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BUDGET AT A GLANCE

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BUDGET OVERVIEW  
CITYWIDE BUDGET SUMMARY  
ALL FUNDS SUMMARY  
CITYWIDE FTE SUMMARY



# Budget Overview

## 2021-2022 Preliminary Budget



The Budget Overview provides a high-level summary of the recommended 2021-2022 financial plan for the City of Redmond. It begins with a discussion of the current state of the local economy and future outlook. The overview continues into descriptions of key indicators and guidance used to develop a budget that maintains the City's focus on delivering services to the community, advancing citywide initiatives and fulfilling its long-term vision. Together, these sections summarize the situation presented by the COVID-19 pandemic and subsequent economic downturn and the City's future financial prospects. The following section presents an overview of budget reductions made in 2020 as an initial response to the pandemic and continues into greater detail on revenue and expenditure projections for the coming biennium.

### **Economic Context and Outlook**

The first half of 2020 saw significant declines in employment, gross domestic product (GDP) and consumer spending. Seven years of job growth in King County was undone in just a few months with unemployment reaching a high of 14.9%. National real GDP fell by approximately 32.9% at an annual rate in Q2 2020. Local consumer spending reached a low point in April when its year-over-year decline approached 40% as stay-at-home and non-essential business closure orders came into effect.

Although conditions have improved since the downturn began, indicators of economic recovery remain uneven and precarious. Consumer spending still exhibits a 10.2% year-over-year decline. Similarly, unemployment has fallen but remains high at 9.2%. Employment in the construction sector has returned to pre-pandemic levels, but job numbers in the restaurant and lodging industries are just half of what they were in 2019. GDP is forecasted to expand in Q3 2020, but at a pace insufficient to quickly replace the losses seen in the first half of the year.

Whether progress will continue at the pace seen since April 2020 remains uncertain. Consumer confidence has shown it is sensitive to surges in COVID-19 cases, suggesting that recovery remains linked to the progression of the pandemic. Furthermore, the recovery in consumer spending appears to coincide with the start of efforts to stimulate the economy but the nature of future large-scale stimulus measures remains to be seen.

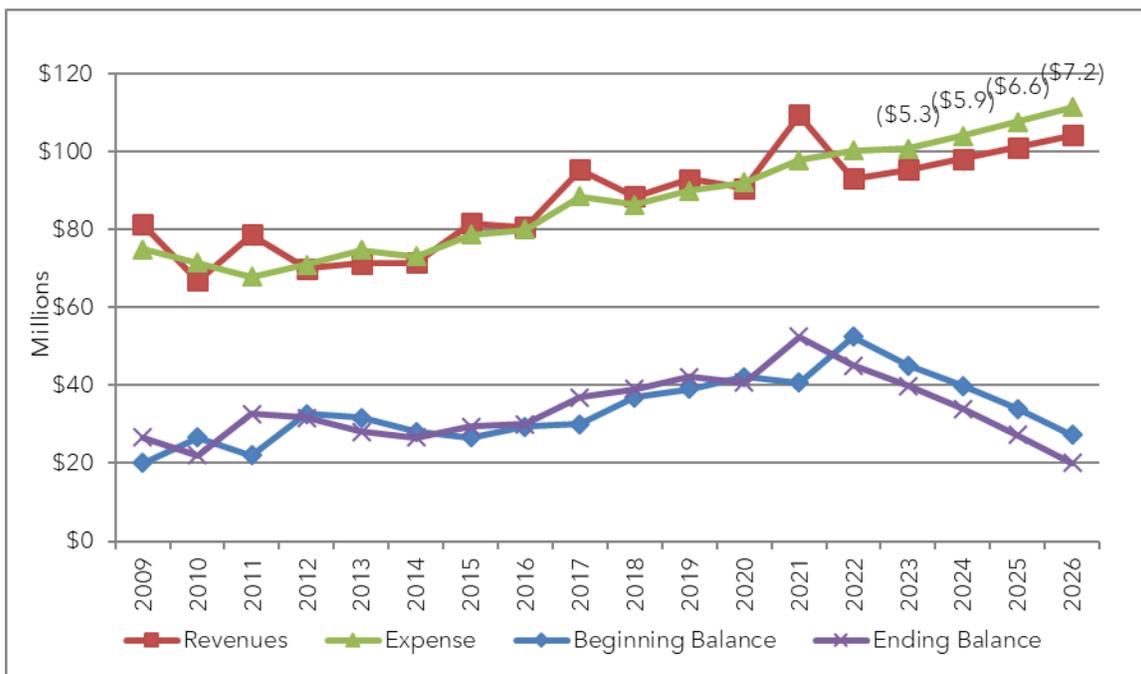
These events had a significant impact on City revenues with forecasts for sales tax, development revenue, recreational fees, utility charges and other taxes and fees declining by approximately \$6.3 million in 2020. The sectors from which revenue losses have become apparent include publishing, telecommunications and information services industries and hotels and restaurants. These represent a significant loss of ongoing revenues whose recovery can be expected to follow the slow and uncertain pace of the indicators above; however, one-time resources, best represented by construction activity, still appear strong.

Consistent with the City's fiscal policies, the 2021-2022 Budget is built on a conservative revenue forecast with stagnant growth in sales and utility taxes and declining license and permit revenues. It

also maintains a cautionary outlook for development revenues due to their volatility and for state-shared revenues which have the potential to be decreased. At the same time, forecasted expenditures continue to grow at a similar pace to previous years with lingering uncertainty for pension obligations and unknown future costs of the COVID-19 response. Although mitigated by increased property taxes resulting from new construction and strong reserve policies, this places the City into a short-term situation where ongoing revenues are constrained and need to be balanced by corresponding changes of an ongoing nature.

A longer-term outlook for recovery in Redmond allows for cautious optimism. Increased property tax revenues generated by construction projects completed earlier in the six-year outlook and their corresponding increases in assessed valuation carry forward into future years. While the pace of revenue growth driven by new construction will not continue in perpetuity, the added residential and commercial capacity of these developments including those at the Microsoft campus, further spurred by the addition of light rail into Redmond, prompts a forecasted acceleration of sales tax and business license revenues. The chart below illustrates an updated long-range financial forecast and shows projected gaps in future budgets.

**2021-2026 GENERAL FUND FORECAST & ESTIMATED GAP BETWEEN REVENUES AND EXPENDITURES IN SIX-YEAR OUTLOOK**



## Supporting Documents and Tools

The 2021-2022 Budget incorporates several forms of guidance that inform and support strategic decision making. The Long Range Financial Strategy (LRFS) determines the extent to which City services can be sustained by resources today and into the future by establishing policies for allocating

resources and forecasting revenues and expenditures. The Community Strategic Plan (CSP) identifies specific steps that the City plans in order to move closer to its long-range vision. Finally, Budgeting by Priorities (BP) elevates the community's priorities for desired services and evaluates whether the level of service provided is acceptable relative to the price paid for them.

### **Long Range Financial Strategy**

The LRFS is the framework which the City of Redmond uses to make budget decisions over future budget cycles. It encourages a deeper understanding of the City's service commitments to the community and the plan to meet those commitments in a sustainable and responsible manner. Revenue and expenditure trends consider the volatility and diversity of each revenue source and the ongoing or one-time nature of municipal costs. More detailed explanations of General Fund sources and uses can be found on the following pages in this overview.

### **Community Strategic Plan**

The CSP is an iterative, working document that reflects the priorities of the Redmond community. It sets a future vision for the City with established priorities and clear goals with defined performance metrics based on extensive community feedback. As a living document, the CSP is intended to be reviewed and refreshed on a regular basis so it can continue to provide a work plan for the City as it advances the outcomes identified in its long-range plans.

### **Budgeting by Priorities**

The Budgeting by Priorities (BP) process develops a plan for implementing City operations through careful deployment of its financial resources. The objectives of this approach are to align the budget with community priorities, measure progress toward desired outcomes, ensure the best value for each tax dollar, foster continuous improvement and learning and to build regional partnerships and cooperation. It provides an opportunity every two years to re-examine community priorities and the value of City programs.

BP also considers the extent to which a community is willing to pay for public services with a metric known as the "Price of Government." Defined by David Osborne and Peter Hutchison in their book of the same name as the literal sum of all taxes, fees, and charges collected by a governmental unit divided by the aggregate personal income of that government's constituents. The calculation is used to define a band within which residents are able and willing to pay for government services. The Long Range Financial Strategy currently targets the Price of Government to fall between 5% and 6% of aggregate personal income when excluding revenues that are one-time in nature. Transactions that are most frequently removed from this calculation are large transportation grants and capital contributions. The indicator promotes awareness of the total burden that City revenues place on the community and assists discussions of what "price" is both supported by the public and is adequate to sustain the level of service that the public demands.

### **2020 Budget Reductions**

As the impact of the recession to the City became clear, reductions were identified that would keep the budget aligned with declining revenues while remaining focused on community priorities. Revisions to the 2019-2020 forecast anticipated \$6.3 million in lost sales and utility taxes, development revenues, recreational fees, utility charges and other revenues. In order to close much

of this gap, the City reduced expenditures by \$5.6 million following a careful analysis of service level impacts while ensuring community health and safety remained protected. Reductions involving personnel included the elimination of several vacant ongoing full-time equivalent (FTE) positions as well as one-time savings which resulted from a hiring freeze. Efficiencies in non-personnel line items were also identified and included in this reduction package. All reductions and their specific service impacts are summarized by program area below.

2020 Budget Reductions	FTEs	Amount		
		Ongoing	One-time	Total
Recreation, Arts & Events	2.00	427,447	939,138	1,366,585
Internal Services	2.00	229,974	322,078	552,052
Public Safety	-	98,000	765,993	863,993
Development Services	2.00	379,378	1,089,651	1,469,029
Maintenance & Operations	1.00	601,113	716,160	1,317,273
Capital Investment Program	2.00	-	29,548	29,548
<b>Total</b>	<b>9.00</b>	<b>1,735,912</b>	<b>3,862,568</b>	<b>5,598,480</b>

### Recreation, Arts & Events

Reductions in recreation, arts and events were directly related to programs and activities that are unable to operate safely during the COVID-19 pandemic and their associated revenues. Ongoing reductions consisted of two FTEs and supplemental staff that resulted in fewer recreational activities, shorter facility hours and slower responses to customer service inquiries. The positions reduced included a Recreation Program Coordinator 1.00 FTE and a Guest Services Program Assistant 1.00 FTE. One-time impacts reflected the cancellation of recreational programs and all in-person events such as Derby Days and So Bazaar as well as those sponsored by third parties such as Ananda Mela that cannot resume until it is safe to do so.

### Internal Services

Ongoing internal services reductions included the elimination of an Executive Assistant 1.00 FTE in the Mayor’s Office, a Human Resources Administrative Assistant 1.00 FTE and numerous line item reductions. Executive Department reductions will delay public record request processing and mayoral correspondence with the public, limit calendar and scheduling oversight, defer report preparation for Directors and Council and postpone issue research and analysis on behalf of constituents. Reductions in the Human Resources Department will cancel projects such as a compensation study and safety audit as well as eliminate much of the administrative support available for the recruitment, hiring and onboarding new staff.

### Public Safety

Ongoing reductions in public safety were limited to rightsizing of the Police wireless communications budget and reductions in overtime for ProAct and Evidence. These will limit the Department’s

capacity to gather and log evidence at major crime scenes or conduct quarterly evidence destruction deliveries. The bulk of reductions were one-time in nature as the hiring of several police and fire personnel was frozen for the remainder of the biennium.

### **Development Services**

Reductions in development services related to the projected loss of revenue due to delays in planning and permitting. These included the ongoing elimination of a Transportation Demand Management (TDM) Specialist 1.00 FTE and an Assistant Planner 1.00 FTE. A hiring freeze also created significant additional savings in 2020. These reductions will spread additional workloads to existing staff, extend turnaround timelines and make quality control more difficult. The reduction in TDM staffing will also prompt greater reliance on the Greater Redmond Transportation Management Association for some program elements.

### **Maintenance & Operations**

Reductions in the Parks and Public Works departments will have a variety of community impacts. The elimination of an Asset Management Program Administrator 1.00 FTE will delay implementation of the Lucy asset management system and postpone citywide asset management coordination. Further ongoing reductions also brought filter replacement in regional stormwater facilities in-house with less frequent service. One-time reductions will suspend vegetation maintenance in the rights-of-way and easements when not related to safety or access needs, limit street sign maintenance to regulatory signs and delay any marking maintenance not considered a high priority.

Parks maintenance reductions reduced irrigation to lawns in neighborhood parks, removed trash receptacles from City parks, decreased right-of-way landscape maintenance and ended park lock-up and security patrols. Facility maintenance managed by the Parks Department also reduced support for work orders from staff for furniture and office changes as well as eliminated funding for Senior Center decommissioning. Catch basin cleaning in City buildings was transferred to Public Works staff from a contract managed by Facilities.

### **Capital Investment Program**

Two vacant FTEs dedicated to the City's capital projects, a Construction Inspector 1.00 FTE and an Engineer 1.00 FTE, were eliminated. Due to declines in CIP revenues, the number of projects that can be completed in future years and the commensurate staffing needed to complete them will decline accordingly. In addition, the hiring of a vacant Program Administrator for Real Property management was delayed.

## **Operating & Capital Revenues and Expenditures**

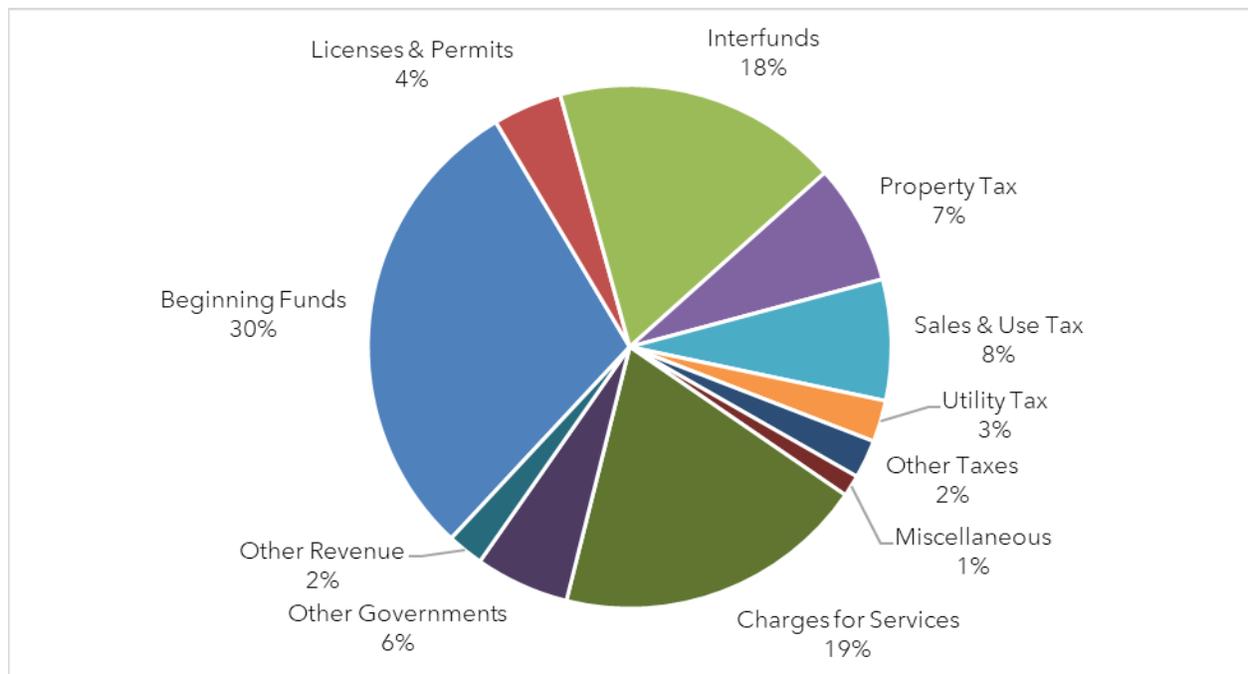
The City of Redmond is a non-charter code city with authority to levy or assess all revenues generally available to all classes of cities and towns in Washington State. The government-wide financial statements in the City's Comprehensive Annual Financial Report are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified

accrual basis of accounting. The budget is developed using the modified accrual basis of accounting for all funds.

### Revenue and Expenditure Summary

Total revenues over the biennium equal \$799.2 million, including beginning fund balances and transfers, a 1.5% decrease from estimates for the 2019-2020 biennium as several one-time revenues for capital projects received in 2019 and 2020 are not expected to recur including \$8.2 million in transportation grants and \$7.1 million in utility facility and connection charges. The budget includes a series of transfers between funds that has the effect of double counting these amounts. It also includes a 1% property tax rate increase. The components of the City's 2021-2022 revenue sources are shown in the graph below.

2021-2022 REVENUES BY TYPE - ALL FUNDS (\$799.2 MILLION)



On the expenditure side, the operating budget has contracted to remain balanced with forecasted declines in ongoing revenues. In addition to the initial round of reductions described above, additional measures are proposed in this budget. The 2020 reductions were focused on aligning resources to match City activities pivoting to meet new day-to-day realities of the pandemic. Balancing the 2021-2022 budget continued to focus on rightsizing resources, evaluating programs, and realizing efficiencies in current operations, but it also required making difficult decisions on what services to prioritize in these financially constrained times.

As in most service organizations, salary and benefit costs make up the majority of budgeted expenditures. The proposed biennial budget supports 685.66 full time equivalent (FTE) employees with a net reduction of 27.76 FTEs from the 2019-2020 budget including FTE changes made in 2020, the proposed reduction of 21.63 FTEs and the reallocation and increase of 4.67 FTEs for the 2021-2022 budget as described below:

Biennium	FTEs	Budget-to-Budget Difference
2007-2008	562.34	-
2009-2010	579.30	16.96
2011-2012	566.05	(13.25)
2013-2014	638.49	72.44
2015-2016	661.97	23.48
2017-2018	705.10	43.13
2019-2020	713.42	8.32
2021-2022	685.66	(27.76)

- Reductions in the Parks Department, where 9.63 FTEs are being eliminated as the programs they support, often involving in-person interaction, cannot be sustained while the COVID-19 pandemic persists. These include:
  - Program Coordinators 5.00 FTEs (1.00 FTE each from Fitness, Arts, Teen Center, Customer Service and Senior Center programs)
  - Program Assistants 3.00 FTEs (2.00 FTEs from Guest Services and 1.00 FTE from Sports programs)
  - Program Aide 0.63 FTE
  - Department Administrative Coordinator 1.00 FTE
- Capital investment delivery, utilities and development services are being reduced by 8.00 FTEs in order to right-size staffing with programs and anticipated development activity. These include:
  - Administrative Specialist 1.00 FTE
  - Building Inspector 1.00 FTE
  - Stormwater Inspector 1.00 FTE
  - Senior Engineer/Capital Project Manager 1.00 FTE
  - Solid Waste Program Administrator 1.00 FTE
  - Deputy Fire Marshal 1.00 FTE
  - Source Control Administrator 1.00 FTE
  - GIS Data Technician 1.00 FTE

Several public safety positions are also being discontinued. All currently vacant, these 4.00 FTEs that are being reallocated for a new initiative, were backed by a revenue stream that is no longer available or were eliminated to right size programs with desired service levels. These include:

- Police Sergeant 1.00 FTE
- Police Officer 1.00 FTE
- Emergency Management Program Coordinator 1.00 FTE
- Fire Mechanic 1.00 FTE

Offsetting the reduction of 21.63 FTEs are reallocations of 3.00 FTEs, an increase of a partial FTE to 1.00 and the addition of 1.00 FTE funded by new ongoing revenue. These include:

- Environmental Sustainability Program Administrator 1.00 FTE repurposed from the Solid Waste position of the same classification above, administering a broader range of environmental sustainability initiatives.
- Traffic Signals Program Administrator 1.00 FTE repurposed from the Source Control Administrator reduced above to support signal management amid rapid growth and the introduction of light rail into the community.
- Diversity, Equity & Inclusion Program Manager 1.00 FTE, repurposed from the Police Officer position above to enhance and sustain efforts started by the City.
- Fire Support Program Coordinator 1.00 FTE dedicated to fire alarm operational permitting and supported by new revenue that will result from an anticipated change to the fire code.
- Human Resources Analyst 0.67 FTE, a new addition increasing a partial FTE to full-time status to better align staffing to departmental needs.

Keeping in mind the objectives of the Community Strategic Plan, this budget still seeks to align budget requests with key initiatives that focus on priority issues, create more effective and efficient processes, meet new regulations and preserve City assets despite resource constraints. To do so, the budget proposes to invest approximately \$3.2 million in strategic investments and increase or reallocate staffing to maintain City infrastructure and the safety of its built environment, increase contributions towards environmental sustainability, and expand equity and inclusion efforts to ensure that its services are accessible and approachable by all members of its diverse community.

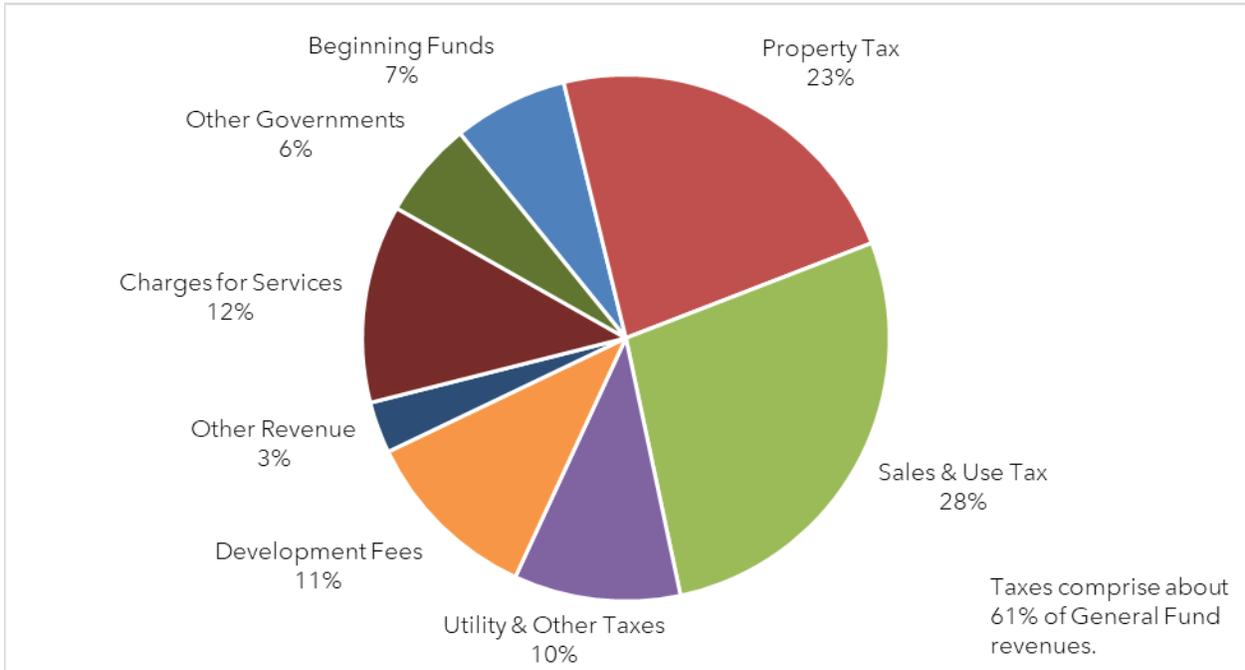
The 2021-2026 Capital Investment Program (CIP) has decreased approximately 7.5% from the 2019-2024 CIP. However, significant investments continue to be made to maintain existing infrastructure, prepare for growth and new infrastructure, and build a re-envisioned facility for community members to gather, especially seniors, when it is safe to do so again. In addition, the budget conforms to City fiscal policy directives regarding transfers to the CIP and reserves. As reserves are resources only available once, this budget does not propose their use to mitigate ongoing reductions; however, this may be considered in the future if the economic downturn becomes prolonged.

A financial summary of sources and uses for each City fund can be found in the Budget by Fund section later in this document. Additional details on proposed changes to the budget can be found in the Budget Offers and in the CIP and Technology Investment Program sections.

### **General Fund Revenues**

General Fund operating revenues are forecasted to grow from an estimated \$183.7 million in 2019-2020 to an estimated \$187.6 million in 2021-2022, an increase of 2.1% when excluding the beginning fund balance. Current projections forecast the 2021-2022 beginning fund balance to be approximately \$14.1 million which includes the Economic Contingency set by policy at 4% or \$3.5 million. Not included in this total are additional general operating reserves set by policy at 8.5% or \$6.8 million.

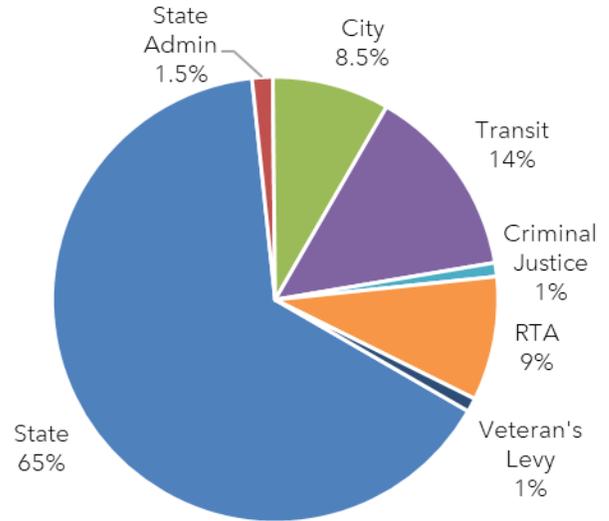
2021-2022 GENERAL FUND REVENUE BY TYPE (\$201.7 MILLION)



Sales Tax

Sales tax represents \$55.4 million or 28% of the City’s General Fund, its largest revenue source. The overall sales tax rate for Redmond totals 10%. Of this, 0.85% is distributed to the City for general government purposes and 0.10% for criminal justice programs. Most of the sales tax collected in Redmond is distributed to other jurisdictions. Over the biennium, receipts are projected to fall by 16.0%. Most of this decline can be attributed to \$9.3 million in one-time revenues collected in 2019 and 2020. Excluding these transactions, the economic impact of the COVID-19 pandemic becomes apparent as ongoing sales tax revenues are anticipated to decline by 2.3% in the 2021-2022 biennium.

DISTRIBUTION OF SALES TAX



Sales Tax	Actual			Estimate	Forecast	
	2017	2018	2019	2020	2021	2022
\$ in thousands	25,652	37,022	38,731	27,213	27,630	27,760
% Change	-2.5%	44.3%	4.6%	-29.7%	1.5%	0.5%

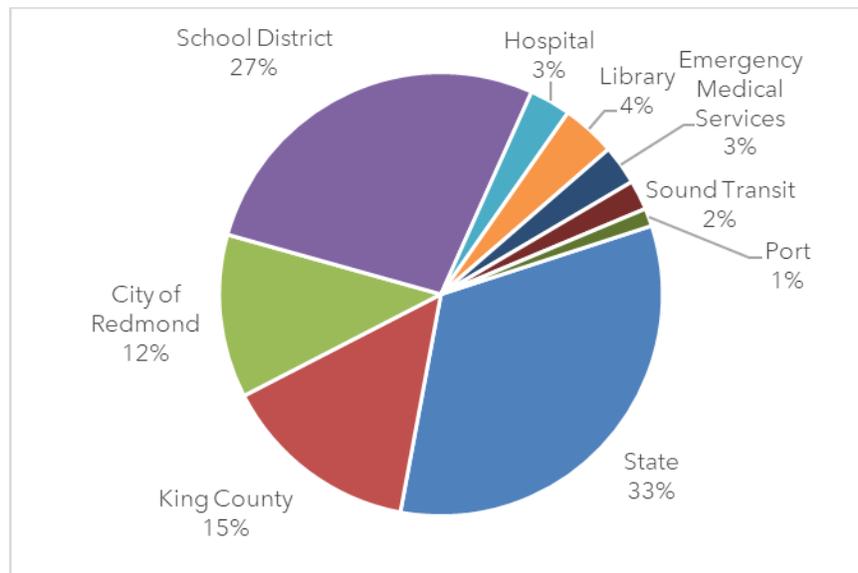
## Property Tax

Redmond currently receives approximately \$1.09 per \$1,000 of assessed valuation from property owners located within the City limits, equating to \$46.1 million in revenues over the 2021-2022 biennium when assuming a Council-approved 1% increase each year. Detailed below are historical collections of property taxes in Redmond. Additional amounts in excess of the 1% allowed by the State legislature are attributable to revenues from new construction, annexations and the collection of unpaid taxes from previous years.

Property Tax	Actual			Estimate	Forecast	
	2017	2018	2019	2020	2021	2022
\$ in thousands	19,047	19,513	20,335	21,406	22,520	23,545
% Change	7.3%	2.4%	4.2%	5.3%	5.2%	4.6%
Note: The 1% increase on existing properties is consistent with state law.						

Redmond's levy is only one component of the total property tax rate that property owners pay in King County. The total property tax rate includes additional levies that are earmarked for the State, public schools, Emergency Medical Services (EMS), hospitals, local libraries, King County and the Port of Seattle.

**DISTRIBUTION OF PROPERTY TAX**



## Utility Taxes

State law enables cities to levy taxes on natural gas, telephone, and electric utilities as well as cable television services in an amount up to 6% of the total charges. The tax on cable television services was raised from 3% to 6% in 2019. Illustrated on the next page are the utility taxes Redmond levies and the amount expected to be collected in 2021 and 2022.

Utility Taxes (\$ in thousands)	Actual			Estimate	Forecast	
	2017	2018	2019	2020	2021	2022
Electric	5,954	5,721	5,569	5,569	5,681	5,794
Garbage	840	937	952	918	945	974
Natural Gas	1,158	1,008	1,022	995	1,013	1,033
Telephone/Cellular	2,340	2,091	1,642	1,659	1,660	1,661
Cable	503	460	872	890	890	890
Other	556	537	583	430	356	366
<b>Total</b>	<b>11,351</b>	<b>10,754</b>	<b>10,640</b>	<b>10,461</b>	<b>10,545</b>	<b>10,718</b>

Note: The utility tax rate on cable television services was raised from 3% to 6% in 2019.

## License and Permit Fees

A development user fee study approved in 2018 enacted a revised fee structure that maintained the policy of targeting full cost recovery for all related fees. Forecasted revenue reflects this policy and factors in current and anticipated development activity within the City. Development revenues in the 2021-2022 biennium are projected to fall 10.1% from 2019-2020 biennial estimates following an extended period of high development activity in the region. Although the budget anticipates this decline, these revenues are budgeted conservatively in accordance with City practice.

Business license revenues are anticipated to decline by 7.3% in 2021-2022 relative to 2019-2020 estimates. In previous years, fees for business licenses were anticipated to increase with CPI. However, it is assumed that the portion of this fee that supports the General Fund will remain at \$50 per FTE through 2022.

<b>License &amp; Permit Fees</b>	<b>Actual</b>			<b>Estimate</b>	<b>Forecast</b>	
(\$ in thousands)	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Building Inspection & Plan Review	1,240	1,134	1,260	603	616	619
Plan Checks	405	522	574	404	406	408
Mixed Use Permits	1,897	1,270	1,196	2,040	1,200	1,100
Residential Permits	713	1,216	868	754	758	761
Commercial Permits	1,505	2,016	1,687	1,579	1,720	1,717
Heating, Plumbing & Electrical Permits	2,591	3,980	2,689	2,533	2,339	2,346
Other Licenses & Permits	5,077	5,327	5,718	5,692	5,419	5,486
<b>Total</b>	<b>13,429</b>	<b>15,465</b>	<b>13,992</b>	<b>13,605</b>	<b>12,458</b>	<b>12,437</b>

### Other General Fund Revenues

Other revenues collected by the City include intergovernmental revenue from other jurisdictions, such as the State or County, interest earnings, and overhead charges to the City's utilities.

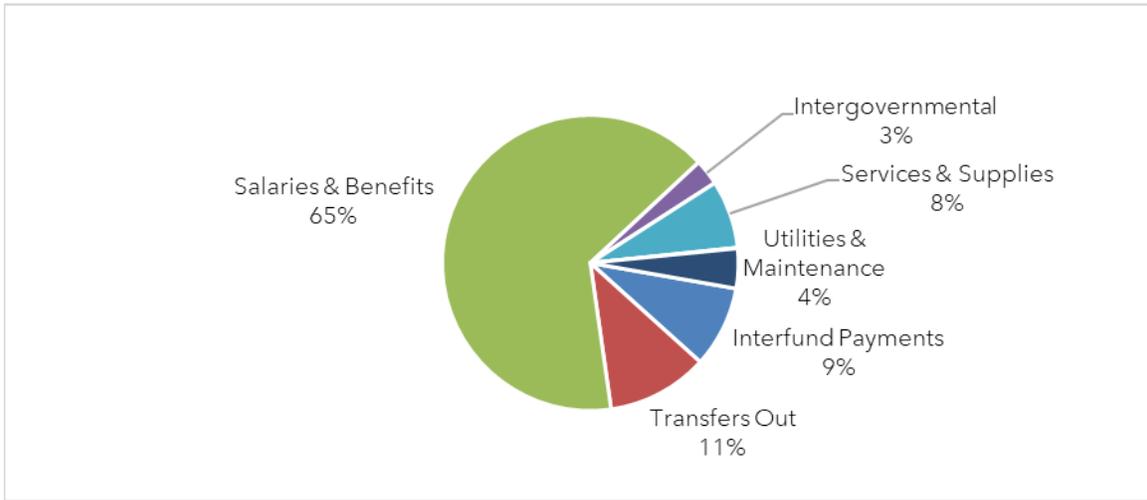
<b>Other General Fund Revenues</b>	<b>Actual</b>			<b>Estimate</b>	<b>Forecast</b>	
(\$ in thousands)	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Fines & Forfeits	407	443	422	440	592	591
State Entitlements	1,973	2,144	2,177	2,033	2,140	2,163
Intergovernmental	10,015	9,952	9,288	10,350	11,713	12,187
Miscellaneous	3,678	3,750	4,740	5,148	4,923	4,968
<b>Total</b>	<b>16,073</b>	<b>16,289</b>	<b>16,627</b>	<b>18,047</b>	<b>19,368</b>	<b>19,909</b>

### General Fund Expenditures

The \$195.3 million budgeted (excluding fund balance) in the General Fund supports the basic operations of the City, such as Police, Fire, Parks, Planning, Public Works and Administration. The General Fund supports 434.86 FTEs in the proposed biennial budget, representing 63.5% of City staff. Transfers to other funds constitute another significant portion of General Fund costs. Transfers are made to support the City's Capital and Technology Investment Programs (CIP and TIP), Human Services, Arts, Community Events and Recreation Activity Funds.

The City is expected to end the 2019-2020 biennium with approximately \$6 million in one-time revenue. These funds are proposed to go towards one-time uses including funding investments in technology projects, studies to inform program development and capital needs, and to address maintenance needs of City facilities and infrastructure. The budget also proposes funds to continue the City's environmental sustainability initiatives and diversity, equity and inclusion efforts.

## 2021-2022 GENERAL FUND EXPENDITURES BY TYPE (\$195.3 MILLION)



### Salaries and Benefits

Overall, in a budget to budget comparison, salary and benefit costs are projected to increase by 4.4% in the 2021-2022 biennium, excluding the salary and benefit contingency set aside for future labor agreements. The largest cost drivers for salary and benefits are market adjustments, and medical and worker's compensation self-insurance.

Medical insurance is budgeted to increase by 10.2% over the 2019-2020 budget. Although medical rates are budgeted to increase by just 2% per year and staffing levels are being reduced as described above, the City's current staff composition is more likely to cover other members of their household than two years ago.

In response to the economic downturn, the preliminary budget proposes the reduction of cost-of-living and merit increases for department directors in 2021, creating approximately \$87,000 in savings in the General Fund.

### Transfers Out

Transfers from the General Fund total 11% of the General Fund budget (excluding fund balance) or \$21.6 million. These transfers include Human Services, Arts and Community Events, City Hall maintenance as well as contributions to the Capital Investment Program (CIP), equipment replacement and reserves. CIP contributions have decreased by approximately 45% or \$4.1 million from the 2019-2020 Budget due to reduced expenditures in the General Fund.

### Services and Supplies

The services and supplies category include operating supplies, professional services, legal, travel, training and postage. The professional services budget for 2021-2022 includes approximately \$600,000 in one-time costs for plan updates, efforts to renew the public safety levy, services to support the City's environmental sustainability and diversity, equity and inclusion initiatives.

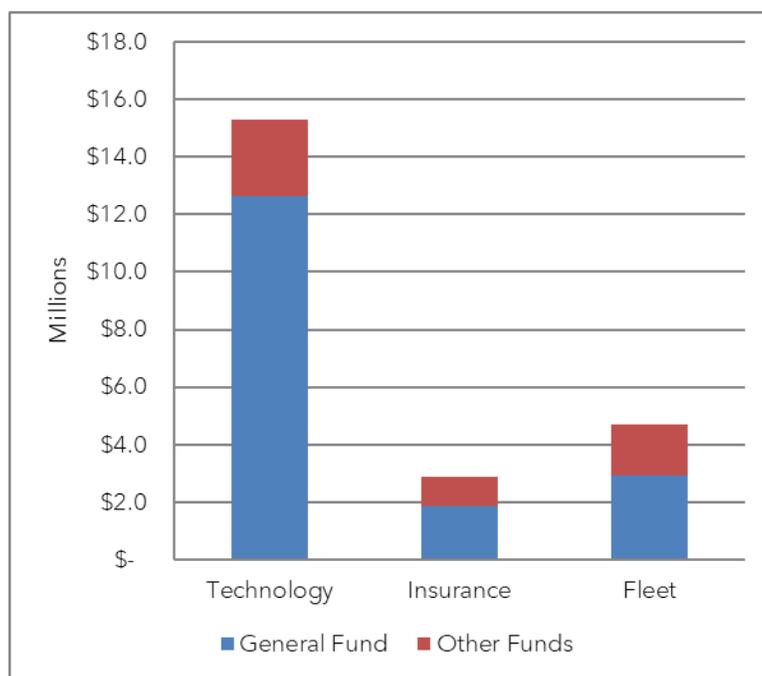
Services & Supplies (\$ in thousands)	Actual			Estimate	Forecast	
	2017	2018	2019	2020	2021	2022
Supplies	1,902	1,759	1,873	1,312	1,828	1,842
Legal Services	327	519	337	432	524	528
Professional Services	2,063	2,428	2,667	2,547	3,199	2,553
Communications	440	460	673	730	689	706
Rentals	63	46	80	23	43	44
Equipment & Software	136	148	88	19	141	59
Other Services & Charges	1,147	1,433	1,096	1,562	1,262	1,281
<b>Total</b>	<b>6,078</b>	<b>6,793</b>	<b>6,814</b>	<b>6,625</b>	<b>7,686</b>	<b>7,013</b>

### Interfund Payments

Interfund payments include transfers from operating departments to internal service funds (i.e. Fleet Maintenance, Insurance Claims and Information Technology) for services provided. Internal service funds are supported by a variety of City funds; however, 76% of their support comes from the General Fund. In a budget to budget comparison, interfund payments will increase by approximately 1.4% or \$320,000. Increases in insurance are due to higher payments on claims. It is important to note that additional interfund payments go towards medical and workers' compensation claims which are a part of the benefits cost category.

Due to the health of Fleet Maintenance Fund reserves, payments for vehicle replacements from the General Fund and Water/Wastewater Operating Fund will be suspended in 2021, providing savings of approximately \$910,000 and \$240,000 in these funds respectively in the 2021-2022 biennium.

2021-2022 INTERFUND PAYMENTS



### Intergovernmental

Intergovernmental expenses represent payments to other government agencies for services, such as fire dispatch, jail and court services. Redmond currently contracts with Northeast King County Regional Public Safety Communications Agency (NORCOM) for fire dispatch services and with the South Correctional Entity (SCORE) for jail services. These costs are expected to grow only 0.8% over

2019-2020 biennial estimates due to lower jail utilization during the COVID-19 pandemic than caseload forecasts would otherwise suggest.

Intergovernmental (\$ in thousands)	Actual			Estimate	Forecast	
	2017	2018	2019	2020	2021	2022
Jail	1,078	837	972	945	869	877
Dispatch	688	576	568	569	577	603
Court	557	634	759	750	750	750
Other	253	485	486	417	567	516
Total	2,576	2,532	2,785	2,681	2,763	2,746

Note: Other intergovernmental services include elections, State audits, fire academies, and human services.

### Utilities & Repairs and Maintenance

Utility costs for the City include those that are privately owned or managed such as telephone, electricity, natural gas and solid waste and recycling as well as the water, wastewater and stormwater utilities operated by the City itself. The repairs and maintenance category includes maintenance for all City buildings and technology applications. The forecasted increases for utilities as well as the historical and projected costs for utilities and repairs and maintenance line items are shown in the tables accompanying this section.

Projected Utility Rate Increases		
Utility	2021	2022
Telephone & Cable	-	-
Electricity & Natural Gas	2.30%	2.26%
Garbage & Recycling	12.30%	12.26%
Water, Wastewater & Stormwater	-	-

Utilities, Repairs & Maintenance (\$ in thousands)	Actual			Estimate	Forecast	
	2017	2018	2019	2020	2021	2022
Utilities	2,856	2,957	2,832	877	2,955	3,031
Repairs & Maintenance	1,916	1,439	1,360	1,558	1,229	1,273
Total	4,772	4,398	4,193	2,435	4,184	4,304

### Miscellaneous

Miscellaneous expenditures include excise tax payments and small capital purchases paid directly from the General Fund which comprise less than one-tenth of one percent of the 2021-2022 budget for this Fund.

### General Fund Sub-Funds and Special Revenue Funds

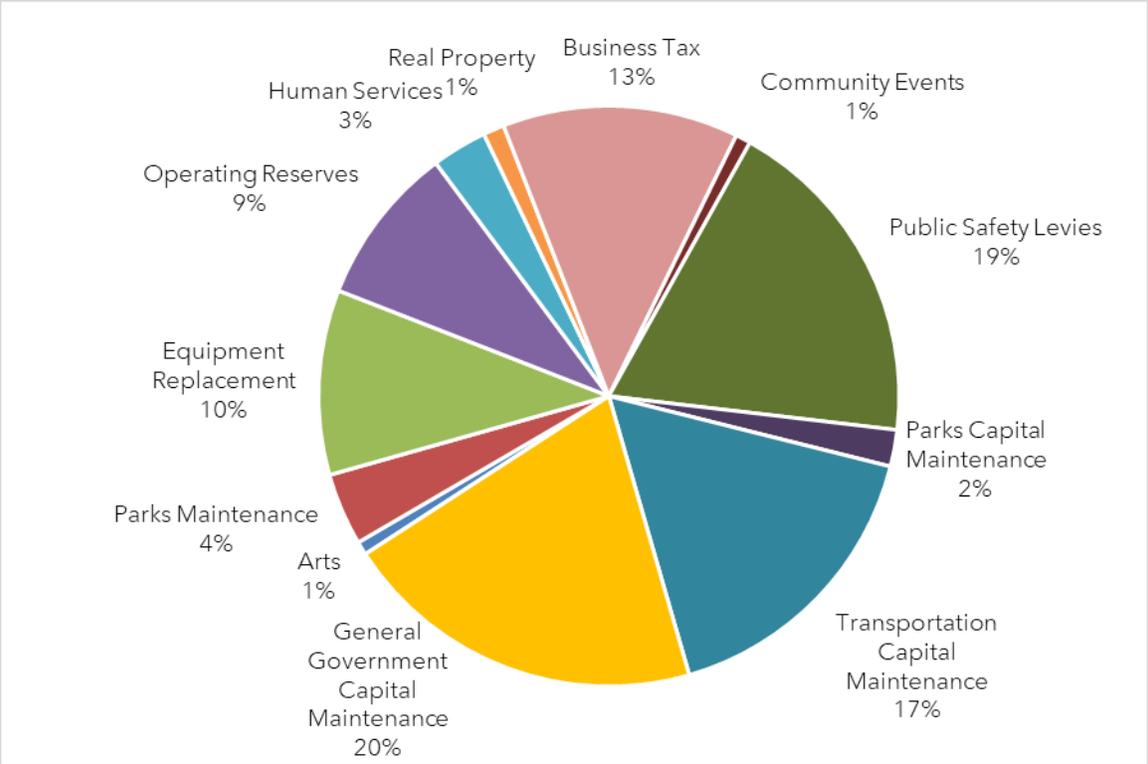
Appropriations for sub-funds of the General Fund including transfers and fund balances total \$90.1 million. These include, but are not limited to, major maintenance funds for each of the General

Government CIP functional areas, the public safety levy passed by voters in 2007, as well as funds used to replace fire and general City equipment.

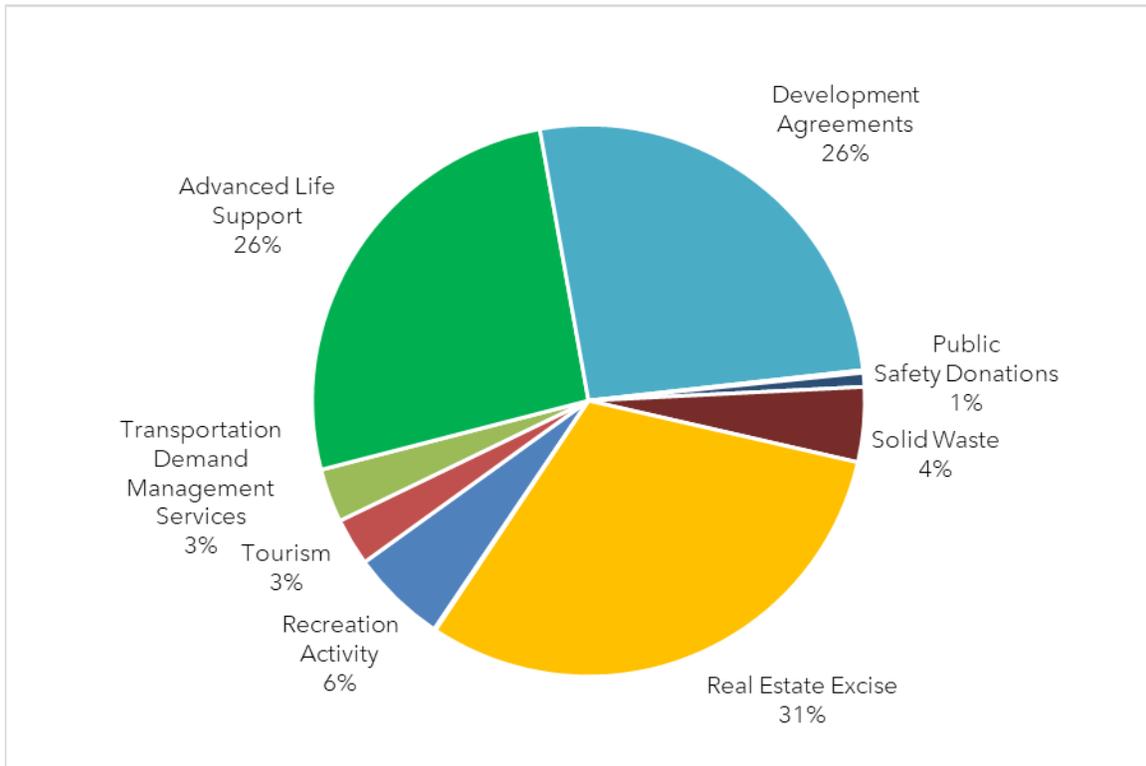
Special revenue funds account for revenues and expenditures that are restricted by State law for a specific use. Examples of some larger special revenue funds are Advanced Life Support (ALS) which is supported by the Emergency Medical Services (EMS) Levy and the Real Estate Excise Tax Fund which collects real estate excise tax to be used toward capital investment. Appropriations for special revenue funds in the 2021-2022 Budget total \$75.1 million.

Following the illustration below is a discussion of the 2021-2022 projected revenues and expenditures for funds of note in these two categories.

**GENERAL FUND SUBFUNDS (\$90.1 MILLION)**



## SPECIAL REVENUE FUNDS (\$75.1 MILLION)



### Advanced Life Support Fund

In 2004, Redmond became a lead agency for the Northeast Advanced Life Support consortium that includes Redmond, Kirkland, Woodinville, Duvall, Fall City and the unincorporated areas of King County surrounding these communities. An Emergency Medical Services (EMS) property tax is paid by all property owners in King County to support paramedic services throughout the County. Forecasted revenues for this service are based on the Emergency Medical Services Levy Strategic Plan approved by King County voters in 2019 and equal \$19.7 million for the 2021-2022 biennium.

### Public Safety and Parks Levy Funds

In 2007, Redmond voters passed special property tax levies to support Public Safety and Parks services. These levies supported the addition of firefighters and police personnel, as well as park maintenance and recreation programs. These revenues are subject to the 1% growth limitation imposed by the State legislature on property taxes. By restricting levy growth, the original levy rate approved by the City's voters of \$0.35 per \$1,000 of assessed valuation has reduced to approximately \$0.19 per \$1,000 of assessed valuation in 2020 as property values have grown faster than 1% per year on average since 2008.

As escalation in the costs of living and medical insurance have outpaced revenue growths to these funds, the Public Safety Levy will need to be renewed during the 2021-2022 biennium in order to maintain the level of service provided.

<b>Public Safety &amp; Parks Levies</b>	<b>Actual</b>			<b>Estimate</b>	<b>Forecast</b>	
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
(\$ in thousands)						
<b>Public Safety Levy</b>	5,680	5,011	5,779	6,033	6,941	7,203
<b>Parks Levy</b>	312	276	369	476	520	545
<b>Total</b>	<b>5,992</b>	<b>5,287</b>	<b>6,148</b>	<b>6,509</b>	<b>7,461</b>	<b>7,748</b>
Note: Excludes fund balances						

### Recreation Activity Fund

The Recreation Activity Fund pays for Parks programs whose benefit is largely limited to the participants of those programs and are priced appropriately according to their cost recovery model. Revenues to the Recreation Activity Fund have been severely disrupted by the ongoing pandemic as most of its activities have been suspended to prevent the spread of COVID-19, necessitating a \$524,000 subsidy from the General Fund for the fund to remain solvent during the 2021-2022 biennium for costs that the City is committed to paying, primarily care for the City's animals who reside at Farrel-McWhirter Park and software contracts required for program registration and communication.

### Development Review Fund

The Development Review Fund exists solely to support development services activities for major projects within the City. Funding for these services is provided through negotiated agreements with the customer. The most significant projects currently supported by the fund include Microsoft's redevelopment of their campus, also known as Microsoft Refresh, and Sound Transit's extension of East Link light rail from Bellevue to Redmond.

Unless additional developments of a similar scale materialize, this fund will be closed when these projects are complete. However, the impact of these projects will be seen in the form of increased ongoing revenues as these projects will increase assessed property valuations, bring more jobs, and attract more businesses into the City. While these ongoing benefits will not arrive in time to avoid the difficult decisions proposed in this budget, they will be critical for eventual recovery from the economic downturn.

### Reserve Funds

The City maintains accounts dedicated to supporting the City's required reserves. According to fiscal policies, the City will maintain General Fund reserves to mitigate a significant crisis, a Law Enforcement Officers and Firefighters (LEOFF 1) reserve to pay medical costs for retirees under the LEOFF 1 retirement system, as well as equipment replacement reserves for citywide equipment and fire vehicles. Reserves are also set aside in the Fleet Maintenance Fund (an internal service fund) for the replacement of other City vehicles.

<b>Operating Reserve Fund Balances</b>	<b>Actual</b>	<b>Estimate</b>	<b>Forecast</b>
(\$ in thousands)	<b>2017-2018</b>	<b>2019-2020</b>	<b>2021-2022</b>
General Fund Reserve	6,633	7,341	7,266
LEOFF 1 Reserve	797	632	764
Capital Equipment Reserve	2,933	4,315	2,854
Fire Equipment Reserve	1,907	2,679	3,534
<b>Total</b>	<b>12,270</b>	<b>14,967</b>	<b>14,378</b>

### Debt Service Funds

The City has one debt service fund to pay for voted and non-voted debt from which it pays for principal and interest expenditures for the 2013 refinance and purchase of the City Hall building, Bear Creek Parkway and Couplet Conversion projects. These debt obligations total \$11.5 million over the biennium.

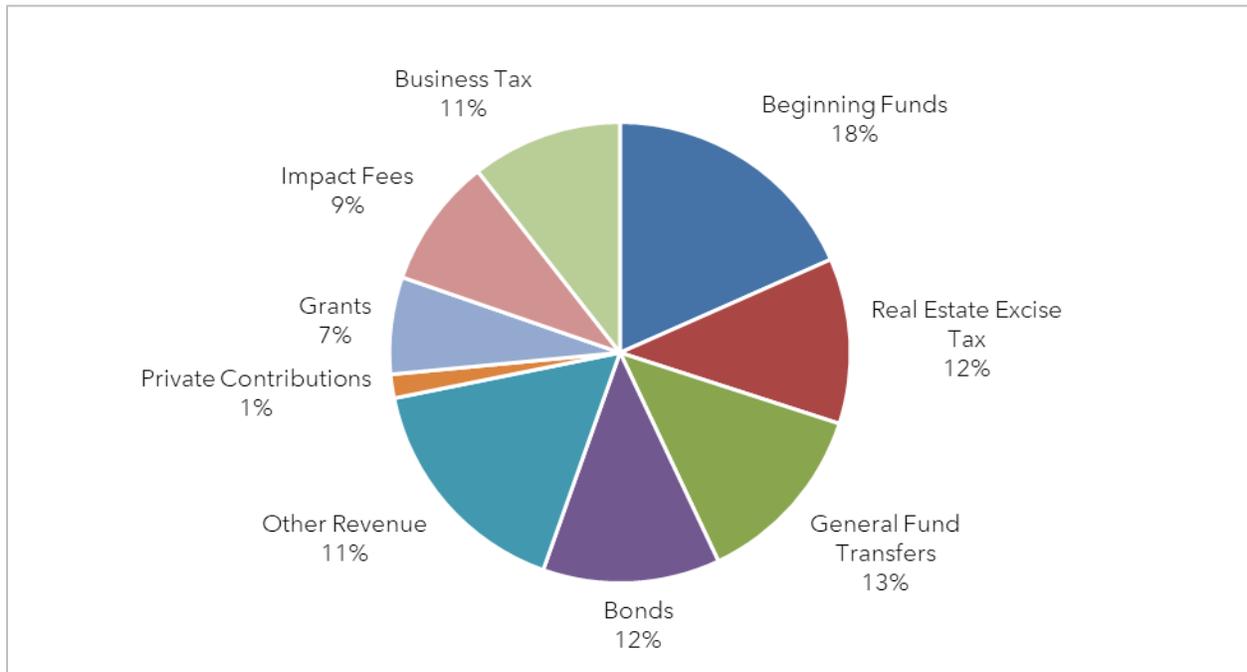
### Capital Investment Program

In the 2021-2022 Budget, Redmond seeks to take the next step towards the City’s long-range vision articulated in the Capital Investment Strategy (CIS) and its alignment with the 2030 Comprehensive Plan and the Community Strategic Plan. A key strategy of these plans is to direct the City’s public infrastructure investment in ways that will facilitate continued private redevelopment of Redmond’s urban centers of Downtown and Overlake. While there are infrastructure and capital needs beyond the urban centers, capital projects are prioritized in much the same way as operational offers. By focusing on public projects in its urban centers, the City is taking tangible steps towards realizing its vision for these areas, signaling its commitment to private developers and thereby encouraging them to continue to invest in Redmond while protecting the character of Redmond’s established neighborhoods and preserving infrastructure across the City to maintain levels of service and reliability of its capital assets.

Capital Investment Program projects range from major maintenance of streets, sidewalks, utility and building infrastructure improvements to mobility enhancements in the urban centers. These projects are funded through a variety of revenue sources, both public and private.

Beginning fund balances, Real Estate Excise Tax (REET), impact fees, grants, business tax and transfers made from the General Fund are the major revenues that make-up a significant portion of the \$113.1 million of 2021-2022 general CIP revenues. Other CIP revenues include interfund transfers and reimbursements from Fire District 34.

## 2021-2022 GENERAL CIP REVENUES (\$113.1 MILLION)



### Real Estate Excise Tax (REET)

REET is a 0.5% tax on the sale of real estate inside Redmond city limits and is restricted to expenditures on capital investments. REET collections have grown steadily since the significant decline in 2009. Estimates in the 2021-2022 Budget project this revenue will decrease from \$5.0 million to \$4.0 million per year.

### Business Tax (BTTI)

The City assesses an annual \$117 per full-time employee fee to businesses operating in Redmond, \$67 of which is dedicated to transportation and transportation demand management investments. A decline in these revenues is expected due to businesses closing during COVID-19. No fee increases are anticipated in 2021 and 2022 although it is indexed to inflation in most years. The long-term growth in revenue is projected to be approximately 1.3%, commensurate with projected employment growth in the City.

### General Fund Contributions

Per City policy, 5% of General Fund operating revenues (less development revenues and significant one-time collections) is transferred into the City's Capital Investment Program. In addition, annual transfers of sales tax on construction totaling \$1.3 million supports debt service on the City Hall building, as well as \$300,000 per year for pavement management projects.

### Impact Fees

The City collects impact fees from developers for transportation, fire and parks. These impact fees are restricted to capacity building projects that mitigate the impacts of growth in the community. In 2016

these fees were increased to align with the estimated costs of new or expanded transportation, fire and parks infrastructure that users of the development will utilize.

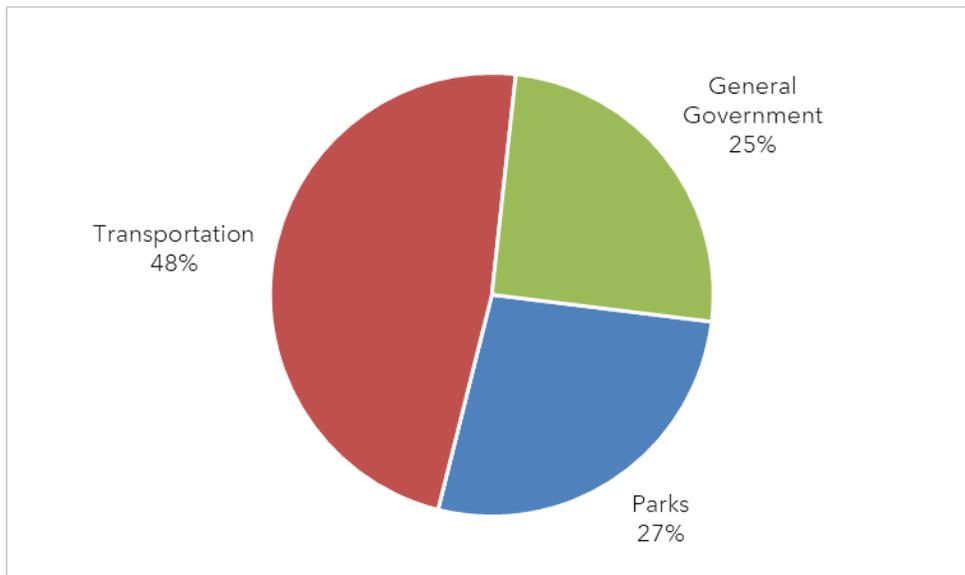
CIP Revenues (\$ in thousands)	Actual			Estimate	Forecast	
	2017	2018	2019	2020	2021	2022
Real Estate Excise Tax	5,404	5,430	5,921	4,000	4,100	4,100
Business Tax	6,160	10,388	10,605	5,604	5,096	5,159
General Fund Transfer	5,357	5,189	4,046	6,546	3,535	3,408
Impact Fees	4,150	9,198	5,376	1,642	4,246	3,725
<b>Total</b>	<b>21,071</b>	<b>30,205</b>	<b>25,948</b>	<b>17,792</b>	<b>16,977</b>	<b>16,392</b>

Note: General Fund Transfer includes General Revenues, sales tax on construction, and pavement management project funding.

### Capital Improvement Program Expenditures

A significant portion of the biennial CIP budget has been dedicated to projects in the two urban centers, such as the Senior and Community Center rebuild, the Connecting Washington project and multimodal transportation projects in preparation for the arrival of light rail. The CIP also keeps with the theme of “taking care of what we have” by investing in overlays and major repairs of streets and sidewalks as well as building upgrades identified in the Facilities Strategic Management Plan. Expenditures by functional allocation are shown on the following page.

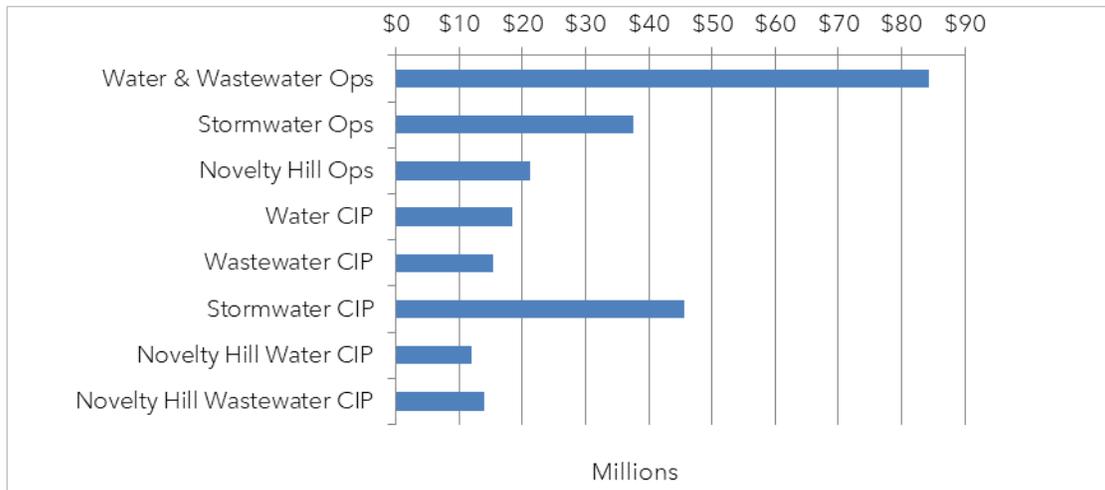
2021-2022 CIP EXPENDITURES BY FUNCTIONAL AREA (\$79 MILLION)



## Enterprise Funds

Money to support City-owned water, wastewater and stormwater utilities are organized into eight enterprise funds. Utility operations and capital investments within the City of Redmond are funded from a combined water and wastewater operating fund, a stormwater utility operating fund and three capital investments funds, one for each of the three utilities. The City of Redmond also provides water and wastewater services to Novelty Hill which are organized into a combined operating fund and a capital investment fund for each utility. Budgeted revenues and expenditures for these funds are summarized in the next section and discussed in greater detail in later sections of this document.

**ENTERPRISE/UTILITY FUNDS (\$248.7 MILLION)**



## Utility Revenues

Water, wastewater and stormwater fees fund most costs associated with providing these services to the community. Other sources include development related revenues, grants and interest earnings. Total utility revenues, including the Novelty Hill Service Area but excluding beginning fund balances and transfers between utility funds, are expected to decrease by 8.7% from a budgeted \$136.7 million in 2019-2020 to \$124.7 million in 2021-2022, highlighted by a decline in water sales to commercial customers prompted by the drop in economic activity following the onset of the COVID-19 pandemic. The utility funds also received significant one-time revenues in the form of facility and connection charges in 2019-2020. Recognizing the financial difficulties that the recession has placed on the community, no rate increases are proposed in this budget for both in-City and Novelty Hill customers, residential and commercial alike.

Utility Revenues (\$ in thousands)	Actual			Estimate	Forecast	
	2017	2018	2019	2020	2021	2022
Water & Wastewater	40,063	40,070	38,495	36,513	35,968	37,012
Stormwater	16,375	16,601	15,217	14,367	14,166	14,320
Novelty Hill Service Area	7,446	8,363	7,817	7,266	7,793	7,750
<b>Total</b>	<b>63,884</b>	<b>65,034</b>	<b>61,529</b>	<b>58,146</b>	<b>57,927</b>	<b>59,082</b>
Note: Excludes fund balances						

## Utility Expenditures

The total expenditure budget for all eight enterprise funds equals \$150.2 million (excluding ending fund balance and transfers between utility funds). Of this amount, \$129.7 million is dedicated to operations. These expenditures include \$356,000 in new investments in environmental sustainability and carbon footprint reduction as well as \$200,000 for asset management planning in the Novelty Hill service area. In order to match declining revenues, reductions of \$3.0 million were made in the utility operating funds. These measures include delaying planning efforts, focusing maintenance and repairs to where they are most needed and reducing vegetation management at utility facilities. Other program changes were made to focus on environmental sustainability and to right size services including the elimination of the Fats, Oils, and Grease (FOG) Program and the Private Stormwater System Program. The Source Control Program Administrator 1.00 FTE that supported the FOG program was reallocated to a Traffic Signals Program Administrator 1.00 FTE to address safety concerns and the Stormwater Inspector 1.00 FTE was eliminated.

The remaining \$168.1 million is earmarked for capital investments. Notable projects planned in these expenditures include the NE 40<sup>th</sup> Street Stormwater Trunk Extension, the relocation of Evans Creek, as well as improvements to several water booster and wastewater pump stations throughout the City. More information on these and other capital investments in the City's utilities are discussed in the Capital Investment Program section.

## Road to Recovery

The 2021-2022 Budget incorporates many difficult decisions made in response to the economic downturn ascribable to the ongoing COVID-19 pandemic. While recognizing their impacts, the reductions proposed in this budget are not as far-reaching as those that occurred following the 2007-2009 Great Recession thanks to growth in property tax revenues driven by new construction and reserve policies that have kept the Redmond in a resilient financial position.

As new developments are completed, including the extension of East Link to downtown and the redevelopment of the Microsoft campus, the City can look forward to increased revenues spurred by growth in property values, jobs in the community and the opportunities for economic development that will place Redmond in a strong position for recovery.

## 2021-2022 Preliminary Budget

### City of Redmond

Fund No.	Fund	2019-2020 Estimate	2021-2022 Budget	Budget to Budget Difference	Percent Change
100	General Fund	\$197,887,171	\$201,732,921	\$3,845,750	2%
<b>General Fund Sub-Funds</b>					
011	Arts Activity	761,039	679,044	(81,995)	-11%
012	Parks Maintenance & Operations	3,480,619	3,636,220	155,602	4%
013	Community Events	782,108	762,363	(19,745)	-3%
019	Human Services	2,932,122	2,779,457	(152,665)	-5%
020	Fire Equipment Reserves	3,567,003	4,430,207	863,204	24%
021	Operating Reserves	8,089,824	8,029,824	(60,000)	-1%
027	Capital Equipment Replacement Reserve	6,314,880	4,853,833	(1,461,047)	-23%
030	Business Tax	12,737,216	11,849,645	(887,571)	-7%
031	Real Property <sup>1</sup>	6,061,850	1,055,114	(5,006,736)	-83%
035	Public Safety Levy <sup>2</sup>	15,869,774	15,717,546	(152,228)	-1%
037	Parks Levy	1,263,937	1,200,074	(63,863)	-5%
095	Parks Maintenance Projects	4,232,592	1,839,253	(2,393,339)	-57%
096	Transportation Maintenance Projects	23,735,054	14,988,555	(8,746,499)	-37%
099	General Government Maintenance Projects	18,894,481	18,292,452	(602,029)	-3%
<b>Subtotal - General Fund Sub-Funds</b>		<b>108,722,499</b>	<b>90,113,587</b>	<b>(18,608,912)</b>	<b>-17%</b>
<b>Grand Total General Fund</b>		<b>306,609,669</b>	<b>291,846,508</b>	<b>(14,763,161)</b>	<b>-5%</b>
<b>Special Revenue Funds</b>					
110	Recreation Activity	3,241,728	4,207,550	965,822	30%
115	Development Review <sup>3</sup>	17,693,702	19,581,584	1,887,882	11%
117	Cable Access	558,044	66,982	(491,062)	-88%
118	Operating Grants	3,359,639	2,360,334	(999,305)	-30%
122	Advanced Life Support (ALS)	16,532,755	19,695,613	3,162,858	19%
124	Aid Car Donation	453,700	615,903	162,203	36%
125	Real Estate Excise Tax (REET)	21,261,822	23,121,488	1,859,666	9%
126	Drug Enforcement	144,542	117,601	(26,941)	-19%
131	Tourism (Hotel/Motel Tax)	1,826,670	2,090,906	264,236	14%
140	Solid Waste/Recycling	3,114,692	3,291,433	176,741	6%
<b>Subtotal - Special Revenue Funds</b>		<b>68,187,293</b>	<b>75,149,394</b>	<b>6,962,101</b>	<b>10%</b>
<b>Debt Service Funds</b>					
233	Debt Service Fund <sup>4</sup>	11,156,071	11,599,033	442,962	4%
<b>Subtotal - Debt Service Funds</b>		<b>11,156,071</b>	<b>11,599,033</b>	<b>442,962</b>	<b>4%</b>

<b>Fund No.</b>	<b>Fund</b>	<b>2019-2020 Estimate</b>	<b>2021-2022 Budget</b>	<b>Budget to Budget Difference</b>	<b>Percent Change</b>
<b>Capital Investment Program (CIP) Funds</b>					
315	Parks CIP	19,321,647	22,153,018	2,831,371	15%
316	Transportation CIP	37,455,253	47,582,673	10,127,420	27%
319	General Government CIP	6,504,513	8,224,108	1,719,595	26%
<b>Subtotal - CIP Funds</b>		<b>63,281,413</b>	<b>77,959,799</b>	<b>14,678,386</b>	<b>23%</b>
<b>Community Facilities District (CFD) Funds</b>					
361	CFD 2014-1 <sup>b</sup>	22,186,227	7,631,421	(14,554,806)	-66%
362	CFD 2016-1 <sup>d</sup>	16,879,786	10,751,459	(6,128,327)	-36%
<b>Subtotal - CFD Funds</b>		<b>\$39,066,013</b>	<b>\$18,382,880</b>	<b>(\$20,683,133)</b>	<b>-53%</b>
<b>Enterprise Funds (Utilities)</b>					
401	Water/Wastewater Operating	\$83,891,075	\$84,418,594	\$527,519	1%
402	Novelty Hill Operating	19,544,485	21,339,048	1,794,563	9%
403	Water CIP	24,962,722	18,394,238	(6,568,484)	-26%
404	Wastewater CIP	22,270,033	15,453,667	(6,816,366)	-31%
405	Stormwater Operating	33,861,529	37,572,031	3,710,502	11%
406	Stormwater CIP	42,187,646	45,594,836	3,407,190	8%
407	Novelty Hill Water CIP	11,534,798	11,893,066	358,268	3%
408	Novelty Hill Wastewater CIP	12,716,323	14,021,357	1,305,034	10%
<b>Subtotal - Enterprise Funds</b>		<b>250,968,612</b>	<b>248,686,837</b>	<b>(2,281,775)</b>	<b>-1%</b>
<b>Internal Service Funds</b>					
501	Fleet Maintenance	8,803,814	9,933,236	1,129,422	13%
510	Insurance Claims & Reserves	3,492,987	3,714,231	221,244	6%
511	Medical Self Insurance	36,342,602	34,128,975	(2,213,627)	-6%
512	Workers' Compensation	3,866,720	4,802,738	936,018	24%
520	Information Technology	19,762,160	22,953,404	3,191,244	16%
<b>Subtotal - Internal Service Funds</b>		<b>72,268,284</b>	<b>75,532,584</b>	<b>3,264,300</b>	<b>5%</b>
<b>Final Budget - All Funds</b>		<b>\$811,537,356</b>	<b>\$799,157,035</b>	<b>(\$12,380,321)</b>	<b>-1.5%</b>

**Footnotes:**

1. Fund 031 was created to manage and direct unencumbered proceeds from the sale of real property.
2. Fund 035 is comprised of the Police Levy Fund and Fire Levy Fund.
3. Fund 115 was reactivated due to Development Agreements established in 2014.
4. Fund 233 accounts for debt obligations for the City Hall building and Bear Creek Parkway and Couplet Conversion projects.
5. Fund 361 was established July 15, 2014 by Council Resolution No. 1411 to fund improvements at the Overlake Transit Station.
6. Fund 362 was established July 21, 2016 by Council Resolution No. 1453 to fund multimodal improvements, intersection improvements and the NE 40th Street Trunkline project.

## ALL FUNDS SUMMARY

	2017-2018 Actual	2019-2020 Budget	2019-2020 Estimates	2021-2022 Budget	Change	Percent Change
<b>REVENUE</b>						
Property Tax	\$51,181,663	\$54,757,799	\$54,625,655	\$59,398,130	\$4,772,475	9%
Sales Tax	66,303,412	61,603,136	61,460,267	59,727,891	(1,732,376)	-3%
Utility Taxes	21,011,814	23,782,952	20,060,247	20,541,230	480,983	2%
Other Taxes	28,250,460	22,354,388	26,951,884	18,976,615	(7,975,269)	-30%
Total Taxes	166,747,349	162,498,275	163,098,053	158,643,866	(4,454,187)	-3%
Licenses & Permits	31,542,899	40,888,993	41,329,142	34,105,068	(7,224,074)	-17%
Intergovernmental	25,684,188	34,595,626	32,137,762	23,102,645	(9,035,117)	-28%
Charges for Services	225,465,142	234,613,994	218,026,504	233,988,807	15,962,303	7%
Fines & Forfeits	1,326,009	1,417,019	927,296	1,207,891	280,595	30%
Interest	6,397,683	4,306,264	8,933,424	5,214,970	(3,718,454)	-42%
Other Revenue	27,548,197	14,815,331	30,311,580	15,269,795	(15,041,785)	-50%
Non-Revenue	106,406,438	88,868,876	74,951,106	91,678,148	16,727,042	22%
<b>TOTAL REVENUE</b>	<b>591,117,905</b>	<b>582,004,377</b>	<b>569,714,867</b>	<b>563,211,190</b>	<b>(6,503,677)</b>	<b>-1%</b>
<b>EXPENDITURES</b>						
Salaries & Wages	122,401,146	137,170,363	131,574,770	139,964,206	8,389,435	6%
Overtime	6,722,515	5,440,361	6,873,659	5,793,354	(1,080,305)	-16%
Supplemental Help	2,929,852	2,758,615	1,852,381	1,242,345	(610,036)	-33%
Other Compensation	505,638	406,502	461,682	298,700	(162,982)	-35%
Personnel Benefits	75,463,867	78,343,144	84,680,750	83,202,370	(1,478,381)	-2%
Supplies	8,359,946	9,686,907	20,248,181	8,015,926	(12,232,256)	-60%
Professional Services	37,627,829	24,211,293	28,341,330	26,067,300	(2,274,029)	-8%
Communication	1,300,512	1,551,655	1,332,689	1,437,941	105,251	8%
Training	880,631	1,636,486	847,356	1,418,107	570,751	67%
Advertising	278,258	333,008	273,017	232,639	(40,377)	-15%
Rentals	907,490	1,431,340	1,258,289	1,372,673	114,384	9%
Insurance	2,117,434	2,149,959	2,190,041	2,401,847	211,806	10%
Utilities	6,985,451	7,201,656	4,977,111	6,960,789	1,983,677	40%
Repairs & Maintenance	14,967,800	31,457,892	28,897,411	22,229,704	(6,667,707)	-23%
Other Services & Charges	28,937,905	26,907,918	48,229,053	32,363,548	(15,865,506)	-33%
Intergovernmental	45,464,207	46,332,730	13,264,678	44,103,130	30,838,452	232%
Capital	58,689,834	133,723,261	81,623,919	92,392,711	10,768,792	13%
Interfund Payments	26,856,393	29,896,012	26,936,600	30,230,021	3,293,421	12%
Debt Service	23,826,520	17,340,552	17,088,939	17,405,410	316,471	2%
Transfers Out	101,920,409	88,117,667	74,639,655	86,857,162	12,217,507	16%
<b>TOTAL EXPENDITURES</b>	<b>567,143,638</b>	<b>646,097,320</b>	<b>575,591,512</b>	<b>603,989,882</b>	<b>28,398,369</b>	<b>5%</b>
<b>NET CHANGES</b>	<b>23,974,267</b>	<b>(64,092,943)</b>	<b>(5,876,645)</b>	<b>(40,778,692)</b>	<b>(34,902,046)</b>	<b>594%</b>
<b>FUND BALANCE JANUARY 1</b>	<b>198,643,453</b>	<b>240,972,753</b>	<b>241,822,489</b>	<b>235,945,844</b>	<b>(5,876,645)</b>	<b>-2%</b>
<b>FUND BALANCE DECEMBER 31</b>	<b>\$222,617,720</b>	<b>\$176,879,811</b>	<b>\$235,945,843</b>	<b>\$195,167,153</b>	<b>(\$40,778,691)</b>	<b>-17%</b>

**Fund Notes:**

Descriptions of all budgeted funds can be found in the following pages.

# STAFFING AUTHORIZATIONS

## FULL-TIME EQUIVALENTS (FTEs)

### CITY OF REDMOND

	2015-2016 Budget	2017-2018 Budget	2019-2020 Budget	2021-2022 Budget	Budget to Budget Difference
<b>GENERAL FUND AND SUB-FUNDS</b>					
Executive/Legal <sup>1,3</sup>	18.75	21.25	20.25	22.25	2.00
Finance & Information Services	29.00	0.00	0.00	0.00	0.00
Finance <sup>1</sup>	0.00	26.00	33.57	33.57	0.00
Fire <sup>1,5</sup>	132.50	135.00	134.00	132.00	(2.00)
Human Resources <sup>5</sup>	11.54	12.00	12.33	13.00	0.67
Parks & Recreation <sup>1,4,5</sup>	37.85	49.86	52.84	47.21	(5.63)
Planning & Community Development <sup>1,4</sup>	72.89	75.33	73.95	73.65	(0.30)
Police <sup>1,5</sup>	129.41	129.42	128.92	126.92	(2.00)
Public Works <sup>1,4,5</sup>	61.40	50.00	47.37	45.27	(2.10)
Technology & Information Services <sup>1</sup>	0.00	4.00	4.00	4.00	0.00
Arts Activity <sup>5</sup>	1.00	1.00	1.00	1.01	0.01
Community Events <sup>4,5</sup>	1.00	1.00	2.00	1.50	(0.50)
Parks Maintenance & Operations	10.01	11.01	11.01	12.00	0.99
<b>GENERAL FUND AND SUB-FUNDS TOTAL</b>	<b>505.35</b>	<b>515.87</b>	<b>521.24</b>	<b>512.38</b>	<b>(8.86)</b>
<b>OTHER FUNDS</b>					
Recreation Activity <sup>4,5</sup>	11.16	10.16	5.50	1.00	(4.50)
Development Agreements <sup>6</sup>	6.00	37.50	32.31	30.31	(2.00)
Operating Grants <sup>1</sup>	5.00	6.00	3.00	2.30	(0.70)
Advanced Life Support <sup>1</sup>	31.00	31.00	32.00	32.00	0.00
Solid Waste & Recycling <sup>4,5</sup>	3.63	3.80	4.09	2.79	(1.30)
Water & Wastewater <sup>4,5</sup>	38.82	41.20	39.60	38.49	(1.11)
Stormwater Management <sup>5</sup>	26.93	27.24	26.38	26.99	0.61
Fleet Maintenance <sup>1</sup>	7.08	7.33	7.30	7.40	0.10
Worker's Compensation Insurance	0.00	0.00	0.00	0.00	0.00
Information Technology <sup>1,5</sup>	27.00	25.00	33.00	32.00	(1.00)
<b>OTHER FUND TOTAL</b>	<b>156.62</b>	<b>189.23</b>	<b>183.18</b>	<b>173.28</b>	<b>(9.90)</b>
<b>TOTAL ALL FUNDS</b>	<b>661.97</b>	<b>705.10</b>	<b>704.42</b>	<b>685.66</b>	<b>(18.76)</b>
<b>SUPPLEMENTAL FTEs <sup>6</sup></b>	<b>54.93</b>	<b>47.50</b>	<b>45.08</b>	<b>15.72</b>	<b>(29.36)</b>

**Notes:**

1. Reallocated position within City
2. Reclassification
3. New Position
4. 2020 Reduction
5. 2021-2022 Reduction
6. Supplemental FTE estimates are based on supplemental budgets, average hourly rates (varies by year) and standard full-time hours per year (2,080).