

# 2020 Budget

## Mid-year Progress Report

Financial Results through June 30<sup>th</sup>  
2<sup>nd</sup> Quarter 2020

Clear

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Reliable

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Trustworthy



# Halfway Through 2020

## Questions to be Answered

1. What's going well?
2. What problems do we see?
3. How are we course-correcting?
4. What do we need to watch?
5. What Council actions needed?



# Stated Budget Goals (Review)

1. Achieve a balanced budget in every fund
2. Assure service delivery, appropriately prioritized, within available resources
3. Achieve improvement in General Fund's fund balance



# What We Planned (Review)

## 2020 ADOPTED BUDGET SUMMARY

	Estimated 2020 Beg Fund Balance	2020 Projected Revenues	2020 Proposed Expenditures	Increase in (Decrease in) Reserves	Budgeted 2020 Ending Balance
General Fund (001, 003 & 612)	\$ 9,247,355	\$ 69,699,424	\$ 69,173,496	\$ 525,928	\$ 9,773,283
Parks and Recreation	377,822	5,531,468	5,531,468	—	377,822
Street & Traffic Operations	27,841	8,661,450	8,661,450	—	27,841
General Government Subtotal	9,653,018	83,892,342	83,366,415	525,928	10,178,946
Other Governmental Operating Funds	5,752,992	14,118,887	13,848,344	270,543	6,023,535
Government Capital Funds	12,295,636	13,616,426	11,990,293	1,626,133	13,921,769
Enterprise Operating Funds	14,235,345	61,170,191	62,433,441	(1,263,250)	12,972,095
Enterprise Capital Funds	30,619,261	13,009,100	25,250,221	(12,241,121)	18,378,140
Internal Service Funds	1,241,700	6,122,344	6,453,798	(331,454)	910,246
Employee Benefit Reserve	1,635,910	16,480,664	16,360,119	120,545	1,756,455
Risk Management Reserves	1,957,623	5,037,870	5,042,916	(5,046)	1,952,577
Debt Service & Agency Funds	2,476,158	7,809,554	7,802,697	6,857	2,483,015
Total	\$ 79,867,643	\$ 221,257,378	\$ 232,548,244	\$ (11,290,865)	\$ 68,576,778

# Actuals through June

## 2020 Revenue and Expenditures Comparison

	Revenue			Expenditures		
	Amended Budget	Actual as of 6/30	% Rec'd	Amended Budget	Actual as of 6/30	% Rec'd
General Fund (001, 003 & 612)	70,914,893	32,685,225	46.1%	70,462,197	30,973,234	44.0%
Parks and Recreation	5,531,468	2,423,750	43.8%	5,592,566	2,039,046	36.5%
Street & Traffic Operations	8,661,450	3,144,120	36.3%	8,694,368	4,395,650	50.6%
General Government Subtotal	85,107,811	38,253,095	44.9%	84,749,131	37,407,930	44.1%
Other Government Operating Funds	17,528,073	6,139,553	35.0%	17,327,025	5,924,385	34.2%
Government Capital Funds	27,283,760	15,422,990	56.5%	26,368,088	5,182,999	19.7%
Enterprise Operating Funds	61,170,191	27,332,676	44.7%	62,728,945	27,180,553	43.3%
Enterprise Capital Funds	13,009,100	3,596,001	27.6%	25,268,221	3,113,832	12.3%
Internal Service Funds	6,178,139	2,458,861	39.8%	8,191,705	3,141,396	38.3%
Employee Benefit Reserves	16,480,664	6,048,778	36.7%	16,242,798	7,125,219	43.9%
Risk Management Reserve	5,037,870	2,522,690	50.1%	5,047,422	2,463,078	48.8%
Debt Service & Agency Funds	7,809,554	11,707,005	149.9%	7,802,697	11,058,384	141.7%
Total	239,605,162	113,481,649	47.4%	253,726,032	102,597,776	40.4%

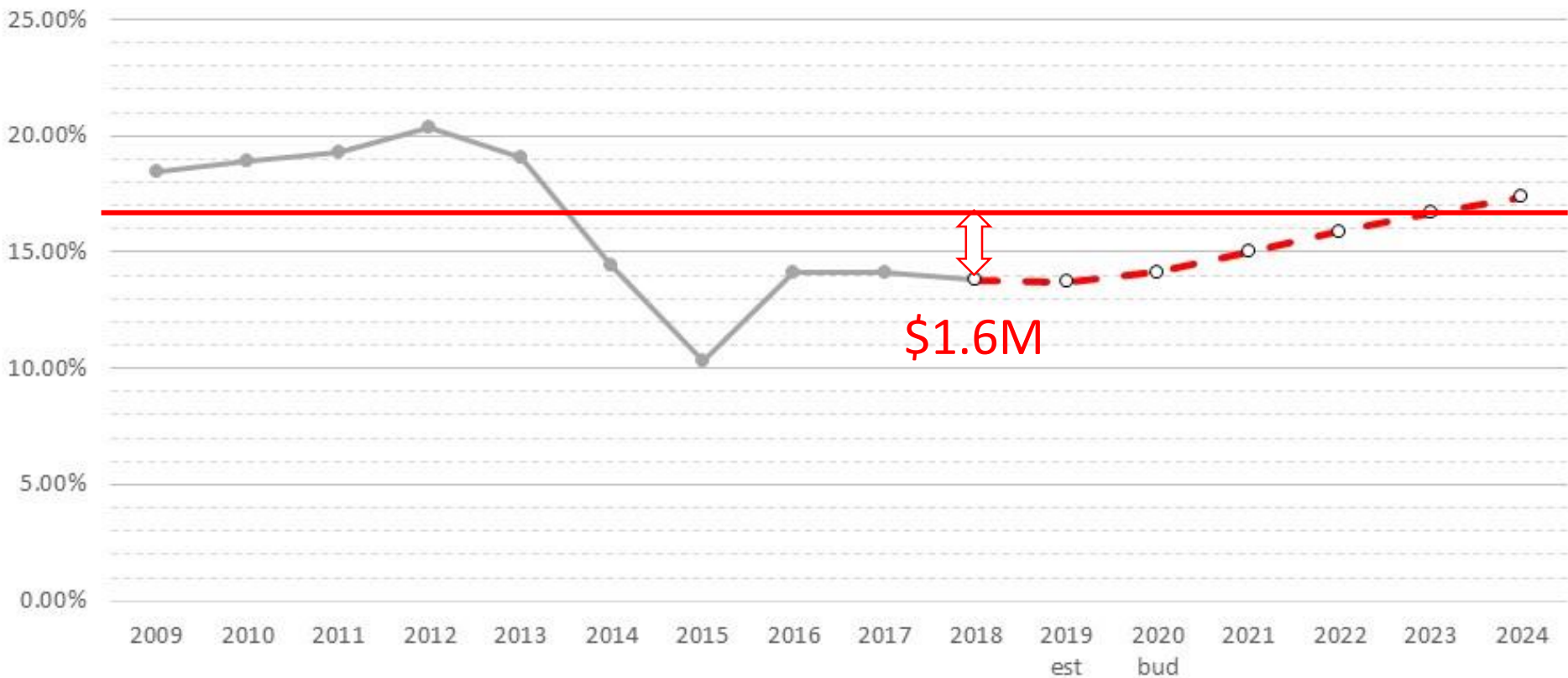
# Challenges That Were Known (Review)

1. Restoring General Fund reserves  
We now have preliminary 2019 audit
2. Deferred Vehicle Replacements  
No change
3. Streets Capital – TBD Fees  
No change



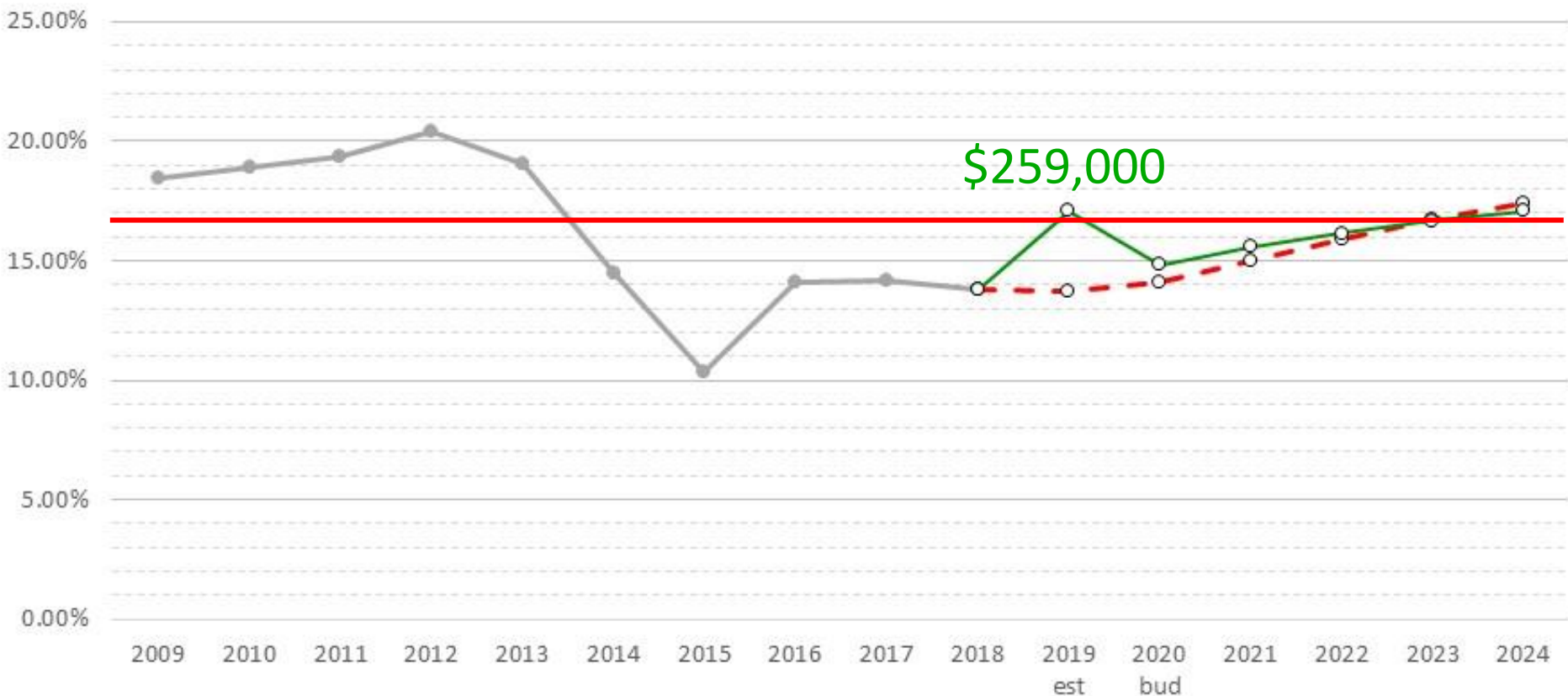
# Getting to 16.7%

City of Yakima  
General Fund - Fund Balance as a % of Total Expenses



# Got to 17.1% . . . But

City of Yakima  
General Fund - Fund Balance as a % of Total Expenses





# “How?” and “Now What?”

1. PD vacancies
2. Deferred PD replacements
3. Deferred FD repair/replacements
4. Material pension or general liability audit adjustments

*Audit pending completion*



# Fiscal Health of the City

City Bond Rating: A+ Stable

- ➔ ○ *“We do not expect significant improvement in the reserve position in the next three years”*

-S&P March 2020

- “Very weak economy”
  - Avg. Household Income \$44,000
  - Avg. Per Capita Income \$22,000
- Budgetary performance “strong”
- Liquidity “very strong”

Clear

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# New Revenue Information

COVID	YTD	YE
Lodging Tax Revenue	(\$156,000)	(\$800,000)
GF Sales Tax revenue	( 144,000)	( 300,000)
GF Fees	( 200,000)	( 400,000)
Airport Revenues	( 140,000)	( 250,000)
REET	( 200,000)	( 400,000)

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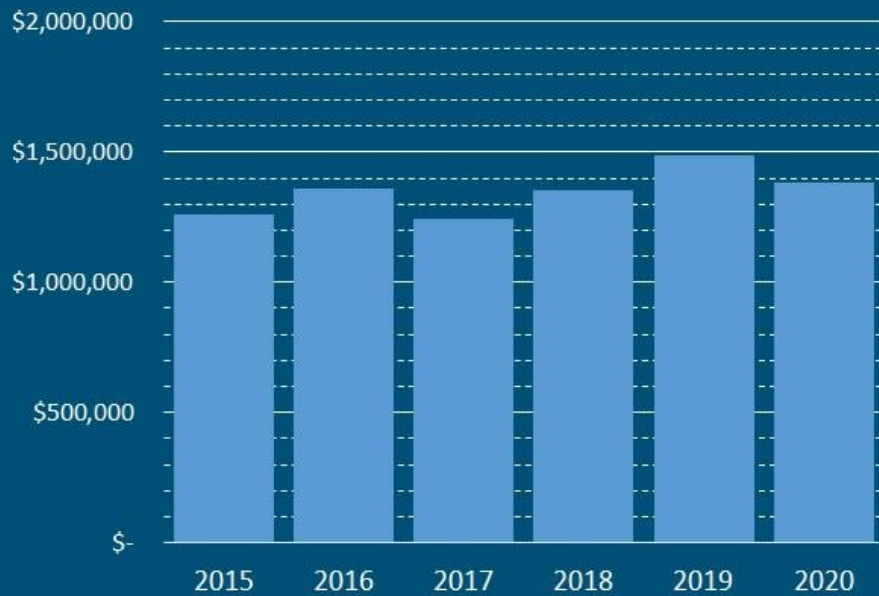


# Sales Tax Revenue

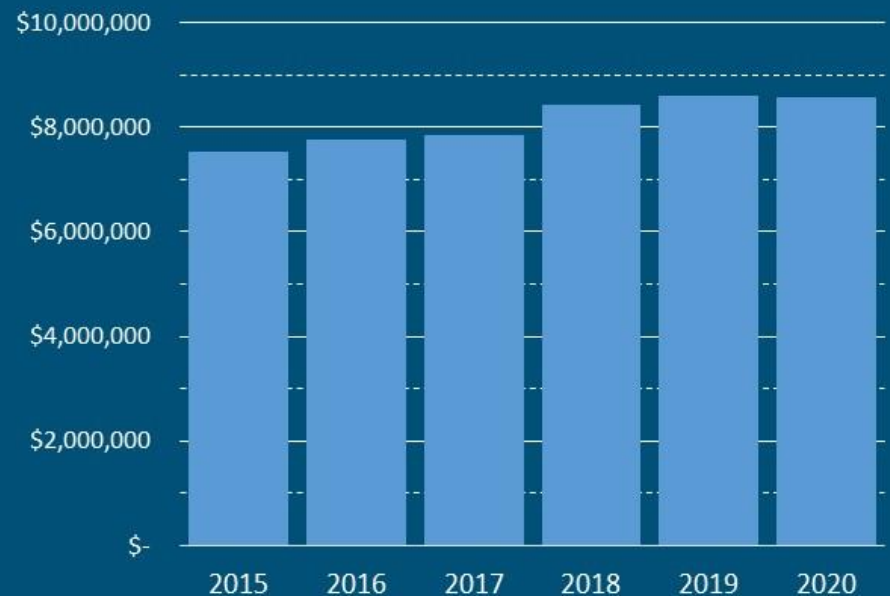
Month of June

Cumulative 6 months

City of Yakima - General Fund - Sales Tax  
June

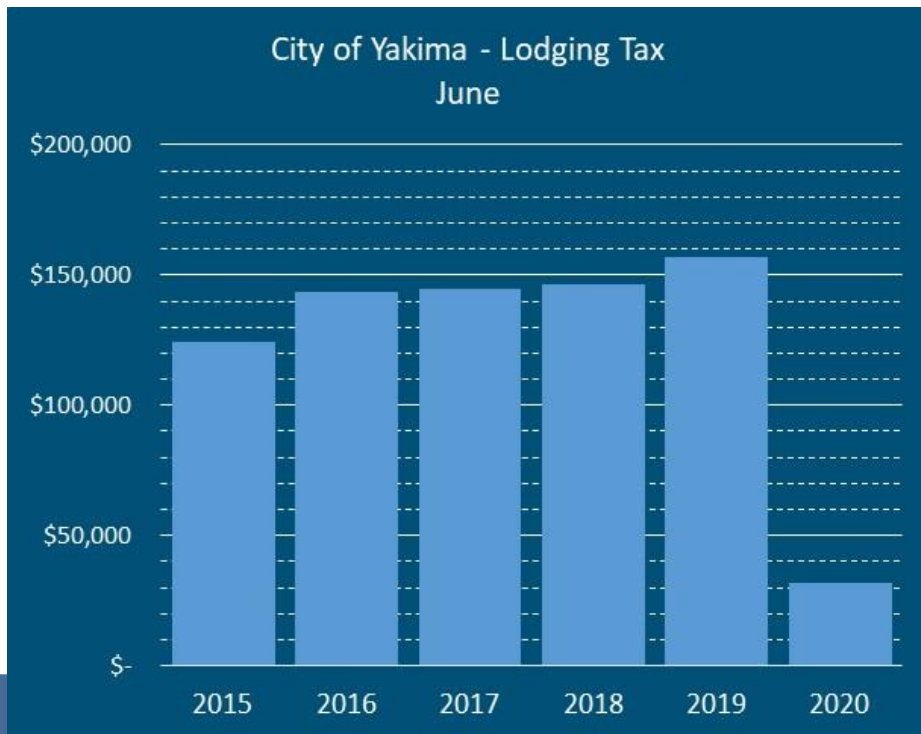


City of Yakima - General Fund - Sales Tax  
June YTD

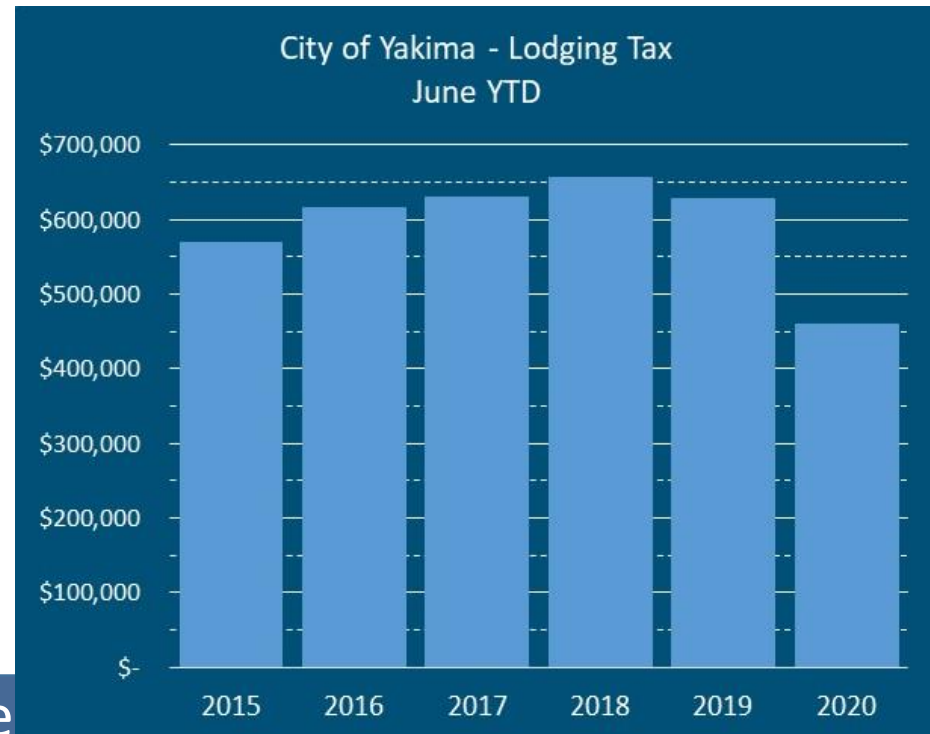


# Lodging Tax Revenue

## Month of June



## Cumulative 6 months



# Convention Center Debt

Fund Balance has 2 years' debt service

	<u>Fund Balance</u>		<u>Budget</u> <u>Actual</u>	
Lodging Tax			Debt Payments	
Tourism Operations	170	287,000	2020	293,739
Debt	287	75,000	2021 TBD	<u>312,527</u>
Capital	370	714,000		<u>606,266</u>
		<u>1,076,000</u>		



# What's the Impact to Citizens?

Lodging Tax Revenue	Hotels, sports, conventions, Capitol Theatre shows, Visitors' Center
GF Sales Tax revenue	Parks programs, city-wide training, deferred hiring, deferred vehicles
REET	Street maintenance

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# Course Corrections

Lodging Tax	expense cuts (2-yrs?)
GF Sales Tax	A whole lot of juggling
Airport	CARES Act
REET	More projects deferred





# City Council Action Needed

1. Be informed on COVID's economic impact to City's fiscal health
2. Help publicize messaging in community
3. Information to begin prioritizing known problems for 2021



# Conclusions

1. General Fund's reserve is healthier
2. COVID economic impact – improving
3. Concerns:
  - Tourism recovery likely 2 years
  - Perpetual vehicle replacement vigilance
  - Streets project delays erodes overall condition
  - City's economy and reputation



# 2020 Budget Mid-year Progress Report

Questions?

An increasingly well-managed city

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