

**MINUTES**  
**REGULAR WORKSESSION**  
CITY COUNCIL OF THE CITY OF YUMA, ARIZONA  
CITY COUNCIL CHAMBERS - YUMA CITY HALL  
ONE CITY PLAZA, YUMA, ARIZONA  
**May 15, 2018**  
**6:00 p.m.**

**CALL TO ORDER**

**Mayor Nicholls** called the Regular City Council Worksession to order at 5:58 p.m.

Councilmembers Present: Shelton, Watts, Thomas, Deputy Mayor Knight, McClendon, Miller, and Mayor Nicholls  
Councilmembers Absent: None  
Staffmembers Present: City Administrator, Gregory K. Wilkinson  
Neighborhood Services Manager, Rhonda Lee-James  
Finance Officer Consultant, Pat Wicks  
Purchasing & Contracts Manager, Robin Wilson  
Various department heads or their representatives  
City Attorney, Richard W. Files  
City Clerk, Lynda Bushong

**I. COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME PROGRAMS**

**Lee-James** informed City Council the Annual Action Plan is the budget for the expenditure of Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME). CDBG has multiple purposes, whereas HOME funds are strictly for affordable housing. She explained the allocation received for CDBG has increased for fiscal year 2018-2019 by 11% and HOME funds are up 45%. CDBG funds are used only in the City of Yuma, and they are primarily being used for the Mesa Heights neighborhood at this time. HOME funds are used for housing activities throughout the County. Lee-James outlined the process:

- December - the City of Yuma sends out invitations to agencies in the community to bring proposals on how to spend CDBG money.
- February - the CDBG Advisory Committee performs their review process of the submitted proposals.
- The HOME Consortium Board oversees the expenditure of the HOME funds and reviews the applications to make a similar funding recommendation on how the HOME funds are allocated.
- May - the final allocation is received and the Citizen Advisory Committee and HOME Consortium Board adjust the funding recommendations to reflect the actual allocated amount.

**Lee-James** finished by highlighting some activities taking place in the Mesa Heights neighborhood with carryover money from fiscal year 2017-2018 which includes infrastructure improvements on Harvard Street, additional improvements at the Joe Henry Optimist Center, and a cleanup and demolition program.

Discussion:

**Knight** asked for reassurance on the amount being slightly higher than the amount received because of the carry over funds. **Lee-James** explained the \$25,600 of reprogramed funds are monies that have been paid back by an agency or an amount awarded to an agency that was not used.

Recommendation of the HOME funding requests received amount to \$1.4 million dollars. Some of the projects that were not funded were Campesinos Sin Fronteras, Comite De Bien Estar, and Housing America. **Lee-James** also mentioned the City of Yuma is required to spend 15% of the HOME allocation for Community Housing Development Organization (CHDO) activities which is a nonprofit organization that meets strict criteria and is established by the home rule.

## II. FISCAL YEAR 2018-2019 BUDGET

**Wicks** distributed an update to the budget showing an increase of \$480,000. He explained the principal difference is a list of vehicles that had been budgeted in this year's budget, but are currently on order and likely will not be received before June 30<sup>th</sup>, so adjustments to the estimates from this year were made. He finished by mentioning \$100,000 in reductions were found due to a duplicate position in the budget that was removed, however the overall budget did not change except for the mentioned details.

Discussion:

**Thomas** asked Wicks if he is considered a part-time employee. **Wicks** responded he is not reflected in the new budget, and is a part-time employee. **Thomas** stated there are some positions not covered in the budget and wanted to know if those positions are not listed or reflected on authorized staffing why are we paying them. **Wilkinson** informed Thomas every person that is working full time in the City of Yuma is listed in the budget. **Mayor Nicholls** asked Wicks if the \$1.5 million increase is due to growth. **Wicks** confirmed it is due to growth in property taxes. He also mentioned compared to last year the new property tax rate will decrease, but the levy will increase.

**Miller** asked if the City has received the Better Utilizing Investments to Leverage Development (BUILD) grant for Hotel Del Sol. **Wilkinson** stated the City did not get the grant award this year, but are eligible to apply again. **Miller** declared that it is premature to put a scope together and go out for architectural selections without receiving a BUILD grant. The City has applied for this grant two years in a row and last year was told if it was not approved to leave it alone. **Wilkinson** informed Miller the funds are available for the design. However, he does not want to start on the design until the construction money is secured. **Wilkinson** added that whether the funds come from the City or grant funds, it is not the intent of the City to waste funds. He explained the goal from the beginning was to line up a partnering company to work with the City on this project.

**Miller** cited the following:

- Revenue increased 2% over last year due to growth
- Revenues increased 17% over the last four years
- Property tax revenues are up 35% over four years which includes the value of homes increasing
- \$3.3 million dollars of property tax revenue over the last four years
- State shared revenues down 1% and up 6% over the last four years
- State sales tax is up 5% over last year and up 14% over the last four years
- Auto tax is up 9% over last year and up over 30% in the last four years

- Yuma sales tax is up 3% over last year and 14% over the last four years
- Licensing and permits are up over 4% from last year and 28% over the last four years
- Charges for services including the ambulance service is up 6% over last year and up 24% over the last four years
- An increase in revenue of \$10,640,000

**Miller** questioned the Mayor and City Councils expense increase of 11% over last year along with a payroll increase of 16% over last year. **Wicks** explained the increase is the result of the 2% increase for the full-time employee and health insurance increase, which include the Mayor and Council. **Miller** suggested removing Mayor and Councils health insurance from the budget to help reduce the increase and allocate that monies to another fund. He asked what the changes have been in the last four years to show a 69% increase in Mayor and Councils budget expense along with a 57% payroll and 85% operations increase. **Wicks** stated the largest operational change was adding back the Greater Yuma Port Authority payment of \$50,000. Continuing, **Miller** questioned the increase of 33% over last year in the Engineering Department payroll expense, asking if this increase is due to the two new employees along with the 2% wage increase of every other employee in that department. **Wicks** explained some of the adjustments made from last year's budget include movement in terms of labor distribution specifically for Engineering, along with filling a number of vacancies. **Miller** asked if the money was included in the budget, but the positions were not. **Wicks** stated it all depends on how positions are funded between funds; for Engineering, many of the positions are funded by more than one fund. **Miller** asked for clarification on the large sum of money in both the Highway User Revenue Fund (HURF) and the City Road tax that is allocated to personnel and operating expenses, stating that combined operating and personnel expenses are over \$20 million. **Wicks** explained that HURF is a state shared revenue through gas tax, and City Road Tax is a local revenue through sales tax. Both funds are committed to streets, highways, etc.. However, due to the sweeping of HURF funds over the years, some expenses that were originally paid from HURF have come from the City Road Tax fund in order to repair/maintain what we can. This has led to a larger amount of operating expenses from the road fund. **Wicks** explained the employees who do the street work, planning, designing, control or Capital Improvement Program (CIP) work are charged to those respective funds, depending on what they do.

**Miller** noted the following increases from the General Fund:

- 3% Police payroll increase over last year, which **Miller** opined was quite low considering other department increases.
- 12% increase of Fire Department payroll over last year, which includes 9 new fire fighters.
- Overall expenses increased 8% from last year. However, over the past four years the budget has increased 22%, equating to \$13,000,000.
- Revenue increases are up \$10,640,000 over the last four years

Concluding, **Miller** stated that more money is being spent than what is actually coming in. He estimated the expenses are approximately 30% higher than the revenue.

### III. REGULAR CITY COUNCIL MEETING AGENDA OF MAY 16, 2018

Motion Consent Agenda Item B.4 – Bid Award: Turf Irrigation Supplies (Award to the lowest responsive and responsible bidder with the highest discount offered for Turf Irrigation Supplies, a one-year contract with option to renew for four additional one-year periods depending on the appropriation of funds and satisfactory performance to: Yuma Nursery LLC Yuma, Arizona)(Bid #2018-20000093)

**Knight** questioned why only two suppliers responded to the Request for Proposal, one being local, when Yuma has many local suppliers. **Wilson** responded that a formal invitation for the bid was submitted. However, some companies cannot supply certain materials and decide not to bid.

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Motion Consent Agenda Item B.5 – Cooperative Purchase Agreement: Audit Services (Authorize the contracted service for Audit Services by utilizing a cooperative purchase agreement originated by the City of Tucson, a one-year contract with the option to renew for three additional one-year periods, with an estimated annual expenditure of \$65,000.00 to: Heinfeld Meech & Company, Tucson, Arizona)(Finance – Bid #2018-20000172)

**Miller** asked how the City benefits by having a firm in Tucson conduct their audits and not placing a bid for a firm in Yuma. **Wilson** stated the auditing services with Heinfeld Meech & Company have been used for decades. **Wicks** further explained the contract goes up for bid every five years. However, this year the scheduling was not ideal so a Cooperative Contract was selected with the same firm that has been doing the City of Yuma's audit for many years. **Mayor Nicholls** asked when the first visit of the audit needs to be completed by. **Wicks** stated the audit is generally scheduled for late May or early June. However, it must be complete by December 31<sup>st</sup> in order to be eligible for the finance award the City wins each year. **Miller** suggested placing this agreement in effect for one year, then putting it out for bid again to give Yuma's local firms an opportunity. **Wicks** agreed and stated there has been no local bidding on this service since the 1970s. **Knight** mentioned sometimes there are no local firms that can do the type of auditing needed for the municipalities, but agreed it should be placed up for bid to give local firms have an opportunity. **Mayor Nicholls** stated having a competitive process keeps everything even. There may not be a local firm that currently offers what we need; however, Yuma is a growing community reaching substantial size and one day these kinds of services will be available.

#### IV. EXECUTIVE SESSION

There being no further business, **Mayor Nicholls** adjourned the meeting at 6:44 p.m. No Executive Session was held.

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Lynda L. Bushong, City Clerk

APPROVED:

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Douglas J. Nicholls, Mayor