



January 2009

Dear Citizens of Redmond and Members of the City Council:

The City of Redmond's 2009-2010 budget reflects the vision and priorities of our new administration. The budget was developed in unprecedented collaboration with the community through the Budgeting-by-Priorities (BP) initiative I implemented in early 2008. Just as the BP framework signals a new way of aligning the City's resources with citizen priorities, I trust you have witnessed the many ways in which doing business at City Hall has and will continue to improve service to our community.

While past biennial budgets have traditionally served as the City's financial plan for the coming two years, this budget is noteworthy and different from prior budgets in several key respects:

- ***Vision.*** This budget reflects my administration's overarching vision to (1) work together with the Council to realize Redmond's future as a city with two vibrant urban centers in downtown and Overlake, (2) improve connections to our neighborhoods, and (3) provide high quality, responsive services in partnership with an engaged community.
- ***Citizen Priorities.*** The organizing principle for this budget was framed with and by the community priorities developed in the BP public process. The six priorities citizens identified cover a wide range of services, including those impacting business, the environment, community connections, infrastructure and growth, public safety and responsible government. The City's capital improvement program (CIP) is similarly focused on priority projects versus the traditional allocation to departmental functional areas.
- ***Accountability for Results.*** Within these priorities, this budget presents key goals and initiatives that span all City departments, along with an increased accountability for service-specific performance measures. In this way, it serves as a useful tool for citizens to better gauge the City's progress in achieving these results and to assess the value they receive for their City tax dollars.

It should be noted that the BP framework that serves as the foundation for this budget was advanced by the Redmond City Council, under Councilmember Richard Cole's leadership, in its adopted Fiscal Year (FY) 07-08 budget. Challenged to provide the wide range of City services within limited resources, City leaders were interested in changing traditional budgeting to a more innovative approach that was (1) more open and transparent to the public and (2) driven by citizen input on the services most important to

them. Through this inclusive process, my administration worked to implement this priority-driven approach to budgeting that ultimately served as the basis for the FY 09-10 budget.

Guiding Principles

In developing this budget, there were several guiding principles at work. Predicated on a commitment to honor the many citizen and staff efforts that went into our BP process, my focus was to preserve core City services, while advancing several new initiatives consistent with our citizen-identified priorities. The budget is structurally balanced, and reflects the Council's policy direction on key budget elements such as the CIP and the City's stormwater, water and wastewater utilities. Finally, the budget directs the organization's limited resources to perform our core services well, versus the traditional budget approach of simply "thinning the soup" due to a lack of focus on priority service areas.

With this foundation, major themes for the FY 09-10 budget include: (1) fund core services within available resources, (2) advance BP offers for City services highly ranked by staff and citizen results teams, (3) focus the City's CIP on priority projects (such as Fire Station 17, a downtown park and acquisition of the Burlington Northern Santa Fe railbed corridor that runs through Redmond) versus traditional department allocations, (4) limit utility increases when possible, and (5) invest in the City's future with one-time spending on information technology, as well as new initiatives to fund innovative approaches to make our services more efficient and customer-focused over the biennium.

Administration Goals for FY 2009-2010

Within this context, my administration's efforts will be focused on the following objectives over the next two years:

- Manage the City's first-ever BP financial plan, with increased accountability for performance measurement and results in delivering citizen-identified priority services,
- Continue BP-related implementation efforts throughout FY 09-10, including a focus on innovation and efficiency initiatives to improve services and reduce costs as a foundational framework for FY 11-12,
- Execute on service improvement initiatives identified in the 2008 Information Technology Strategic Plan to advance cost-effective technology solutions in a range of City service areas,
- Design a strategy for permit processing that preserves the community's values while delivering a fair, predictable product,
- Implement a customer services program so all City services are customer-focused, including related training and organizational development efforts to ensure employees are prepared to advance service improvement initiatives and other associated organizational cultural changes,
- Evaluate the City's CIP and its traditional functional area allocations to ensure future funding is directed to priority capital projects,

- Increase citizen engagement in major policy decisions, including City website redesign and focused communication/outreach efforts,
- Further efforts to enhance Redmond's stature in the region by working cooperatively with other leaders in the area to more strategically advance Redmond's interests at the regional, state and national level, and
- Build on existing relationships with Council, residents and businesses to foster collaboration and trust.

We have made great strides in some of these areas since I took office in January 2008, but much work remains to be done.

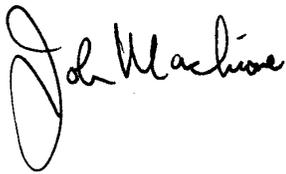
In Closing

Serving as your Mayor over the past year has been both challenging and exciting, as I have worked to lead the City organization to think and act differently when delivering vital public services to you, our citizens. I have been encouraged by the comments and suggestions from many of you and the growing sense that doing business at City Hall has changed for the better. I am committed to continue efforts to emphasize customer service and work in partnership with citizens to enhance our City's quality of life and advance the interests of this wonderful community we are proud to call home.

I thank those of you who participated in the 2008 BP process, and urge others to get more involved in other efforts to build community and improve the services we deliver to you. I also thank the Council whose support for the BP process established the foundation upon which I began this work as Mayor.

That said, I look forward to the upcoming year and continued discussions with the Council and an ongoing dialogue with citizens. As always, I encourage your questions and suggestions on the community issues most important to you and on the services we provide. You can contact me at 425.556.2101 or mayor@redmond.gov.

Sincerely,

A handwritten signature in black ink that reads "John Marchione". The signature is written in a cursive style with a large, stylized initial "J".

John Marchione
Mayor

BUDGET HIGHLIGHTS
2009-2010 OPERATING BUDGET
CITY OF REDMOND

This section summarizes the major changes in the 2009-2010 operating budget. For details on these changes, please see each priority section of the budget.

Budgeting by
Priorities

The City of Redmond is using a different budget format than in year's past, known as Budgeting by Priorities (BP). As a result, the City has not attempted to present information in this budget in the context of past budgets. Instead, Redmond has remained true to the BP concept and presented information in the context of the priorities as defined by the community and refined by the City Council.

See the "Budget by
Fund" section for
Prior Year
Comparisons

The only financial information presented in the context of prior years is the "Budget by Fund" financial summaries. In future years, the City will be able to provide comparisons within priorities over years.

This new budget maintains the City's core services while at the same time making investments in the City's future. Only two revenue initiatives, a 1% property tax increase, allowed by law, and water/wastewater utility rate increases averaging 6% per year are included for the next biennium. In addition, the budget maintains Council policy with regard to reserves and transfers from the General Fund to the Capital Improvement Program (CIP), although the actual transfer amount (6.4%) exceeds the Council policy of 5%. The net change in full time equivalent employees (FTE) is an increase of 7.47 FTEs, four of which are limited duration to support the zoning code updates and building inspection. The City will also uphold its commitment to voters to construct Fire Station #17 in the NE Education Hill area, as well as further the vision of investing in the Downtown core.

The City Council approved priorities and the budget highlights of each are summarized below:

**Business
Community**

Increase Permit
Technician to Full
Time Employee

- **BUSINESS COMMUNITY**
I want a diverse and vibrant range of businesses and services in Redmond
 - Predictability in the Development Process - Added .30 FTE to a Permit Technician position to make it full time - \$22,000

Revise the
Development Guide

- Usable Zoning Code - Added three (3) limited term positions to assess and complete revisions to the development guide; the goal is to clarify the process and improve community understanding of opportunities to influence development - \$679,000

Create an Economic
Development
Strategy

- Sustainable Economic Development - Added \$100,000 to create an economic development strategy in anticipation of redevelopment within the urban centers and \$200,000 economic development contingency to implement the approved strategy - \$300,000

Clean & Green

Encouraging
“Green” Lifestyles
and Development

- **CLEAN & GREEN ENVIRONMENT**

I want to live, learn, work, and play in a clean and green environment

- Green Lifestyles/Green Buildings - Funded at the requested level to focus and coordinate City efforts on sustainable living and development; the offer includes training, communication tools, programs for sustainable development and other features - \$70,000

Paper Reduction in
Law Enforcement

- Electronic Traffic Ticket Processing - Reduce the paper necessary for traffic incident reports, tickets, and other law enforcement processes, in coordination with the Washington State Patrol - \$30,000

Downtown Park

- Downtown Park - Provide for acquisition and construction of a downtown park - \$27 million

BNSF Railway
Corridor

- Burlington Northern Santa Fe (BNSF) Railroad Right-of-Way - Acquire the Redmond leg of BNSF – currently in negotiations

**Community
Building**
Human Services
Position

- **COMMUNITY BUILDING**

I want a sense of community and connections with others

- Human Services Planner to the General Fund - FTE will be moved from the Human Services Fund to the General Fund to support .34 FTE - \$62,000

Website Update

- Website - Improve the City’s website to enhance communication and service delivery to the community - \$300,000

Art Facility

- Art Facility - Develop a plan to stimulate the development of a cultural district in downtown Redmond - \$50,000

Infrastructure & Growth

Fire Station Maintenance to Public Works - Add 2 FTE

- **INFRASTRUCTURE & GROWTH**

I want a well-maintained city whose transportation and other infrastructure keeps pace with growth

Safety in Maintaining Roadway Buttons

- Preserve City Buildings - Transfers responsibility for maintenance of fire stations to the Public Works Department, adding two (2) FTEs and allocates additional funding in the CIP for major repairs - \$689,088, plus \$150,000 CIP

Improve Snow & Ice Response

- Roadway Buttons - Improve the efficiency and safety of City staff that apply and maintain the roadway buttons on our streets - \$207,500
- Snow/Ice Events - Purchase of a large de-icer storage tank for on-site filling will help the efficiency of addressing snow and ice events - \$10,230

Safety

Public Safety Overtime

- **SAFETY**

I want to be safe where I live, work, and play

Build Fire Station 17

- Overtime - Adjusting the Police and Fire overtime budgets to reflect current trends in overtime expenditures - \$1.25 million
- Fire Station #17 - Provide funding for Fire Station #17 construction - \$11.9 million

Responsible Government

Innovation/Community Survey

- **RESPONSIBLE GOVERNMENT**

I want a city government that is responsible and responsive to its residents and businesses

Compensation Analyst - Adds 1 Employee

- Innovations/Customer Service - Allows City to continue to collaboratively build on the BP process with further innovation and to focus on customer service improvements - \$250,000
- Compensation Analyst - Adds a Compensation Analyst to focus on insuring the City workforce is well positioned to provide service to the community - \$200,493

Lobbying Assistance	<ul style="list-style-type: none"> ○ Regional Policy and Services - Resources to secure assistance with the state legislative process, focusing attention on City funding and other requests - \$70,000
Implementing the IT Strategic Plan	<ul style="list-style-type: none"> ○ Information Technology Strategic Plan Implementation - Focus on improving operational efficiency and effectiveness throughout the City; the plan is being developed and is anticipated to be completed early 2009, with implementation to begin immediately - \$3,000,000
Set aside for changes in the economy	<ul style="list-style-type: none"> ○ Economic Contingency - Set aside funding to respond to changes in the economy - \$1.6 million
Future Outlook	<p>Redmond is home to many international companies and is well aware of the challenges facing them at this time and has worked to prepare the City's finances accordingly. To that end, this budget complies with the City's reserve policies as well as sets aside \$1.6 million to mitigate possible economic impacts.</p>