



TO: Mayor and City Council

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

DATE: June 30, 2021

RE: 2nd Quarter 2021 Budget Ordinance

This budget ordinance effects course corrections based on new information for the 2021 Budget year that was not known at the time of budget adoption. Staff routinely brings budget amendments, approximately quarterly to be transparent and accountable.

Budget amendment is a recurring budget process step; staff accumulates new information anticipating to bring adjustments of this type to council on an approximately quarterly basis and is typically for one of four reasons:

- 1) New additional revenue makes it possible to approve additional related expenses,
- 2) Prior-year budgeted obligations need to be rolled forward to match disbursement in the current year, if not yet disbursed by Feb. 28th (60 days)
- 3) Accumulated fund balances can be appropriated, and
- 4) Corrections or changes between funds.

Staff requests approval of adjustments and corrections to the 2021 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. Item numbers listed match red Ref#'s on attached spreadsheet:

New Revenue:

- 1). Airport Operating Fund 421, CARES Act Grant \$1,038,438; this adjustment increases both revenue and expense in equal and offsetting amounts.
- 2). Fire donation from Legends Casino in General Fund \$25,000; this adjustment increases both revenue and expense in equal and offsetting amounts.
- 3). Fire overtime reimbursement in General Fund for the Mass Vaccination Site \$59,187.60: this adjustment increases both revenue and expense in equal and offsetting amounts.
- 4). Fire EMS overtime reimbursement in fund 150 EMS for the Mass Vaccination Site \$13,668.11: this adjustment increases both revenue and expense in equal and offsetting amounts.
- 5). Police overtime reimbursement in General Fund for the Mass Vaccination Site \$160,004.43: this adjustment increases both revenue and expense in equal and offsetting amounts.
- 6). Department of Ecology Grant for Tiger Oil Site Environmental Fund 555 \$439,343: this adjustment increases both revenue and expense in equal and offsetting amounts.



- 7). Department of Justice Grant for Police in fund 152 Police Grants \$134,834: this adjustment increases both revenue and expense in equal and offsetting amounts.
- 8). Department of Commerce Grant for Police in fund 152 Police Grants \$377,720: this adjustment increases both revenue and expense in equal and offsetting amounts.
- 9). Yakima Your Leadership Program DCYF \$40,851.47 and Office of Juvenile Justice and Delinquency Prevention OJJDP Grant \$75,841.08 both in General Fund for a total of \$116,693 this adjustment increases both revenue and expense in equal and offsetting amounts.
- 10). Airport Operations Department of Ecology Grant Fund 421 \$50,000: For testing Fire Apparatus; this adjustment increases both revenue and expense in equal and offsetting amounts.
- 11). Police Capital American Rescue Plan Fund 333 \$4,655,760: On June 15th, Council approved purchase of 57 Police Inceptors; this adjustment increases both revenue and expense in equal and offsetting amounts.
- 12). Fire Capital American Rescue Plan Fund 332 \$1,600,000: Purchase of 2 fire engines; this adjustment increases both revenue and expense in equal and offsetting amounts.

Technical Adjustment:

- 13). Move Customer Service Payroll allocation from General Fund 001 for Finance staff more properly included in Internal Service Fund 581 costs (a reduction to General Fund)
- 14). Moving Banking Fees from to corresponding departments that use merchant card readers to recognize expenses in the department the usage occurs. This moves the budget to be aligned with the actual expenses.
- 15). Accounting change moving YPAL budget from General Fund Police to Parks Fund 131, to align moving both budget and actuals to where the program is being managed now.

From Fund Balance:

The adjustments and corrections to the 2021 budget that are now known that were not known at the time of adoption, are:

- 16). Increase Airport Operational Fund 421, professional services Expenditures for unexpected repairs was to replace one HVAC system, which had failed in the airport's passenger terminal building baggage claim and required repairs to three other HVAC systems in the terminal building totaling \$25,000 which there is sufficient fund balance to cover.
- 17). Increase Airport Capital Fund 422, for Aircraft Rescue and Fire Fighting Apparatus Supplies, required for fire personnel to receive clearance from the Air Traffic Control Tower and to establish communication with SunCom Fire Dispatch \$20,000 – this is the transfer *in to* 422 half of the adjustment entry.



- 18). Increase Airport Operating Fund 422, Transfer in from Airport Operating Fund 421 for Aircraft Rescue and Fire Fighting Apparatus Supplies \$20,000 – this is the transfer *out of 421* half of the adjustment entry.
- 19) Increase Airport Operating Fund 421, for Seismic Gas Valves to ensure major gas leaks are preventing in the event of a seismic event \$15,000, an appropriation increase in response to the City's insurance risk assessment's best practices recommendation, which was not anticipated at time of budgeting and there is sufficient fund balance to cover.
- 20). Increase Airport Operating Fund 421, for Engineering Services, specifically utilities and roadway infrastructure required design and engineering costs, for Passenger Terminal Building \$50,000 related to Congressman Newhouse's request for Transportation, Housing and Urban Development committee-considered projects
- 21). Increase Cemetery Fund 144, increased Irrigation Costs \$5,000, fund balance is sufficient.
- 22). Increase Mill Site YRDA Capital Fund 323, for Mill Site MSW Contract and other Contingencies \$2,426,132. This was originally forecasted to be budget in 2022 but the pace of the project has accelerated allowing the work to be done in 2021.
- 23). Increase Water Capital Fund 477, Mill Site cleanup \$380,000. This was originally forecasted to be budget in 2022 but the pace of the project has accelerated allowing the work to be done in 2021.
- 24). Increase Storm Water Capital Fund 442, Mill Site cleanup \$380,000. This was originally forecasted to be budget in 2022 but the pace of the project has accelerated allowing the work to be done in 2021.
- 25). Increase Wastewater Capital Fund 476, Mill Site cleanup \$380,000. This was originally forecasted to be budget in 2022 but the pace of the project has accelerated allowing the work to be done in 2021.
- 26). Increase Fire Capital Fund 332, Breathing Air Compressors \$80,000. This was not anticipated when the budget was adopted. Fire Capital fund balance has sufficient funds for this.
- 27). Increase Airport Operating Fund 421, for the May 26th emergency power line repair to Airfield \$60,000 resulting in unbudgeted repairs to airport's main electrical vault. This was not anticipated at time of budgeting, there is sufficient fund balance.
- 28). Increase 3% Criminal Justice Fund 003, Radio Console upgrade for SunComm. \$150,000 This was not anticipated at time of budgeting, there is sufficient fund balance.

Staff expects further 2021 course-correction budget adjustments later in the year, as new information becomes available that is not fully known at this time.

SCHEDULE I

From Fund				To Fund			From Dr (Cr)	To Dr (Cr)	#	Description
Fund	Account #	Name	Fund	Account	Name		\$	\$	Ref	
New Revenue - offsetting increases in expenditures and revenues										
Airport	421 8953116	CARES Grant			Reserves		\$ 1,038,438.00	\$ (1,038,438.00)	1	New/additional Airport FAA Grant funding CARES
General Fund	001 8956716	Contributions and Donations	001	3223500	Small Tools & Minor Equipment		\$ 25,000.00	\$ (25,000.00)	2	Legends Casino Donation
Fire	001 8954222	Fire Protection Services	001	3221200	Overtime Fire		\$ 59,187.60	\$ (59,187.60)	3	Overtime Reimbursement for the Mass Vaccination Site
Fire	150 8953262	EMS Fire	150	3221200	Overtime Fire		\$ 13,668.11	\$ (13,668.11)	4	Overtime Reimbursement for the Mass Vaccination Site
Police	1 8954221	Other YPD-off Duty Reimbursement	001	3131200	Overtime Police		\$ 160,004.43	\$ (160,004.43)	5	Overtime Reimbursement for the Mass Vaccination Site
Environmental	555 8953445	Department Of Ecology	555	5614812	R & M/Contr Tiger Oil		\$ 439,343.00	\$ (439,343.00)	6	Tiger Oil Site/Department of Ecology
Police	152 8953108	Jag Grant	152	3171200	Overtime		\$ 110,874.00	\$ (110,874.00)	7	DOJ Grant Reimbursement
Police	152 8953108	Jag Grant	152	3173500	Small Tools & Minor Equipment		\$ 23,960.00	\$ (23,960.00)		DOJ Grant Reimbursement
Police	152 8953452	Jag Grant	152	3174100	Professional Svcs		\$ 377,720.00	\$ (377,720.00)	8	Department of Commerce Grant
City Manager	001 8953463	Dept Of Commerce-Anti Gang	001	2604128	GRIT Force (Gang Provisio)		\$ 40,851.47	\$ (40,851.47)	9	Yakima Youth Leadership Program DCYF Grant
General Fund	001 8953111	DOJ Grant	001	2604128	GRIT Force (Gang Provisio)		\$ 75,841.08	\$ (75,841.08)		Office of Juvenile Justice and Delinquency Prevention OJJDP Grant
Airport	421 895XXXX	Department Of Ecology	421	2813113	Fire Truck Supplies		\$ 50,000.00	\$ (50,000.00)	10	Department of Ecology Grant for fire apparatus testing
Police Capital	333 8953119	American Rescue Plan	333	3016430	Cars		\$ 4,655,760.00	\$ (4,655,760.00)	11	Council approved purchase 57 Police Vehicles
Fire Capital	332 8953119	American Rescue Plan	332	3226400	Machinery And Equipment		\$ 1,600,000.00	\$ (1,600,000.00)	12	Purchase of 2 Fire Engines
							\$ 8,670,647.69	\$ (8,670,647.69)		
Carryforward of encumbrance from 2020 prior year budget:										
							\$0	\$0		
Technical Adjustment - Transfer existing expenses to internal service fund										
General Fund	001 6121110	Salaries - Permanent	581	7681110	Salaries - Permanent		\$ 77,978.92	\$ (77,978.92)	13	Transfer Payroll to correct Fund
General Fund	001 6121310	Misc. Additional Pay	581	7681310	Misc. Additional Pay		\$ 944.48	\$ (944.48)		Transfer Payroll to correct Fund
General Fund	001 6122100	social Security	581	7682100	social Security		\$ 5,662.12	\$ (5,662.12)		Transfer Payroll to correct Fund
General Fund	001 6122210	PERS	581	7682210	PERS		\$ 10,236.56	\$ (10,236.56)		Transfer Payroll to correct Fund
General Fund	001 6122310	Industrial insurance	581	7682310	Industrial insurance		\$ 497.60	\$ (497.60)		Transfer Payroll to correct Fund
General Fund	001 6122410	Life Insurance	581	7682410	Life Insurance		\$ 408.72	\$ (408.72)		Transfer Payroll to correct Fund
General Fund	001 6122510	Medical Insurance	581	7682510	Medical Insurance		\$ 20,841.08	\$ (20,841.08)		Transfer Payroll to correct Fund
General Fund	001 6122610	Dental Insurance	581	7682610	Dental Insurance		\$ 1,728.96	\$ (1,728.96)		Transfer Payroll to correct Fund
General Fund	001 6122700	Unemployment Compensation	581	7682700	Unemployment Compensation		\$ 304.20	\$ (304.20)		Transfer Payroll to correct Fund
General Fund	001 6122712	Pd Family/Medical Leave	581	7682712	Pd Family/Medical Leave		\$ 117.72	\$ (117.72)		Transfer Payroll to correct Fund
General Fund	001 6124152	Fiduciary Svcs	001	2264100	Professional Service		\$ 37,000.00	\$ (37,000.00)	14	Transfer Merchant Fees to corresponding departments
Utility Billing	581 7684152	Banking Fees	131	5124100	Professional Service		\$ 700.00	\$ (6,300.00)		Transfer Merchant Fees to corresponding departments
			131	5214100	Professional Service		\$ 500.00			Transfer Merchant Fees to corresponding departments
			131	5384100	Professional Service		\$ 2,700.00			Transfer Merchant Fees to corresponding departments
			131	5434100	Professional Service		\$ 1,100.00			Transfer Merchant Fees to corresponding departments
			144	5184100	Professional Service		\$ 1,300.00			Transfer Merchant Fees to corresponding departments
General Fund	001 2244824	R & M/Contractors-YPAL	131	5111120	Salaries - Temporary		\$ 20,000.00	\$ (20,000.00)	15	Transfer YPAL Custodial to Parks
General Fund	001 8951101	Property Tax	131	8951101	Property Tax		\$ 50,000.00	\$ (50,000.00)		Increase Revenue for moving YPAL costs fro Police to Parks
General Fund	001 3184705	Refuse	131	5114705	Refuse		\$ 2,773.00	\$ (2,773.00)		Transfer YPAL Refuse Charges from Police to Parks
General Fund	001 3184703	Sewer	131	5114703	Sewer		\$ 569.00	\$ (569.00)		Transfer YPAL Sewer Charges from Police to Parks
General Fund	001 3184704	Water	131	5114704	Water		\$ 339.00	\$ (339.00)		Transfer YPAL Water Charges from Police to Parks
General Fund	001 3184701	Pacific Power & Light	131	5114701	Pacific Power & Light		\$ 10,197.00	\$ (10,197.00)		Transfer YPAL Pacific Power & Light Charges from Police to Parks
General Fund	001 3184702	Cascade Natural Gas	131	5114702	Cascade Natural Gas		\$ 5,950.00	\$ (5,950.00)		Transfer YPAL Cascade Natural Gas Charges from Police to Parks
							\$	\$ -		
							\$ 251,848.36	\$ (251,848.36)		
Increase Budget Expenditures from Reserves										

SCHEDULE I

From Fund			To Fund			From Dr (Cr)	To Dr (Cr)	#	Description
Fund	Account #	Name	Fund	Account	Name	\$	\$	Ref	
Airport	421	Reserves	421	2824100	Professional Services	\$ 25,000.00	\$ (25,000.00)	16	Replacement of HVAC Systems and 2 water heaters in the Terminal Bui
Airport	421	Reserves	422	2916450	Fire Truck Supplies	\$ 20,000.00	\$ (20,000.00)	17	Aircraft Rescue and Fire Fighting Apparatus Electronics
									Transfer out of operating to Capital Fund for Aircraft Fire Apparatus
Airport	421 2810055	Transfer Out	422	8950050	Transfer In	\$ 20,000.00	\$ (20,000.00)	18	Electronics.
Airport	421	Reserves	421	2824100	Professional Services	\$ 15,000.00	\$ (15,000.00)	19	Seismic Gas Valves
Airport	421	Reserves	421	2864100	Professional Services	\$ 50,000.00	\$ (50,000.00)	20	Engineering Service for Passenger Terminal Building
Cemetery	144	Reserves	144	5184707	Irrigation	\$ 5,000.00	\$ (5,000.00)	21	Increased Irrigation Costs
Mill Site	323	Reserves	323	7016530	Roadway	\$ 2,426,132.00	\$ (2,426,132.00)	22	Mill Site MSW Contract, and other Misc Contracts
Water	477	Reserves	477	7736534	Water System Const 59434	\$ 380,000.00	\$ (380,000.00)	23	Mill Site Cleanup
Stormwater	442	Reserves	442	7526500	Construction Projects	\$ 380,000.00	\$ (380,000.00)	24	Mill Site Cleanup
Wastewater	476	Reserves	476	7386535	Sewer System Const 59435	\$ 380,000.00	\$ (380,000.00)	25	Mill Site Cleanup
Fire Capital	332	Reserves	332	3226420	Operating Equipment	\$ 80,000.00	\$ (80,000.00)	26	Breathing Air Compressors
Airport	421	Reserves	421	2814800	R & M Contractors	\$ 60,000.00	\$ (60,000.00)	27	Emergency power lines repairs to the Airfield
3%	3	Reserves	3	3013500	Small Tools & Minor Equipment	\$ 150,000.00	\$ (150,000.00)	28	SunComm Radio Console upgrades
						\$ 3,991,132.00	\$ (3,991,132.00)		
						<u>\$ 12,913,628.05</u>	<u>\$ (12,913,628.05)</u>		