

**MINUTES**  
**REGULAR CITY COUNCIL WORKSESSION**  
 CITY COUNCIL OF THE CITY OF YUMA, ARIZONA  
 CITY COUNCIL CHAMBERS - YUMA CITY HALL  
 ONE CITY PLAZA, YUMA, ARIZONA  
**February 20, 2024**  
**5:30 p.m.**

**CALL TO ORDER**

**Mayor Nicholls** called the Regular City Council Worksession to order at 5:32 p.m.

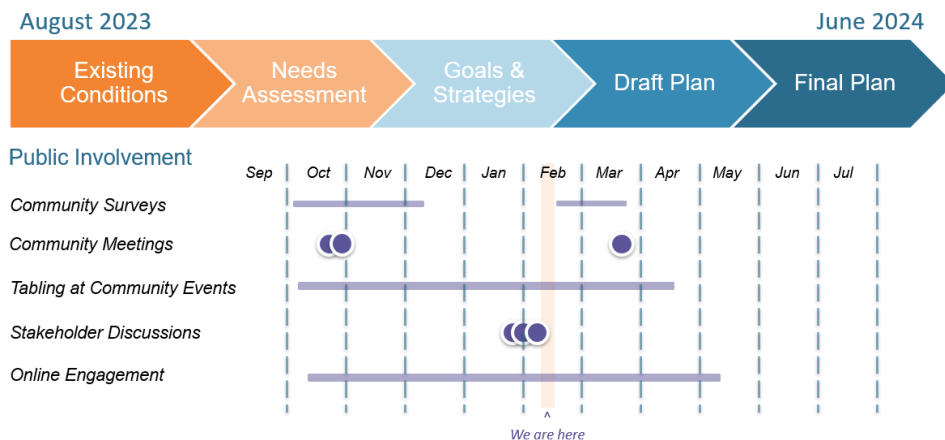
Councilmembers Present: Morales, Smith, Knight, Morris, Shoop, Shelton, and Mayor Nicholls  
 Councilmembers Absent: None  
 Staffmembers Present: Acting City Administrator, John D. Simonton  
 Director of Parks and Recreation, Eric Urfer  
 Finance Director, Douglas Allen  
 Director of Engineering, David Wostenberg  
 Director of Planning and Neighborhood Services, Alyssa Linville  
 Various department heads or their representatives  
 City Attorney, Richard W. Files  
 City Clerk, Lynda L. Bushong

**I. PARKS MASTER PLAN UPDATE**

**Urfer** introduced **Steve Duh**, consultant with Conservation Technix, who provided an update on the first phase of the Parks, Arts, Recreation and Trails Master Plan effort, as well as an overview of the upcoming second phase as follows:

Project Overview and Status

- What is the Parks, Arts, Recreation and Trails (PART) Plan?
  - The PART Plan is a 10-year guide and strategic plan for managing and enhancing parks, open space, trails, and recreation opportunities for the Yuma community
  - The PART Plan will guide improvements to the park and recreation system and help the City focus future investments
- Project Timeline



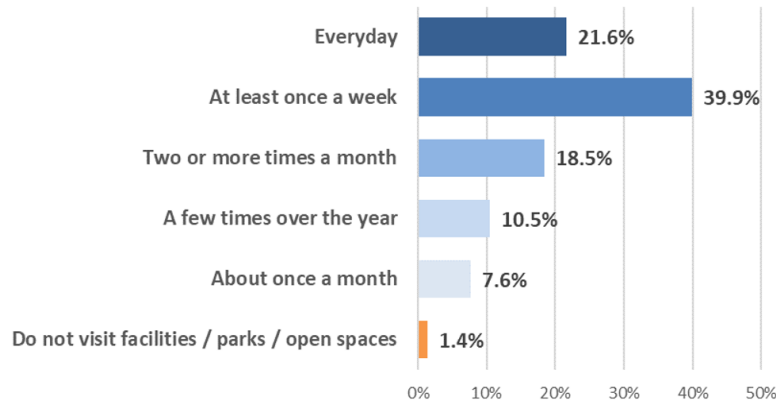
- Community Outreach
  - Community survey #1: usage and interests
  - Community survey #2: priorities
  - Pop-up events
  - Open house series
  - Stakeholder discussions
  - Parks, Arts and Recreation Commission (PARC)
  - City Council touch points
  - Nearly 1,600 participants have provided feedback to date

Survey Highlights

- 1,540 responses
  - Mail survey (256 responses, 6.4% response rate)
  - Online only (1,265 responses)
  - Spanish (29 responses; 10 mail, 19 online)
- 98% feel local parks and recreation opportunities are important or essential to the quality of life
- 65% said they were somewhat to very satisfied with Yuma’s parks, art and recreation facilities
- Visitation

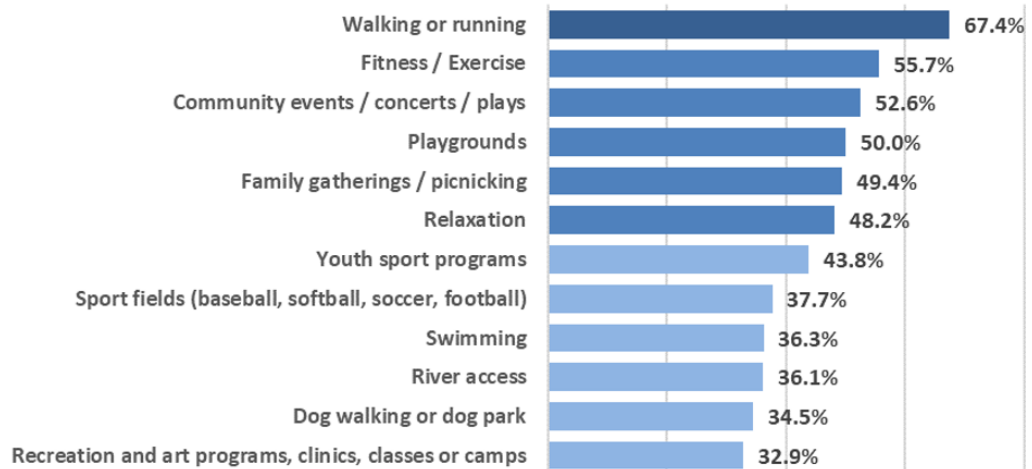
**Visitation**

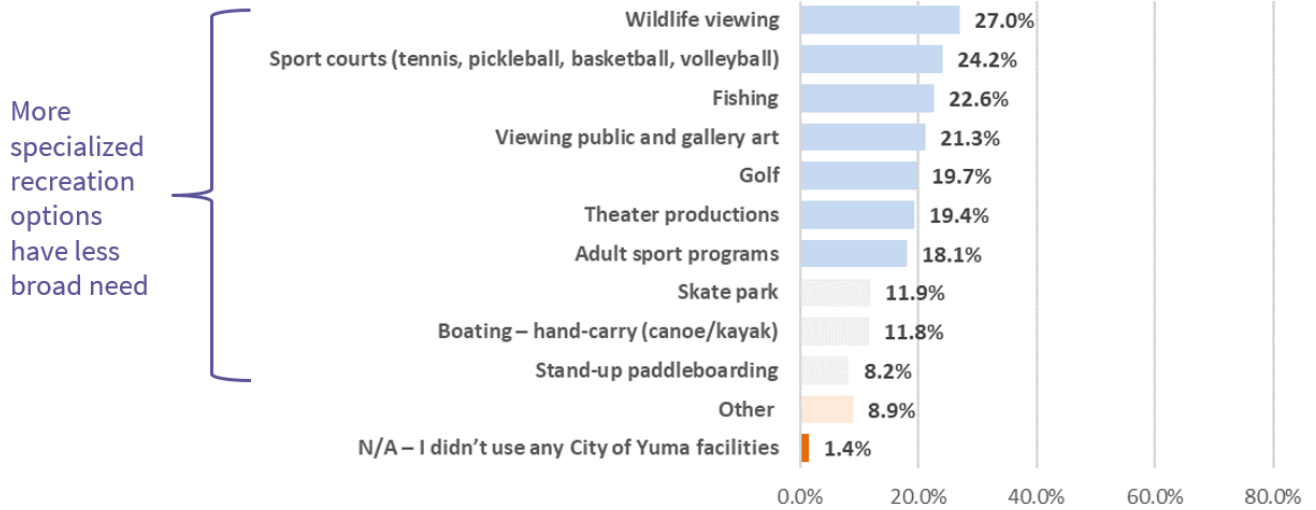
**88%**  
Visit monthly



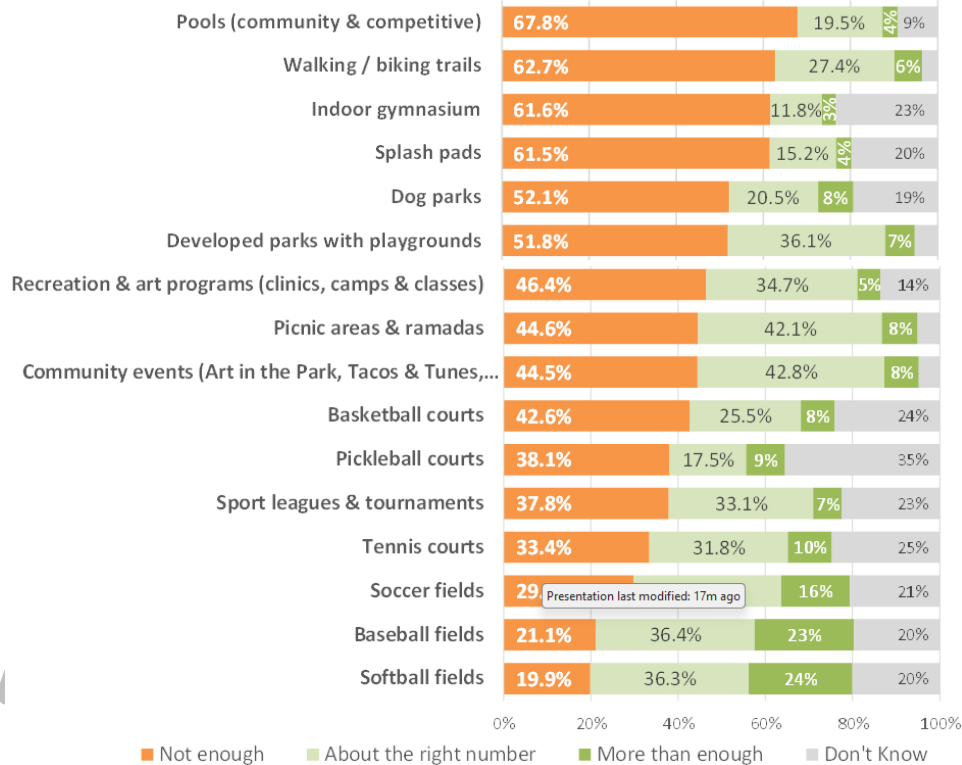
- Visitation – Top Reasons

**Top tier:** low-cost, no-cost, or family/group oriented





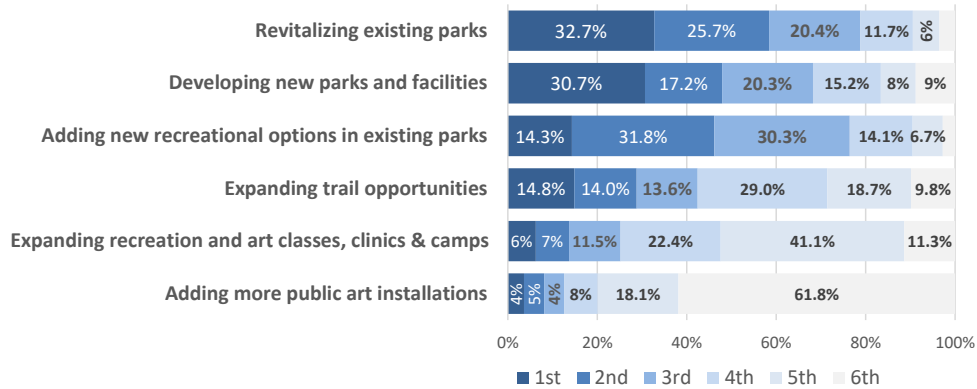
• ‘Goldilocks’ Question



• Amenities with Strongest Support (**very supportive**; very + somewhat supportive)

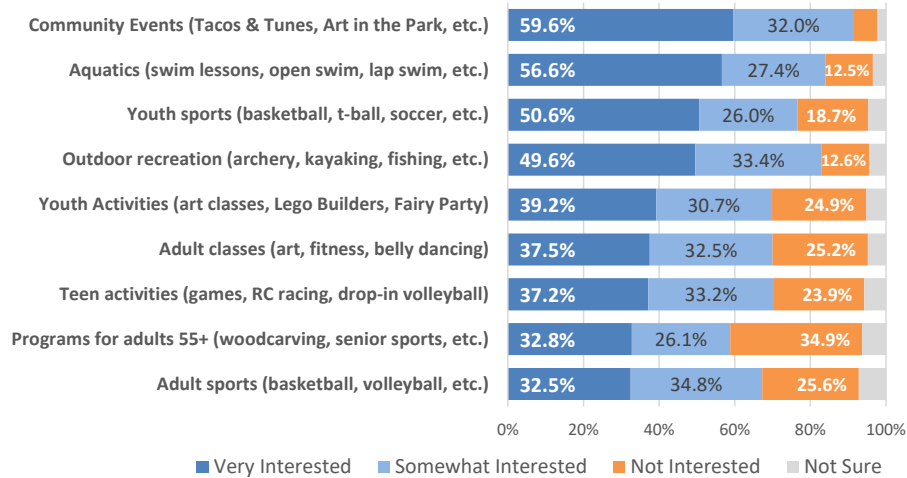
- Restroom facilities (**70%**; 91%)
- Additional walking trails (**65%**; 89%)
- Recreation center (**63%**; 89%)
- Upgraded or renovated playgrounds (**61%**; 90%)
- Outdoor splash pad / water spray park (**57%**; 82%)
- Additional playgrounds (**55%**; 84%)
- Amphitheater / outdoor performance areas (**54%**; 80%)
- Competition aquatic facility (**50%**; 79%)

- Forced Rank Priorities



- Programs

- Top reasons for not participating more
  - Not aware of programs
  - Held at inconvenient times
  - Don't have activities I'm interested in
  - Age or physical limitations

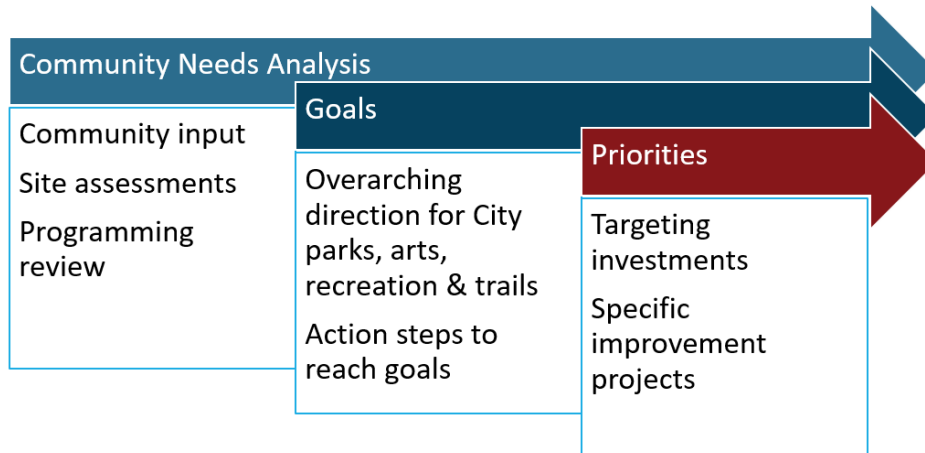


- Program Ideas

- Music festivals & concerts, including local talent
- Farmers markets, including food vendors, and neighborhood-scale block parties
- Artist/art festivals, craft fairs, and classes
- Theater productions and cultural events/performances (indoor/outdoor)
- Activities for youth that are not sport-oriented
- Indoor events and activities, especially in the summer
- Activities that support a vital downtown

**66%**  
Interested in seeing more or different community events

- Planning for the Future



### Next Steps

- Survey #2: Late Feb – Mid-March
- Open House: March 19<sup>th</sup>
- PARC guidance: ongoing
- City Council review: May

### Discussion

- Based on the three demographic questions in the survey (region of the city, children under 18 in household, and age group) the survey data is consistent with census data (**Mayor Nicholls/Duh**)
- Regarding the ‘Goldilocks’ questions, respondents had the option to answer for each line item, and most of them did (**Mayor Nicholls/Duh**)
- Although the survey has been opened up to special interest groups and sporting associations, the results do not indicate that any primary user group dominated the survey (**Mayor Nicholls/Urfer**)
- Pop-up events are still being developed and will be announced on Facebook and the City’s website (**Mayor Nicholls/Urfer**)
- Command staff at Marine Corps Air Station Yuma have been contacted in the past, and staff will reach out to them again; people who are stationed in Yuma are in need of activities that get them off the base and encourage them to have a good experience while they are stationed here (**Shoop/Urfer**)
- Some non-sports activities that may appeal to Yuma’s youth are chess, karaoke, and magic or illusions (**Shelton**)
- The survey has had about 1,600 participants to date; a response range of 2,500 to 3,000 at the conclusion of both survey phases would indicate that good feedback has been received from the community to help frame future decisions (**Smith/Duh**)
- Areas that were above 50% interest to the community included trails, upgrades to parks and current facilities, and water features (**Morales/Duh**)

## II. YUMA REGION BICYCLE COALITION

**Gene Dalbey**, outgoing president of the Yuma Region Bicycle Coalition (Coalition), expressed appreciation for City Council, and City staff for their hard work and collaboration with the Coalition. **Dalbey** provided City Council with a handout of bicycle-related Capital Improvement Program (CIP) projects with input from the Coalition as follows:

- Pathway, East Main Canal Linear Park, Crossing at 24<sup>th</sup> Street
  - The Coalition fully supports this long-needed addition to the City's bicycle infrastructure
- Pathway, East Main Canal, 40<sup>th</sup> Street to County 14<sup>th</sup> Street
  - Avenue A from County 14<sup>th</sup> Street to the point where it splits from Airport Road is the most dangerous section of road in Yuma regularly ridden by bicyclists, and the resolution of this situation is the Coalition's number one road condition priority
  - The Coalition urges City Council to prioritize the funding and completion of this project
- Pathway, Bike Route Signing & Marking, Citywide
  - While the Coalition supports refreshing bike route signing and marking, without first conducting a review of the City's current bike routes and evaluating which routes should be added and removed this project is a waste of funds that could be used to pursue other bicycle safety projects
- Pathway, Improve Landscape, East Main Canal, 24<sup>th</sup> Street to 16<sup>th</sup> Street
  - The Coalition applauds the public/private partnership that is making this project a reality and encourages further such cooperation to enhance bicycle safety and access
- Pavement Marking Upgrade, Citywide
  - The Coalition urges City Council to review this project to ensure that it includes bicycle markings where appropriate
- Turn Lane, 16<sup>th</sup> Street and Pacific Avenue
  - Due to the lack of safe east/west bicycle routes, many riders use the shoulder of Highway 95/16<sup>th</sup> Street as a bike lane
  - The redesign of this intersection needs to accommodate the needs of bicyclists and motorists
  - Currently Pacific Avenue on the north side of 16<sup>th</sup> Street does not properly align with Pacific Avenue on the south side of 16<sup>th</sup> street, making this a dangerous and difficult intersection for bicyclists to cross
  - The Coalition requests that City Council review this redesign with bicycle safety in mind
- Capacity Increase, County 14<sup>th</sup> Street, State Route 195, Foothills Blvd
  - Due to the lack of east/west bike paths, County 14<sup>th</sup> Street is a major corridor for bicyclists; therefore, it is critical that any capacity increase on County 14<sup>th</sup> street includes either a 5-8" paved shoulder or an adjacent bike lane or path
  - The Coalition encourages City Council to review this project with this major safety need in mind

**Dalbey** introduced **Jeff Brand**, incoming President of the Coalition. **Brand** thanked City Council and the City of Yuma for developing a bicycle facility system that the community can be proud of. That being said, one area that needs attention is the creation of a safe east/west bicycle route through Yuma. The Coalition has grave concerns about the suggested route on 32<sup>nd</sup> Street due to the volume of motor vehicle traffic and the number of intersections and driveways for business access, which are all hazards for bicyclists, and recommends that alternate routes be considered. **Brand** requested that the City create a task force to report back to City Council on their findings and recommendations on a safe east/west bicycle route.

**Mayor Nicholls** thanked **Dalbey** for his years of advocacy for the community and welcomed **Brand** to his new role as President of the Coalition.

### Discussion

- There are many bicycling groups and clubs that ride in different areas of Yuma that are interested in seeing safer bike routes in safer places; it has been a long time since the City designated bike routes, and it is time for them to be reassessed (**Shoop/Brand**)
- The Director of Yuma County Area Transit (YCAT) reported that in one month there were approximately 700 instances of riders bringing their bicycles onto YCAT buses; involving YCAT is key to ensuring bicyclists have safe access to the bus system (**Dalbey**)
- **Shelton** expressed support for the creation of a task force and suggested that the Coalition provide their goals to be used as a starting point for that group as it reviews how the City's existing facilities are meeting the needs of the bicycling community.

### **III. QUARTERLY BUDGET UPDATE**

**Allen** presented the following overview of the City's Fiscal Year (FY) 2023 year-end audit results, FY 2024 financial status, and FY 2025 budget update:

#### FY 2023 Year-End Audit Results

- Annual Financial Reporting (for Audit)
  - Annual financial reporting for the year-end audit consists of:
    - Annual Comprehensive Financial Report (ACFR)
    - Federal Single Audit (OMB A-133)
    - Highway User Revenue Fund (HURF) compliance letter
    - Communication to those Charged with Governance
    - Annual Expenditure Limitation Report (AELR) – Pending (due March 31<sup>st</sup>)
  - Accounting Pronouncements dramatically change how the City presents its financial statements, but they do not impact the City's budget methodology or presentation
    - 2022
      - Government Accounting Standards Board (GASB) Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)
      - GASB Statement No. 87 – Leases, establishes a single model for lease accounting
    - 2023
      - GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements (PPP)
      - GASB Statement No. 96 – Subscription-Based Information Technology Arrangements
      - GASB Statement No. 99 – Omnibus 2022, which clarifies several recent statements including GASB Statements No. 87 and 96

- Arizona Revised Statutes (ARS) § 41-1491 requires auditor to present results at a City Council Meeting
  - Conducted by Heinfeld, Meech & Co. PC
  - Unqualified (“Clean”) Opinion
  - Audit process was relatively smooth; the City is back on a standard completion schedule
  - The Accounting Division has undergone significant changes in expectations of behaviors, accuracy and reporting timeliness
  - Monumental effort this audit year; still progressing
- Financial Overview
  - Overall
    - As a result of the FY 2023 audit, no adjustments for the FY 2024 budget are warranted
    - General Fund revenues exceed expenditures and transfers by \$14 million, primarily due to Capital Improvement Program (CIP) and supply chain delays
    - Water and Wastewater also showed revenues exceeding expenses by \$9 million and \$6 million respectively, primarily due to timing of capital projects
    - Investment earnings finished the year with \$11.6 million
  - General Fund Balances
    - Unassigned fund balances ended the year at \$29.8 million, which is 27% of the FY 2023 General Fund revenues
    - Highlights of fund balance designations:
      - Debt Service due within one year (\$15.0 million)
      - Public Safety Personnel Retirement System (PSPRS) Reserve for future unfunded liability (\$13.1 million)
      - Capital projects approved for FY 2024-2028 (\$6.3 million)
      - Fleet ordered but not received (\$5.6 million)
      - Public Safety Prop 207 (\$1.5 million)
      - Six other designations (\$2.3 million)
  - PSPRS
    - For ACFR and Budget, two separate PSPRS reports:
      - Actuarial Valuation – sets the City’s contribution rates; two-year lag
      - GASB 68 Report – for the annual financial statements; one-year lag
      - Methods and assertions used in these reports differ
    - City’s FY 2021 - \$110.4 million paid for the PSPRS Unfunded Accrued Actuarial Liability (UAAL), resulting in an actuarial estimated 105.0% funding ratio
    - FY 2022 and FY 2023 GASB 68 reporting showed erosion of the funding ratio to 100.1% and 97%, respectively
    - Further information and opinions to address the UAAL will be provided for City Council’s consideration with the FY 2025 budget process
- Independent Auditor
  - Materiality
    - Audit reviews data on test basis; considers materiality to ACFR
    - Finance Department does not have a triviality threshold



- When an error is detected, it is fixed going forward and then retroactively if possible
- Management responsible for ACFR and internal controls
- Prior Year Findings
  - ‘New approach’ in FY 2023 corrected all prior year findings
  - Cash reconciliations are current
- New Approach Initiated FY 2023
  - Build a system for continuity
  - Teach, learn and communicate through repetition, with all being aware of the entire process
  - Quarterly closings with mock audits reviewed by management
  - Creates repetition for consistently meeting deadlines with accuracy
  - Requires demonstration of:
    - Accuracy in accounting techniques
    - Timeliness of completion and being audit ready
  - Develop knowledge redundancy:
    - Alternate responsibilities among several staff members
- FY 2023 findings FS-2023-01:
  - Description: Utility Revenue Accrual
  - Condition: Final year-end revenue accrual was not made (billed in July)
  - Context: Accrual was between 3.3% to 3.9% for the Water, Wastewater and Solid Waste Funds for \$1.1 million, \$0.7 million, and \$0.2 million, respectively
- Corrective Action
  - Added to the closing checklist is the quarterly accrual for ‘Subsequently Billed Accounts Receivable’ starting December 2023 closing
  - Finding did not impact the City’s budget, revenues, or expenditures as the revenue received/recorded in 2024 was subsequently reallocated to 2023
- Other Financial Reporting
  - Adopted Budget Documents
  - Budget Schedules (Arizona State Forms)
  - ACFR
  - Single Audit Report
  - Annual Expenditure Limitation Report
  - Quarterly Briefing Reports
- Popular Annual Financial Report (PAFR)
  - Information in the PAFR is derived from the ACFR, but it is specifically designed to be reader-friendly for citizens who want a better understanding of the City’s finances

### Discussion

- The advantage of the City’s PSPRS being fully funded is that anything PSPRS investments earn, the City receives as part of its plan (**Morales/Allen**)
- While being underfunded is costly, being overfunded is not desirable as once that money goes to PSPRS it will never return to the City; the City’s current funding ratio of 97% is favorable (**Morales/Allen**)

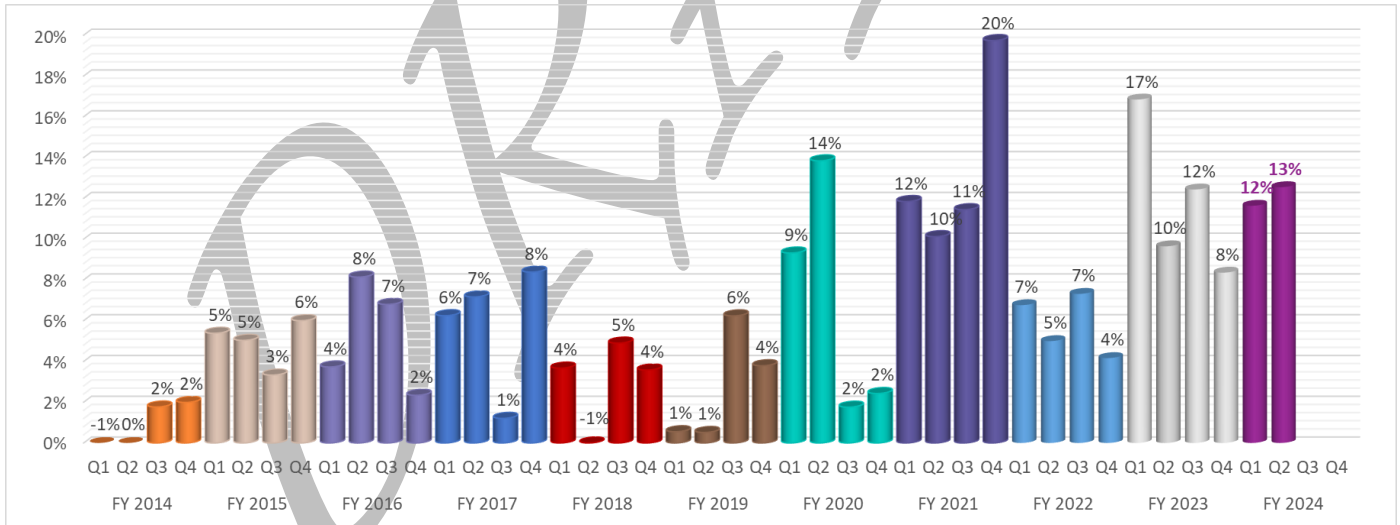
- The City will continue to monitor the funding ratio moving forward because it impacts the City’s contribution rate (**Morales/Allen**)
- PSPRS has different tiers depending on when employees were hired, and the earlier tiers created an obligation that the City could not keep up with; new hires enter PSPRS in a different tier, resulting in a funding obligation that the City has been able to keep up with (**Mayor Nicholls/Allen**)

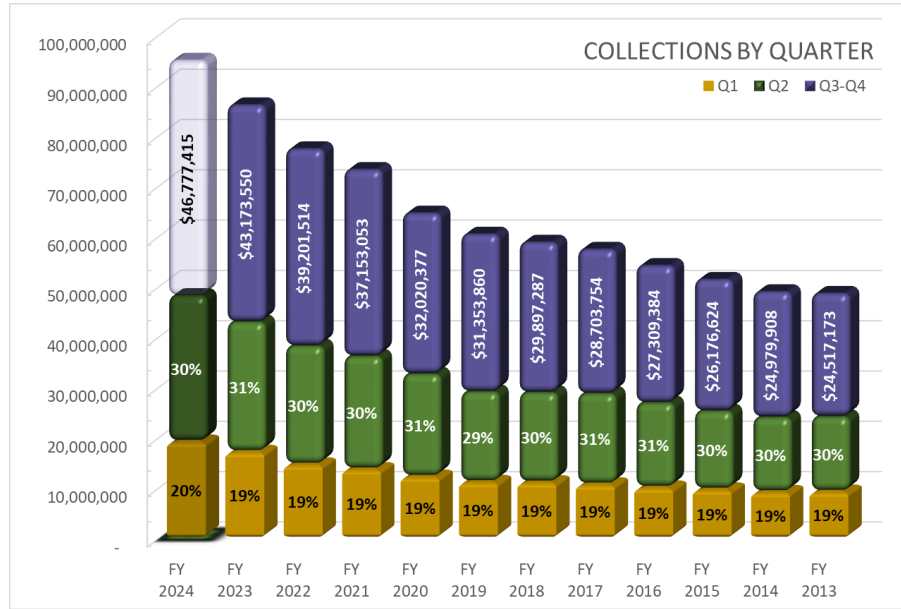
FY 2024 Financial Status

- Major Revenues

Major Operating Revenue			Benchmark (BM) to Budget (BUD)				Year Over Year		
(A) Source	(B) Fund	(C) FY 2024 July-Dec	(D) FY 2024 Total Budget	(E) % of Budget	(F) Bench Mark	(G) Variance to Bench Mark	(H) FY 2023 July-Dec	(I) Amount Change	(J) % Change
(1) City Sales Tax (1.0%)	General	\$ 16,345,633	\$ 33,600,000	49%	48%	1.1%	\$ 15,618,262	\$ 727,731	4.7%
(2) Property Tax	“	9,064,808	16,290,776	56%	57%	-1.6%	8,869,675	195,133	2.2%
(3) State Sales Tax	“	7,304,078	14,371,000	51%	49%	1.8%	6,882,121	421,957	6.1%
(4) State Income Tax	“	13,054,410	25,500,000	51%	49%	1.9%	9,209,346	3,845,064	41.8%
(5) Vehicle License Tax	“	2,590,832	5,375,400	48%	48%	0.3%	2,530,976	59,856	2.4%
(6) Gasoline Tax (0.5%)	HURF	4,743,462	9,614,190	49%	48%	1.5%	4,487,882	255,580	5.7%
(7) Road Tax (0.5%)	Road Tax	8,171,427	16,809,600	49%	47%	1.9%	7,807,805	363,622	4.7%
(8) Public Safety Tax (0.2%)	Public Safety	3,267,459	6,711,600	49%	47%	2.0%	3,122,060	145,399	4.7%
(9) Two Percent Tax	Two Percent	4,166,392	8,925,000	47%	45%	1.3%	4,061,018	105,374	2.6%
(10) Water Sales	Water	14,569,588	26,889,250	54%	51%	3.5%	13,589,090	980,498	7.2%
(11) Wastewater Operating	Wastewater	9,682,948	19,044,800	51%	49%	1.7%	9,008,309	674,639	7.5%
(12) Solid Waste Fees	Solid Waste	2,877,562	5,661,785	51%	49%	1.7%	2,527,175	350,387	13.9%
<b>(13) Total Major Operating Revenue</b>		<b>\$ 95,838,599</b>	<b>\$ 188,793,401</b>	<b>51%</b>	<b>49%</b>	<b>1.7%</b>	<b>\$ 87,713,719</b>	<b>\$ 8,124,880</b>	<b>9.3%</b>

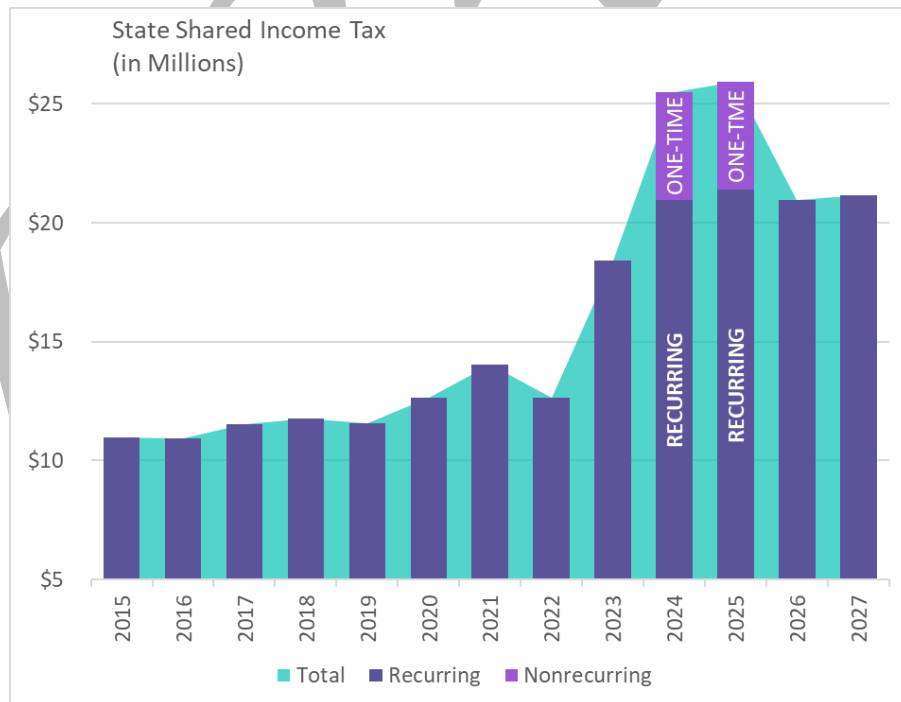
○ Major Revenues – General Fund



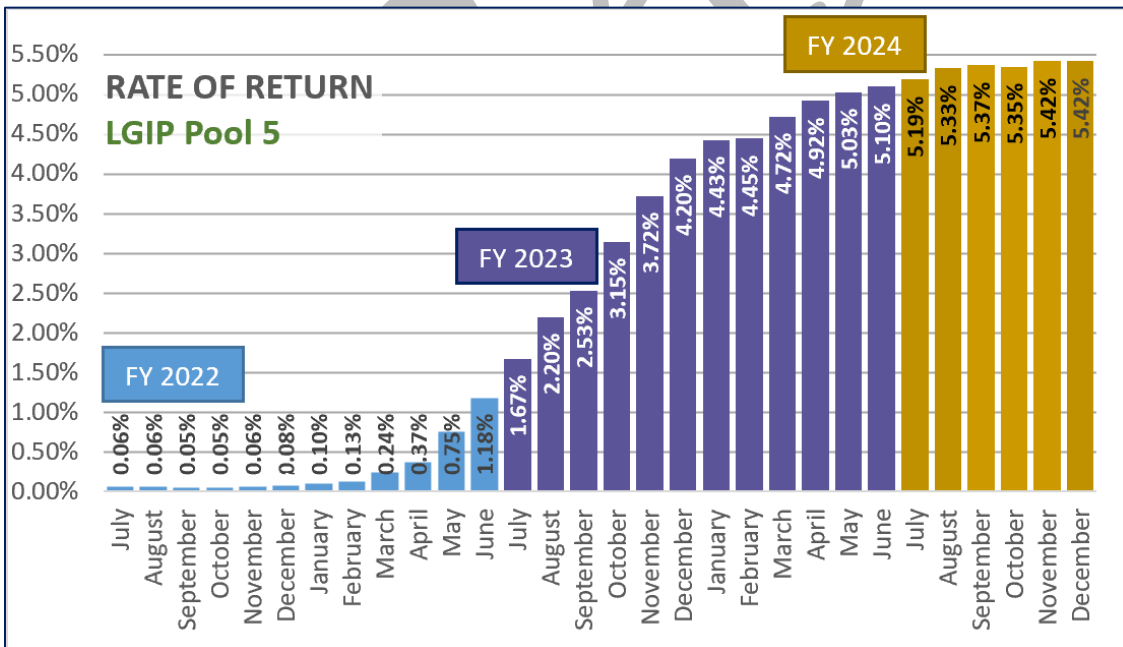
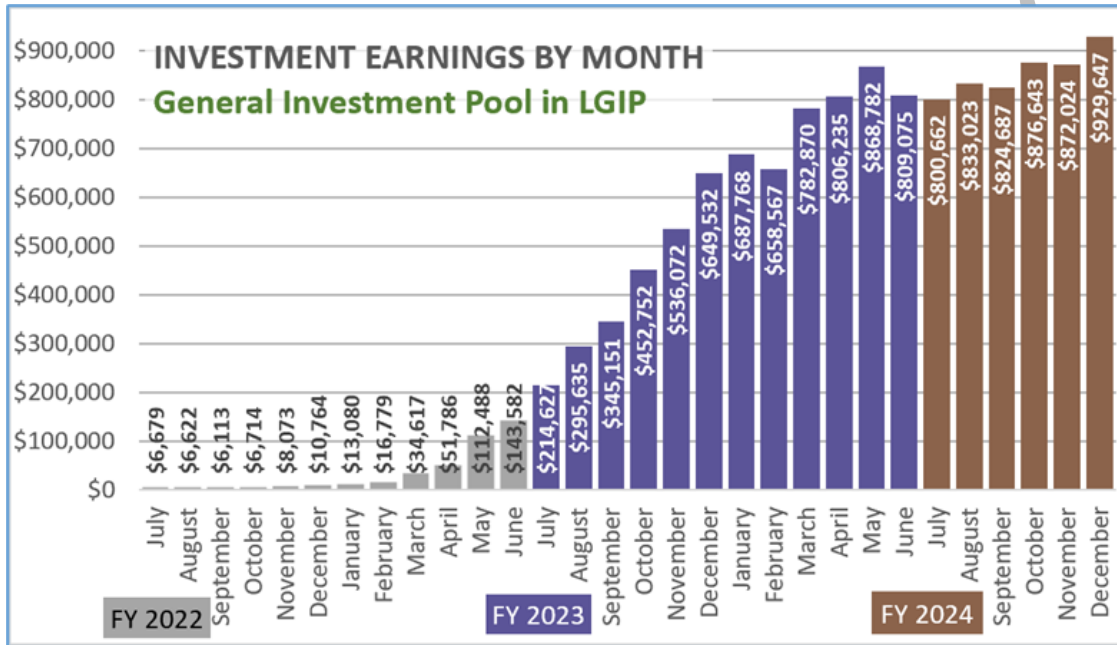


○ State Shared Income Tax

- FY 2024: State allocation to cities and towns up from 15% to 18% of total income tax
- FY 2025: State moves from incremental Income Tax to a flat 2.5% (effective calendar year 2023); impacts cities and towns half of FY 2025
- FY 2026: New income tax rate impacts cities and towns the full FY 2026
- New fund in FY 2024 to accumulate such one-time revenues – Capital Reserve and Contingency Fund



- Investment Earnings – General Pool
  - YTD Earnings Q2 (July-Dec)
    - FY2022 - \$ 44,965
    - FY 2023 - \$2,493,769
    - FY 2024 - \$5,136,686



- Major Revenues – City Sales Tax
  - Overall, FY 2024 total City 1.7% Sales Taxes are 4.7% or \$1.2 million more than FY 2023 for the first six months of July-December
    - The FY 2024 budget goal of a 2.2% increase is being met

- Sub-Total Recurring tax revenues support the City’s core ongoing operations, personnel, small equipment, contracts, commodities and debt service
- The All Other category consists of 14 categories with commercial leasing, equipment rental and communications accounting for most of the activity
- At-Risk or Ending categories have either been or are at risk of being discontinued as taxable activities
  - The year-over-year change for Grocery (food for home consumption) has been stabilizing
  - FY 2023 recorded a 20% increase compared to FY 2022
  - Collections from Residential Rental Leasing activities will cease midway through FY 2025
- Construction revenue is allocated for capital expenditures or other one-time purchases, not core operations.
  - This is an indicator of growth in the tax base for future property and sales tax
- Total 2% Tax for parks is 2.6% higher in FY 2024 compared to FY 2023
  - After hyper growth in FY 2021 and FY 2022, estimates for FY 2024 and FY 2025 are level
  - The FY 2024 budget goal of a 2.2% increase is being met

<b>City’s 1.7% Sales Tax (1.0% General; 0.5% Road; 0.2% Public Safety)</b>					
Category As Reported by ADOR	July-Dec FY 2024	July-Dec FY 2023	July-Dec FY 2022	Change in FY24/FY23	
				\$	%
Retail	\$ 14,393,390	\$ 14,015,929	\$ 13,106,620	\$ 377,461	2.7%
Restaurants and Bars	2,956,893	2,825,506	2,680,507	131,387	4.7%
Internet Sales*	1,156,531	1,005,158	819,495	151,373	15.1%
Hotels	585,498	641,419	633,470	(55,921)	-8.7%
Utilities	1,601,969	1,515,463	1,563,094	86,506	5.7%
All Other	1,483,029	1,505,580	1,493,100	(22,551)	-1.5%
<b>Sub-Total Recurring</b>	<b>\$ 22,177,310</b>	<b>\$ 21,509,055</b>	<b>\$ 20,296,286</b>	<b>\$ 668,255</b>	<b>3.1%</b>
Grocery**	3,227,845	3,140,606	2,434,755	87,239	2.8%
Residential Rental Leasing	266,302	238,464	136,890	27,838	11.7%
<b>At-Risk or Ending</b>	<b>\$ 3,494,147</b>	<b>\$ 3,379,070</b>	<b>\$ 2,571,645</b>	<b>\$ 115,077</b>	<b>3.4%</b>
Construction	2,113,062	1,660,036	2,079,773	453,026	27.3%
<b>Total City’s 1.7% Tax</b>	<b>\$ 27,784,519</b>	<b>\$ 26,548,161</b>	<b>\$ 24,947,704</b>	<b>\$ 1,236,358</b>	<b>4.7%</b>
* Internet Sales = Marketplace facilitated or remote retail sales of food for home consumption					
** Grocery = Food for home consumption					

<b>Two Percent Tax (2.0%)</b>					
Category As Reported by ADOR	July-Dec FY 2024	July-Dec FY 2023	July-Dec FY 2022	Change in FY24/FY23	
				\$	%
Restaurants and Bars	\$ 3,491,309	\$ 3,329,402	\$ 3,282,045	\$ 161,907	4.9%
Hotels	675,084	731,613	715,045	(56,529)	-7.7%
<b>Total Two Percent Tax</b>	<b>\$ 4,166,393</b>	<b>\$ 4,061,015</b>	<b>\$ 3,997,090</b>	<b>\$ 105,378</b>	<b>2.6%</b>

- Expenditures/Expenses
  - Governmental Funds
    - All presented governmental operating funds are meeting their revenue benchmark goal and spending less than 50% of the approved budget
    - Yuma’s year-over-year spending is higher in FY 2024, primarily due to inflationary factors and supply chain delays that caused deferred spending from the previous year
    - This is expected to continue in FY 2025 and possibly in FY 2026

01 General Fund		Budget and Actual			Year Over Year		
	FY 2024 Q2	Total Budget	\$ Remaining	% Budget	FY 2023 Q2	\$ Change	% Change
Total Revenue	\$ 62,190,885	\$ 115,999,806	\$ 53,808,921	54%	\$ 52,859,756	\$ 9,331,129	18%
Total Expenditures (Operating)	(45,770,190)	(100,411,344)	(54,641,154)	46%	(40,824,947)	(4,945,243)	12%
<b>Revenue Over (Under) Expenditures</b>	<b>\$ 16,420,695</b>	<b>\$ 15,588,462</b>	<i>Balance for CIP, Debt, Contingencies</i>		<b>\$ 12,034,809</b>	<b>\$4,385,886</b>	

02 HURF (Highway User Revenue Fund)		Budget and Actual			Year Over Year		
	FY 2024 Q2	Total Budget	\$ Remaining	% Budget	FY 2023 Q2	\$ Change	% Change
Total Revenue	\$ 4,822,918	\$ 9,631,690	\$ 4,808,772	50%	\$ 4,539,635	\$ 283,283	6%
Total Expenditures and Projects	(5,560,632)	(12,379,629)	(6,818,997)	45%	(4,159,520)	(1,401,112)	34%
<b>Revenue Over (Under) Expenditures</b>	<b>\$ (737,714)</b>	<b>\$ (2,747,939)</b>	<i>Planned use of fund balance</i>		<b>\$ 380,115</b>	<b>\$(1,117,829)</b>	

03 City Road Tax (.05%) Fund		Budget and Actual			Year Over Year		
	FY 2024 Q2	Total Budget	\$ Remaining	% Budget	FY 2023 Q2	\$ Change	% Change
Total Revenue	\$ 8,595,313	\$ 16,899,556	\$ 8,304,243	51%	\$ 7,975,901	\$ 619,412	8%
Total Expenditures and Projects	(5,931,497)	(24,991,907)	(19,060,410)	24%	(4,029,341)	(1,902,156)	47%
<b>Revenue Over (Under) Expenditures</b>	<b>\$ 2,663,816</b>	<b>\$ (8,092,351)</b>	<i>Planned use of fund balance for CIP</i>		<b>\$ 3,946,560</b>	<b>\$(1,282,744)</b>	

04 Public Safety Tax (.02%) Fund		Budget and Actual			Year Over Year		
	FY 2024 Q2	Total Budget	\$ Remaining	% Budget	FY 2023 Q2	\$ Change	% Change
Total Revenue	\$ 3,401,821	\$ 6,711,600	\$ 3,309,779	51%	\$ 3,194,543	\$ 207,278	6%
Total Expenditures and Projects	(2,513,199)	(8,936,103)	(6,422,904)	28%	(2,836,356)	323,157	-11%
<b>Revenue Over (Under) Expenditures</b>	<b>\$ 888,622</b>	<b>\$ (2,224,503)</b>	<i>Planned use of fund balance for CIP</i>		<b>\$ 358,187</b>	<b>\$ 530,435</b>	

05 Two Percent Tax Fund		Budget and Actual			Year Over Year		
	FY 2024 Q2	Total Budget	\$ Remaining	% Budget	FY 2023 Q2	\$ Change	% Change
Total Revenue	\$ 4,743,002	\$ 9,823,000	\$ 5,079,998	48%	\$ 4,589,344	\$ 153,658	3%
Total Expenditures and Projects	(4,653,172)	(11,029,181)	(6,376,009)	42%	(3,675,955)	(977,217)	27%
<b>Revenue Over (Under) Expenditures</b>	<b>\$ 89,830</b>	<b>\$ (1,206,181)</b>	<i>Planned use of fund balance for equipment</i>		<b>\$ 913,389</b>	<b>\$ (823,559)</b>	

- Enterprise Funds
  - Like the City’s Governmental Funds, the Enterprise Fund spending levels are under 50%; while they are circling at or above 50% of the revenue goals, the Enterprise Funds continue consistent revenue growth compared to last year

06 Water Enterprise	Budget and Actual				Year Over Year		
	FY 2024 Q2	Total Budget	\$ Remaining	% Budget	FY 2023 Q2	\$ Change	% Change
Total Income	\$ 16,163,077	\$ 27,881,750	\$ 11,718,673	58%	\$ 14,034,548	\$ 2,128,529	15%
Total Expenditures (Operating)	(8,636,858)	(23,770,613)	(15,133,755)	36%	(6,358,613)	(2,278,245)	36%
<b>Income Over (Under) Expenses</b>	<b>\$ 7,526,219</b>	<b>\$ 4,111,137</b>	<i>Balance for CIP</i>		<b>\$ 7,675,935</b>	<b>\$ (149,716)</b>	

07 Wastewater Enterprise	Budget and Actual				Year Over Year		
	FY 2024 Q2	Total Budget	\$ Remaining	% Budget	FY 2023 Q2	\$ Change	% Change
Total Income	\$ 12,884,213	\$ 19,122,300	\$ 6,238,087	67%	\$ 9,992,849	\$ 2,891,364	29%
Total Expenditures (Operating)	(8,289,270)	(20,344,199)	(12,054,929)	41%	(6,790,043)	(1,499,227)	22%
<b>Income Over (Under) Expenses</b>	<b>\$ 4,594,943</b>	<b>\$ (1,221,899)</b>	<i>Planned use of fund balance for CIP</i>		<b>\$ 3,202,806</b>	<b>\$ 1,392,137</b>	

08 Solid Waste Enterprise	Budget and Actual				Year Over Year		
	FY 2024 Q2	Total Budget	\$ Remaining	% Budget	FY 2023 Q2	\$ Change	% Change
Total Income	\$ 2,958,464	\$ 5,675,785	\$ 2,717,321	52%	\$ 2,569,512	\$ 388,952	15%
Total Expenses (Operating)	(2,526,728)	(5,948,620)	(3,421,892)	42%	(2,655,488)	128,760	-5%
<b>Income Over (Under) Expenses</b>	<b>\$ 431,736</b>	<b>\$ (272,835)</b>	<i>Planned use of fund balance for equipment</i>		<b>\$ (85,976)</b>	<b>\$ 517,712</b>	

- American Rescue Plan Act (ARPA)
  - Recipients must:
    - Obligate funds by December 31, 2024 (Q2, FY 2025)
    - Spend funds by December 31, 2026 (Q2, FY 2027)

ID	Project	Project Budget		Actual Spending				Obligate / Encumbered	Total Spent or Obligate	Available Balance
		Original	Amended	FY 2022	FY 2023	FY 2024	Total			
1	Jobs Education Project	\$ 200,000	\$ 200,000	-	-	-	-	-	-	\$ 200,000
4	East Mesa Community Park	10,000,000	10,000,000	-	\$ 26,485	\$ 27,840	\$ 54,325	\$ 170,301	\$ 224,626	9,775,374
5	City-Wide Parks Revitalization	250,000	222,000	-	9,442	182,102	191,544	25,216	216,760	5,240
7	Kennedy Regional Park Improvements	500,000	550,503	-	405,509	86,938	492,447	58,056	550,503	-
9	Ambulance	500,000	500,000	\$ 61,260	105,616	17,430	184,306	79,485	263,792	236,208
10	Fire Station 7 Construction	2,000,000	2,019,412	-	898,075	727,882	1,625,957	393,455	2,019,412	-
11	Readiness Center AC & Gym Enhance	750,000	715,000	-	-	-	-	-	-	715,000
12	Kennedy Regional Skate Park	2,500,000	2,500,000	-	48,093	88,526	136,619	190,137	326,755	2,173,245
13	Ventilation System Air Purifier	53,000	53,000	-	50,268	-	50,268	-	50,268	2,732
14	East Wetlands Park Improvements	300,000	300,000	-	-	40,818	40,818	-	40,818	259,182
15	Fire Station Alerting System	250,000	250,000	-	-	-	-	-	-	250,000
18	Audio Upgrade Portable Conf Chamber Syst	25,000	25,000	-	12,007	-	12,007	-	12,007	12,993
19	Fire Station-Ambulance Medical Supplies	130,000	130,000	-	128,037	-	128,037	-	128,037	1,963
20	Technologies Upgrades to 190	100,000	100,000	-	41,049	1,491	42,540	38,488	81,028	18,972
21	COVID Overtime for Public Safety	600,000	600,000	-	-	-	-	600,000	600,000	-
25	Intelligence Trans Sys PH 1	1,500,000	1,500,000	-	-	-	-	415,373	415,373	1,084,627
26	HHW Awning & Repaving of Main Yd	250,000	333,755	-	213,915	28,830	242,746	-	242,746	91,009
28	Contingency	-	198,340	-	-	-	-	-	-	198,340
2	Econ Dev Marketing-COMPLETED	100,000	100,000	-	85,000	15,000	100,000	-	100,000	-
3	Econ Dev-Small Business-REPURPOSED	200,000	-	-	-	-	-	-	-	-
6	Castle Park Flooring-COMPLETED	415,000	464,135	-	464,135	-	464,135	-	464,135	-
8	Playground Replacement Prog-COMPLETED	500,000	461,855	-	461,855	-	461,855	-	461,855	-
16	Enterprise Document Mngmnt-REPURPOSED	80,000	-	-	-	-	-	-	-	-
17	EnerGov Connect Portal-REPURPOSED	20,000	-	-	-	-	-	-	-	-
22	HERO Pay Bonuses-COMPLETED	1,000,000	1,000,000	1,000,000	-	-	1,000,000	-	1,000,000	-
23	Boys & Girls Club Funding-COMPLETED	100,000	100,000	-	100,000	-	100,000	-	100,000	-
24	Public Safety Trk Rehab-COMPLETED	800,000	800,000	-	800,000	-	800,000	-	800,000	-
27	Location Data Analytic Tool-REPURPOSED	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>\$23,123,000</b>	<b>\$23,123,000</b>	<b>\$1,061,260</b>	<b>\$3,849,485</b>	<b>\$1,216,857</b>	<b>\$6,127,602</b>	<b>\$ 1,970,512</b>	<b>\$8,098,114</b>	<b>\$15,024,886</b>

- 65% of the balance is one project
  - East Mesa Community Park
- 87% of the balance is three projects
  - East Mesa Community Park
  - Kennedy Regional Park Improvements
  - Intelligent Transportation System
- FY 2025 Budget and CIP process will provide details for City Council’s consideration, including reallocation if warranted



FY 2025 Budget Update

- Budget Calendar

Date	Event
April 8-11	Councilmember budget review sessions
April 16	Worksession: Proposed Budget presentation, CIP
April 17	CIP Public Hearing
May 15	Tentative Budget Adoption, Adoption of CIP
May 21, 28	State Form(s) Publication in the Yuma Sun
June 5	Public Hearing: Final Budget and Truth-in-Taxation, if applicable
June 5	Final FY 2025 Budget Adoption
June 5	Introduction of Tax Levy Ordinance
June 5	Adopt Annual PSPRS Funding Policy
June 5	Consideration and City Council action regarding FY 2024
June 26	Adopt Tax Levies and Rates (General, Mall and Municipal Improvement Districts)
A “budget discussion” placeholder will be on all City Council agendas until final adoption	

Discussion

- While over the past few years some items have been added to Mayor and City Council’s budget; these were not actually new items but were shifted from City Administration’s budget to provide more transparency to the public (**Shoop/Simonton**)
- Mayor and City Council’s budget has been significantly higher during the last three or four years, primarily due to grant allocations and outside agency funding that was previously listed under other departments (**Shoop/Simonton**)
- When the Mayor travels, the funding varies depending on the purpose of the trip; sometimes the City benefits from travel funded by other agencies, such as the Arizona League of Cities and Towns (**Shoop/Mayor Nicholls**)
- The travel budget for Mayor and City Council is posted on the City’s website each year after it is approved and is accessible to the public (**Shoop/Mayor Nicholls**)



**IV. REGULAR CITY COUNCIL MEETING AGENDA OF FEBRUARY 21, 2024**

Motion Consent Agenda Item C.2 – Ratification: Pavement Replacement on Waterline Project (ratify and approve the purchase order increase for the Waterline Replacement, 24<sup>th</sup> Street to 25<sup>th</sup> Street between 5<sup>th</sup> and 6<sup>th</sup> Avenue project by \$211,996.68, bringing the total cost of the project to \$878,613.05) (RFB-23-220) (Eng)

Discussion

- The additional funding for this project will come from the cancelled Avenue B: 24<sup>th</sup> Street to 16<sup>th</sup> Street project, which will be reprogrammed in FY 2025 (**Knight/Wostenberg**)
- The entire width of the roadway will be repaved instead of just the half where the waterline replacement is taking place due to pavement condition (**Knight/Wostenberg**)

\_\_\_\_\_

Resolution R2024-005 – Intergovernmental Agreement: Arizona Department of Revenue (for the uniform administration, licensing, collection, and auditing of transaction privilege tax, use tax, severance tax, jet fuel excise and use tax, and rental occupancy taxes imposed by the State or cities and towns) (Fin)

Discussion

- The City previously had some challenges getting the State to provide requested audits, but has not encountered any difficulties recently; the City has a third-party auditor that can complete audits in some situations, such as with small local businesses, while larger business audits need to be completed by the State (**Mayor Nicholls/Allen**)

\_\_\_\_\_

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) to the High Density Residential (R-3) District) (Plng & Nbhd Svcs/Cmty Plng)

**Mayor Nicholls** declared a conflict of interest on Ordinance O2024-008 as his firm is involved with the project.

\_\_\_\_\_

Ordinance O2024-007 – Text Amendment: Cielo Verde Specific Plan (to update the list of uses authorized by the Cielo Verde Specific Plan to allow a religious institution at the corner of Avenue 8E and 36<sup>th</sup> Street) (Plng & Nbhd Svcs/Cmty Plng)

Discussion

- The City’s zoning code does not regulate the height of church spires, so there will not be any additional setbacks required (**Mayor Nicholls/Linville**)
- \_\_\_\_\_

Resolution R2024-003 – Minor General Plan Amendment: Palm Avenue (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 12<sup>th</sup> Street and Palm Avenue) (GP-41820-2023) (PIng & Nbhd Svcs/Cmty PIng)

Discussion

- Installation of a traffic signal at 12<sup>th</sup> Street and Avenue C is included in the 2024-2028 Capital Improvement Program, which will help with any additional traffic that will potentially be created by the apartments planned for that area (**Knight**)

**EXECUTIVE SESSION/ADJOURNMENT**

There being no further business, **Mayor Nicholls** adjourned the meeting at 6:50 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: _____
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