

2021 Budget

Study Session #1

Oct. 5, 2021

Clear

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Reliable

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Trustworthy



City Manager-Introduction

THE BUDGET PROCESS

PRE-BUDGET SPRING/SUMMER



To Do (Recommended)

- * Host a council retreat to determine priorities
- * Host a staff budget goals and objective discussion in support of Council priorities
- * Review capital budget
- * Review financial policies



Budget Estimates Summer/Fall

To Do

- * Official call to budget
- * Review the budget calendar to ensure timely completion of schedules and budget information
- * Revenue and expense estimates
- * Review policy issues, update accomplishments and goals narrative

Preliminary Budget

Fall/Winter

To Do

- *Filing of preliminary budget with budget message
- *Make preliminary budget publicly available
- *Host public budget hearings
- *Set property tax levies and file with the county
- *Meet with departments and review requests for new programs, capital and other needs



Final Budget

Winter

To Do

- *Adopt budget by ordinance
- *File final budget with MRSC
- *Make the final budget easily accessible to the public
- *Distribute to Council and Departments



2022 Budget Goals

- Achieve a balanced budget in every fund
- Assure prioritized services citywide
- Preserve General Fund's reserve
- Establish replacement funding for public safety equipment

Yakima Council Strategic Priorities

1. Public Safety
2. Fiscal sustainability
3. Housing
4. Strengthening Partnership
5. Investment in infrastructure

1. Public Safety

- ✓ Continue to focus non-strategies to reduce violent crime through exceptional customer service
- ✓ Increase deployable strength percentage to reduce response time and improve customer service
- ✓ Focus on recruiting lateral police candidates to speed up the time for new hires to become productive officers
- ✓ Continue to focus both energy and resources to the reduction of domestic violence through improved response, investigation, and collaboration
- ✓ Conduct 2022 Fire Academy for new hires in first quarter
- ✓ Continue Structure Firefighting PPE replacement plan
- ✓ Purchase of Police Interceptors
- ✓ Term limited funding of \$250,000 in American Rescue Plan Act (ARPA) funds for years 2022-2024 for additional domestic violence advocate program

2. Fiscal Sustainability

- ✓ Obtain an Unqualified (Clean) audit of its 2021 financial statements
- ✓ Implement the new GASB 87 Lease Accounting Update as required by Governmental Accounting Standards Board (GASB)
- ✓ Seek funds to replace the pedestrian bridge over Wide Hollow Creek at West Valley Community Park
- ✓ Obtain Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for its 2022 budget publication
- ✓ Improve transparency in communicating city finances
- ✓ Conduct annual review of Council financial policies as part of the budget process
- ✓ Review the City's Financial Management Policy and Stewardship of Public Funds to ensure compliance and regular updates

3. Housing

- ✓ Support the HOME Investment Partnership program to provide decent/affordable housing
- ✓ Administer programs funded by Community Development Block Grant (CDBG) benefitting low- and moderate-income neighborhood and individuals with housing, living environment, and economic opportunities
- ✓ \$1 million investment for Affordable Housing using ARPA Funds

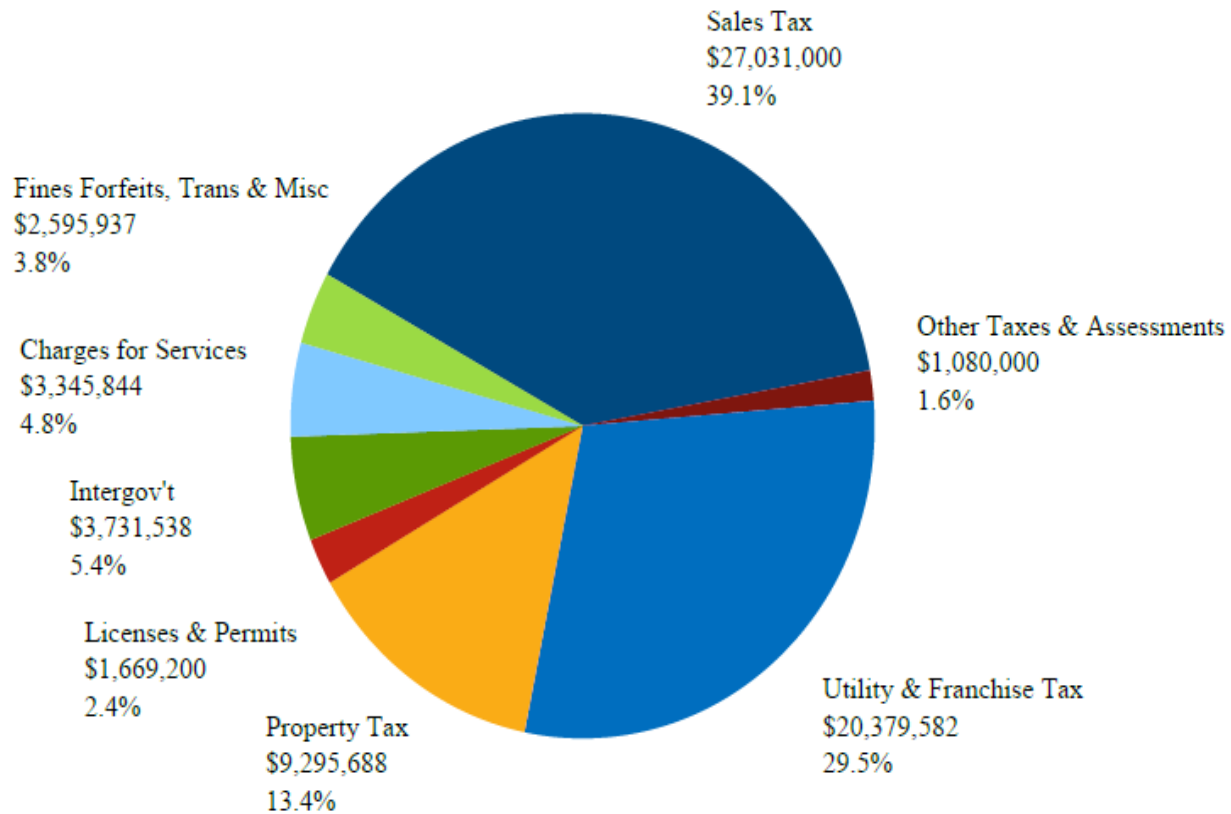
4. Strengthening Partnerships

- ✓ Fully implement Granicus Peak upgrade by March 2022
- ✓ In conjunction with IT, fully implement an electronic signature process by March 2022, which will increase efficiency citywide
- ✓ Continue to bolster our relationships with our federal partners to more effectively address gang crime throughout the Yakima Valley
- ✓ Air service development
- ✓ \$500,000 investment from ARPA funds to foster partnerships with non-profits to address community needs
- ✓ Additional \$300,000 as financial buffer, inf needed based on economic recovery in support of tourism from ARPA funds
- ✓ Investment of \$2 million for YWCA woman's shelter for transitional housing from ARPA funds
- ✓ Investment of \$1.5 million for homeless/mental health related programs through year 2023 from ARPA funds
- ✓ Support departments with timely access to financial information
- ✓ Establish training for all departments on how to access financial information from the City's Cayenta Financial System

5. Investment in Infrastructure

- ✓ Purchase additional Fire engine
- ✓ Complete Cayenta upgrade February 2022
- ✓ Rehabilitation of East General Aviation Apron
- ✓ Main Terminal Building - Installation of automated security exit lane system and roof replacement
- ✓ Design, Engineer, Construction of Taxilane Charlie Extension
- ✓ Main Terminal Building - Environmental Documented Categorical Exclusion
- ✓ Rehabilitation of Airport Administration Office
- ✓ Complete Miller Park restoration project
- ✓ Bravo Company Boulevard Phase 1 and Phase 2 Engineering and Environmental
- ✓ North 1st Street Revitalization Phase 3
- ✓ Purchase six transit busses funded by American Rescue Plan Act, \$2.8 million
- ✓ Fruitvale Nelson Dam Rebuild
- ✓ Tiger Oil Clean Up
- ✓ Investment of \$1 million for fully developed residential areas that are still on septic systems from ARPA funds
- ✓ \$6 million of ARPA Funds for Mill Site Water and Sewer improvement projects from ARPA funds

General Fund Revenue



General Fund Revenue

2022 VS. 2021 REVENUE BUDGET COMPARISON

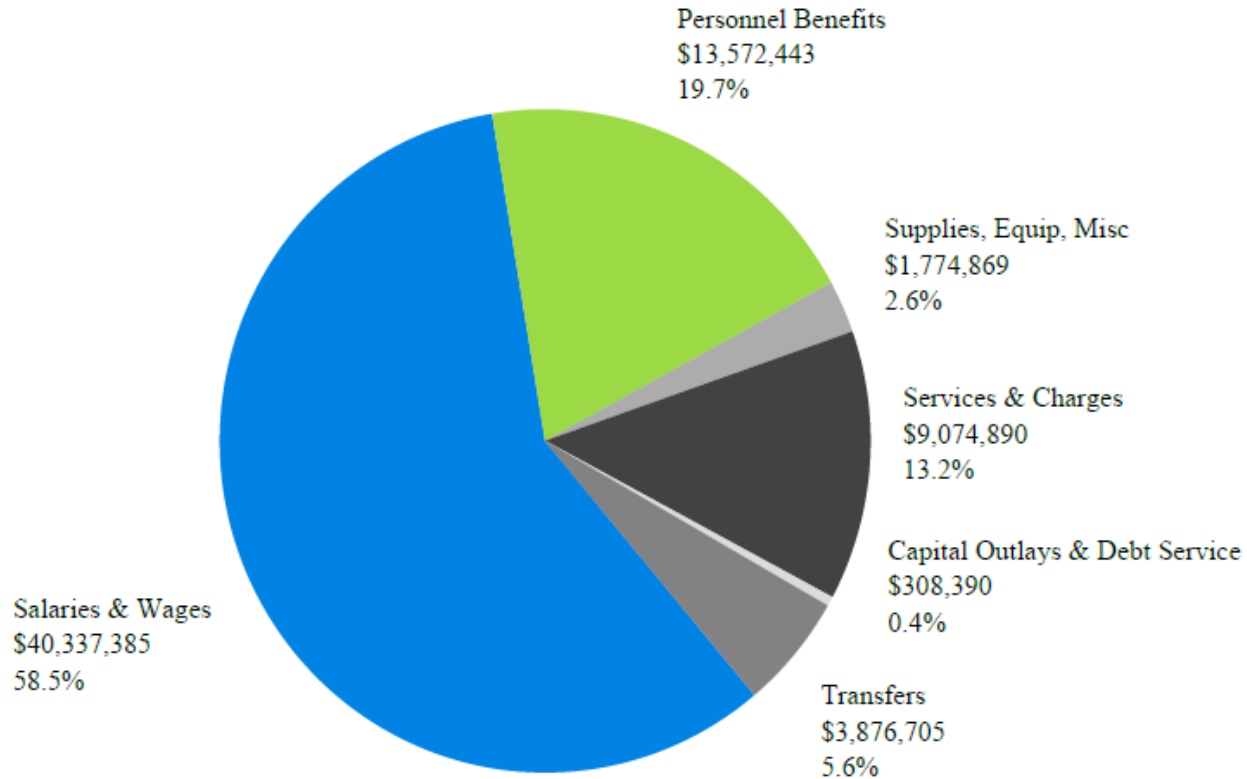
| | 2021 Year-End Estimate | 2022 Proposed Expenditures | 2021 vs. 2022 Budget % Change |
|----------------------------------|------------------------------|----------------------------------|-------------------------------------|
| General Fund | \$ 67,394,079 | \$ 69,128,789 | 2.6% |
| Parks | 5,428,200 | 5,565,769 | 2.5% |
| Streets & Traffic | 6,506,149 | 6,478,808 | (0.4)% |
| General Government Total | 79,328,428 | 81,173,366 | 2.3% |
| Utilities/Other Operating | 102,848,741 | 106,970,735 | 4.0% |
| Capital Improvement ³ | 52,219,159 | 71,331,828 | 36.6% |
| Risk Management Reserves | 5,229,871 | 5,826,575 | 11.4% |
| Employee Benefit Reserves | 16,293,711 | 16,714,350 | 2.6% |
| Trust and Agency Funds | 670,057 | 664,267 | (0.9)% |
| Debt Service | 6,453,256 | 6,435,960 | (0.3)% |
| Total - Citywide Budget | <u>\$ 263,043,223</u> | <u>\$ 289,117,081</u> | 9.9% |

Revenues by Source

2022 REVENUES

| | General Fund | % of Total | City-wide | % of Total |
|----------------------------|----------------------|---------------|-----------------------|---------------|
| Sales Tax | \$ 27,031,000 | 39.1 % | \$ 37,278,000 | 12.9 % |
| Utility & Franchise Taxes | 20,379,582 | 29.5 % | \$ 21,482,562 | 7.4 % |
| Property Tax | 9,295,688 | 13.4 % | 22,188,324 | 7.7 % |
| Charges for Services | 3,345,844 | 4.8 % | 57,793,619 | 20.0 % |
| Intergovernmental Revenues | 3,731,538 | 5.4 % | 55,840,774 | 19.3 % |
| Other Taxes & Assessments | 1,080,000 | 1.6 % | 7,174,000 | 2.5 % |
| Licenses and Permits | 1,669,200 | 2.4 % | 3,146,200 | 1.1 % |
| Fines and Forfeitures | 1,394,000 | 2.0 % | 1,494,000 | 0.5 % |
| Transfers | — | — % | 30,692,706 | 10.6 % |
| Miscellaneous Revenue | 1,201,937 | 1.8 % | 52,026,896 | 18.0 % |
| | <u>\$ 69,128,789</u> | | <u>\$ 289,117,081</u> | |

General Fund Expenditure



General Fund Expenditure

2022 VS. 2021 EXPENDITURE BUDGET COMPARISON

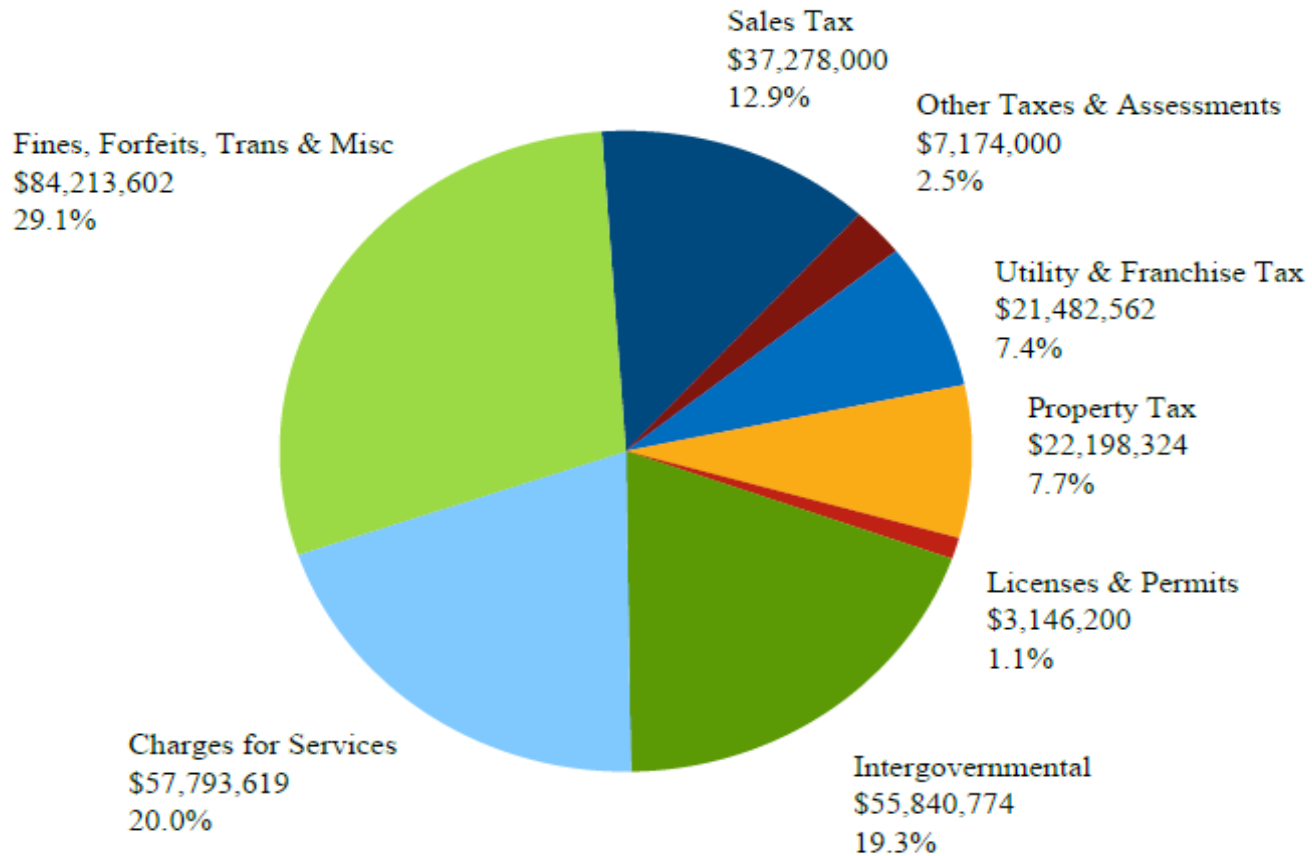
| | 2021 | 2022 | 2021 vs. 2022 |
|----------------------------------|-----------------------|-----------------------|---------------|
| | Year-End | Proposed | Budget |
| | Estimate | Expenditures | % Change |
| General Fund | \$ 66,354,486 | \$ 68,946,683 | 3.9% |
| Parks | 5,574,682 | 6,179,811 | 10.9% |
| Streets & Traffic | 6,287,622 | 6,476,301 | 3.0% |
| General Government Total | 78,216,790 | 81,602,795 | 4.3% |
| Utilities/Other Operating | 96,030,747 | 102,211,927 | 6.4% |
| Capital Improvement ¹ | 61,127,581 | 80,322,577 | 31.4% |
| Risk Management Reserves | 5,140,960 | 5,636,355 | 9.6% |
| Employee Benefit Reserves | 16,724,961 | 17,029,581 | 1.8% |
| Trust and Agency Funds | 670,057 | 664,267 | (0.9)% |
| Debt Service | 6,512,255 | 6,436,218 | (1.2)% |
| Total - Citywide Budget | <u>\$ 264,423,351</u> | <u>\$ 293,903,720</u> | 17.8% |

Expenditures by Category

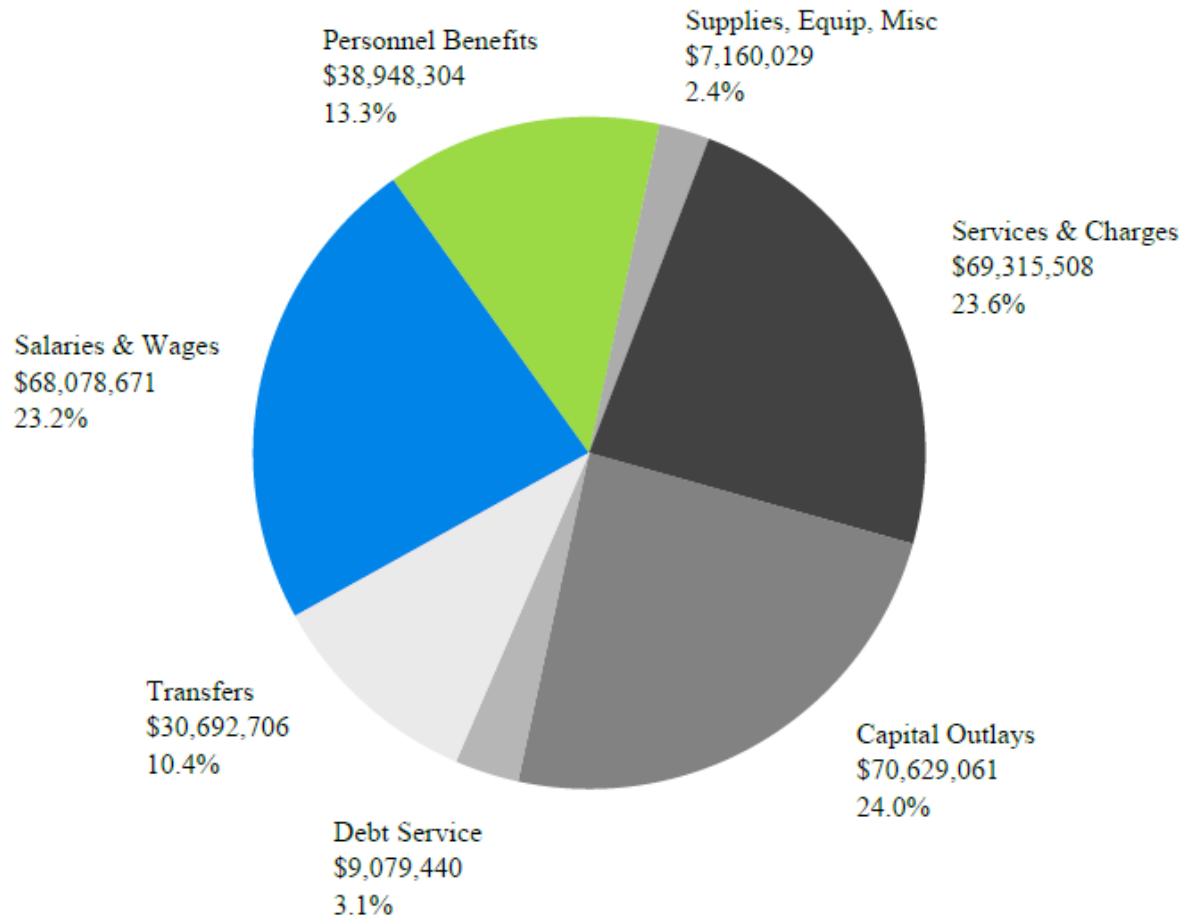
2022 EXPENDITURES

| | General Fund | % of Total | | City-wide | % of Total |
|-----------------------|-----------------|---------------|--|----------------|---------------|
| Transfers | \$ 3,876,705 | 5.6 % | | \$ 30,692,706 | 10.4 % |
| Salaries & Wages | 40,337,385 | 58.5 % | | 68,078,671 | 23.2 % |
| Personnel Benefits | 13,572,443 | 19.7 % | | 38,948,304 | 13.3 % |
| Operating Supplies | 1,774,869 | 2.6 % | | 7,160,029 | 2.4 % |
| Professional Services | 9,074,890 | 13.2 % | | 69,315,508 | 23.6 % |
| Capital Outlays | 104,000 | 0.2 % | | 70,629,061 | 24.0 % |
| Debt Service | 206,390 | 0.2 % | | 9,079,440 | 3.1 % |
| | \$ 68,946,682 | | | \$ 293,903,719 | |

Citywide Revenue



Citywide Expenditures



Citywide Fund Balance Summary

2022 RESERVE BALANCE SUMMARY

| | Estimated 2022 Beg. Fund Balance | 2022 Projected Revenues | 2022 Proposed Expenditures | Inc in (Dec in) Reserves | Estimated 2022 Ending Balance | % of Prop Exp |
|------------------------------------|--|-------------------------------|----------------------------------|--------------------------------|-------------------------------------|---------------------|
| General Fund ² | \$ 14,335,190 | \$ 69,128,789 | \$ 68,946,683 | \$ 182,106 | \$ 14,517,296 | 21.1 % |
| Parks and Recreation | 913,962 | 5,565,769 | 6,179,811 | (614,042) | 299,920 | 4.9 % |
| Street & Traffic Operations | 1,133,950 | 6,478,808 | 6,476,301 | 2,507 | 1,136,457 | 17.5 % |
| General Government Subtotal | 16,383,102 | 81,173,366 | 81,602,795 | (429,429) | 15,953,673 | 19.6 % |
| Other Governmental Operating Funds | 12,831,025 | 28,823,781 | 18,308,377 | 10,515,404 | 23,346,429 | 127.5 % |
| Government Capital Funds | 11,733,709 | 35,792,287 | 30,915,352 | 4,876,935 | 16,610,644 | 53.7 % |
| Enterprise Operating Funds | 29,605,218 | 66,959,553 | 74,090,502 | (7,130,949) | 22,474,269 | 30.3 % |
| Enterprise Capital Funds | 32,186,736 | 35,539,541 | 49,407,226 | (13,867,685) | 18,319,051 | 37.1 % |
| Internal Service Funds | 3,223,023 | 11,187,401 | 9,813,048 | 1,374,353 | 4,597,376 | 46.8 % |
| Employee Benefit Reserve | 5,304,968 | 16,714,350 | 17,029,581 | (315,231) | 4,989,737 | 29.3 % |
| Risk Management Reserves | 3,555,419 | 5,826,575 | 5,636,355 | 190,220 | 3,745,639 | 66.5 % |
| Debt Service & Agency Funds | 2,560,778 | 7,100,227 | 7,100,485 | (258) | 2,560,520 | 36.1 % |
| Total | \$ 117,383,978 | \$ 289,117,081 | \$ 293,903,721 | \$(4,786,640) | \$ 112,597,338 | 38.3 % |

Questions?

Next session-October 7th @ 9am

