



2026 Proposed Mid-Biennial Budget



Yakima Farmers Market





CITY OF *Yakima*

2026 PROPOSED PRELIMINARY BUDGET

TABLE OF CONTENTS

	<u>Page</u>
<u>Introduction</u>	<u>1</u>
<u>City-Wide Summary</u>	<u>4</u>
<u>Revenues</u>	<u>5</u>
<u>Expenditures</u>	<u>14</u>
<u>Debt Summary</u>	<u>18</u>
<u>General Fund</u>	<u>20</u>
<u>Cut Package Comparison</u>	<u>23</u>
<u>Budget by Functional Group</u>	<u>24</u>



INTRODUCTION



CITY OF *Yakima*

2026 PROPOSED MID-BIENNIAL BUDGET

State law requires cities to have a balanced budget each year - expenses cannot exceed available resources (revenues plus unspent reserves). This Proposed Mid-Biennial Budget is designed to aid the City of Yakima citizens and City Council to understand the revenue and expenditure forecast and its impact on the City's financial reserves in the second year of the biennial budget process, and ensure that city service delivery and infrastructure maintenance, across many funds, is focused on long-term fiscal sustainability.

Budget Process

The City of Yakima adopts a two-year budget called a biennial budget every other year and makes amendments to the budget as the years progress based on updated information and projections. The City adopted their 2025-2026 Biennial Budget plan on December 17, 2024.

The 2026 Proposed Mid-Biennial Budget document, inclusive of review materials, discusses the basic budget process and priorities, any changes to the adopted 2026 budget framework, the current issues with creating the budget, and the changes the City of Yakima is proposing for the 2026 amended budget.

Department directors and managers conduct a continuous review of ongoing current year budget-to-actual expense management in order to formulate year-end estimates and project proposed budget figures based on known circumstances that pertain to each program/fund. Finance staff meets with department heads regularly, and informs both the public and city council through quarterly financial reports of the state of the City's finances.

Any changes made to the 2025 budget during the budget year require a budget amendment approved by City Council. These budget amendments are generally done on a quarterly basis. The goals of the 2025 - 2026 Budget remain the same:

1. Achieve a balanced budget in every fund.
2. Assure prioritized services citywide.
3. Preserve General Fund's reserve policy.
4. A 5-year capital budget, developed for all funds, including projects within the General Fund.

The [Capital Budget](#) document, available on the City website, provides a long-range view of current and planned infrastructure and capital expenditures.

Strategic Priorities

The current budget process began with strategic planning. The strategic priorities of Yakima's City Council for the 2025 - 2026 budget biennium are outlined below:

1. A Safe & Healthy Yakima.
2. A Resilient Yakima.
3. A Thriving Yakima.
4. An Engaged Yakima.

Mid-Year 2025 and 2026 Major Changes

- Added Fund 133 Aquatic Facilities. This fund was added on February 4, 2025 for operational expenses associated with City aquatic facilities using the 5% In-Lieu Stormwater increase approved on November 26, 2024.
- Added Fund 155 Opioid Lawsuit. This fund was added on December 3, 2024, to account for Opioid settlement revenue and provide clear tracking of the expenditures of these funds.
- Moved Police Relief and Pension from a function within General Fund, to its own Fund (613). This fund was created on December 3, 2024 to segregate revenues collected and the expenditures incurred for the Police pension plan.
- Added Fund 184 Lodging Tax. This fund was added on September 16, 2025, to meet the Municipal Code requirement that all proceeds from the local option hotel/motel excise tax be deposited into a separate special revenue fund.
- Added Fund 185 Affordable Housing Sales Tax. This fund was added on September 16, 2025, to segregate revenue and expenditures that are restricted to eligible uses by RCW 82.14.540 for affordable housing.

All charts within this report have been updated for the years previous to 2026 with the changes to the revenues and expenditures, for comparable purposes, for the following changes:

- Property Tax - All property taxes are now deposited in the General Fund (001), and then transferred out to designated funds as directed, in order to better show exactly where these funds go for budgeting purposes.
- Public Safety Sales Tax - These revenues are now shown coming into the General Fund Criminal Justice Fund (003), as separate funds are no longer required, which makes tracking these revenues during budget more streamlined.
- Lodging Tax - Will now be deposited into a separate fund (184) in order to meet the Municipal Code requirement that all proceeds from the local option hotel/motel excise tax be deposited into a separate special revenue fund. These funds will then be transferred as directed to the corresponding funds as required.

2026 Mid-Biennial Budget Challenges

With Federal funds diminishing and inflation hitting a 40-year high, the City's demand for services outpaced the revenue growth collected to cover these costs. The General Fund budget adopted by the City for 2026 included a shortfall of approximately \$8.0 million and additional needs beyond what was included in the budget. The City Council already approved a reduction to the General Fund minimum reserves policy from 16.7% to 12.0% to support the one-time use of reserves in 2025 to provide time to reconcile the shortfalls in the 2026 Budget.

In late 2024, the City began the process of getting input from all stakeholders. Elected officials, department heads, and community members were engaged to gather this input. The City conducted public surveys, held town hall community meetings, public speaking engagements and formed a community budget committee, in order to help educate and receive input from the community. A multitude of possible solutions to the shortfall predicted for 2026 for both revenue and expenditure options were discussed.

A budget reduction plan was put together by the City Manager, taking into account programs that were considered optional within the City, and then ranking those items by the information received from the public regarding what programs were most important to them.

City Council determined at their July 24th, 2025 meeting to accept the option of reducing expenditures by \$3.0 million in the 2026 budget, and to authorize the submission of a ballot proposition for a property tax levy lid lift in the amount of \$6.0 million, with voting to be held on November 4, 2025. This option is considered the first reduction package. If the levy lid lift is not passed by voters, the second reduction package, in the amount of \$6.0 million, will then be included in the 2026 Budget. The budget presented within this document includes the \$3.0 million in reductions, and assumes the passage of the \$6.0 million levy lid lift. The \$6.0 million in secondary reductions, if needed, are shown separately.

2026 RESERVE BALANCE SUMMARY

(With Transfers & Police and Fire Pensions included within General Fund)

	2025		2026			
	Projected	% of	Amended	Amended	Ending	% of
	End Balance	Exp	Revenues	Expenditures	Balance	Exp
General Fund ¹	\$ 13,208,026	13.5 %	\$ 97,669,423	\$ 98,177,721	\$ 12,699,728	12.9 %
Parks & Recreation	799,257	13.7 %	5,373,588	5,463,864	708,981	13.0 %
Streets & Traffic	2,867,905	44.6 %	5,919,803	5,982,412	2,805,296	46.9 %
Subtotal General Government	16,875,188	15.3 %	108,962,814	109,623,997	16,214,005	14.8 %
Governmental Operating Funds	12,300,094	47.7 %	21,823,616	21,084,988	13,038,722	61.8 %
Governmental Capital Project Funds	16,466,918	39.3 %	34,762,969	40,215,608	11,014,279	27.4 %
Enterprise Operating Funds	42,317,100	57.1 %	72,793,051	77,770,405	37,339,746	48.0 %
Enterprise Capital Project Funds	29,082,330	59.6 %	31,742,633	34,899,129	25,925,834	74.3 %
Internal Service Funds	3,714,127	27.3 %	11,363,358	11,132,058	3,945,427	35.4 %
Employee Benefit Reserves	7,803,032	38.8 %	21,979,999	20,288,496	9,494,535	46.8 %
Risk Management Reserve	4,912,704	68.3 %	5,582,694	7,855,199	2,640,199	33.6 %
Debt Service, Custodial & Trust Funds	3,271,313	96.6 %	3,372,761	3,847,551	2,796,523	72.7 %
Total Citywide	\$ 136,742,806	39.6 %	\$ 312,383,895	\$ 326,717,431	\$ 122,409,270	37.5 %

Revenue options that are still being considered if needed are:

- Fee Increases - Involves making users of City programs pay for these services by charging increased fees and rates. This option is currently moving forward.
- Public Safety Sales Tax - A 1/10% Sales Tax increase, that can only be used for Criminal Justice purposes and would require approval by Council. This revenue could bring in \$2.7 million but has many requirements to be in place before it can be enacted.
- Utility Tax Increase - A 1% increase would be the equivalent of about \$600 thousand in revenue annually and would require Council approval.
- Regional Fire District - An option that has been discussed several times in the past but would take a great deal of long-term planning and evaluation. This would need to be voter approved so it is not a viable option for 2026.
- Transportation Benefit District - Increasing the tab fee from \$20 to \$40 could bring in an additional \$1.7 million a year, however, this would not help the General Fund and is required to be reserved for future capital transportation needs.

¹ The General Fund within this chart consists of 4 funds: the General Fund (001); the Criminal Justice Fund (003); the Firemen's Relief & Pension (612); and the Police Relief & Pension (613).

CITY-WIDE SUMMARY

Overall, while the Citywide Forecast shows a decreasing trend in fund balance in future years, the decreasing fund balance shown is mainly attributable to capital funding in the form of future grants that have not yet been applied for or authorized at this time.

CITYWIDE FORECAST

	2023	2024	2025	2026	2027	2028	2029
	Actual	Actual	YE Estimate	Amended	Projected	Projected	Projected
Beginning Balance	\$ 133,177,464	\$ 142,435,821	\$ 156,011,692	\$ 136,742,810	\$ 122,409,276	\$ 108,075,662	\$ 93,706,346
Revenues ²							
Sales Tax	40,159,100	39,726,306	40,542,741	40,330,000	41,943,200	43,620,928	45,365,765
Property Tax	22,637,464	24,009,549	24,990,782	31,046,000	31,977,380	32,936,701	33,924,802
Utility Tax	22,992,007	23,005,085	24,948,655	25,329,352	26,089,232	26,871,909	27,678,067
Investment Interest/ Amort	4,569,284	6,186,123	3,670,100	3,470,100	3,574,203	3,681,429	3,791,872
Charges for Services	60,566,917	61,801,216	64,901,085	66,762,705	68,765,586	70,828,554	72,953,410
Intergovernmental	35,929,320	52,858,682	73,193,805	55,148,259	56,802,707	58,506,788	60,261,991
Licenses & Permits	3,396,026	3,355,606	3,835,578	3,939,198	4,057,374	4,179,095	4,304,468
Operating Contributions & Misc	45,434,161	44,955,648	44,233,717	41,095,089	42,327,942	43,597,780	44,905,713
Other Taxes	6,685,164	6,861,983	6,718,088	7,094,500	7,307,335	7,526,555	7,752,352
Transfers	32,857,627	40,343,885	38,712,973	38,168,691	39,313,752	40,493,165	41,707,960
Total Revenues	275,227,070	303,104,083	325,747,524	312,383,894	322,158,711	332,242,904	342,646,400
Expenditures ³							
Salaries & Wages	68,501,170	70,938,603	78,741,428	82,579,313	85,882,485	89,317,784	92,890,496
Personnel Benefits	41,253,607	45,014,697	47,667,659	46,799,655	48,671,641	50,618,507	52,643,247
Supplies, Equip & Resale	9,198,690	8,809,964	10,413,136	10,478,294	10,792,643	11,116,423	11,449,915
Services & Charges	64,213,070	66,867,269	79,390,279	75,146,924	77,401,332	79,723,372	82,115,073
Transfers	32,857,627	40,343,885	36,112,973	38,168,691	38,168,691	38,168,691	38,168,691
Capital Outlays	35,562,565	44,134,564	86,656,718	67,699,384	69,730,366	71,822,276	73,976,945
Custodial Outlays	5,258,805	5,730,559	—	—	—	—	—
Debt Service	9,123,179	7,688,671	6,034,213	5,845,167	5,845,167	5,845,167	5,845,167
Total Expenditures	265,968,713	289,528,212	345,016,406	326,717,428	336,492,325	346,612,220	357,089,534
Citywide Ending Balance	<u>\$ 142,435,821</u>	<u>\$ 156,011,692</u>	<u>\$ 136,742,810</u>	<u>\$ 122,409,276</u>	<u>\$ 108,075,662</u>	<u>\$ 93,706,346</u>	<u>\$ 79,263,212</u>

² Revenue projections provide for a conservative growth of 3.0%, in all revenues except for Sales Tax, which is shown at 4.0%.

³ Salaries & Wages and Personal Benefits are projected at 4.0% growth to provide for labor contract agreements and minimum wage increases. Supplies, Equipment & Resale, along with Services & Charges have a growth factor of 3.0%. Capital Outlays, projected at 3.0% 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 and Transfers out to other funds are projected at 0% growth. Custodial Outlays are not budgeted as they typically involve the collection of receipts and the remittance of the fiduciary resources to individuals, private organizations or other governments.

REVENUES

REVENUE OVERVIEW

As in all budgets, budgeting begins with an understanding of incoming revenues, each with underlying dynamics to be projected. Finance staff begins tracking and forecasting revenues as soon as actual January revenues are received each year.

The current citywide revenue year-end estimate for 2025 is \$325.7 million, a \$22.6 million or a 7.5% increase from the 2024 actual revenues, while revenue for 2026 is projected to be \$312.4 million, a \$13.4 million or a 4.1% decrease from the 2025 year-end estimate. The decrease in 2026 is mainly due to American Rescue Plan Act (ARPA) revenues that were required to be obligated by Dec. 31, 2024, and spent by Dec. 31, 2026, and large capital expenditure projects nearing completion, such as the Nelson Dam Phase 2A and the North First Street Renovation projects.

Revenue Projections

Sources used in preparing revenue projections include:

- Analysis of ten-year trends, consumer price index, population and other demographic factors, and an awareness of current events within our city.
- Economic trends as reported from many sources along with an awareness of current business health within our own city.
- Forecast data.
- Economic and fiscal trends provided by the Municipal Research and Services Center (MRSC).
- Communication with our revenue process partners, such as the Yakima County Assessor and the City's franchise tax-paying utility providers.

Ultimately, the revenue projections in this budget reflect staff's judgment about how the local economy will perform during the next year, and how it will affect the City's key revenues.

2025 - 2026 REVENUES BY SOURCE

	General Fund (without Police & Fire Pensions)				Citywide			
	2025	% of	2026	% of	2025	% of	2026	% of
	YE Estimate	Total	Projected	Total	YE Estimate	Total	Projected	Total
Sales Tax	\$ 28,549,754	31.3 %	\$ 29,400,000	30.6 %	\$ 40,542,741	12.4 %	\$ 40,330,000	12.9 %
Property Tax	22,497,871	24.7 %	28,351,200	29.5 %	24,990,782	7.7 %	31,046,000	9.9 %
Utility Tax	23,223,561	25.5 %	23,585,838	24.6 %	24,948,655	7.7 %	25,329,352	8.1 %
Investment Interest/Amortization	3,670,000	4.0 %	3,470,000	3.6 %	3,670,100	1.1 %	3,470,100	1.1 %
Charges for Services	3,238,177	3.6 %	3,019,989	3.1 %	64,901,085	19.9 %	66,762,705	21.4 %
Intergovernmental	4,647,775	5.1 %	2,273,836	2.4 %	73,193,805	22.5 %	55,148,259	17.7 %
Licenses & Permits	2,364,750	2.6 %	2,405,250	2.5 %	3,835,578	1.2 %	3,939,198	1.3 %
Operating Contributions & Misc	1,774,217	1.9 %	1,684,717	1.8 %	44,233,717	13.6 %	41,095,089	13.2 %
Other Taxes	1,198,088	1.3 %	1,510,500	1.6 %	6,718,088	2.1 %	7,094,500	2.3 %
Transfers	—	— %	282,018	0.3 %	38,712,973	11.9 %	38,168,691	12.2 %
	<u>\$ 91,164,193</u>		<u>\$ 95,983,348</u>		<u>\$ 325,747,524</u>		<u>\$ 312,383,894</u>	

REVENUE DETAIL

The following charts detail City-wide revenues, with narrative detailing the breakdown between the General Fund and total government percentages.

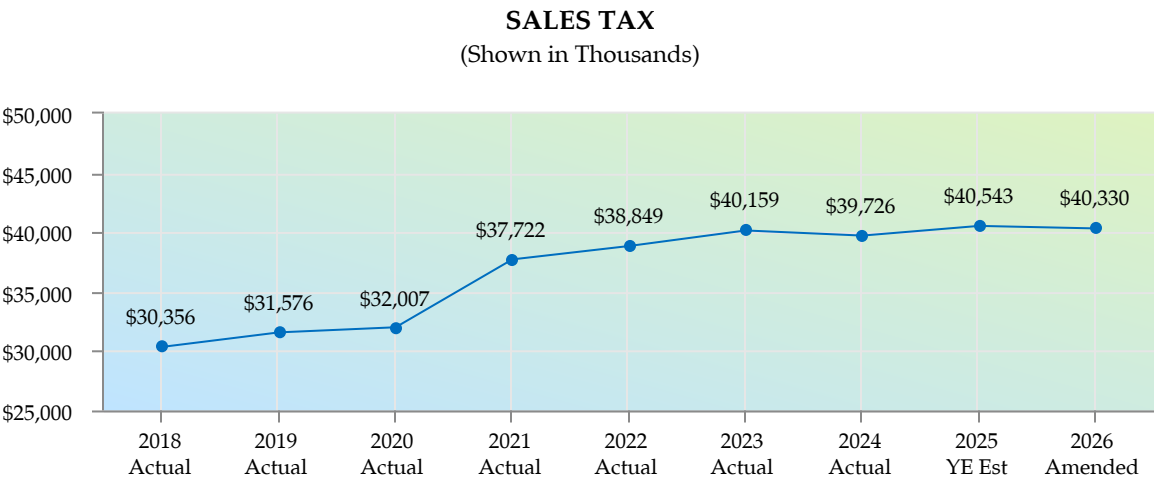
Sales Tax (Single Largest Revenue Source for General Fund)

In the City of Yakima, the sales tax rate is 8.3% on the sales of most goods and services purchased in the community, however, only a very small portion of these sales tax receipts are returned to the City of Yakima to provide services to our community. A breakdown of the sales tax charges that the City does not receive are as follows:

- 6.5% -State share of the local sales tax charges.
- 0.1% -Mental Health Sales Tax charged by Yakima County.

The City of Yakima receives the following sales tax receipts:

- **1.0% General Sales Tax** - Of the 1.0% sales and use tax collected, the City receives 85% and Yakima County receives 15%. These revenues are general in nature and are deposited into the General Fund.
- **0.1% Criminal Justice Sales Tax** - A special 0.1% Criminal Justice Sales Tax was originally approved by the voters of Yakima County in the November, 1992, General Election and became effective January 1, 1993. The State allocates this 0.1% criminal justice sales tax revenue between the City and the County, based on a predefined formula. This revenue is restricted to providing criminal justice related services and is allocated based on operating or capital needs. This tax revenue is generally affected by the same regional economic factors that affect the General Sales Tax revenue. As most criminal justice costs are funded from the General Fund, these revenues are deposited into the General Fund.
- **0.3% Criminal Justice Sales Tax** - Another special sales tax of 0.3% dedicated to Criminal Justice expenditures was originally approved by the Yakima County voters in November, 2004, took effect on April 1st of 2005, and has been reapproved by voters several times, with a sunset of six years. The most recent approval made this sales tax permanent. The tax is on sales inside the County only and the proceeds are divided between the County and Cities on a predefined formula, under which the County receives 60% and all cities within the County share the remaining 40%. These revenues are deposited into the General Fund.
- **.03% Transit Sales Tax** – This sales tax of .03% is specifically for transit and is not deposited into the General Fund, but into a specific fund for transit activities.

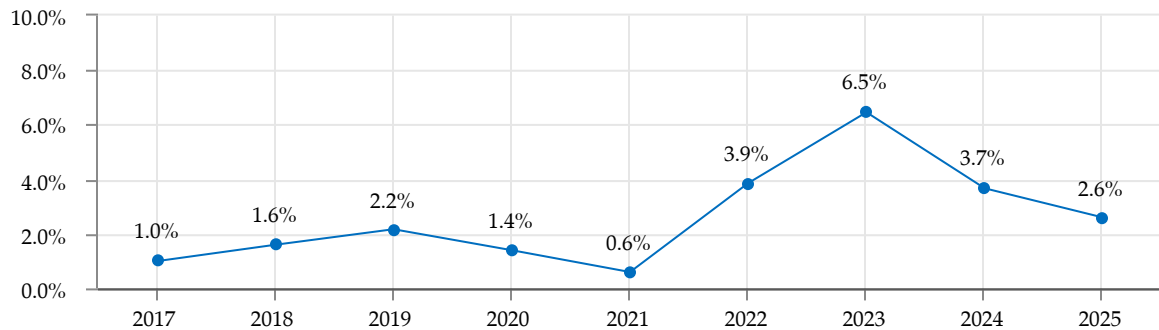


Sales tax provides 31.3% of all General Fund revenue, and 12.4% of total government revenue in the 2025 year-end estimated budget and 30.6% of all General Fund revenue, and 12.9% of total government revenue in the 2026 amended budget.

Property Tax

State law allows the City to impose the lesser of the rate of inflation (as measured by the Implicit Price Deflator (IPD) or 1% above the prior year levy, plus levies for new construction and annexations. State law also allows the City to increase the levy by more than 1% if approved by the majority of voters. State law allows an agency to levy up to the 1% maximum if City Council establishes substantial need by a super-majority (i.e. 5-2) vote.

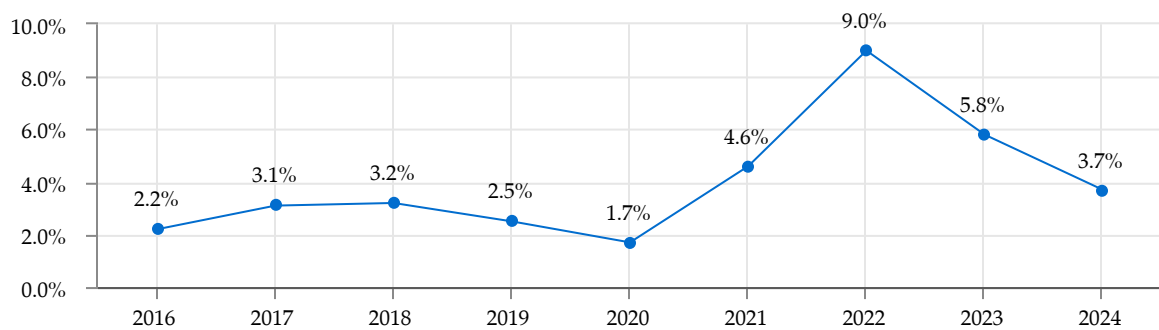
HISTORICAL IMPLICIT PRICE DEFLATOR (MRSC)
(for Property Tax the year shown)



State property tax levy statutes limit the change in the dollars levied (1% would generate an estimated \$216,000 for 2025 and \$223,000 for 2026) but do not limit growth in assessed value. Stated differently, the 1% limit affects the total dollars levied, and assessed valuation is used to allocate the levy ratably among the property owners.

Since most consumer activity (i.e., wages, equipment, etc.) is more closely tied to the Consumer Price Index (CPI), and the CPI is greater than 1% in almost all years (see the following chart), the future effect of 1% or less growth in Property Tax is slowly reducing the percentage of revenue the City receives from this primary General Government revenue source. The most recently released rates cause further concern about revenue reductions in the foreseeable future.

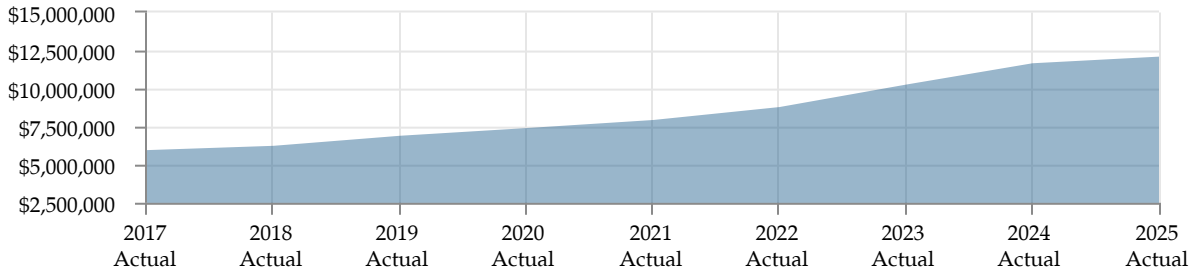
HISTORICAL SEATTLE CPI-U (MRSC)
US Bureau of Labor & Statistics



Property Tax revenue is a primary funding source for the City. Washington's "budget-based" property tax structure is complicated. The City establishes the dollar amount levy, subject to several restrictions. The County Assessor calculates the levy rate based on total assessed valuation. The following Property Value chart shows the historical trend of total city property valuation. It is important to know that the City's general fund levy is subject to a 1% annual cap (a levy lid), excluding new construction and annexation but the valuation itself is an actual assessed value of the true and fair value (market value).

PROPERTY VALUES

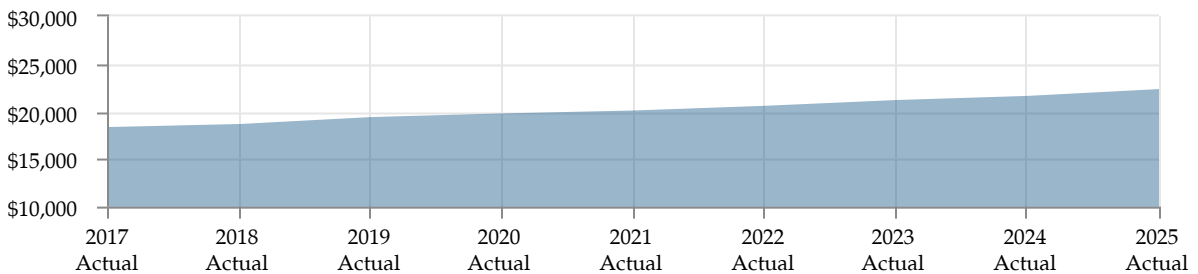
City of Yakima - Shown in Thousands



The following chart is a historical trend of the total dollar amount levy in recent years. The city establishes its desired levy amount based on budget need subject to statutory limits, and the levy rate itself is strictly the resulting mathematical relationship between the valuation and the levy amount.

ORIGINAL LEVY AMOUNTS - PROPERTY TAX

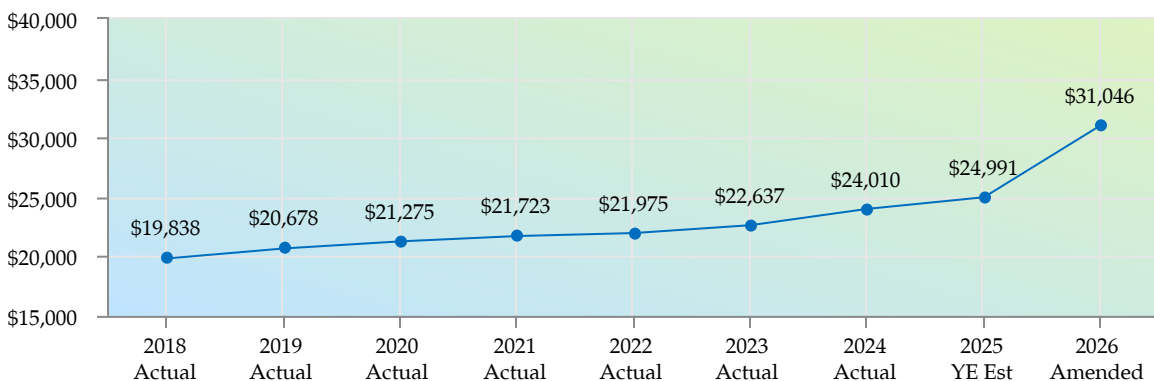
City of Yakima - Shown in Thousands



Due to the currently expected budget shortfall of approximately \$9.0 million for the 2026 budget, on July 24th, 2025, City Council authorized the submission of a ballot proposition for a property tax levy lid lift. This proposition would provide funding for City operations and services, including police, fire, and parks and recreation, by increasing the City's regular property tax levy by \$0.50/\$1,000 to a maximum levy rate of \$2.46/\$1,000 of assessed valuation for collection in 2026. The 2026 levy amount will be used as the basis to calculate subsequent levies, per RCW 84.55. The current budget reflects the passage of this proposition. If the property tax levy lid lift does not pass, an additional \$6.0 million in reductions will need to be made.

PROPERTY TAX

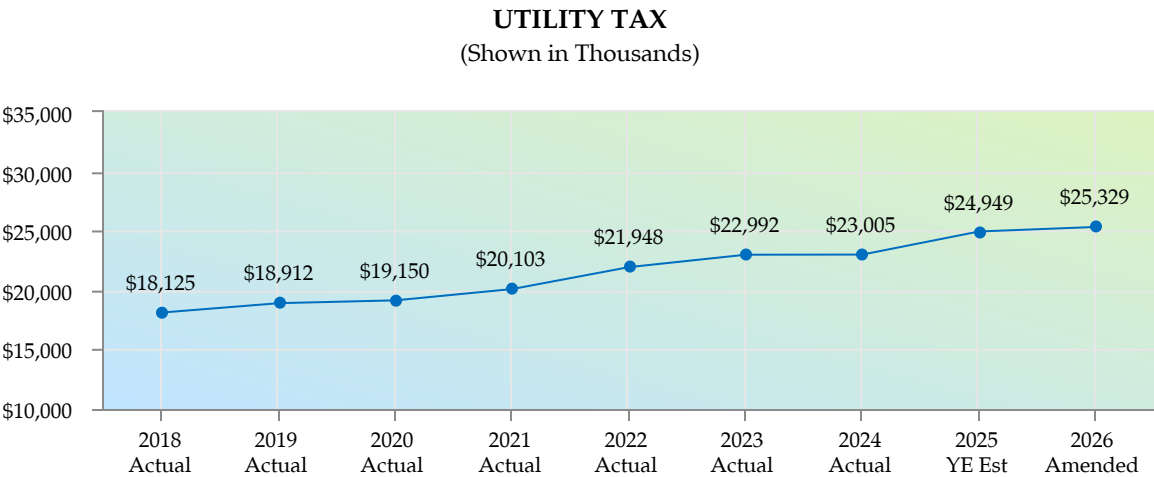
(Shown in Thousands)



Property tax provided 24.7% of all General Fund revenue, and 7.7% of total government revenue in the 2025 budget, and 29.5% and 9.9% of the 2026 Amended Budget, respectively.

Utility Tax

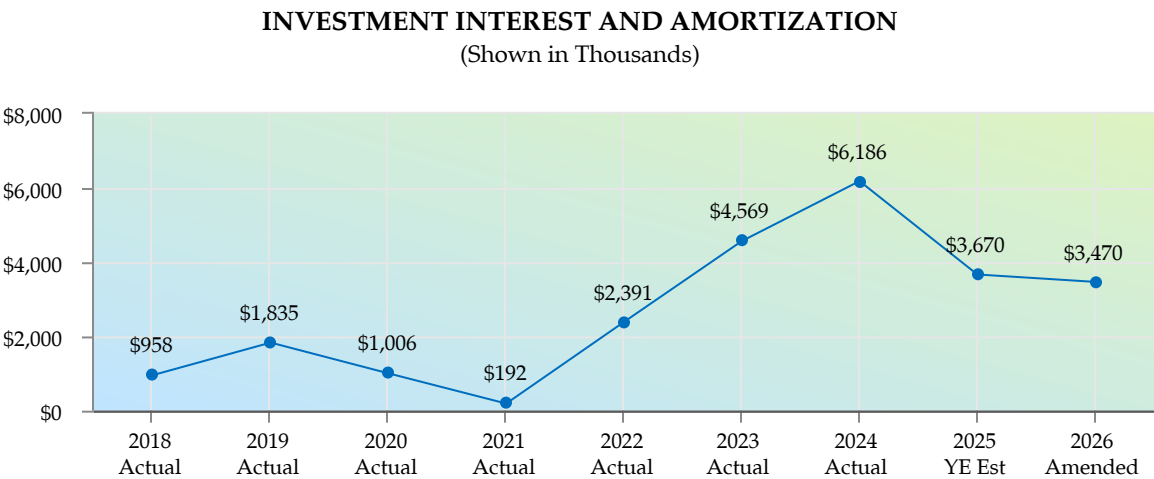
These revenues are largely a function of weather conditions and utility rates in the Valley. Utility taxes generally keep pace with the rate of inflation, primarily because of rate increases implemented by utility providers.



Utility taxes are collectively the second largest category of General Fund revenues, comprising 25.5% of revenue in 2025 and 24.6% in 2026. City-wide, this revenue comprises 7.7% of 2025 year-end estimated revenue, and 8.1% in 2026.

Investment Interest and Amortization

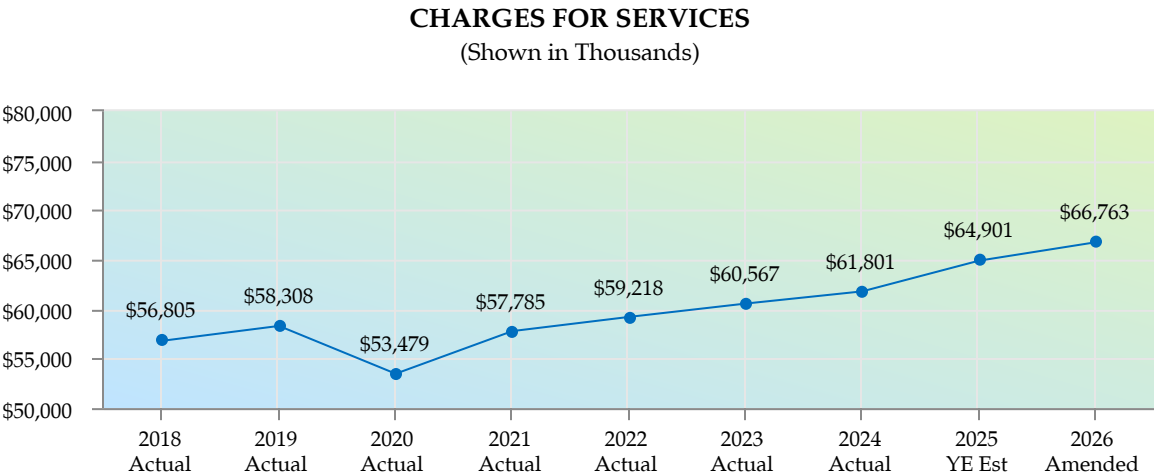
This category includes interest earned on investments, along with the amortization of debt. The amount of cash on hand and the interest rates of investments have a significant impact on this revenue stream each year. Due to the revenue the City received from the American Rescue Plan Act (ARPA), which was an up-front cash advance, along with increasing interest rates, this funding source increased dramatically from 2021 through 2024. However, it is expected to fall back to previous levels by 2027, as ARPA funding is required to be spent by the end of 2026, with consideration to changing interest rates.



Investment Interest and Amortization provided 4.0% of all General Fund revenue, and 1.1% of total government revenue in the 2025 budget, and 3.6% and 1.1% of the 2026 Amended Budget, respectively.

Charges for Services

This revenue category mainly consists of revenues from the sale of services such as water, wastewater, refuse, irrigation, transit and fire services, concessions and interfund services.

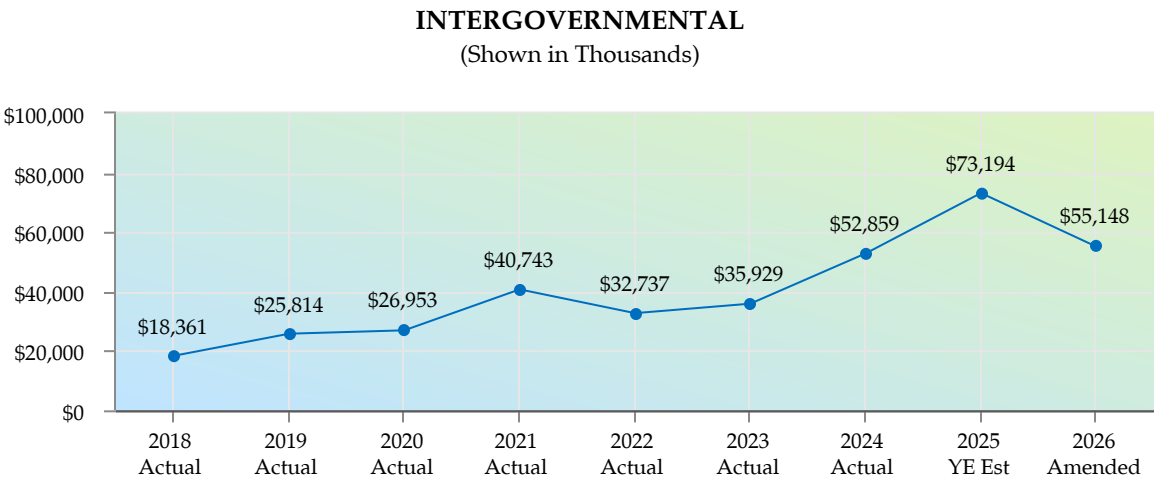


The Charges for Services category provided 3.6% of all General Fund revenue in the 2025 budget, and 19.9% of city-wide revenue. In the 2026 budget, this revenue is projected to provide 3.1% of the General Fund revenue, and 21.4% of the total government revenue.

Intergovernmental

This category includes revenue received from other Government units, including Federal grants and entitlements, State and local grants and other intergovernmental resources. This category can fluctuate significantly due to the timing of the payments and major capital projects paid for by grants.

Intergovernmental revenues increased in 2025 due to grants received for large projects such as Nelson Dam Phase 2A and the North First Street Revitalization.



This category provided 5.1% of all General Fund revenue in the 2025 budget, and 22.5% of city-wide revenue. In the 2026 budget, this revenue is projected to provide 2.4% of the General Fund revenue, and 17.7% of the total government revenue.

Licenses and Permits

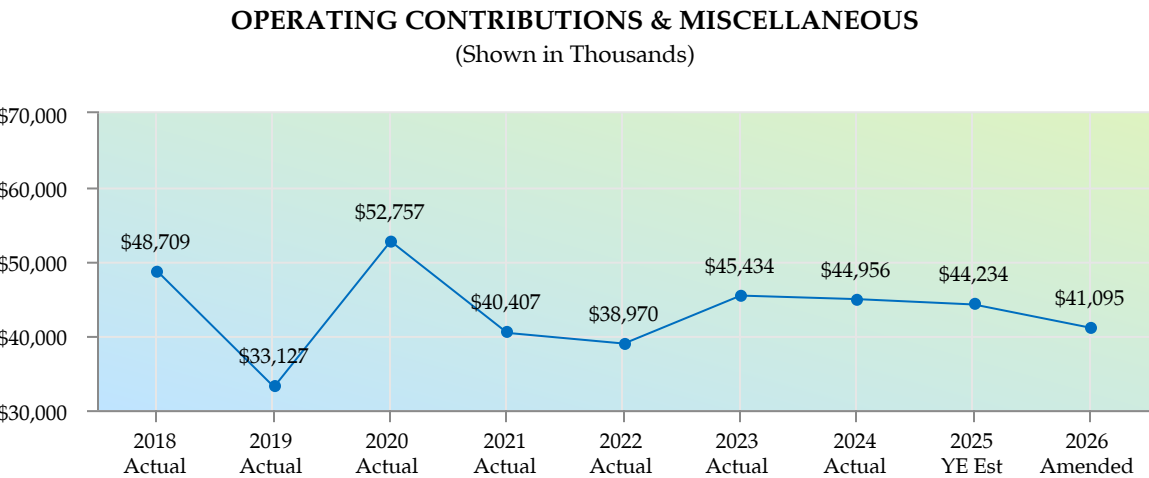
This category includes business licenses, building permits, dog licenses, and wastewater permits.



License and permit revenues accounts for 2.6% and 2.5% of General Fund revenue, and 1.2% and 1.3% of total government revenue in the 2025 and 2026 projected budgets respectively.

Operating Contributions & Miscellaneous

The major contributor in this category includes the interfund benefit contributions for employees. Other revenues include rents, assessments, fines and forfeitures, sale of capital assets, proceeds from long-term debt and other miscellaneous revenues. Significant spikes in this chart are generally due to the timing of bond proceeds - \$15.6 million in 2018 and \$22.4 million in 2020.

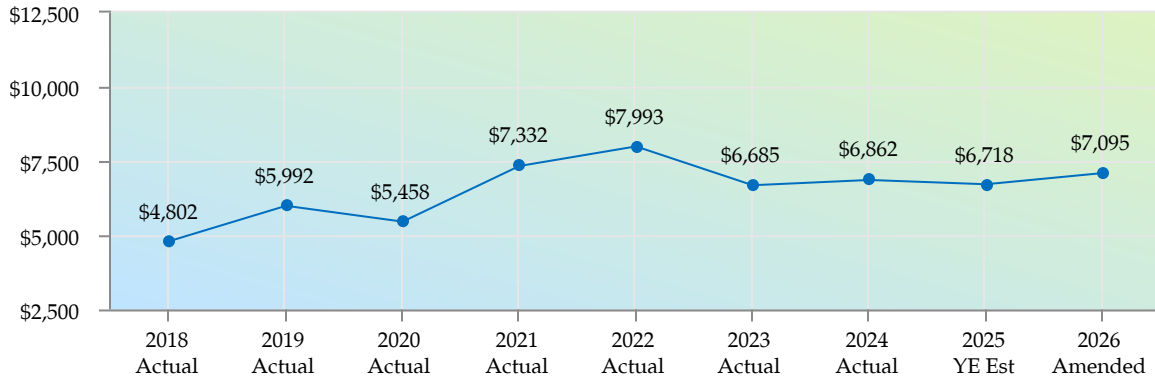


Operating Contributions & Miscellaneous revenues account for 1.9% and 1.8% of General Fund revenue, and 13.6% and 13.2% of total government revenue in the 2025 and 2026 projected budgets respectively.

Other Taxes

This categories major contributors include Real Estate Excise Tax (REET), Transportation Benefit District (TBD) and gambling taxes. Real Estate Excise Taxes depend on the volume and value of real estate sales, and therefore fluctuate with economic cycles. REET is a restricted funding source which may only be used for statutorily-defined purposes, primarily capital facilities projects. Transportation Benefit District (TBD) revenue commenced in August, 2018. This revenue is restricted to construction, maintenance and operational transportation improvements.

OTHER TAXES (Shown in Thousands)



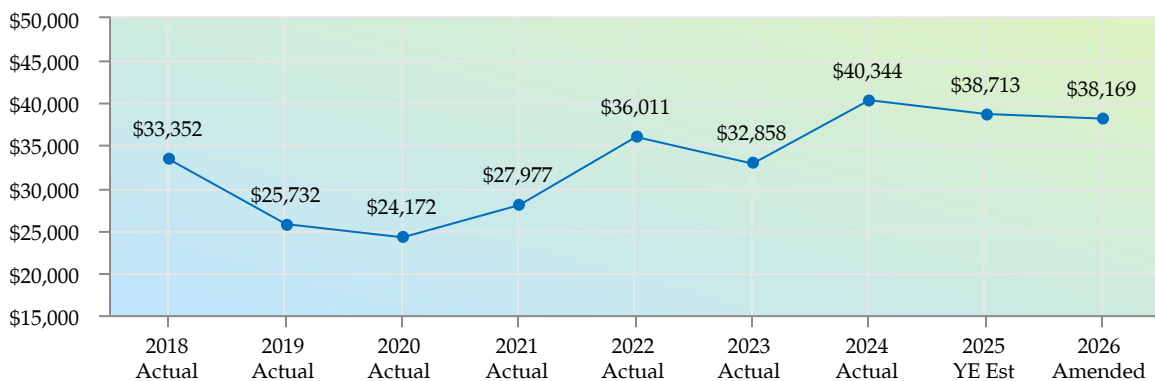
These revenues accounts for 1.3% and 1.6% of General Fund revenue, and 2.1% and 2.3% of total government revenue in the 2025 and 2026 projected budgets respectively.

Transfers

Transfers set forth in the budget are typically to accomplish the measured allocation of revenues and expenditures appropriate to the service delivery in each fund. There are many appropriate transfer mechanisms intended to efficiently and effectively account for complex arrangements.

Any short-term transfers between funds for operating purposes within the year are not operating revenues. These operating transfers, under which financial resources are transferred from one fund to another, are distinctly different from interfund borrowings. Interfund borrowings that are not repayable within the year must be more formally planned and communicated. The most common use of interfund borrowing is for grant programs where costs are incurred before reimbursement is received, and is therefore merely a short-term cash flow device.

TRANSFERS (Shown in Thousands)



Transfers provided no General Fund revenue in 2025, and 0.3% of the budget for 2026, while providing 11.9% of total government revenue in the 2025 budget and 12.2% in the 2026 budget.

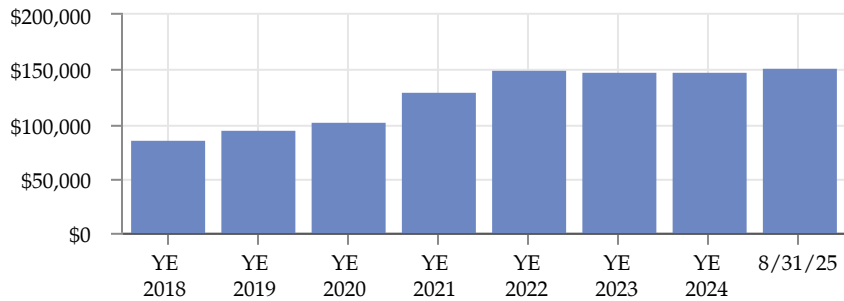
Cash & Investments

It is the policy of the City of Yakima to invest public funds in a manner that, giving first regard to safety, suitability and liquidity, will maximize long-term yield in conformance with State Statute, Federal Regulations and City Charter.

As a current over-all indicator, the 5-year historic citywide cash and investments balance trend, inclusive of all funds, reached \$152.0 million at August 31, 2025. While each month is best compared to the same month in previous years to account for seasonality and other annual events, cash levels had generally improved over prior years, however, they have been fairly stagnant since 2021.

The following graph incorporates only the city's primary bank and investment accounts (US Bank, Key Bank, Local Government Investment Pool and investment portfolio) to enable comparison to prior and future periods.

CASH AND INVESTMENT HISTORY
(Shown in Thousands)



EXPENDITURES

EXPENDITURE OVERVIEW

The amended citywide expenditures for 2026 are projected to be \$326.7 million, a \$18.3 million or a 5.3% decrease from the 2025 year-end estimate of \$345.0 million. The projected decrease in 2026 is mainly due to the expenses for large capital expenditure projects, such as the Nelson Dam new pipeline diversion (Phase 2), the water/sewer connection of underserved areas project and the reconstruction of several intersections, that are nearing completion.

2025 - 2026 EXPENDITURES BY CATEGORY

	General Fund (without Police & Fire Pensions)				Citywide			
	2025	% of	2026	% of	2025	% of	2026	% of
	YE Estimate	Total	Amended	Total	YE Estimate	Total	Amended	Total
Salaries & Wages	\$ 47,180,538	49.1 %	\$ 50,205,116	52.1 %	\$ 78,741,428	22.8 %	\$ 82,579,313	25.3 %
Personnel Benefits	17,485,682	18.2 %	17,209,595	17.8 %	47,667,659	13.8 %	46,799,655	14.3 %
Supplies, Equip & Resale	2,448,319	2.5 %	2,461,402	2.6 %	10,413,136	3.0 %	10,478,294	3.2 %
Services & Charges	11,541,670	12.0 %	9,880,422	10.2 %	79,390,279	23.0 %	75,146,924	23.0 %
Transfers	17,219,468	17.9 %	16,366,556	17.0 %	36,112,973	10.5 %	38,168,691	11.7 %
Capital Outlays	123,699	0.1 %	146,000	0.2 %	86,656,718	25.1 %	67,699,384	20.7 %
Debt Service ¹	153,978	0.2 %	154,663	0.2 %	6,034,213	1.7 %	5,845,167	1.8 %
	<u>\$ 96,153,354</u>		<u>\$ 96,423,754</u>		<u>\$ 345,016,406</u>		<u>\$ 326,717,428</u>	

EXPENDITURE DETAIL

Salaries, Wages and Personnel Benefits

These expenses are the number one expenditure within the operating budget for the General Fund. The following chart shows a 10-Year Employee Comparison, by Adopted Budget, along with what the current reduction scenarios are likely to look like for 2026.

10-YEAR EMPLOYEE COMPARISON ²

	Adopted									Reduce	% Chg	Reduce	% Chg
	2017	2018	2019	2020	2021	2022	2023	2024	2025	\$3.0M 2026	2017 - 2026	\$9.0M 2026	2017 - 2026
Law & Justice ³	30.70	30.70	31.70	31.70	30.70	31.70	31.70	31.70	31.00	30.75	0.2 %	30.75	0.2 %
Public Safety ⁴	315.00	315.00	310.00	309.00	309.00	304.00	307.00	307.00	308.00	304.00	(3.5)%	278.00	(11.7)%
All Other General Fund	87.85	87.85	87.85	84.85	85.85	88.10	88.50	87.50	87.00	85.00	(3.2)%	85.00	(3.2)%
Total General Fund	433.55	433.55	429.55	425.55	425.55	423.80	427.20	426.20	426.00	419.75	(3.2)%	393.75	(9.2)%
Public Safety Comm	36.00	36.00	36.00	36.00	36.00	37.00	36.00	36.00	34.00	34.00	(5.6)%	34.00	(5.6)%
Other Operating Funds	295.15	297.40	302.40	308.90	307.80	314.13	315.33	316.33	314.03	307.99	4.4 %	302.49	2.5 %
Total City-Wide FTE's	764.70	766.95	767.95	770.45	769.35	774.93	778.53	778.53	774.03	761.74	(0.4)%	730.24	(4.5)%
Population ⁵	95,020	95,455	95,771	96,968	97,810	98,200	98,650	99,370	100,000	100,630	5.9 %	100,630	5.9 %
GF Emp per capita	4.56	4.54	4.49	4.39	4.35	4.32	4.33	4.29	4.26	4.17	(8.6)%	3.91	(14.3)%
Total Emp per capita	8.05	8.03	8.02	7.95	7.87	7.89	7.89	7.83	7.74	7.57	(6.0)%	7.26	(9.8)%

¹ City-wide Debt Service for 2025 and 2026 include interest for interfund loans due to how these accounts are categorized. This interest is not included in the Debt Summary chart after this section as it is not considered long-term debt.

² Frozen positions for Police (5), Fire (3), Public Safety Communications (1) and Finance (1) were removed from the years 2022 - 2026 due to a recalculation of how these positions were classified.

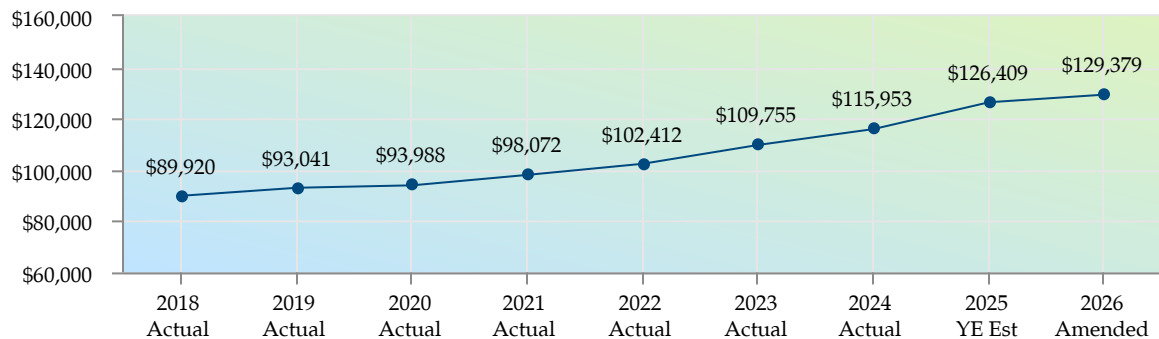
³ Includes Legal, Municipal Court and Indigent Defense.

⁴ Includes Police, Fire and Code Administration.

⁵ Population estimates from the Office of Financial Management, with census updates through 2025. 2026 is estimated.

The percentage of employees in Law & Justice and Public Safety combined is at 79.7% of the total number of General Fund employees, and 48.4% of city-wide employees (with the inclusion of Public Safety Communications) in the currently budgeted \$3.0 million cut package.

SALARIES, WAGES AND PERSONNEL BENEFITS
(Shown in Thousands)

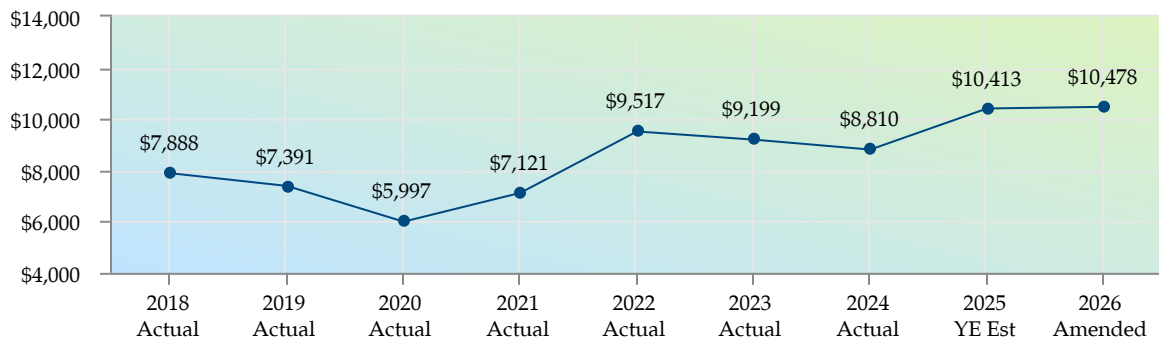


Salaries, Wages and Personnel Benefits utilize 67.3% (2025) and 69.9% (2026) of General Fund expenditures, and 36.6% and 39.6%, respectively, of total government expenditures.

Supplies, Equipment & Resale

This category includes any supplies that are not considered over the capitalization limit (\$10,000), such as paper, computer servers, chemicals and tools. Also contained within this category are resale items, such as fuel. The increase since 2022 was mainly due to higher fuel prices and technology needs for the Police department.

SUPPLIES, EQUIPMENT & RESALE
(Shown in Thousands)



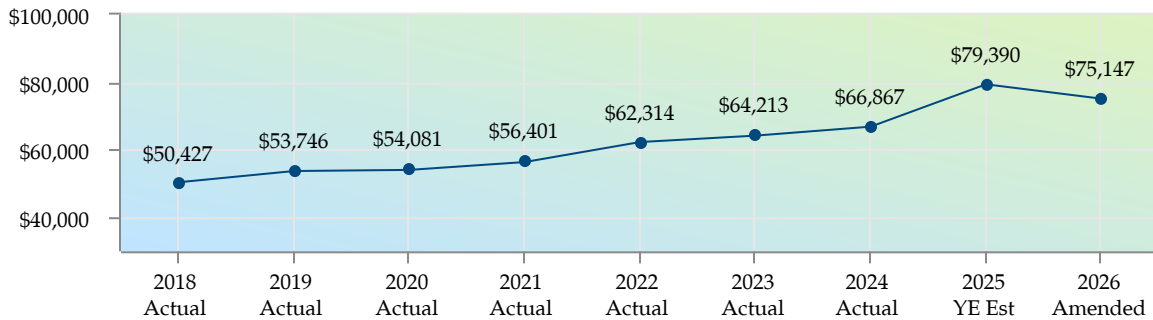
The Supplies, Equipment & Resale category utilizes 2.5% (2025) and 2.6% (2026) of all General Fund expenditures, and 3.0% (2025) and 3.2% (2026) of total government expenditures.

Services & Charges

This category contains services rendered by sources outside the city, including engineering and construction type services, Dial-A-Ride services and intergovernmental services. Also included are items such as insurance, taxes and assessments and city service charges. This budget fluctuates mostly due to ongoing capital project needs.

SERVICES & CHARGES

(Shown in Thousands)



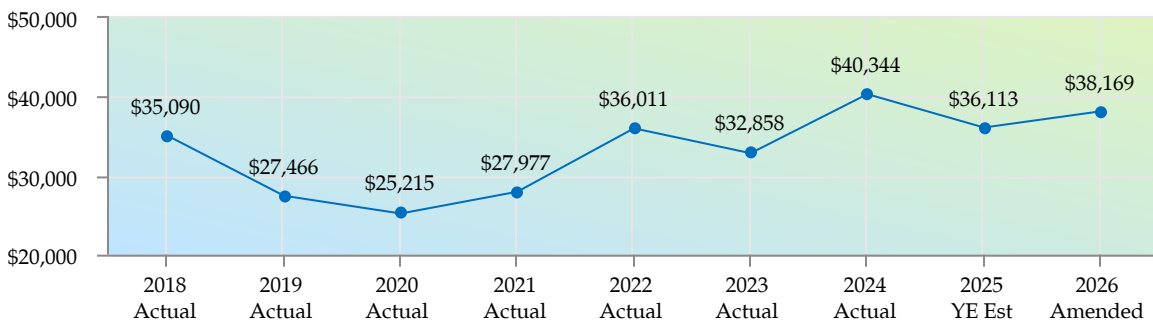
Services & Charges provide 12.0% of all General Fund revenue, and 23.0% of total government revenue in the 2025 budget and 10.2% and 23.0% in the 2026 budget.

Transfers

This category generally includes transfers to and from operating to capital funds, support for the debt service funds and subsidizing funds within the City, such as the Parks and Recreation and Workers Compensation, as needed. Increases in transfers in 2022-2024 are mainly related to American Rescue Plan Act (ARPA) revenues.

TRANSFERS

(Shown in Thousands)



Transfers utilize 17.9% of all General Fund expenditures, and 10.5% of total government expenditures in the 2025 budget, and 17.0% and 11.7% in the 2026 budget.

Capital Outlays

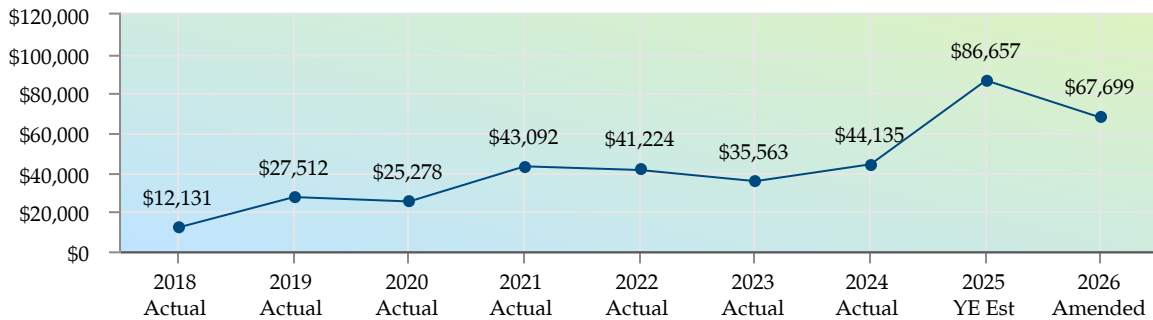
2026 Capital Expenditures are expected to decrease due to the projected completion of several large projects in 2025. Any projects that are not completed as scheduled have their remaining balances rolled forward to the next budget year, consequently, the current years total is usually inflated in relation to both the previous and future years.

2025 - 2026 major projects:

- Nelson Dam new pipeline diversion (Phase 2).
- Yakima Airport - Continuation of terminal design and construction.
- Connection of underserved areas to city services.
- Aquatic Center at Martin Luther King Jr Park.
- Intersection/Roundabout construction in several locations.

CAPITAL OUTLAYS

(Shown in Thousands)



Capital Outlays utilize 0.1% of all General Fund expenditures, and 25.1% of total government expenditures in the 2025 budget and 0.2% and 20.7% in the 2026 budget.

Debt Service

The City pledges its full faith and credit for General Obligation (GO) Bond repayments which consists of general tax, fees and some special revenues. The most common funding sources are property taxes, utility fees, Real Estate Excise Tax (REET), or a special revenue source such as Public Facilities District funds or a gas tax.

The City has several debts payable to other governmental agencies. This intergovernmental debt tends to be less costly and is often obtained for lower interest costs. The Local Option Capital Asset Lending (LOCAL) Program is offered through the State of Washington, and the City is able to participate in the State's bond issues to take advantage of a lower rate. All issuance costs are included in the interest rate. Economic Development (SIED) loans are administered through the County and are often accompanied by a grant. Community Economic Revitalization Board (CERB) loans offer lower cost alternatives as well.

Any increase to debt in 2025 - 2026 would be due to issuance of revenue bonds and/or potential grant funding.

Debt Service provides 0.2% of all General Fund expenditures, and 1.7% of total government expenditures in the 2025 budget and 0.2% and 1.8% in the 2026 budget.

The following Debt Service section reflects the total debt the City of Yakima owes for the various types of long-term debt, showing all finalized payments for the years 2024 through 2037, along with an aggregate of any payments for 2038 and beyond.

DEBT SUMMARY

Description	Funding Source	Type	Maturity Date	Principal and Interest Payments			
				2025	2026	2027	2028
2020 Convention Center Addition	Sales Tax - PFD	LTGO Bond	12/01/44	\$ 794,722	\$ 794,030	\$ 792,596	\$ 790,466
2020 Convention Ctr III Addition	Sales Tax - PFD	LTGO Bond	12/01/44	159,069	156,903	154,645	157,307
2018 Aquatic Center YMCA	Property Tax	LTGO Bond	12/01/42	450,000	450,000	450,000	450,000
2023 Yakima Chief	Art St Gas Tax	Intergov't	06/01/36	—	—	69,451	46,687
2018 Yakima Sports Complex	Property Tax	LTGO Bond	06/01/35	450,000	450,000	450,000	450,000
2020 Energy Project (Lighting)	Property Tax	Lease Pchs	06/01/35	134,750	135,625	136,250	136,625
2022 Russell Lane	Art St Gas Tax	Intergov't	06/01/35	—	77,678	60,657	60,657
2010 Railroad Grade Separation	REET 1	Intergov't	06/01/34	84,448	84,448	84,448	84,448
2014 911 Call Dispatch Center	Property Tax	Intergov't	05/01/34	117,063	119,513	121,813	118,963
2021 SOZO - Street Frontage	Art St Gas Tax	Intergov't	06/01/32	117,289	117,289	117,289	117,289
2020 Capitol Theatre Expansion	Sales Tax - PFD	LTGO Bond	12/01/32	459,259	454,514	459,210	458,103
2018 River Rd Impr/Aquatic Center	Art St Gas Tax	Intergov't	06/01/29	62,800	62,800	62,800	62,800
2018 Street Resurfacing Project	Property Tax	LTGO Bond	12/01/28	399,664	399,664	399,664	399,664
2009 Railroad Grade Separation	REET 2	Intergov't	06/01/28	168,402	167,577	166,751	165,926
2016 SOZO	Art St Gas Tax	Intergov't	06/01/27	106,197	106,197	106,197	—
2017 Energy Project (Lighting)	Property Tax	Lease Pchs	06/01/27	111,919	112,417	112,395	
2018 Fire Aerial & Pump Apparatus	Prop Tax - GF	Lease Pchs	06/01/27	153,978	154,663	154,633	
Total Non-Enterprise				3,769,560	3,843,318	3,898,799	3,498,935
2020 Irrigation Revenue Bonds	Irrig Revenue	LTGO Bond	12/01/34	274,900	273,750	272,450	271,000
2020 Wastewater Revenue Bonds	WW Revenue	LTGO Bond	12/01/27	387,550	381,900	381,100	—
Total Enterprise Loans				662,450	655,650	653,550	271,000
2012 Industrial Sewer Main Ext	WW Revenue	Intergov't	06/01/37	86,627	86,220	85,813	85,407
2012 Industrial Waste Anaerobic	WW Revenue	Intergov't	07/01/34	39,409	39,409	39,409	39,409
2011 Energy Efficiency Project	WW Revenue	Intergov't	03/31/33	34,826	34,826	34,826	34,826
2012 Wastewater Treatment Plant	WW Revenue	Intergov't	06/01/31	273,788	273,115	272,443	271,770
2007 Ultra Violet Disinfection	WW Revenue	Intergov't	06/01/27	123,210	122,603	121,996	—
2005 River Road Sewer	WW Revenue	Intergov't	06/01/25	124,867	—		
Total Wastewater Long-Term Debt				682,727	556,173	554,487	431,412
2021 Waterline Improvements	Water Revenue	Intergov't	06/01/41	112,192	111,149	110,106	109,063
2013 WTP Lagoons Design	Water Revenue	Intergov't	10/01/34	202,101	199,465	196,829	194,193
2013 Automated Reading System	Water Revenue	Intergov't	06/01/32	268,421	267,763	267,105	266,447
2009 New Water Well	Water Revenue	Intergov't	06/01/28	123,572	122,966	122,360	121,755
2005 Naches River WTP Filter Rehab	Water Revenue	Intergov't	10/01/25	47,308	—		
Total Water Long-Term Debt				753,594	701,343	696,400	691,458
Total City-Wide Debt				\$ 5,868,331	\$ 5,756,484	\$ 5,803,236	\$ 4,892,805

Principal and Interest Payments									
2029	2030	2031	2032	2033	2034	2035	2036	2037	2038 - 2044
\$ 792,652	\$ 793,946	\$ 794,318	\$ 793,596	\$ 791,888	\$ 794,313	\$ 790,775	\$ 791,167	\$ 794,228	\$ 5,545,432
154,744	157,096	154,203	156,192	157,919	154,404	155,839	156,991	157,643	1,104,066
410,000	410,000	410,000	410,000	410,000	410,000	780,066	1,000,000	1,000,000	4,839,951
46,687	46,687	46,687	46,687	46,687	46,687	46,687	46,687	—	
490,000	490,000	490,000	490,000	490,000	490,000	120,953	—		
131,875	132,000	131,875	131,500	135,750	134,625	133,250	—		
60,657	60,657	60,657	60,657	60,657	60,657	60,656	—		
84,448	84,448	84,448	84,448	84,448	42,224	—			
121,113	118,113	119,863	121,450	117,875	119,025	—			
117,289	117,289	117,289	117,289	—					
461,344	463,729	465,226	470,675	—					
62,800	—								
—									
—									
2,933,609	2,873,965	2,874,566	2,882,494	2,295,224	2,251,935	2,088,226	1,994,845	1,951,871	11,489,449
269,400	277,650	275,450	273,100	270,600	272,950	—			
269,400	277,650	275,450	273,100	270,600	272,950	—	—	—	—
85,000	84,593	84,187	83,780	83,373	82,967	82,560	82,153	81,746	—
39,409	39,409	39,409	39,409	39,409	39,409	—			
34,826	34,826	34,826	34,826	17,413	—				
271,097	270,425	269,752	—						
430,332	429,253	428,174	158,015	140,195	122,376	82,560	82,153	81,746	—
108,021	106,978	105,935	104,892	103,850	102,807	101,764	100,721	99,679	196,229
191,557	188,920	186,284	183,648	181,012	178,376	—			
265,789	265,132	264,474	263,816	—					
—									
565,367	561,030	556,693	552,356	284,862	281,183	101,764	100,721	99,679	196,229
\$ 4,198,708	\$ 4,141,898	\$ 4,134,883	\$ 3,865,965	\$ 2,990,881	\$ 2,928,444	\$ 2,272,550	\$ 2,177,719	\$ 2,133,296	\$ 11,685,678

GENERAL FUND

All General Fund programs are necessarily balanced within available resources, and are funded by Sales Tax, Property Tax, Utility Taxes and other smaller funding sources. Collective Bargaining Agreements that provide for salary and benefit increases that exceed the Property Tax rate cap create a squeeze that affects the entire General Fund's ability to maintain service delivery levels, while Public Safety costs - Police, Fire, Code Enforcement and Criminal Justice - have continued to require an increasing share of total General Fund resources. Due to the significant investment in Public Safety programs, future budget reductions must include these areas in 2026 and going forward.

While some funding has been set aside for perpetual vehicle replacement in the current budget, finding a source or revenue for the remainder continues to be problematic. The City will continue to look for a solution to fund equipment replacement in future budgets. A long-term approach is imperative to preservation of the General Fund fund balance and critical in the demonstration of improved financial position. Staff has left no revenue nor expenditure possibility out of consideration for potential manageable opportunities.

CURRENT AND PROJECTED RESERVES

The mandated General Fund policy reserve amount was 16.7% for 2023, but was changed by City Council to 12.0% during the 2025 - 2026 Budget discussions. In 2024, \$11.0 million in ARPA revenue funding was moved to the General Fund, in order to keep the City's reserves at the required level.

Reserves for the General Fund, inclusive of General Fund (001), Criminal Justice (003), Fire Relief & Pension (612) and Police Relief & Pension (613), were originally projected to be \$13.5 million (16.6% of total expenditures) in 2025 and \$5.4 million (6.3% of total expenditures) in 2026. The updated estimates show 2025 at \$13.2 million (13.5%) and 2026 at \$12.7 million (12.9%) respectively.

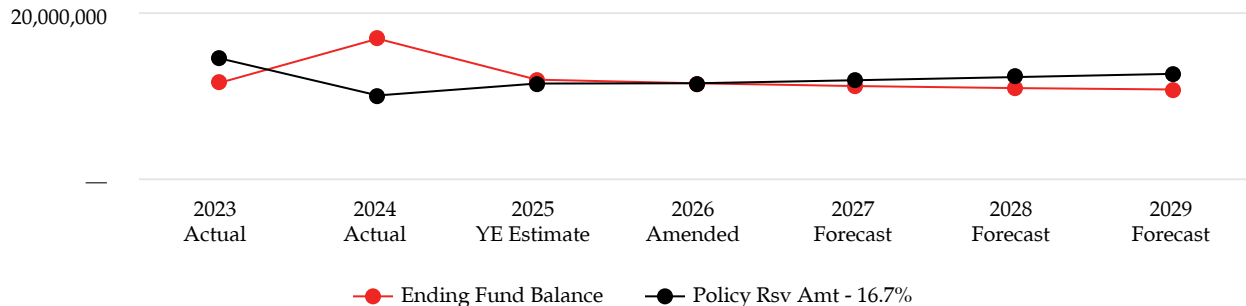
The following tables depict the currently projected ending fund balance for years 2023 through 2029 for General Fund, inclusive of funds 001 and 003 only, and exclusive of the Fire and Police pensions (612 & 613), which are restricted funds. As shown, the General Fund includes Transfers in the calculation of reserve levels. Without transfers, as calculation by the State Auditor, the percentage for 2025 would be 15.2% and 14.5% for 2026.

Although 2027, 2028 and 2029 project an ending fund balance below the required 12% reserve policy, these amounts will be factored into the next biennial budget preparation for 2027 - 2028.

GENERAL FUND FORECAST
General Fund Only (without Police & Fire Pensions)

	2023	2024	2025	2026	2027	2028	2029
	Actual	Actual	YE Estimate	Amended	Projected	Projected	Projected
General Fund Beg Balance	\$ 10,845,338	\$ 11,590,608	\$ 16,998,756	\$ 12,009,595	\$ 11,569,189	\$ 11,231,062	\$ 10,983,073
Revenues ⁶							
Sales Tax	29,144,414	28,681,580	28,549,754	29,400,000	30,576,000	31,799,040	33,071,002
Property Tax	20,164,255	20,762,496	22,497,871	28,351,200	29,201,736	30,077,788	30,980,122
Utility Tax	21,425,554	21,488,293	23,223,561	23,585,838	24,293,413	25,022,215	25,772,882
Investment Interest/Amortization	4,548,058	6,163,984	3,670,000	3,470,000	3,574,100	3,681,323	3,791,763
Charges for Services	3,310,876	3,304,579	3,238,177	3,019,989	3,110,589	3,203,906	3,300,023
Intergovernmental	3,189,146	3,628,878	4,647,775	2,273,836	2,342,051	2,412,313	2,484,682
Licenses & Permits	2,000,113	1,963,097	2,364,750	2,405,250	2,477,408	2,551,730	2,628,282
Operating Contributions & Misc	3,173,586	1,735,376	1,774,217	1,684,717	1,735,259	1,787,316	1,840,936
Other Taxes	1,444,410	1,747,853	1,198,088	1,510,500	1,555,815	1,602,489	1,650,564
Transfers	—	—	—	282,018	290,479	299,193	308,169
Total Revenues	88,400,412	89,476,136	91,164,193	95,983,348	99,156,850	102,437,313	105,828,425
Expenditures ⁷							
Salaries & Wages	42,863,699	44,890,146	47,180,538	50,205,116	52,213,321	54,301,854	56,473,928
Personnel Benefits	15,383,008	16,030,496	17,485,682	17,209,595	17,897,979	18,613,898	19,358,454
Supplies, Equip & Resale	2,360,424	2,548,784	2,448,319	2,461,402	2,535,244	2,611,301	2,689,640
Services & Charges	10,961,667	(116,300)	11,541,670	9,880,422	10,176,834	10,482,139	10,796,603
Transfers	15,427,402	19,451,106	17,219,468	16,366,556	16,366,556	16,366,556	16,366,556
Capital Outlays	399,641	1,032,248	123,699	146,000	150,380	154,891	159,538
Debt Service	259,301	231,508	153,978	154,663	154,663	154,663	154,663
Total Expenditures	87,655,142	84,067,988	96,153,354	96,423,754	99,494,977	102,685,302	105,999,382
General Fund Ending Balance	\$ 11,590,608	\$ 16,998,756	\$ 12,009,595	\$ 11,569,189	\$ 11,231,062	\$ 10,983,073	\$ 10,812,116
Policy Reserve Amount ⁸	\$ 14,638,409	\$ 10,088,159	\$ 11,538,402	\$ 11,570,850	\$ 11,939,397	\$ 12,322,236	\$ 12,719,926
Net Fund Balance	\$ (3,047,801)	\$ 6,910,597	\$ 471,193	\$ (1,661)	\$ (708,335)	\$ (1,339,163)	\$ (1,907,810)

FUND BALANCE VS. POLICY RESERVE AMOUNT



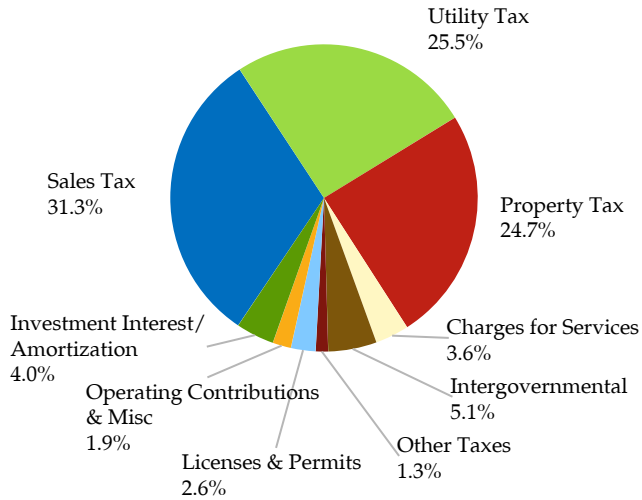
⁶ Revenue projections provide for a conservative growth of 3.0%, in all revenues except for Sales Tax, which is shown at 4.0%.

⁷ Salaries and benefits are projected at 4.0% growth to provide for labor contract agreements and minimum wage increases. Supplies and Services and Payments have a growth factor of 3.0%. Capital Outlays, projected at 3.0% 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 and Transfers are projected at 0.0% growth.

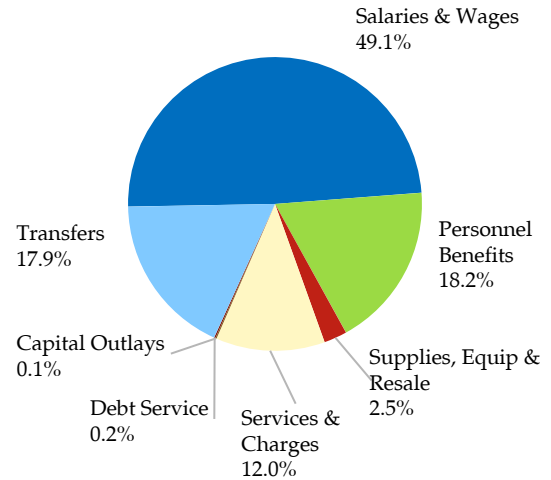
⁸ The General Fund policy reserve amount was 16.7% for 2023, but was changed by City Council to 12.0% on 12/10/24.

2025
GENERAL FUND (001 & 003)
 Year End Estimate

REVENUES BY SOURCE
\$91.2 million

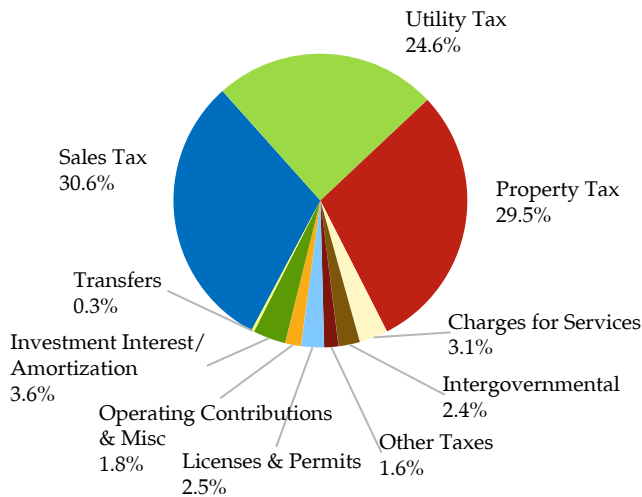


EXPENDITURES BY CATEGORY
\$96.2 million

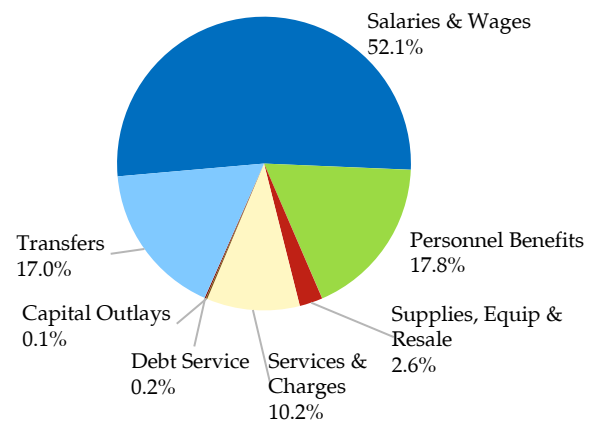


2026
GENERAL FUND (001 & 003)
 Amended

REVENUES BY SOURCE
\$96.0 million



EXPENDITURES BY CATEGORY
\$96.4 million



CUT PACKAGE COMPARISON

If the proposed property tax levy lid lift is not passed by voters in November, an additional \$6.0 million in cuts to City expenses will be required. Currently, the following items are being considered. There may be other options available to fund these programs and/or bring them back in the future, however, \$6.0 million in cuts will be required in order to meet the reserve mandates.

Division	Expense	Amount
Parks & Recreation	Maintenance and Operations	\$ 1,400,000
Police	Operational Expenses	3,000,000
Fire	Operational Expenses	1,750,000
		<u>\$ 6,150,000</u>

REDUCTION PACKAGE COMPARISON

(With Transfers & Police and Fire Pensions included within General Fund)

	\$3.0 Million Cut Package				\$9.0 Million Cut Package			
	Amended Revenues	Amended Expenses	Ending Balance	% of Exp	Amended Revenues	Amended Expenses	Ending Balance	% of Exp
General Fund ⁹	\$97,669,423	\$98,177,721	\$12,699,728	12.9 %	\$91,669,423	\$92,177,723	\$12,699,726	12.9 %
Parks & Recreation	5,373,588	5,463,864	708,981	13.0 %	4,087,188	4,315,563	570,882	10.4 %
Streets & Traffic	5,919,803	5,982,412	2,805,296	46.9 %	5,919,803	5,982,412	2,805,296	46.9 %
Subtotal General Government	108,962,814	109,623,997	16,214,005	14.8 %	101,676,414	102,475,698	16,075,904	15.7 %
Governmental Operating Funds	21,823,616	21,084,988	13,038,722	61.8 %	21,270,617	20,453,662	13,117,049	62.2 %
Governmental Capital Project Funds	34,762,969	40,215,608	11,014,279	27.4 %	34,762,969	40,215,607	11,014,280	27.4 %
Enterprise Operating Funds	72,793,051	77,770,405	37,339,746	48.0 %	72,793,051	77,770,403	37,339,748	48.0 %
Enterprise Capital Project Funds	31,742,633	34,899,129	25,925,834	74.3 %	31,742,632	34,899,128	25,925,834	74.3 %
Internal Service Funds	11,363,358	11,132,058	3,945,427	35.4 %	11,363,358	11,132,058	3,945,427	35.4 %
Employee Benefit Reserves	21,979,999	20,288,496	9,494,535	46.8 %	21,979,999	20,288,497	9,494,534	46.8 %
Risk Management Reserve	5,582,694	7,855,199	2,640,199	33.6 %	5,582,694	7,855,199	2,640,199	33.6 %
Debt Service, Custodial & Trust Funds	3,372,761	3,847,551	2,796,523	72.7 %	3,372,761	3,847,551	2,796,523	72.7 %
Total Citywide	<u>\$312,383,895</u>	<u>\$326,717,431</u>	<u>\$122,409,270</u>	37.5 %	<u>\$304,544,495</u>	<u>\$318,937,803</u>	<u>\$122,349,498</u>	38.4 %

⁹ The General Fund within this chart consists of 4 funds: the General Fund (001); the Criminal Justice Fund (003); the Firemen's Relief & Pension (612); and the Police Relief & Pension (613).

BUDGET BY FUNCTIONAL GROUPING ¹

	2023		2024	
	Actual Revenues	Actual Expenditures	Actual Revenues	Actual Expenditures
General Fund ²				
Law & Justice				
Legal		\$ 2,262,956		\$ 2,312,826
Municipal Court		2,014,370		2,044,739
Indigent Defense		1,610,047		1,769,696
Public Safety				
Police		35,717,940		38,411,698
Fire		19,036,490		20,033,995
Code Administration		1,749,548		2,003,728
City Management		623,355		736,892
City Council		273,488		328,562
City Clerk / Records		905,962		542,556
Human Resources		871,373		923,592
Planning		650,747		789,701
City Hall Facility		484,964		546,775
Economic Development		464,018		1,332,165
Information Technology		4,108,372		4,691,659
Finance		2,573,541		2,099,174
Purchasing		354,422		332,076
Engineering		984,446		876,648
Intergovernmental		132,427		150,264
City Service Reimbursement		(2,590,727)		(4,317,291)
ARPA Loss-Revenue		—		(10,992,574)
Operating Transfers		15,427,402		19,451,106
Subtotal General Fund 001/003	\$ 88,400,411	87,655,141	\$ 89,476,135	84,067,987
Pension Trusts				
Fire Relief & Pension	930,750	1,058,381	886,795	1,138,160
Police Relief & Pension	772,996	772,996	605,092	605,092
Total General Fund	90,104,157	89,486,518	90,968,023	85,811,239
Parks & Recreation	6,069,533	6,087,862	6,664,574	6,400,660
Streets & Traffic	5,816,930	5,055,219	6,037,021	5,122,852
Total General Government	\$ 101,990,620	\$ 100,629,599	\$ 103,669,618	\$ 97,334,751

¹ Due to rounding, some totals may not correspond exactly with previous charts.

² The General Fund does not have specific revenue sources earmarked for particular departments or accounts. Instead, general fund revenues are used to cover the broader expenses of city operations. The General Fund consists of 4 main funds: the General Fund (001); the Criminal Justice Fund (003); the Fire Relief & Pension Fund (612); and the Police Relief & Pension Fund (613).

2025					2026			
Beginning			Estimated	2023			Estimated	2024
Fund	YE Estimate	YE Estimate	End Fund	vs 2022	Amended	Amended	End Fund	vs 2023
Balance	Revenues	Expenditures	Balance	Fund Bal	Revenues	Expenditures	Balance	Fund Bal
		\$ 3,095,220				\$ 2,791,141		
		2,548,600				2,588,841		
		1,750,000				1,800,000		
		39,680,787				42,019,009		
		18,489,325				20,571,353		
		3,071,094				1,844,250		
		678,878				669,574		
		330,622				165,655		
		795,647				785,873		
		1,318,305				1,202,839		
		1,333,248				990,625		
		590,671				495,312		
		681,498				—		
		5,117,999				5,348,636		
		2,101,184				1,939,987		
		490,456				485,890		
		1,014,428				1,221,791		
		163,472				167,741		
		(4,317,547)				(4,631,321)		
		—				—		
		17,219,468				15,966,556		
\$ 16,998,756	\$ 91,164,192	96,153,355	\$ 12,009,593	(41.5)%	\$ 95,983,347	96,423,752	\$ 11,569,188	(3.8)%
1,208,708	977,088	1,074,763	1,111,033	(8.8)%	1,005,076	1,072,969	1,043,140	(6.5)%
—	800,000	712,600	87,400	100.0 %	681,000	681,000	87,400	— %
18,207,464	92,941,280	97,940,718	13,208,026	(37.9)%	97,669,423	98,177,721	12,699,728	(4.0)%
809,132	5,818,487	5,828,362	799,257	(1.2)%	5,373,588	5,463,864	708,981	(12.7)%
3,213,153	6,087,497	6,432,745	2,867,905	(12.0)%	5,919,803	5,982,412	2,805,296	(2.2)%
\$ 22,229,749	\$ 104,847,264	\$ 110,201,825	\$ 16,875,188	(31.7)%	\$ 108,962,814	\$ 109,623,997	\$ 16,214,005	(4.1)%

BUDGET BY FUNCTIONAL GROUPING

	2023		2024	
	Actual Revenues	Actual Expenditures	Actual Revenues	Actual Expenditures
Governmental Operating Funds				
Economic Development	\$ —	\$ —	\$ —	\$ —
Neighborhood Development	1,417,908	1,538,567	1,296,115	1,358,333
Community Relations	565,208	634,720	471,521	630,603
Aquatic Center at MLK Jr Park	—	—	719,000	—
Aquatics Facilities	—	—	—	—
Clean City Program	885,097	659,011	960,175	585,585
Cemetery	357,137	366,297	350,280	416,907
Emergency Services	1,703,564	1,800,425	2,642,726	2,160,866
Public Safety Comm - 911	2,817,394	2,726,583	2,799,241	2,887,167
Public Safety Comm - Dispatch	1,718,474	1,560,437	1,806,706	1,798,589
Police Grants	160,757	154,582	630,947	445,475
Opioid Lawsuit	—	—	757,689	—
Downtown Yakima Bus Impr Dist	183,578	180,925	205,681	182,284
Trolley	11,869	2,270	13,936	18,273
Front Street Business Improvement	3,814	1,733	4,000	7,473
Convention & Event Center	2,027,386	1,921,794	2,217,774	1,912,294
Capitol Theatre	429,254	423,990	410,248	421,500
PFD - Convention & Event Center	1,233,062	1,511,811	1,221,935	1,346,223
Tourist Promotion Area	1,083,494	1,100,607	1,170,799	1,160,211
PFD - Capitol Theatre	934,130	849,374	925,704	685,539
American Rescue Plan Act (ARPA)	4,583,548	4,583,548	12,874,261	12,874,261
Lodging Tax	1,792,551	1,792,551	1,945,939	1,945,939
Affordable Housing	—	—	—	—
Subtotal Governmental Operating Funds	21,908,225	21,809,225	33,424,677	30,837,522
Governmental Capital Project Funds				
CBD Capital Improvement	—	—	—	—
Capitol Theatre Capital	473,275	362,890	89,454	62,557
Yakima Revenue Development Area	1,011,033	595,750	2,000,822	531,726
Parks & Recreation Capital	1,466,442	1,113,588	6,780,629	6,562,290
Fire Capital	165,676	69,912	169,702	202,256
Law & Justice Capital	477,159	934,111	484,347	37,974
Real Estate Excise Tax (REET 1)	1,310,697	2,655,141	1,251,544	1,458,562
Real Estate Excise Tax (REET 2)	1,226,249	1,646,696	1,167,096	1,891,886
Transportation Benefit District	1,677,033	747,313	1,568,793	1,961,997
Street Overlay & Reconstruction	6,121,488	5,532,202	11,778,302	11,445,527
Convention & Event Center Capital	792,500	711,795	780,880	420,526
Cumulative Reserve Capital	13,581	149,130	—	148,799
Subtotal Governmental Capital Project Funds	14,735,133	14,518,528	26,071,569	24,724,100

2025					2026				
Beginning			Estimated	2023			Estimated	2024	
Fund	YE Estimate	YE Estimate	End Fund	vs 2022	Amended	Amended	End Fund	vs 2023	
Balance	Revenues	Expenditures	Balance	Fund Bal	Revenues	Expenditures	Balance	Fund Bal	
\$ —	\$ 165,000	\$ —	\$ 165,000	100.0 %	\$ 402,000	\$ 450,737	\$ 116,263	(41.9)%	
1,021,927	3,363,058	3,363,058	1,021,927	— %	1,868,444	1,841,191	1,049,180	2.6 %	
549,516	450,566	709,112	290,970	(88.9)%	438,000	700,853	28,117	(934.9)%	
719,000	77,270	231,200	565,070	(27.2)%	89,200	317,715	336,555	(67.9)%	
—	1,088,113	1,022,109	66,004	100.0 %	785,665	829,366	22,303	(195.9)%	
869,897	937,032	797,812	1,009,117	13.8 %	952,849	583,805	1,378,161	26.8 %	
116,450	422,657	438,433	100,674	(15.7)%	420,000	456,827	63,847	(57.7)%	
589,612	2,498,194	2,230,284	857,522	31.2 %	2,699,060	2,643,960	912,622	6.0 %	
1,109,033	2,826,452	2,853,290	1,082,195	(2.5)%	2,830,000	3,010,969	901,226	(20.1)%	
683,086	1,918,167	1,997,033	604,220	(13.1)%	2,069,392	2,114,075	559,537	(8.0)%	
1,140,176	916,169	992,478	1,063,867	(7.2)%	329,840	272,606	1,121,101	5.1 %	
904,535	168,528	84,000	989,063	8.5 %	146,621	84,000	1,051,684	6.0 %	
104,040	185,750	184,746	105,044	1.0 %	185,750	184,928	105,866	0.8 %	
47,796	12,063	15,810	44,049	(8.5)%	11,869	13,637	42,281	(4.2)%	
6,621	2,500	2,500	6,621	— %	2,500	2,500	6,621	— %	
1,127,857	2,221,200	2,015,509	1,333,548	15.4 %	2,341,200	2,108,672	1,566,076	14.8 %	
96,737	435,000	434,412	97,325	0.6 %	488,319	448,319	137,325	29.1 %	
801,724	1,203,900	875,951	1,129,673	29.0 %	1,254,125	1,176,092	1,207,706	6.5 %	
136,695	1,303,200	1,315,718	124,177	(10.1)%	1,223,200	1,234,783	112,594	(10.3)%	
970,538	862,831	1,198,418	634,951	(52.9)%	862,831	746,992	750,790	15.4 %	
67,700	3,268,976	3,268,976	67,700	— %	67,961	67,961	67,700	— %	
—	1,745,000	1,745,000	—	n/a	2,219,790	1,795,000	424,790	100.0 %	
—	941,377	—	941,377	100.0 %	135,000	—	1,076,377	12.5 %	
11,062,940	27,013,003	25,775,849	12,300,094	10.1 %	21,823,616	21,084,988	13,038,722	5.7 %	
55,024	—	—	55,024	— %	—	—	55,024	— %	
224,258	560,000	560,000	224,258	— %	60,000	60,000	224,258	— %	
2,214,921	1,007,500	908,516	2,313,905	4.3 %	3,700,000	4,147,534	1,866,371	(24.0)%	
583,375	4,132,683	3,931,410	784,648	25.7 %	263,506	274,994	773,160	(1.5)%	
573,449	184,000	241,000	516,449	(11.0)%	163,000	80,000	599,449	13.8 %	
1,421,399	407,023	229,528	1,598,894	11.1 %	370,000	252,692	1,716,202	6.8 %	
2,771,591	1,344,448	2,637,455	1,478,584	(87.4)%	1,344,448	2,762,390	60,642	n/a	
389,902	1,260,000	1,382,943	266,959	(46.1)%	1,418,000	1,282,008	402,951	33.7 %	
4,818,377	1,685,000	2,759,561	3,743,816	(28.7)%	1,671,000	2,816,994	2,597,822	(44.1)%	
3,641,435	28,565,583	28,893,452	3,313,566	(9.9)%	25,193,015	27,272,435	1,234,146	(168.5)%	
2,199,865	280,000	353,123	2,126,742	(3.4)%	580,000	1,264,560	1,442,182	(47.5)%	
44,073	—	—	44,073	— %	—	2,001	42,072	(4.8)%	
18,937,669	39,426,237	41,896,988	16,466,918	(15.0)%	34,762,969	40,215,608	11,014,279	(49.5)%	

BUDGET BY FUNCTIONAL GROUPING

	2023		2024	
	Actual Revenues	Actual Expenditures	Actual Revenues	Actual Expenditures
Enterprise Operating Funds				
Airport Operating	\$ 1,637,806	\$ 1,543,562	\$ 2,381,483	\$ 2,042,282
Stormwater Operating	4,861,613	3,242,747	4,210,820	3,429,481
Transit Operating	12,448,542	9,966,699	13,377,593	10,658,859
Refuse	9,929,589	9,178,820	10,184,224	9,479,302
Wastewater Operating	25,440,777	24,611,548	24,809,291	28,777,598
Water Operating	12,487,465	12,570,570	12,466,410	13,366,346
Irrigation Operating	2,147,219	2,368,841	2,221,790	2,568,268
Subtotal Enterprise Operating Funds	68,953,011	63,482,787	69,651,611	70,322,136
Enterprise Capital Project Funds				
Airport FAA	2,687,918	2,875,162	2,728,498	2,838,055
Stormwater Capital	660,593	1,437,906	816,983	458,240
Transit Capital	6,058,380	4,988,018	1,845,930	898,995
Wastewater Facilities Capital	1,000,000	3,665,801	1,000,000	1,316,552
Wastewater Construction Capital	3,010,610	3,842,068	2,040,318	4,592,113
Water Capital	2,510,610	1,390,003	3,005,922	2,569,511
Wastewater Projects Capital	2,733,904	331,714	8,000,000	1,425,300
Irrigation Capital	2,232,927	2,290,012	4,564,943	3,435,682
Subtotal Enterprise Capital Project Funds	20,894,942	20,820,684	24,002,594	17,534,448
Internal Service Funds				
Equipment Rental / Reserves	6,073,481	5,729,598	6,712,433	8,429,525
Environmental	385,538	393,743	426,972	422,384
Public Works Administration	1,433,450	1,343,161	1,445,058	1,425,828
Utility Services	2,667,778	2,666,236	2,219,287	2,215,008
Subtotal Internal Service Funds	10,560,247	10,132,738	10,803,750	12,492,745
Employee Benefit Reserves				
Unemployment Compensation Rsv	274,158	185,427	262,919	308,367
Employees Health Benefit Reserve	14,046,446	14,197,007	15,695,957	16,531,655
Worker's Compensation Reserve	3,559,980	3,330,426	3,958,390	3,171,401
Wellness / Employee Asst Program	75,000	57,868	75,000	48,600
Subtotal Employee Benefit Reserves	17,955,584	17,770,728	19,992,266	20,060,023
Risk Management Reserve				
Risk Management Reserve	5,790,952	4,693,387	4,653,136	5,476,973
Subtotal Risk Management Reserve	5,790,952	4,693,387	4,653,136	5,476,973

2025					2026				
Beginning			Estimated	2023			Estimated	2024	
Fund	YE Estimate	YE Estimate	End Fund	vs 2022	Amended	Amended	End Fund	vs 2023	
Balance	Revenues	Expenditures	Balance	Fund Bal	Revenues	Expenditures	Balance	Fund Bal	
\$ 1,602,067	\$ 1,502,934	\$ 2,269,513	\$ 835,488	(91.8)%	\$ 1,599,319	\$ 1,965,833	\$ 468,974	(78.2)%	
3,488,730	4,349,918	5,792,622	2,046,026	(70.5)%	4,653,343	5,910,543	788,826	(159.4)%	
15,949,179	15,320,854	12,199,213	19,070,820	16.4 %	12,750,325	12,682,528	19,138,617	0.4 %	
5,760,331	9,992,170	10,048,687	5,703,814	(1.0)%	10,291,935	10,293,628	5,702,121	— %	
8,921,967	25,191,271	27,048,329	7,064,909	(26.3)%	26,029,354	29,848,638	3,245,625	(117.7)%	
6,930,093	14,370,290	14,340,793	6,959,590	0.4 %	15,098,500	14,585,780	7,472,310	6.9 %	
734,004	2,301,339	2,398,890	636,453	(15.3)%	2,370,275	2,483,455	523,273	(21.6)%	
43,386,371	73,028,776	74,098,047	42,317,100	(2.5)%	72,793,051	77,770,405	37,339,746	(13.3)%	
300,437	6,911,298	7,092,942	118,793	(152.9)%	2,582,100	2,288,617	412,276	71.2 %	
5,071,479	2,628,809	2,289,367	5,410,921	6.3 %	2,538,365	5,054,313	2,894,973	(86.9)%	
5,656,221	2,750,000	3,100,011	5,306,210	(6.6)%	3,450,000	2,166,996	6,589,214	19.5 %	
2,587,769	1,000,000	1,652,543	1,935,226	(33.7)%	1,000,000	1,299,237	1,635,989	(18.3)%	
7,203,839	5,439,768	10,948,474	1,695,133	(325.0)%	4,038,365	4,476,604	1,256,894	(34.9)%	
3,386,442	5,258,654	4,086,021	4,559,075	25.7 %	4,062,719	4,156,389	4,465,405	(2.1)%	
14,758,679	4,000,000	9,071,888	9,686,791	(52.4)%	4,000,000	5,054,451	8,632,340	(12.2)%	
(661,833)	11,575,810	10,543,796	370,181	278.8 %	10,071,084	10,402,522	38,743	(855.5)%	
38,303,033	39,564,339	48,785,042	29,082,330	(31.7)%	31,742,633	34,899,129	25,925,834	(12.2)%	
4,142,127	6,618,778	8,343,499	2,417,406	(71.3)%	6,785,878	6,318,718	2,884,566	16.2 %	
286,253	615,600	716,905	184,948	(54.8)%	265,500	324,289	126,159	(46.6)%	
717,983	1,691,604	2,029,623	379,964	(89.0)%	1,798,663	1,975,734	202,893	(87.3)%	
731,809	2,492,928	2,492,928	731,809	— %	2,513,317	2,513,317	731,809	— %	
5,878,172	11,418,910	13,582,955	3,714,127	(58.3)%	11,363,358	11,132,058	3,945,427	5.9 %	
465,227	279,927	208,740	536,414	13.3 %	286,978	219,488	603,904	11.2 %	
3,543,240	17,313,778	15,656,372	5,200,646	31.9 %	17,056,330	15,991,605	6,265,371	17.0 %	
1,151,702	4,836,371	4,161,183	1,826,890	37.0 %	4,561,691	4,010,503	2,378,078	23.2 %	
230,982	75,000	66,900	239,082	3.4 %	75,000	66,900	247,182	3.3 %	
5,391,151	22,505,076	20,093,195	7,803,032	30.9 %	21,979,999	20,288,496	9,494,535	17.8 %	
7,551,294	4,556,754	7,195,344	4,912,704	(53.7)%	5,582,694	7,855,199	2,640,199	(86.1)%	
7,551,294	4,556,754	7,195,344	4,912,704	(53.7)%	5,582,694	7,855,199	2,640,199	(86.1)%	

BUDGET BY FUNCTIONAL GROUPING

		2023		2024	
		Actual	Actual	Actual	Actual
		Revenues	Expenditures	Revenues	Expenditures
Debt Service, Custodial & Trust Funds					
Debt Service					
PFD LTGO Bonds	\$	1,547,128	\$ 1,404,068	\$ 1,671,274	\$ 1,404,278
Miscellaneous LTGO Bonds		3,018,414	3,018,414	2,949,914	2,949,914
Wastewater LTGO Revenue Bond		382,800	378,400	387,900	384,325
Irrigation LTGO Revenue Bond		276,600	269,800	270,750	264,438
Wastewater Revenue Bond		1,164,800	1,157,333	—	—
Custodial and Trust Funds					
YakCorps		673,166	612,222	—	—
Custodial Fund		5,353,814	5,258,805	5,538,376	5,730,559
Cemetery Trust		21,639	12,000	16,648	12,000
Subtotal Debt Service, Custodial & Trust Funds		12,438,361	12,111,042	10,834,862	10,745,514
Total Citywide		\$ 275,227,075	\$ 265,968,718	\$ 303,104,083	\$ 289,528,212

2025					2026				
Beginning			Estimated	2025			Estimated	2026	
Fund	YE Estimate	YE Estimate	End Fund	vs 2024	Amended	Amended	End Fund	vs 2025	
Balance	Revenues	Expenditures	Balance	Fund Bal	Revenues	Expenditures	Balance	Fund Bal	
\$ 633,195	\$ 1,413,051	\$ 1,413,051	\$ 633,195	— %	\$ 1,405,447	\$ 1,880,237	\$ 158,405	(299.7)%	
17,626	1,299,664	1,299,664	17,626	— %	1,299,664	1,299,664	17,626	— %	
15,760	387,550	387,550	15,760	— %	381,900	381,900	15,760	— %	
29,802	274,900	274,900	29,802	— %	273,750	273,750	29,802	— %	
1,620,948	—	—	1,620,948	— %	—	—	1,620,948	— %	
—	—	—	—	n/a	—	—	—	n/a	
210,587	—	—	210,587	— %	—	—	210,587	— %	
743,395	12,000	12,000	743,395	— %	12,000	12,000	743,395	— %	
3,271,313	3,387,165	3,387,165	3,271,313	— %	3,372,761	3,847,551	2,796,523	(17.0)%	
<u>\$ 156,011,692</u>	<u>\$ 325,747,524</u>	<u>\$ 345,016,410</u>	<u>\$ 136,742,806</u>	(14.1)%	<u>\$ 312,383,895</u>	<u>\$ 326,717,431</u>	<u>\$ 122,409,270</u>	(11.7)%	

