



CITY OF

Yakima

Washington

2022 Revised Preliminary Budget





INTRODUCTION

This revised Preliminary 2022 Budget, for City Council's final consideration, incorporates all the direction given by City Council during the October 2021 Budget study sessions. Hearings were scheduled November 1st and 16th, with final adoption expected December 7th. City Council has made budget decisions enabling Finance to begin finalizing all the ordinances, reports and narratives that must all agree with each other in the final budget adoption. Council and staff have worked hard throughout this challenging process, exploring creative options and alternatives, to maintain current service levels.

Those who participated in this budget include staff, whose input for each budget year is critical and who participate year-round providing service delivery and management within budget, even as unforeseen surprises occur. Also included is City Council, who exercise governance year-round and make policy final decisions and citizens, who have the opportunity to speak at study sessions and also at the annual budget hearings.

Property Tax, Sales Tax and Utility and Franchise Taxes are the largest sources of revenue for the General Fund. When property owners thrive, property values increase; property tax is a significant funding source for city services. When businesses thrive, our sales tax revenue grows. The City serves the people who, in turn, fund the services provided by city government. Everyone participates in making Yakima a better place.

Following the public study sessions in October 2021, Council finalized the proposed budget, achieving:

- Established equipment replacement reserves for Police vehicles and Fire apparatus.
- Increased Clean City funding in order to increase police presence, trash cleanup, add legal staff members, and enhanced code enforcement and outreach for people experiencing homelessness.
- 5-year capital budgets, which were developed for all funds.

Next year's budget is largely based on what is known about this year's difficulties. The budget process requires us to evaluate annually the city's priorities, between immediate services and infrastructure, across many funds, being mindful of long-term fiscal sustainability.

The goals of the 2022 Budget are:

- Achieve a balanced budget in every fund.
- Assure prioritized services citywide.
- Preserve General Fund's reserve, with a goal of 25% of expenditures.
- Establish replacement funding for public safety equipment.

Department directors and managers begin a continuous review of ongoing current year budget-to-actual expense management, formulate year-end estimates and project 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, in large part, 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. Finance staff meet with managers quarterly and inform both the public and city council through quarterly financial reports in regularly scheduled public meetings.

Three new funds were added in 2021: 1) A "Clean City Fund" (136) to account for the utility tax increase imposed on the City's waste systems' commercial refuse collection to meet Clean City program objectives. On November 1, 2021, City Council also approved an increase in the refuse in-lieu tax under Yakima Municipal Code 7.64.030 from 15% to 20% to **enhance program efforts**, (the Clean City Fund was created in 2019 as a part of the General Fund, but became a Special Revenue fund in 2021), 2) an "American Rescue Plan Act (ARPA) Fiscal Recovery Fund" (180) to account for the award and future expenditure of the American Rescue Plan Act funds and 3) beginning in late 2021, a "Custodial Fund" (633), created to account for the resources that are held by the City of Yakima in a purely custodial capacity.

2022 Budget Challenges

The 2022 Forecasts were all made while the COVID-19 emergency was still having an impact on the local economy and the city's delivery of services. While some revenues continue to recover, some are still struggling, such as Lodging Tax, which is recovering, but is still well below current forecasts for 2021. Other revenues have similar, but lesser, impacts to the ability to forecast.

The statutory 1% cap on Property Tax has not kept pace with 1) inflationary effects on materials and services nor 2) the personnel costs required by collective bargaining agreements (CBA's). This forces the City every year to have conversations with our community prioritizing general fund expenditures. An informed and engaged community is critical to resident understanding of challenges, opportunities and the difficulties inherent in allocating very limited revenue changes year over year.

The following chart summarizes how the preliminary 2022 projected budget currently forecasts city-wide beginning and ending fund balances by fund groupings, showing the effect of proposed revenues and expenditures. In this table, Capital Funds, Enterprise Construction Funds, and Internal Service Funds include approved expenditures and unspent balances carried forward from prior year.

The City's General Government reserve balance decreased by \$1,196,182, mainly due to an increase in medical and dental insurance rates, however, still remains within the approved service level, at 18.1%.

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 ¹	\$ 14,141,728	\$ 69,469,377	\$ 69,951,160	\$ (481,783)	\$ 13,659,945	19.5 %
Parks and Recreation	913,962	5,565,769	6,240,392	(674,623)	239,339	3.8 %
Street & Traffic Operations	1,133,950	6,478,808	6,518,584	(39,776)	1,094,174	16.8 %
General Government Subtotal	16,189,640	81,513,954	82,710,136	(1,196,182)	14,993,458	18.1 %
Other Governmental Operating Funds	12,755,307	29,267,731	18,831,776	10,435,955	23,191,262	123.1 %
Government Capital Funds	11,712,280	34,512,287	29,785,352	4,726,935	16,439,215	55.2 %
Enterprise Operating Funds ²	29,593,470	67,345,914	74,692,023	(7,346,109)	22,247,361	29.8 %
Enterprise Capital Funds ²	32,186,736	35,539,541	49,407,226	(13,867,685)	18,319,051	37.1 %
Internal Service Funds	2,536,084	10,002,954	8,652,271	1,350,683	3,886,767	44.9 %
Employee Benefit Reserve	5,304,968	17,700,231	16,935,080	765,151	6,070,119	35.8 %
Risk Management Reserves	3,555,419	5,826,575	5,554,763	271,812	3,827,231	68.9 %
Debt Service & Agency Funds	2,516,094	7,100,227	7,100,485	(258)	2,515,836	35.4 %
Total	\$ 116,349,998	\$ 288,809,414	\$ 293,669,112	\$ (4,859,698)	\$ 111,490,300	38.0 %

As of October 2021 and with the review of the 2022 Preliminary Budget, City Council has approved reserves of at least 16.7% of total expenditures, which represent two months of annual spending. Enterprise Funds reserve target is 25% of total annual operating expenditures.

¹ General Fund includes .3% Criminal Justice and the Firemen's Pension funds.

² It is customary for these funds to accumulate reserves for the purpose of upcoming expenditures toward new equipment and facility improvements, and then incurring large decreases in reserves when the projects move forward.

Financial Plan/Forecast - General Fund (001, 003, 612)

Financial planning provide insight into the City's financial ability to meet current and future obligations. The forecast below displays a five-year outlook of projected revenues and expenditures and also demonstrates the City's efforts towards achieving minimum fund balance financial policies. The forecast can also serve as a tool to foster discussions on long-term financial direction.

	2020	2021	2022	2023	2024	2025	2026
	Actual	YE Est	Budget	Budget	Budget	Budget	Budget
Beginning Balance	\$ 10,757,521	\$ 13,295,598	\$ 14,141,728	\$ 13,659,945	\$ 11,296,778	\$ 6,895,896	\$ 290,462
Revenues							
Sales Tax	22,915,342	25,901,997	27,087,000	28,170,480	29,297,299	30,469,191	31,687,959
Other Tax & Assmnts	760,317	1,031,633	1,082,000	1,103,640	1,125,713	1,148,227	1,171,192
Utility & Franchise Tax	18,482,716	19,644,904	20,325,209	20,731,713	21,146,347	21,569,274	22,000,659
Property Tax	10,289,701	9,179,830	9,335,615	9,522,327	9,712,774	9,907,029	10,105,170
Licenses & Permits	1,607,364	1,676,901	1,704,700	1,738,794	1,773,570	1,809,041	1,845,222
Intergovernmental	7,379,313	4,219,553	3,865,140	3,942,443	4,021,292	4,101,718	4,183,752
Charges for Services	2,872,647	3,519,198	3,449,776	3,518,772	3,589,147	3,660,930	3,734,149
Fines/Forf/Trans/Misc	3,172,053	2,522,515	2,619,937	2,672,336	2,725,783	2,780,299	2,835,905
Total Revenues	67,479,453	67,696,531	69,469,377	71,400,505	73,391,925	75,445,709	77,564,008
Expenditures							
Salaries & Wages	36,762,786	38,389,123	40,540,111	42,972,518	45,550,869	48,283,921	51,180,956
Personnel Benefits	12,973,817	13,707,298	14,214,195	15,067,047	15,971,070	16,929,334	17,945,094
Supplies, Equip & Misc	1,707,137	2,782,637	1,774,869	1,845,864	1,919,699	1,996,487	2,076,346
Services & Charges	10,819,260	9,081,986	9,234,890	9,604,286	9,988,457	10,387,995	10,803,515
Capital Outlays	267,798	470,763	104,000	109,200	114,660	120,393	126,413
Debt Service	276,641	206,540	206,390	210,518	214,728	219,023	223,403
Transfers	2,133,937	2,212,053	3,876,705	3,954,239	4,033,324	4,113,990	4,196,270
Total Expenditures	64,941,376	66,850,400	69,951,160	73,763,672	77,792,807	82,051,143	86,551,997
Est End Fund Balance	\$ 13,295,598	\$ 14,141,729	\$ 13,659,945	\$ 11,296,778	\$ 6,895,896	\$ 290,462	\$ (8,697,527)
Policy Rsv Amt - 16.7%	\$ 10,845,210	\$ 11,164,017	\$ 11,681,844	\$ 12,318,533	\$ 12,991,399	\$ 13,702,541	\$ 14,454,183
Net Fund Balance	\$ 2,450,388	\$ 2,977,712	\$ 1,978,101	\$ (1,021,755)	\$ (6,095,503)	\$ (13,412,079)	\$ (23,151,710)

- Revenue projections provide for a conservative growth of 2%, except for Sales Tax, which is shown at 4%.
- Salaries and benefits are projected at 6% growth to provide for labor contract agreements.
- Supplies, services and intergovernmental have a growth factor of 4%.
- Capital outlay, projected at 5% growth, provides for a systematic methodology to replace and repair City buildings, vehicles and other equipment in a timely manner. Funds budgeted for the previous year and not spent are brought forward to the next year.
- Debt Service is projected at 2% growth.
- Transfers-out to other funds are projected at 2%.

The schedule above begins to show a deficit after meeting ending fund balance requirements and reserve policy at the end of 2023. This is attributable to operational costs growing at a higher percent than revenue growth. Without a levy lid lift, property tax growth of 1% plus new construction is not sufficient to maintain existing services. It is important to review alternative revenue sources and monitor expenditures closely.

Financial Plan/Forecast - City Wide

Financial planning provide insight into the City's financial ability to meet current and future obligations. The forecast below displays a five-year outlook of projected revenues and expenditures and also demonstrates the City's efforts towards achieving minimum fund balance financial policies. The forecast can also serve as a tool to foster discussions on long-term financial direction.

	2020	2021	2022	2023	2024	2025	2026
	Actual	YE Est	Budget	Budget	Budget	Budget	Budget
Beginning Balance	\$101,056,370	\$118,758,709	\$116,349,998	\$111,490,300	\$ 83,380,384	\$ 46,355,521	\$ (189,849)
Revenues							
Sales Tax	32,006,992	34,936,245	37,334,000	38,827,360	40,380,454	41,995,672	43,675,499
Other Tax & Assmnts	5,380,170	6,417,155	7,176,000	7,319,520	7,465,910	7,615,228	7,767,533
Utility & Franchise Tax	19,228,464	20,725,789	21,872,139	22,309,582	22,755,774	23,210,889	23,675,107
Property Tax	21,275,210	21,915,076	22,228,250	22,672,815	23,126,271	23,588,796	24,060,572
Licenses & Permits	3,016,025	3,104,373	3,181,700	3,245,334	3,310,241	3,376,446	3,443,975
Intergovernmental	26,952,594	58,688,452	55,974,376	57,093,864	58,235,741	59,400,456	60,588,465
Charges for Services	53,479,258	56,362,781	58,299,465	59,465,454	60,654,763	61,867,858	63,105,215
Fines/Forf/Trans/Misc	66,217,537	52,385,115	82,743,484	70,000,000	70,700,000	71,407,000	72,121,070
Total Revenues	227,556,250	254,534,986	288,809,414	280,933,929	286,629,154	292,462,345	298,437,436
Expenditures							
Salaries & Wages	59,105,338	65,071,734	68,366,881	72,468,894	76,817,028	81,426,050	86,311,613
Personnel Benefits	34,883,023	39,161,752	40,009,167	42,409,717	44,954,300	47,651,558	50,510,651
Supplies, Equip & Misc	5,997,009	8,369,692	7,167,379	7,454,074	7,752,237	8,062,326	8,384,819
Services & Charges	54,080,676	60,438,565	70,204,478	73,012,657	75,933,163	78,970,490	82,129,310
Capital Outlays	25,277,940	59,175,769	70,629,061	74,160,514	77,868,540	81,761,967	85,850,065
Debt Service	17,012,811	9,232,318	9,079,440	10,761,029	10,976,250	11,195,775	11,419,691
Transfers	13,497,114	15,493,868	28,212,706	28,776,960	29,352,499	29,939,549	30,538,340
Total Expenditures	209,853,911	256,943,698	293,669,112	309,043,845	323,654,017	339,007,715	355,144,489
Est End Fund Balance	\$118,758,709	\$116,349,997	\$111,490,300	\$ 83,380,384	\$ 46,355,521	\$ (189,849)	\$ (56,896,902)
Policy Rsv Amt - 16.7%	\$ 35,045,603	\$ 42,909,598	\$ 49,042,742	\$ 51,610,322	\$ 54,050,221	\$ 56,614,288	\$ 59,309,130
Net Fund Balance	\$ 83,713,106	\$ 73,440,399	\$ 62,447,558	\$ 31,770,062	\$ (7,694,700)	\$ (56,804,137)	\$ (116,206,032)

- Revenue projections provide for a conservative growth of 2%, except for Sales Tax, which is shown at 4%. In 2022 the Fines/Forfeitures,/Transfers and Miscellaneous revenue projection includes \$15.0 million in debt proceeds, consequently, 2023 projection is a historical average of the previous 4 years, and then 1% growth for 2024-2026.
- Salaries and benefits are projected at 6% growth to provide for labor contract agreements.
- Supplies, services and intergovernmental have a growth factor of 4%.
- Capital outlay, projected at 5% growth, provides for a systematic methodology to replace and repair City buildings, vehicles and other equipment in a timely manner. Funds budgeted for the previous year and not spent are brought forward to the next year.
- Debt Service is projected at an additional \$1.5 million planned debt in 2023, and 2% growth from 2024 - 2026.
- Transfers-out to other funds are projected at 2%.

The schedule above begins to show a deficit after meeting ending fund balance requirements and reserve policy at the end of 2024. This is attributable to operational costs growing at a higher percent than revenue growth. Without a levy lid lift, property tax growth of 1% plus new construction is not sufficient to maintain existing services. It is important to review alternative revenue sources and monitor expenditures closely.

The following two charts compare the 2021 projected year-end estimate and preliminary proposed 2022 budget by fund groupings. The first chart showing expenditures and the second chart showing revenues.

2021 VS. 2022
EXPENDITURE BUDGET COMPARISON

	2021	2022	2021 vs. 2022
	Year-End	Proposed	Budget
	Estimate	Expenditures	% Change
General Fund	\$ 66,850,401	\$ 69,951,160	4.6%
Parks	5,574,682	6,240,392	11.9%
Streets & Traffic	6,287,622	6,518,584	3.7%
General Government Total	78,712,705	82,710,136	5.1%
Other Governmental Operating Funds	24,170,419	18,831,776	(22.1)%
Government Capital Funds	31,491,871	29,785,352	(5.4)%
Enterprise Operating Funds	62,670,040	74,692,023	19.2%
Enterprise Capital Funds	21,346,449	49,407,226	131.5%
Internal Service Funds	9,503,980	8,652,271	(9.0)%
Employee Benefit Reserves	16,724,961	16,935,080	1.3%
Risk Management Reserve	5,140,960	5,554,763	8.0%
Debt Service & Agency Funds	7,182,312	7,100,485	(1.1)%
Total - Citywide Budget	<u>\$ 256,943,698</u>	<u>\$ 293,669,112</u>	14.3%

2021 VS. 2022
REVENUE BUDGET COMPARISON

	2021	2022	2021 vs. 2022
	Year-End	Proposed	Budget
	Estimate	Revenue	% Change
General Fund	\$ 67,696,532	\$ 69,469,377	2.6%
Parks	5,428,200	5,565,769	2.5%
Streets & Traffic	6,506,149	6,478,808	(0.4)%
General Government Total	79,630,881	81,513,954	2.4%
Other Governmental Operating Funds	31,460,793	29,267,731	(7.0)%
Government Capital Funds	23,472,896	34,512,287	47.0%
Enterprise Operating Funds	62,496,689	67,345,914	7.8%
Enterprise Capital Funds	20,435,573	35,539,541	73.9%
Internal Service Funds	8,391,259	10,002,954	19.2%
Employee Benefit Reserves	16,293,711	17,700,231	8.6%
Risk Management Reserve	5,229,871	5,826,575	11.4%
Debt Service & Agency Funds	7,123,313	7,100,227	(0.3)%
Total - Citywide Budget	<u>\$ 254,534,986</u>	<u>\$ 288,809,414</u>	13.5%



SUMMARY OF APPROPRIATIONS

City of Yakima
Annual Budget - 2022

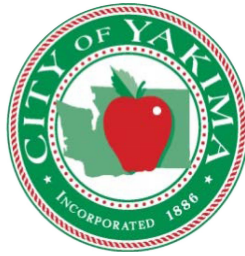
Schedule A SUMMARY OF APPROPRIATIONS BY FUND

Fund/Description	2022	2022	2022	2022	Inc in	% of
	Est Beg Fund Balance	Projected Revenues	Budget Approp.	Est End Fund Balance	(Dec in) Reserves	
001 General Fund	\$ 11,742,691	\$ 65,454,048	\$ 65,934,703	\$ 11,262,036	\$ (480,655)	22.5 %
003 General Fund - Criminal Justice	853,049	2,972,000	2,982,205	842,844	(10,205)	1.0 %
612 General Fund - Fire Relief & Pension	1,545,989	1,043,329	1,034,252	1,555,066	9,077	0.4 %
123 Economic Development	53,014	—	—	53,014	—	— %
124 Community Development	3,310,094	1,641,453	1,630,269	3,321,278	11,184	0.6 %
125 Community Relations	830,284	675,252	791,329	714,207	(116,077)	0.3 %
131 Parks & Recreation	913,962	5,565,769	6,240,392	239,339	(674,623)	2.1 %
136 Clean City Fund	17,251	820,430	818,662	19,019	1,768	0.3 %
141 Streets & Traffic	1,133,950	6,478,808	6,518,584	1,094,174	(39,776)	2.2 %
142 Arterial Street	1,651,933	5,978,710	5,791,345	1,839,298	187,365	2.0 %
144 Cemetery	139,817	362,500	364,894	137,423	(2,394)	0.1 %
150 Emergency Services	111,889	1,620,404	1,593,182	139,111	27,222	0.5 %
151 Public Safety Communications	247,894	2,554,697	2,605,919	196,672	(51,222)	0.9 %
152 Police Grants	931,531	328,105	390,170	869,466	(62,065)	0.1 %
153 Public Safety Comm - Crim Just 0.3%	331,060	215,000	215,711	330,349	(711)	0.1 %
154 Public Safety Comm - Dispatch	342,398	2,026,929	2,099,575	269,752	(72,646)	0.7 %
161 Downtown Yakima Impr District	79,309	185,750	184,300	80,759	1,450	0.1 %
162 Trolley	40,913	11,275	9,400	42,788	1,875	— %
163 Front St Business Improvement Area	4,278	3,700	3,700	4,278	—	— %
170 Tourist Promotion (Conv Ctr)	356,490	2,109,875	2,045,236	421,129	64,639	0.7 %
171 Capitol Theatre	30,198	407,211	437,038	371	(29,827)	0.1 %
172 PFD Rev - Convention Center	1,154,216	1,110,000	1,216,121	1,048,095	(106,121)	0.4 %
173 Tourist Promotion Area	46,881	1,175,400	1,181,373	40,908	(5,973)	0.4 %
174 PFD Rev - Capitol Theatre	539,713	1,019,750	683,391	876,072	336,359	0.2 %
180 ARPA Fiscal Recovery Fund	4,188,076	13,000,000	2,561,507	14,626,569	10,438,493	0.9 %
272 PFD Debt Service	158,154	1,401,788	1,402,046	157,896	(258)	0.5 %
281 Misc LTGO Bonds	17,239	3,216,822	3,216,822	17,239	—	1.1 %
303 Law & Justice Capital 0.3%	481,675	120,000	120,000	481,675	—	— %
321 C.B.D. Capital Improvement	51,959	—	—	51,959	—	— %
322 Capitol Theatre Construction	73,024	60,000	—	133,024	60,000	— %
323 Yakima Revenue Development Area	89,280	9,400,000	6,724,249	2,765,031	2,675,751	2.3 %
331 Parks & Recreation Capital	269,803	766,049	860,782	175,070	(94,733)	0.3 %
332 Fire Capital	370,445	138,000	80,000	428,445	58,000	— %
333 Law & Justice Capital	693,377	254,444	654,194	293,627	(399,750)	0.2 %

Fund/Description	2022			2022		
	Est Beg	2022	2022	Est End	Inc in	% of
	Fund	Projected	Budget	Fund	(Dec in)	% of
	Balance	Revenues	Approp.	Balance	Reserves	Budget
342 REET 1	3,033,495	1,676,448	4,645,933	64,010	(2,969,485)	1.6 %
343 REET 2	1,305,700	1,592,000	2,225,419	672,281	(633,419)	0.8 %
344 Streets Capital	2,508,890	14,257,522	8,189,665	8,576,747	6,067,857	2.8 %
370 Convention Center Cap Impr	950,504	269,114	493,764	725,854	(224,650)	0.2 %
392 Cumulative Reserve - Capital Impr	232,195	—	—	232,195	—	— %
421 Airport Operating	1,297,633	2,142,961	2,096,349	1,344,245	46,612	0.7 %
422 Airport FAA	183,187	3,755,500	3,380,500	558,187	375,000	1.2 %
441 Stormwater Operating	1,457,286	4,064,410	4,880,079	641,617	(815,669)	1.7 %
442 Stormwater Capital	3,115,475	2,067,000	4,074,874	1,107,601	(2,007,874)	1.4 %
462 Transit Operating	7,255,678	13,882,245	13,471,975	7,665,948	410,270	4.6 %
464 Transit Capital	8,073,363	4,050,650	3,311,394	8,812,619	739,256	1.1 %
471 Refuse	2,683,292	8,999,200	8,896,291	2,786,201	102,909	3.0 %
472 Wastewater Capital - Facilities	4,892,180	1,000,000	2,500,000	3,392,180	(1,500,000)	0.9 %
473 Wastewater Operating	10,075,577	24,384,398	29,724,912	4,735,063	(5,340,514)	10.1 %
474 Water Operating	5,425,516	11,825,000	13,266,421	3,984,095	(1,441,421)	4.5 %
475 Irrigation Operating	1,398,488	2,047,700	2,355,997	1,090,191	(308,297)	0.8 %
476 Wastewater Capital - Construction	2,612,569	7,967,000	9,743,883	835,686	(1,776,883)	3.3 %
477 Water Capital	3,142,343	3,562,000	5,601,885	1,102,458	(2,039,885)	1.9 %
478 Wastewater Capital - Projects	5,495,521	1,000,000	4,116,282	2,379,239	(3,116,282)	1.4 %
479 Irrigation Capital	4,672,098	12,137,391	16,678,407	131,082	(4,541,016)	5.7 %
488 2008 Wastewater Bond	12,485	382,400	382,400	12,485	—	0.1 %
491 2004 Irrigation Bond	27,914	272,150	272,150	27,914	—	0.1 %
493 2003 Wastewater Bond	1,599,415	1,162,800	1,162,800	1,599,415	—	0.4 %
512 Unemployment Comp	344,059	241,333	213,820	371,572	27,513	0.1 %
513 Employee Health Benefit Reserve	4,112,910	15,380,915	14,464,914	5,028,911	916,001	4.9 %
514 Workers' Compensation Reserve	730,508	2,002,983	2,189,446	544,045	(186,463)	0.7 %
515 Risk Management Reserve	3,555,419	5,826,575	5,554,763	3,827,231	271,812	1.9 %
516 Wellness/EAP	117,490	75,000	66,900	125,590	8,100	— %
551 Equipment Rental/Reserves (552)	1,787,243	5,696,295	4,215,139	3,268,399	1,481,156	1.4 %
555 Environmental	362,325	422,250	498,294	286,281	(76,044)	0.2 %
560 Public Works Administration	381,118	1,405,343	1,459,772	326,689	(54,429)	0.5 %
581 Utility Services	5,398	2,479,066	2,479,066	5,398	—	0.8 %
632 YakCorps ³	(16,781)	652,267	652,267	(16,781)	—	0.2 %
633 Custodial Fund ⁴	—	—	—	—	—	— %
710 Cemetery Trust	717,668	12,000	12,000	717,668	—	— %
	<u>\$116,349,997</u>	<u>\$288,809,414</u>	<u>\$293,669,112</u>	<u>\$111,490,299</u>	<u>\$ (4,859,698)</u>	100.0 %
Total Budget	<u>\$405,159,411</u>		<u>\$405,159,411</u>			

³ The negative ending fund balance in Fund 632 is a result of an accounting change required by Governmental Accounting Standards Board (GASB). A journal entry is necessary to reflect the adjusted beginning and ending fund balance.

⁴ The Custodial Fund (633), was approved by City Council on November 16, 2021 to account for the resources that are held by the City of Yakima in a purely custodial capacity. This fund will allow for separate accountability of fiduciary custodial transactions as required by Governmental Accounting Standards Board (GASB) Statement 84. Items required to be in this fund will be moved by journal entry at the end of the year, and will not affect revenue or appropriation totals.



**PRELIMINARY ADOPTED BUDGET
BY FUNCTIONAL GROUPING**

Department directors and managers take part in continuous review of 2021 (current-year) budget-to-actual expense management, 2021 year-end estimates and 2022 proposed budget figures.

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 to monitor that the underlying funding is being received as budgeted.

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. Due to rounding, some totals in these charts may not correspond exactly with the sums in previous charts within this document.

NOTE: Amended budget is subject to change due to 4th Quarter budget amendments that are pending Council approval.

	2020	2021	2021	2022	2022
	Actual	Amended	Year-End	Proposed	vs 2021
Expenditures	Expenditures	Budget	Estimate	Expenditures	Est
General Government (001/003/612)					
City Management	\$ 2,446,242	\$ 1,097,550	\$ 765,550	\$ 773,420	1.0 %
Indigent Defense	1,078,094	1,050,000	1,050,000	1,100,000	4.8 %
City Council	127,494	284,786	266,858	284,804	6.7 %
Clean City Fund ¹	243,350	91,399	—	—	n/a
City Clerk/Records	366,023	791,632	791,632	685,847	(13.4)%
Human Resources	493,023	818,769	805,069	855,521	6.3 %
Legal	1,720,293	2,057,127	1,968,364	2,192,864	11.4 %
Municipal Court	1,642,758	1,763,503	1,762,323	1,824,344	3.5 %
Planning	815,926	796,695	796,695	796,804	— %
Code Administration	1,813,871	1,958,326	1,955,726	2,023,085	3.4 %
City Hall Facility	359,230	435,460	345,627	483,711	40.0 %
Economic Development	152,223	342,145	465,389	593,261	27.5 %
Police	28,555,011	30,571,418	30,316,460	31,565,791	4.1 %
Fire	15,650,247	15,742,516	16,044,876	16,226,271	1.1 %
Information Technology	2,739,420	4,371,084	4,342,429	4,195,854	(3.4)%
Intergovernmental	236,474	170,288	143,638	106,261	(26.0)%
Transfers	2,117,457	2,212,053	2,212,053	3,876,705	75.3 %
City Service Reimbursement	—	—	(3,421,923)	(3,660,375)	7.0 %
Financial Services	1,278,140	2,515,279	2,515,279	2,753,052	9.5 %
Police Pension	730,654	872,197	872,197	700,130	(19.7)%
Firemen's Relief & Pension	1,180,451	1,176,390	1,176,390	1,034,252	(12.1)%
Parking	222,036	275,239	273,489	101,986	(62.7)%
Purchasing	237,338	447,309	447,309	449,893	0.6 %
Engineering	735,620	955,317	954,969	987,677	3.4 %
Total General Fund	64,941,375	70,796,482	66,850,399	69,951,158	4.6 %
Parks & Recreation	4,449,770	5,861,436	5,574,682	6,240,392	11.9 %
Street & Traffic Operations	7,337,581	6,352,464	6,287,622	6,518,584	3.7 %
Total General Government Funds	\$ 76,728,726	\$ 83,010,382	\$ 78,712,703	\$ 82,710,134	5.1 %

¹ In 2021, the Clean City Program was moved to its own fund (136). Any expenditures showing within the General Fund in 2021 will be moved by journal entry as needed.

	2022 Projected Revenue	2022 Estimated		Increase (Decrease) In Fund Balance
		Beginning Fund Balance	Ending Fund Balance	
Revenues				
General Fund	\$ 69,469,377	\$ 14,141,728	\$ 13,659,945	\$ (481,783)
Parks & Recreation	5,565,769	913,962	239,339	(674,623)
Street & Traffic Operations	6,478,808	1,133,950	1,094,174	(39,776)
Total General Government Funds	\$ 81,513,954	\$ 16,189,640	\$ 14,993,458	\$ (1,196,182)

	2020	2021	2021	2022	2022
	Actual	Amended	Year-End	Proposed	vs 2021
Expenditures	Expenditures	Budget	Estimate	Expenditures	Est
Other Governmental Operating Funds					
Economic Development	\$ 110,750	\$ —	\$ —	\$ —	n/a
Community Development	2,016,187	7,518,654	2,422,169	1,630,269	(32.7)%
Community Relations	656,738	777,084	747,083	791,329	5.9 %
Clean City Fund ²	—	349,609	349,609	818,662	134.2 %
Cemetery	314,484	333,823	330,910	364,894	10.3 %
Emergency Services	1,567,571	1,545,544	1,545,544	1,593,182	3.1 %
Public Safety Comm/CJ 0.3% (151/153)	2,476,180	2,767,604	2,767,504	2,821,630	2.0 %
Public Safety Communications Dispatch	1,918,683	2,038,191	2,031,123	2,099,575	3.4 %
Police Grants	469,808	946,013	886,986	390,170	(56.0)%
Downtown Improvement District	165,499	184,750	182,250	184,300	1.1 %
Trolley (Yakima Interurban Lines)	12,667	15,463	17,085	9,400	(45.0)%
Front St Business Improvement Area	3,315	5,100	3,700	3,700	— %
Tourist Promotion (Conv Ctr)	1,008,885	1,750,465	1,161,215	2,045,236	76.1 %
Capitol Theatre	437,851	472,212	472,212	437,038	(7.4)%
PFD Revenue-Convention Center	1,040,989	1,165,162	1,165,162	1,216,121	4.4 %
Tourist Promotion Area	428,049	507,440	507,440	1,181,373	132.8 %
PFD Revenue-Capitol Theatre	996,057	670,761	670,761	683,391	1.9 %
ARPA Fiscal Recovery Fund ³	—	6,755,760	8,909,664	2,561,507	(71.3)%
Total Other Governmental Operating Funds	\$ 13,623,713	\$ 27,803,635	\$ 24,170,417	\$ 18,831,777	(22.1)%
Government Capital Funds					
Arterial Street	\$ 1,556,077	\$ 9,168,008	\$ 5,941,897	\$ 5,791,345	(2.5)%
C.B.D. Capital Improvement ⁴	—	34,492	33,221	—	(100.0)%
Capitol Theatre Construction	1,247	505,000	491,746	—	(100.0)%
Yakima Rev Development Area	2,743,384	12,320,788	11,954,356	6,724,249	(43.8)%
Parks & Recreation Capital	1,148,548	153,958	161,453	860,782	433.1 %
Fire Capital	262,759	1,760,000	146,499	80,000	(45.4)%
Law & Justice Capital/CJ 0.3% (303/333)	370,886	5,070,763	415,003	774,194	86.6 %
Public Works Trust Construction	926,560	2,172,392	2,172,392	4,645,933	113.9 %
REET 2 Capital Construction	860,470	2,275,739	2,275,739	2,225,419	(2.2)%
Street Capital Fund	334,676	3,590,707	3,306,848	8,189,665	147.7 %
Convention Center Capital Improvement	8,644,764	4,361,257	4,361,257	493,764	(88.7)%
Cumulative Reserve for Capital Improvement	173,846	231,460	231,460	—	(100.0)%
Total Government Capital Funds	\$ 17,023,217	\$ 41,644,564	\$ 31,491,871	\$ 29,785,351	(5.4)%

² The Clean City Fund was created mid-year 2021 for the purpose of segregating revenues received from the utility tax increase on waste systems' commercial refuse collection and the expenditures incurred to meet program objectives.

³ The ARPA Fiscal Recovery Fund was created mid-year 2021 for the purpose of segregating revenues received through and the expenditures eligible under the American Rescue Plan Act (ARPA).

⁴ The Central Business District (CBD) Capital Improvement fund was used for the development and ongoing implementation of capital funding programs designed to benefit Yakima's Central Business District. The last major project budgeted in this fund in 2018 was the design and construction of a new downtown plaza, however, in November of 2018, the City Council - following an advisory vote by City of Yakima voters that rejected the project - voted not to continue with the construction of the Plaza.

Revenues	2022 Projected Revenue	2022 Estimated		Increase (Decrease) In Fund Balance
		Beginning Fund Balance	Ending Fund Balance	
Other Governmental Operating Funds				
Economic Development ⁵	\$ —	\$ 53,014	\$ 53,014	\$ —
Community Development	1,641,453	3,310,094	3,321,278	11,184
Community Relations	675,252	830,284	714,207	(116,077)
Clean City Fund	820,430	17,251	19,020	1,769
Cemetery	362,500	139,817	137,424	(2,393)
Emergency Services	1,620,404	111,889	139,111	27,222
Public Safety Comm/CJ 0.3% (151/153)	2,769,697	578,954	527,021	(51,933)
Public Safety Communications Dispatch	2,026,929	342,398	269,752	
Police Grants	328,105	931,531	869,466	(62,065)
Downtown Improvement District	185,750	79,309	80,759	1,450
Trolley (Yakima Interurban Lines)	11,275	40,913	42,788	1,875
Front St Business Impr Area	3,700	4,278	4,278	—
Tourist Promotion (Conv Ctr)	2,109,875	356,490	421,129	64,639
Capitol Theatre	407,211	30,198	370	(29,828)
PFD Revenue-Convention Center	1,110,000	1,154,216	1,048,095	(106,121)
Tourist Promotion Area	1,175,400	46,881	40,909	(5,972)
PFD Revenue-Capitol Theatre	1,019,750	539,713	876,071	336,358
ARPA Fiscal Recovery Fund	13,000,000	4,188,076	14,626,569	10,438,493
Total Other Governmental Operating Funds	\$ 29,267,731	\$ 12,755,306	\$ 23,191,261	\$ 10,508,601
Government Capital Funds				
Arterial Street	\$ 5,978,710	\$ 1,651,933	\$ 1,839,297	\$ 187,364
C.B.D. Capital Improvement	—	51,959	51,959	—
Capitol Theatre Construction	60,000	73,024	133,024	60,000
Yakima Rev Development Area	9,400,000	89,280	2,765,030	2,675,750
Parks & Recreation Capital	766,049	269,803	175,069	(94,734)
Fire Capital	138,000	370,445	428,445	58,000
Law & Justice Capital/CJ 0.3% (303/333)	374,444	1,175,053	775,303	(399,750)
Public Works Trust Construction	1,676,448	3,033,495	64,010	(2,969,485)
REET 2 Capital Construction	1,592,000	1,305,700	672,281	(633,419)
Street Capital Fund	14,257,522	2,508,890	8,576,747	6,067,857
Convention Center Capital Improvement	269,114	950,504	725,854	(224,650)
Cumulative Reserve for Capital Improvement	—	232,195	232,195	—
Total Government Capital Funds	\$ 34,512,287	\$ 11,712,281	\$ 16,439,214	\$ 4,726,933

⁵ The General Fund function - Economic Development (123) and the Economic Development Fund (250) were merged into one at the end of 2020. Management will determine how to retire the fund balance.

	2020 Actual Expenditures	2021 Amended Budget	2021 Year-End Estimate	2022 Proposed Expenditures	2022 vs 2021 Est
Expenditures					
Enterprise Operating Funds					
Airport Operating Fund	\$ 1,447,562	\$ 2,392,171	\$ 2,203,371	\$ 2,096,349	(4.9)%
Stormwater Operating	3,658,532	4,280,045	4,204,073	4,880,079	16.1 %
Transit	7,767,667	14,214,801	10,030,505	13,471,975	34.3 %
Refuse	7,665,253	8,123,704	8,379,149	8,896,291	6.2 %
Wastewater Operating	20,696,748	25,527,400	25,185,146	29,724,912	18.0 %
Water Operating	9,412,511	10,809,130	10,764,780	13,266,421	23.2 %
Irrigation Operating	1,808,173	1,932,974	1,903,016	2,355,997	23.8 %
Utility Services ⁶	2,068,905	—	—	—	n/a
Total Enterprise Operating Funds	\$ 54,525,351	\$ 67,280,225	\$ 62,670,040	\$ 74,692,024	19.2 %
Enterprise Capital Funds					
Airport FAA	\$ 1,645,036	\$ 4,755,521	\$ 3,838,529	\$ 3,380,500	(11.9)%
Stormwater Capital	1,282,811	6,133,710	2,221,865	4,074,874	83.4 %
Transit Capital Reserve	40,203	3,034,015	70,826	3,311,394	n/a
Wastewater Facilities Capital Reserve	439,712	2,773,942	657,880	2,500,000	280.0 %
Wastewater Construction	3,745,608	4,701,673	3,510,427	9,743,883	177.6 %
Water Capital	408,374	6,104,183	4,272,383	5,601,885	31.1 %
Wastewater Capital	577,328	3,512,974	1,501,945	4,116,282	174.1 %
Irrigation Capital	1,549,984	6,572,951	5,272,594	16,678,407	216.3 %
Total Enterprise Capital Funds	\$ 9,689,056	\$ 37,588,969	\$ 21,346,449	\$ 49,407,225	131.5 %
Internal Service Funds					
Equipment Rental/Reserves (551/552)	\$ 3,880,644	\$ 5,043,416	\$ 4,696,703	\$ 4,215,139	(10.3)%
Environmental Fund	196,576	944,819	916,467	498,294	(45.6)%
Public Works Administration	1,600,625	1,376,932	1,365,897	1,459,772	6.9 %
Utility Services ⁶	—	2,545,613	2,524,913	2,479,066	(1.8)%
Total Internal Service Funds	\$ 5,677,845	\$ 9,910,780	\$ 9,503,980	\$ 8,652,271	(9.0)%
Employee Benefit Reserves					
Unemployment Compensation	\$ 168,434	\$ 195,171	\$ 192,421	\$ 213,820	11.1 %
Employees Health Benefit	12,349,034	13,941,681	14,236,281	14,464,914	1.6 %
Workers' Compensation	1,605,871	2,229,310	2,229,360	2,189,446	(1.8)%
Wellness/EAP Fund	38,198	66,900	66,900	66,900	— %
Total Employee Benefit Reserves	\$ 14,161,537	\$ 16,433,062	\$ 16,724,962	\$ 16,935,080	1.3 %
Risk Management Reserve					
Risk Management	\$ 3,652,108	\$ 5,688,793	\$ 5,140,960	\$ 5,554,763	8.0 %
Total Risk Management Reserve	\$ 3,652,108	\$ 5,688,793	\$ 5,140,960	\$ 5,554,763	8.0 %

⁶ Utility Services moved from and Enterprise fund to an Internal Service fund in 2021.

	2022 Projected Revenue	2022 Estimated		Increase (Decrease) In Fund Balance
		Beginning Fund Balance	Ending Fund Balance	
Revenues				
Enterprise Operating Funds				
Airport Operating Fund	\$ 2,142,961	\$ 1,297,633	\$ 1,344,246	\$ 46,613
Stormwater Operating	4,064,410	1,457,286	641,617	(815,669)
Transit	13,882,245	7,255,678	7,665,948	410,270
Refuse	8,999,200	2,683,292	2,786,201	102,909
Wastewater Operating	24,384,398	10,075,577	4,735,063	(5,340,514)
Water Operating	11,825,000	5,425,516	3,984,095	(1,441,421)
Irrigation Operating	2,047,700	1,398,488	1,090,191	(308,297)
Utility Services	—	—	—	—
Total Enterprise Operating Funds	\$ 67,345,914	\$ 29,593,470	\$ 22,247,361	\$ (7,346,109)
Enterprise Capital Funds				
Airport FAA	\$ 3,755,500	\$ 183,187	\$ 558,187	\$ 375,000
Stormwater Capital	2,067,000	3,115,475	1,107,601	(2,007,874)
Transit Capital Reserve	4,050,650	8,073,363	8,812,619	739,256
Wastewater Facilities Capital Reserve	1,000,000	4,892,180	3,392,180	(1,500,000)
Wastewater Construction	7,967,000	2,612,569	835,685	(1,776,884)
Water Capital	3,562,000	3,142,343	1,102,458	(2,039,885)
Wastewater Capital	1,000,000	5,495,521	2,379,240	(3,116,281)
Irrigation Capital	12,137,391	4,672,098	131,082	(4,541,016)
Total Enterprise Capital Funds	\$ 35,539,541	\$ 32,186,736	\$ 18,319,052	\$ (13,867,684)
Internal Service Funds				
Equipment Rental/Reserves (551/552)	\$ 5,696,295	\$ 1,787,243	\$ 3,268,399	\$ 1,481,156
Environmental Fund	422,250	362,325	286,281	(76,044)
Public Works Administration	1,405,343	381,118	326,689	(54,429)
Utility Services	2,479,066	5,398	5,398	—
Total Internal Service Funds	\$ 10,002,954	\$ 2,536,084	\$ 3,886,767	\$ 1,350,683
Employee Benefit Reserves				
Unemployment Compensation	\$ 241,333	\$ 344,059	\$ 371,572	\$ 27,513
Employees Health Benefit	15,380,915	4,112,910	5,028,911	916,001
Workers' Compensation	2,002,983	730,508	544,046	(186,462)
Wellness/EAP Fund	75,000	117,490	125,590	8,100
Total Employee Benefit Reserves	\$ 17,700,231	\$ 5,304,967	\$ 6,070,119	\$ 765,152
Risk Management Reserve				
Risk Management	\$ 5,826,575	\$ 3,555,419	\$ 3,827,231	\$ 271,812
Total Risk Management Reserve	\$ 5,826,575	\$ 3,555,419	\$ 3,827,231	\$ 271,812

	2020 Actual Expenditures	2021 Amended Budget	2021 Year-End Estimate	2022 Proposed Expenditures	2022 vs 2021 Est
Expenditures					
Debt Service					
Public Facility District					
PFD Debt Service	\$ 8,808,718	\$ 1,393,696	\$ 1,393,696	\$ 1,402,046	0.6 %
General Obligation					
Miscellaneous LTGO Bonds	3,843,344	3,666,950	3,294,960	3,216,822	(2.4)%
Utility Bonds					
2008 Wastewater Bond	251,468	386,850	386,850	382,400	(1.2)%
2004 Irrigation Bond	292,427	272,550	272,550	272,150	(0.1)%
2003 Wastewater Bond	1,141,000	1,164,200	1,164,200	1,162,800	(0.1)%
Total Debt Service	14,336,957	6,884,246	6,512,256	6,436,218	(1.2)%
Trust and Agency Funds					
YakCorps Agency Fund	423,403	658,057	658,057	652,267	(0.9)%
Custodial Fund ⁷	—	—	—	—	n/a
Cemetery Trust	12,000	12,000	12,000	12,000	— %
Total Trust and Agency Funds	435,403	670,057	670,057	664,267	(0.9)%
Total Debt Service & Agency Funds	\$ 14,772,360	\$ 7,554,303	\$ 7,182,313	\$ 7,100,485	(1.1)%
Total City Budget	\$ 209,853,910	\$ 296,914,714	\$ 256,943,698	\$ 293,669,112	14.3 %

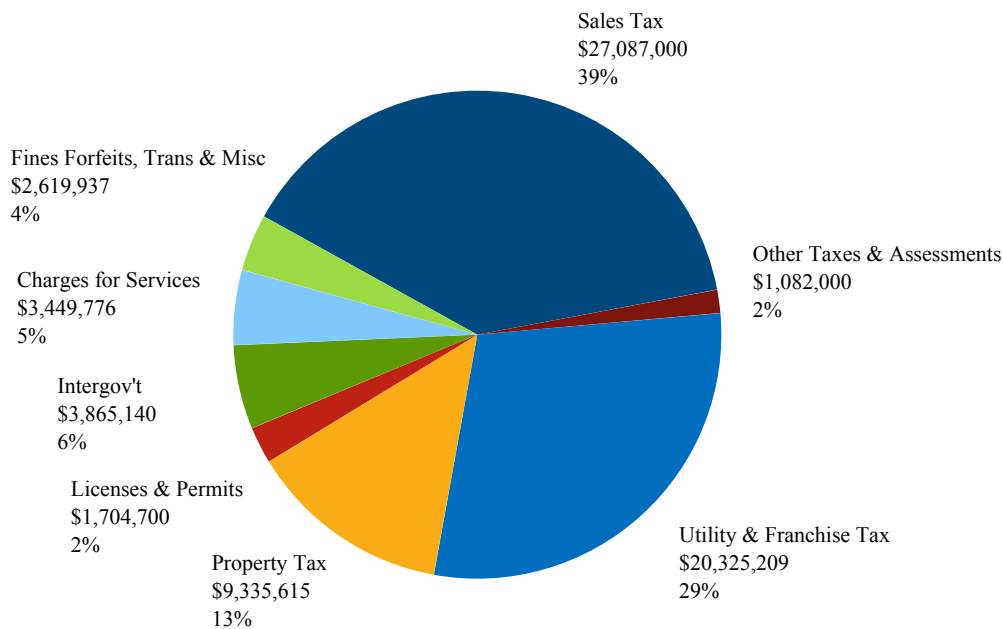
⁷ The Custodial Fund, required by GASB 84, was approved by City Council on November 16, 2021. Items required to be in this fund will be moved by journal entry at the end of the year. This should not affect totals.

	2022 Projected Revenue	2022 Estimated		Increase (Decrease) In Fund Balance
		Beginning Fund Balance	Ending Fund Balance	
Revenues				
Debt Service				
Public Facility District				
PFD Debt Service	\$ 1,401,788	\$ 158,154	\$ 157,897	\$ (257)
General Obligation				
Miscellaneous LTGO Bonds	3,216,822	17,239	17,239	—
Utility Bonds				
2008 Wastewater Bond	382,400	12,485	12,485	—
2004 Irrigation Bond	272,150	27,914	27,914	—
2003 Wastewater Bond	1,162,800	1,599,415	1,599,415	—
Total Debt Service	6,435,960	1,815,207	1,814,950	(257)
Trust and Agency Funds				
YakCorps Agency Fund ⁸	652,267	(16,781)	(16,781)	—
Custodial Fund	—	—	—	—
Cemetery Trust	12,000	717,668	717,668	—
Total Trust and Agency Funds	664,267	700,887	700,887	—
Total Debt Service & Agency Funds	\$ 7,100,227	\$ 2,516,094	\$ 2,515,837	\$ (257)
Total City Budget	\$ 288,809,414	\$ 116,349,997	\$ 111,490,301	\$ (4,859,696)

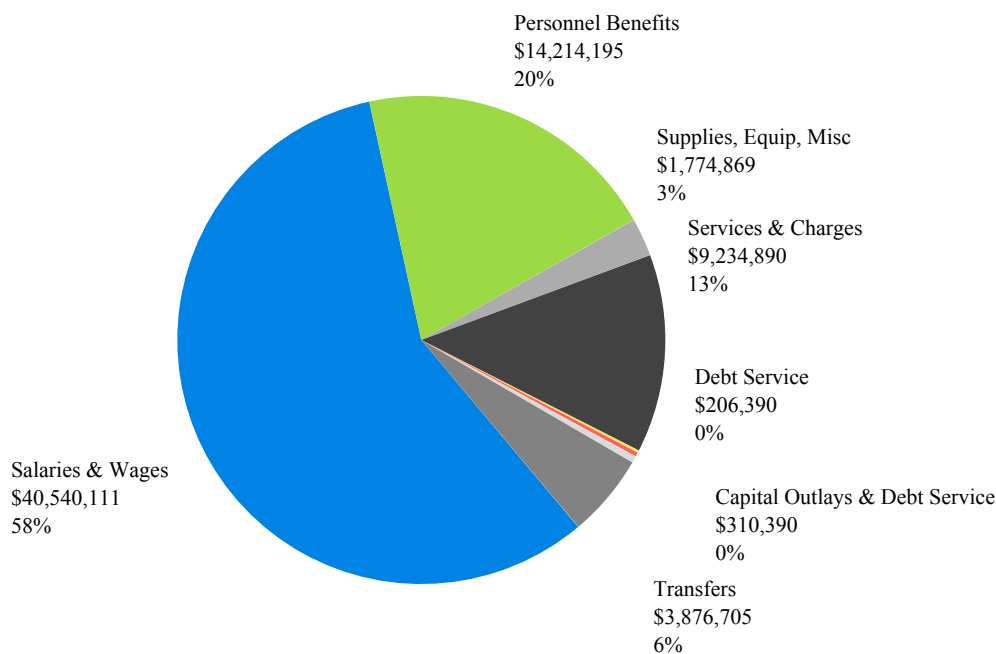
⁸ The negative ending fund balance in the YakCorps Agency Fund is a result of an accounting change required by Governmental Accounting Standards Board (GASB). A journal entry is necessary to reflect the adjusted beginning and ending fund balance.



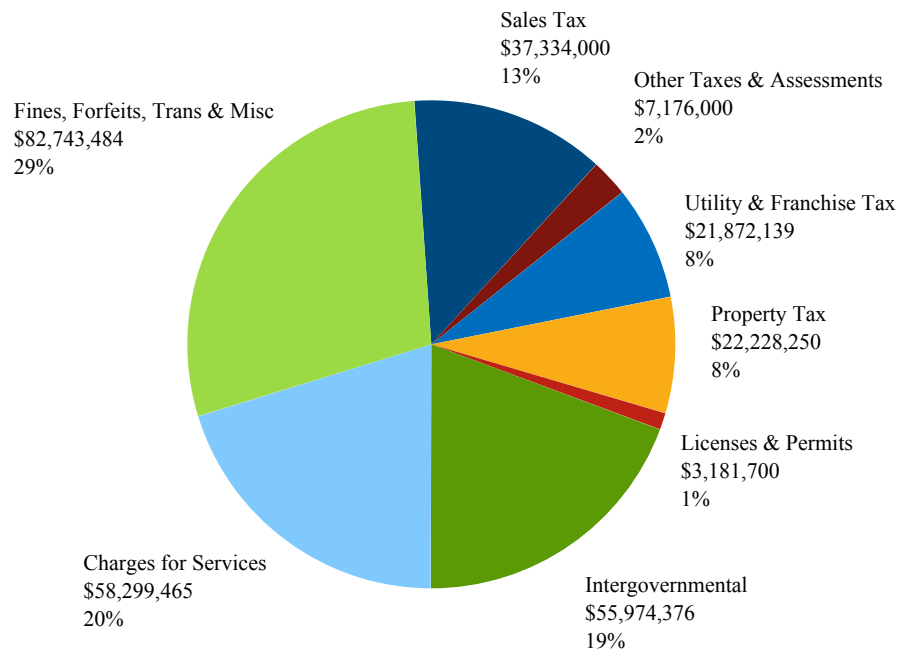
2022 GENERAL FUND REVENUE
\$69,469,377



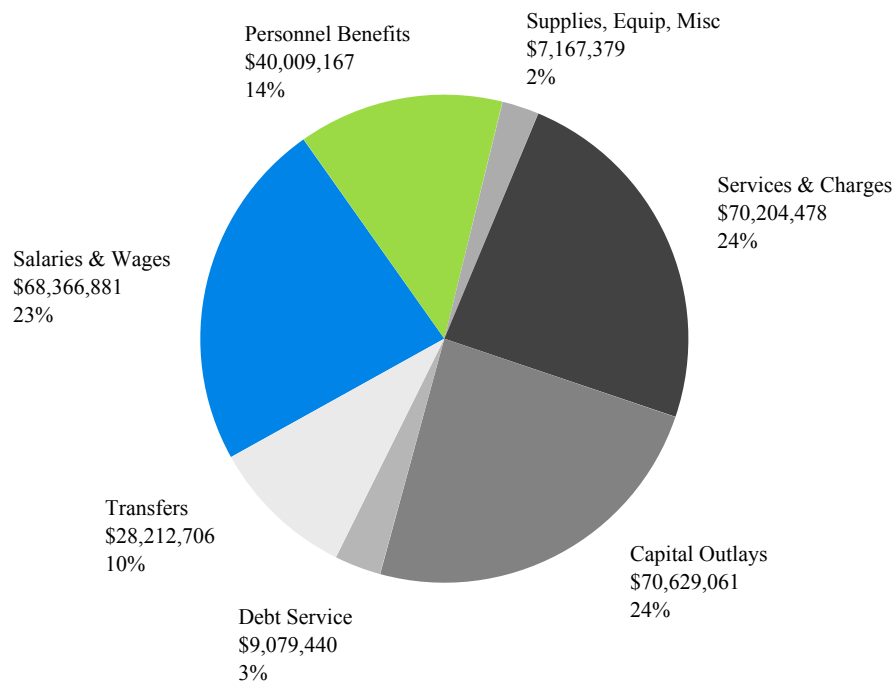
2022 GENERAL FUND EXPENDITURES
\$69,951,160



2022 CITYWIDE REVENUE
\$288,809,414



2022 CITYWIDE EXPENDITURES
\$293,669,112



2022 REVENUES BY SOURCE

	General Fund	% of Total		City-wide	% of Total
Sales Tax	\$ 27,087,000	39 %		\$ 37,334,000	13 %
Utility & Franchise Taxes	20,325,209	29 %		21,872,139	8 %
Property Tax	9,335,615	13 %		22,228,250	8 %
Charges for Services	3,449,776	5 %		58,299,465	20 %
Intergovernmental Revenues	3,865,140	6 %		55,974,376	19 %
Other Taxes & Assessments	1,082,000	2 %		7,176,000	2 %
Licenses and Permits	1,704,700	2 %		3,181,700	1 %
Fines and Forfeitures	1,418,000	2 %		1,518,000	1 %
Transfers	—	— %		28,212,706	10 %
Miscellaneous Revenue	1,201,937	2 %		53,012,777	18 %
	<u>\$ 69,469,377</u>			<u>\$ 288,809,413</u>	

2022 EXPENDITURES BY CATEGORY

	General Fund	% of Total		City-wide	% of Total
Transfers	\$ 3,876,705	6 %		\$ 28,212,706	10 %
Salaries & Wages	40,540,111	58 %		68,366,881	23 %
Personnel Benefits	14,214,195	20 %		40,009,167	14 %
Operating Supplies	1,774,869	3 %		7,167,379	2 %
Professional Services	9,234,890	13 %		70,204,478	24 %
Capital Outlays	104,000	— %		70,629,061	24 %
Debt Service	206,390	— %		9,079,440	3 %
	<u>\$ 69,951,160</u>			<u>\$ 293,669,112</u>	

