

# City of Yakima Preliminary 2022 Budget

1<sup>st</sup> Public Hearing  
November 1, 2021

Clear

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Reliable

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Trustworthy



# Study Sessions

## October 5

- Preliminary Budget Book
- Financial Policies – Fund Balance
- American Rescue Plan Act
- Vehicle Replacement
- Major Revenues
- Cyber Security

## October 7

- General Fund Expenses-Community Development, Economic Development, Parks and Police
- Mill Site Phase II
- Equipment Rental
- Clean City
- Tourism, Convention Center, Capitol Theatre

## October 12

- General Fund Expenses-Fire
- Capital Funds (REET 1, REET 2 and TBD)
- Enterprise Funds- Airport, Water, Irrigation, Wastewater, Stormwater, Transit and Refuse

## October 14

- LTAC comparison
- Clean City Program Enhancement
- Additional Budgetary Items

# Key Dates

Oct	5	Council Study Session 1
	7	Council Study Session 2
	12	Council Study Session 3
	14	Council Study Session 4 + Additional Considerations
Nov	<b>1</b>	<b>Public Hearing and Ordinances on Ad Valorem Tax Rate</b>
	1	1st Budget Public Hearing
	16	2nd Budget Public hearing
Dec	7	Public Hearing and Ordinance Adopting the Budget



# Yakima Council Strategic Priorities

1. Public Safety
2. Fiscal Sustainability
3. Housing
4. Strengthening Partnership
5. Investment in Infrastructure

# 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

# General Fund Reserve Fund Balance Policy

City	Population	Minimum Reserve
Bellevue	148,164	15% of General Fund revenues
Everett	111,475	20% of operating revenues
Kent	132,319	18% of current year budgeted expenses
Pasco	75,432	90 days worth of expenditures
Renton	101,751	12% of operating expenditures
Richland	58,225	16.7% of operating expenditures
Tukwila	20,347	18% of previous year revenues
Yakima	93,637	16.7% of expenditures *

**\*Goal is to establish reserves at 25% of expenditures**

# Public Safety Vehicle Replacement

- Fiscally Responsible
- Public Safety
- Investment in infrastructure
- Avoid the need to purchase large quantities of vehicles at once
- Stop spending money on expensive repairs

✓ Investment of \$1,000,000 for future equipment replacement of police vehicles and \$800,000 for fire apparatus



# Subsequent Changes

<b>Additional budgetary items - not included in the Preliminary Budget</b>	<b>2022 Budget</b>
Workers compensation rate increase	\$ 25,000
Minimum Wage Increase	\$ 37,000
Axon in car video system annual service fee	\$ 150,000
Clean City Enhancements	\$ 423,500
<b>Total Additions</b>	<b>\$ 635,500</b>



# Revenues by Source

	General Fund	% of Total	City-wide	% of Total
Sales Tax	\$ 27,087,000	39.0 %	\$ 37,334,000	13.0 %
Utility & Franchise Taxes	20,301,908	29.2 %	21,830,065	7.6 %
Property Tax	9,335,615	13.4 %	22,228,251	7.7 %
Charges for Services	3,449,776	5.0 %	57,897,630	20.1 %
Intergovernmental Revenues	3,865,141	5.6 %	55,974,377	19.5 %
Other Taxes & Assessments	1,082,000	1.6 %	7,176,000	2.5 %
Licenses and Permits	1,704,700	2.5 %	3,181,700	1.1 %
Fines and Forfeitures	1,418,000	2.0 %	1,518,000	0.5 %
Transfers	—	— %	28,212,706	9.8 %
Miscellaneous Revenue	1,201,937	1.8 %	52,112,011	18.1 %
	<u>\$ 69,446,077</u>		<u>\$ 287,464,740</u>	

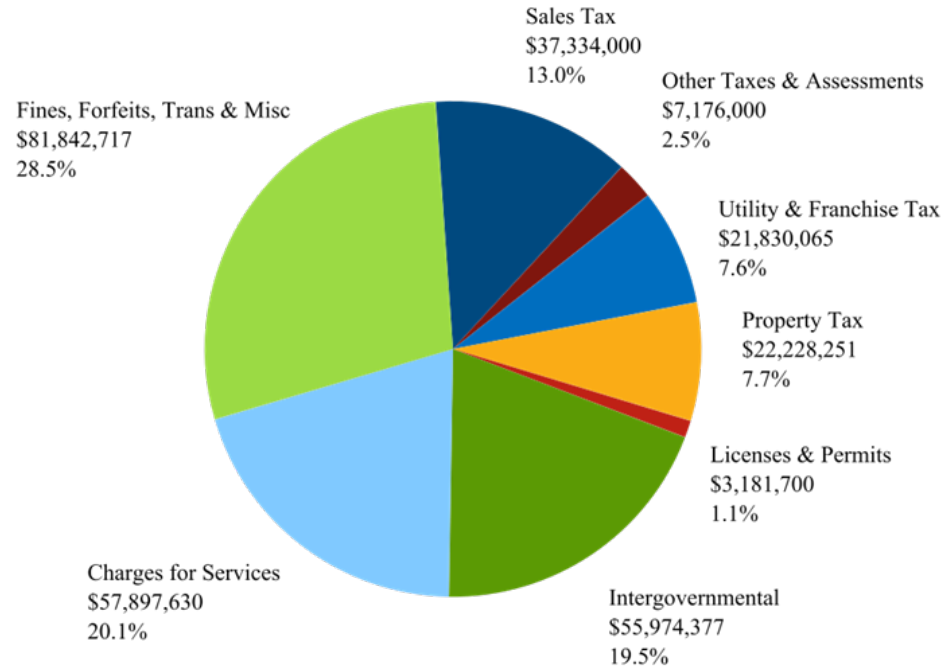


# Expenditures by Category

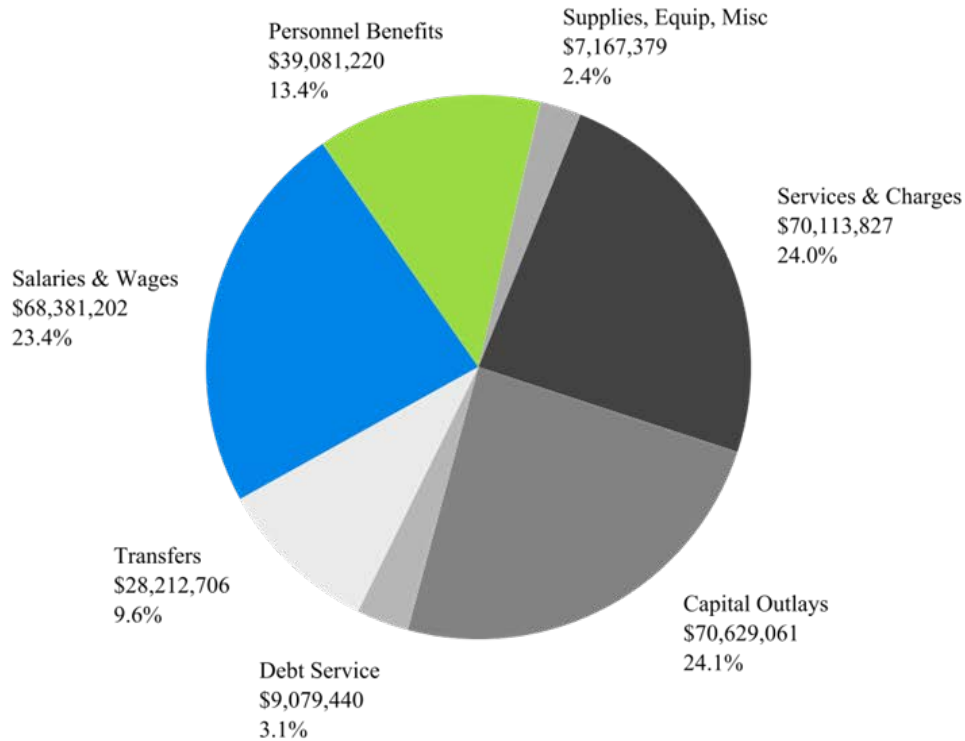
	General Fund	% of Total	City-wide	% of Total
Transfers	\$ 3,876,705	5.6 %	\$ 28,212,706	9.6 %
Salaries & Wages	40,554,432	58.4 %	68,381,202	23.4 %
Personnel Benefits	13,668,030	19.7 %	39,081,220	13.4 %
Operating Supplies	1,774,869	2.6 %	7,167,379	2.4 %
Professional Services	9,234,890	13.3 %	70,113,827	24.0 %
Capital Outlays	104,000	0.1 %	70,629,061	24.1 %
Debt Service	206,390	0.2 %	9,079,440	3.1 %
	<u>\$ 69,419,316</u>		<u>\$ 292,664,835</u>	



# Citywide Revenues

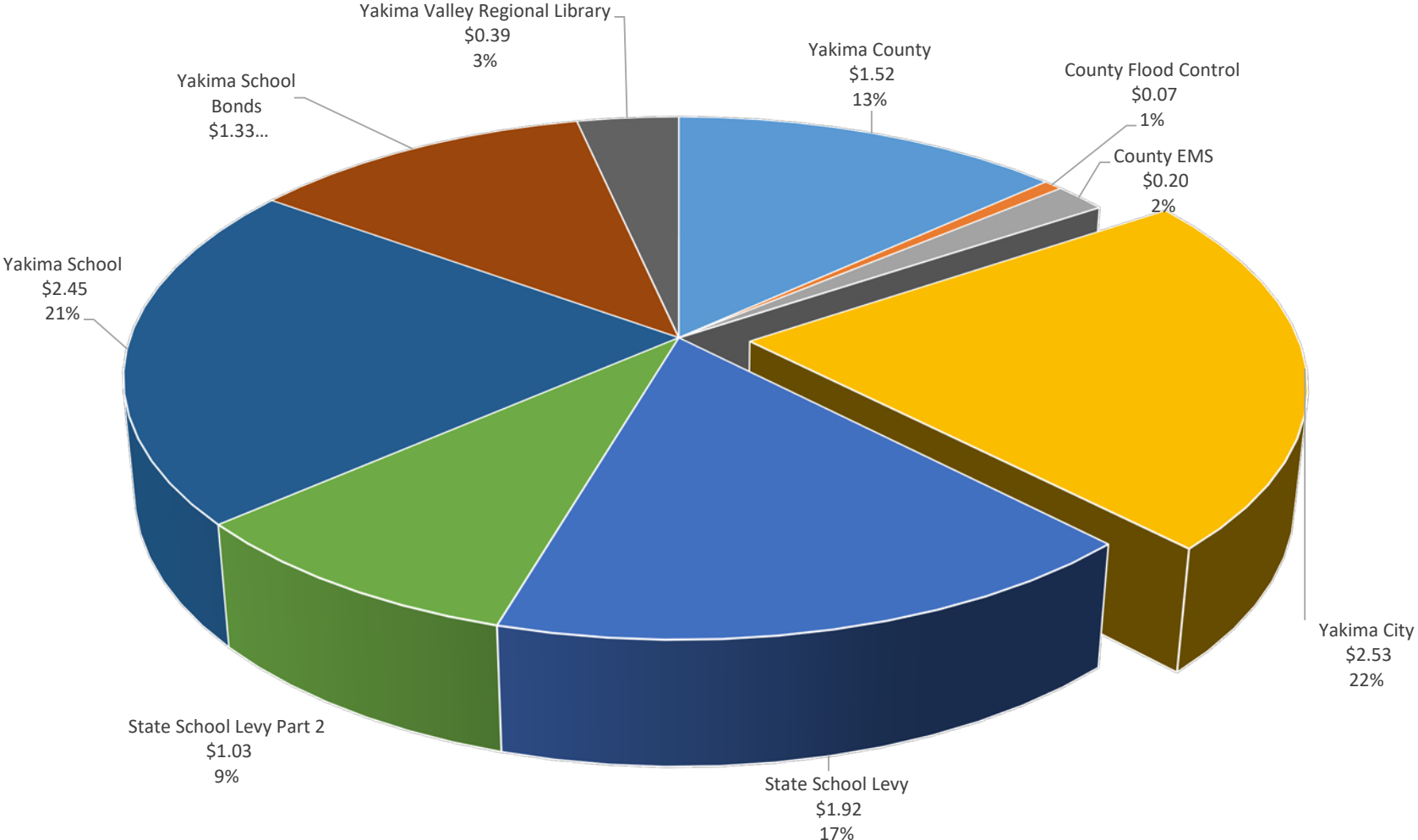


# Citywide Expenditures

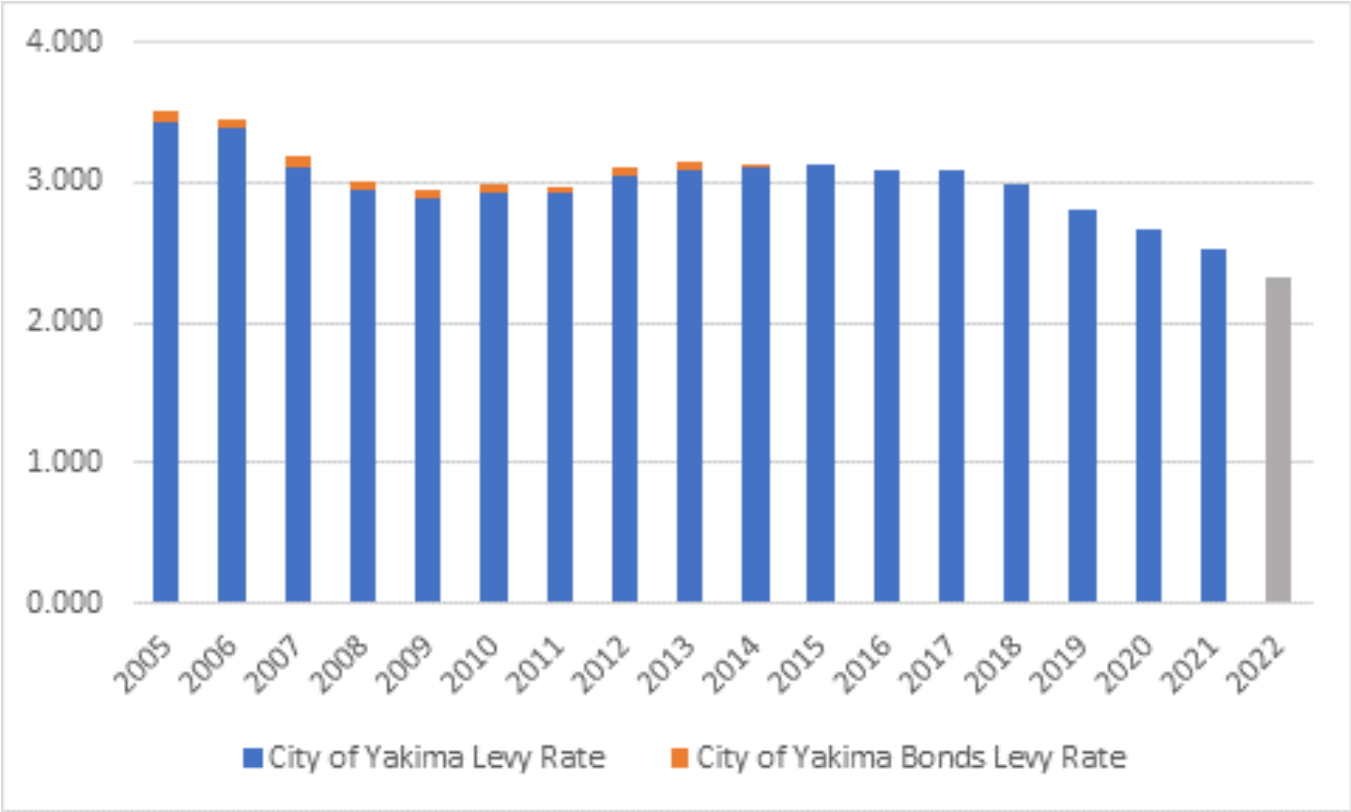


# Property Tax

## Yakima County Tax District Levy 2021



# City of Yakima Levy Rates



# Ongoing Fiscal Challenges

- Pandemic Recovery
- Property tax 1% Cap
- Healthcare Costs increases
- Labor Contracts
- Equipment Replacement
- Economic Development
- Housing
- Many others



# Citywide Fund 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	\$ 14,096,372	\$ 69,446,077	\$ 69,419,316	\$ 26,761	\$ 14,123,133	20.3 %
Parks and Recreation	913,962	5,565,769	6,214,139	(648,370)	265,592	4.3 %
Street & Traffic Operations	1,133,950	6,478,808	6,481,452	(2,644)	1,131,306	17.5 %
General Government Subtotal	16,144,284	81,490,654	82,114,907	(624,253)	15,520,031	18.9 %
Other Governmental Operating Funds	12,831,025	29,248,958	18,739,559	10,509,399	23,340,424	124.6 %
Government Capital Funds	11,733,709	34,512,287	29,785,352	4,726,935	16,460,644	55.3 %
Enterprise Operating Funds	29,598,868	66,959,553	74,425,352	(7,465,799)	22,133,069	29.7 %
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	9,987,480	8,613,143	1,374,337	4,597,360	53.4 %
Employee Benefit Reserve	5,304,968	16,799,465	16,930,138	(130,673)	5,174,295	30.6 %
Risk Management Reserves	3,555,419	5,826,575	5,548,673	277,902	3,833,321	69.1 %
Debt Service & Agency Funds	2,560,778	7,100,227	7,100,485	(258)	2,560,520	36.1 %
<b>Total</b>	<b>\$ 117,138,810</b>	<b>\$ 287,464,740</b>	<b>\$ 292,664,835</b>	<b>\$(5,200,095)</b>	<b>\$ 111,938,715</b>	<b>38.2 %</b>



# Questions?

Thank you for your  
time.

