

MINUTES
REGULAR CITY COUNCIL MEETING
CITY COUNCIL OF THE CITY OF YUMA, ARIZONA
CITY COUNCIL CHAMBERS, YUMA CITY HALL
ONE CITY PLAZA, YUMA, ARIZONA
SEPTEMBER 18, 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 Don Vickers, Yuma Southern Baptist Association, gave the invocation. **David Wostenberg**, Director of Engineering, led the City Council in the Pledge of Allegiance.

ROLL CALL

Councilmembers Present: Morales, Smith, McClendon, Morris, Shoop, and Mayor Nicholls
Councilmembers Absent: Shelton
Staffmembers Present: Acting City Administrator, John D. Simonton
Director of Finance, Douglas Allen
Principal Planner, Bob Blevins
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.

I. MOTION CONSENT AGENDA

Motion (Smith/Morales): To approve the Motion Consent Agenda as recommended. Voice vote: **approved** 6-0.

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

Regular Council Meeting Minutes	August 7, 2024
Variance Appeal – Board of Adjustments Minutes	August 7, 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. Approve a Series #06: Bar Liquor License application submitted by Katherine Espinal, agent for Sun of a Gun Cigars located at 1651 S. Arizona Avenue. (LL24-14) (Admn/Clk)

2. Approve a Series #10 Beer and Wine Store Liquor License application submitted by Hatham Yaldo, agent for Yuma Market, located at 890 E. 24th Street. (LL24-12) (Admn/Clk)
3. Approve a Temporary Extension of Premises/Patio Permit application submitted by Andrea Huff, agent for The Chile Pepper located at 1030 W. 24th Street. (EP24-02) (Admn/Clk)
4. Approve a Permanent Extension of Premises/Patio Permit application submitted by Lauren Merrett, agent for Texas Roadhouse located at 594 E. 16th Street. (EP24-03) (Admn/Clk)
5. Authorize a construction services contract for the Colorado River Interceptor Manhole Replacements Phase I Project to the lowest responsive and responsible bidder in the amount of \$1,356,606.90 to TF Contracting Services. (RFB-25-012) (Eng/Purch)
6. Award a five-year Sole Source contract for Hydrogen Peroxide at an estimated annual expenditure of \$540,000.00 to US Peroxide Atlanta, Georgia. (SS-25-059) (Utl/Purch)
7. Ratify settlement of the lawsuit Frances Roberts v. City of Yuma, et al. Yuma County Superior Court Case S1400CV202300792. (Admn/Atty)

II. RESOLUTION CONSENT AGENDA

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

Bushong displayed the following title(s):

Resolution R2024-049

A resolution of the City Council of the City of Yuma, Arizona, authorizing and approving an Intergovernmental Agreement with Arizona Western College for Emergency Medical Technician, Paramedic, and Fire Service Training (to provide continuing quality education to students to certify emergency medical technicians and paramedics for needed medical service to our citizens) (YFD/EMS)

Resolution R2024-050

A resolution of the City Council of the City of Yuma, Arizona, ordering improvements for Municipal Improvement District No. 126 serving Barkley Ranch Units 8-10, to operate, maintain and repair landscaping improvements included within, near and adjacent to the retention and detention basins and parkings and parkways and related facilities, together with appurtenant structures of Barkley Ranch Units 8-10 as more particularly described in this resolution, and declaring the landscape improvements to be more than local or ordinary public benefit, and the cost of the landscape improvements assessed upon Municipal Improvement District No. 126; improvements shall be performed under Arizona Revised Statutes (A.R.S) Title 48, Chapter 4, Article 2 (to provide long-term maintenance for subdivision landscaping resulting in an appealing environment for neighborhood residents) (Plng & Nbhd Svcs/Cmty Plng)

Roll call vote: **adopted** 6-0.

III. ADOPTION OF ORDINANCES CONSENT AGENDA

Motion (Smith/Morales): To adopt the Ordinances Consent Agenda as recommended.

Bushong displayed the following title(s):

Ordinance O2024-028

An ordinance of the City Council of the City of Yuma, Arizona, annexing to the City of Yuma, a portion of Section 6, Township 9 South, Range 22 West of the Gila and Salt River Base & Meridian, Yuma County, Arizona, and amending Chapter 154 of the Yuma City Code, as amended, designating the zoning of certain property to the Heavy Industrial (HI) Zoning District, and amending the Zoning Map to conform thereto, pursuant to the provisions of Title 9, Chapter 4, Article 7, Arizona Revised Statutes as amended (two parcels and adjacent 28th street right-of-way consisting of approximately 29.4 acres located in the vicinity of East 28th Street and South Rebecca Lane) (Plng & Nbhd Svcs/Cmty Plng)

Roll call vote: **adopted** 6-0.

IV. INTRODUCTION OF ORDINANCES

Bushong displayed the following title(s):

Ordinance O2024-029

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 Low Density Residential (R-1-6) District to the Medium Density Residential (R-2) District, and amending the zoning map to conform with the rezoning (approximately 0.17 acres located at 2050 S. 10th Avenue) (Plng & Nbhd Svcs/Cmty Plng)

Ordinance O2024-030

An ordinance of the City Council of the City of Yuma, Arizona, declaring certain City-owned real property, hereafter described, surplus for City use and authorizing the sale of the surplus property through a competitive process (sale of the surplus property located at 2495 South Sierra Vista Avenue) (Admn/Atty)

Ordinance O2024-031

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 Limited Commercial (B-1) District to the General Commercial (B-2) District, and amending the zoning map to conform with the rezoning (approximately 19,166 square foot lot located at 1651 South Arizona Avenue) (Plng & Nbhd Svcs/Cmty Plng)

V. FINANCIAL UPDATE


Allen presented the following:

Common Questions: Information and Discussion

- The structure of the City's investment pool is made up of eight different investment types and their maturities
- The total value of the City's portfolio is \$386,004,064
- For the bond buy-back program four types of investments are looked at, which are long term investments maturing more than five years out; those are referred to as the Long-Term Investment Pool
- The 2021 Long-Term Investment Pool was around \$27 million after two to three years, and will devalue to \$22 million after three to five years

- Similar to when bonds were issued in 2021, the yield curve was low which made investments below 1%
- In 2023, the two to three year and five-year investments started to mature. At that time the yield curve was over 5% and the bonds devalued slightly; the bonds were kept by the City until maturity
- In 2024 all bonds will mature, and ways to redeploy them will be explored
- Currently, short-term investments yield more than long-term investments
- The General Fund is approximately 30% of the Long-Term Investment Pool
- A portfolio manager will be brought into the City to help structure the investment pool

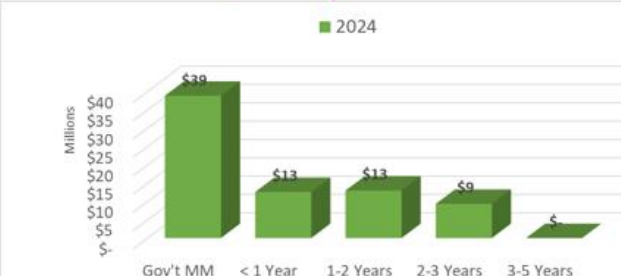
Common Questions: Information and Discussion

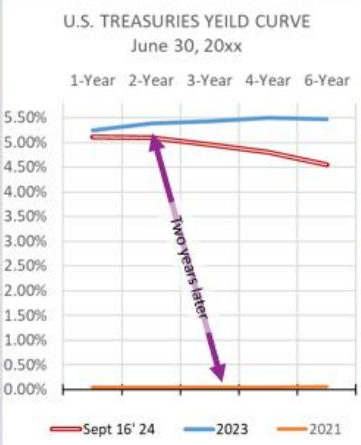

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1) What is the structure of the City's Investment Pool ?

ACFR 2023; Page 78; Includes all cash and investments
 The City's investment balances at June 30, 2023, were as follows:

Investment Type	Fair Value	Investment Maturities in Years			
		< 1 Year	1-2 Years	2-3 Years	3-5 Years
Deposit Sweep Program	\$ 10,994,293	\$ 10,994,293	\$ -	\$ -	\$ -
US Agencies:					
Federal Farm Credit Bank	4,990,468	4,990,468	-	-	-
Federal Home Loan Bank	36,590,955	2,894,754	12,070,546	12,559,442	9,066,213
Federal Home Loan Mtg. Corp.	17,848,957	17,848,957	-	-	-
Federal Agricultural Mtg. Corp.	-	-	-	-	-
Money Market Funds	29,754,139	29,754,139	-	-	-
Arizona State Investment Pool 5	285,825,252	285,825,252	-	-	-
Total Value	\$ 396,004,064	\$ 352,307,863	\$ 12,070,546	\$ 12,559,442	\$ 9,066,213





- Long-term investments made in 2021 devalued in 2023
- As 2021's Long-term investments mature better opportunities are available
- Short-term with inverted curve

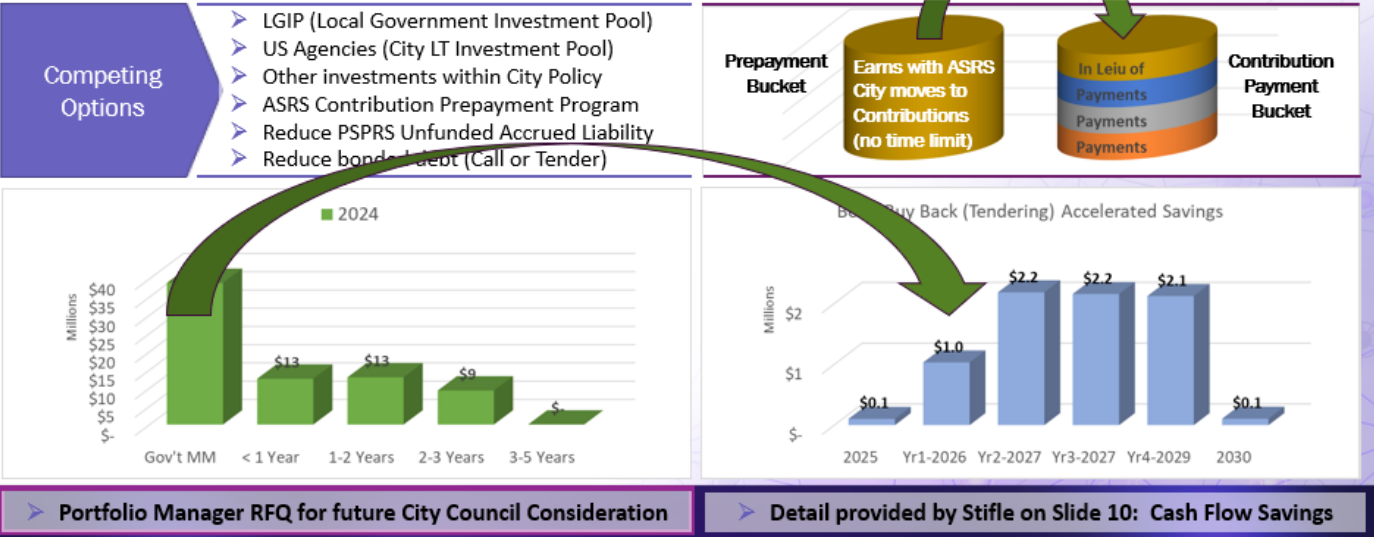
- The current competing options for reinvesting or redeploying when long term investments mature are:
 - LGIP (Local Government Investment Pool)
 - Fully liquid about 5 %
 - US agencies, (City Long Term (LT) Investment Pool)
 - U.S. Treasuries
 - Other Investments within City Policy
 - ASRS Contribution Prepayment Program
 - To be discussed at a future City Council Meeting
 - Reduce PSPRS Unfunded Accrued Liability
 - Not recommended at this time
 - To be discussed at a future City Council Meeting
 - Reduce bonded debt (Call or Tender)
 - If bonds are called early there will be savings on interest only
 - If all liquid money is taken from the Long-Term Investment Pool and put it into the bond buy-back program, the City would be saving money over the next four years
 - 1 million the first year and 2 million each year after

Common Questions: Information and Discussion



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2) What options are available to reinvest or redeploy as long-term investments mature ?



- Investment Policy Objectives
 - Safety of Principal
 - Includes diversification
 - Liquidity
 - Ensure meeting operating needs
 - Yield throughout budget and economic cycles, cash flows, and risks constraints
 - In long term financial planning with investment, the principal amount is looked at first for the safety and diversification of the principal
 - Proposing that cash from the investment pool be used for this program
 - Debt reduction versus investment earnings
 - Consistent cash flows as if in the investment pool
 - 1-5 year realized saving versus earnings
 - Saving on the debt schedule through 2039
 - Saving on interest and principal
 - Calling or paying bonds early is interest only
 - Improves debt capacity ratios for future bond issuances
 - Revenue versus Bonded Debt
 - Cash could be pulled directly form the City's operation budget, but would require reprioritizing budgeted spending
-
- The City does have a capacity to invest more than \$10 million but there are other things to consider
 - General Fund Only (30% LT=Pool = \$22 million max to invest)
 - Other investment opportunities
 - Cash flows for operations
 - Rate of return and duration

- Capital reserve and contingency Fund (2025 and 2026: keep liquid, short-term, LGIP)
 - Keep extremely liquid to access when needed
 - It is not suggested to use these funds for the program

Discussion

- City Council would be interested in discussing some criteria to do the bond buy-back program. (Allen/Mayor Nicholls)
- Using the Long-Term Investment Pool as a revenue source would be preferred over using operational funds. (Allen/Mayor Nicholls)
- If City Council chooses to go with the Accelerated Savings Program the savings would be \$1 million dollars in 2026, and \$2 million in 2027 through 2029. (Morales/Allen)
- The City can exceed \$10 million for the bond buy-back program. There is \$22 million in the Long-term Investment pool, and in the past \$8 to \$15 million has been a comfortable amount depending on the deal; whatever materializes should be better than what is being invested, but there also needs to be a balance and diversification, income growth with big debt is not what the City wants to have. (Allen/Morales)
- I would be in favor of using the Long-term Investment pool funds to take advantage of the changes in rates and the value of the bonds. (Morales)
- I would also be in favor of using the Long-term Investment pool. (Morris)
- At the recommendation of the Finance Director investing between \$8 and \$15 million on the bond buy-back program is a comfortable range. (Mayor Nicholls)
- \$15 million would be the higher point of investment money. Although there is \$22 million available, leaving \$7 million in the Long-Term Investment fund for other opportunities or expenditures is a good idea. (Morris)
- The accelerated savings approach will show savings early on through 2029, where the long-term savings will start to show savings deeper in to 2030; the difference being that there will be a greater savings with the long-term approach, but so many things can change in the longer time period; Staff is liking the Accelerated Savings Program (Allen)
- When normalizing both programs to the same year the difference in savings is about 10%. (Mayor Nicholls/Allen)
- The attorney's office will help with drafting up documents for the bond buy-back program to be able to bring the proposal back to City Council as quickly as possible for approval. (Allen/Mayor Nicholls)
- A \$5,000 expenditure is necessary to view and entertain offers for the bond buy-back program, and if it is decided to pass on the offers presented, the \$5,000 is non-refundable. (Morris/Allen)

VI. PUBLIC HEARING AND RELATED ITEMS

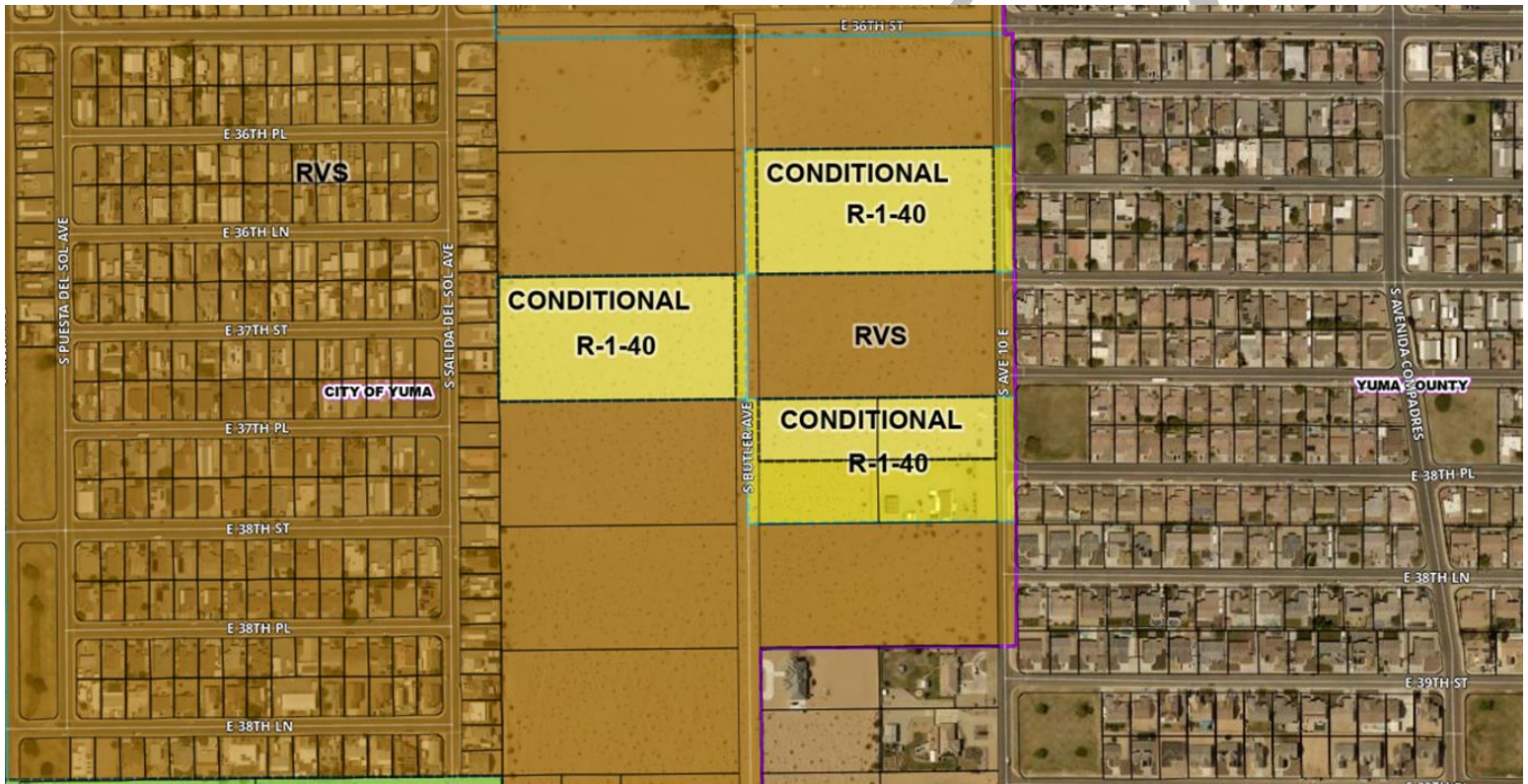
Ordinance O2024-032 – Amendment: Ordinance O2022-032 (Pursuant to A.R.S. § 9-462.01, conduct a public hearing to determine compliance with the conditions of approval for Rezoning Ordinance O2022-032, and introduce an ordinance to amend O2022-032 to extend the time to comply with the rezoning conditions) (PIng & Nbhd Svc/Cmtty PIng)

Mayor Nicholls declared a conflict of interest due to his firm handling the project, turned the meeting over to the Deputy Mayor Morris, and left the dais.

Deputy Mayor Morris opened the public hearing at 5:56 p.m.

Blevins presented the following information:

- This is a request to extend the time to comply with the conditions of approval as required of rezoning Ordinance O2022-032, for the property located at the northwest corner of 37th Street and Avenue 10E
- The rezoning request was to rezone the property from the Low Density Residential (R-1-40) District to the Medium Density Single Family Residential (R-2-5) District to provide a lot size compatible with surrounding existing zoning for proposed subdivision plats
- The rezone required completion of certain conditions of approval within a two-year period
- Arizona Revised Statute § 9-462.01E allows the City to extend the compliance period
- Property owner will complete the conditions of approval during the subdivision plat process and would like to extend the rezoning expiration to 2026
- To the east of Avenue 10E is Yuma County Via Chaparral Subdivision; surrounding subdivisions are recreational vehicle (RV) subdivisions with the intent of making them a site-built subdivision; to the west is the Vista Del Sol Subdivision with RV zoning



Motion (Smith/McClendon): To close the Public Hearing. Voice vote: **approved 5-0-1, Mayor Nicholls** abstaining due to conflict of interest. The Public Hearing closed at 5:59 p.m.

Discussion

- It is reasonable to provide a continuance on the compliance period. The project is not at a standstill; there has been work done with the planning process. However, things can occur that can delay projects. **(Morris)**

Bushong displayed the following title:

Ordinance O2024-032

An ordinance of the City Council of the City of Yuma, Arizona, amending Ordinance O2022-032 to extend the time for compliance with conditions for the rezoning of certain property from the Low Density Residential (R-1-40) District to the Medium Density Residential (R-2-5) District and amending the zoning map to conform thereto (extending the deadline for compliance from two years to four years) (Plng & Nbhd Svcs/Cmty Plng)

Mayor Nicholls returned to the dais.

VII. VARIANCE APPEAL: 963 S. LATISHA WAY

Motion (Morales/Morris): To recess the September 18th City Council meeting and reconvene as a quasi-judicial body sitting as a statutory Board of Adjustment to hear the Variance Appeal on property located at 963 S. Latisha Way. Voice vote: **approved** 6-0. City Council Recessed at 6:01 p.m.

The September 18, 2024, Variance Appeal Minutes were covered separately.

City Council reconvened at 6:46 p.m.

VIII. ANNOUNCEMENTS AND SCHEDULING

Announcements

Smith, Morales, Morris, and Mayor Nicholls reported on the following meetings attended/upcoming events:

- United Yuma Firefighters Association 9/11 Stair-Climb Event
- 9/11 Memorial Service at Fire Station #1
- Humane Society Furball Event
- Western Arizona Council of Governments (WACOG) Regional Council on Aging Meeting
- City of Yuma Father Daughter Ball
- Arizona State University (ASU) Local presentation at Arizona Western College (AWC)
- Travis Manion Foundation 5K Run
- Good Morning Yuma
- Commemoration Anniversary of Mexico hosted by the Mexican Consulate
- Yuma City Council Candidate Forum hosted by the Fraternal Order of Police
- Meeting with Arizona Department of Transportation (ADOT), City Engineer, and City Administrator
- Yuma Regional Medical Center (YRMC) 2024 Quality Hall of Fame Awards
- AWC Foundation Board Meeting
- Arizona Business and Educational Coalition Meeting (virtual)
- The Legacy Event Center Ribbon Cutting Event
- General Aviation Appreciation Social
- Yuma County National Heritage Area Board Meeting
- Visit Yuma Board Meeting

Scheduling - No meetings were scheduled at this time.

Motion (Smith/McClendon): that a regular Worksession be scheduled for October 1, 2024, at 5:30 p.m. and the agenda be posted in accordance with State law. Voice vote: **approved** 6-0.

IX. SUMMARY OF CURRENT EVENTS

Simonton reported on the following events:

- September 19, 2024 – Yuma Police Department School Safety Forum at City Hall

X. CALL TO THE PUBLIC

- **Cynthia Tovar**, City resident, spoke about investing City of Yuma taxpayer money on local businesses and local talent.

XI. EXECUTIVE SESSION/ADJOURNMENT

There being no further business, **Mayor Nicholls** adjourned the meeting at 7:02 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: _____