



CITY OF
Yakima



September 30, 2020

2021 Preliminary Budget







CITY OF *Yakima*

2021 PRELIMINARY BUDGET

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See also - 2021-2025 Capital Budget, immediately following



INTRODUCTION

The annual budget process requires us to evaluate annually the city's priorities, both city services delivery and maintaining infrastructure, across many funds, being mindful of long-term fiscal sustainability.

The goals of the 2021 Budget are:

1. Achieve a balanced budget in every fund
2. Assure appropriately-prioritized service delivery
3. Preserve General Fund's fund balance while progressing on deferred capital and vehicle replacements

The City of Yakima seeks to improve the quality of the budget document every year to provide a more comprehensive and understandable document. Having added revenue forecasting and debt detail in the prior two years, this year's budget adds 5-year Capital Project fund planning. Year one of the five-year capital budget becomes incorporated into the balanced adopted budget, while years two through five show commitments and consequences that should be considered in advance.

Department directors and managers begin a continuous review of ongoing current year budget-to-actual expense management, formulate 2020 year-end estimates and project 2021 proposed budget figures based on known circumstances that pertain to each program under their management. The City relies on budgetary controls, with multiple levels of review, as part of the overall system of checks and balances to manage service delivery and monitor that the underlying funding is being received as budgeted. Finance staff meet with managers quarterly and inform both the public and city council through quarterly financial reports in regularly-scheduled public meetings.

The budget process starts at the beginning of the year, with strategic planning. The most recent Strategic Priorities of Yakima's City Council are:

1. Fiscal sustainability/COVID-19 financial recovery
2. Main/Arterial street development
3. Community policing
4. Safe routes to schools
5. Youth development
6. Mill Site development
7. Homelessness/Affordable housing
8. Airport expansion
9. City facilities (pools and community centers)
10. Downtown destination

2021 Budget Challenges

In March 2020, the City of Yakima declared an emergency for the COVID-19 pandemic, in line with the State and County. As in most cities in America, the economic consequences of business restrictions and closures impacted the City's Sales Tax, Lodging Tax, Building Permit Fees, Business Licenses, Fire Inspection fees, Utility Tax, Gambling Tax, Parking Enforcement and various criminal justice revenues. County-wide, new COVID cases reported daily peaked in June. Though the economic effect is measurable, retail sales transactions within Yakima are received with tax remittances on a two-month lag, making forecasting difficult. Sales Tax revenue suffered the greatest immediate dollar amount decrease to the City's budget but rebounded after two months. Lodging Tax suffered the greatest prolonged dollar amount increase and is projected to take two years to come back to pre-COVID levels, an indicator of the underlying hotel and related business sector. At the development of this budget, the future still holds uncertainties.

From 2014 through 2020, the City of Yakima has sought to restore and maintain General Fund reserves at a level approximating 2 months' expenditures, or a fund balance of 16.7% of total expenditures. Pressures complicating this effort have been the Statewide 1% property tax cap, required salary and benefit increases flowing from collective bargaining agreements, and needed perpetual replacement of existing police and fire vehicles.

The 2021 Budget is designed to aid the City of Yakima understand the revenue and expenditure forecast and its impact on the City's financial reserves. A new section is added this year to provide a long-range view of infrastructure and capital expenditures. Also new this year is a discussion regarding perpetual vehicle replacement. A primary purpose of this document is to provide context for present and future budget decisions and to understand the long-term financial impacts. Specifically, the 2021 Budget needs to be sensitive to:

- Maintaining General Fund reserves.
- Implementing a scheduled Capital expenditures plan and increasingly implementing pay-as-we-go to reduce avoidable financing costs.
- Fitting debt service in to existing revenue streams and service levels.
- Expenses in 2021 mirror 2020's plus obligations such as contracts.
- Factor in new known realities and positioning for contingencies. The COVID-19 emergency continues to be an on-going event hindering revenue and expenditure forecasting and the ability to deliver city services which would be affected by revenue downturn.

Since 2015, City Council has made the General Fund's fund balance a top strategic priority and there are challenges in the current year to maintain the progress achieved as reported in the audited 2019 Comprehensive Annual Financial Report (CAFR). Recognizing the inter-relationships across all funds, the following chart summarizes how the preliminary 2021 projected budget currently predicts resulting fund balances by category, pending further decision-making. In this table, negative figures for Restricted Funds, Capital funds and Transfers largely reflect the timing of expenditures of balances carried forward from prior year. For example, the spending down of funds received in prior years restricted to Arterial Streets projects represents a legitimate expenditure in excess of in-coming revenues.

2021 PRELIMINARY BUDGET FUND BALANCE IMPACT

	2021 Projected Budget		Surplus (Deficit)
	Revenues	Expenditures	
General Fund	\$ 69,664,332	\$ 69,630,142	\$ 34,190
Parks and Streets	12,148,958	12,147,466	1,492
Restricted Funds (100's)	23,548,559	25,666,975	(2,118,416)
Debt (200's)	5,001,646	5,001,646	—
Capital (300's)	12,266,427	15,688,781	(3,422,354)
Enterprise Construction (400's)	100,756,441	96,067,244	4,689,197
Transfers (500's)	26,245,361	27,966,054	(1,720,693)
Agency (600's)	658,057	658,057	—
Trust (700's)	12,000	12,000	—
Total Projected Budget	<u>\$ 250,301,781</u>	<u>\$ 252,838,365</u>	<u>\$ (2,536,584)</u>

The following two charts compare the 2020 projected year-end estimate and preliminary proposed 2021 budget by fund groupings. The first chart showing expenditures and the second chart showing revenues.

**2021 VS. 2020
EXPENDITURE BUDGET COMPARISON**

	2020	2021	2020 vs. 2021
	Year-End	Proposed	Budget
	Estimate	Expenditures	% Change
General Fund	\$ 70,521,657	\$ 69,630,142	(1.3)%
Parks	4,736,641	5,795,001	22.3 %
Streets & Traffic	8,026,647	6,352,464	(20.9)%
General Government Total	83,284,945	81,777,607	(1.8)%
Utilities/Other Operating	82,560,366	91,533,777	10.9 %
Capital Improvement	37,226,599	52,320,719	40.5 %
Risk Management Reserves	4,606,568	5,688,793	23.5 %
Employee Benefit Reserves	16,072,414	16,433,061	2.2 %
Trust and Agency Funds	670,057	670,057	— %
Debt Service	14,801,394	6,825,246	(53.9)%
Total - Citywide Budget	<u>\$ 239,222,343</u>	<u>\$ 255,249,260</u>	17.8 %

**2021 VS. 2020
REVENUE BUDGET COMPARISON**

	2020	2021	2020 vs. 2021
	Year-End	Proposed	Budget
	Estimate	Revenues	% Change
General Fund	\$ 70,631,706	\$ 69,664,332	(1.4)%
Parks	4,736,641	5,795,833	22.4 %
Streets & Traffic	8,027,578	6,353,125	(20.9)%
General Government Total	83,395,925	81,813,290	(1.9)%
Utilities/Other Operating	83,407,854	90,624,936	8.7 %
Capital Improvement	32,366,730	51,358,287	58.7 %
Risk Management Reserves	4,394,904	5,126,916	16.7 %
Employee Benefit Reserves	16,430,628	16,293,943	(0.8)%
Trust and Agency Funds	676,457	670,057	(0.9)%
Debt Service	15,460,972	6,825,246	(55.9)%
Total - Citywide Budget	<u>\$ 236,133,470</u>	<u>\$ 252,712,675</u>	7.0 %



GENERAL FUND CHALLENGES / RECOMMENDATIONS

The Preliminary 2021 Budget, as in most years at this phase of the process, has a General Fund (001) that has many more demands on it than funding will accommodate. Staff has met with multiple departments over multiple iterations to explore possible options to stay within forecasted funding levels.

A long-term approach is imperative to preservation of General Fund fund balance and critical in the demonstration of improved financial position. Staff has left no revenue nor expenditure possibility out of consideration for potential manageable opportunities.

Challenges identified during 2020 that must be addressed in 2021

- COVID-19 is a continuing event clouding the forecasting of several revenue sources.
- General Fund vehicles have historically been increasingly deferred contribution to Vehicle Replacement Fund. \$1,120,000 is approximately the amount Police Department's Capital Fund must budget each year to perpetually replace all police patrol and detective vehicles, however there are deferrals in prior years. \$800,000 is approximately the amount Fire Department's Capital Fund must budget each year to perpetually replace all fire vehicles, however there are deferrals in prior years.
- Long-term Capital Expenditure planning is a key component of balanced budgeting; current-year operational needs compete for resources with infrastructure repair and maintenance. Over 20 Capital funds are included in this year's budget, providing balanced long-term decision-making. Budgeting continued capital expenditures for the Mill site is an example of this challenge.

Immediate Recommendations

- The current COVID-19 emergency must be weathered, through to completion.
- Staff has made drastic expense cutbacks and assumptions to arrive at a balanced budget. No doubt there are additional options, issues and measures to consider during study sessions. Staff has identified some that are currently excluded from the proposed budget and expects further policy-level prioritizing discussion.
- Council is requested to review staff presentations on the services that are in or out of the proposed budget, consider strategic priorities, and give staff feedback and direction on reserve and service levels.
- Policy-level guidance is sought from city council on long-term priorities which, in aggregate, exceed foreseeable resources and therefore require strategic planning and will be discussed in study sessions.

Long-term Recommendations

Past bond-rating analysis has cited two factors - General Fund reserve levels and the local economy measured by average household income - as impediments to the City's fiscal health.

Longer-term solutions include many efforts through normal service delivery that allows the City's private sector to thrive, which leads to the improved Sales Tax revenue that a healthy, thriving economy and an expanding population produces naturally. Further, the City's normal service delivery that allows the City's property owners to thrive and enjoy improved property values will similarly produce an improved Property Tax revenue over time.

- Millsite landfill mitigation and road construction is an investment in future Property and Sales Tax revenue.
- Future development is an opportunity for businesses that raise the average household income.
- With sustained population growth, the city is likely to experience normal growing pains as service levels require additional staff, vehicles, equipment and other resources.



REVENUES

As in all budgets, budgeting begins with an understanding of incoming revenues. The City has over fifty revenues, each with underlying dynamics to be considered. Finance staff began tracking and forecasting 2021 revenues as soon as actual January 2020 revenues were received.

Revenue Projections

Sources used in preparing revenue projections include:

- Analysis of ten-year trends, consumer price index, population and other demographic factors, and an awareness of current events within our city.
- Economic trends as reported from many sources along with an awareness of current business health within our own city.
- Forecast data.
- Economic and fiscal trends provided by the Municipal Research and Services Center (MRSC).
- Communication with our revenue process partners, such as the Yakima County Tax Assessor and the City's franchise tax-paying utility providers.

Revenue projections reflect staff's judgment about how the local economy will perform over the next several years by reviewing past years' trends and understanding current events and how they affect the City's key revenues.

Goal Setting Process for 2021

Major city goals represent the most important and the highest priority goals for the City to accomplish and therefore should be reflected in the budgetary decisions resulting in the 2021 budget. In general, this category represents the continuation or refinement of existing goals. These are "must-fund" objectives, even if they require multi-year processes.

General revenue management - guiding principles:

- The city will seek to maintain a diversified and stable revenue base to protect from short-term fluctuations and from cyclical economic downturns.
- The city will make all current expenditures from current revenues, avoiding procedures that balance current budgets by postponing needed expenditures, accruing future revenues, or rolling over short-term debt.
- Every fund in the City's accounting system exists for a reason; the purpose for every fund's segregation out of the general fund is to dedicate spending for restricted revenues.

REVENUE

Sales Tax (Single Largest Revenue Source for General Fund)

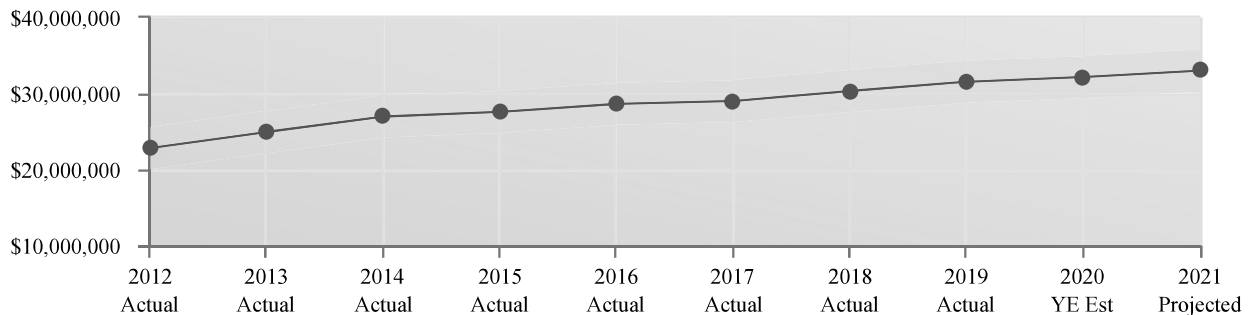
- **General Sales Tax** - Of the 8.3% sales and use tax collected within the City, the State receives 6.5% and the City of Yakima receives only 1.8% in general Sales Tax revenue. The General Government Funds receive the full amount of the City's share of general sales tax revenues. The City of Yakima receives various tax credits out of the State's 6.5%, such as a 3.0% Lodging Tax credit.
- **0.1% Criminal Justice Sales Tax** - A special 0.1% Criminal Justice Sales Tax was originally approved by the voters of Yakima County in the November, 1992, General Election and became effective January 1, 1993. The State allocates this 0.1% criminal justice sales tax revenue between the City and the County, based on a predefined formula. This revenue is restricted to providing criminal justice related services and is allocated

based on operating vs. capital needs. This tax revenue is generally affected by the same regional economic factors that affect the General Sales Tax revenue.

- **0.3% Criminal Justice Sales Tax** - Another special sales tax of 0.3% dedicated to Criminal Justice expenditures was originally approved by the Yakima County voters in November, 2004, and took effect on April 1st of 2005. (This tax was renewed for another 6 years on the November, 2015 election for 2017-2022.) The tax is on sales inside the County only and the proceeds are divided between the County and Cities on a predefined formula under which the County receives 60% and all cities within the County share the remaining 40%.

Sales tax provides 33.6% of all General Fund revenue, and 12.7% of total government revenue in the 2021 budget. Forecasting is a combination of analysis of recent years' trend and knowledge of current local circumstances.

SALES TAX

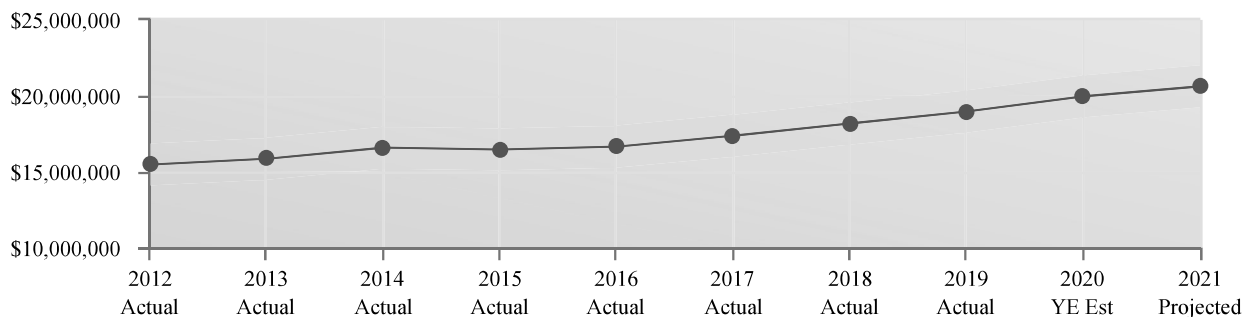


Utility and Franchise Taxes

These revenues are largely a function of weather conditions and utility rates in the Valley. Utility taxes generally keep pace with the rate of inflation, primarily because of rate increases implemented by utility providers.

Utility and Franchise taxes are collectively the second largest category of General Fund revenues, comprising 28.6% of 2021 projected revenue and 8.2% of total government revenue.

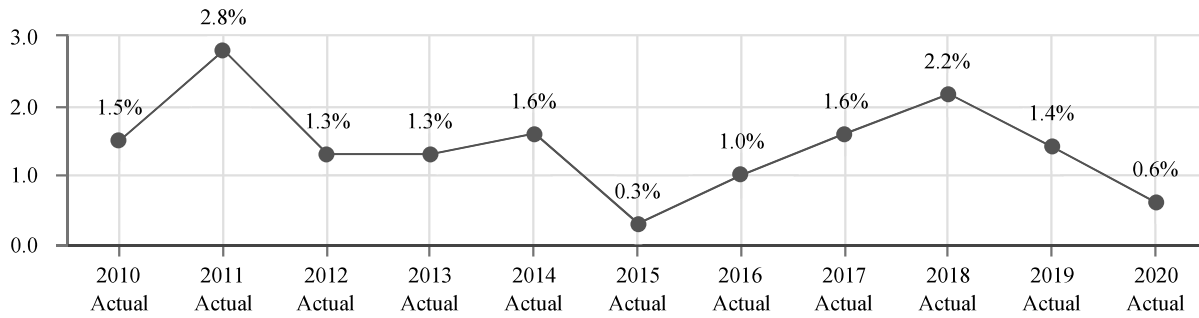
UTILITY AND FRANCHISE TAXES



Property Tax

State law allows the City to impose the lesser of the rate of inflation (as measured by the Implicit Price Deflator (IPD)) or 1% above the prior year levy, plus levies for new construction and annexations. State law also allows the City to increase the levy by more than 1% if approved by the majority of voters. State law allows an agency to levy up to the 1% maximum if City Council establishes substantial need by a super-majority (i.e. 5-2) vote.

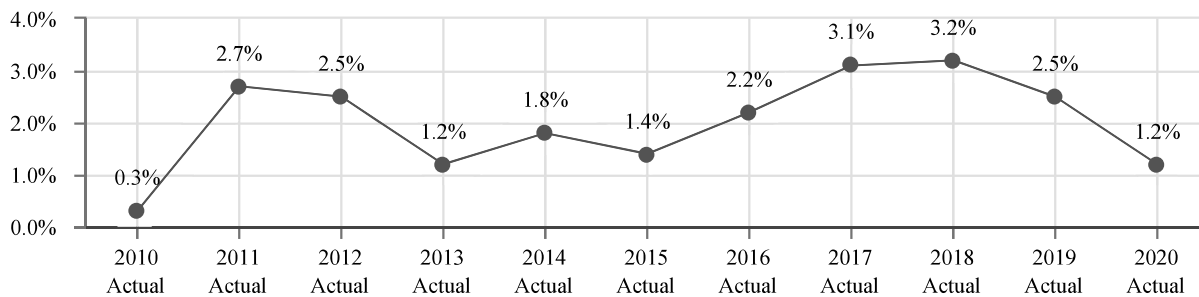
HISTORICAL IMPLICIT PRICE DEFLATOR (MRSC)



State property tax levy statutes limit the change in the dollars levied (1% would generate about \$198,000 for 2021) but do not limit growth in assessed value. Stated differently, the 1% limit affects the total dollars levied, and assessed valuation is used to allocate the levy ratably among the property owners. Per MRSC, the inflation rate for 2019-2020 (as of August 27, 2020) has been sharply reduced to 0.60152%, which means local governments in Washington with populations 10,000 or greater must adopt a resolution/ordinance of substantial need to receive the full statutory 1% increase.

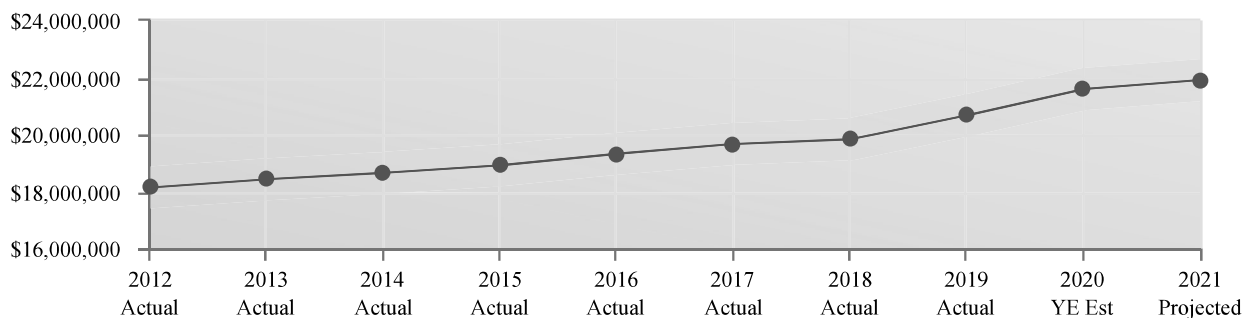
Since most consumer activity (i.e., wages, equipment, etc.) is more closely tied to the Consumer Price Index (CPI), and the CPI is greater than 1% in almost all years (see chart below), the future effect of 1% or less growth in Property Tax is slowly reducing the percentage of revenue the City receives from this primary General Government revenue source.

HISTORICAL SEATTLE CPI US Bureau of Labor & Statistics

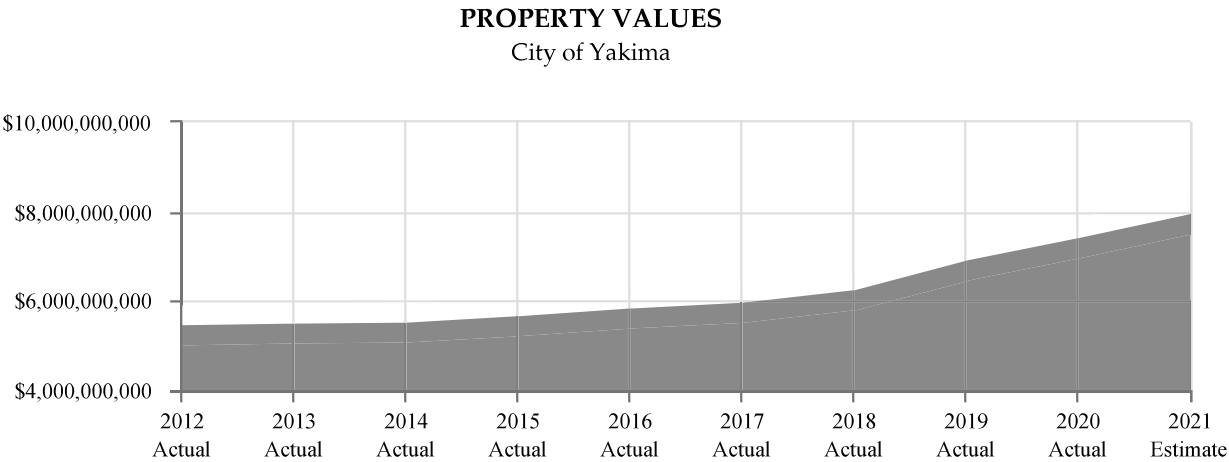


Property tax provides 13.1% of all General Fund revenue, and 8.7% of total government revenue in the 2021 budget.

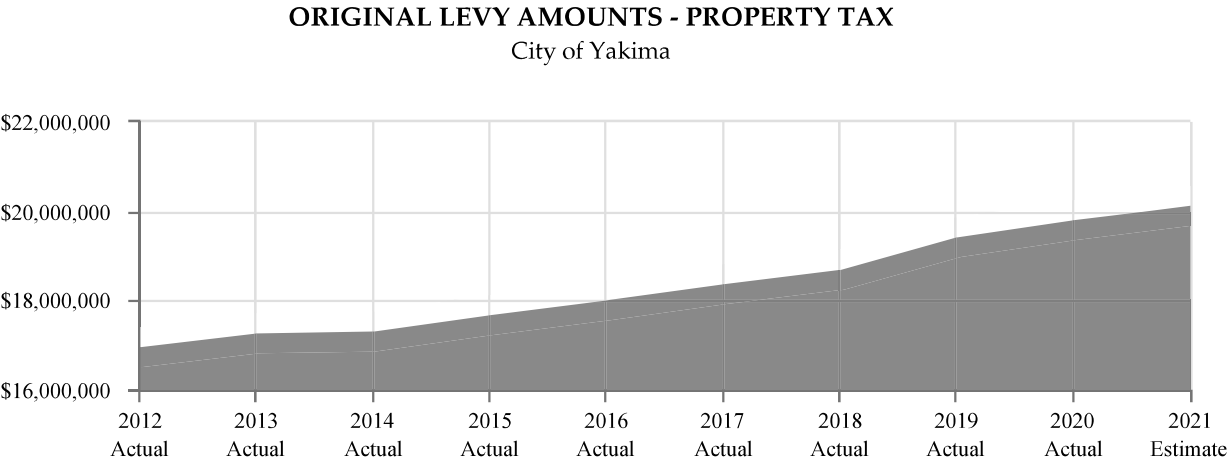
PROPERTY TAX



Property Tax revenue is a primary funding source for the City. Washington's "budget-based" property tax structure is complicated. The City establishes the dollar amount levy, subject to several restrictions. The County Assessor calculates the levy rate based on total assessed valuation. The following Property Value chart shows the historical trend of total city property valuation. It is important to know that the City's general fund levy is subject to a 1% annual cap (a levy lid), excluding new construction and annexation but the valuation itself is purely an assessed value of the true and fair value (market value).



The following chart is a historical trend of the total dollar amount levy in past years, as well as the current 2021 forecast. The city establishes its desired levy amount based on budget need subject to statutory limits, and the levy rate itself is strictly the resulting mathematically relationship between the valuation and the levy amount.

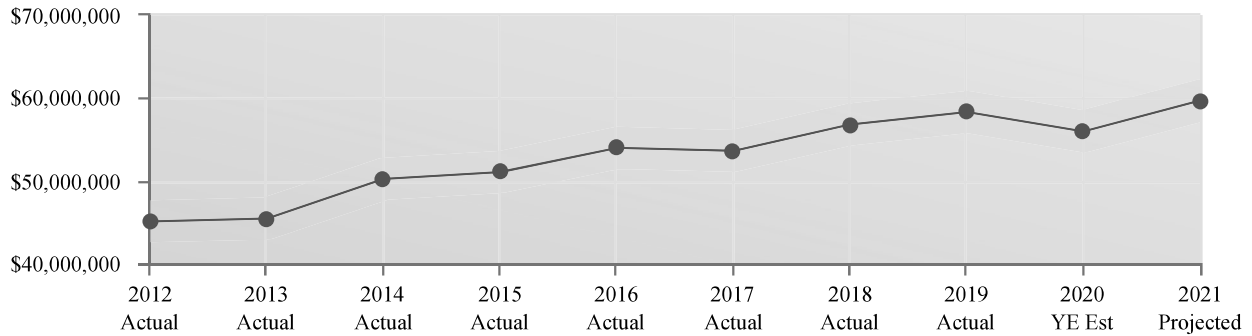


Charges for Services

This revenue category mainly consists of revenues from the sale of services such as water, wastewater, refuse, irrigation, transit and fire services, concessions and interfund services.

The Charges for Services category provides 10.2% of all General Fund revenue, and is the top revenue for total government in the 2021 budget at 23.6%. of total revenue.

CHARGES FOR SERVICES

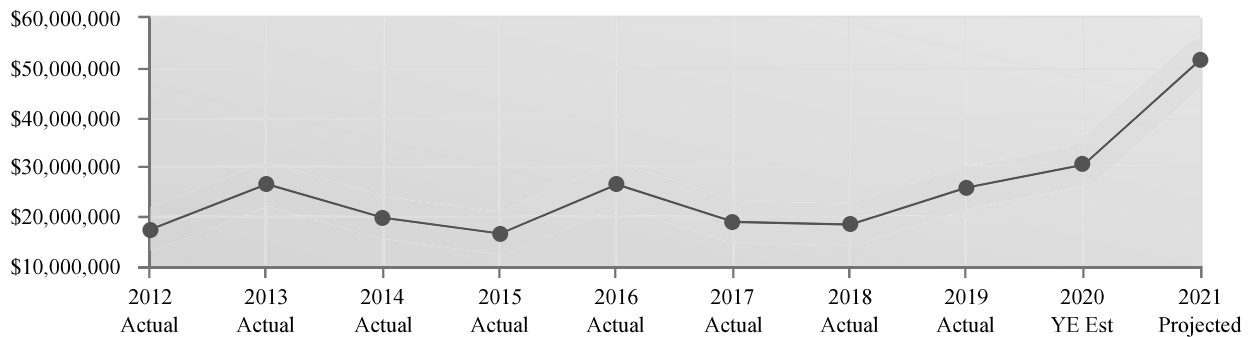


Intergovernmental Revenues

This category includes revenue received from other Government units, including Federal grants and entitlements, State and local grants and other intergovernmental resources. This category can fluctuate significantly due to the timing of the payments and the completion of major projects paid for by grants.

Intergovernmental revenue accounts for 5.7% of General Fund revenue, and 20.4% of total government revenue in the 2021 Projected Budget. Significant known increases are for Dept. of Ecology (\$10 million), Traffic Safety Commission (\$3.5 million), Transit (\$2.2 million) and Dept of Fish and Wildlife (\$3 million).

INTERGOVERNMENTAL REVENUE



Other Taxes and Assessments

This category includes excise taxes and other operating assessments, and includes Transit, Hotel/Motel, Real Estate Excise, Gambling and Transportation Benefit District Taxes.

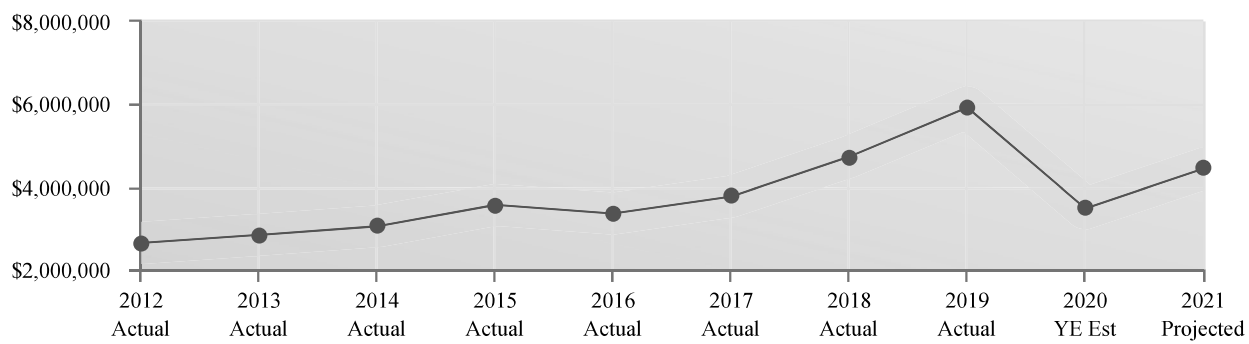
Real Estate Excise Taxes (REET) depend on the volume and value of real estate sales, and therefore fluctuate with economic cycles. REET is a restricted funding source that has two components which may be only used for statutorily-defined purposes, primarily capital facilities and authorized transportation, water/storm/sewer and park capital projects.

Lodging (hotel/motel) tax is a restricted revenue, dedicated by statute to expenditures that further local tourism activities. The basic 2% lodging tax is supplemented by a share of state-shared lodging tax that currently totals 5%. Tourism Promotion Area (TPA) fees consists of a \$2 per room per night and are restricted to expenditures that increase the tourism and convention business.

Transportation Benefit District (TBD) revenue commenced in August, 2018. This revenue was restricted to construction, maintenance and operational transportation improvements. In 2019, Washington voters repealed the TBD.

Other taxes provide 1.5% of all General Fund revenue, and 11.3% of total government revenue in the 2021 budget.

OTHER TAXES AND ASSESSMENTS

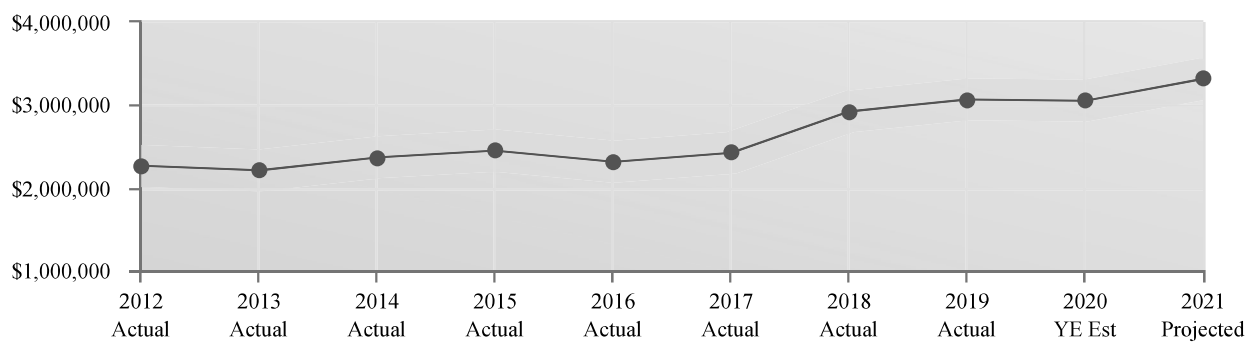


Licenses and Permits

This category includes business licenses, building permits, dog licenses, gambling taxes and wastewater pretreatment and permits.

Other Taxes revenue accounts for 2.7% of General Fund revenue, and 1.3% of total government revenue in the 2021 Projected Budget.

LICENSES AND PERMITS



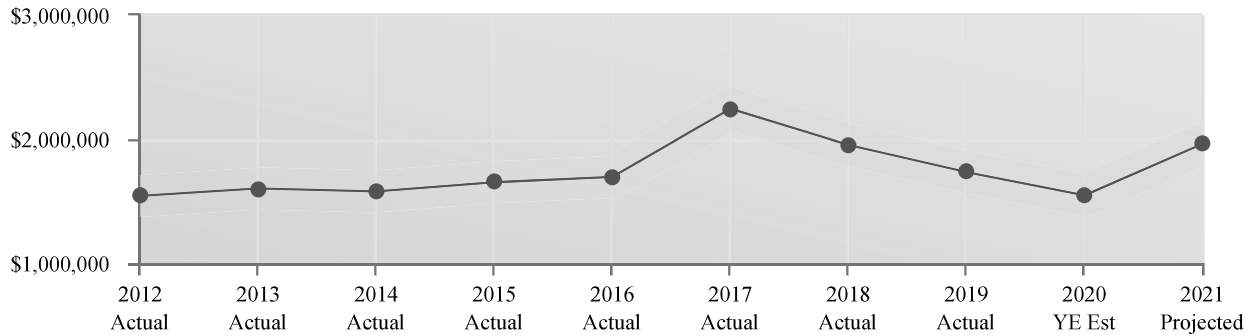
Fines & Forfeitures, Transfers & Miscellaneous

Fines & Forfeitures come primarily from criminal fines and noncriminal penalties, assessed in the City of Yakima’s Municipal Court and parking violations.

Parking revenue is budgeted substantially down from prior years due to recent court activity limiting enforcement of time-limit violations and due to increased staff time committed to citizen response.

Fines and Forfeitures provide 2.7% of all General Fund revenue, and 0.8% of total government revenue in the 2021 budget.

FINES & FORFEITURES

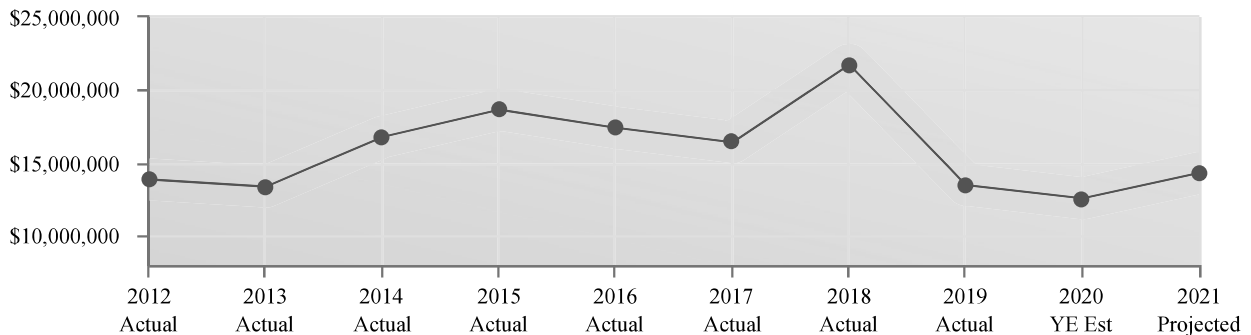


Transfers

Transfers set forth in the Budget are typically to accomplish the measured allocation of revenues and expenditures appropriate to the service delivery in each fund. There are many appropriate transfer mechanisms intended to efficiently and effectively account for complex arrangements. For example, all funds are supported by administrative departments such as Accounting, Human Resources, Information Technology and general City Management. Transfers are intended to eliminate the time-intensive alternative of every administrative time sheet and invoice being split into a high number of small amounts.

Any short-term transfers between funds for operating purposes within the year are not operating revenues. These operating transfers, under which financial resources are transferred from one fund to another, are distinctly different from interfund borrowings. Interfund borrowings that are not repayable within the year must be more formally planned and communicated. The most common use of interfund borrowing is for grant programs such as a Community Development Block Grant, where costs are incurred before reimbursement is received, and is therefore merely a short-term cash flow device.

TRANSFERS

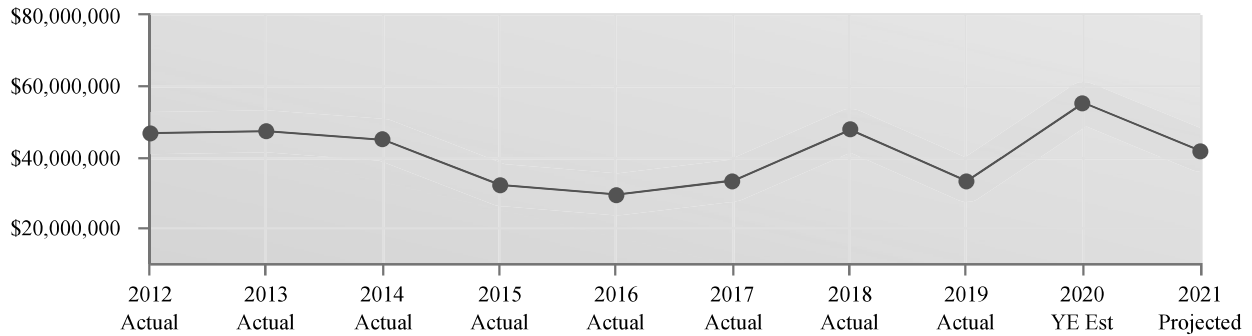


Miscellaneous Revenue

Included in miscellaneous revenues are interfund benefit contributions, interest earnings, rents, assessments, sale of fixed assets, proceeds from long-term debt and other miscellaneous revenues. Significant spikes in this chart are generally due to the timing of bond proceeds.

Miscellaneous Revenues account for 1.8% of General Fund revenue, and 16.5% of total government revenue in the 2021 Projected Budget.

MISCELLANEOUS REVENUE



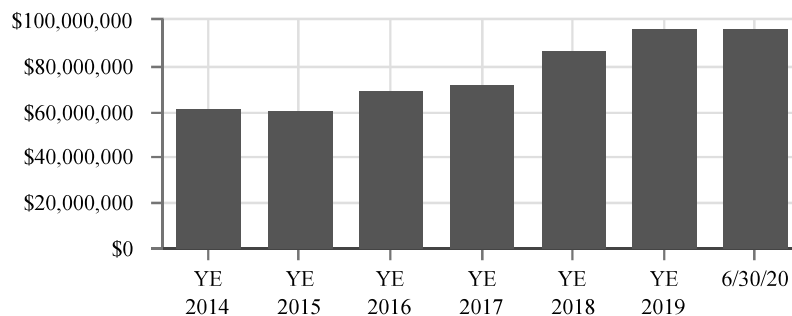
Cash & Investments

Interest revenue on the city's reserves is a function of execution on the City's investment policy. It is the policy of the City of Yakima to invest public funds in a manner that, giving first regard to safety, suitability and liquidity, will maximize long-term yield in conformance with State Statute, Federal Regulations and City Charter. As of September, 2020, rates are at historical lows and the Federal Reserve has signaled that rates will remain low for the foreseeable next three years.

As a current over-all indicator, the 5-year historic city-wide cash and investments balance trend, showed June 2020 at \$96.9 million (compare to \$89.0 million for June 2019); May reached an all-time high \$98.4 million. While each month is best compared to the same month in previous years to account for seasonality and other annual events and a mid-year milestone doesn't correlate to prior year-end balances, 2020 cash levels have consistently increased over prior year.

The following graph incorporates only the city's primary bank and investment accounts to enable comparison to prior and future periods.

CASH AND INVESTMENT HISTORY



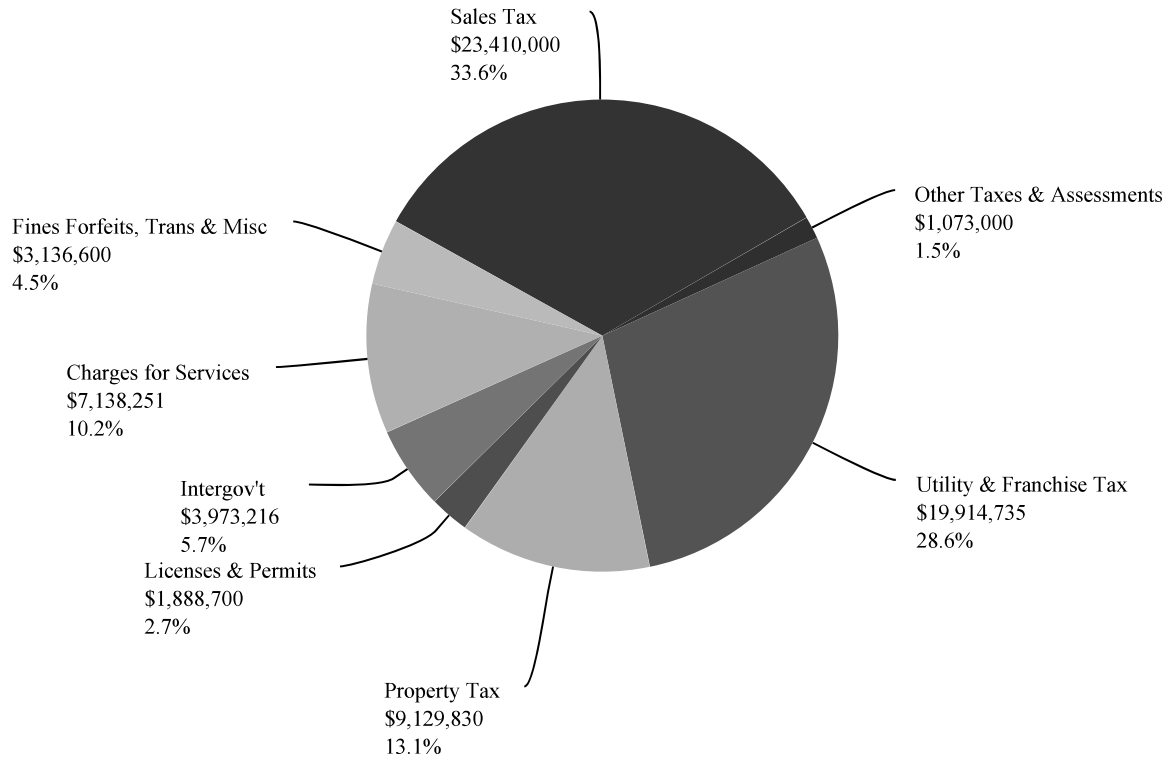
REVENUE TRENDS - OVERVIEW

The current projected revenue for 2021 is \$252.7 million, a \$16.6 million or 7.0% increase from the year-end estimate.

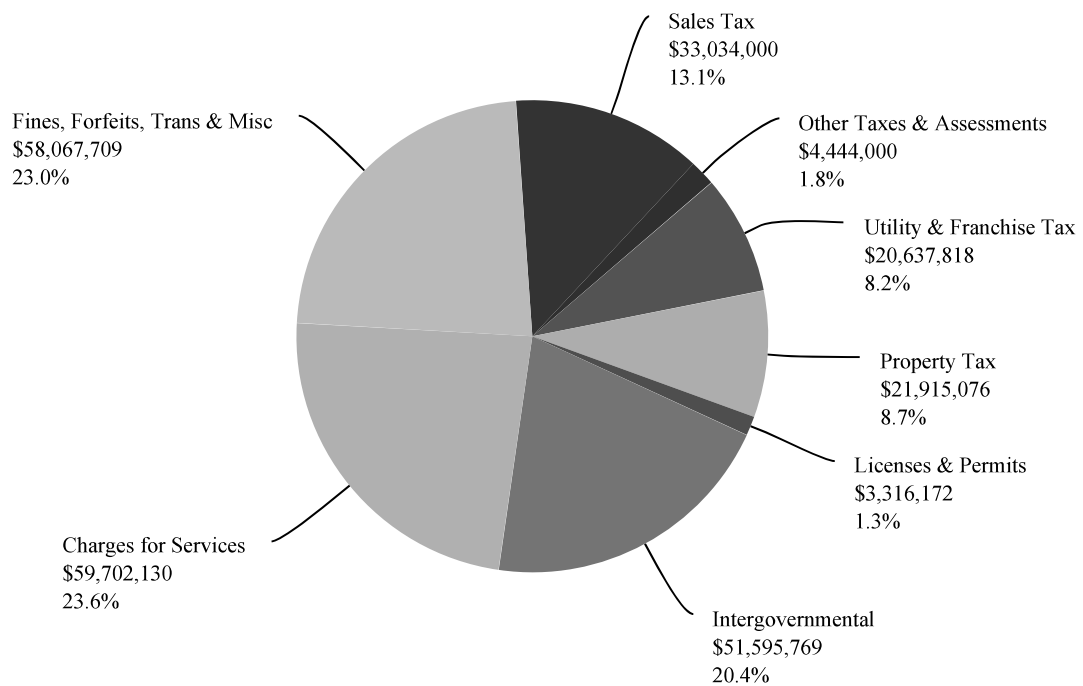
BUDGET BY SOURCE

The following charts shows revenue broken up by source, for both the General Fund and Citywide.

2021 GENERAL FUND REVENUE BUDGET BY SOURCE



2021 CITYWIDE REVENUE BUDGET BY SOURCE





EXPENDITURES

OVERVIEW

General Fund

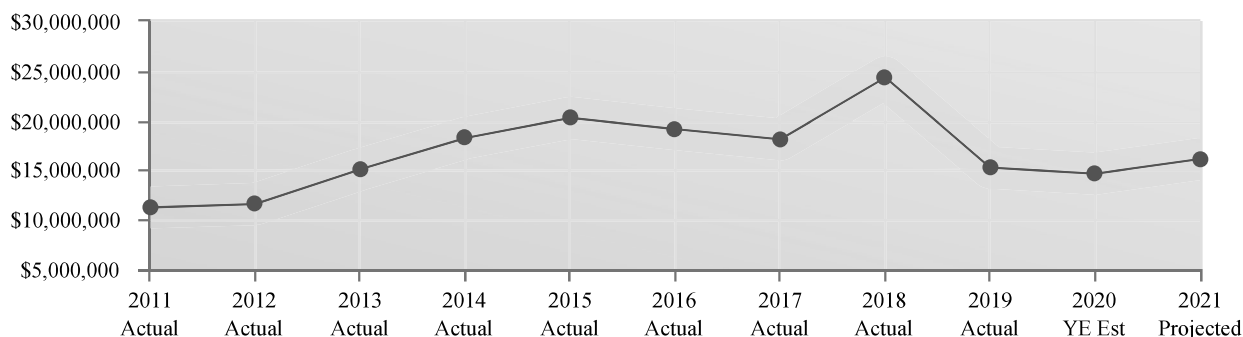
All General Fund programs are necessarily balanced within available resources, which are funded by Sales Tax, Property Tax, Utility Taxes and other smaller funding sources. Collective Bargaining Agreements that provide for salary and benefit increases that exceed the Property Tax rate cap create a squeeze that affects the entire General Fund's ability to maintain service delivery levels, and Public Safety costs - Police, Fire and Criminal Justice - continue to require an increasing share of total General Fund resources.

EXPENDITURE DETAIL

Transfers

This category generally includes transfers to from operating to capital funds, support for the debt service funds and subsidizing funds within the City, such as the Cemetery and Workers Compensation as needed.

TRANSFERS



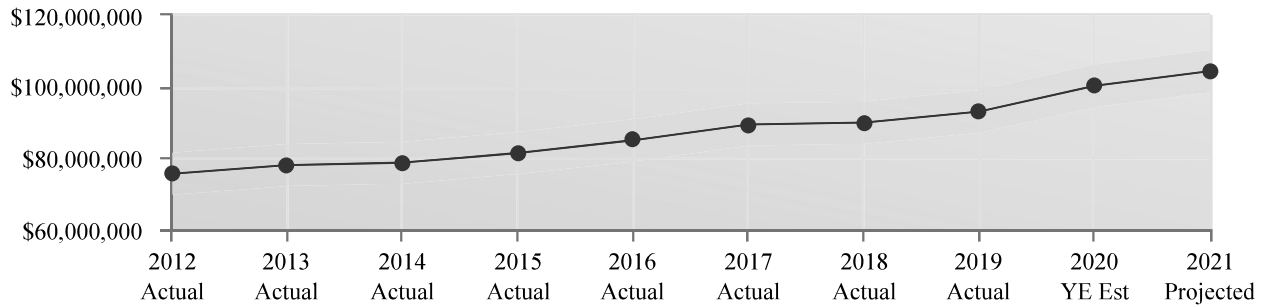
Salaries, Wages and Personnel Benefits

These expenses are the number one expenditure within the operating budget. The following chart, shows the ratios between budgeted employees and population and does not include temporary employees (numbers of employees are stated in full-time equivalents). These numbers have remained relatively stable over the last ten years.

City-Wide Government	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of Employees	729.8	722.3	727.2	748.4	761.2	768.5	765.7	767.0	768.0	771.5
Employees Per Capita	8.0	7.9	7.9	8.0	8.2	8.2	8.2	8.1	8.1	8.1
Population	91,630	91,930	92,620	93,080	93,220	93,400	93,900	94,190	94,440	95,490

However, the cost of those same employees has escalated over that same time period, going up 40.9% over that last ten years. As the following graph shows, 2021 Salaries, Wages and benefits increase, in total, by \$4.0 million, from \$100.3 million to \$104.3 million.

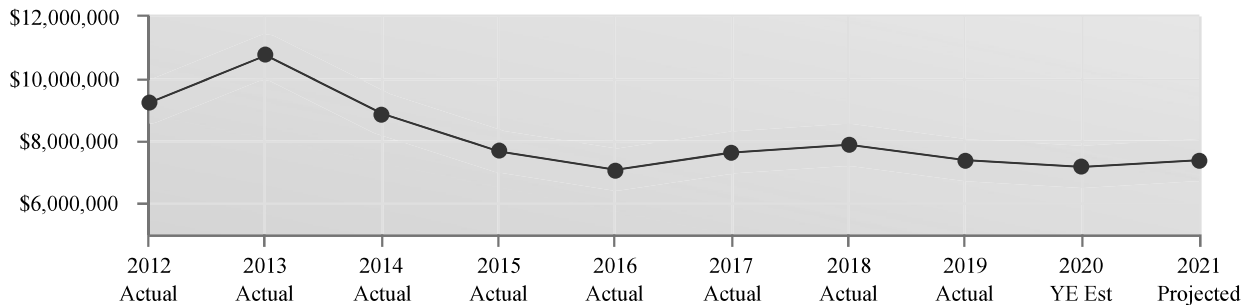
SALARIES, WAGES AND PERSONNEL BENEFITS



Operating Supplies

This category includes any supplies that are not considered over the capitalization limit (\$5,000). From paper to computer servers, and anything in between. It is also one of the hardest hit in recent years when funds are required in other categories, such as criminal justice. As seen in the next chart, the dollars available for operating supplies has actually decreased in the 10 years shown.

OPERATING SUPPLIES

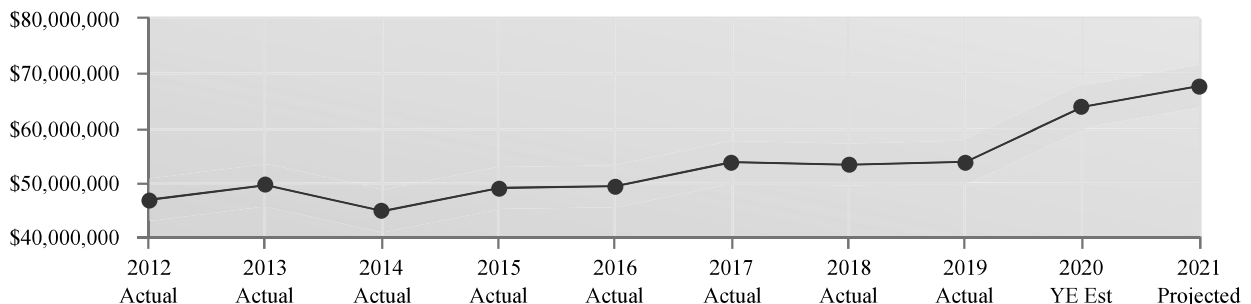


There is currently no replacement funding for office computers and software, other than in this fund, and due to the lack of funding, computers and software are not getting replaced. Both the computers and the software that they run have a limited life, as much of the software becomes too old for support, and even if the software can be replaced, the aging computers do not have the resources to run these new programs.

Professional Services & Other Charges

This category contains services rendered by sources outside the city, including engineering and construction type services, Dial-A-Ride services and intergovernmental services. Also included are items such as insurance, taxes and assessments and city service charges. This budget fluctuates mostly due to ongoing project needs.

PROFESSIONAL SERVICES



Capital Outlays

2021 Capital Expenditures are expected to increase due to large projects approved in 2020. As the graph below shows, 2020 major budgeted capital items included:

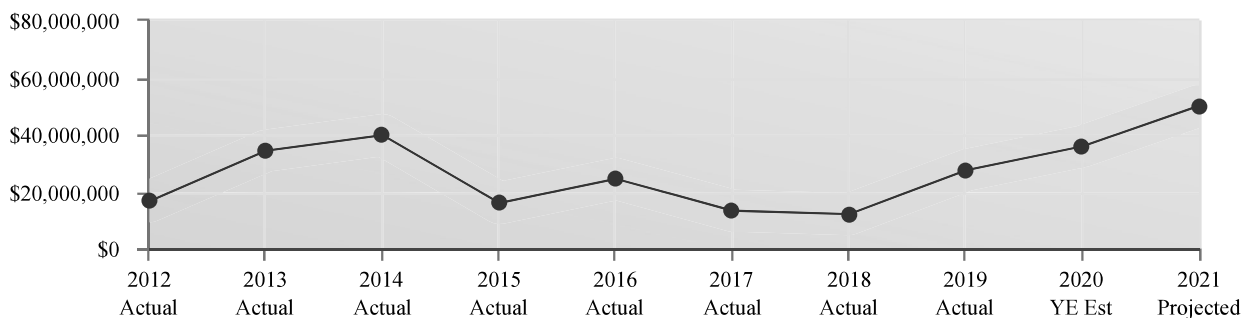
- \$12.5 million, funded by a 2020 bond issue, for the Convention Center expansion.
- \$3.0 million for the Cascade Mill site, funded by a Department of Ecology Grant.

Projects included in prior-year adopted budgets but not completed, in any given year, are routinely rolled forward at year-end, brought to council for a non-lapsing appropriation.

2021 Projects include:

- \$10.5 million for the Cascade Mill site, funded by a Department of Ecology Grant.
- \$6.2 million for Nelson Dam, in the Irrigation Fund.

CAPITAL OUTLAYS



Debt Service

The City pledges its full faith and credit for General Obligation (GO) Bonds which consists of general tax and some special revenues. Generally, interest payments on municipal bonds are not taxable to the bond holder (unless taxable bonds are issued due to private-public partnerships). The most common funding sources are property taxes, real estate excise tax (REET) or a special revenue source such as energy savings and rebates for the LED Street Light Project.

The City has several debts payable to other governmental agencies - general tax and other special revenues are pledged as repayment. Intergovernmental debt tends to be less costly and is often obtained for lower interest costs. The Local Option Capital Asset Lending (LOCAL) Program is offered through the State of Washington, and the City is able to participate in the State's bond issues to take advantage of a lower rate. All issuance costs are included in the interest rate. Economic Development (SIED) loans are administered through the County and often accompanied by a grant. Community Economic Revitalization Board (CERB) loans offer lower cost alternatives as well. Public Works Trust Fund loans were obtained to assist with financing the Underpass Construction.

Any increase to debt in 2021 would be due to issuance of:

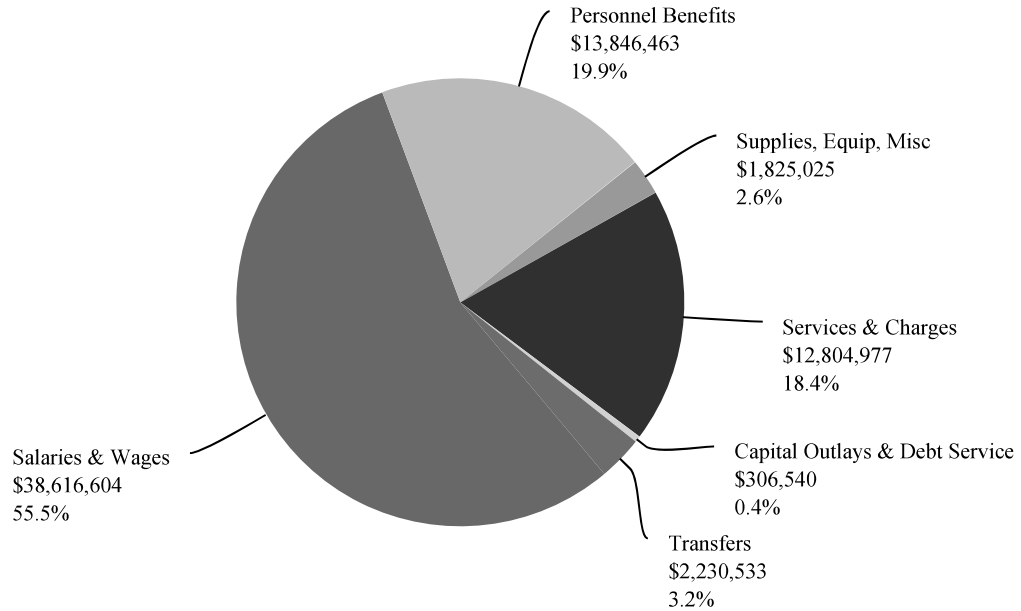
- \$1.74M PWTF Loan/Water Facilities
- \$6.0M Irrigation Bond/Nelson Dam
- \$1.0M SIED Loan / SOZO/Spring Creek

The following chart reflects the total debt the City of Yakima owes for various types of debt, showing all payments for the years 2020 through 2034.

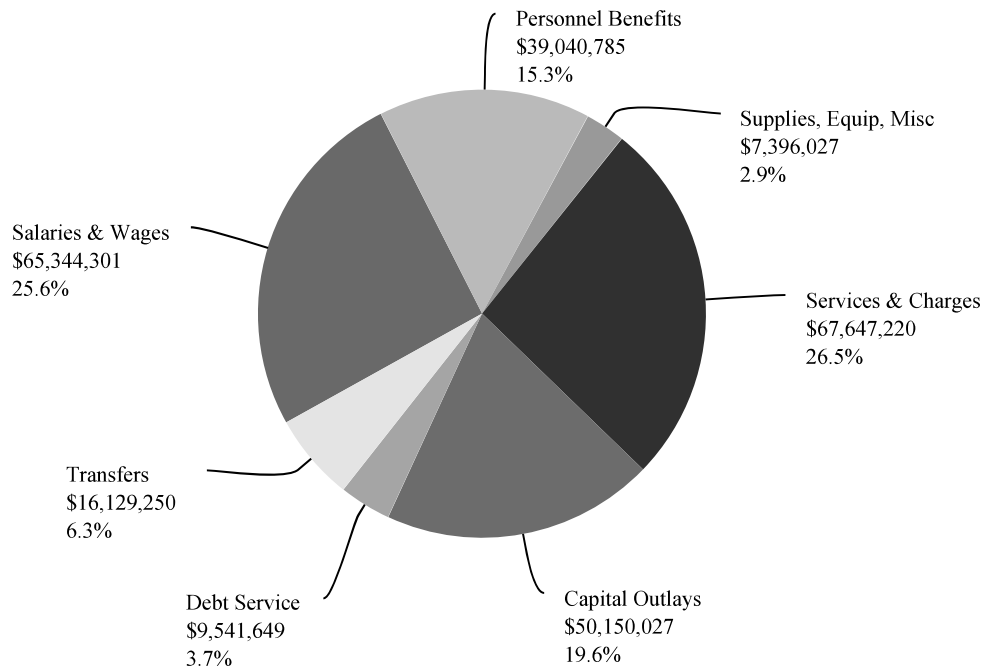
Type	Description	Maturity	Principal and Interest Payments				
		Date	2020	2021	2022	2023	2024
GO Bond	Conv Center Additions (Ref)	12/01/44	\$ 582,527	\$ 947,051	\$ 947,488	\$ 952,266	\$ 950,921
GO Bond ¹	Aquatic Center	12/01/42	420,000	420,000	420,000	420,000	450,000
GO Bond ¹	Sports Complex-City Fields	06/01/35	400,000	400,000	400,000	400,000	450,000
PWTF Loan	2010 RR Grade Separation	06/01/34	84,448	84,448	84,448	84,448	84,448
GO Bond	City Comm Ctr Relocation	05/01/34	117,663	119,863	121,863	118,663	120,463
LOCAL	2020 LED Lighting	06/01/35	31,444	129,250	136,000	137,375	133,625
GO Bond ¹	Capitol Theatre Exp (Ref)	12/01/32	460,491	446,645	454,557	451,802	453,357
SIED Loan	River Road	06/01/29	62,800	62,800	62,800	62,800	62,800
GO Bond ¹	2013 Street Restoration	12/01/28	399,664	399,664	399,664	399,664	399,664
PWTF Loan	2009 RR Grade Separation	06/01/28	172,530	171,704	170,879	170,053	169,228
SIED Loan	SOZO Spring Creek Rd	06/01/27	106,197	106,197	106,197	106,197	106,197
LOCAL	LED Street Light Project	06/01/27	111,433	111,329	111,220	111,106	110,986
LOCAL	Fire Aerial & Pump App	06/01/27	153,309	153,167	153,017	152,859	152,694
SIED Loan	Yakima Valley Brewing	06/01/24	14,158	14,158	14,158	14,158	14,158
GO Bond ¹	2014 Street Restoration	06/01/24	1,648,750	1,650,750	1,648,375	1,648,750	1,650,250
GO Bond	SunDome Expansion	12/01/23	147,796	145,746	147,934	150,000	—
LOCAL	Fire - One Apparatus	06/01/23	39,216	39,216	39,216	39,216	—
SIED Loan	21st Ave ext/ Airport Lane	06/01/23	58,090	58,090	58,090	58,090	—
GO Bond	Downtown Revitalization (Ref)	12/01/22	11,267	134,355	130,523	—	
GO Bond	Fire Station - West Valley (Ref)	12/01/22	6,067	72,345	70,298	—	
GO Bond	Fire Ladder Apparatus	12/01/21	72,567	72,100	—		
LOCAL	Fire - Two Apparatus	12/01/20	69,959	—			
	Total Non-Enterprise		5,170,376	5,738,878	5,676,727	5,477,447	5,308,791
GO Bond	Irrigation Revenue Bonds (Ref)	12/01/34	234,767	272,550	272,150	276,600	270,750
GO Bond	2008 Wastewater Rev Bonds (Ref)	12/01/27	242,483	386,850	382,400	382,800	387,900
GO Bond	2012 Wastewater Rev Bonds	11/01/23	1,169,200	1,164,200	1,162,800	1,164,800	—
	Total Enterprise Loans		1,646,450	1,823,600	1,817,350	1,824,200	658,650
Revenue	WW Long-Term Debt	2021-2037	772,665	769,971	689,650	687,341	685,034
Revenue	Water Long-Term Debt	2023-2034	799,499	794,688	789,879	785,071	645,537
	Total Enterprise LT Debt		1,572,164	1,564,659	1,479,529	1,472,412	1,330,571
	Total City-Wide Debt		<u>\$ 8,388,990</u>	<u>\$ 9,127,137</u>	<u>\$ 8,973,606</u>	<u>\$ 8,774,059</u>	<u>\$ 7,298,012</u>
Potential New Debt for 2021:							
	Irrigation Bond - Nelson Dam	6,000,000					
	PWTF Loan - Water Facilities	1,740,000					
	SIED Loan - SOZO/Spring Creek	1,000,000					
	Loan/Grant - Mill Site	TBD					
	Fire Vehicles	TBD					
	Police Vehicles	TBD					

City of Yakima / 2021 Preliminary Budget - 21

**2021 GENERAL FUND EXPENDITURE BUDGET
GENERALIZED CATEGORIES**



**2021 CITYWIDE EXPENDITURE BUDGET
GENERALIZED CATEGORIES**

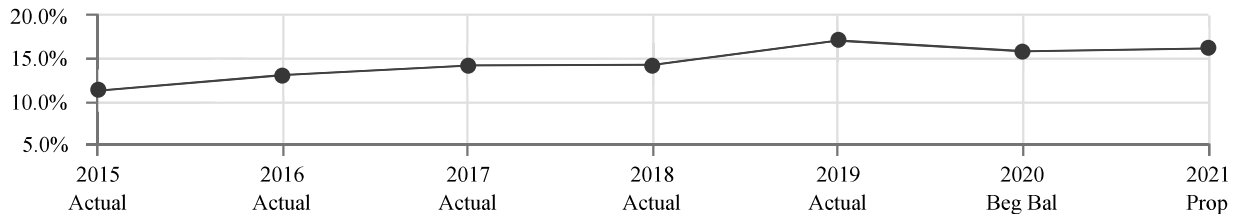


GENERAL FUND FINANCIAL HEALTH / FUND BALANCE

CURRENT AND PROJECTED RESERVES

The statutory cap on Property Tax forces a conversation every year to prioritize expenditures, evaluate the balance between services and infrastructure, and challenges the preservation of general fund reserves.

GENERAL FUND - BEGINNING FUND BALANCE AS A % OF TOTAL EXPENDITURES
(Without Transfers - as shown in the 2019 Audited CAFR)



The chart above depicts the historical fund balance trend as reported in the City's audited Comprehensive Annual Financial Report (CAFR) and shows that in the last two years, that following significant declines in 2014 - 2016, the City has stabilized however significant gains in capital expenditure planning and perpetual vehicle replacement remain to be solved. At the same time, the Assessed Valuation of properties in the city increased at substantially rates than the capped property tax rate, exerting pressure on General Fund services, which saw costs increase roughly in line with CPI. Through difficult budgeting decisions, expenditures that could be deferred or reduced were managed to achieve a balanced budget in each year and staff is sometimes able to achieve further operational savings. The single most influential moment at policy level to affect fund balance is at the time of budget adoption.

The table below depicts the projected ending fund balance for years 2019 through 2025 reflecting the current budget numbers, extrapolating the percentages from the most recent 5-Year Plan, and without reflecting any effect that a potential Levy Lid Lift could have.

GENERAL FUND RESERVE FORECAST VS POLICY LEVEL REQUIREMENTS
(Without Transfers - as shown in the 2019 Audited CAFR)

	2020						
	2019	Year End	2021	2022	2023	2024	2025
General Fund	Actual	Estimate	Projected	Forecast	Forecast	Forecast	Forecast
General Fund YE Reserve Forecast	\$ 10,757,521	\$ 10,867,570	\$ 10,901,760	\$ 13,148,003	\$ 14,756,005	\$ 15,841,191	\$ 16,378,686
Policy Level Requires @ 16.7%	10,518,896	11,463,197	11,258,821	11,551,550	11,863,442	12,183,755	12,524,900
Net Increase (Deficit)	\$ 238,625	\$ (595,627)	\$ (357,061)	\$ 1,596,453	\$ 2,892,563	\$ 3,657,436	\$ 3,853,786

The following chart shows the forecast for the next five years using current known or estimated growth rates, however at every budget adoption decisions would be made in each year to explore revenue and/or expense options.

Key Reminders

- The City is committed to achieving a balanced budget in every fund.
- Service delivery across all city programs are re-evaluated annually to prioritize the most urgent and important within available funding.
- The City Council affirmed in January 2019 that improving the General Fund's fund balance to 16.7% of General Fund expenses over the next three years is their top strategic priority.



CITY-WIDE FINANCIAL HEALTH / FUND BALANCES

The following table recaps city-wide fund balances by fund groupings showing the effect of proposed revenues and expenditures.

2021 RESERVE BALANCE SUMMARY

	Estimated 2021 Beg. Fund Balance	2021 Projected Revenues	2021 Proposed Expenditures	Increase in (Decrease in) Reserves	Estimated 2021 Ending Balance
General Fund	\$ 10,867,571	\$ 69,664,332	\$ 69,630,142	\$ 34,190	\$ 10,901,761
Parks and Recreation	666,337	5,795,833	5,795,001	832	667,169
Street & Traffic Operations	180,077	6,353,125	6,352,464	661	180,738
General Government Subtotal	11,713,985	81,813,290	81,777,607	35,683	11,749,668
Other Governmental Operating Funds	6,883,809	16,302,370	16,498,967	(196,597)	6,687,212
Government Capital Funds	13,003,621	19,512,616	24,856,789	(5,344,173)	7,659,448
Enterprise Operating Funds	22,318,601	67,087,170	66,779,715	307,455	22,626,056
Enterprise Capital Funds	31,997,360	31,845,671	27,463,930	4,381,741	36,379,101
Internal Service Funds	1,844,972	7,235,396	8,255,095	(1,019,699)	825,273
Employee Benefit Reserve	5,100,391	16,293,943	16,433,061	(139,118)	4,961,273
Risk Management Reserves	2,432,234	5,126,916	5,688,793	(561,877)	1,870,357
Debt Service & Agency Funds	2,935,832	7,495,303	7,495,303	—	2,935,832
Total	<u>\$ 98,230,805</u>	<u>\$ 252,712,675</u>	<u>\$ 255,249,260</u>	<u>\$ (2,536,585)</u>	<u>\$ 95,694,220</u>





PRELIMINARY BUDGET
BY FUNCTIONAL GROUPING

All figures in the following pages, as in most of the preceding pages' tables and graphs, are directly imported from the City's automated accounting system.

Department directors and managers take part in continuous review of 2020 (current-year) budget-to-actual expense management, 2020 year-end estimates and 2021 proposed budget figures.

The City relies on budgetary controls, with multiple levels of review, as part of the overall systems of checks and balances to manage service delivery and monitor that the underlying funding is being received as budgeted.

	2019	2020	2020	2021	2021
	Actual	Amended	Year-End	Projected	vs 2020
Expenditures	Expenditures	Budget	Estimate	Expenditures	Est
General Government					
City Management	\$ 518,189	\$ 3,960,136	\$ 3,071,536	\$ 1,179,419	(61.6)%
Indigent Defense	1,053,270	1,050,000	1,050,000	1,050,000	— %
City Council	243,791	275,790	248,702	284,786	14.5 %
Clean City Program	10,616	385,288	385,288	349,609	(9.3)%
City Clerk/Records	686,117	779,047	770,697	791,632	2.7 %
Human Resources	728,003	770,739	768,012	803,769	4.7 %
Legal	1,741,756	1,980,706	1,933,494	2,057,127	6.4 %
Municipal Court	1,632,967	1,783,999	1,783,999	1,763,503	(1.1)%
Planning	705,020	856,262	807,633	796,695	(1.4)%
Code Administration	1,915,413	1,986,531	1,896,260	1,911,326	0.8 %
City Hall Facility	562,556	604,700	431,273	455,460	5.6 %
Economic Development	278,663	252,548	179,267	342,145	90.9 %
Police	29,185,215	31,079,407	29,320,579	29,290,066	(0.1)%
Fire	15,085,424	15,482,039	15,624,059	15,658,328	0.2 %
Information Technology	3,413,777	4,166,089	4,070,456	4,219,064	3.7 %
Intergovernmental	146,617	162,689	170,072	170,288	0.1 %
Transfers	2,399,617	1,879,760	1,879,760	2,212,053	17.7 %
Financial Services	1,533,300	1,776,304	2,508,533	2,669,055	6.4 %
State Examiner	127,072	130,000	—	—	n/a
Police Pension	773,819	867,197	867,197	872,197	0.6 %
Firemen's Relief & Pension	1,152,205	1,176,041	1,155,383	1,176,390	1.8 %
Parking	146,411	280,187	272,611	174,601	(36.0)%
Purchasing	688,158	686,784	525,693	447,309	(14.9)%
Engineering	675,522	801,153	801,153	955,317	19.2 %
Total General Fund	65,403,498	73,173,396	70,521,657	69,630,139	(1.3)%
Parks & Recreation	4,948,970	5,592,567	4,736,641	5,795,001	22.3 %
Street & Traffic Operations	5,636,166	8,694,368	8,026,647	6,352,464	(20.9)%
Total General Government Funds	\$ 75,988,634	\$ 87,460,331	\$ 83,284,945	\$ 81,777,604	(1.8)%

	2021 Projected Revenue	2021 Estimated		Increase (Decrease) In Fund Balance
		Beginning Fund Balance	Ending Fund Balance	
Revenues				
General Fund	\$ 69,664,332	\$ 10,867,571	\$ 10,901,760	\$ 34,189
Parks & Recreation	5,795,833	666,337	667,169	832
Street & Traffic Operations	6,353,125	180,077	180,737	660
Total General Government Funds	\$ 81,813,290	\$ 11,713,985	\$ 11,749,666	\$ 35,681

	2019	2020	2020	2021	2021
	Actual	Amended	Year-End	Projected	vs 2020
Expenditures	Expenditures	Budget	Estimate	Expenditures	Est
Other Governmental Operating Funds					
Economic Development	\$ 129,730	\$ 124,439	\$ 126,902	\$ —	(100.0)%
Community Development	2,138,389	4,940,452	2,430,485	3,975,395	63.6 %
Community Relations	588,831	749,344	780,380	731,584	(6.3)%
Cemetery	302,909	327,632	325,367	327,523	0.7 %
Emergency Services	1,344,475	1,512,458	1,605,914	1,531,876	(4.6)%
Public Safety Communications	4,035,550	4,556,705	4,565,063	4,805,795	5.3 %
Police Grants	380,805	890,780	877,153	433,459	(50.6)%
Downtown Improvement District	171,696	194,744	182,500	184,750	1.2 %
Trolley (Yakima Interurban Lines)	36,512	9,400	15,573	15,463	(0.7)%
Front St Business Impr Area	2,820	5,100	5,100	5,100	— %
Tourist Promotion (Conv Ctr)	1,677,649	1,698,164	1,069,045	1,742,446	63.0 %
Capitol Theatre	471,867	500,496	437,223	437,212	— %
PFD Revenue-Convention Center	954,926	871,000	1,042,508	1,165,162	11.8 %
Tourist Promotion Area	607,833	660,000	361,995	507,440	40.2 %
PFD Revenue-Capitol Theatre	708,819	738,385	998,435	635,761	(36.3)%
Total Other Governmental Operating Funds	\$ 13,552,811	\$ 17,779,099	\$ 14,823,643	\$ 16,498,966	11.3 %
Government Capital Funds					
Arterial Street	\$ 6,547,686	\$ 6,159,978	\$ 2,292,983	\$ 9,168,008	299.8 %
C.B.D. Capital Improvement	—	10,000	10,000	34,492	244.9 %
Capitol Theatre Construction	8,070	60,000	61,247	60,000	(2.0)%
Yakima Rev Development Area	1,663,459	1,372,140	3,398,161	8,377,687	146.5 %
Parks & Recreation Capital	3,752,945	1,324,570	1,213,229	88,636	(92.7)%
Fire Capital	77,498	271,500	285,664	80,000	(72.0)%
Law & Justice Capital	400,016	558,799	568,600	377,527	(33.6)%
REET 1 Public Works Trust Construction	1,256,519	1,243,936	1,245,947	2,088,446	67.6 %
REET 2 Capital Construction	775,320	855,195	860,470	2,245,739	161.0 %
Street Capital Fund	464,012	1,645,521	462,797	2,063,376	345.8 %
Convention Center Capital Impr	1,102,646	13,036,450	12,874,910	272,878	(97.9)%
Cum. Reserve for Capital Impr	30,080	414,000	417,960	—	(100.0)%
Total Government Capital Funds	\$ 16,078,251	\$ 26,952,089	\$ 23,691,968	\$ 24,856,789	4.9 %

		2021 Estimated		Increase		
		2021	Beginning	Ending	(Decrease)	
		Projected	Fund	Fund	In Fund	
		Revenue	Balance	Balance	Balance	
Revenues						
Other Governmental Operating Funds						
Economic Development	\$	—	\$ 31,482	\$ 31,482	\$	—
Community Development		3,902,597	2,186,979	2,114,181		(72,798)
Community Relations		704,953	732,624	705,994		(26,630)
Cemetery		339,500	149,850	161,826		11,976
Emergency Services		1,544,634	19,288	32,046		12,758
Public Safety Communications		4,801,822	917,239	913,266		(3,973)
Police Grants		430,000	1,204,115	1,200,656		(3,459)
Downtown Improvement District		185,750	61,538	62,538		1,000
Trolley (Yakima Interurban Lines)		11,275	41,493	37,305		(4,188)
Front St Business Impr Area		3,700	2,146	746		(1,400)
Tourist Promotion (Conv Ctr)		1,831,000	356,537	445,091		88,554
Capitol Theatre		334,038	128,429	25,255		(103,174)
PFD Revenue-Convention Center		979,000	970,442	784,280		(186,162)
Tourist Promotion Area		500,350	80,263	73,173		(7,090)
PFD Revenue-Capitol Theatre		733,750	1,384	99,372		97,988
Total Other Governmental Operating Funds	\$	16,302,369	\$ 6,883,809	\$ 6,687,211	\$	(196,598)
Government Capital Funds						
Arterial Street	\$	7,246,189	\$ 2,187,273	\$ 265,454	\$	(1,921,819)
C.B.D. Capital Improvement		21,250	72,488	59,246		(13,242)
Capitol Theatre Construction		60,000	202,870	202,870		—
Yakima Rev Development Area		8,000,000	1,198,069	820,382		(377,687)
Parks & Recreation Capital		31,005	324,452	266,822		(57,630)
Fire Capital		153,000	371,397	444,397		73,000
Law & Justice Capital		573,275	759,386	955,135		195,749
Public Works Trust Construction		1,516,448	3,155,616	2,583,618		(571,998)
REET 2 Capital Construction		1,432,000	1,903,522	1,089,783		(813,739)
Street Capital Fund		206,500	1,971,287	114,411		(1,856,876)
Convention Center Capital Impr		272,949	713,947	714,017		70
Cum. Reserve for Capital Impr		—	143,313	143,313		—
Total Government Capital Funds	\$	19,512,616	\$ 13,003,620	\$ 7,659,448	\$	(5,344,172)

	2019	2020	2020	2021	2021
	Actual	Amended	Year-End	Projected	vs 2020
Expenditures	Expenditures	Budget	Estimate	Expenditures	Est
Enterprise Operating Funds					
Airport Operating Fund	\$ 1,317,251	\$ 2,904,929	\$ 1,721,959	\$ 1,959,671	13.8 %
Stormwater Operating	3,681,026	4,060,732	3,948,311	4,280,045	8.4 %
Transit	8,449,364	16,085,220	9,752,187	14,214,801	45.8 %
Refuse	7,376,891	8,197,705	7,887,355	8,088,867	2.6 %
Wastewater Operating	23,197,476	24,523,388	22,841,656	25,525,743	11.8 %
Water Operating	9,961,758	10,985,216	10,108,711	10,802,614	6.9 %
Irrigation Operating	1,813,982	1,928,678	1,864,832	1,907,974	2.3 %
Total Enterprise Operating Funds	\$ 55,797,748	\$ 68,685,868	\$ 58,125,011	\$ 66,779,715	14.9 %
Enterprise Capital Funds					
Airport FAA	\$ 3,385,969	\$ 3,490,000	\$ 2,274,177	\$ 4,735,521	108.2 %
Stormwater Capital	2,382,288	3,650,000	1,136,212	3,554,865	212.9 %
Transit Capital Reserve	646,480	936,461	141,918	3,034,015	n/a
Wastewater Facilities Capital Rsv	99,132	2,750,000	1,102,300	507,880	(53.9)%
Wastewater Construction	1,810,888	5,210,000	4,456,527	3,288,927	(26.2)%
Water Capital	1,439,136	3,963,000	604,375	5,018,183	730.3 %
Wastewater Capital	1,552,954	3,600,000	2,225,000	851,945	(61.7)%
Irrigation Capital	916,992	1,668,760	1,594,120	6,472,594	306.0 %
Total Enterprise Capital Funds	\$ 12,233,839	\$ 25,268,221	\$ 13,534,629	\$ 27,463,930	102.9 %
Internal Service Funds					
Equipment Rental	\$ 5,417,696	\$ 6,281,396	\$ 5,195,249	\$ 4,341,761	(16.4)%
Environmental Fund	266,445	574,803	576,060	125,507	(78.2)%
Public Works Administration	1,154,038	1,592,359	1,641,121	1,376,932	(16.1)%
Utility Services	1,634,508	1,961,722	2,199,280	2,410,894	9.6 %
Total Internal Service Funds	\$ 8,472,687	\$ 10,410,280	\$ 9,611,710	\$ 8,255,094	(14.1)%
Employee Benefit Reserves					
Unemployment Compensation	\$ 162,578	\$ 191,528	\$ 191,152	\$ 195,171	2.1 %
Employees Health Benefit	12,206,309	13,735,745	13,638,650	13,941,681	2.2 %
Workers' Compensation	1,711,163	2,244,302	2,171,389	2,229,310	2.7 %
Wellness/EAP Fund	57,195	71,223	71,223	66,900	(6.1)%
Total Employee Benefit Reserves	\$ 14,137,245	\$ 16,242,798	\$ 16,072,414	\$ 16,433,062	2.2 %
Risk Management Reserve					
Risk Management	\$ 3,997,298	\$ 5,047,422	\$ 4,606,568	\$ 5,688,793	23.5 %
Total Risk Management Reserve	\$ 3,997,298	\$ 5,047,422	\$ 4,606,568	\$ 5,688,793	23.5 %

	2021 Projected Revenue	2021 Estimated		Increase
		Beginning	Ending	(Decrease)
		Fund Balance	Fund Balance	In Fund Balance
Revenues				
Enterprise Operating Funds				
Airport Operating Fund	\$ 2,042,608	\$ 526,187	\$ 609,123	\$ 82,936
Stormwater Operating	4,005,815	1,316,787	1,042,558	(274,229)
Transit	15,358,743	4,994,692	6,138,634	1,143,942
Refuse	8,239,134	1,911,486	2,061,752	150,266
Wastewater Operating	23,957,369	8,530,003	6,961,629	(1,568,374)
Water Operating	11,495,000	3,892,181	4,584,568	692,387
Irrigation Operating	1,988,500	1,133,336	1,213,862	80,526
Total Enterprise Operating Funds	\$ 67,087,169	\$ 22,304,672	\$ 22,612,126	\$ 307,454
Enterprise Capital Funds				
Airport FAA	\$ 4,735,521	\$ 428,091	\$ 428,091	\$ —
Stormwater Capital	1,218,000	4,326,496	1,989,631	(2,336,865)
Transit Capital Reserve	3,357,650	7,003,092	7,326,728	323,636
Wastewater Facilities Capital Reserve	1,000,000	3,931,845	4,423,965	492,120
Wastewater Construction	1,500,000	3,823,829	2,034,902	(1,788,927)
Water Capital	2,585,000	4,714,268	2,281,085	(2,433,183)
Wastewater Capital	2,400,000	2,940,844	4,488,899	1,548,055
Irrigation Capital	15,049,500	4,828,894	13,405,800	8,576,906
Total Enterprise Capital Funds	\$ 31,845,671	\$ 31,997,359	\$ 36,379,101	\$ 4,381,742
Internal Service Funds				
Equipment Rental	\$ 3,415,092	\$ 1,208,879	\$ 282,210	\$ (926,669)
Environmental Fund	45,000	380,944	300,436	(80,508)
Public Works Administration	1,364,410	255,149	242,627	(12,522)
Utility Services	2,410,894	—	—	—
Total Internal Service Funds	\$ 7,235,396	\$ 1,844,972	\$ 825,273	\$ (1,019,699)
Employee Benefit Reserves				
Unemployment Compensation	\$ 230,107	\$ 291,772	\$ 326,709	\$ 34,937
Employees Health Benefit	14,002,167	4,327,406	4,387,893	60,487
Workers' Compensation	1,986,669	405,359	162,718	(242,641)
Wellness/EAP Fund	75,000	75,854	83,954	8,100
Total Employee Benefit Reserves	\$ 16,293,943	\$ 5,100,391	\$ 4,961,274	\$ (139,117)
Risk Management Reserve				
Risk Management	\$ 5,126,916	\$ 2,432,234	\$ 1,870,357	\$ (561,877)
Total Risk Management Reserve	\$ 5,126,916	\$ 2,432,234	\$ 1,870,357	\$ (561,877)

	2019	2020	2020	2021	2021
	Actual	Amended	Year-End	Projected	vs 2020
Expenditures	Expenditures	Budget	Estimate	Expenditures	Est
Debt Service					
Public Facility District					
PFD Debt Service	\$ 1,030,925	\$ 8,482,570	\$ 8,863,255	\$ 1,334,696	(84.9)%
General Obligation					
Misc LTGO Bonds	3,535,614	4,220,634	4,211,019	3,666,950	(12.9)%
1996 LTGO Bonds	349,070	485,973	—	—	n/a
Utility Bonds					
2008 Water Bond	\$ —	\$ —	\$ —	\$ —	n/a
2008 Wastewater Bond	394,219	412,738	257,460	386,850	50.3 %
2004 Irrigation Bond	265,103	318,760	300,460	272,550	(9.3)%
2003 Wastewater Bond	1,127,833	1,169,200	1,169,200	1,164,200	(0.4)%
Total Debt Service	<u>\$ 6,702,764</u>	<u>\$ 15,089,875</u>	<u>\$ 14,801,394</u>	<u>\$ 6,825,246</u>	(53.9)%
Trust and Agency Funds					
YakCorps Agency Fund	—	658,057	658,057	658,057	— %
Cemetery Trust	12,000	12,000	12,000	12,000	— %
Total Trust and Agency Funds	<u>\$ 12,000</u>	<u>\$ 670,057</u>	<u>\$ 670,057</u>	<u>\$ 670,057</u>	— %
Total City Budget	<u><u>\$ 206,973,272</u></u>	<u><u>\$ 273,766,042</u></u>	<u><u>\$ 239,222,342</u></u>	<u><u>\$ 255,249,260</u></u>	6.7 %

Revenues	2021 Projected Revenue	2021 Estimated		Increase (Decrease) In Fund Balance
		Beginning Fund Balance	Ending Fund Balance	
Debt Service				
Public Facility District				
PFD Debt Service	\$ 1,334,696	\$ 162,617	\$ 162,617	\$ —
General Obligation				
Misc LTGO Bonds	3,666,950	11,939	11,939	—
1996 LTGO Bonds	—	561,485	561,485	—
Utility Bonds				
2008 Water Bond	—	—	—	—
2008 Wastewater Bond	386,850	137,813	137,813	—
2004 Irrigation Bond	272,550	(3,607)	(3,607)	—
2003 Wastewater Bond	1,164,200	1,592,748	1,592,748	—
Total Debt Service	<u>\$ 6,825,246</u>	<u>\$ 2,462,995</u>	<u>\$ 2,462,995</u>	<u>\$ —</u>
Trust and Agency Funds				
YakCorps Agency Fund	\$ 658,057	\$ (249,653)	\$ (249,653)	\$ —
Cemetery Trust	12,000	722,490	722,490	—
Total Trust and Agency Funds	<u>\$ 670,057</u>	<u>\$ 472,837</u>	<u>\$ 472,837</u>	<u>\$ —</u>
Total City Budget	<u>\$ 252,712,675</u>	<u>\$ 98,230,804</u>	<u>\$ 95,694,219</u>	<u>\$ (2,536,585)</u>

