

# **Yakima County Financial Policies**

The Board of County Commissioners has the statutory authority, responsibility and obligation to manage County finances in a manner that will foster a broad spectrum of services to benefit the community of the County.

The financial health and welfare of Yakima County is highly dependent upon establishing and maintaining sound, financial-planning objectives and strategies of implementation. These financial management policies assist the decision-making process of the Board of County Commissioners while operating independently of changing service and financial circumstances and conditions. The implementation of wise fiscal policies enables County officials to protect the public interest and ensure public trust and confidence.

## **Financial Goals**

Yakima County's financial policies shall address the following fiscal goals:

- Ensure the County maintains a financial base sufficient to provide a consistent level of County services.
- Maintain sound financial practices that meet all applicable standards and direct the County's financial resources towards balancing the County's eight priorities.
- Keep the County in a fiscally sound position in both the long and short term.
- Maintain sufficient financial liquidity to meet normal operating and contingent obligations.
- Maintain and preserve existing infrastructure and capital assets.
- Guide the Board in management and policy decisions that have significant financial impact.
- Provide a mechanism to regularly review programs and operational methods to improve productivity and eliminate duplication of functions.
- Promote cooperation and coordination with other governmental entities and the private sector in delivery of services.
- Ensure the County is able to remain financially stable independent of local and regional economic variations and adjust to changes in the service requirements of the community.
- Set forth operating principles that minimize the cost of government and financial risks.
- Promote sound financial management by providing accurate and timely information on the County's financial condition.
- Ensure the legal use of financial resources through effective systems of internal controls.

# I. Priorities of Government Budget Model

The critical budgeting questions we hold ourselves accountable to are:

- What are the ***community needs*** expected from government and defined by our constituents?
- What are the ***priorities*** for County expenditures which will achieve those community needs?
- What are the ***functions*** (strategies and activities) we can implement and/or strengthen to most effectively achieve these priorities?
- What are the key budget ***policies*** necessary to effectively guide defined functions?

## **Definitions**

**Community Needs:** A process by which county government formulates their leadership understandings of community needs. The process occurs through daily business activities and assessments, community hearings, and other interactions with our community. A preliminary budget is formed based upon those defined needs. The budget process embraces those needs by bringing together all elected officials to collectively embrace funding priorities.

**Priorities:** Major community-needed services are granted, mandated, or requested by Federal/State and/or Community. These community priorities can be partnerships or solely provided services by County government where the greatest efficiencies or effectiveness can be gained. These priorities go through an on-going review implemented through the resource allocation process.

- **Economic Development** – Efforts that seek to improve the economic well-being of our community by creating and/or retaining jobs and supporting or growing incomes and the tax base. Support for the Yakima County Development Association would be an example.
- **Governmental Services** – Indirect County services provided by government that support the internal functions of government. This support may be in the form of providing basic support services such as accounting services or human resources. Support may also take the shape of providing resources for the operation of the government through property assessment and collection.
- **Health and Human Services** – Efforts to improve the physical and mental well-being of the citizens of our community using preventative measures. Operational support of the Yakima County Health District would be an example.

- **Justice** – The ability to provide effective and timely resolution to legal matters while assuring dignified and fair treatment to all participants that meet Federal, State and local laws. The Superior, District and Juvenile Courts are examples.
- **Law** – The ability to provide effective and timely prosecution and defense of legal matters while assuring dignified and fair treatment to all participants. The Prosecuting Attorney, Public Defender and Clerk’s Office are examples.
- **Public Safety** - The protection of the general population from all manner of significant danger, injury, damage or harm as may occur during a criminal act or natural disaster, and the prevention of the same. This protection is typically provided by the Sheriff’s Department, Department of Security, and the Department of Corrections.
- **Public Services** – Direct services that are provided by government to its citizens that the private sector does not provide for or provides limited service. Examples include elections, document recording, planning, etc.
- **Quality of Life** – Efforts to improve the well-being of the community by providing services through cultural and recreational opportunities. Parks, pathways and investments in service organizations would be examples of quality of life programs.

**Major Functions:** (see example below) A subset of County priorities is distinguished by essential and specialized services necessary to achieve a County priority. To be a major function it must meet the following criteria:

- The community cannot effectively or efficiently provide this function without County government participation.
- County government must have adequate operational resources (financial/physical/human) to provide this major function.
- This function must clearly meet distinct needs of a community priority.

**Minor Functions:** (see example below) A group of related programs that fulfill major functions. To be a minor function, it must meet the following criteria:

- Minor functions are distinct components of a major function necessary to be fulfilled.
- A minor function requires operating resources such as financial, physical or human resources to complete a major function.

**Tasks:** Work or job activities that have distinct and describable elements to fulfill minor functions.

**Example:**

Government Services					
Year	Total	%	General	3/10th's	Dedicated
2009 Actual	\$14,900,423	9.49%	\$5,733,667	\$0	\$9,166,756
2010 Actual	\$32,005,391	17.85%	\$4,995,569	\$0	\$27,009,822
2011 Actual	\$10,715,375	6.13%	\$5,135,634	\$0	\$5,579,741
2012 Budget	\$11,798,570	6.70%	\$5,653,215	\$0	\$6,145,355
2013 Budget	\$11,121,445	7.00%	\$5,570,730	\$0	\$5,550,715

  

Major Functions					
Treasurer					
Year	Total	General	3/10th's	Dedicated	
09 A	\$9,260,401	\$951,834	\$0	\$8,308,567	
10 A	\$27,644,730	\$890,793	\$0	\$26,753,937	
11A	\$6,050,432	\$943,488	\$0	\$5,106,944	
12 B	\$6,615,795	\$993,772	\$0	\$5,622,023	
13 B	\$5,927,010	\$1,046,957	\$0	\$4,880,053	

  

Minor Functions					
Debt Service					
Year	Total	General	3/10th's	Dedicated	
09 A	\$7,892,714	\$50,851	\$0	\$7,841,863	
10 A	\$26,179,352	\$47,590	\$0	\$26,131,762	
11A	\$4,716,543	\$57,329	\$0	\$4,659,214	
12 B	\$5,126,649	\$60,429	\$0	\$5,066,220	
13 B	\$4,335,726	\$62,628	\$0	\$4,273,098	

  

Tasks									
Bonds					RID's / LID's				
Year	Total	General	3/10	Dedicated	Year	Total	General	3/10	Dedicated
09 A	\$7,789,153	\$0	\$0	\$7,789,153	09 A	\$36,197	\$0	\$0	\$36,197
10 A	\$26,080,949	\$0	\$0	\$26,080,949	10 A	\$35,329	\$0	\$0	\$35,329
11A	\$4,621,014	\$0	\$0	\$4,621,014	11A	\$31,533	\$0	\$0	\$31,533
12 B	\$5,027,378	\$0	\$0	\$5,027,378	12 B	\$31,072	\$0	\$0	\$31,072
13 B	\$4,237,591	\$0	\$0	\$4,237,591	13 B	\$26,963	\$0	\$0	\$26,963

## II. Budget Policy

### Objective

The County budget is the central financial planning document that encompasses all operating revenue and expenditure decisions. It establishes the level of funding to be provided to each department within the restrictions of anticipated County revenues. Budgetary controls have been implemented so that expenditures may not exceed appropriations. The Board of County Commissioners encourages elected officials and managers to budget and spend prudently.

### Budget Classifications

The expenditure budget is classified into five major categories as defined by the Washington State Auditor's Budgeting, Accounting, and Reporting System (BARS) as follows:

- Salary/Benefits – Includes salary costs, overtime, extra help, benefits and year end leave accruals (objects 10 and 20 in BARS).
- Supplies – Includes supplies, fuel consumed, and small tools and minor equipment (object 30 in BARS).
- Other Services and Charges – Includes professional services, communication, travel, advertising, operating rentals and leases, insurance, utilities, repairs and maintenance, intergovernmental services and other miscellaneous costs (objects 40 and 50 in BARS).
- Capital Expenditures – Capital expenditures include one-time improvements such as software upgrades, equipment, furniture and limited term projects not funded as an ongoing portion of the annual operations budget. (object 60 in BARS)
- Debt Service - Principal and interest payments related to bonds, loans or other debt. (objects 70 and 80 in BARS)

### **Scope of the Budget**

The annual budget will be adopted in accordance with the provisions of the Revised Code of Washington (RCW), as interpreted by the Budgeting, Accounting, and Reporting System (BARS) of the State of Washington, and on a basis consistent with Generally Accepted Accounting Principles (GAAP). Annual appropriated budgets are adopted at the level of the fund, except in the General Fund, where expenditures may not exceed appropriations at the department level and the budgets constitute the legal authority for expenditures at that level. Appropriations lapse at year-end.

### **Operating Budget Control**

The County will maintain a budgetary control system to ensure compliance with the budget. The County will provide access to the County Financial Management System (FMS) for departments to prepare status reports comparing actual revenues and expenditure to budgeted amounts.

The Board of County Commissioners, County Treasurer, County Auditor and the Financials Services Director will meet quarterly to review the County's budget and financial condition by reviewing revenue and expense projections with the actual activities of the period. Financial policies will be reviewed for changes or the need to add new policy where necessary.

### **Amending the Budget**

The Financial Services Director is authorized to transfer budgeted amounts between object classifications within departments or funds. However, the Board of County

Commissioners must approve any revisions that alter the total expenditures of a fund or department of the General Fund. Once a public hearing has been held, the Board will approve increases or decreases to department or fund appropriations by resolution. All budget amendments must be adopted by resolution no later than December 31<sup>st</sup> of the budget year being amended.

### **III. General Fund Financial Policies**

#### **A. General Fund Reserve Policy**

##### **Objectives**

Adequate reserve levels are a necessary component of the County's overall financial management strategy and a key factor in external agencies' measurement of the County's financial strength. The Board of County Commissioners will determine the level of reserves it deems necessary, essential and fiscally prudent as well as the level of reserves required by law, ordinance and/or bond covenants to ensure service levels, sufficient cash flow, financial stability, and protection against economic downturns and emergencies. Prudent use of reserve funds enables the County to address future hidden or unanticipated costs, changing revenue levels, take advantage of matching grant funds and to exercise flexible financial planning.

The General Fund Reserve Policy provides parameters to enhance Yakima County's ability to meet its financial obligations. The General Fund reserve must be fully funded, as defined by policy. When the reserve policy funding requirements are met, as determined by the Board of County Commissioners, the remaining budgetary impacts, whether positive or negative, will be distributed according to the funding priorities of Yakima County.

##### **Reserve Classifications**

The General Fund reserves are classified in compliance with the Governmental Accounting Standards Board (GASB) to identify specific purposes for which these reserves have been established:

1. **Non-Spendable:** Reserves that cannot be spent because of their form as they are not liquid (not in spendable form such as inventories, prepaid items, etc), or they are legally or contractually earmarked for a specific use. Examples include petty cash and imprest funds.
2. **Restricted:** Reserves that include amounts constrained to specific purposes by the provider, either externally imposed or mandated by law. Examples include funds collected for a specific purpose in State statute or fees that are collected that have a required use.

3. **Committed:** Reserves that carry self-imposed limitations that can only be used for certain purposes by a formal action imposed by the Board of County Commissioners. Examples include:
  - a. Computer Equipment Replacement Reserves: these funds are dedicated to fund the replacement of computer equipment and printers within each department of the General Fund. Use of these funds requires the removal of a like equipment item from a department's inventory.
  - b. Extraordinary Criminal Justice Reserves: these funds are dedicated to support extraordinary criminal justice costs due to certain cases or levels of activity related to criminal justice.
  - c. Elections Reserves: these funds are dedicated to support the transition from election cycles where the State of Washington reimburses the County for their election costs in odd numbered years and do not reimburse the County in even numbered years. This reserve stabilizes the net cost of elections from year to year and is excluded when determining the Total Reserve requirement.
  - d. Contingency Reserves: these funds are dedicated and their use defined by the General Fund Contingency Reserve Policy. This reserve may fluctuate by month and year and is excluded when determining the Total Reserve requirement.
  - e. Prior Year Unspent Appropriations: these funds are dedicated to account for the timing differences that occur between fiscal years where funds may not be spent in a prior year but will be spent in the next fiscal year. As such, this reserve is excluded when determining the Total Reserve requirement.
4. **Assigned:** Reserves that are spendable or available for appropriation, but have been earmarked for some specific purpose by the Board of County Commissioners but are neither restricted nor committed. Examples include match requirements for certain identified grants and as such, are excluded when determining the Total Reserve requirement.
5. **Unassigned:** Also known as "Cash Flow" reserves, these reserves are available for any legal purpose, generally available to finance operating expenditures. Unassigned reserves must be used to achieve the total reserve levels as determined by the Board of County Commissioners. They may only be used as determined by the Board of County Commissioners for one-time funding needs and cannot be used for annually re-occurring funding expenses (e.g. wage and benefit increases).

### **Total Reserves**

In order for the County to be in a fiscally responsible position, the Board of County Commissioners will annually establish and maintain a General Fund total reserve level which the Board believes is fiscally necessary, essential and prudent. However, depending on the Board of County Commissioners' assessment of the County's fiscal situation, the Board may choose to adjust the levels up or down by future resolution action. This budgetary total reserve level is essential to protect cash flow and other stated reserve objectives in offsetting significant financial revenue fluctuations.

In the event the annual total reserve level as determined by the Board of County Commissioners is exceeded, these additional funds will be deemed as surplus reserves and may be designated for any County General Fund purpose as deemed appropriate by the Board of County Commissioners.

### **Replenishing of Total Reserves**

The Board of County Commissioners shall determine the necessary budgetary actions through prudent management of revenue, expenditures, and/or contributions from the annual General Fund budget to keep the total level of reserves at the appropriate level. If, at any time, the level of total reserves is projected to drop below the adopted reserve levels, the Board of County Commissioners will institute budgetary actions necessary to bring these total reserves up to the established level of reserves within the following two (2) subsequent annual budget cycles.

## **B. General Fund Resource Allocation Policy**

### **Objectives**

Upon completion of the preliminary annual General Fund budget allocation review process, the Board of County Commissioners will exercise its final budgetary authority to allocate all revenues (gains or losses) within the eight funding priorities.

The Board of County Commissioners will strive to not reduce, in real aggregate dollars, any funding priority when there is total General Fund general revenue growth. Cost increases will not serve as a basis for additional and/or supplemental appropriations by the Board of County Commissioners out of the General Fund.

### **Background**

Revenue allocations are based upon the needs of a changing community as well as the modifications in funding levels. Many revenue resources are allocated for specific purposes, as defined, and may not be used outside of those defined purposes.



## **Annual General Fund Revenues**

Each year, the Board of County Commissioners, Financial Services Director, elected officials and department heads jointly work towards an “estimate” of anticipated revenues for the following year’s annual General Fund budget. This “estimate” creates a baseline point of reference for the budget process. It is clearly understood by the Board of County Commissioners, Financial Services Director, elected officials and department heads that this is only an “estimate”. Therefore, the Board of County Commissioners must evaluate fiscally responsible levels of reserves to reasonably address unanticipated funding shortfalls, expense overruns, cash flow fluctuations and/or any other similar issues.

Accordingly the General Fund Reserve Policy provides parameters to enhance Yakima County’s ability to meet its financial obligations. The General Fund reserve must be fully funded, as defined by policy. When the reserve policy funding requirements are met, as determined by the Board of County Commissioners, the remaining budgetary impacts, whether positive or negative, will be distributed according to the funding priorities of Yakima County.

## **C. General Fund Outside Revenue Policy**

### **Objectives**

The General Fund receives General Dedicated revenues that are projected by elected officials/department heads of the General Fund. It is the responsibility of the elected officials/department heads that receive General Dedicated Revenues to properly budget and project these revenues so as not to create a liability for the General Fund.

### **Revenue Descriptions**

The spending priorities of the General Fund are funded through the collection of taxes, fines, fees, charges for services and other miscellaneous revenues that are standard across county government in the State of Washington. These **General revenues** support the backbone of County services to the community. During the development of the annual General Fund budget, Commissioners allocate the projected general revenues across the priorities of the community using the Resource Allocation Policy.

The General Fund also receives funding streams that must be used for a specific purpose defined by contract or agreement. These **General Dedicated revenues** often come from the Federal Government, the State of Washington, other local governments or from private organizations. These General Dedicated revenues are allocated to the departments responsible for the execution of the contract terms. These resources are in addition to the General revenues allocated to the department.

## **General Dedicated Revenues**

During the budget year, General Dedicated revenues may increase or decrease due to varying factors. If those respective funded expenses exceed their General Dedicated revenues, the department must cover the over-expenditures from that year's General revenue or their next year allocation.

If General Dedicated revenues increase in any given year, it is the responsibility of the elected official/department head to request a budget amendment through the County Financial Services Director. Budget amendments must be complete before the end of the current calendar year.

It is the responsibility of the elected official/department head that receives an outside revenue allocation to meet all requirements of the contract or agreement as to not create liability for the County or jeopardize future funding opportunities.

## **D. General Fund Contingency Reserve Policy**

### **Objectives**

The Board of County Commissioners strives to allocate all available resources of the General Fund during the annual budgeting process. Entities of the General Fund are encouraged by the Board to maximize their annual budget allocations to provide services to the community. However, portions of an entity's annual budget must often be held in reserve due to the potential for unanticipated over-expenditures before the end of the fiscal year budget. Therefore, the Board will allocate a percentage of the annual budget to be set aside as a contingency for these unanticipated over-expenditures. This will support the entities of the General Fund to fully utilize their annual budget allocations.

### **Contingency**

The Contingency Reserve category will be annually funded to a maximum 1% of the respective entity's total allocated resources, including the annual resource allocation from the 3/10<sup>th</sup>'s Sales Tax Fund. Rollover of unused Contingency funds will be allowed to accrue to a maximum of 5%.

All uses of Contingency Reserves require a budget amendment and shall have prior approval by the Board of County Commissioners.

**YAKIMA COUNTY  
ELECTIVE POSITION PAY PLAN  
EFFECTIVE JANUARY 1, 2015**

<b>POSITION</b>	<b>MONTHLY SALARY</b>
Assessor	7,057.00
Auditor	7,057.00
Clerk	7,057.00
Commissioners, District 1 and 2	7,326.00
Commissioners, District 3	7,695.00
Coroner	7,057.00
District Court Judges	12,406.75
Prosecuting Attorney	13,030.25
Sheriff	8,182.00
Superior Court Judges *	6,515.13      13,030.25
Treasurer	7,057.00

*\*Half of salary paid by Yakima County, half by State of Washington*

**YAKIMA COUNTY  
DEPARTMENT HEADS PAY PLAN  
EFFECTIVE JANUARY 1, 2015**

<b>POSITION</b>	<b>MONTHLY SALARY</b>
Department of Assigned Counsel Director	10,172.00
Department of Corrections Director	10,255.00
Department of Human Services Director	9,572.00
Financial Services Director	8,959.00
Geographic Information Services Senior Manager	7,154.00
Human Resources Director	8,925.00
Public Services Director	11,537.00
Technology Services Director	10,303.00

## YAKIMA COUNTY MASTER PAY PLAN

Monthly Salary  
Effective January 1, 2015

Range Number	Classification	7.50 Hour Day	8.00 Hour Day
A-0-1	County Worker	1,551.00 - 2,177.00	1,654.00 - 2,322.00
A-1-1	Maintenance Worker, Office Assistant	1,928.00 - 2,704.00	2,056.00 - 2,885.00
A-1-2	Office Technician	2,097.00 - 2,904.00	2,237.00 - 3,098.00
A-1-3	Cadastral Technician, Financial Technician, Office Support Technician, Maintenance Technician Court Reporter*	2,267.00 - 3,104.00	2,418.00 - 3,311.00    4,010.00 - 5,232.00
B-2-1	Financial Specialist, Maintenance Specialist, Office Specialist, GIS Tech	2,472.00 - 3,365.00	2,637.00 - 3,590.00
B-2-2	Juvenile Corrections Officer, Engineering Technician, Office Coordinator, Program Specialist	2,694.00 - 3,627.00	2,873.00 - 3,868.00
B-2-3	Appraiser, Computer Support Technician, Facilities Maintenance Technician, Mechanic, Program Representative, Road Maintenance Technician, Law Enforcement Dispatcher, Utility Maintenance Technician I Certified Court Interpreter*	2,913.00 - 3,887.00	3,107.00 - 4,146.00          3,954.00 - 5,611.00
B-2-4 / B-3-1	Case Manager, Commercial Appraiser, Engineering Technical Specialist, Heavy Equipment Operator, Senior Program Representative, Utility Maintenance Technician II, Facilities Maintenance Specialist	3,270.00 - 4,212.00	3,488.00 - 4,492.00
B-2-5 / B-3-2	Building Inspector, Law Enforcement Dispatch Supervisor, Detention Supervisor, Office Supervisor, Lead Appraiser, Lead Road Maintenance Technician, Maintenance Supervisor, Paralegal, Senior Engineering Technician, System Support Specialist	3,609.00 - 4,604.00	3,849.00 - 4,911.00

## YAKIMA COUNTY MASTER PAY PLAN

**Monthly Salary**  
**Effective January 1, 2015**

Range Number	Classification	7.50 Hour Day	8.00 Hour Day
C-4-1	Accountant, Community Programs Nurse, Engineer, Investigator, Planner, Probation Officer, Program Coordinator, System Programmer	3,770.00 - 5,072.00	4,021.00 - 5,411.00
C-4-2	Program Analyst, Senior Planner, Senior Program Coordinator, Plans	3,990.00 - 5,342.00	4,256.00 - 5,698.00
C-4-3	Natural Resources Specialist, Road Maintenance Supervisor, Project Planner, Technology Administrator, Senior Program Analyst, Senior Accountant	4,209.00 - 5,609.00	4,489.00 - 5,983.00
C-4-4 / C-5-1	Administrative Supervisor, Project Engineer, Senior Project Planner, Senior Technology Administrator, Planning Supervisor		4,781.00 - 6,341.00
C-4-5 /	Senior Engineer, Manager, Senior Natural Resource Specialist		5,288.00 - 7,165.00
D-6-1	Senior Manager D61		5,453.00 - 7,373.00
D-6-2	Sr. Manager, Appointed Assistant D62		5,829.00 - 7,849.00
D-6-3	Senior Manager D63		6,198.00 - 8,312.00
D-6-4 / D-7-1	Senior Manager D64		6,589.00 - 8,807.00
D-7-2	Senior Manager D72		6,803.00 - 9,092.00
E-8-1	Director E81		7,033.00 - 9,366.00
E-8-2	Senior Director E-82		7,499.00 - 9,953.00

Department	Classification	8.00 Hour Day
Security	Officer	3,488.00 - 4,492.00
	Sergeant	3,849.00 - 4,911.00
Corrections	Corrections Officer	3,891.00 - 5,105.00
	Corrections Corporal	4,718.00 - 5,338.00
	Corrections Sergeant	5,396.00 - 6,186.00
	Lieutenant	6,231.00 - 7,442.00
	Manager	7,167.00 - 8,752.00
Sheriff	Deputy Sheriff	4,240.00 - 5,905.00
	Deputy Sergeant	6,575.00 - 6,901.00
	Lieutenant	7,979.00
	Chief	8,734.00

\*Market Premium