

Financial Situation in Yokohama



Photo provided by Photo contest of the Yokohama Port passenger ship

Easy-to-understand Financial Background

Account Book for Yokohama Fiscal 2016

Digest



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Points in Fiscal 2016 Budget

In fiscal 2016, we will accelerate activities for city planning to establish a base for creating an environment for individuals and companies to be able to fully realize their capabilities. We will further strengthen promotional activities in accordance with our slogan: "Yokohama: Where Both People and Companies Shine". We will promote constant administrative reforms to cope with both "promoting policy" and "maintaining the soundness of financial affairs."

Child care support/Children/Youth

- Continue efforts so that no children will be on waiting lists for nursery school enrollment
- Promote child care after school by providing after-school kids clubs, etc.
- Start "Hamaben", a Yokohama delivery box lunch (all junior high schools)
- Completed allocation of school librarians to all schools (elementary schools/junior high schools/special-needs schools)
- Improve education environment (repair of fire/smoke protecting shutters, etc.)
- Aid children in poverty

After school kids club



Women/Seniors

- Promote the 4th Yokohama City Gender-Equality Action Plan
- Promote the Senior Regional Contribution Model Project
- Promote the Yokohama Senior Volunteer Point Project



Energy

- Promote utilization of hydrogen energy
- Promote low carbon energy management
- Promote Minato Mirai 2050 Project



Fuel cell powered vehicle

Growing field/Industrial base/ Small and medium-sized business

- Establish Yokohama Life Innovation Platform (tentative name)
- Support Yokohama clinical research network
- Strengthen attraction of enterprises
- Promote financing of small and medium-sized business, provide operational/ technical support, promote establishment of businesses/ventures
- Promote development of a new shopping district for foreign tourists in cooperation with emporiums
- Enhance industrial bases such as Keihin coastal area, Kanazawa coastal area and inland industrial zone
- Promote support for overseas infrastructure bus

Shopping district



Urban farming

- Vigorous farm management including production development of high-value-added farm and livestock products
- Promote local consumption of locally produced products

Tomato grown at facility utilizing ICT



Health promotion/Medical care/Welfare

- Implement "the Yokohama Health Style" including Yokohama Walking Point
- Establish a comprehensive regional care system
- Establish a framework for regional medical care
- Open and operate an institution for children with severe motor and intellectual disabilities

Consultation at the regional care plaza (comprehensive regional support center)



Support dynamic engagement of all citizens

Promotion of economic stimulation

Acceleration of lively city planning

City center seaside area

- Promote redevelopment of Yamashita Wharf which is due to open in 2020 with part of it available for public use
- Promote Yokohama Station peripheral area remodeling plan
- Energize Kannai and Kangai Districts
- Develop the city government office building which is due to open in 2020 (basic and detailed design)
- Promote redevelopment of Yokohama Cultural Gymnasium



Sports

- Prepare for holding Rugby World Cup 2019
- Promote activities for Tokyo 2020 Olympic and Paralympic Games



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Suburb

- Sustainable residential area model project
- Promote urban development (Northern Futatabashi district and district around Shin Tsunashima Station, etc.)
- Promote utilization of vacated US military sites such as Fukaya and Kamiseya

Site where Kamiseya U. S military facilities were located



Sightseeing/MICE/ Culture and art creation city

- Develop MICE* facilities covering 20 blocks
- Hold "Yokohama Otomatsuri (music festival in Yokohama) 2016"
- Prepare for holding 50th Annual Meeting of ADB in Yokohama (to be held in May 2017)

*MICE: An acronym for Meeting, Incentive Travel, Convention, and Event/Exhibition, a general term for business events, etc., which are expected to attract many customers and stimulate interaction



Yokohama Otomatsuri (music festival in Yokohama) 2013 "The Queen's Guard Parade"

Green conservation and creation

- Hold 33rd Japan Urban Green Yokohama Fair (March 25 to June 4, 2017)
- Develop a large-sized park via land use conversion
- Create greenery that citizens can enjoy, conserve woodland



The 33rd Japan Green Yokohama Fair: Logo mark/symbol character "Garden Bear"



Yokohama Loop North Line: Koyasudai to Namamugi Junction

Harbor/Traffic network

- Establish a loop road network by developing Yokohama Loop North Line and Northwest Line
- Develop advanced harbor facilities such as development of the Minami Honmoku Wharf Container Terminal and Minami Honmoku Wharf connection harbor road
- Enhance functions for inviting and accepting foreign passenger ships
- Develop Kanagawa Tobu Homen Line

Improvement example within cliff aid system



Disaster prevention and mitigation

- Promote measures for earthquake disaster prevention such as promotion of city fireproofing
- Make greater efforts to promote preventive measures for cliff areas and flood disaster
- Promote self-help and mutual cooperation using Yokohama Disaster Risk Reduction Learning Center

Administration and management: Promotion of work reform – in other words, Promotion of constant administrative reform

Financial administration and management: Carry out both "promotion of measures" and "upkeep of sound financial administration"

What is a Budget?

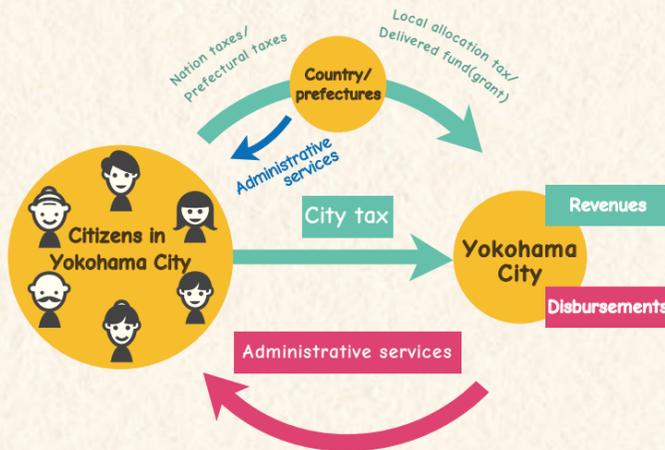
Q What is a budget?

A

Budget is an estimate of annual revenues and expenditures. In other words, it shows how taxes from citizens are used.

Taxes received from citizens become revenues of the national and local public bodies (municipalities and prefectures), and are used for various administrative services.

Prior to the start of the new fiscal year, the national and local governments estimate revenues such as taxes and disbursements that will be used for administrative services to plan projects. This estimate is the "budget".



Q How is the budget decided?

A

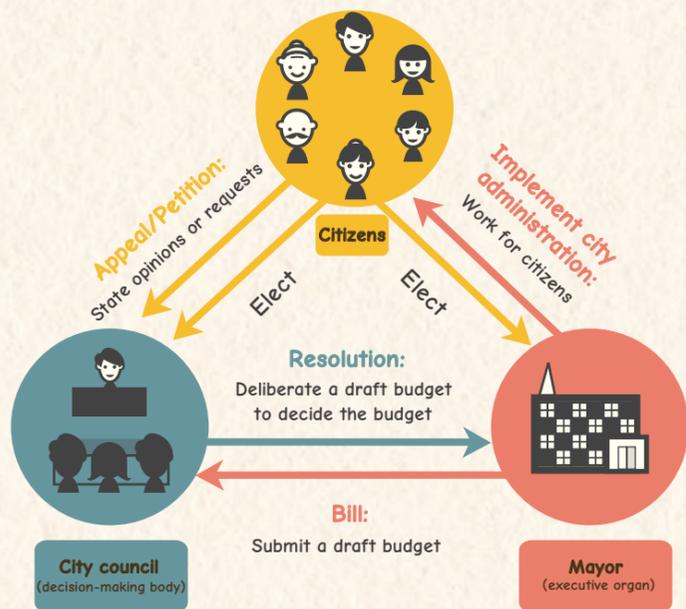
The mayor produces a budget bill and the city council deliberates it before the budget is passed.

The mayor and the city council members are elected representatives and they decide the budget. The division handling taxes at the city hall estimates the next fiscal year's revenues by observing economic trends.

The divisions carrying out projects study projects to be executed in the next fiscal year, such as "what types of administrative services should be executed" and "what types of projects should be executed in this district?" by taking regional conditions into consideration.

The mayor produces a draft budget to meet citizens' needs, based on the city plans, including the mid-term 4 year plan and plans studied by each division, and proposes a draft budget to the city council.

In the city council, the members, who are representatives of the citizens, exchange various opinions to deliberate the draft budget and pass a resolution on it.



Budget of Yokohama City

Yokohama City's budget is divided into 3 groups (accounts) depending on how it is used and the type of revenue. The budget for fiscal 2016 is as follows.

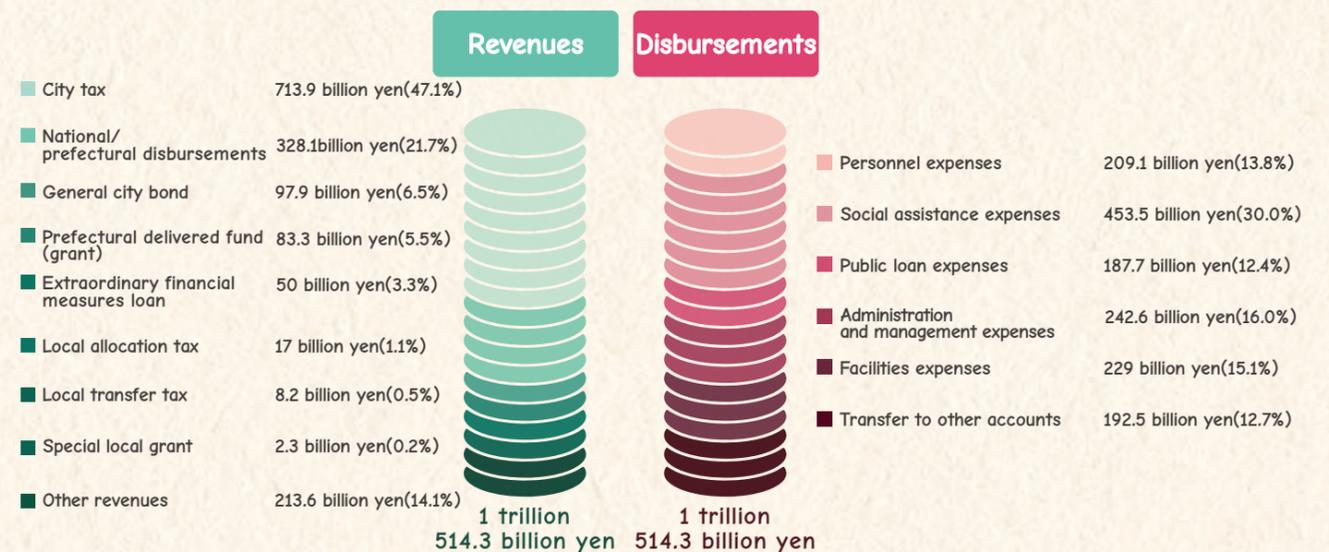
All accounts^{*1} 3 trillion 396.8 billion yen
(decrease of 2.4% compared with the previous fiscal year)
Budget for Fiscal 2016 Net total^{*2} 2 trillion 663.4 billion yen
(decrease of 0.6% compared with the previous fiscal year)

^{*1} general term for general account, special account and public sector account
^{*2} Budget of all accounts excluding overlapped parts which are exchanged between accounts

General account is described in "Financial Situation of Yokohama City".

General account 1 trillion 514.3 billion yen (increase of 1.3% compared to the previous fiscal year)

This account is for basic administrative services including welfare, medical care, education, and development of roads and parks. City tax revenue is mainly used for this general account.



Special accounts 1 trillion 341.6 billion yen

(decrease of 3.8% compared with the previous fiscal year)

These accounts are for special projects and independent from the general account to clarify the revenues and expenditures. There are 16 special accounts in Yokohama City.

National Health Insurance	403.7 billion yen	Pollution Victims Relief	0.04 billion yen
Nursing Care Insurance	268 billion yen	Urban Development	8.2 billion yen
Medical Care for the Elderly aged 75 or Over	71.6 billion yen	Car Parking Lots	1.2 billion yen
Harbor Development	20.1 billion yen	New Cemetery	0.8 billion yen
Central Wholesale Market	5.8 billion yen	Wind Power Generation	0.09 billion yen
Central Slaughterhouse	3.8 billion yen	Green Conservation and Creation	12.1 billion yen
Fund for Single Parents and Widows/Widowers Welfare	1 billion yen	Public Works	12.6 billion yen
Workers Welfare Mutual Aid	0.4 billion yen	City Bond	532.2 billion yen

Public sector accounts 540.9 billion yen

(decrease of 8.6% compared with the previous fiscal year)

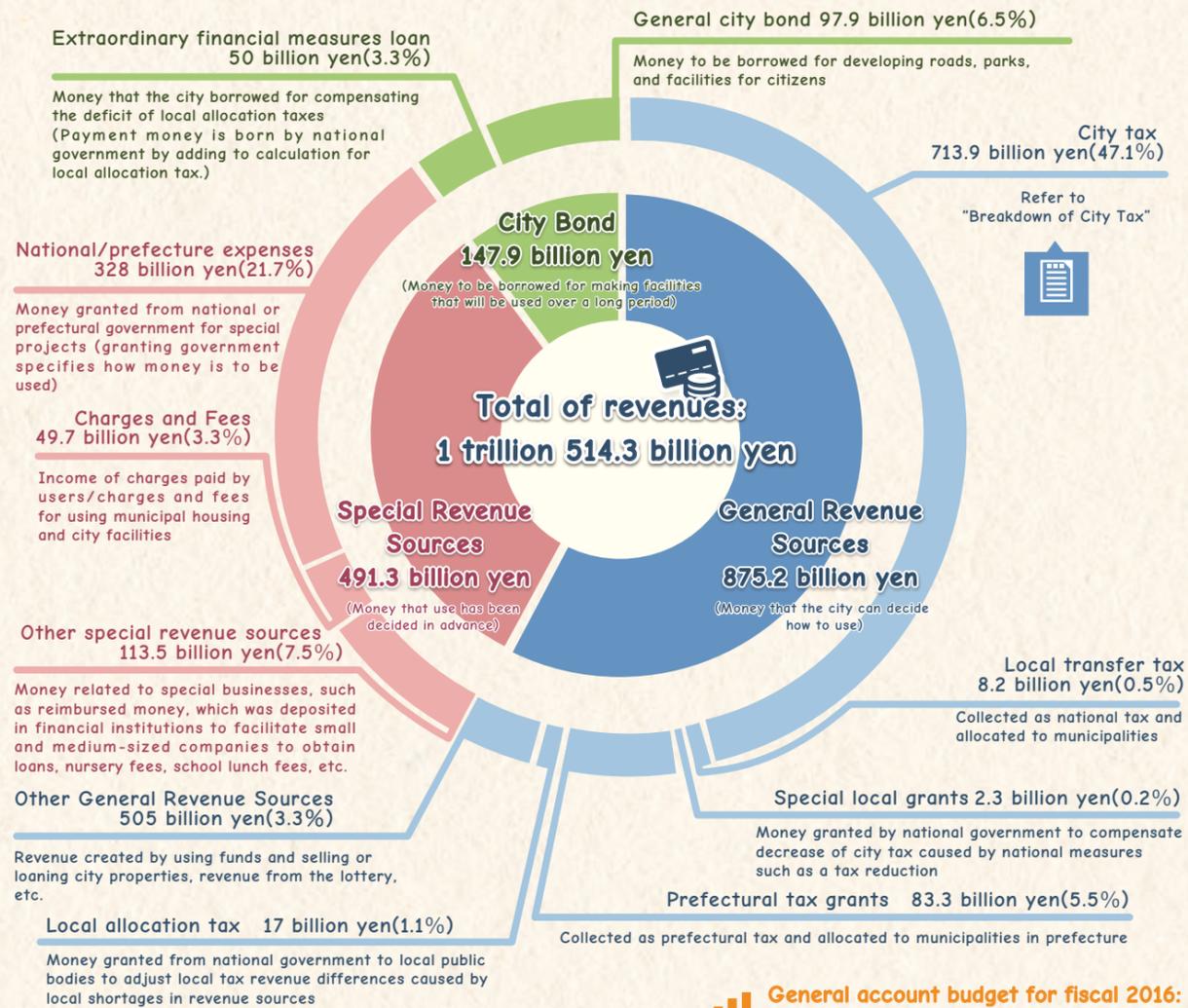
This account is operated in the same way as private companies by using profits made to operate subways, buses, waterworks, and hospitals. There are 7 public sector accounts in Yokohama City.

Sewage Works	237.8 billion yen	Automobiles	25.8 billion yen
Land Reclamation	26.9 billion yen	Rapid Transit Railway	90.9 billion yen
Waterworks	114.5 billion yen	Hospital	40.3 billion yen
Industry Waterworks	4.8 billion yen		

Revenues (Income) and Expenditures (Disbursements) of General Account

Among the general account revenues (income) of Yokohama City, 47% is city tax. Besides tax, there are various types of revenues and expenditures, such as money allocated by the national and prefectural governments and borrowed money (city bonds). The revenues are used for administrative services to support civic life.

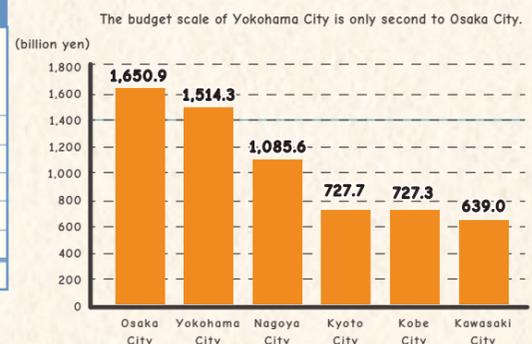
What types of revenues are there in Yokohama City?



Breakdown of City Tax	
Municipal tax	350.6 billion yen
Individual	294.3 billion yen
Corporation	56.3 billion yen
Fixed asset tax	264 billion yen
City planning tax	56.9 billion yen
Municipal tobacco tax	22.1 billion yen
Business office tax	17.7 billion yen
Others	2.5 billion yen
Total of city tax	713.9 billion yen

Note: Of the fixed asset tax, 2 billion yen is reserved as a revenue source of a supplementary budget for mid fiscal year. For the initial budget, 713.9 billion yen has been allocated.

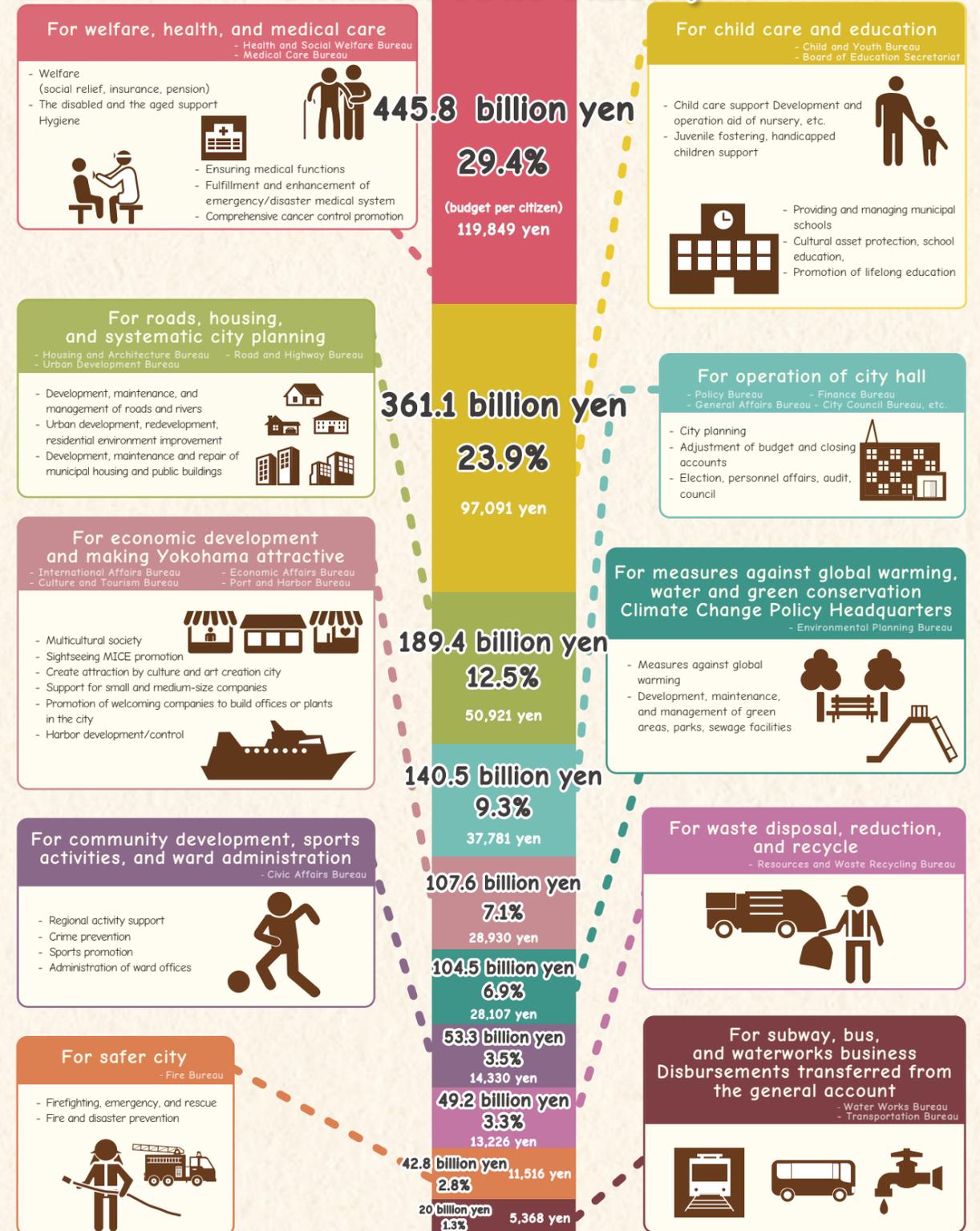
General account budget for fiscal 2016: Comparison with other cities



What are revenues including taxes used for?

Revenues are used for a wide range of fields including welfare, child care support, and development of roads and harbor. Notably, a high percentage of revenues are used for "welfare/health/medical care" and "child care/education."

Total of expenditures: 1 trillion 514.3 billion yen

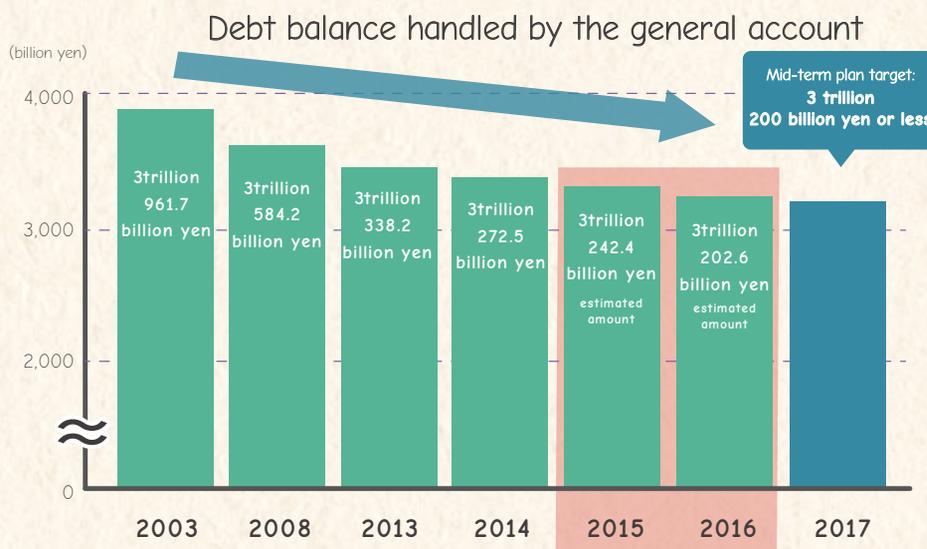


Fiscal Management of Yokohama City



It is necessary to implement both “promotion of measures” and “upkeep of sound financial administration” in order not to defer an excessive burden to future generations while making investments for Yokohama City’s growth and prosperity. We go forward with activities described in “the Yokohama City Mid-term 4 Year Plan 2014 to 2017” such as reduction of the fiscal deficit which is realized by careful administration of the general account, systematic city bond utilization, activities for collecting accrued credits, and strategic and effective utilization of public properties.

The city bond balance in the general account and the debt balance of special account/public sector account/fringe organization handled by the general account have decreased by approximately 750 billion yen from fiscal 2003. We are constantly reducing balance by making payments every year according to plan.



Note: Estimated amount at the end of fiscal 2015 for the general account/special account/public sector account is the amount estimated after the supplementary budget in February fiscal 2015 and that debt of fringe organizations is the estimated closing account.

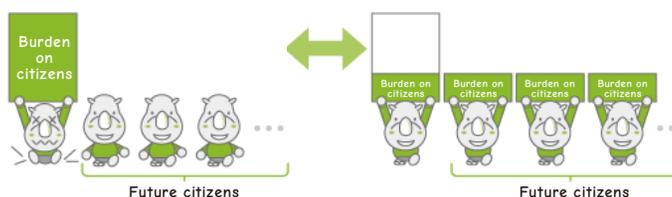
*Debt balance of special account/public sector account/fringe organization handled by the general account

- The debt balance handled by the general account includes the city bond balance for the special account and public sector account while excluding repayment made from business income of each account. Based on the national standard and changes in social conditions, money is transferred from the general account as payment using city tax.
- It also includes the debt balance of fringe organizations that was borrowed to obtain land and develop facilities based on the precondition that the city would purchase them later or help repayment of the principal.

Why is borrowing money necessary?

Local public bodies use borrowed money called local loans (city bond in Yokohama City) for developing public facilities including roads and parks over an extended period of time. To do so, the cost for building public facilities should be fairly born by all generations who use the public facilities.

If the city doesn't use a city bond and carries on business, the citizens at that fiscal year pay all the expenses for the project, and future citizens won't bear the cost at all.



When the city uses a city bond, future citizens will also pay the expenses of construction fairly.

Recently, local allocation taxes are inadequate, so local public bodies borrow money which is called extraordinary financial measures loan to make up the shortage. Money for paying back the extraordinary financial measures loan is provided by the national government by adding it to the calculation for future local allocation taxes.