



TO: Mayor and City Council

FROM: Steve Groom, Director of Finance and Budget
Kimberly Dominé, Finance Division Manager
Jen Morris, Financial Services Officer

DATE: November 19, 2020

RE: 4th Quarter 2020 Budget Ordinance

This budget ordinance effects course corrections based on new information for the 2020 Budget year that was not known at the time of budget adoption. Staff routinely brings budget amendments approximately quarterly to course-correct, and to be transparent and accountable.

Budget amendments are a routine, recurring budget process step; staff accumulates new information anticipating to bring adjustments of this type to council on an approximately quarterly basis. Staff requests approval of adjustments and corrections to the 2020 budget that are now known that were not known at the time of adoption, per the attached detail spreadsheet, described in more detail as follows:

New Revenue:

- 1) Yakima County Development Association (YCDA) CARES Act Grant to provide Pass Thru Grant Payments to small businesses approved by Council so needs to be added to the budget. This is an increase of offsetting Revenue and Expenditure in the General Fund for \$1,416,600.
- 2) Transfer out of Fund 172 and Fund 174 and Transfer in Fund 272 for refunded debt and debt payments approved by council, but was not budgeted. Increase of both revenue and expenditures of \$433,417.
- 3) Additional contribution for vehicle reserves for Water (474) and Wastewater (473), but was not budgeted. This is a transfer, an increase to budgeted Revenue in Equipment Reserve and a budgeted Expenditure of \$2,500 for each of the two utility departments to cover their purchases.
- 4) Adding the approved Department of Ecology Grant for Cascade Mill Site to the 2020 budget. Increase both Revenue and Expenditure in Fund 323 Mill Site \$8,700,000. This is capital spending, so anything unspent in 2020 will roll over into 2021.
- 5). Adding the Legends Casino Charitable Donation for Fire Department, an increase to offsetting Revenue and Expenditure in General Fund 001 of \$25,000.
- 6). Adding the Legends Casino Charitable Donation for Parks, an offsetting increase to both Revenue and Expenditure in Parks Fund 131 \$14,000
- 7). Adding the Parks Donation for Park Benches, was not budgeted, an offsetting increase to both Revenue and Expenditure in Parks Fund 131 \$6,274.10.



- 8). Adding an Interfund Loan for Mill Site Fund 323, an increase to Revenue (Transfer In) in Fund 323 increase expenditure (Transfer Out) in Fund 473, \$2,200,000, as a budgeted contingency should it be required to bridge any spending in 2020 covered by 2021 LIFT.
- 9). Adding the approved CARES Act Grant for medical supplies in Emergency Services, Fund 150, offsetting increases to both revenue and expenditures \$48,542.
- 10). Department of Ecology Grant for Environmental Fund 555, was not budgeted. Increase both Revenue and Expenditure. \$55,373
- 11). Adding the approved CARES Act Grant for increased caseload capacity, Fund 001, offsetting increases to both revenue and expenditures \$10,000.

Technical Adjustments, Corrections and True Ups:

The adjustments and corrections to the 2020 budget that are now known that were not known at the time of adoption, are:

- 12) Technical correction - debt refunding increase debt principle in Fund 272 expenditures \$380,685.40.
- 13) Technical correction – updating the reallocation of Administrative Overhead costs due to change in methodology basis due to discussion and review by State Auditors Office.
- 14) Technical correction, a reallocation of City Insurance due to change in methodology basis due to discussion and review by State Auditors Office.
- 15) Increase REET 1 expenditures in Fund 342 for planned Lions Pool Hot Water Tank Replacement \$40,000 accelerated to current year.