

2015-2016 Budget in Brief



Budgeting by Priorities (BP)

The City of Redmond changed its traditional budget methods in 2008 by implementing an innovative approach to budgeting that fulfills the promise the Mayor made upon his election to office: "a transparent and open budget that is based on priorities developed with citizen input and approved by the City Council."

Budget Process

As in the three previous biennium budgets, the City used the same innovative approach in developing its 2015-2016 Budget. Using the priorities developed in 2008, the City Council adopted and developed a performance dashboard to measure the success of each priority. Key benchmark can be found in the Redmond Community Indicators Report at www.redmond.gov/communityindicators.

The next step called for City employees and community members to form teams known as Results Teams and Civic Results Team, respectively, to develop factors which contribute to the accomplishment of the priority. These factors were used to develop purchasing strategies which advise the City how best to compete for funds in the development of their offers.

The Request for Offers seek offers that have programs or services that contribute to the priorities. The offers were reviewed and ranked by the Teams and then submitted to the Mayor for his review. The Mayor collaborated with the Directors' Team and finalized the preliminary budget which was presented to the Council in October 2014.

The City of Redmond selected the BP process because it focuses budget decisions on citizen priorities.

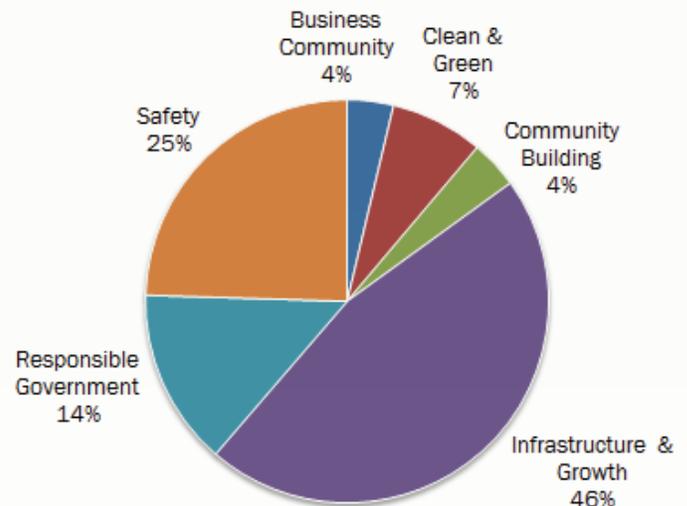
Open Data Budget

The City's Budget has been added to an open data service that provides transparency into its services by providing data that will drive innovation in citizen access to information, community engagement and government efficiency. This service dramatically expands access to information, while simultaneously enhancing cost efficiencies and speed of execution.

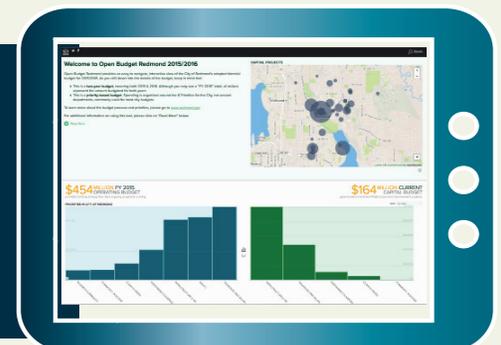
www.budget.redmond.gov

Priority Funding

The City determined the priorities for purposes of developing the City's budget through a community based process. These priorities were then used as the focus of the 2015-2016 Budget.

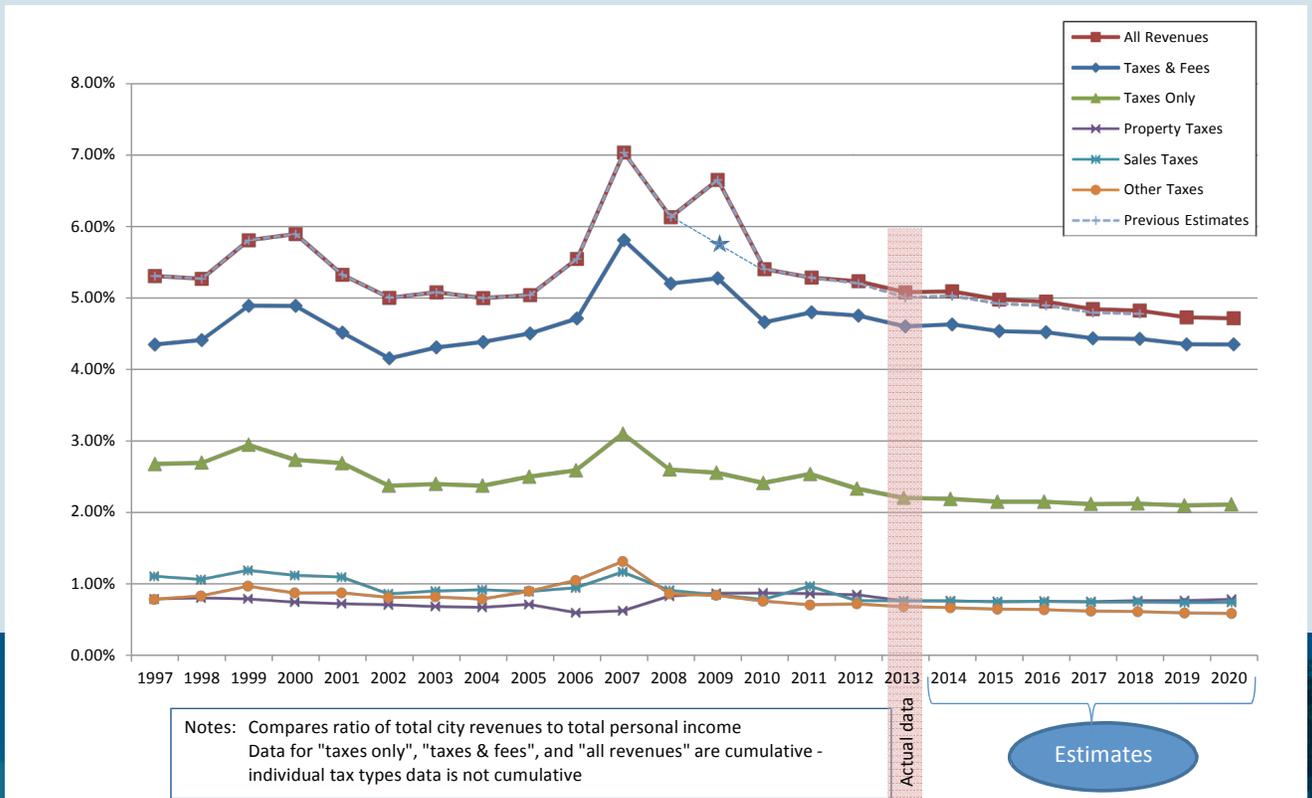


Note: Infrastructure & Growth includes the City's water and wastewater utilities; Clean & Green includes the surface water utility.



The Price of Government

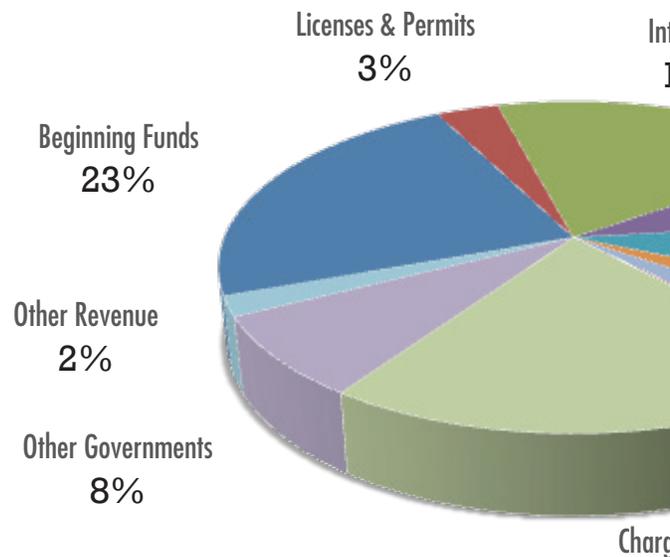
The "price" is based on the sum of all taxes, fees and charges collected by the City, divided by the City's aggregate household income. In Redmond's case, the price has been between 5% and 6% of total personal income.



Historically the City's budget has been well within the predetermined "price" and is projected to fall under 5% during the 2016-2017 biennium.

Revenue

Revenues for the 2015-2016 Budget are anticipated to total \$618 million; this is an approximately 6% increase over the 2013-2014 biennium and is primarily the result of transfers between the capital maintenance and construction funds and between the General Fund and capital funds. Transfers and one-time expenses artificially inflate both revenues and expenses. It also includes one-time funds dedicated to significant projects the City hopes to accomplish in the next biennium.



Revenues by Source

City Outlook

This new budget maintains the City's core services while continuing to make significant investments in Redmond's future. The City is anticipating one-time resources in the General Fund to total \$9.45 million due to under-expenditures. Consistent with the City's Long Range Financial Strategy, this budget includes:

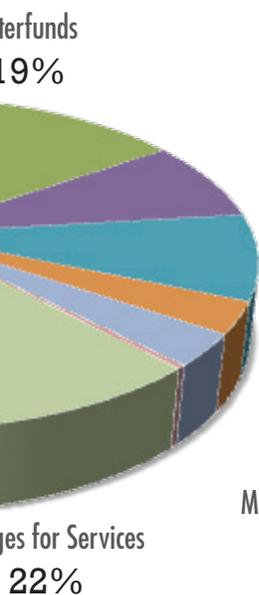
- 1% property tax increase
- water/wastewater utility rate increase
- increase in business license fees and
- 3% utility tax on cable TV.

In addition, the budget honors the Council's policies with regard to reserves and transfers from the General Fund to the Capital Investment Program (CIP).

The 2015-2016 Budget is based on a six-year financial strategy that anticipates the need for additional resources. As the Price of Government falls below 5%, the lack of available revenue erodes the ability of the City to provide the same level of service. **The City's target price is between 5% - 5.5% of community income over the next six years.**

This will enable us to make needed investments while still offering value to residents and businesses.

The City of Redmond works to manage its fiscal responsibilities in a sustainable manner using best practices, while conforming to Council policies. To that end, this budget balances the need to reduce expenses, continue to innovate and capture efficiencies where possible and right-size resources in the future within the "Price of Government" framework and the City's long range financial strategy.



Property
8%

Property Tax: The City receives 15% of total property taxes paid by City residents and businesses with the balance distributed as illustrated. In 2015, Redmond will receive approximately \$1.49 per \$1,000 of assessed valuation from property owners located within the City limits.

Property Tax Distribution



15%
City

32%
School

23%
State

30%
Other

Vision

A community of connected neighborhoods with vibrant urban centers – inspired by nature, powered by innovation, and committed to excellence.

Focus Results on Community Priorities



Vibrant Economy

I want a diverse and vibrant range of businesses and services in Redmond.



Clean & Green

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



Diverse & Connected Community

I want a sense of community and connection with others.



Infrastructure

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



Responsible Government

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



Safety

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