food banks, but Food Lifeline has not been recommended for funding. Food Lifeline is a member of the Alliance of Eastside Agencies and recognizes the importance of the City's funding of a range of human services. Ms. Nageotte asked the Council to reconsider Food Lifeline's request for \$10,000 to provide 40,000 meals.
 10. Gloria Veal, a Microsoft employee in Bellevue, spoke to the problem of hunger and requested the City's support of Food Lifeline.
 11. Chris Katzmar Holmes, President of the Youth Eastside Services (YES) Board of Trustees, thanked the City for its ongoing support. She encouraged the Council to accept the budget recommendation of the Human Services Commission to continue its support of YES.
 12. Jeremy Vargas, Clinic Administrator for Sea Mar Community Health Centers Bellevue Clinic, explained that Sea Mar is a community-based organization that is committed to providing quality and comprehensive health and human services to the diverse community. They have specialized over the years in providing assistance to the Latino community.
 13. A Bellevue resident who works for Sea Mar Community Health Centers described the agency's assistance to the community and to those without health insurance.
 14. Ms. Clark, Manager for the Family Development Program at Hopelink, said the program provides a range of services including a food bank, energy financial assistance, adult education, housing, employment services, and transportation assistance. She thanked the Council for providing the essential support for human services.
 15. Marty Jacobs, Family Services Director for Child Care Resources, requested the City's ongoing support of its services. She described the importance of helping children at a young age to ensure healthy development. CCR helps families obtain child care services, offers training and technical assistance to child care providers, assists working families with child care scholarships, and supports homeless families with child care subsidies.
 16. Cindy Sandoval spoke on behalf of the Children's Response Center, which assists children and families affected by child abuse, including sexual victimization. She thanked the City for its support over the past 20 years, which helps the Center to leverage other public revenue. Early prevention programs are also provided by the Center.
 17. Susie Winston, Sound Mental Health, testified that the support of the City Council and the Human Services Commission is critical to all human service agencies.

Stakeholder Outreach

B. Public Hearings

18. Alaric Bien, Executive Director of Chinese Information and Service Center, spoke on behalf of the Alliance of Eastside Agencies. He asked the Council accept the budget recommendations of the Human Services Commission.
19. Karen Anderson-Bittenbender, Deputy Executive Director of the Low Income Housing Institute (LIHI), spoke on behalf of the Eastside Homeless Advisory Committee (EHAC). She encouraged the Council's continued support of housing through its membership in A Regional Coalition for Housing (ARCH).
20. Kevin Kelly, Bellevue Chamber of Commerce, noted Bellevue's recognition in Money magazine as one of the best places in the country to live. He testified that the top priorities of Chamber members are the retention of current businesses, transportation infrastructure and accessibility, and public safety. A total of 72 percent of surveyed members felt that the best way to close the budget shortfall is to reduce the size of government or find efficiencies, even if that means service reductions. Mr. Kelly said the Chamber has formulated a budget task force and looks forward to working with the Council to look at critical needs.
21. Karen Williams, Housing Development Consortium of King County, thanked Bellevue for being a regional leader in providing affordable housing. She commended the Bel-Red Corridor Plan for including affordable housing in connection with employment centers. Ms. Williams noted that Bellevue created and continues to support ARCH, which has not been successfully replicated anywhere in the country. She thanked Bellevue for this leadership and noted that ARCH's Bellevue staff are conscientious and effective.
22. Patrick Bannon, Bellevue Downtown Association (BDA), expressed support for the capital side of the budget and urged a continued focus on adopted plans and projects. He encouraged the Council to continue its efforts in addressing the M&O transfer between the capital and operating budgets, exploring the potential for the long-term use of debt, securing state and federal grants, and participating in public and private partnerships. The BDA would like the City to review its urban design and livability policies and plans as outlined in the Downtown Implementation Plan.
23. Christine Addison, representing KITH (Kirkland Interfaith Transitions in Housing), noted properties in Kirkland and a housing partnership in the Crossroads area of Bellevue. She encouraged Council's support of the Human Services Commission's recommended allocations.

3rd Public Hearing – November 15, 8:00 PM

The following citizens came forward to comment:

1. Dick Morris, Sunset Community Association, spoke in favor of completing the extension of 140th to 145th Place SE.
2. Jay Chase, Sunset Community Association, noted that he is a resident along 145th Place SE. He urged the Council to complete the roadway improvements.
3. Lindy Bruce, Sunset Community Association, asked the Council to fund the completion of the 145th Place SE project.
4. Michelle Mattson-Hamilton and other members of the Bellevue Youth Link Board asked the Council to continue to support the Youth Link program.
5. Cecilia McGowan, a master gardener from the Bellevue Demonstration Garden, described the garden's activities and reported that King County eliminated all funding for the master gardener program. Produce from the garden at SE 16th Street is

Stakeholder Outreach

B. Public Hearings

- donated to Hopelink. She encouraged the Council to continue funding the horticultural program at the garden.
6. Daemond Arrindell, Crisis Clinic of King County, described the program's services and requested continued funding from the City.
 7. Judy Holder, Bellevue Arts Commission Chair, asked the Council to fully fund the Eastside Arts Partnership and Special Projects programs.
 8. Jennifer Lee, Bellevue Youth Symphony Orchestra Board, encouraged continued arts funding by the City.
 9. Paula Mattyse, Operations Manager of Together Center in Redmond, requested support of the Eastside Cultural Navigator program, which is also housed at Bellevue Mini City Hall in the Crossroads area. Two citizens described the services provided to them and other immigrants by the program.
 10. Kevin Kelly, Bellevue Chamber of Commerce, referenced the Chamber's letter to the Council today regarding the operating and capital budgets. He thanked Councilmembers for their work on the budget and highlighted the Chamber's priorities.
 11. Edward Lin, attorney with Perkins Coie, spoke on behalf of the Best Buy store in the Wilburton area. He asked the Council to reconsider the NE 4th Street and NE 6th Street extension projects, and described negative impacts to the existing Best Buy store.
 12. Dave Miniken, Bellevue Downtown Association Board, noted that the BDA submitted its formal letter on budget priorities on October 25. He reviewed those priorities and asked the Council to fund projects in the Downtown.
 13. Hal Ferris encouraged the Council to continue full funding to ARCH (A Regional Coalition for Housing), which provides affordable housing projects on the Eastside.
 14. Steve Kasner urged the Council to complete the project along 145th Place SE, which provides access to Bellevue College and other schools, homes, and churches. He thanked the Council for leveraging limited dollars in the City's budget for Jubilee Reach, the Boys and Girls Club, and other organizations with thousands of volunteers providing services to the community.
 15. Ellen Hegenour spoke in support of the Harrington House, a transitional housing program for homeless adult women and newly parenting women. She urged the Council to continue funding for affordable housing and to adopt the proposed human services budget.
 16. Carol Groff described the services provided to her at the Harrington House, which she went to when she was six months pregnant. She is now moving out to her own housing. She thanked the City and Catholic Community Services for helping her at a critical time in her life.
 17. Another individual helped by the Harrington House described her experiences as a homeless woman and the housing provided for her and her daughter. She thanked the City and organization for the assistance, and urged the Council to continue funding the program.
 18. Audrey O'Neal described the services provided to her and her daughter at the Harrington House including housing, life and employment skills, and mental health care.
 19. Eileen Reinsnack, Catholic Community Services, described the volunteer program and encouraged continued financial support from the City.

Stakeholder Outreach

B. Public Hearings

20. Jessica Powers, Wright Runstad and Company, highlighted the company's support for Mobility and Infrastructure project funding and for Bellevue's and Redmond's efforts to include the SR 520 124th and 148th interchanges on the State funding list. She noted additional companies that support these priorities.
21. Renay Bennett acknowledged the budget constraints and encouraged full funding for public safety, utilities infrastructure, and street maintenance. She noted that some neighborhood retail areas continue to need attention. She encouraged funding for parks priorities and for capital projects that have been planned for some time, including the 145th Place SE project. She feels that new projects in the Bel-Red area should be reconsidered during these challenging economic times.
22. Jean Harris, a volunteer with Sophia Way, said the organization is the only overnight shelter on the Eastside for homeless, single women. The average age of clients is 50, and the eldest client was 79 years old. Ms. Harris said that 20 women are turned away for every woman that can be served by the shelter.
23. Mike Nesteroff noted that he is the City's representative on the Hopelink Board of Directors. He expressed appreciation for the City's support and encouraged continued funding.
24. Marilyn Mason-Plunkett, Hopelink CEO, described the sharp increase in the request for services during the past three years. She requested continued funding and support from the City. She thanked the City for contributing to ARCH and urged continued support.
25. Todd Woosley, Hal Woosley Properties, spoke in opposition to the proposed Wilburton Local Improvement District (LID) assessments. He commented that the transportation projects to be funded by the assessments will have negative effects for many existing businesses due to the loss of parking, loss of access, and increased congestion. He encouraged the City to consider alternate infrastructure funding mechanisms.
26. Janet Levine, Kindering Center, thanked the Council for its support of the kindering program and requested continued assistance.
27. Jim Pratt, Bellevue Youth Theatre Foundation, requested continued operating support of the Bellevue Youth Theatre, which provides activities for developmentally disabled citizens and economically disadvantaged youth. Mr. Pratt urged the City to continue its partnership in the theatre's capital investments as well.
28. Marty Jacobs, Family Services Director at Child Care Resources, expressed support for the City's proposed human services funding. She thanked the City for its past support of the organization's child care program. She noted that the State recently changed its income eligibility for the child care subsidy. Many families have lost their subsidies and are therefore unable to work.
29. Kelsey Beck, Food Lifeline, urged the Council's support of the recession impact package proposed by the Human Services Commission.
30. Al Doe, Bellevue Philharmonic Orchestra Board, encouraged the Council's support of the orchestra.
31. Victor Bishop, President of the West Lake Sammamish Association, thanked the Council for funding the West Lake Sammamish Parkway Phase 1 project to date, and encouraged completion of the project.
32. Rod Bellow, West Lake Sammamish Association, expressed support for the West Lake Sammamish Parkway Phase 1 project, noting that the City has already made a considerable investment in the project.

Stakeholder Outreach

B. Public Hearings

33. Matt King, YWCA, thanked the City for its investment in human services and asked Councilmembers to approve the recommended human services allocations. He thanked the Council for preserving its Housing Trust Fund reserve and requested continued support of ARCH.
34. Carole Cote and Nancy Buerger, St. Vincent de Paul in Bellevue, urged the Council's support of the recession impact request made by the Human Services Commission. They described efforts to help the poor through programs at two local churches.
35. Phil Morrissey, Horizon Heights Community Association, noted his handout to the Council detailing the Association's request for a sidewalk from his neighborhood to the new sidewalk on 152nd Avenue SE.
36. Michael McKinley, SPLASH Board member and master swimming coach, commented on the critical benefits of swimming for injury rehabilitation, individuals living with certain diseases and disorders, and for the elderly.
37. Loren Baker, Vice President of the SPLASH Board, thanked the Council and City staff for working with SPLASH to discuss their requests related to aquatics facilities.
38. Steve Roberts, Executive Director for Congregations for the Homeless, thanked the Council for its human services funding in these difficult economic times. He noted that the organization leverages the City's money with hundreds of thousands of dollars in donated facilities, food, and volunteers. Since 2006, the organization has moved 230 homeless men to permanent stable housing. Mr. Roberts expressed support for ARCH and encouraged the City's continued contribution to their efforts.
39. Keltie Wright, Friends of Youth, described the critical need for ongoing support of homeless youth, transitional housing, and healthy parenting education programs. She requested continued support of the shelter and its programs.
40. Lori Taylor, Director of the Bellevue Farmers Market, noted her recent mailing to the Council regarding neighborhood farmers markets. The organization lost its King County grant this year, which provided \$15,000 annually for the past four years. Sponsorships and revenues are down as well. Ms. Taylor asked the Council to consider the Market's request for funding, keeping in mind that the organization supports farmland preservation, healthy food choices, and small business development. The markets provide food to low-income citizens.



Reader's Guide

A. 2011-2012 Budget Documents

The City of Bellevue has adopted a new budget process called Budget One. Budget One is an outcome-based process that looks at all operations of the City, and focuses on important outcomes for the community rather than on department needs. Instead of starting with the previous year's budget and justifying increases or cuts by department, the Budget One process allocates money to key outcomes that are important to residents and stakeholders.

Departments then write proposals to cross departmental staff teams (called Results Teams) who review the proposals that relate to the key outcomes along with other information such as citizen survey data, past performance, and industry standards. The Results Teams rank the proposals in priority order and draw a line where the money to fund the proposals runs out. Proposals below the line are not recommended for funding. Additionally, Results Teams evaluate proposals to ensure that they are delivering the right level of service for a reasonable price. The City's Leadership Team evaluates the Results Team recommendations from a citywide perspective and may make adjustments to ensure that critical functions in all outcomes are funded. The combined recommendations are forwarded to the City Manager. The City Manager then submits a preliminary budget for review and approval to the Bellevue City Council.

The *2011-2012 Budget* is designed to provide the reader with a "one stop" comprehensive look at Bellevue's Budget by Outcomes with supporting expenditure summaries and organizational charts by department along with summaries relating to the Forecast, Resources & Expenditures, Staffing, and information relating to the Capital Investment Program (CIP) Plan. The largest chapter of the Budget is Chapter 7, and is organized by the following key Outcomes:

- Safe Community
- Improved Mobility
- Healthy & Sustainable Environment
- Innovative, Vibrant & Caring Community
- Quality Neighborhoods
- Economic Growth & Competitiveness
- Responsive Government



Reader's Guide

A. 2011-2012 Budget Documents

2011-2012 Budget Document Organization

Chapter 1 – Transmittal Letter

The Budget Transmittal Letter presents the City Manager's message on the 2011-2012 Budget and the 2011-2017 CIP Plan to the Mayor, Councilmembers, residents, and other stakeholders. The City Manager's transmittal letter highlights the priorities and issues for both operating and CIP budgets.

Chapter 2 – About Bellevue

This chapter provides background information about the City of Bellevue, such as its form of government and organization, location, population, and business climate.

Chapter 3 – Stakeholder Outreach and Reader's Guide

The City of Bellevue strives to involve the community in the budget process. This chapter describes Bellevue's survey efforts and public hearing process that assures stakeholder input on budget priorities.

Chapter 4 – Executive Summary

The Executive Summary presents a high level summary of the key components of the 2011-2012 Budget.

Chapter 5 – Budget Summary

This chapter presents 2011-2012 Budget resource and expenditure information primarily through the use of graphic presentations. This chapter contains more detailed information on resources and expenditures than what is included in the Executive Summary chapter. It includes information on "where the money comes from" such as taxes, grants, and beginning fund balances; "where the money goes" such as Transportation, Police, and Parks; and "what the money buys" such as personnel, maintenance and operations, and capital. The chapter includes a series of tables summarizing 2011-2012 resource and expenditure information.

Chapter 6 – Financial Forecasts

The Forecast projects the resources and service level expenditures for the major city operations, enterprise funds, and the Development Services Fund. A forecast is a mid-range look into the future that tries to anticipate what spending and resources will be, and what actions the City may need to take now based on those results. It also discusses significant factors that might influence the future including the economy, health benefit costs, collective bargaining agreements with the City's workforce, charges for water, and other factors that might increase or reduce resources or expenditures.

Chapter 7 – Budget by Outcome

This chapter contains summary information on the strategies adopted by the "Results Teams" who acted as purchasing agents for the citizens. In each of the outcome areas, they decided what strategies have the most impact on the desired outcome. In the Safe Community Outcome, for example, the Team targeted: 1) Prevention; 2) Response; 3) Planning & Preparation; and 4) Community Engagement as the most important factors to



Reader's Guide

A. 2011-2012 Budget Documents

be addressed by City departments. Departments wrote proposals to the Results Teams on how best to achieve the desired outcomes relating to the purchasing strategies.

In this chapter, you will also find a Purchasing Plan Overview that provides a summary of the services that will be purchased, as well as cost savings and service level reductions included in the recommended proposals. Additionally, this chapter contains the proposal rankings by outcome, and a listing of proposals that are funding and those that are not. For each proposal, there is a short summary.

Chapter 8 – Department Information

This chapter provides an overview of expenditures by category, budget summary by fund, and staffing levels that are included in the 2011-2012 Budget compared to the 2009 and 2010 Actual Expenditures. It also includes organizational charts by department and a list of the funded department proposals by outcome. The reader can find the summary of each proposal in the appropriate outcome or access the full proposal at <http://www.bellevuewa.gov/finance.htm>.

Chapter 9 – Comprehensive Financial Management Policies

This chapter presents significant City budget and accounting policies relating to financial monitoring, budget preparation, revenues, and the Capital Investment Program Plan, investments and debt.



Reader's Guide

B. Basis of Accounting

The City budgets and accounts for all funds on a modified accrual basis. The “basis” of either accounting or budgeting refers to the timing with which we recognize revenues and expenses. Under modified accrual, expenditures are recognized when goods are received or services are executed, and revenues are recognized when they are measurable and available; provided that payments for expenditures are made, and revenues are collected, within a 60-day period thereafter.

At year-end, the City also prepares financial statements on the modified and full accrual basis, as required by the State-prescribed Budgeting, Accounting, and Reporting System (BARS), and by generally accepted accounting principles (GAAP). These financial statements are presented in the City's Comprehensive Annual Financial Report (CAFR). There are Trust and Agency funds that are reported in the CAFR that are not included in the City's budget, they include the following:

Fund #	Fund Title
6370	ECityGov Alliance Fund
6780	Eastside Narcotics Task Force (ENTF) Fund
6800	Hazardous Materials Fund
6950	A Regional Coalition for Housing (ARCH) Fund
6970	Jail Administrative Group (JAG) Fund
8070	Payroll Fund – Warrants
8080	Claims Fund
9001	Bellevue Convention Center Authority (BCCA) Fund



Reader's Guide

C. Glossary

The following are definitions of some of the more common terms one may encounter in reviewing this budget document.

Accrual Basis: A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

Amended Budget: The amended budget is defined as the authorized mix and level of services, in place as of the last budget amendment ordinance, adjusted for reorganizations so that costs are comparable to the new biennial budget.

Appropriation: A legal authorization granted by the legislative body (City Council) to make expenditures and to incur obligations for specific purposes. For operating fund budgets, these appropriations lapse at the end of each fiscal biennium. For non-operating/special purpose funds such as the Capital Investment Program Funds, appropriations do not lapse but continue in force until fully expended or until the purpose for which they were granted has been accomplished, abandoned, or revised by the City Council.

Assessed Valuation (AV): The fair market value of both real (land and buildings) and personal property as determined by the King County Assessor's Office for the purpose of calculating property taxes.

Asset: Resources owned or held by a government that have monetary value.

BARS: The acronym "BARS" stands for Budgeting, Accounting, and Reporting Systems as prescribed by the State of Washington.

Balanced Budget: The budget is in balance when revenues plus available resources are equal to or greater than planned expenditures plus reserves.

Base Budget: Cost of continuing the existing levels of service in the current budget biennium.

Beginning Fund Balance: A revenue account used to record resources available in one fiscal biennium because revenues collected were in excess of the budget and/or expenditures in the prior fiscal biennium.

Biennial Budget: The financial and operating plan for the City that establishes a two-year appropriation in accordance with Washington State law.

Bond: A long-term "IOU" or promise to pay. It is a promise to repay a specified amount of money (the face amount of the bond) on a particular date (the maturity date). Bonds are typically used to finance capital projects.

Budget – Preliminary and Adopted: The City Manager submits to the City Council a recommended expenditure and revenue level for all City operations for the coming biennial year as the Preliminary Budget. When the City Council agrees upon the revenue and expenditure levels, the Preliminary Budget becomes the Adopted Budget, funds are appropriated, and legal expenditure limits are established.

Budget Calendar: The schedule of key dates that a government follows in the preparation and adoption of the budget.

Budget: A financial operating plan for a given period which displays the estimated expenditures to provide services or to accomplish a purpose during that period together with the estimated sources of revenue (income) to pay for those expenditures. Once the fund totals shown in the budget are appropriated by the City Council, they become maximum spending limits.



Reader's Guide

C. Glossary

Budgetary Basis: This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: generally accepted accounting principles (GAAP), cash, or modified accrual. The City budgets and accounts for all funds on a modified accrual basis. This means that: 1) expenditures are recognized when goods are received or services are executed, and (2) revenues are recognized when they are measurable and available; provided that payments for expenditures are made, and revenues are collected, within a 60-day period thereafter.

Budgetary Control: The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Budgeting for Outcomes: A process used to create budgets that focus on achieving specific results with strategies that provide the highest value for the dollar.

Budget One: The term used for the City of Bellevue's budgeting for outcomes based budget process used for the 2011-2012 Budget.

Budget Oversight Steering Team (BOST) : A group composed of the City Manager, Deputy City Manager, Finance Director, and Project Manager responsible for making final approvals and decisions regarding the budget.

Budget Planning Team (BPT) : Representatives from multiple departments whose purpose is to develop a framework for a budgeting for outcomes based budget process, known as Budget One for the 2011-2012 Budget.

Capital Asset: Property that has an initial useful life longer than one year and that is of significant value. The useful life of most capital assets extends well beyond one year and includes land, infrastructure, buildings, renovations to buildings that increase their value, equipment, vehicles, and other tangible and intangible assets.

Capital Expenditure: An outlay that results in, or contributes to, the acquisition or construction of a capital asset.

Capital Investment Program (CIP): The CIP is a major planning tool of the City of Bellevue in which needed improvements to the City's facilities and infrastructure are identified, prioritized, priced, and discussed with the City Council and public. Funding from a variety of sources, including local taxes, is matched with the costs of these projects. After the City Council has reviewed and approved the program, these projects are implemented. The CIP covers a seven-year period and is updated every two years.

Capital Project: Major construction, acquisition, or renovation activities that add value to a government's physical assets or significantly increase the useful life.

Cause and Effect Maps: A visual representation of the pathway to the result. Using words and/or images, it helps viewers understand the cause-effect connection between activities, strategies, factors and the outcome. Cause and Effect Maps are included in the Request for Results.

Chart of Accounts: A list of expenditure, revenue, and other accounts describing and categorizing financial transactions.

CIP: The acronym "CIP" stands for Capital Investment Program. It is a seven-year plan of capital improvements approved by the Council on a biennial basis. This plan is a blueprint which City staff can follow in implementation of the listed projects.



Reader's Guide

C. Glossary

Community Development Block Grant (CDBG): A U.S. Department of Housing and Urban Development (HUD) annual grant to Bellevue and other local governments to support economic development projects, human services, low-income housing, and services in low-income neighborhoods.

Comprehensive Annual Financial Report of the City (CAFR): The City's annual financial statement prepared by the Finance Department.

Constant or Real Dollars: The presentation of dollar amounts adjusted for inflation to reflect the real purchasing power of money as compared to a certain point in time in the past.

Consumer Price Index (CPI): A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency: A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contractual Services: Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements, and professional consulting services.

Credit Rating: The credit worthiness of a governmental unit as determined by an independent rating agency. The City of Bellevue is rated by two rating agencies: 1) Moody's Investors Service, and 2) Standard and Poor's.

Debt Service: The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

Deficit: The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Department: A basic organizational unit of City government responsible for carrying out a specific function.

Depreciation: Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence.

Desired Program Outcomes: The consequence of what a program or activity does. An end result of a process.

Development-Related Fees: Those fees and charges generated by building, development, and growth in a community. Included are building and street permits, development review fees, zoning, platting, and subdivision fees.

Direct Services Overhead: Costs for centrally-provided internal services which can be identified to specific departments and which departments can control how much of the service they use (e.g., postage, word processing, long-distance phone charges).

Disbursement: The expenditure of monies from an account.

Distinguished Budget Presentation Awards Program: A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Double Budgeting: The result of having governmental funds or departments purchase services from one another rather than from outside vendors. When internal purchasing occurs, both the "buyer" and the "seller" of services must have a budget. The "buyer" has to budget the expenditure and the "seller" has to have resources in its budget to provide the service. This



Reader's Guide

C. Glossary

type of transaction results in inflated budget values because the same expenditure or revenue dollar is budgeted twice, once in each fund's budget. The budget has not been adjusted to remove double budgeting.

Effectiveness Measure: A measure used to determine if a program or department is achieving its desired outcome. The degree to which a performance objective is being achieved.

Efficiency Measure: This measure reflects the relationship between work performed and the resources required to perform it. It demonstrates how well the available resources are being used.

Encumbrance: The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

Enterprise Fund: Separate financial accounting used for government operations that are financed and operated in a manner similar to business enterprises and for which preparation of an income statement is desirable.

Expenditure: An expenditure is, in simple terms, the payment for goods and services. Under the modified accrual basis, expenditures are recognized when goods are received or services are rendered; provided that payments for expenditures are made within a 60-day period thereafter.

Expense: Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

Financial Policy: A government's conscious decision on the financial direction it wants to take regarding revenue, spending, and debt management in relation to government services, programs, and capital investment. Financial policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Biennium: In accordance with Washington State Law (RCW 35A.34), a fiscal biennium is the period from January 1 of each odd-numbered year through December 31 of the next succeeding even-numbered year (i.e., January 1, 2011 - December 31, 2012).

Fiscal Year: A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Bellevue's fiscal year is the same as the calendar year.

Fixed Assets: Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

Full-Time Equivalent (FTE): The acronym "FTE" stands for Full-Time Equivalent and represents the measure by which the City accounts for its staffing. A regular City employee working a standard 40-hour week is counted as 1.0 FTE; a regular City employee working fewer than 40 hours per week is counted as a portion of an FTE (e.g., 30 hours a week is counted as 0.75 FTE).

Fund Balance: The difference between assets and liabilities (the equity) of a particular fund. This incorporates the accumulated difference between the resources and expenditures each year.

Fund: Governmental accounting systems are organized and operated on a fund basis. A fund is an independent financial and accounting entity with a self-balancing set of accounts in which financial transactions relating to resources, expenditures, assets, and liabilities are recorded. Funds are established to account for the use of restricted revenue sources and, normally, to



Reader's Guide

C. Glossary

carry on specific activities or pursue specific objectives. Funds may be established by the State Constitution, State statute, City Charter, City ordinance, or Finance Director.

GAAP: Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules and procedures that define accepted accounting principles.

General CIP Revenue: General CIP Revenue is defined as the revenue dedicated to CIP use derived from the 0.5% local optional sales tax, 0.03% business and occupation tax, interest earnings on unexpended balances, and any miscellaneous unrestricted revenues. General CIP Revenue is allocated to each non-utility program area based on overall priorities.

General Fund: A central fund into which most of the City's general tax revenues and discretionary resources are pooled and which is allocated to support many of the operations of City government.

General Obligation (GO) Bond: This type of bond is backed by the full faith, credit, and taxing power of the government.

Goal: The end toward which effort or ambition is directed. Condition or state to be brought about by a course of action.

Grants: A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantor.

Indicator: An indicator is a value, characteristic, or metric used to track the performance of a program, service, or organization, or to gauge a condition. "Indicator" is synonymous with the term "measure." There are three levels of indicators:

Key Community Indicators (KCI): As used by the City of Bellevue, KCI's are measurements of resident opinion relating to the priority outcomes of the budget. They provide information about past and current trends of residents' perceptions gathered through valid, scientific opinion research.

Key Performance Indicators (KPI): KPI's are "marquee" or "headline" measures that amplify each priority outcome in the budget. When looked at together in relation to a specific priority outcome, they show past and current trends of operational efficiency, effectiveness or community perception.

Key Departmental Indicators (KDI): KDI's are drawn from department proposals and when combined with a target, tell a story of planned or intended achievement. They are usually efficiency (output) or effectiveness (outcome) metrics.

Indirect Services Overhead: Cost of centrally-provided internal services for which there is a Citywide benefit that cannot be readily identified to specific departments (e.g., financial services).

Infrastructure: The physical assets of a government (e.g., streets, water, sewer, public buildings, and parks).

Interfunds: The term "interfund" refers to transactions between individual funds of the City of Bellevue (rather than transactions between the City and private companies, other governments, or vendors). From a budgeting and accounting perspective, the service receiver must budget and pay for the service received. The service provider will budget for the cost of providing the service and receive revenue in the form of a payment from the service receiver. Interfund revenues can be either payment for intracity services or contributions of revenue from one City



Reader's Guide

C. Glossary

organization to another. Examples of interfund revenues include equipment rental charges, self-insurance premiums, and contributions for debt service obligations. As can be seen from this description, interfund activities inflate both expenditures and revenues; this causes what we refer to as "double budgeting".

Intergovernmental Revenue: Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Internal Service Charges: The charges to user departments for internal services provided by another government agency, such as data processing or insurance funded from a central pool.

Lapsing Appropriation: An appropriation made for a certain period of time, generally for the budget biennium. At the end of the specified period, any unexpected or unencumbered balance lapses or ends, unless otherwise provided by law.

Leadership Team: The City's administrative decision-making body consisting of all Department Directors, the Deputy and Assistant City Managers, and the City Manager.

LEOFF 1: The acronym "LEOFF I" stands for Law Enforcement Officers and Firefighters I retirement program.

Levy: To impose taxes for the support of government activities.

Limited-Term Employee (LTE): The acronym "LTE" stands for Limited Term Employee and represents an individual hired full- or part-time for a specific project or purpose with an employment period not to exceed three years.

Line-Item Budget: A budget prepared along departmental lines that focuses on what is to be bought.

Long-Term Debt: Debt with a maturity of more than one year after the date of issuance.

M&O (Maintenance and Operating) Costs: Expenditure category that represents amounts paid for supplies (e.g., office supplies, repair and maintenance supplies, minor equipment, and software), and other services and charges (e.g., ongoing contracts, professional services, communications, rent, utilities, and intergovernmental services).

Maintenance of Current Service Levels: A budget concept aimed at identifying the additional level of resources needed in a particular budgetary period to provide the same quality level of service as was provided in the prior budgetary period. Factors which might affect the cost of maintaining a current service level from year to year include inflation and mandatory cost changes, and changes in service volumes.

Managing for Results: A comprehensive and integrated management system that relies on planning, budgeting, employee management, performance measurement, data collection, evaluation and reporting to achieve desired results. Managing for Results is another term used to describe a performance management system.

Mandate: A legal requirement that a jurisdiction provide a specific service at a specific level.

Modified Accrual: The basis of accounting used by the City of Bellevue to recognize revenues and expenditures. The "basis" of either accounting or budgeting refers to the timing with which we recognize revenues and expenses. Under modified accrual, expenditures are recognized when goods are received or services are executed, and revenues are recognized when they are measurable and available; provided that payments for expenditures are made, and revenues are collected, within a 60-day period thereafter.

Reader's Guide

C. Glossary

Net Budget: The legally adopted budget less double-budgeted items such as interfund transfers and interdepartmental charges.

Non-Operating/Special Purpose Fund: A budgeting, accounting, and reporting entity established to receive revenues typically of a non-continuing nature and to make expenditures for non-continuing projects or programs. It usually has a short-term life, after which the fund will be disbanded. Although budgets may be established on an annual or biennial basis, appropriations are non-lapsing and continue from biennium to biennium.

Object of Expenditure: An expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, land, or furniture.

Objective: Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

Obligations: Amounts which a government may be legally required to pay out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Offer: A proposal by a department(s) in response to a Request for Results, issued by a Results Team, to provide a particular service, program or activity that achieves a result. It indicates what the department proposes to do to produce an outcome, how much it will cost, and how success will be measured. Offers can be submitted by one department or multiple departments in collaboration with each other.

Offer Teams: A department or collaboration of departments submitting an offer in response to Request for Results. Also known as "Seller".

Operating Costs: Operating costs (also called maintenance and operating costs or M&O costs) are planned expenditures, covered in the City's Operating Budget, for conducting continuing service programs based at the physical facilities constructed, reconstructed, or acquired by the Capital Investment Program. For example, the costs of personnel and supplies for maintaining a park property once it is constructed are operating costs, while the costs of constructing the park itself are capital costs. Another example of an operating cost would be the necessity of paying for electricity to run a traffic signal once a CIP-financed intersection has been constructed.

Operating Expenditure: The cost of personnel, materials, and equipment required for a department to function.

Operating Fund: Operating funds have biennially-established balanced budgets which lapse automatically at the end of the fiscal biennium. These funds carry on the traditional service operations of a municipality.

Operating Revenue: Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Operating Transfers: Amounts transferred from one fund to another to assist in funding the services for the recipient fund.

Outcome: An outcome is the result of a program, service, set of activities, or strategy. It should be used to describe the impact of the service, set of activities, or strategy, not to describe what was done. Outcomes are often identified as immediate, intermediate, and long term. "Outcome" is synonymous with "result".

Output: An output is a unit of a product or service produced through activities and programs (e.g. clients served, lunches served, tons of waste collected, and applications processed).



Reader's Guide

C. Glossary

Pay-As-You-Go Basis: A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

Performance Budget: A budget wherein expenditures are based primarily upon measurable performance of activities and work programs.

Performance Measure: A value, characteristic, or metric used to track the performance of a program, service, or organization, or to gauge a condition. Synonymous with the term "indicator."

Personnel: Expenditure category that represents amounts paid for personal services rendered by employees (e.g., salaries and overtime pay) and benefits paid by the City.

Policy: A policy is a guiding principle which defines the underlying rules which will direct subsequent decision-making processes.

Program: A group of related activities and projects which seek to accomplish a common objective.

Project Cost: The project cost is an estimate of the resources required to complete the capital project as described on the project description page. Many of the project costs shown in the CIP Plan are preliminary in nature since no significant engineering has been done which would allow for more specific estimates to be produced. Most cost estimates are produced using rule-of-thumb approximations as opposed to specific lists of materials.

Public Hearing: A public hearing is a specifically designated time, place, and opportunity for citizens, community groups, businesses, and other stakeholders to address the City Council on a particular issue. It allows interested parties to express their opinions and the City Council and/or staff to hear their concerns and advice.

Purchasing Strategies: A set of actions chosen to achieve an outcome. A strategy is based on an understanding (or assumption) of the cause-effect connection between specific actions and specific outcomes. Purchasing strategies are included in the Request for Results.

RCW: The acronym "RCW" stands for Revised Code of Washington which is Washington State Law.

Result: A result is the outcome of a program, service, set of activities, or strategy. It should be used to describe the impact of the service, set of activities, or strategy, not to describe what was done. Outcomes are often identified as immediate, intermediate, and long term. Synonymous with "outcome".

Results Team (RT) : A group designated to create Requests for Results and to rank offers. Also known as "Buyer".

Request for Results (RFR): A description of the desired outcome, the factors that contribute to the outcome, the strategies that will influence each outcome, and the indicators that will serve as a gauge in determining if the results have been achieved.

Reserve: An account used either to set aside budgeted resources that are not required for expenditure in the current budget biennium or to earmark resources for a specific future purpose.

Resolution: A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Reader's Guide

C. Glossary

Resources: Total dollars available for appropriation, including estimated revenues, interfund transfers, other financing sources such as the sale of fixed assets, and beginning fund balances.

Restricted/Unrestricted Revenue: A revenue is considered restricted when its receipt is either based upon the reasonable expectation that fees or charges paid to the City will be utilized to provide a specific product, service, or capital asset to the payer, or their receipt is directly tied to an expenditure. Revenue is also considered restricted when voters or the City Council has designated it for a specific purpose by ordinance or resolution. Revenues not designated restricted are considered unrestricted.

Revenue: Sources of income received during a fiscal year, operating transfers from other funds, and other financing sources such as the proceeds derived from the sale of fixed assets.

Revenue Bond: A type of bond backed only by the revenues from a specific enterprise or project, such as a utility.

Revenue Estimate: A formal estimate of how much revenue will be earned from a specific revenue source for some future period, typically a future fiscal year.

Scalability: Sellers indicate in their offers how much of a result they can produce at various price levels. Also known as "Service Levels".

Seller: A department or collaboration of departments submitting an offer in response to Request for Results. Also known as "Offer Teams".

Service Levels: Sellers indicate in their offers how much of a result they can produce at various price levels. Also known as "Scalability". Services or products which comprise an actual or expected output of a given program. Focus is on results, not measures of workload.

Source of Revenue: Revenues are classified according to their source or point of origin.

Supplemental CIP: In 2007, the City Council adopted the Supplemental CIP which represents high priority capital projects that focus on the following priority areas: 1) Downtown Implementation; 2) Transportation Capacity and Congestion; and 3) Neighborhood Investments. Funding for these projects is provided by limited tax general obligation bonds.

Taxes: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Training Pool Employee: An employee who is hired into a position created for the purpose of training for a regular position of the City. This classification is typically used for positions that required extensive training such as police officers.

Transitional Employee Position: An employee who is hired into a position created for the purpose of training for a regular position when the incumbent has submitted a resignation or the manager knows the position will be vacant within a year.

Uncommitted Resources: The net resources available after meeting the estimated cost of providing existing levels of service which may be used to support new or qualitatively expanded service programs or resource reductions.

Undesignated Fund Balance: The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.



Reader's Guide

C. Glossary

Unless otherwise noted, the 2009 and 2010 budget values shown in this document have been amended. They represent the adopted budgets plus additional appropriations resulting from City Council decisions made throughout the year and from any reorganizations.

User Charges: The payment of a fee for direct receipt of a public service by the party who benefits from the service.

Utility Services: A term used to describe services provided by Bellevue's three self-supporting utility funds: Sewer, Storm & Surface Water, and Water.

Variable Cost: A cost that increases/decreases with increases/decreases in the amount of service provided such as the payment of a salary.

Workload Measure: A unit of work accomplished (e.g., number of permit applications reviewed, the number of households receiving refuse collection service, or the number of burglaries investigated).

Reader's Guide

D. Locating Additional Budget and Financial Information

In addition to the *2011-2012 Budget*, the City of Bellevue publishes a number of documents that provide information about the City's finances. Some of the more important documents that might be of interest include:

- The Comprehensive Annual Financial Report (CAFR) presents the year-end financial status and results of operations for each of the City's funds, as well as various statistical and demographic information about the City of Bellevue.
- Quarterly Monitoring Reports discuss the status of operating and CIP resources and expenditures each quarter including a year-end projection of probable outcomes.
- Performance Measures and Budget Survey reports discuss the results of scientifically conducted surveys of residents' opinion on City performance and budget priorities.
- Annual Performance Report shows selected performance measures for all departments. This document shows target and actual performance for the year, where actual performance has met or exceeded the target, and describes steps being taken to improve performance.

The *2011-2012 Budget*, as well as complete proposals for the 2011-2012 Budget and other financial reports can be found online at <http://www.bellevuewa.gov/finance.htm>.

Hard Copies of the 2011-2012 Budget can also be found at these locations:

Bellevue Regional Library, 500 – 108th Avenue, NE #210
Newport Way Library, 14250 S.E. Newport Way
Lake Hills Library, 15228 Lake Hills Blvd
Service First Desk, Bellevue City Hall, 450 110th Avenue NE

Requests for any of these documents or inquiries about other financial programs of the City of Bellevue should be directed to:

Ms. Jan Hawn
Finance Director
City of Bellevue
P.O. Box 90012
Bellevue, WA 98009-9012
Phone: (425) 452-6846
Fax: (425) 452-6163

or

Mr. Rich Siegel
Performance and Outreach Coordinator
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