

MINUTES
REGULAR CITY COUNCIL WORKSESSION
 CITY COUNCIL OF THE CITY OF YUMA, ARIZONA
 CITY COUNCIL CHAMBERS - YUMA CITY HALL
 ONE CITY PLAZA, YUMA, ARIZONA
May 20, 2025
5:30 p.m.

CALL TO ORDER

Mayor Nicholls called the Regular City Council Worksession to order at 5:31 p.m.

Councilmembers Present: Martinez, Morris, McClendon, Smith, Morales (telephonic), Watts, and Mayor Nicholls

Councilmembers Absent: None

Staffmembers Present: Acting City Administrator, John D. Simonton
 Neighborhood Services Specialist, Kassandra Granados
 Director of Engineering, David Wostenberg
 Fire Chief, Dustin Fields
 Director of Finance, Doug Allen
 Director of Planning and Neighborhood Services, Alyssa Linville
 Various department heads or their representatives
 City Attorney, Richard W. Files
 Deputy City Clerk, Janet L. Pierson

I. COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME ANNUAL ACTION PLAN

Granados presented the following update on proposed 2025/2026 Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) project funding:

- Purpose of Funds
 - CDBG
 - Must address at least one of the three national objectives:
 - Benefit low-to-moderate income people
 - Prevent or eliminate slums or blight
 - Meet an urgent need
 - Funds can only be used within City limits
 - Focus on Neighborhood Revitalization Strategy Areas
 - HOME
 - Must be used to create or preserve affordable housing
 - Awarded to Yuma County HOME Consortium
 - Funds can be used countywide
- Federal Allocation

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
CDBG	\$859,415	\$916,984	\$916,011	\$890,871	\$940,370	\$984,398
HOME	\$1,042,144	\$753,444	\$411,329	\$378,564	\$222,171	\$237,028

- Allocation Process
 - October 18, 2024 – Invitations to submit grant applications and Public Notice
 - November 4, 2024 – Public hearing, technical assistance for applicants
 - December 16, 2024 – Application deadline at 5:00 p.m.
 - January-February 2025 – CDBG Citizen Advisory Committee reviews applications, hears presentations from applicants, and provides funding recommendation
 - January-February 2025 – Yuma County HOME Consortium Board reviews applications, requests application clarification, and makes funding decisions
- Funding Recommendations

HOME Funding Recommendations					
PY 25/26 Allocation		\$237,028	Funding Requests	Consortium Recommendation	Contingencies
Reprogrammed Funds		0			
Total		\$237,028			
Applications Received					
1	Danco Communities – Fortuna Palms	\$200,000	\$177,771	<i>52 units -If not awarded LIHTC, funds will go to the City of Yuma Housing Rehab Program</i>	
2	City of Yuma - Housing Rehab	\$375,000			
3	Yuma County - Housing Rehab	\$150,000			
Subtotal		\$725,000	\$177,771		
CHDO Required (15% estimated \$35,554)					
4	CHDO Set-Aside PY 2025-26	\$35,554	\$35,554		
Subtotal		\$35,554	\$35,554		
HOME Planning & Administration (10% cap - \$23,703)					
5	HOME Planning & Admin	\$23,703	\$23,703	<i>Will be adjusted to 10% of actual allocation</i>	
Total		\$784,257	\$237,028		

- 3 applications were received including one for the City of Yuma – Housing Rehab program
- Danco Communities – Fortuna Palms:
 - The developer has applied for Low Income Housing Tax Credits (LIHTC) and is proposing 52 units of affordable housing in the Foothills
 - It will be known by June 1, 2025, if the tax credits were awarded and if not, the HOME Consortium has decided to award the funds to the City of Yuma – Housing Rehab program
 - There are 66 individuals on the City of Yuma’s waiting list

CDBG Funding Recommendations				
PY 25/26 Allocation		Funding Requests	Advisory Board Recommendation	Comments
Reprogrammed funds	\$ 984,398			
Total				
Applications Received				
Public Services (15% cap - \$147,660)				
1	Crossroads Mission – Men's Shelter	92,280	92,280	120 bunk beds for the new men's shelter
2	WACOG-Housing Counseling	35,000	0	Carryover 27k of 24/25 allocation
Subtotal		\$127,280	\$92,280	
Housing & Public Facilities				
3	City of Yuma			
	Code Enforcement	60,000	60,000	
	Housing Rehab	500,000	320,238	3 major rehabs
4	Housing America-Colorado Apartment Improvements	185,000	185,000	32 units - 1555 W Colorado St. - replacing deteriorating roof.
5	Bethel Dev. Public Infrastructure-Vistara III*	150,000	130,000	Infrastructure supporting development of 80 units
Subtotal		\$895,000	\$695,238	
Planning & Administration (20% cap - \$196,880)				
6	CDBG Planning & Admin	181,880	181,880	
7	Southwest Fair Housing Council-Fair Housing Program	22,000	15,000	
		\$203,880	\$196,880	
Total		\$1,226,160	\$984,398	

- Five applications were received, including one from the City of Yuma
- Advisory Board recommendations include:
 - Crossroads Mission – 120 bunk beds for their new men’s shelter
 - Western Arizona Council of Governments (WACOG) requested \$35,000 for housing counseling; however, no funding was recommended since they have carryover of \$27,000 from their 2024/2025 allocation
 - City of Yuma – Code Enforcement and Housing Rehab Program
 - Housing America – Colorado Apartment Improvement for replacing deteriorating roofs for low-income residents
 - Bethel Development Public Infrastructure – Vistara III to add 80 units
 - Some members of City Council were at the recent ribbon cutting
 - Southwest Fair Housing Council – \$15,000 to continue to further fair housing

- Next Steps



- Publication in the newspaper on May 30th will include the proposed recommendations
- Comments will be accepted beginning June 1st

Discussion

- Community Housing Development Organization (CHDO) is certified by HUD; HDC is the current CHDO whose certification was recently renewed (**Mayor Nicholls/Granados**)
- There have not been any announcements regarding proposed federal cuts to CDBG or HOME funding; more information may be available closer to 2026/2027 (**Smith/Granados**)
- HOME funding was temporary reduced to compensate for an overpayment to the Yuma County HOME Consortium; this is the final year of repayment and funding should return to the normal amount next year, which is in the \$400,000 range (**Mayor Nicholls/Granados**)

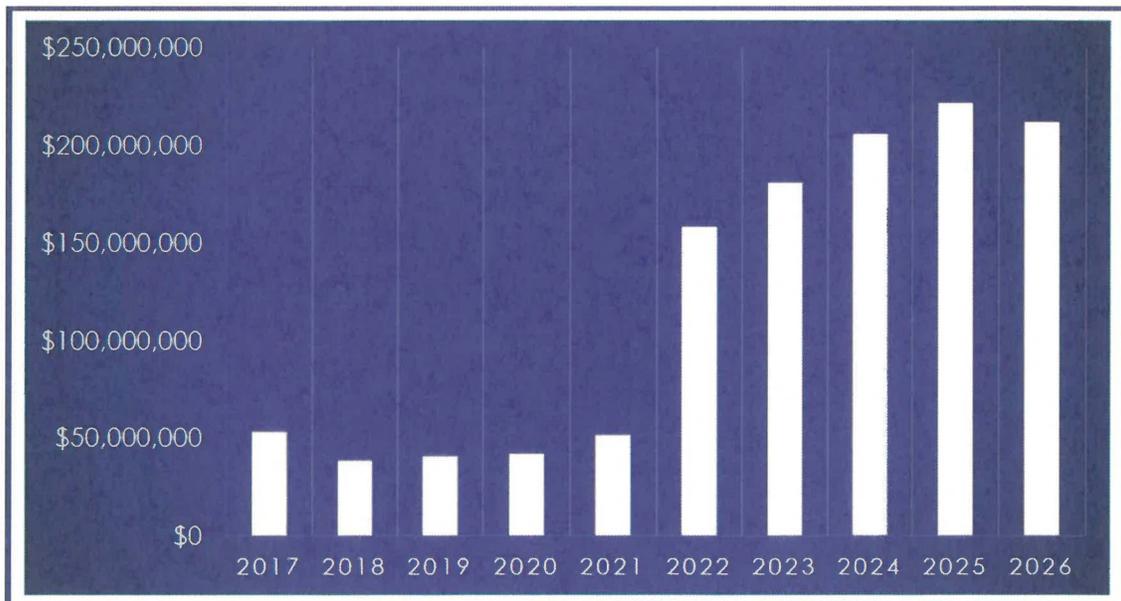
II. FY 2026 CAPITAL IMPROVEMENT PROGRAM

Mayor Nicholls declared a conflict of interest on the Fiscal Year (FY) 2026 Capital Improvement Program (CIP) as his firm is involved in various CIP projects, turned the meeting over to Deputy Mayor Smith, and left the dais.

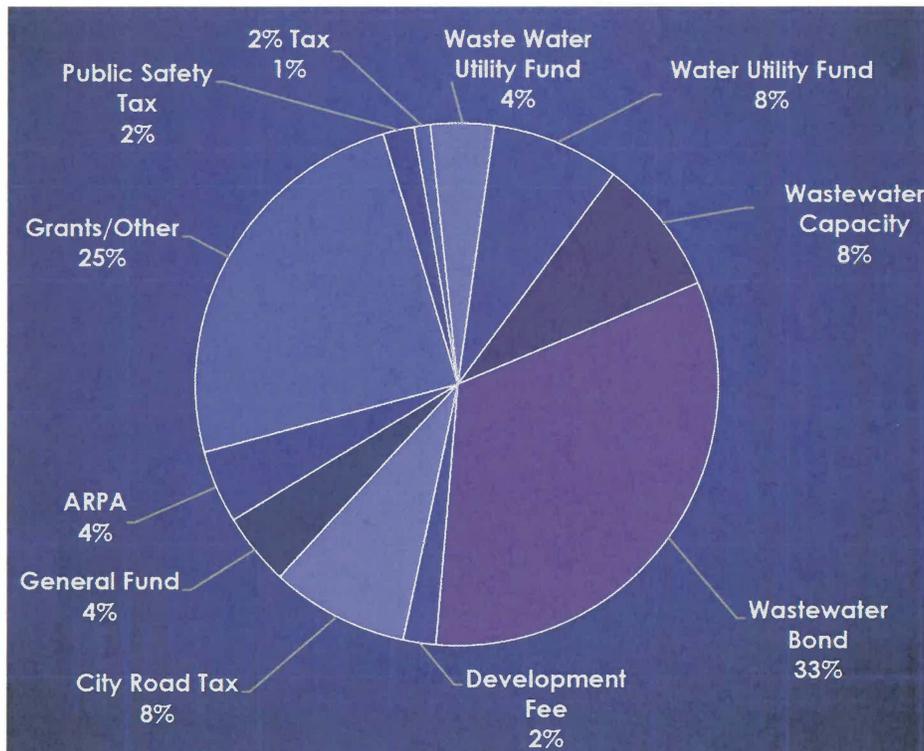
Wostenberg presented the proposed CIP for FY 2026-2030 as follows:

- What is a Capital Improvement?
 - New construction
 - Improvement of an existing asset
 - Equipment purchase
 - Minimum value of \$25,000
- How does the City define a Capital Improvement Project?
 - Increase functionality or capacity of an existing asset
 - Extend useful life of an asset
 - Upgrade essential parts or technology
 - Improve efficiency of an asset
 - Reduce operating costs
 - Enhance quality of services provided to the community

- Program Development
 - January-April
 - Funding projection
 - Funding allocation
 - Program review
 - May-June
 - Proposed CIP presented for City Council and public review
 - City Council Public Hearing
 - City Council consideration and adoption
 - July-December
 - Project status review
 - Priority setting
 - Department coordination
- FY 2026-2030 Schedule
 - May 1, 2025 – Proposed CIP to City Council
 - May 5, 2025 – Proposed CIP to City Clerk, City website, and Public Works
 - May 21, 2025 – Public Hearing
 - Two programs have been provided for the past two years including the current (individual) year CIP and the five-year plan required by the City Charter
- Framework for FY 2026-2030
 - Represents City Council’s priorities and strategic initiatives of Safe and Prosperous, Active and Appealing, Connected and Engaged, Unique and Creative and Respected and Responsible and legislative policy for FY 2026
 - Detailed view to forecast the following four years (2027-2030)
 - Each project in the CIP supports one of City Council’s five Strategic Outcomes as adopted in the 2021-2025 Strategic Plan
- 10-Year Capital Allocation History
 - Increased dramatically in 2022, mainly due to American Rescue Plan Act (ARPA) projects and the bond issuance for the Desert Dunes Wastewater Facility expansion



- FY 2026 Funding Sources
 - Bonds
 - Wastewater Revenue
 - Fees
 - Wastewater Utility
 - Wastewater Capacity
 - Water Utility
 - Development Fees
 - Taxes
 - City Road Tax
 - General Fund
 - Public Safety Tax
 - Two Percent Tax
 - Other
 - Grants
 - The City actively pursues grants; the Hotel Del Sol project is one example of a project that has a lot of grant money tied to it. ARPA projects are also included under the Grant Funds
 - Reimbursements



- Funding Notes
 - The CIP represents City Council’s legislative policy and provides direction to City staff for funding and constructing capital improvements and maintenance in the upcoming year.
 - City Council’s policy and direction is based on the available resources against the need. Almost every year, but especially recently, the needs greatly exceed the available resources.
 - This year the City is also running up against its expenditure limitation.
 - City Council’s approval of the CIP reflects its legislative intent and its decision to prioritize spending of limited resources on projects while also reflecting City Council’s decision to not allocate the limited resources in other areas.

- FY 2026 Project Summary by Department

Department	Project Count	Budget
Engineering Department	33	\$29,554,077
Facilities Department	17	\$1,512,000
Fire Department	1	\$300,000
General Government	8	\$22,433,475
Parks and Recreation	16	\$23,055,807
Planning - Neighborhood Services	7	\$2,493,714
Police Department	3	\$7,712,000
Public Works Department	10	\$9,174,000
Utilities Department	28	\$107,344,500
YCNHA	1	\$8,500,000
Total	124	\$212,079,573

- Parks
 - FY 2025
 - Kennedy Skate Park (rebuild)
 - Completed December 2024
 - FY 2026
 - East Mesa Community Park (new park)
 - Groundbreaking January 2025
 - Substantial completion of the first phase expected January 2026
 - Desert Hills Golf Course (irrigation improvements)
 - Notice to Proceed March 2025
 - Substantial completion expected October 2025
- Roadways
 - FY 2025
 - Pavement Replacement
 - Avenue B, 16th Street to 24th Street
 - Completed December 2024 and is currently under warranty
 - 28th Street, Madison Avenue to 4th Avenue
 - Completed December 2024
 - FY 2026
 - Capacity Increase/Traffic Signal
 - 28th Street, 45th Drive to 33rd Drive
 - Bid award on tomorrow's Council agenda (May 21, 2025)
 - Pavement Replacement
 - Edenwood Estates
 - Bid award on tomorrow's Council agenda (May 21, 2025)
 - Country Club Estates
 - Under design

- La Mesa Vista/La Mesa Hermosa
 - Design completed, could be advertised as early as July 2025 after the passing of the next fiscal year's budget
- Facilities
 - Yuma Multimodal Transit Center
 - Development agreement for Public Private Partnership is underway
 - Change order will be on June 4 agenda to move to the construction drawing phase; construction is estimated to begin by the end of calendar year 2025
 - Desert Dunes Capacity Increase
 - A majority of Utilities budget is for this expansion
 - At 20% completion, estimated to be completed by April 2027 but expect it to be completed early
 - Police Storage Facility
 - At 50% completion, estimated to be completed by November 2025
 - Yuma Civic Center Chiller Replacement
 - No update at this time

Discussion

- The addition of Fire Station 8 is high priority, followed by the remodel of Station 5 to house the Battalion Chief and the construction of an equipment warehouse; due to funding constraints, the equipment warehouse was prioritized over the remodel of Station 5, but that could change if revenue bonds are sold. A plan that lays out the priorities, including the order and the timeframe, would be helpful to City Council and something Chief Fields will discuss with the City Administrator. **(Morris/Chief Fields)**
- The \$500,000 budgeted in Fiscal Year 2028 for the Municipal Court and City's Prosecutor's Office expansion is for design services with the project to begin in Fiscal Year 2029. Morales expressed a sense of urgency after his recent tour of the facilities to which Simonton replied that several of the larger projects, including the expansion of the Municipal Court and City Prosecutor's Office, could potentially be moved up a few fiscal years if revenue bonds are sold; the City will be meeting with financial advisors in the next few days and City Council will be presented with some options in July or August. **(Morales/Simonton)**

Mayor Nicholls returned to the dais.

III. BUDGET DISCUSSION

Allen presented the following updates on the Proposed FY 2026 Budget:

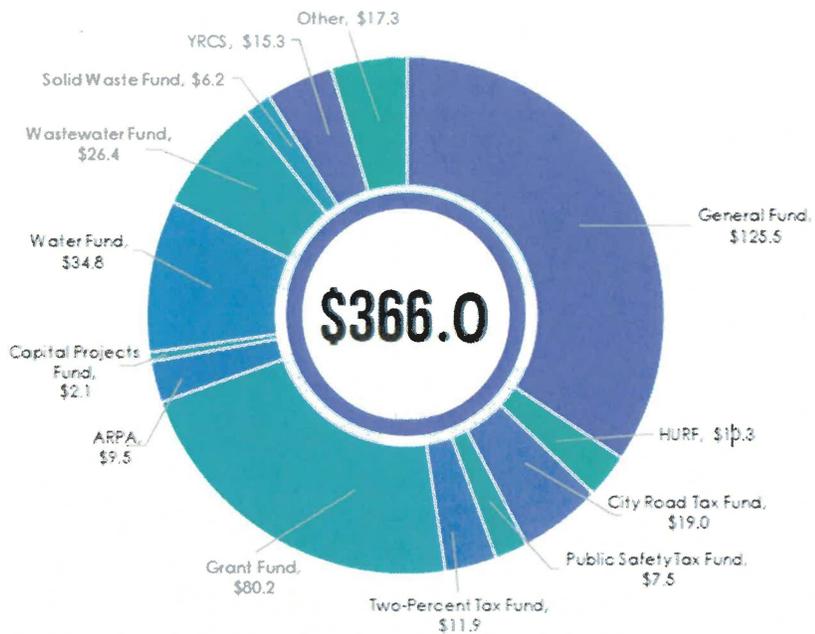
- FY 2026 Budget Documents
 - Selected Summaries and Schedules
 - Posted on the City's website on April 21
 - Proposed Annual Budget
 - Includes department briefings and performance measures
 - Posted on the City's website on May 19
 - Capital Improvement Program

- Amended FY 2026 Tentative Budget
 - This is a balanced budget; the difference between revenues and expenditures is the planned use of the fund balance
 - One example of this is the Desert Dunes Wastewater Plant capacity increase
 - Bonds were sold in November 2021 and the proceeds were carried forward in the fund balance

FY 2026 REVENUES

\$366.0 All Funds

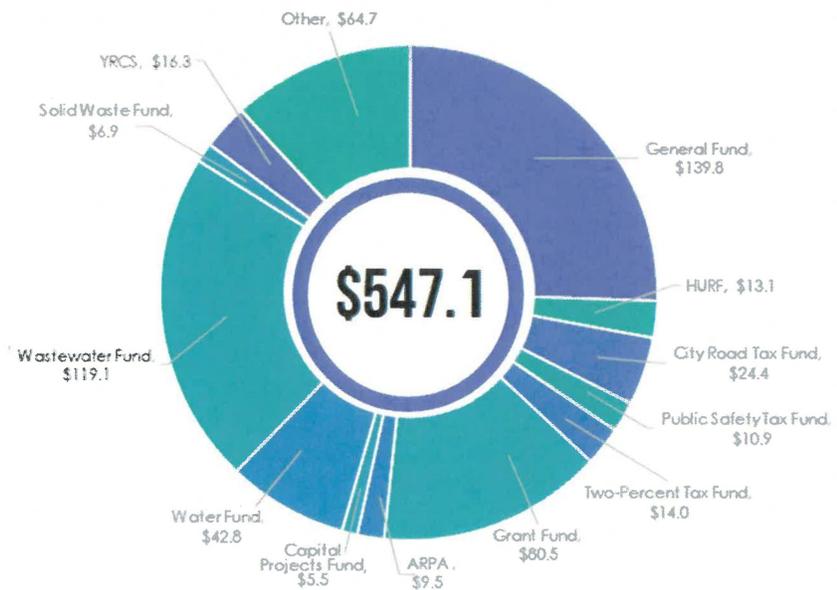
- \$125.5 General Fund
- \$10.3 HURF
- \$19.0 City Road Tax Fund
- \$7.5 Public Safety Tax Fund
- \$11.9 Two-Percent Tax Fund
- \$80.2 Grant Fund
- \$9.5 ARPA
- \$2.1 Capital Projects Fund
- \$34.8 Water Fund
- \$26.4 Wastewater Fund
- \$6.2 Solid Waste Fund
- \$15.3 YRCS
- \$17.3 Other



FY 2026 EXPENDITURES

\$547.1 All Funds

- \$139.8 General Fund
- \$13.1 HURF
- \$24.4 City Road Tax Fund
- \$10.9 Public Safety Tax Fund
- \$14.0 Two-Percent Tax Fund
- \$80.5 Grant Fund
- \$9.5 ARPA
- \$5.5 Capital Projects Fund
- \$42.8 Water Fund
- \$119.1 Wastewater Fund
- \$6.9 Solid Waste Fund
- \$16.3 YRCS
- \$64.7 Other



- Proposed Amendments to the Tentative Budget
 - Expenditures
 - CIP Budget adjusted to increase Water Fund by \$20,000 and decrease Grants Fund by \$300,000
 - Clearer narratives and notes in the Executive Summary Tables, and updated budget calendar

FY 2026 BUDGET - EXPENDITURES	TENTATIVE BUDGET (STATE FORMS A-G)		
Recommended Changes from Proposed Budget Document to Derive the Tentative Budget State Forms A-G	General Fund Expenditures	All Other Funds Expenditures	Total Budget Expenditures
Proposed Budget Expenditures	\$ 138,572,574	\$ 408,828,485	\$ 547,401,059
Capital Improvement Plan (CIP)			(280,000)
Water Fund	-	20,000	
Grants Fund	-	(300,000)	
Descriptive and Qualitative Items			-
Clearer narratives and notes in Executive Summary Tables	-	-	
Updated budget calendar	-	-	
Tentative Budget Expenditures	\$ 138,572,574	\$ 408,548,485	\$ 547,121,059

- Revenues
 - Reclassification of some Yuma County Assessor valuation resulted in a small revenue increase
 - Decrease to Maintenance Improvement District levy as one of the districts will not incur expenses in the upcoming fiscal year
 - Increase of Water System Development Charges and decrease in grants revenue related to the CIP
 - Correction of glitch in Fund Summaries Revenue and clearer revenue descriptions in Schedule 1

FY 2026 BUDGET - REVENUES	TENTATIVE BUDGET (STATE FORMS A-G)		
Recommended Changes from Proposed Budget Document to Derive the Tentative Budget State Forms A-G	General Fund Revenues	All Other Funds Revenues	Total Budget Revenues
Proposed Budget Revenues	\$ 125,018,417	\$ 241,042,358	\$ 366,060,775
County reclassify assessed valuation from prior year base to new construction - Changes Maximum Levy and TNT rate	13,704	-	13,704
Adjustment for Maintenance Improvement District Levy	-	(8,514)	(8,514)
Adjustment for Water System Development Charges	-	200,000	200,000
Grants revenue related to Capital Improvement Plan	-	(300,000)	(300,000)
Descriptive and Qualitative Items			-
Correct revenue glitch in "Fund Summaries Revenue":			
Two Percent Fund (Special Revenue Fund)	-	-	
Insurance Reserve Fund (Internal Service Funds)	-	-	
Schedule 1: Clearer revenue descriptions - enterprise funds	-	-	
Tentative Budget Revenues	\$ 125,032,121	\$ 240,933,844	\$ 365,965,965

- Property Tax Levy
 - The maximum rate has changed from \$2.1433 to \$2.1450 due to the difference between the assessed valuation provided by Yuma County and that received from the Property Tax Oversight Commission
 - \$646,000 was moved from Total Assessed Value to 2025 New Construction, which resulted in the maximum levy increasing by \$13,000
 - The maximum rate of \$2.1450 will be posted to comply with Truth in Taxation, but City Council can adjust the rate based on budget discussions
- Budget Calendar

May 21	Public Hearing: CIP
"	Motion: Tentative Budget Adoption
June 3, 10	Publication: State Form(s) Publication in the Yuma Sun
June 18	Public Hearing: Final Budget and Truth-in-Taxation, if applicable
"	Resolutions: Final Budget Adoption, Final CIP Adoption
"	Ordinances (Intro): Tax Levy Rates and Department Structure
"	Resolutions: PSPRS Funding Policy and Designate CFO for AELR
July 2	Ordinances: Adopt Tax Levy Rates and Department Structure

A budget discussion placeholder will be on all City Council agendas until final adoption

- The May 21, 2025, Tentative Budget Adoption sets the ceiling for the budget
- City Council still has the opportunity to make adjustments, but the budget cannot be increased once the budget ceiling is set
- State Forms
 - Schedule A – Total Budget
 - Is scheduled for adoption at tomorrow’s Council meeting
 - Shows the City will be under the expenditure limitation if the City does certain things during the year, including looking at bonding issues

CITY OF YUMA, ARIZONA
SUMMARY SCHEDULE OF ESTIMATED REVENUES AND EXPENDITURES/EXPENSES
Fiscal Year 2026

Fiscal Year	S c h	FUNDS								
		General Fund	Special Revenue Funds	Debt Service Fund	Capital Project Funds	ARPA Fund	Enterprise Funds Available	Internal Service Funds	Total All Funds	
2025	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	129,036,832	130,900,399	21,522,443	5,968,000	18,040,898	204,571,817	15,850,584	525,890,973
2025	Actual Expenditures/Expenses**	E	101,921,445	64,411,857	18,915,593	2,399,884	6,114,039	96,068,906	10,717,424	300,549,147
2026	Fund Balance/Net Position at July 1***		36,484,192	37,940,266	2,123,899	8,834,316	-	180,842,008	34,899,612	301,124,293
2026	Primary Property Tax Levy	B	17,291,632	-	-	-	-	-	-	17,291,632
2026	Secondary Property Tax Levy	B	-	581,740	-	-	-	-	-	581,740
2026	Estimated Revenues Other than Property Taxes	C	108,191,073	128,885,936	725,000	2,050,725	9,500,000	82,818,466	15,921,393	348,092,593
2026	Other Financing Sources	D	-	-	15,000,000	-	-	-	-	15,000,000
2026	Other Financing (Uses)	D	-	-	-	-	-	-	-	-
2026	Interfund Transfers In	D	-	200,645	18,897,766	-	-	-	-	19,098,411
2026	Interfund Transfers Out	D	12,700,891	5,701,116	-	456,931	-	239,473	-	19,098,411
2026	Total Financial Resources Available		149,266,006	161,907,471	36,746,665	10,428,110	9,500,000	263,421,001	50,821,005	682,090,258
2026	Budgeted Expenditures/Expenses	E	139,761,974	152,729,397	33,897,766	5,460,000	9,500,000	185,177,102	20,594,820	547,121,059

EXPENDITURE LIMITATION COMPARISON

	2025	2026
1. Budgeted expenditures/expenses	\$ 521,167,546	\$ 547,121,059
2. Add/subtract: estimated net reconciling items	-	-
3. Budgeted expenditures/expenses adjusted for reconciling items	521,167,546	547,121,059
4. Less: estimated exclusions	353,809,831	372,341,820
5. Amount subject to the expenditure limitation	167,357,715	\$ 175,059,239
6. EEC expenditure limitation	\$ 168,185,019	\$ 175,164,757

* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.
 ** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.
 *** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

- Schedule B – Tax Rates and Levies
 - Set at the maximum rate and levy for posting purposes, but can be adjusted down by City Council
 - Best time to adjust down would be after the June 18th public hearing where it can be amended at that time

CITY OF YUMA, ARIZONA
TAX LEVY AND TAX RATE INFORMATION
Fiscal Year 2026

	2025	2026
1. Maximum Allowable Primary Property Tax Levy A.R.S. 42-17051(A)	\$ 16,601,516	\$ 17,291,632
2. Amount Received from Primary Property Taxation in the 2023-2024 Fiscal Year in Excess of the Sum of that Year's Maximum Allowable Primary Property Tax Levy A.R.S. 42-17102(A)(18)		
3. Property Tax Levy Amounts		
A. Primary Property Taxes	\$ 16,443,414	\$ 17,291,632
B. Secondary Property Taxes (City-wide)		
C. Special Assessment Districts		
(1) Downtown Mall District	156,109	159,131
(2) Park West Units 4 and 5	27,551	28,953
(3) Cielo Verde Unit Three Phases 1 and 2	19,118	16,599
(4) Desert Sky Unit 1	73,262	78,923
(5) Saguaro Units 3 and 4	23,724	28,722
(6) Driftwood Ranch Units 1 and 2	22,516	26,169
(7) Livingston Ranch Unit No. 2	38,681	44,531
(8) Desert Sands Unit No. 1	36,506	38,255
(9) Villa Serena Unit No. 1	11,062	12,659
(10) Araby North Subdivision	6,399	13,438
(11) Autumn Valley Subdivision	3,112	5,677
(12) La Estancia Subdivision	58,070	54,122
(13) Cielo Verde Units 2B, 4 and 6	14,639	-
(14) Desert Sands Unit No. 2	-	-
(15) Desert Sands Unit No. 3	-	-
(16) Santana Sub Units 1-4	38,246	42,404
(17) La Vida	-	32,157
(18) Barkley Ranch Units 8-10	-	-
(19) Riverview Terrace	-	-
	<u>528,995</u>	<u>581,740</u>
	<u>\$ 16,972,409</u>	<u>\$ 17,873,372</u>

CITY OF YUMA, ARIZONA
TAX LEVY AND TAX RATE INFORMATION
Fiscal Year 2026

	2025	2026
5. Property Tax Rates		
A. City of Yuma Tax Rate		
(1) Primary Property Tax Rate**	\$ 2.1321	\$ 2.1450
(2) Secondary Property Tax Rate	-	-
(3) Total City of Yuma Tax Rate	<u>2.1321</u>	<u>2.1450</u>
B. Special Assessment Districts		
(1) Downtown Mall District	4.2750	4.3500
(2) Park West Units 4 and 5	0.7000	0.7000
(3) Cielo Verde Unit Three Phases 1 and 2	1.2245	1.0000
(4) Desert Sky Unit 1	1.6000	1.6000
(5) Saguaro Units 3 and 4	0.5000	0.5000
(6) Driftwood Ranch Units 1 and 2	0.5000	0.5000
(7) Livingston Ranch Unit No. 2	1.6000	1.6000
(8) Desert Sands Unit No. 1	1.6000	1.6000
(9) Villa Serena Unit No. 1	1.8000	1.8000
(10) Araby North Subdivision	1.8000	3.6000
(11) Autumn Valley Subdivision	1.8000	1.8000
(12) La Estancia Subdivision	1.8000	1.6000
(13) Cielo Verde Units 2B, 4 and 6	-	-
(14) Desert Sands Unit No. 2	-	-
(15) Desert Sands Unit No. 3	-	-
(16) Santana Sub Units 1-4	1.8000	1.8000
(17) La Vida	-	1.8000
(18) Saguaro Units 5 and 6	-	-
(19) Barkley Ranch Units 8-10	-	-
(20) Riverview Terrace	-	-
(21) Total Special Assessment Districts Tax Rates	<u>20.9995</u>	<u>24.2500</u>
D. Total Property Tax Rates	<u>\$ 23.1316</u>	<u>\$ 26.3950</u>

- Adoption of Budgets and Levies
 - May 21 – Tentative Budget (Motion)
 - State Forms Schedules A-G represent the Proposed Budget
 - City Council can make amendments before the Tentative Budget is adopted
 - The Tentative Budget sets the ceiling/maximum expenditures
 - City Council can make subsequent amendments among the budget categories, but the total budget cannot be increased
 - Published and notice of public hearing
 - June 18 – Final Adopted Budget (Resolution)
 - State Forms Schedules A-G from the Adopted Tentative Budget
 - Action after public hearings on the budget and levies
 - Before final adoption, City Council can make amendments among categories and/or lower levies if the total expenditure budget does not increase
 - City Council adopts the Final Budget
 - June 18 – Property Levies (Ordinance Introduction)
 - After public hearing and adoption of Final Budget
 - City Council can lower posted levies before the introduction of the ordinance, but cannot increase the levies
 - Final levies adopted on July 2nd at the Regular City Council Meeting
 - Levy ordinance is sent to Yuma County for final action on the third Monday in August

- Adoption of Related Items – June 18
 - Department Structure (Ordinance Introduction)
 - Pursuant to the Yuma City Charter, City Council must approve any changes to department structure
 - The proposed budget outlines the following department restructuring:
 - Reconstitute the Department of Community Development by combining Building Safety and Planning and Neighborhood Services Departments
 - Separate the Facilities Management Division from the Building Safety Division to be a stand-alone Facilities Management Department
 - Move the Economic Development Division from City Administration to the Department of Community Development
 - Public Safety Personnel Retirement System (PSPRS) Funding Policy (Resolution)
 - Arizona Revised Statutes (A.R.S.) § 38-863.01 requires City Council to annually adopt a PSPRS funding policy
 - Due to a change in several actuarial conditions in the 2023 Actuarial Valuation, the City’s funded ratio has eroded
 - City Council will have options when the 2025 Actuarial Valuation is available
 - Budget authority to pay down the Unfunded Actuarial Accrued Liability is in the FY 2026 budget
 - Designate Chief Financial Officer (CFO) for the Annual Expenditure Limitation Report (AELR) (Resolution)
 - A.R.S. § 41-1279.07 requires City Councils to:
 - Provide the name of the designated CFO for the purpose of submitting the AELR by July 31
 - The CFO certifies to the accuracy of the AELR
 - Notify the Auditor General of any changes of the designated CFO

Discussion

- For the tentative budget, the property tax levy is set at the maximum; this approach gives City Council the most flexibility as they can adjust it appropriately after discussion (**Mayor Nicholls**)

IV. REGULAR CITY COUNCIL MEETING AGENDA OF MAY 21, 2025

Resolution R2025-048 – Intergovernmental Agreement: Arizona Department of Transportation – Comprehensive Safety Action Plan (identify and prioritize safety improvements that accommodate all modes of transportation and users) (Eng)

Resolution R2025-050 – Intergovernmental Agreement Amendment: Arizona Department of Transportation – Pedestrian Hybrid Beacons (eliminate one of three Pedestrian Hybrid Beacon locations at Avenue C and Crane Street due to funding issues) (Eng)

Mayor Nicholls declared a conflict of interest on Resolutions R2025-048 and R2025-050 as his firm does some work associated with those projects.

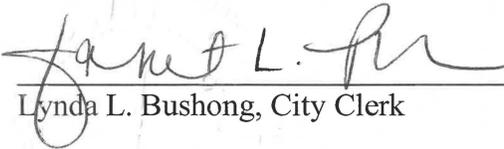
Ordinance O2025-019 – Text Amendment: Accessory Dwelling Units (a collaborative effort with the local development community to support the development of new Accessory Dwelling Units (ADUs) by expanding the permitted zoning districts and relaxing associated development standards) (Plng & Nbhd Svcs/Cmty Plng)

Discussion

- Lots larger than 10,000 square feet can have two ADUs, with one required to be attached to the main residence; no properties are permitted to have two unattached ADUs (**Morris/Linville**)
- The requirement for one ADU to be attached to the main residence was recommended by the Attainable Housing Committee; this is a significant enhancement to the current code and will be advantageous for many property owners (**Morales/Morris/Linville**)

V. EXECUTIVE SESSION/ADJOURNMENT

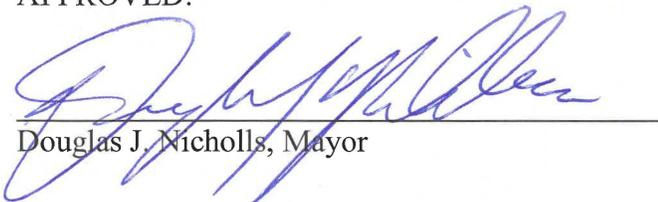
Motion (Smith/Morris): To adjourn the meeting to Executive Session. Voice vote: **approved** 7-0. The meeting adjourned at 6:12 p.m.



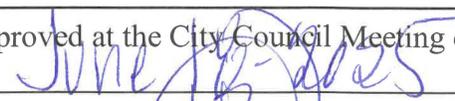
Lynda L. Bushong, City Clerk

On Behalf of

APPROVED:



Douglas J. Nicholls, Mayor

Approved at the City Council Meeting of:


City Clerk: 