



Budget Advisory Committee

Lisa King, Finance Director
August 1, 2024



Agenda

- Welcome & Introductions
- Revenue Discussion
- Expenditure Discussion
- 2024 Year End Financial Projections
- Financial Sustainability Plan
- 2025 City Priorities
- Q&A
- Next Steps & Future Meetings



WELCOME &
INTRODUCTIONS

*Thank you for your
willingness to serve!*

CITY SERVICES OVERVIEW

Residents

Mayor

City Council

City Administrator



Police



Public Works



Parks & Recreation



Finance



Building & Planning

Contracted Services



Water/Sewer
Solid Waste



Fire



IT

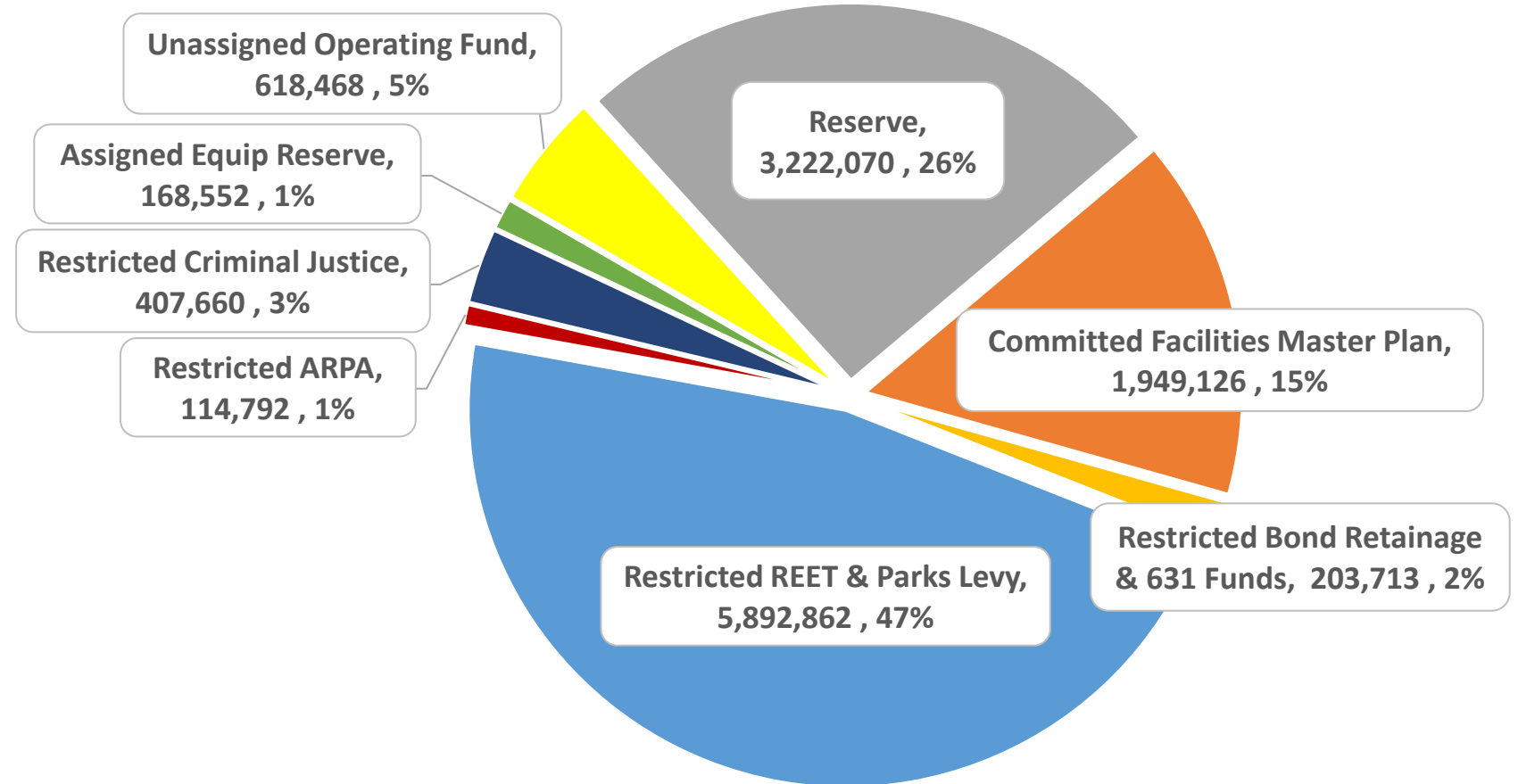


City Attorney &
Municipal Court

Components of Ending Fund Balance as of 12/31/23

**Total Beginning Fund Balance
~ \$12,570,00**

- Unassigned 19%
- Assigned & Committed 28%
- Restricted 53%



Finance Policy requires: Maintain a minimum unassigned fund balance in the Reserve Fund of 25% of the current years budgeted General Fund expenditures. 2024 = required unassigned fund balance of \$1,481,295

2024 Budget Overview

Total Beginning Fund Balance

FINAL BUDGET 2024	001 General Fund	002 Reserve Fund	003 Retainage Dep Fund	100 Special Rev Funds	300 Capital Projects Fund	TOTAL CITY
Beg. Fund Balance	618,468	3,222,070	200,783	2,640,129	5,892,862	12,574,313
REVENUE	5,556,541	0	50,000	271,706	953,000	6,831,247
EXPENDITURES	5,925,180	0	50,000	433,450	2,480,000	8,888,630
Surplus or (Deficit):	(368,639)	0	0	(161,744)	(1,527,000)	(2,057,383)
Total Transfer In	250,562	0	0	25,000	0	275,562
Total Transfer Out	25,000	0	0	250,562	0	275,562
Total Surplus or (Deficit):	(143,077)	0	0	(387,306)	(1,527,000)	(2,057,383)
Ending Fund Balance	475,392	3,222,070	200,783	2,252,823	4,365,862	10,516,930

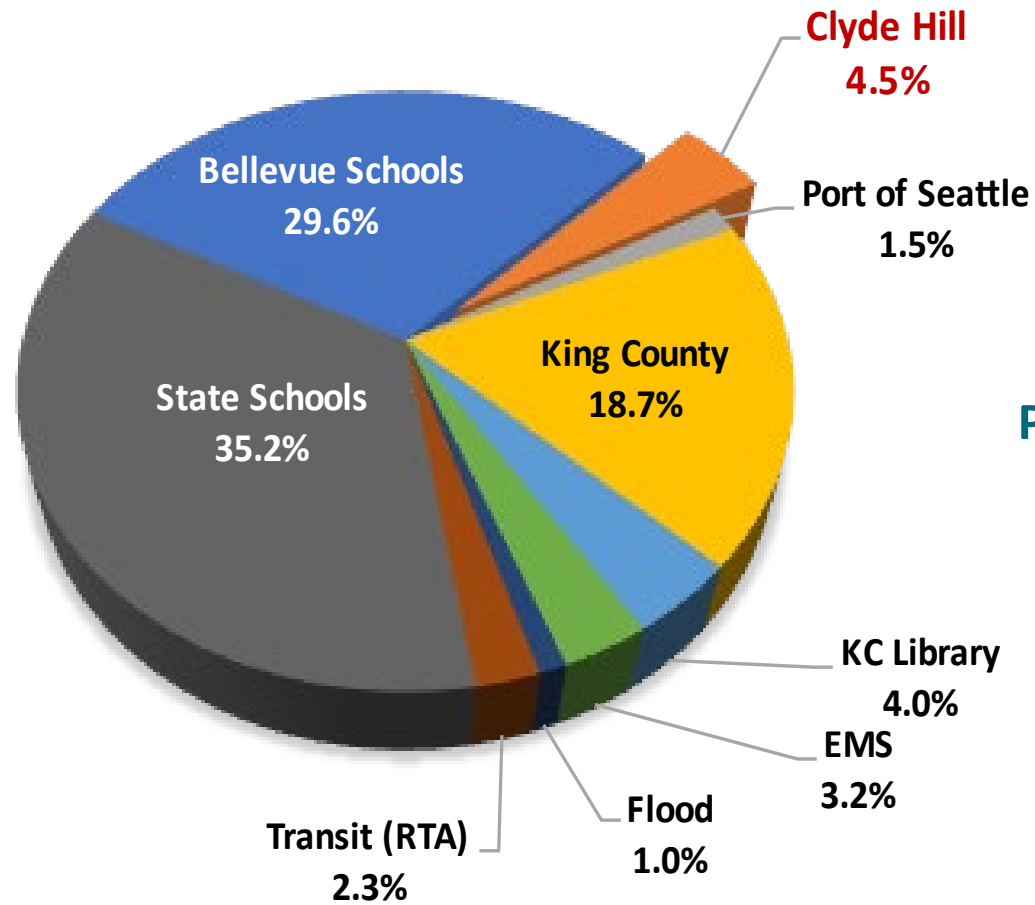
Budget deficit



REVENUE

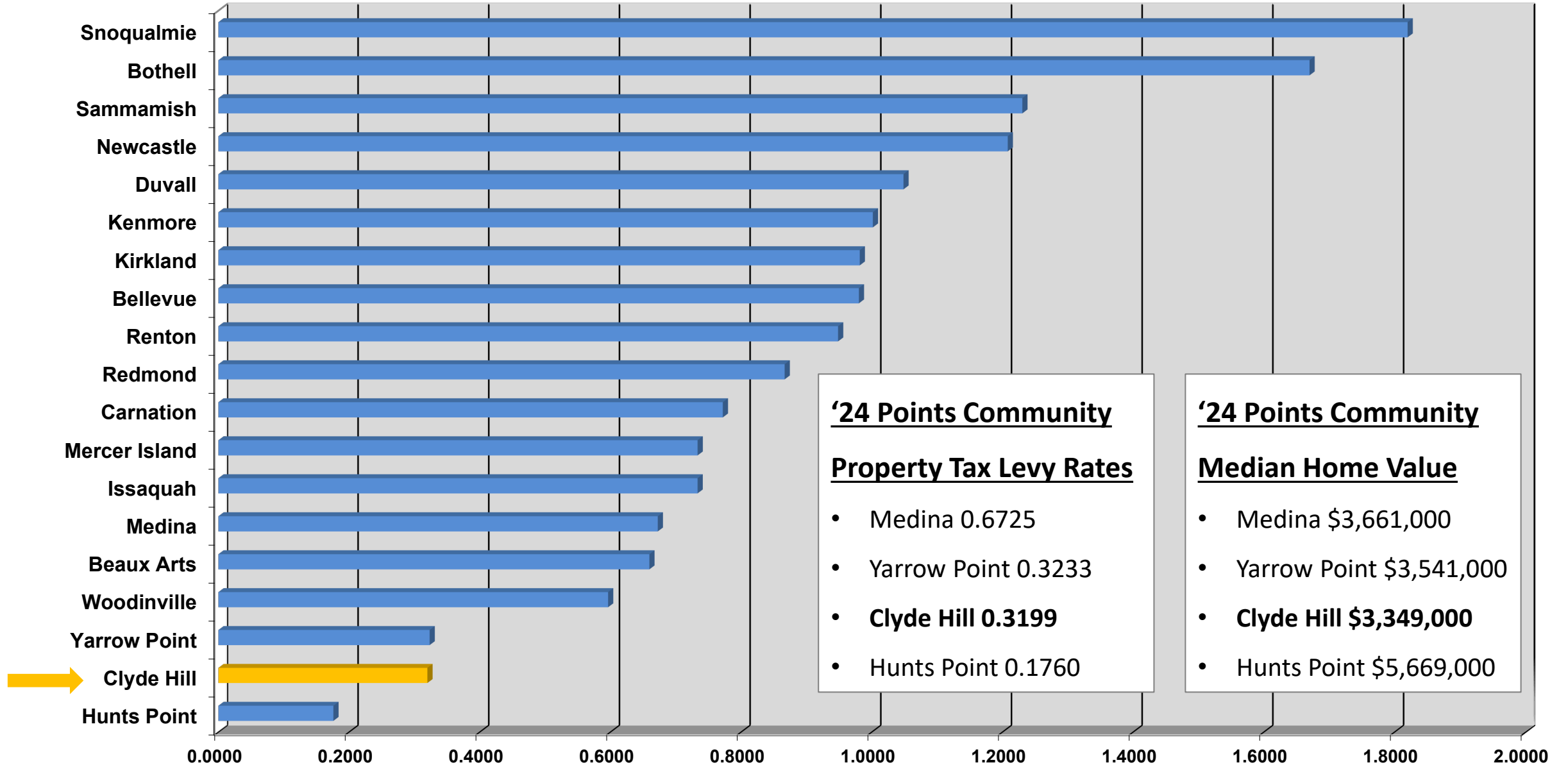


2024 Property Tax Distribution

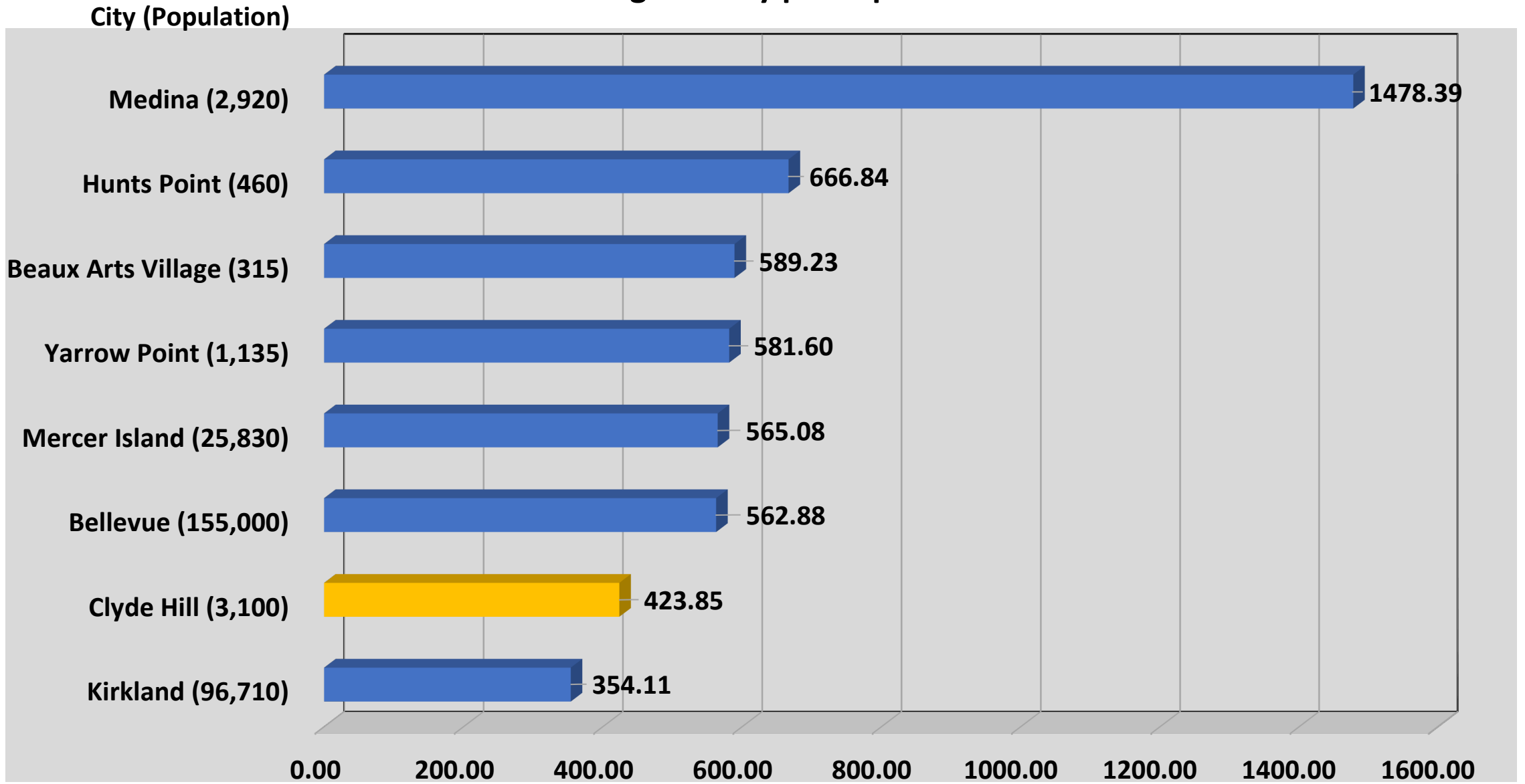


**2024 Annual CH
Property Tax Revenue
\$1,340,757**

Comparison of 2024 Property Tax Rates for Eastside Cities & Towns

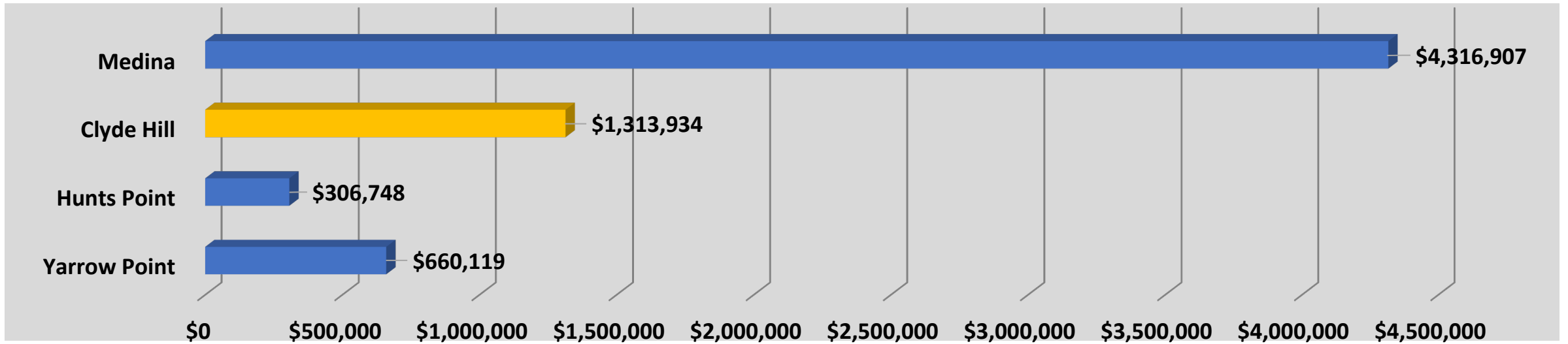


Regular levy per capita

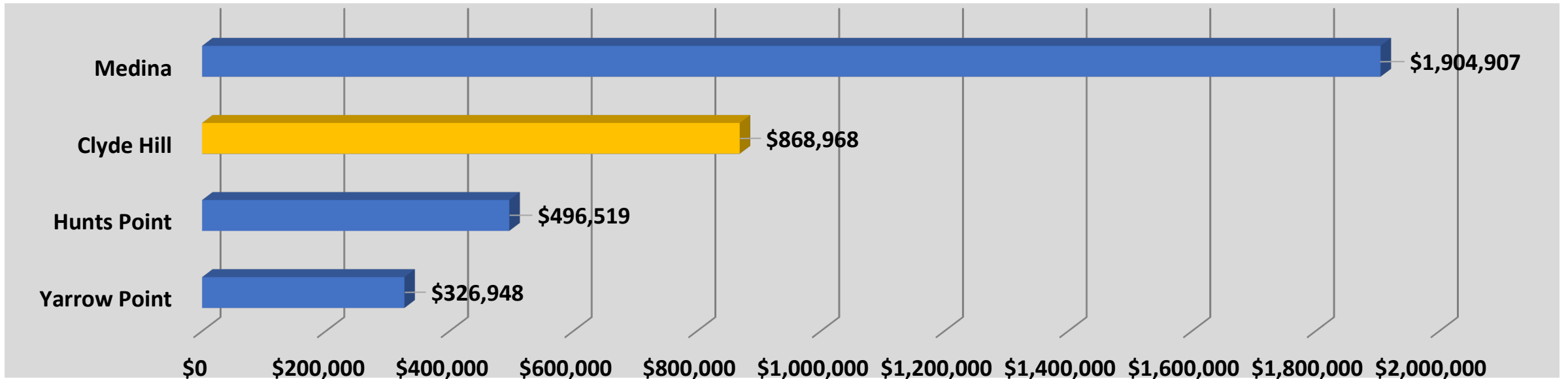


*Source data from AWC

Regular levy amount



Sales tax revenue



*Source data from AWC

Utility Tax Rates – Total Revenue \$982,944

- Electric Utility (6%)
- Natural Gas Utility (6%)
- Cable TV Utility (9%)
- Telephone Utility (6%)
- Solid Waste Utility Tax (6%)
- Cable TV Franchise Fee (5%)
- Water Franchise Fee (10%)
- Sewer Franchise Fee (10%)
- Solid Waste Franchise Fee (5.5%)



*PUGET
SOUND
ENERGY*



CenturyLink



Utility Tax Revenues

	2023 Budget	2023 Actual	2024 Budget	Bug % Change
Electric Utility (6%)	\$150,000	\$165,490	\$170,000	13.3%
Natural Gas Utility (6%)	\$101,100	\$117,014	\$150,000	48.4%
Cable TV Utility (9%)	\$107,000	\$77,987	\$103,000	(3.7%)
Telephone Utility (6%)	\$27,000	\$24,975	\$28,000	3.7%
Solid Waste Utility Tax (6%)	\$32,000	\$32,431	\$49,500	54.7%
Cable TV Franchise Fee (5%)	\$59,000	\$58,155	\$58,000	(1.7%)
Water Franchise Fee (10%)	\$177,000	\$208,432	\$233,333	31.8%
Sewer Franchise Fee (10%)	\$114,000	\$113,825	\$131,111	15.0%
Solid Waste Franchise Fee (10%)	\$43,000	\$44,593	\$45,000	4.7%
Total	\$810,100	\$842,902	\$967,944	19.5%

Public Works Revenue Sources



Sub-Regional Opportunity Fund

- Property tax based – levy proceeds
- Reimbursement based for storm related projects
- 2024 allocation = \$33,117
- Previous years accumulated balance = \$141,767
- Obligated to Storm Master Plan



County Parks Levy

- Property tax based – levy proceeds (2020-2025)
- NOT reimbursement based; must be utilized for park or trail improvements, with annual reporting to King Co.
- 2024 allocation = \$52,783
- Previous years accumulated balance = \$144,341
- Planned for Park Pathway / Lighting



NPDES Capacity Grant

- Non-competitive, application-based grant allocation from the State to assist local agencies to comply with the terms of the NPDES Permit
- Typically \$50,000 per biennium
- Increased to \$75,000 in '21-'23
- Increased to \$130,000 for '24-'26 biennium

Other Revenue Sources

	2023 Budget	2023 Actual	2024 Budget	Bug % Change
Sales Tax	\$807,000	\$876,452	\$857,300	6.2%
Interest Income	\$325,500	\$438,433	\$402,200	23.6%
Cannabis Excise Tax	\$4,634	\$4,948	\$4,947	6.7%
Liquor Excise Tax	\$21,335	\$21,806	\$22,413	5.1%
Liquor Control Board	\$23,792	\$23,779	\$23,095	(2.9%)
Yarrow Point Police	\$464,256	\$485,404	\$527,479	13.6%
<i>*New*</i> UW Police Reimbursement			\$10,000	
Fines & Forfeitures	\$36,000	\$28,137	\$30,000	(16.7%)
Space & Facilities Leases	\$199,043	\$167,957	\$170,985	(14.1%)
Misc. Other Revenues & Insurance Recoveries	\$48,860	\$88,429	\$33,000	(32.5%)

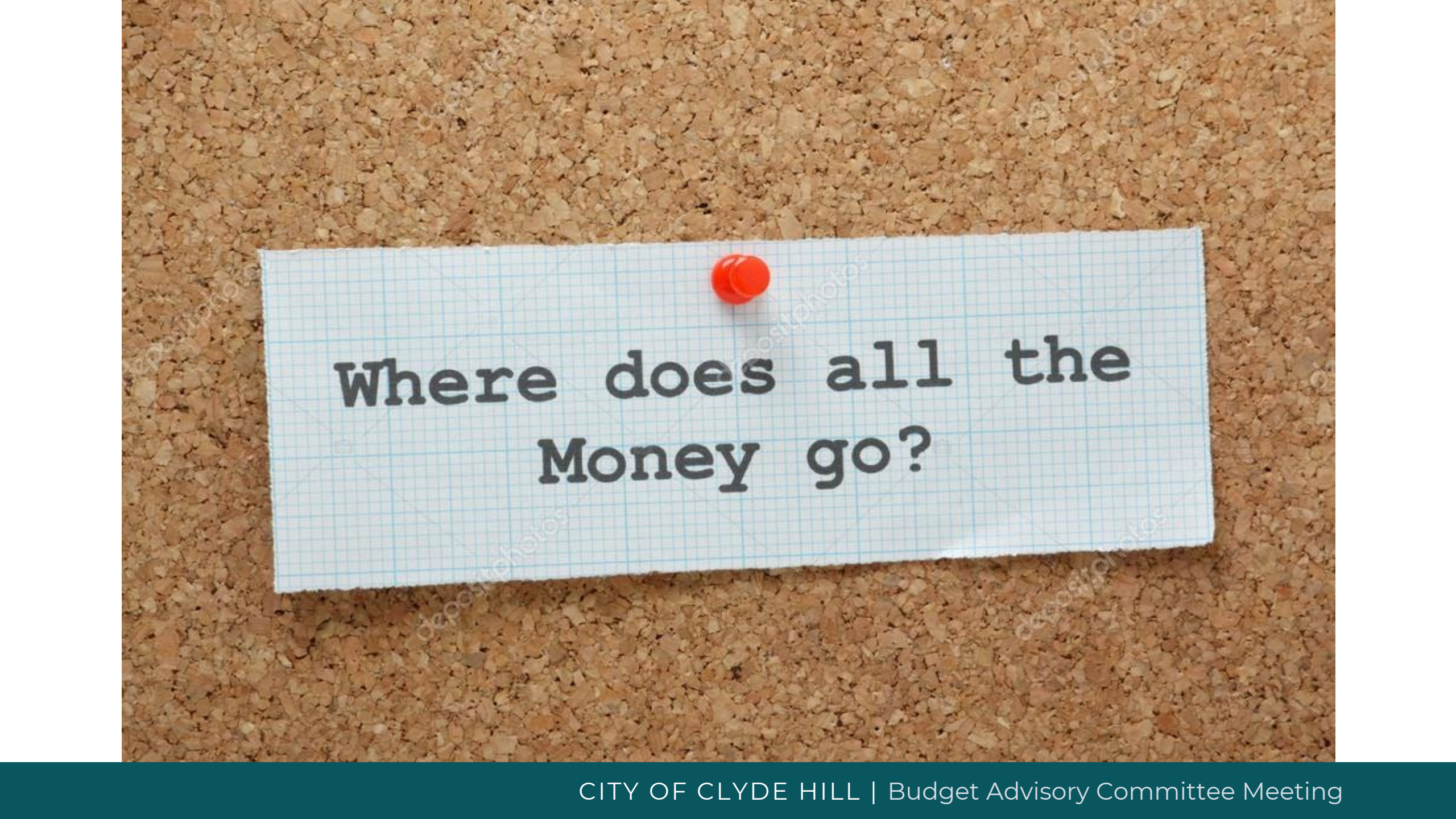
Street Fund Revenue Sources

	2023 GF Budget	2023 Actual	2024 Budget	Bug % Change
Motor Vehicle Fuel Tax <i>(formerly General Fund)</i>	\$60,147	\$57,585	\$56,358	(6.3%)
Multimodal Transpo City <i>(formerly General Fund)</i>	\$4,043	\$4,038	\$3,937	(2.6%)
Grading Fee <i>(formerly General Fund Permit Fees)</i>	~ \$3,000	~ \$3,000	\$65,500	~ 2083%
Total	\$67,190	\$64,623	\$125,795	96.0%

This fund is required by the State of Washington Auditors Office to account for certain types of state revenues. Funds are used to pay for the costs of the Transportation Division of the PW Budget and is recorded in the budget as a \$125,795 Transfer-in.

Development Revenue Sources

	2023 Budget	2023 Actual	2024 Budget	Bug % Change
Building & Structural Permits	\$450,000	\$383,580	\$400,000	(11.1%)
Other Non-Business Permits	\$105,000	\$106,178	\$120,000	14.3%
Zoning & Subdivision Fees	\$10,000	\$7,500	\$10,000	0.0%
Plan Check Fees	\$220,000	\$189,768	\$220,000	0.0%
Total	\$775,000	\$687,026	\$750,000	(3.2%)

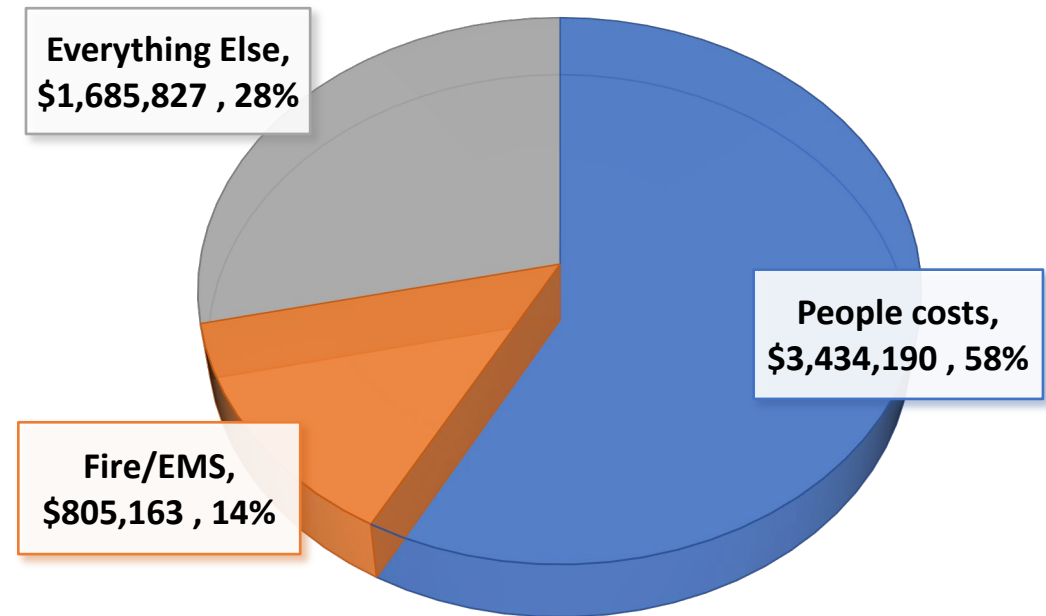


**Where does all the
Money go?**

2024 General Fund Costs

General Governmental Services	\$1,444,792 (24%)
Law Enforcement	\$2,075,686 (35%)
Fire & Emergency Medical Services	\$805,163 (14%)
Public Works	\$1,594,539 (27%)
Total	\$5,925,180

2024 OPERATING EXPENDITURE BUDGET



About 72% of the General Fund is comprised of employee salaries & benefits together with the Fire/EMS contract. Without cutting staff or finding a new Fire service provider, the City has little discretion to reduce general fund costs.

2024 Staffing

➤ Gen Gov't Services (4.8 FTE)

- City Administrator
- Assistant City Administrator
- Finance Director (0.5 FTE)
- Deputy City Clerk (1.3 FTE)
- Records Officer (0.5 FTE)
- Limited-Term Management Intern (0.5 FTE)

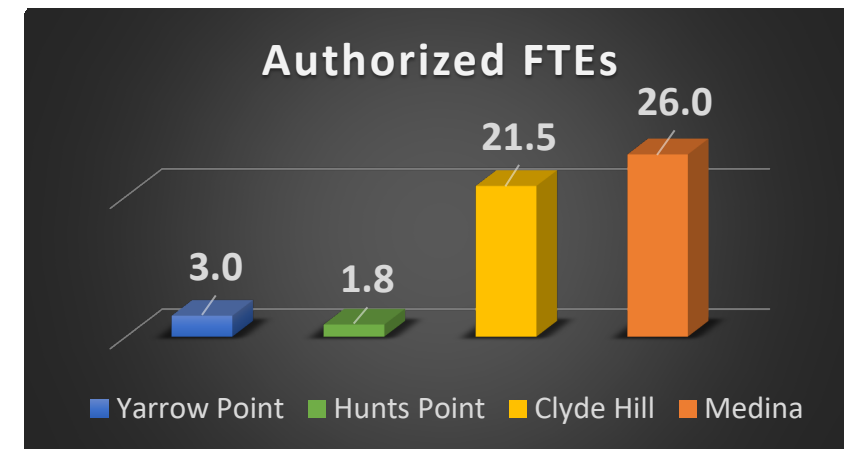
➤ Public Works, Building and Planning (5.8 FTE)

- Public Works Director
- PW Crew (3 FTE)
- Permit/Code Enforcement Specialist (0.7 FTE)

➤ Police (11 FTE)

- Chief of Police
- Commander
- Finance Director (0.5 FTE)
- Records Manager (1.5 FTE)
- Corporals (2 FTE)
- Detective
- Patrol Officers (4 FTE)

- Limited-Term Planning staff (0.1 FTE)
- Building Official



2023 Comparison Date via SAO FIT

Clyde Hill

Expenditures

\$5,680,949

FY 2023



Public Safety	50%
General Government	21%
Transportation	12%
Utilities	9%
Natural and Economic Environment	6%
Culture and Recreation	2%
Social Services	<1%

Medina

Expenditures

\$7,713,847

FY 2023



Public Safety	41%
General Government	29%
Natural and Economic Environment	15%
Culture and Recreation	8%
Transportation	7%
Social Services	<1%

*Source data from SAO FIT tool

2023 Public Safety Comparison Data

	CH	Medina	Dif
PD Salaries & Benefits	\$1,734,933	\$1,997,754	\$262,821
Operating Costs	408,134	361,429	(46,704)
Capt. Equip & Vehicle Purchase/Lease	219,274*	143,767	(75,507)
Total	\$2,362,341	\$2,502,951	\$140,610
Staffing (2023)	10.5 FTE 9.0 uniformed 1.5 admin	11.0 FTE 10.0 uniformed 1.0 admin	0.5 FTE
Fire Suppression/EMS	\$719,988	\$814,686	\$94,698

*Additional CH PD Vehicle Charged to Grant Department

2023 PW/Com Dev Comparison Data

	CH	Medina	Dif
PW Salaries & Benefits	\$633,297	\$856,749*	\$223,452
PW (Incl Street/Storms/Parks)	345,081	452,582	107,501
Com Dev Salaries & Benefits	188,487	546,975	358,488
Com Dev Operating Costs	183,432	742,990	559,558
Total	\$1,350,297	\$2,599,296	\$1,248,999
Staffing (2023)	5.8 FTE	9.0 FTEs	3.2 FTE
	4.7 PW	5.0 PW	0.3 FTE
	1.1 Com Dev	4.0 Com Dev	2.9 FTE

*Excludes Life Guards

2024 Capital Projects Budget



Roadway = \$675,000

- 2024 Overlay Program = \$225,000
- 84th Ave Design = \$450,000

Parks = \$475,000

- Pathway & Lighting project = \$375,000
- Restroom Renovation = \$100,000

Storm Drainage = \$780,000

- 93rd Ave / 28th Place = \$125,000
- 17th Street Drainage = \$375,000
- Small Drainage Program = \$280,000

Facilities = \$475,000

- Public Works Shop = \$400,000
- Police Office (carpet/paint) = \$25,000 (FMP)
- City Hall Parking Lot = \$50,000 (moved to 2025)

How is 2024 Going?

	001	002	003	100	300	
PROJECTED YEAR END 2024	General Fund	Reserve Fund	Retainage Dep Fund	Special Rev Funds	Capital Projects Fund	TOTAL CITY
Beg. Fund Balance	618,468	3,222,070	200,783	2,640,129	5,892,862	12,574,313
REVENUE	5,700,732	0	50,000	245,206	854,372	6,850,310
EXPENDITURES	5,893,788	0	50,000	378,050	2,208,262	8,530,100
Surplus or (Deficit):	(193,055)	0	0	(132,844)	(1,353,890)	(1,679,790)
Total Transfer In	151,313	0	0	25,000	0	176,313
Total Transfer Out	25,000	0	0	151,313	0	176,313
Total Surplus or (Deficit):	(66,743)	0	0	(259,157)	(1,353,890)	(1,679,790)
Ending Fund Balance	551,726	3,222,070	200,783	2,380,971	4,538,972	10,894,523

\$76,334 improvement over the 2024 GF Budget

Financial Sustainability Plan

- Take the available 1% levy increase plus new construction (ongoing)
- Increased Utility Taxes and Franchise Fees (2024)
- Update our Fee Schedule to increase by CPI (2025)
- Apply for grant funding (ongoing)
- Continue work on the development of a Stormwater Utility (2026)
- Delay non-mandatory community projects such as a mural until additional revenue can be found
- Continue to apply for Ecology NPDES Capacity grant
- Continue work with AWC or other lobbyists to encourage beneficial legislative changes at the State level

Financial Sustainability Plan

- Competitively bid projects and purchases
- Scrutinize expenditures, limiting spending whenever possible
- Reduce the City Celebration to a simple movie night
- Negotiate favorable ground lease terms for Fire Station #5
- Maximize restricted REET funds for allowable expenses & explore legality of utilizing funding for ARCH
- Draw down Criminal Justice funds for one-time purchases/programs
- Review existing contracts with partners to ensure all costs are recovered
- Utilize available reserve balance to meet unexpected needs



2025 Mayor's Strategic Priorities

PRIORITY 1: GOVERNMENT PERFORMANCE & SUSTAINABILITY

1.1 City elected leadership, appointed officials, and administrative staff work together to drive results

- Consider sessions, such as retreats, for Council or Council/Planning Commission to agree on priorities and form working relationships
- Build staff planning expertise and capacity to respond to Council requests and provide support to the Council Land Use Subcommittee and Planning Commission
- Document work plans and processes and collaborate internally where feasible

1.2 The City attracts and retains skilled employees

- Continue to update recruitment materials & candidate outreach processes
- Identify career pathways and support employee professional development
- Ensure employee satisfaction

1.3 The City operates in an efficient and financially sustainable way

- Continue to pursue new and enhanced funding sources, including grant funding, fee schedule adjustments, creation of a stormwater utility, and favorable negotiated terms with partner agencies
- Identify areas for cost-savings, optimize internal processes, and increase operational efficiency
- Appropriately maximize use of restricted fund balance to support current levels of service

2025 Mayor's Strategic Priorities

PRIORITY 1: GOVERNMENT PERFORMANCE & SUSTAINABILITY

1.4 Community members enjoy positive and helpful interactions with the City

- Provide customer service training to frontline staff
- Promptly respond to resident service requests; consider establishing a process for routing and responding to resident service requests
- Continue improving access to and efficiency of public records request services
- Continue to improve self-service website and permit portal tools, providing timely updates and maintenance

1.5 Community members are informed and feel engaged in decisions made at City Hall

- Utilize new website to proactively share news and information for residents
- Explore and implement new communication methods and tools to expand community reach
- Build communications program capacity to provide consistent, high-quality information
- Develop a communications plan and update the City's social media policy
- Explore approaches to engage the Council and community in strategic planning, capital improvement project planning, and budget development

2025 Mayor's Strategic Priorities

PRIORITY 2: SAFE & LIVABLE COMMUNITY

2.1 Neighborhoods retain their charm and distinctive character and setting

- Evaluate and update the City's land use code to ensure development regulations align with legal requirements, enforcement practices, and community preferences
- Implement development regulation changes to comply with enacted State housing and land use legislation
- Improve public information and guidance to promote understanding of the municipal code, clarify enforcement, and speed up permit processing times
- Utilize lobbyist to advance the City's interests around state housing policy, including reaching out to representatives between legislative sessions

2.2 City streets are safe to use for drivers, cyclists, and pedestrians

- Reduce cut-through traffic and promote safe speeds through police enforcement and the introduction of discrete traffic calming measures
- Monitor and improve School Zone safety, especially during peak use times
- Improve safety and provide traffic management support at the SR-520 Lid during peak use times

2025 Mayor's Strategic Priorities

PRIORITY 2: SAFE & LIVABLE COMMUNITY

2.3 Residents benefit from easy access to modern, high-quality Police, Fire, and EMS services

- Improve law enforcement equipment, technologies, and facilities, including use of body worn cameras and drones
- Maintain high organizational standards in preparation for 2026 Police Department re-accreditation
- Promote officer satisfaction through operationalization of new Teamsters labor contract and investment in training, recruitment, and retention strategies.
- Work with City of Bellevue on construction of new Fire Station 5 serving Clyde Hill
- Ensure Fire Department service levels are maintained during Fire Station 5 construction

PRIORITY 3: INFRASTRUCTURE & ENVIRONMENTAL STEWARDSHIP

3.1 Roads and sidewalks are well-maintained and meet community needs

- Complete annual street paving and related sidewalk upgrades
- Complete Design work for 84th Ave NE Improvement Project
- Resurface and construct improvements to the City Hall parking lot
- Continue to review sidewalk options and identify bike path improvements

2025 Mayor's Strategic Priorities

PRIORITY 3: INFRASTRUCTURE & ENVIRONMENTAL STEWARDSHIP

3.2 The City's stormwater system accommodates new development and complies with national requirements

- Evaluate and plan for current system deficiencies and future system needs
- Invest in stormwater programming and facilities through development of a stormwater utility
- Identify private stormwater systems and ensure coordination with City stormwater system

3.3 The City's built and natural environment promotes community enjoyment and positively contributes to property values

- Consider new strategies to limit clear-cutting and preserve the City's tree canopy, including potential development of a tree code
- Improve appearance of City rights-of-way through enhanced landscaping, signage, and pedestrian amenities
- Construct Park improvements to increase their use by families and individuals.

Discussion





Next Meeting: Thursday, August 29th 4pm

Homework

- **Do you have comments, suggestions or advice on the Mayor's Proposed Priorities?**
- **From a budget standpoint, how can we serve our residents more efficiently? Are there operational changes that should be considered?**
- **Do you have suggestions on how to address our General Fund budget challenges, while continuing to deliver current service levels to residents?**
- **Are there other services or projects the City should be considering for 2025?**

Prepare your ideas and feedback individually or in small groups to present at the next BAC meeting.

Contact Information

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