

MINUTES
REGULAR CITY COUNCIL MEETING
CITY COUNCIL OF THE CITY OF YUMA, ARIZONA
CITY COUNCIL CHAMBERS, YUMA CITY HALL
ONE CITY PLAZA, YUMA, ARIZONA
APRIL 5, 2017
5:30 p.m.

CALL TO ORDER

Mayor Nicholls called the City Council meeting to order at 5:33 p.m.

INVOCATION/PLEDGE

Pastor Don Vickers, Morningside Baptist Church, gave the invocation. **Andrew McGarvie**, Engineering Manager, led City Council in the Pledge of Allegiance.

ROLL CALL

Councilmembers Present:	Shelton, Wright, Miller, Knight, Thomas, Craft, and Mayor Nicholls
Councilmembers Absent:	None
Staffmembers Present:	City Administrator, Gregory K. Wilkinson Engineering Manager, Andrew McGarvie Director of Parks and Recreation, Debbie Wendt Director of Finance, Pat Wicks 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 from members of the audience.

PRESENTATIONS – There were no presentations scheduled at this time.

I. MOTION CONSENT AGENDA

Motion Consent Agenda Item B.3 – Bid Award: 22nd Street Improvements Avenue A to 4th Avenue – Award to the lowest responsible and responsive bidder for the construction of the 22nd Street Improvements Avenue A to 4th Avenue in the amount of \$645,859.50 to: DPE Construction, Inc., Yuma, Arizona. (Public Works – Bid #2017-200000157)

Miller declared a potential conflict of interest on item B.3 and left the dais.

Motion (Knight/Craft): To approve the Motion Consent Agenda item B.3 MC 2017-066 Bid Award: 22nd Street Improvements Avenue A to 4th Avenue. Voice vote: **approved** 6-0-1: Miller abstained due to a potential conflict of interest.

Miller returned to the dais.

Motion Consent Agenda Item B.9 – Preliminary and Final Plat: Smallville Subdivision – Approve the preliminary and final plat for the Smallville Subdivision. The property is located at the northeast corner of 42nd Drive and 11th Place, Yuma, AZ. The applicant is Core Engineering Group, PLLC on behalf of KDC of Yuma, LLC (SUBD-16581-2017) (DCD/Planning)

Mayor Nicholls declared a potential conflict of interest on item B.9, turned the dais over to **Deputy Mayor Knight** and left the room.

With no questions or discussion, **Deputy Mayor Knight** entertained a motion.

Motion (Craft/Miller): To approve the Motion Consent Agenda Item B.9, 2017-074 Preliminary and Final Plat: Smallville Subdivision. Voice vote: **approved** 6-0-1; Mayor Nicholls abstained due to a potential conflict of interest.

Mayor Nicholls returned to the dais.

Motion (Knight/Thomas): To approve the Motion Consent Agenda with the exception of items B.3 and B.9 Voice vote: **approved** 7-0.

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

Regular City Council Meeting	November 2, 2016
Council Citizen's Forum	November 15, 2016
Regular Council Worksession	November 15, 2016
Regular City Council Meeting	November 16, 2016

B. Approval of Staff Recommendations:

1. 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)
2. Approve a Special Event Liquor License Application submitted by Jack Puckett on behalf of the Yuma Community Food Bank for Come Whine With us at City Hall. The event will take place at Yuma City Hall located at One City Plaza on Thursday, April 20, 2017 from 5:30 p.m. to 7:30 p.m. (SP17-15) (Admin/Clerk)
3. Removed for separate consideration; see above.
4. Award to the lowest responsible and responsive bidder for the construction of the 40th Street Multi-Use Pathway and 32nd Street Pedestrian Refuge in the amount of \$248,741.63 to Lincoln Constructors, Inc., Phoenix, Arizona. (PW – Bid #2017-20000162)

5. Award to the responsive/responsible bidders to furnish and deliver Streetlight – Standard and Non-Standard and Traffic Signal Poles, a one-year contract with the option to renew for four additional one-year periods, at an estimated first-year cost of \$50,000.00, which will exceed \$100,000.00 over the five-year of life of the contract, depending on the appropriation of funds and satisfactory performance, as needed with the following firms: Cem-Tec Corporation, Phoenix, Arizona; Valmont Industries, Inc., Valley, Nebraska. (PW/Streets – Bid #2017-20000080)
6. Authorize staff to execute a one-year contract for ammunition, with the option to renew for four additional one-year periods, depending on the appropriation of funds and satisfactory performance, at an estimated annual cost of \$100,000.00 to the following vendors: San Diego Police Department Co., San Diego, California; Sprague's Sports, Yuma, Arizona and ProForce Law Enforcement, Prescott, Arizona. (Bid #2017-20000148 YPD)
7. Approve an increase to the estimated expense from \$280,000.00 to \$470,000.00 for the Heating, Ventilation and Air Conditioning (HVAC) & Refrigerant Services until a new contract is awarded. (Citywide – Bid #2012-20000047)
8. Ratify the execution of an Encroachment Agreement between the City of Yuma (City) and Kinder Morgan (KM) to cross two natural gas lines while working on the improvements to the Araby Road and Interstate 8 Traffic Interchange waterline relocation (Project). (Eng)
9. Removed for Separate consideration; see above.

II. RESOLUTION CONSENT AGENDA

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

At the Mayor's request, **Bushong** displayed the following titles:

Resolution R2017-002

A resolution of the City Council of the City of Yuma, Arizona, authorizing and approving a development agreement permitting the deferral of City of Yuma development fees and water and sanitary sewer capacity charges for Park West Unit No. 3 Subdivision (Collection of a \$500.00 administrative fee to pay for processing deferrals)

Resolution R2017-003

A resolution of the City Council of the City of Yuma, Arizona, authorizing the submission of an application for an Arizona State Parks, Recreation Trails Program Grant, for construction and maintenance of trails and parking lot at the upper bench of the West Wetlands Park (For maintenance of non-motorized trails)

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

III. ADOPTION OF ORDINANCES CONSENT AGENDA

Utility Easement: Arizona Public Service Company – Pacific Avenue Athletic Complex – Grant a utility easement to Arizona Public Service Company (APS) for the construction, reconstruction, replacement, repair, operation and maintenance of electrical service lines, together with appurtenant facilities and fixtures, to provide power to the Pacific Avenue Athletic Complex (PAAC).

Mayor Nicholls and **Miller** declared a potential conflict of interest and left the dais. **Mayor Nicholls** turned the meeting over to **Deputy Mayor Knight**.

Motion (Craft/Shelton): To adopt the Ordinance Consent Agenda as recommended.

At the Deputy Mayor's request, **Bushong** displayed the following title:

Ordinance O2017-008

An ordinance of the City Council of the City of Yuma, Arizona, authorizing the grant of a utility easement on city-owned Real Property, hereafter described, to Arizona Public Service Company, for the reason that such easement is required for the development, operation, and maintenance of the Pacific Avenue Athletic Complex (to establish a utility easement with Arizona Public Service at the northwest corner of 8th Street and Pacific Avenue to provide power to the Pacific Avenue Athletic Complex)

Roll call vote: **adopted 5-0-2: Mayor Nicholls** and **Miller** abstained due to potential conflict of interest.

Mayor Nicholls and **Miller** returned to the dais.

IV. INTRODUCTION OF ORDINANCES

At the request of the Deputy Mayor, **Bushong** displayed the following titles:

Ordinance O2017-009

An ordinance of the City Council of the City of Yuma, Arizona, approving a transfer of funds to the Housing Authority of the City of Yuma, repealing ordinance No. O2016-034, which authorized and approved the execution of a transfer agreement with the Housing Authority of the City of Yuma, and authorizing the conversion of City of Yuma Public Housing to the Rental Assistance Program (To establish a transfer of funds agreement where HACY will manage public housing projects for the City)

Ordinance O2017-010

An ordinance of the City Council of the City of Yuma, Arizona, authorizing the grant of a utility easement on city-owned real property, hereafter described, to Arizona Public Service Company, for the reason that such easement is required for the development, operation, and maintenance of a monopalm cellular tower located at 1028 W. Colorado Street (to establish a utility easement to Arizona Public Service to power a cellular tower at 1028 W. Colorado Street)

Ordinance O2017-012

An ordinance of the City Council of the City of Yuma, Arizona, amending chapter 154 of the Yuma City Code, rezoning a portion of a certain property located in the High Density Residential (R-3) District to the General Commercial (B-2) District and amending the zoning map to conform with the rezoning (generally located at the northwest corner of 8th Street and 15th Avenue)

Ordinance O2017-013

An ordinance of the City Council of the City of Yuma, Arizona, amending Chapter 154 of the Yuma City Code, as amended, relating to zoning regulations, providing for changes to the zoning code to provide definitions related to accessory dwelling units and to add regulations regarding accessory dwelling units thereof (to allow accessory dwelling units in residential properties)

Ordinance O2017-014

An ordinance of the City Council of the City of Yuma, Arizona, amending Chapter 154 of the Yuma City Code, as amended, relating to zoning regulations, providing for changes to the zoning code to provide definitions related to signage and to amend regulations regarding on-site signage thereof (To ensure the code does not regulate signage based on content)

V. PUBLIC HEARING AND RELATED ITEMS**Mayor Nicholls opened the Public Hearing at 5:50 p.m.**

McGarvie introduced Ben Griffin from TischlerBise to provide Mayor and Council a more in depth look at the City of Yuma Land Use Assumptions and Infrastructure Improvements Plan.

Griffin, presented an overview of the process used to determine Development Fees and develop Land Use Assumptions and Infrastructure Improvement Plans as follows:

Key Changes to Enabling Legislation:**Three Integrated products**

- Land Use Assumptions (at least 10 years and approved by elected officials)
- Infrastructure Improvements Plan (IIP) limited to 10 years (no built out analysis)
- Development Fees part of broader revenue strategy

Impact Fees

- Based on the same level of service (LOS) provided to existing development

Limitations on necessary public services

- Focus on mid-size parks
- 10,000 square feet library
- No regional training facilities for public safety
- Refunds can be requested if improvements are not built

Demographics

- Population – Based on Arizona Department of Administration estimates and projections
- Housing Units – Converted from population projections using U.S. Census Bureau factors (PPH)
- Employment – U.S. Census Bureau estimates; current jobs per person ration for projections
- Nonresidential Floor Area – Converted from jobs using ITE factors
- All IIPs for City of Yuma North Service Area

Summary of IIP:

Parks

- 41.8 acres of regional and community parks (6.8m)
- 11.8 acres of neighborhood parks improvements (\$472k)
- 2.5 miles of bike paths (\$1.2m)

Police

- 29,000 square feet of facilities (\$2.6m)
- 28 vehicles (\$1.5m)
- 2 pieces of equipment (\$15k)

Fire

- 11,000 square feet of facilities (\$3.2m)
- 4 apparatus/ambulances (\$2.0m)

City Hall

- Debt Recovery (\$1.0m)

Streets

- 10 lane miles of arterial improvements (\$9.9m)
- 5 improved intersections (\$3.2m)
- 2.2 miles of bike lanes (\$385k)

Discussion

Thomas asked what type of equipment made up \$15,000 for YPD and if the vehicle inventory included motorcycles. **Griffin** responded that the type of equipment is listed on the actual report. It includes trailers and equipment that has a minimum life of 5 years. The inventory shows 169 vehicles, which does include motorcycles.

Shelton asked the City Administrator if these presentations are prelude to hikes in development fees seeing that they are scheduled to come before City Council in February 2018, and if so, is the City preparing for those conversations and possible hike in development fees. **Wilkinson** stated the City will set up discussions with the development community to discuss funding that will lead through the rest of 2017 and 2018.

Thomas asked for clarification of the four apparatuses/ambulances under Fire. **Griffin** responded that it is a combined number. Future development will demand 2.3 apparatus and 1.5 ambulances and it was presented in this way so as not to reflect partial numbers. **Thomas** asked for clarification regarding the additional new growth of 29,000 square feet for Police and 11,000 square feet for Fire. **Griffin** clarified that future development estimates are based on the current level of service and the existing square footage, with growth projections identified in the IIP.

Mayor Nicholls asked what the time frame is for constructing the new facilities. **Griffin** responded that it is generally 10 years for non-utility and 15 years for utility facilities. **Mayor Nicholls** asked if a developer that has sold all of the homes within their respective subdivision would be given the refund or would it be given to the new land owners. **Griffin** stated that would be defined in the City's ordinance. **Files** responded that statutorily, as well as in our ordinance, any refunds are given to the property owner.

Speakers

Harvey Campbell, 4155 E County 13 ½ Street, from BetterYuma.org, offered his organization to participate alongside the City of Yuma to provide input regarding the increase of impact fees in Yuma.

Robert Ingold, 1650 El Paseo Real Yuma, stated that developers need to be involved with the City during the process of impact fees.

Mayor Nicholls stated that the City is looking forward to the ability to interact with the development community. **Shelton** asked how soon the development community should anticipate the first conversation on the subject of fees. **Wilkinson** stated he has already spoken to some of the major developers and the expected date for initial discussions would be sometime in June or July and would also depend on the availability of developers.

Motion (Thomas/Knight): To close the Public Hearing. Voice vote: **approved** 7-0. The public hearing closed at 6:14 p.m.

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.

VI. 2017-2018 CITY OF YUMA PRELIMINARY BUDGET

MC 2017-076 Preliminary Budget: FY2017-2018 – Adopt the City of Yuma Preliminary Budget for Fiscal Year 2017-2018 in the amount of \$213,965,277 which includes a Capital Improvement Program Budget of \$38,550,000 and an Operating Budget of \$175,415,277.(Fin/Admin)

Mayor Nicholls and **Miller** declared a potential conflict of interest with regards to the Capital Improvement Program Budget. **Mayor Nicholls** turned the meeting over to **Deputy Mayor Knight** and both exited the room.

Motion (Craft/Knight): To approve the Fiscal Year 2017-2018 Preliminary Budget for the Capital Improvement Program in the amount of \$38,550,000. Voice vote: **approved** 4-1-2; Mayor Nicholls and Miller abstained due to declared conflict of interest.

Mayor Nicholls and **Miller** returned to the dais.

Remainder of the CIP Discussion

Wright asked if the City has an economic plan to reduce losses at Desert Hills Golf Course. **Wilkinson** responded that the outsourcing of The Hills Restaurant has cut some of the losses and has made a positive impact. A new business plan is being prepared with focus on cutting some of the operating costs; the plan will also include new revenue ideas. Parks & Recreation will brief City Council at a Worksession in the near future.

Wright asked if the City was cutting Parks & Recreation programs due to lack of enrollment or because the City is reducing costs; which programs were being cut. **Wendt** responded that the City is eliminating one of the Imagination Youth Theaters at the Art Center, several volleyball tournaments, drop-in volleyball and a basketball program because of the cost and attendance of those programs. **Wright** questioned how many programs were being cut because of the cost. **Wendt** stated that there are a couple of programs that the City

offered for free that will be reduced. The City is not eliminating them completely, but will be reducing those primarily because of the attendance. **Wright** asked if there would be changes to administrative personnel with the elimination of some of these programs. **Wendt** confirmed that by eliminating the programs there would be elimination of course materials, supplies and staffing that goes with it. However there would be no changes to administrative staff. **Knight** opined that Desert Hills is a premier golf course. It is one of the best in the City and it draws many tourists in especially over the winter months. He suggested that the Yuma Visitor's Bureau (YVB) assist in promoting tournaments at Desert Hills in the winter time, which would be a great partnership for both YVB and the City.

Knight stated that he and Councilmember Craft have attended a couple meetings with the Citizen's Budget Review Committee. At this point they have been briefed on the budget and will come back to City Council with recommendations. **Knight** reiterated that this action is to set the budget cap so that it can't be raised any higher. However, funds can still be cut or moved around within what we have approved.

Craft added that they have met with the committee members for approximately 7 hours and the committee will be meeting on their own later in the week. Once the committee members have had a chance to further digest what has been provided to them, they group will reconvene together. The committee is focusing on what is involved with the budget process and full transparency.

Miller recommended that City Council not approve the Preliminary Budget and discuss the property tax issues further because many people in the public are not aware there is a property tax increase within the budget. **Miller** noted the budget book states the final budget should be adopted no later than the second Monday in August – this will allow for further City Council discussions and questions to be answered.

Mayor Nicholls responded that the budget could not wait to be adopted until August since the fiscal year begins on July 1st meaning the City would be in a budget year without a budget. May 3rd is the goal for our budget adoption, however if necessary the adoption could potentially be pushed back. **Shelton** suggested that the final budget approval date be pushed back to the last meeting in May rather than the first. **Shelton** suggested a process in which any changes that Council would like to make be submitted to the Mayor or the City Administrator and have an organized list by page. The list would make everything more organized and the process would move along smoother when we have discussions. **Mayor Nicholls** agreed with Shelton's suggestion to submit proposed changes ahead of time and requested City Council to do that.

Motion (Miller/Wright): To remove the 2% property tax increase from this year's Preliminary Budget.

Mayor Nicholls stated that it is premature for such a motion, because we are still taking public input, and requested the motion be held until the rest of the discussion has taken place.

Speakers

John Courtis, 2522 S Elmwood Dr., stated he had five questions on the Preliminary Budget.

1. How much of the \$748,000 property tax revenue increase will result from the proposed 2% increase and how much will result from new taxpayers and assessments?
2. What makes up the \$60,000 increase in Mayor and Council General Fund expenses?
3. Is the \$186,000 increase to City Administration payroll and operating expenses for payroll or programs?

4. Can the \$600,000 requested for Information Technology Services upgrades be spread over a 24 month period and are those upgrades critical?
5. Can the vote for the Preliminary Budget be put off until Wednesday, April 19th, to allow people time to review and better understand the numbers?

Wicks answered Curtis's questions as follows:

1. The proposed levy does include the 2% allowable increase as well as growth. The \$748,000 cited are the difference between amount collected and the amount levied, not the difference in the levy itself. The difference in the levy is closer to \$500,000 which is roughly split about half and half between growth and the 2%.
2. \$50,000 is for the Port Authority and the other \$10,000 may be for travel.
3. The \$186,000 increase to City Administration involves increased medical costs as well as moving some salary dollars out of an area that was previously classified as Capital Improvement Plan (CIP). For many years the City used a very lengthy process to spread the cost of staff members that were related to CIP projects which took a lot of time to move a few percentage points of payroll. In other words, there was no real value to doing that after years of having done it. We stopped doing that and started charging payroll into accounts that were identified as CIP but were ultimately recorded in the financial statements finally as regular operating. We have since moved those people directly into the operating budget, mostly engineering types and CIP related types which caused some fluctuation in the operating portion of the budget.
4. For Information Technology we scaled down what was originally a 2 million dollar request for critical infrastructure needs. We got it down to this \$400,000 and we believe that we need to carry through with these items this year to avoid difficult problems in the near future. These are particular items that will enhance or improve or stabilize certain pieces of our IT infrastructure. As for increases and changes in payroll, some is for movement within the grade levels on certain reclassifications as well as increased medical costs.
5. The Preliminary Budget can be put off, but the action tonight is to set the Preliminary limit. The final budget adoption would still offer an opportunity to make changes in May or later as discussed.

Linda Morgan, 180 W. 1st Street, Executive Director of the Yuma Visitor's Bureau, thanked Mayor and Council for their willingness to serve the citizens of Yuma. She expressed concerns with the proposed budget including a cut in the Yuma Visitor's Bureau funding. She asked Mayor and Council to reconsider cutting funds from YVB because of the tax dollars they bring into the community and to restore \$650,000 to YVB.

Rob Ingold, 1650 El Paseo Real, opined that the City of Yuma should not charge impact fees or charge higher taxes. He stated that as a taxpayer who owns an industrial park, every time taxes go up he loses tenants. **Mayor Nicholls** reminded Ingold that there is a potential motion on the table by to eliminate the 2% property tax increase from the budget.

Deputy Mayor Knight opined that cutting the 2% Property Tax Increase from the preliminary Budget would be premature because the preliminary budget is a balanced budget. It is only balanced by the tax levy and that tax levy dictates a tax rate, which is lower than last year. **Deputy Mayor Knight** said he would like to hear what Councilmember Miller wants to cut, to take the place of the 2% Property Tax increase. Once we know that and Council has other options, that would help determine what the levy needs to be, which in turn will determine what the tax rate is. To just say that we are going to cut the tax rate totally unbalances this budget before we have heard whether or not there is anything substantial that can be cut. **Miller** stated he put that motion on the floor with the purpose of creating the ceiling on the cap for this budget. Once that is decided Council can look into the budget and find different areas. **Wright** added that the perception is the City wants to bring businesses here and show the prospective people considering Yuma that it is a destination to do business in. The first step is showing that we are serious about property taxes and we have the confidence and the ability to do this now. **Mayor Nicholls** responded that what goes into creating jobs and economic development is a lot more than just property taxes and growth is happening in Yuma.

Motion (Miller/Wright): To remove the 2% property tax increase from this year's Preliminary Budget. Roll call vote: **failed** 4-3 Craft, Knight, Thomas, and Mayor Nicholls voting Nay.

Motion (Thomas/Craft): To approve the fiscal year 2017-2018 Preliminary Budget in the amount of \$176,281,937 excluding the CIP as previously approved. Roll call vote: **approved** 5-2 Wright and Miller voting Nay.

VII. APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING

Motion (Miller/Thomas): To appoint Tyrone Jones to the Planning and Zoning Commission with a term expiration of December 31, 2021. Voice vote: **approved** 7-0.

Motion (Miller/Thomas): To re-appoint David Haws to the City of Yuma Housing Authority Commission with a term expiration of December 31, 2021. Voice vote: **approved** 7-0.

Wright, Miller, Shelton, Thomas, Craft, Knight, and Mayor Nicholls reported on events and meetings they have attended during the last two weeks and upcoming events of note.

VIII. SUMMARY OF CURRENT EVENTS

Wilkinson noted the following events:

- Tunes & Tacos will take place on April 14th from 6:00 p.m. to 9:00 p.m. and April 15th from 11:00 a.m. to 11:00 p.m. The cost is \$1.00 and ages 3 and under are free. Lisa Lisa will be performing at this event
- Art Beat will take place on April 22nd from 4:00 p.m. to 9:00 p.m. on Main Street
- The 10th Annual Fairy Party will take place on April 22nd from 5:00 p.m. to 8:00 p.m. at the Quartermaster Depot
- The Day of Unity Community Clean Up will take place April 22nd from 8:00 a.m. to 12:00 p.m. and a community picnic will follow from 12:00 p.m. to 1:00 p.m. at Caballeros Park

IX. CALL TO THE PUBLIC

Gene Dalbey, President of the Yuma Region Bicycle Coalition, 1183 W. 37th St, thanked Mayor and City Council for approving the item referencing the 40th Street connection for the bike path on Avenue A and also the safety feature of the pedestrian island on 32nd Street and the bike path. .

Isaac Russell, 1913 S. 6th Ave, announced the opening of Littlewood Fine Art and Community Co-Op to further art education for the benefit of our community. The facilities include studio space for ceramics, painting, metal working, wood working, canvas stretching, performance art, music production studios, childcare facilities and a back patio for work space and special events. A variety of memberships and classes will be offered for artists to use for all ages. All children's classes for those under the age of 18 will be free of charge. Littlewood Fine Art and Community Co-Op is 100% community funded. The grand opening will be on April 21st from 6:00 p.m. to 10:00 p.m. and the community is invited to attend for food, drinks, music and local art. The facility is located at 1480 S. 2nd Ave.

Fred Tarwater, member of the National Association for Advancement of Colored People (NAACP), 100 E. First Street, thanked the City of Yuma for their support and generosity of Juneteenth in years past. He also expressed gratitude for allowing the event to relocate on Main Street.

X. Executive Session/Adjournment

Motion (Knight/Shelton): To adjourn the meeting into Executive Session. Voice vote: **approved** 5-2 **Wright** and **Miller** voting Nay. The meeting adjourned at 8:05 p.m.

Lynda L. Bushong, City Clerk

APPROVED:

Douglas J. Nicholls, Mayor