

ORDINANCE NO. O2021-001

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, APPROVING A TRANSFER OF APPROPRIATIONS WITHIN THE FISCAL YEAR 2021 BUDGET; AND DECLARING AN EMERGENCY

WHEREAS, by separate Ordinance No. O2020-027, the City intends to issue pledged revenue obligations (bonds) at a not-to-exceed market interest rate, the proceeds of which will be used to pay all or a portion of the unfunded Public Safety Personnel Retirement System (PSPRS) liability for Tier 1 and Tier 2 Fire and Police employees and former employees; and,

WHEREAS, this unfunded PSPRS liability exceeds \$140,000,000, and paying this liability through the bond issue is expected to not only result in level repayment amounts in the future, but also to result in a net present value savings to City of Yuma taxpayers of approximately \$64,000,000; and,

WHEREAS, with the exception of transferred budget authority (described below) within an already adopted budget, Arizona Revised Statutes (A.R.S.) §42-17106 prohibits a City or town from spending money “in excess of the amount stated for each purpose in the finally adopted budget for that year”; and,

WHEREAS, as a result, the City must make two different payments to the PSPRS: a first payment of approximately \$35,000,000 immediately following the sale of the bond obligations and a second payment of approximately \$110,000,000 (but not to exceed the budgeted amount) as soon as possible after adoption of the Fiscal Year 2022 Annual Budget; and,

WHEREAS, in order to make the \$35,000,000 payment immediately following the sale of the bond obligations, City Council authorizes, pursuant to this Ordinance, a transfer of appropriations within the previously adopted Fiscal Year 2021 Annual Budget, to reduce certain revenues and expenditures in certain budget funds and to increase revenue and expenditure capacity in certain other funds, while keeping the total Fiscal Year 2021 Annual Budget the same.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Yuma as follows:

SECTION 1: The Fiscal Year 2021 Annual Budget is amended as shown in Schedule A, attached and incorporated as a part of this Ordinance, in order to reduce certain revenues and expenditures in certain budget funds and to increase revenue and expenditure capacity in certain other funds without exceeding the overall Fiscal Year 2021 Annual Budget.

SECTION 2: This transfer of appropriations will not violate the limitations prescribed in article IX, sections 19 and 20 of the Arizona Constitution and is in the public interest based on the demonstrated need to fund the unfunded PSPRS liabilities at a favorable interest rate.

SECTION 3: The immediate operation of the provisions of this Ordinance is necessary for the preservation of the public peace, health and safety of the City for the reason that the immediate payment of the authorized amounts described herein will result in significant savings to City of Yuma taxpayers; an emergency is, therefore, declared to exist, and this Ordinance is enacted as an emergency and shall be in full force and effect immediately upon its passage by the City Council, as required by law, and it is

hereby exempt from the referendum provisions of the Constitution and laws of the State of Arizona and the Charter of the City.

Adopted this _____ day of January, 2021.

APPROVED:

Douglas J. Nicholls
Mayor

ATTESTED:

Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

Richard W. Files
City Attorney