

MINUTES
REGULAR CITY COUNCIL MEETING
CITY COUNCIL OF THE CITY OF YUMA, ARIZONA
CITY COUNCIL CHAMBERS, YUMA CITY HALL
ONE CITY PLAZA, YUMA, ARIZONA
FEBRUARY 21, 2024
5:30 p.m.

CALL TO ORDER

Mayor Nicholls called the City Council meeting to order at 5:32 p.m.

INVOCATION/PLEDGE

Pastor Tom Burks, Stone Ridge Church, gave the invocation. **Alyssa Linville**, Director of Planning and Neighborhood Services, led the City Council in the Pledge of Allegiance.

ROLL CALL

Councilmembers Present: Morales, Smith, Knight, Morris, Shoop, Shelton, and Mayor Nicholls
Councilmembers Absent: None
Staffmembers Present: Acting City Administrator, John D. Simonton
Director of Finance, Douglas Allen
Assistant Planner, Zenia Fiveash
Various Department Heads or their representative
City Attorney, Richard W. Files
City Clerk, Lynda L. Bushong

FINAL CALL

Mayor Nicholls made a final call for the submission of Speaker Request Forms for agenda related items from members of the audience.

PRESENTATIONS

FY 2023 Annual Financial Statements and Audit Results

Allen introduced **Brittney Williams** from Heinfeld, Meech & Co. PC, who presented the following information:

Key Personnel in Audit

- Brittney Williams – Engagement Partner
- Kristen Conway – Audit Manager

Qualifications

- Specialize in government, not for profit audits
- Not a tax firm
- All employees of the firm are experts in the field of government audits

Standards to Guide the Audit

- American Institute of Certified Public Accountants (AICPA) Statements on Auditing Standards (SAS)
 - Governs Audit Standards for the whole country

- Working paper documentation
- Risk assessments
- Office of Management and Budget (OMB) Uniform Guidance 2 Code of Federal Regulations (CFR) 200 (UG)
 - Federal Compliance Audit
 - Audits the federal dollars spent by the City
 - Reporting to the White House
- Governmental Accounting Standards Board (GASB)
 - Governs Financial Reporting Standards
- Government Auditing Standard (GAS)
 - Auditing Standards particular to governmental entities
 - Includes additional control and independence requirements

Independent Auditor's Report

- The Independent Auditor's Report is based on the Annual Comprehensive Financial Report (ACFR); the firm indicates that the financial statements are materially correct
- This year there was an accounting principle change in the Independent Auditor's Report; this was a GASB financial reporting standard change in the GASB Statement No 96, Subscription-Based Information Technology Arrangements (SBITA) which is leases for software
 - The City had one SBITA that the firm included in the audit report

Audit Related Reports Issued

- Annual Comprehensive Financial Report (ACFR) – Issued 12/27/2023
 - Includes the firm's audit opinion
- Highway User Revenue Fund (HURF) Report – Issued 12/27/2023
 - Reporting that HURF monies are used according to State Statue
- Single Audit Report – Issued 12/27/2023
- Management Letter – Issued 12/27/2023
 - Any concerns from the firm about the audit would be included in this letter
- Audit communication to those charged with governance – Sent 12/15/2023
 - Email was sent by Brittney Williams to Mayor and City Council to open the lines of communication for any questions regarding the audit
- Annual Expenditure Limitation Report - Due 3/31/2024
 - Currently under review
- Bi-Annual Impact Fees AUP Report – Due in FY 2024
- *City Court Minimum Accounting Standards Report (MAS)* – Due in FY 2025
 - Due every three years
 - Last report issued in 2023

Single Audit Report

- Includes many different elements/reports
 - Report on internal control for audit under *Government Auditing Standards*
 - Report on internal control and compliance for federal awards as required by the Uniform Guidance
 - Schedule of Expenditures of Federal Awards (SEFA)
 - Major federal programs tested and any findings noted

- Follow up regarding the prior year findings

Synopsis

- Financial Statements
 - Clean opinion
 - One finding related to Utility Receivables
 - Utility Receivables at year end were not properly accrued; an audit adjustment was made so that the financial statements were properly presented
- Federal Awards
 - Clean opinion on compliance for Major Federal Programs
 - No Findings
- Major Federal Programs Tested
 - Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)

Arizona Anti-Trafficking Network

Fidencio Rivera, Board Vice President of the Arizona Anti-Trafficking Network (AATN), and **Nate Boulter**, Program Director of Cities Engaged Against Sexual Exploitation (CEASE), presented **Mayor Nicholls** with a plaque on behalf of the AATN to recognize the City of Yuma's dedication to ending Human Trafficking in the State of Arizona.

I. MOTION CONSENT AGENDA

Motion (Morales/Morris): To approve the Motion Consent Agenda as recommended. Voice vote: **approved** 7-0.

A. Approval of minutes of the following City Council meeting(s):

Regular Council Meeting January 17, 2024

B. Executive Session

Executive Sessions may be held at the next regularly scheduled Special Worksession, Regular Worksession and City Council Meeting for personnel, legal, litigation and real estate matters pursuant to A.R.S. § 38-431.03 Section A (1), (3), (4), and (7). (City Atty)

C. Approval of Staff Recommendations

1. Authorize the purchase of Ethernet backhaul network technical services utilizing a Cooperative Purchase Agreement through the State of Arizona for a total amount of \$431,649.00 to Parsons Environment & Infrastructure Group, Inc., Tinton Falls, New Jersey (IT-24-001) (IT/Purch)
2. Ratify and approve the purchase order increase for the Waterline Replacement, 24th Street to 25th Street between 5th and 6th Avenue project to Gutierrez Canales Engineering, Yuma, Arizona. The \$211,996.68 purchase order increase will bring the total cost of the project to \$878,613.06. (Engineering RFB-23-220) (Eng/Purch)

II. RESOLUTION CONSENT AGENDA

Motion (Knight/Smith): To adopt the Resolution Consent Agenda as recommended.

Bushong displayed the following title(s):

Resolution R2024-005

A resolution of the City Council of the City of Yuma, Arizona, authorizing and approving an Intergovernmental Agreement between the City of Yuma and the State of Arizona Department of Revenue for the administration, collection, audit, and licensing of transaction privilege taxes, use taxes, severance taxes, jet fuel excise and use taxes and rental occupancy taxes imposed by the state, cities or towns (establishes the framework for collaboration between the Department of Revenue and the cities and towns for every aspect of Transaction Privilege Tax (TPT) administration) (Fin/Admin)

Resolution R2024-006

A resolution of the City Council of the City of Yuma, Arizona, authorizing a third optional deferred compensation plan for the City employees pursuant to Internal Revenue Code § 457(b) (add the 457 Nationwide plan as an option for City employees) (Admn)

Roll call vote: **adopted** 7-0.

III. ADOPTION OF ORDINANCES CONSENT AGENDA

Ordinance O2024-008 – Rezoning of Property: Located at 430 and 440 S. Magnolia Avenue (rezone approximately 1.17 acres from the Medium Density Residential (R-2) District to the High Density Residential (R-3) District, for the properties located at 430 and 440 S. Magnolia Avenue) (Plng & Nbhd Svcs/Cmty Plng)

Mayor Nicholls declared a conflict of interest on Ordinance O2024-008, turned the meeting over to Deputy Mayor Morris, and left the dais.

Motion (Knight/Smith): To adopt Ordinance O2024-008 as recommended.

Bushong displayed the following title(s):

Ordinance O2024-008

An ordinance of the City Council of the City of Yuma, Arizona, amending Chapter 154 of the Yuma City Code, rezoning certain property located in the Medium Density Residential (R-2) District to the High-Density Residential (R-3) District, and amending the zoning map to conform with the rezoning (Arizona Housing Development Corporation intends to develop a multi-family housing project on the subject properties) (Plng & Nbhd Svcs/Cmty Plng)

Roll call vote: **adopted** 6-0-1, **Mayor Nicholls** abstaining due to conflict of interest.

Mayor Nicholls returned to the dais.

Motion (Morales/Knight): To adopt the Ordinance Consent Agenda as recommended, with the exception of Ordinance O2024-008, which was adopted through a previous motion.

Bushong displayed the following title(s):

Ordinance O2024-007

An ordinance of the City Council of the City of Yuma, Arizona, amending Chapter 154 of the Yuma City Code, as amended, relating to Cielo Verde specific plan to update the list of uses within the Cielo Verde Residential District (to allow a religious institution at the southeast corner of 36th Street and Avenue 8E) (Plng & Nbhd Svcs/Cmty Plng)

Roll call vote: **adopted** 7-0.

IV. INTRODUCTION OF ORDINANCES

Bushong displayed the following title(s):

Ordinance O2024-009

An ordinance of the City Council of the City of Yuma, Arizona, amending Chapter 154 of the Yuma City Code, rezoning certain property located in the General Commercial /Infill Overlay (B-2/IO) District to the High Density Residential /Infill Overlay (R-3/IO) District, and amending the zoning map to conform with the rezoning (approximately 2.82 acres located at 1749 S. Arizona Avenue and the northeast corner of Riley Avenue and 18th Street) (Plng & Nbhd Svcs/Cmty Plng)

FINAL CALL

Mayor Nicholls made a final call for the submission of Speaker Request Forms from members of the audience interested in speaking at the Call to the Public.

V. WATER AND WASTEWATER RELATED ITEMS

Resolution R2024-007 - Water and Wastewater Utility Rates and Fees (Pursuant to Arizona Revised Statutes, Section 9-511.01, adopt water and wastewater utility rates and fees adjustments by resolution) (Utl/Admn)

Discussion

- Taking into consideration apartment complexes, Rate Plan Scenario I is a more balanced option where all consumers will pay the same percentage of the rate increase. Apartment complexes utilizing one meter will feel the impact of the increase if Rate Plan Scenario II is implemented. In turn, the increase will be passed on to the tenants where it will negatively impact affordable housing. **(Morris)**
- In a fairness point of view, all water customers should share the cost of the water and wastewater rate increase. It does not seem fair for 50% of water customers, that consume more water, pay the greatest increase. All water customers should share the cost of the rate increase, and not just part of the customers. **(Knight)**
- Rate Plan Scenario II will not impact customers on a fixed income, for example senior citizens, veterans, and low-income families. After doing research with the City, the results showed 6% of the Yuma community is using over 30% of the 100 cubic feet of water, while the majority of residents are using 0 to 60% of the 100 cubic feet of water. If we are able to keep a bit of money in the pockets of our residents it would help them cover other monthly costs. **(Morales)**

- The discussions we have had about increasing water and wastewater rates has focused mainly on homeowners and nothing was said about apartment dwellers. Rate Plan Scenario I is a fair application for all water customers. (**Shelton**)
- Considering the impact Rate Plan Scenario II will have on apartment complexes sharing one meter, Scenario I seems less of a risk for the City. (**Smith**)

Motion (Knight/Morris): To adopt Resolution R2024-007 as recommended.

Bushong displayed the following title(s):

Resolution R2024-007

A resolution of the City Council of the City of Yuma, Arizona, amending resolution R2015-02, as amended, governing the use of the water and wastewater system, Article I, Section 2.2 and Article II, Section 2.7 of the City of Yuma Utility Regulations prescribing utility rate charges and fees (increase water and wastewater utility capital to fund current operations and maintenance activities, as well as Capital Improvement Program infrastructure) (Utl/Admn)

Roll call vote: **adopted** 6-1, **Morales** voting nay.

Motion (Morris/Smith): To adopt Resolution R2024-008 as recommended.

Bushong displayed the following title(s):

Resolution R2024-008

A resolution of the City Council of the City of Yuma, Arizona, amending the “City of Yuma Utility Regulations”, as adopted by Ordinance O2006-35, governing the use of the water and sewer system and prescribing utility rates and fees to reinstate a Water Resource Trust Fund (to establish funds for water resource protection, enhancement, and other purposes as determined by the City Council) (Utl/Adm)

Roll call vote: **adopted** 7-0.

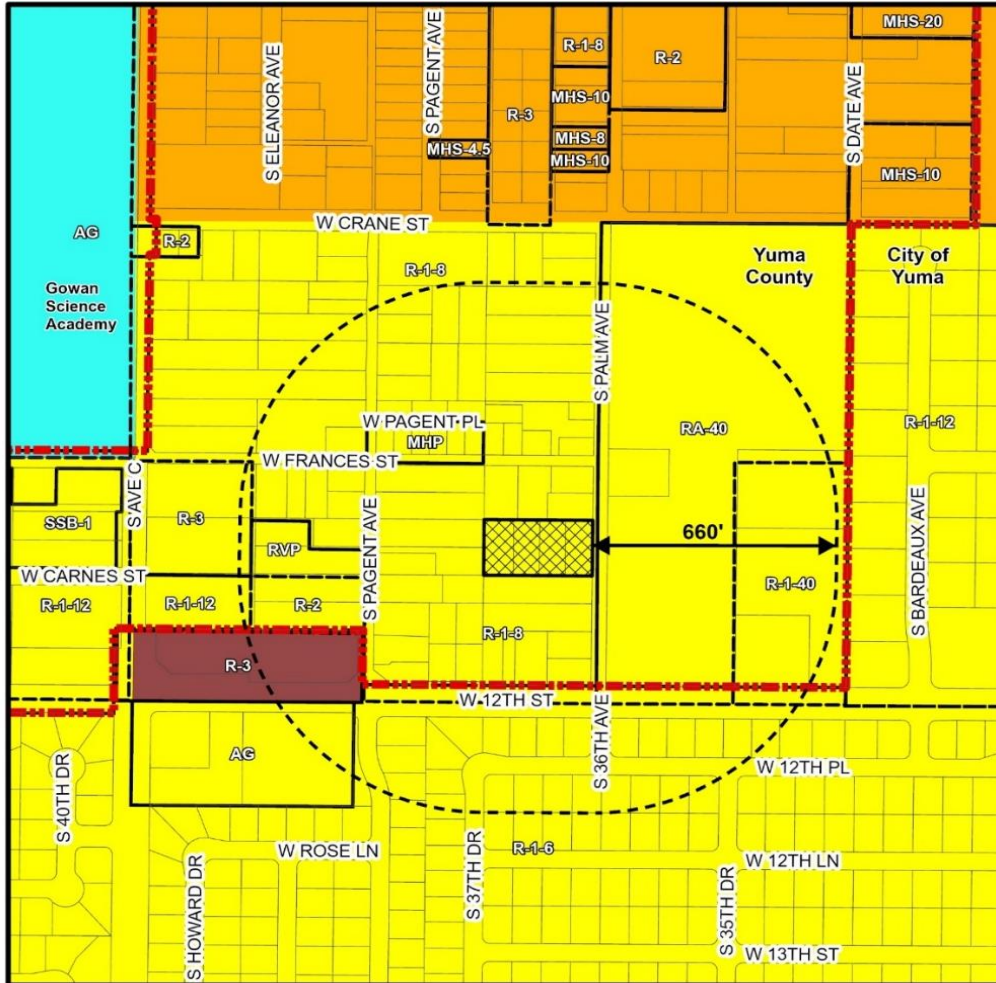
VI. PUBLIC HEARING

Resolution R2024-003 – Minor General Plan Amendment: Palm Avenue (following a public hearing, approve the request to amend the City of Yuma General Plan to change the land use designation from Low Density Residential to High Density Residential, for the property located approximately 305 feet north of the northwest corner of 12th Street and Palm Avenue) (PIng & Nbhd Svcs/Cmty PIng)

Mayor Nicholls opened the public hearing at 6:03 p.m.

Fiveash presented the following information:

- This is a Minor General Plan Amendment request for 1.04 acres located at the northwest corner of 12th Street and Palm Avenue



- Surrounding Land
 - South – Oasis Apartments
 - North and East – Single Family Homes
 - West – Mobile Home Park
- Proposed Change from Low Density to High Density Residential
- Development Potential
 - Potential increase of 30 dwelling units
 - Potential increase of 27 persons
 - Applicants intend to develop a 20-unit apartment complex
- A public meeting was held on November 6, 2023; seven neighborhood residents were in attendance
 - Public Comments
 - Residents expressed concerns about the increase in traffic activity, and the speed of vehicles traveling on Palm Avenue
 - Residents asked questions regarding the project unit numbers, parking availability, and how the development would affect their property taxes
- Planning Commission recommendation
 - On February 7, 2024, the Planning and Zoning Commission recommended approval of the request

Motion (Knight/Shelton): To close the Public Hearing. Voice vote: **approved** 7-0. The Public Hearing closed at 6:06 p.m.

Motion (Smith/Morales): To adopt Resolution R2024-003 as recommended.

Bushong displayed the following title(s):

Resolution R2024-003

A resolution of the City Council of the City of Yuma, Arizona, amending resolution R2022-011, the City of Yuma 2022 General Plan, to change the land use designation from Low Density Residential to High Density Residential for property located on Palm Avenue (approximately 1.04 acres located approximately 305 feet north of the northwest corner of West 12th Street and Palm Avenue) (Plng & Nbhd Svcs/Cmty Plng))

Roll call vote: **adopted** 7-0.

VII. APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING

Appointments

Motion (Morales/Knight): to appoint Jessica Drake to the Americans with Disabilities Act Advisory Commission, with a term expiration of December 31, 2028. Voice Vote: **Approved** 7-0.

Motion (Morris/Knight): to appoint Kirsten Carpenter to the Arts, Parks, and Recreation Commission, with a term expiration of December 31, 2025. Voice Vote: **Approved** 7-0.

Announcements

Smith, Morales, Knight, Morris, and Mayor Nicholls reported on events and meetings they have attended during the last two weeks and upcoming events of note.

Scheduling – No meetings were scheduled at this time.

VIII. SUMMARY OF CURRENT EVENTS

Simonton reported the federal lawsuit the City of Yuma, Mohave County, La Paz County and Yuma County (collectively “plaintiffs”) filed against the United States Bureau of Reclamation resulted in favor of the plaintiffs.

Simonton reported the following events:

- February 23rd and 24th – BBQ and Brew Festival – Main Street, Downtown Yuma
- March 1st-3rd – Midnight at the Oasis – Desert Sun Stadium

IX. CALL TO THE PUBLIC

Terry Cordero-Torres, City resident, spoke regarding road repairs that were recently done in his neighborhood by the City's Public Works Department; he believes the road installed is wrong and it is causing the road to disintegrate. **Cordero-Torres** requested a meeting with Mayor Nicholls to discuss the road and other concerns.

Karen Greenwood, City resident, spoke regarding the adverse effect to her property by a colony of feral cats that are being fed by residents not abiding by the Homeowner Association's (HOA) rules for her neighborhood.

Barbara Fontaine, City resident, spoke about enforcing the law and holding people accountable for feeding feral cats; feral cats are running rampant in her neighborhood.

The following people spoke before City Council regarding the unfair use of the City's pools facilities for a new non-City co-sponsored swim team, Yuma Aqua Academy's Kraken:

- **Chase Thomas**, City resident
- **Imelda Perez**, City resident
- **Annalie Rodriguez**, City resident
- **Laiza Smith**, City resident
- **Sean Smith**, City resident
- **Nicholas Acero**, City resident
- **Jacqueline Cota**, City resident
- **Erik Cota**, City resident
- **Gavin Logan**, City resident
- **Brayden Cox**, City resident

The following people requested the City of Yuma adopt a Resolution calling for the release of hostages and ceasefire in Gaza:

- **Bruce Morton**, non-resident
- **Holly Danielle**, City resident
- **Teresa Sanders**, City resident
- **Israa Khan**, City resident
- **Jennifer Reger**, City resident
- **Brianna Fila**, City resident
- **Charlene Young**, City resident
- **Layla Hassin**, City resident

X. EXECUTIVE SESSION/ADJOURNMENT

There being no further business, **Mayor Nicholls** adjourned the meeting at 7:03 p.m. No Executive Session was held.

Lynda L. Bushong, City Clerk

APPROVED:

Douglas J. Nicholls, Mayor

Approved at the City Council Meeting of:

City Clerk: _____

DRAFT