

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

CALL TO ORDER

Mayor Nicholls called the City Council meeting to order at 5:31 p.m.

INVOCATION/PLEDGE

Pastor Scott Little, Stone Ridge Church, gave the invocation. **Randall Crist**, Director of Building Safety, led the City Council in the Pledge of Allegiance.

ROLL CALL

Councilmembers Present:	Morales, Smith, McClendon, Morris, Shoop, Shelton, and Mayor Nicholls
Councilmembers Absent:	None
Staffmembers Present:	Acting City Administrator, John D. Simonton Director of Engineering, David Wostenberg Director of Parks and Recreation, Eric Urfer Director of Finance, Douglas Allen Director of Public Works, Joel Olea 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 Consent Agenda Item C.3 – First Amendment: Concession services Agreement (Amend the existing Concessionaire Agreement with Guzman Hospitality Group LLC, for operation of the restaurant at Desert Hills Golf Course) (Pks & Rec)

Deputy Mayor Morris declared a conflict of interest on Motion Consent Agenda Item C.3 and left the dais.

Motion (Smith/McClendon): To approve the Motion Consent Agenda Item C.3 as recommended. Voice vote: **approved** 6-0-1, **Deputy Mayor Morris** abstaining due to conflict of interest.

Deputy Mayor Morris returned to the dais.

Motion Consent Agenda Item C.5 – Bid Award: 28th Street Reconstruction Project (Authorize the City Administrator to execute a construction services contract for road and infrastructure improvements on 28th street from 4th Avenue to Madison Avenue and on Virginia Drive from 28th Street to 27th in

the amount of \$846,255.30 to the lowest responsive and responsible bidder, DPE Construction, Inc., Yuma, Arizona) (RFB-23-277) (Eng/Purch)

Mayor Nicholls declared a conflict of interest on Motion Consent Agenda Item C.5 as his firm is engaged in this project, turned the meeting over to **Deputy Mayor Morris**, and left the dais.

Motion (Morales/Smith): To approve the Motion Consent Agenda Item C.5 as recommended. Voice vote: **approved** 6-0-1, **Mayor Nicholls** abstaining due to conflict of interest.

Mayor Nicholls returned to the dais.

Motion (Morales/Smith): To approve the Motion Consent Agenda as recommended, with the exception of Items C.3 and C.5 which were approved through a previous vote. Voice vote: **approved** 7-0.

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

Regular City Council Worksession Minutes	April 30, 2024
Special City Council Meeting Minutes	May 8, 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 #12: Restaurant Liquor License application submitted by Michelle Armenta, agent for Original Yumas Red Tacos located at 2601 S. 4th Avenue. (LL24-06) (Admn/Clk)
2. Authorize the City Administrator to execute a three-year contract, with the option to renew for two additional one-year periods, at an estimated annual cost of \$106,400, depending on the appropriation of funds and satisfactory performance to: Baker Tilly US, LLP, Tempe, AZ. (RFP-24-263) (Fin/Purch)
3. Amending the existing Concessionaire Agreement with Guzman Hospitality Group LLC, for operation of the restaurant at Desert Hills Golf Course (Pks & Rec/DHGC)
4. Authorize the City Administrator to execute a one-year contract, with the option to renew for four additional one-year periods, at an estimated annual expenditure of \$60,000.00, depending on the appropriation of funds and satisfactory performance to Albert Holler & Associates, Queen Creek, Arizona. (RFP-24-252) (Fin/Purch)
5. Authorize the City Administrator to execute a construction services contract for road and infrastructure improvements on 28th Street from 4th Avenue to Madison Avenue and on Virginia Drive from 28th Street to 27th in the amount of \$846,255.30 to the lowest responsive and responsible bidder, DPE Construction, Inc., Yuma, Arizona. (RFB-23-277) (Eng/Purch)

II. RESOLUTION CONSENT AGENDA

Resolution R2024-021 – Intergovernmental Agreement: Arizona Department of Transportation – Highway User Revenue Funding Exchange (Authorize the City Administrator to execute an Intergovernmental Agreement (IGA) with the Arizona Department of Transportation (ADOT) regarding receiving Highway User Revenue Funding (HURF) exchange funding in the amount of \$900,000 for the construction of a box culvert, located on Avenue 7E and 40th street) (Eng)

Mayor Nicholls declared a conflict of interest on Resolution R2024-02 as his firm works on some projects with ADOT and the HURF fund, turned the meeting over to **Deputy Mayor Morris**, and left the dais.

Motion (Morales/Smith): To adopt the Resolution R2024-021 as recommended.

Bushong displayed the following title(s):

Resolution R2024-021

A resolution of the City Council of the City of Yuma, Arizona, authorizing and approving an Intergovernmental Agreement with Arizona Department of Transportation for the construction of the Avenue 7E and 40th Street box culvert (to remove the existing siphon on “A” Canal and replace the siphon with a box culvert) (Eng)

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

Mayor Nicholls returned to the dais.

Resolution R2024-024 – Intergovernmental Agreement: Arizona Department of Transportation – Bus Pull-Outs, Avenue A at 16th Street Project (Authorize the City Administrator to execute an Intergovernmental Agreement (IGA) with the State of Arizona Department of Transportation for the construction of the Bus Pull-Outs Avenue A at 16th Street Project. This is a Carbon Reduction Program (CRP) project where design will be 100% funded by City Road Tax funds and construction will be 94.3% grant funded, 5.7% local match) (Eng)

Discussion

- The City has excess property at 16th Street into Avenue A, which gives the City the right-of-way; that is what made this the perfect location for the construction of the Bus Pull-Outs. Development of the Bus Pull-Outs is being done in conjunction with Yuma County Intergovernmental Public Transportation Authority (YCIPTA); once a diagram of the Pull-Outs is complete it will be given to the City Administrator to disseminate amongst the City Councilmembers. The alleys in the area will not be included in the construction of the Bus Pull-Outs. (**Shoop/Wostenberg**)

Resolution R2024-025 – Intergovernmental Agreement: Arizona Department of Transportation – Shared-Used Pathway, East Wetlands Park to Pacific Avenue Project (Authorize the City Administrator to execute an Intergovernmental Agreement (IGA) with the State of Arizona Department of Transportation for the design and construction of the Shared-Use Pathway East Wetlands Park to Pacific Avenue Project. This is a Carbon Reduction Program (CRP) project where

design will be 100.0% funded by City Road Tax Funds and construction will be 94.3% grant funded, 5.7% local match) (Eng)

Discussion

- Design cost for this project is higher compared to other projects where design costs are generally 10% of the construction cost, due to using federal money to fund the project. When using federal money, a National Environmental Policy Act (NEPA) analysis needs to be completed to consider the effects the project will have on the environment. This project will be a Carbon Reduction Program project which provides part of the funds for the construction that will be done by ADOT. (Morris/Wostenberg)

Resolution R2024-022 – Intergovernmental Agreement: Arizona Department of Transportation – Crane Elementary School District No. 13 Transportation Safety Project (Authorize the City Administrator to execute an Intergovernmental Agreement (IGA) with the State of Arizona Department of Transportation for the design of the Crane Elementary School District No. 13 Transportation Safety Project where the City is acting as project sponsor for Crane Elementary School District. This is a Transportation Alternatives Program Funding (TA) Project and is 94.3% grant funded, 5.7% local match, for a total amount of \$153,002.00) (Eng)

Discussion

- A High-Intensity Activated Crosswalk (HAWK) is the type of signal that will be installed at the Yuma Library's Main Branch and at the entrance to Gary Knox Elementary School. The new Transportation Alternatives Program is open to the City's non-profit organizations and School Districts to apply for funding through Yuma Metropolitan Planning Organization (YMPO). When an application is received by YMPO, they will contact the City and ask them to sponsor the applicant. If the applicant is willing to invest the matching funds, and it is a project the City has in their overall plans, the applicant is a suitable candidate; or if the project is for safe route for school, the City will presumably sponsor the applicant. (McClendon/Wostenberg)

Resolution R2024-016 – Ratification of Intergovernmental Agreement: Yuma Elementary School District No. 1 School Safety Program Grant for School Resource Officers (Ratify execution of a three-year Intergovernmental Agreement (IGA) with the Yuma Elementary School District No. 1 (District) for School Resource Officer (SRO) services) (YPD)

Discussion

- The agreement requests the presence of all Student Resource Officers (SRO) at School Board Meetings. Although the Yuma Police Department can support security at the meetings, all 5 SROs attending the Board Meetings seems excessive; SROs will attend the meetings on an as needed basis. (Mayor Nicholls/Capt. Boyd)
- The District will be invoiced for the cost of the SRO's salary; benefits and Public Safety Personnel Retirement System (PSPRS) is not included in the invoice. The maximum amount the District will pay for the SROs is around \$400,000 a year for the five officers. Information on the City's portion of the cost of the five SROs will be configured and reflected on the staff report as it is an impact on the City's budget. (Morris/Capt. Boyd/Simonton/Mayor Nicholls)

Motion (Morales/Morris): To adopt the Resolution Consent Agenda as recommended, with the exception of Resolution R2024-021 which was adopted through a previous vote.

Bushong displayed the following title(s):

Resolution R2024-016

A resolution of the City Council of the City of Yuma, Arizona, authorizing the City of Yuma to enter into an Intergovernmental Agreement with Yuma Elementary School District No 1. (placing School Resource Officers (SRO) on school grounds to contribute to safe school environments) (YPD)

Resolution R2024-017

A resolution of the City Council of the City of Yuma, Arizona, extending a delegation agreement between the Arizona Department of Environmental Quality (ADEQ) and the City of Yuma, Arizona (extending the agreement for the issuance of open burning permits until May 23, 2026) (YFD/Cmty Risk Red)

Resolution R2024-019

A resolution of the City Council of the City of Yuma, Arizona, declaring its intention to create Municipal Improvement District No. 125, serving Saguaro Units 5 & 6, to operate, maintain and repair landscaping improvements included within, near and adjacent to the retention and detention basin and parking and parkways and related facilities together with appurtenant structures of Saguaro Units 5 & 6 (will provide a dedicated stream of funding for the maintenance of the improvements) (Plng & Nbhd Svcs/Cmty Plng)

Resolution R2024-022

A resolution of the City Council of the City of Yuma, Arizona, authorizing and approving an Intergovernmental Agreement with Arizona Department of Transportation for the design of Crane Elementary School District No. 13 Transportation Safety Project (designing a High Intensity Activated Crosswalk (HAWK) Signal between Gary A. Knox Elementary School (west on 21st Drive) and the Yuma Main Library (east on 21st Drive) at 30th Street and 21st Drive) (Eng)

Resolution R2024-023

A resolution of the City Council of the City of Yuma, Arizona, authorizing and approving an Intergovernmental Agreement with Arizona Department of Transportation for the design of 32nd Street Shared Use Pathway Project (designing a 10-foot-wide asphaltic concrete surface Shared Use Pathway on 32nd Street from Avenue 3E to Avenue 7 ½ E with Americans with Disabilities Act (ADA) compliant ramps at the intersections) (Eng)

Resolution R2024-024

A resolution of the City Council of the City of Yuma, Arizona, authorizing and approving an Intergovernmental Agreement with Arizona Department of Transportation for the construction of Bus Pull-Outs, Avenue A at 16th Street Project (at the northeast and southwest corner at Avenue A and 16th Street; to include a sidewalks along the Bus Pull-Outs that are Americans with Disabilities Act (ADA) compliant) (Eng)

Resolution R2024-025

A resolution of the City Council of the City of Yuma, Arizona, authorizing and approving an Intergovernmental Agreement with Arizona Department of Transportation for the design and construction of Shared-Use Pathway East Wetland Park to Pacific Avenue (connecting the existing Shared-Use Pathway in East Wetlands Park to the paved end of Pacific Avenue at the Pacific Avenue Athletic Complex) (Eng)

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

III. ADOPTION OF ORDINANCES CONSENT AGENDA

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

Bushong displayed the following title(s):

Ordinance O2024-019

An ordinance of the City Council of the City of Yuma, Arizona, declaring a certain 25 foot parcel of real property, hereafter described, surplus for use as right-of-way by the City, vacating the surplus 25 foot right-of-way easement to the abutting property owner upon the recording of a Quitclaim Deed, and authorizing an exchange of the surplus 25 foot right-of-way easement for the underlying fee title to the 75 foot right-of-way described in this ordinance, together with a 25 foot utility easement for water, sanitary sewer and other public purposes (authorize the vacation of 25 feet of 4th Avenue right-of-way in exchange for the underlying fee title to the remaining 75 feet of right-of-way with JAKARTA Holdings, LLC) (Eng)

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

IV. INTRODUCTION OF ORDINANCES

Ordinance O2024-021 – Rezoning of Property: Northwest Corner of 28th Street and Avenue B (Approve the rezoning of an approximately .51 acre lot from the Agriculture (AG) District to the Limited Commercial (B-1) District, for the property located on the northwest corner of 28th Street and Avenue B, Yuma, AZ. (ZONE-42395-2024)) (Plng & Nbhd Svcs/Cmty Plng)

Motion (Morris/Smith): To continue Ordinance O2024-021 to the Regular City Council Meeting of June 26, 2024, due to unresolved access and an error in the legal description.

Voice vote: **approved** 7-0

Ordinance O2024-024 – Amend Yuma City Code: Regulating Parks Within the City (Adopt a City Ordinance to update current park operations and address ongoing issues in the parks) (Pks & Rec)

Discussion

- The parks will close at 9 p.m., unless otherwise posted or permitted. There will be special allowances to those who have a ramada reservation, or a game at one of the ball field complexes; a special permit to stay in the park until 11p.m. will be available upon request. (McClendon/Urfer)
- An investigation showed that after 9 p.m. parks that were not active and were not lit for night use, had illicit activity taking place. The change in the Ordinance will give patrol the ability to cite anyone who is in the park without a permit after the park is closed. (McClendon/Urfer)
- The Parks and Recreation Master Plan defines, in modern terms all the park categories and classifications; those often change, and it was decided to not modify those in the Ordinance. This would be the best way to make sure that the language stays consistent and kept up to date with the park's classifications and definitions. (Morales/Urfer)

- Parks will be closing at 9 p.m. unless otherwise posted or permitted. The activity areas that are lit for night use will be open until 11 p.m. Signs will be posted at all parks and activity areas to inform the community of park hours. **(Mayor Nicholls/Urfer)**
- The language on the Ordinance can be modified to include the new park hours, rather than posting signs at all parks around the City. The ordinance can be reintroduced at the June 26, 2024, City Council Meeting. **(Mayor Nicholls/Simonton)**
- Per the City's Administrative Policy, it is prohibited for cars to drive through the parks in addition to parking in the middle of athletic fields, but it is not enforceable by law. The intent with this Ordinance is to make those types of violations illegal and only allow Parks & Recreation vehicles in restricted areas. Additionally, prohibiting the use of controlled substances in the parks and athletic fields will be included in the Ordinance. **(Mayor Nicholls/Urfer)**
- There is no change in drop-in play. If courts or fields are not reserved for use, anyone can use them until the park closes. **(Shelton/Urfer)**
- It is important to note that these ordinances have not been modified since the 1990's and the effort being made to go that far back to make adjustments to what currently works for the City is appreciated. **(Smith)**

Ordinance O2024-023 – Amend Yuma City Code: Parks, Arts, and Recreation Commission (Amend § 50-02(C) of the Yuma City Code (YCC) to remove the two-term limit for members of the Parks, Arts, and Recreation Commission and amend YCC § 50-05(A) to change the meeting frequency from monthly to quarterly and as deemed necessary by the Parks, Arts, and Recreation Commission) (Pks & Rec)

Discussion

- There are currently seven members on the Parks, Arts, and Recreation Commission, with one vacancy. To hold a meeting, we need a quorum which consists of at least four members, and it has been difficult to reach that quorum monthly. After discussions with the commission, it was agreed that a quarterly meeting would work best to ensure a quorum is reached. Special meetings can be held for reasons such as approving different art commission pieces and things of that nature, which is one of the commissioner's responsibilities. **(Morales/Urfer)**
- The Americans with Disabilities Act (ADA) Commission meets on a quarterly basis and there have not been any issues. Meetings are scheduled in advance and members show up prepared. Also, the agendas are fuller when meeting quarterly rather than monthly. **(McClendon/Morales)**
- Depending on the demand of the commission, perhaps the meetings can be held every other month or every two months. More information is needed to decide what meeting schedule is appropriate for this commission. **(McLendon/Morales)**
- Out of all the Boards and Commissions at the City, the Parks, Arts, and Recreation Commission is the easiest commission to fill empty seats. A two-term limit is appropriate for this commission, and it gives the opportunity to recruit younger candidates. Holding mandatory quarterly meetings and special meetings as needed is suitable. To address attendance issues, language added to the Ordinance should convey that there will be a minimum number of meetings a member must attend, and if that number is not met, that person will be removed from the commission. **(Mayor Nicholls)**
- The current schedule for the Parks, Arts and Recreation Commission meetings are set for the year, letting people know in advance when those meetings will be held. There are things that come up from time to time that cause members to be absent. There is not only one person habitually absent

from meetings, people just have things come up that causes them to miss a meeting here and there, and collectively that tends to occasionally put the meetings below quorum. **(Morris/Urfer)**

- The type of things brought before the committee for decision making are endorsements for policies or ordinances, and standard items such as minutes. It is expected that a great number of items for endorsements will be coming through the committee soon. **(Mayor Nicholls/Urfer)**

Motion (Mayor Nicholls/Morales): To continue Ordinances O2024-023 and Ordinance O2024-024 to the regular City Council Meeting of June 26, 2024, due to additional editing of the proposed ordinances.

Voice vote: **approved** 7-0

Bushong displayed the following title(s):

Ordinance O2024-020

An ordinance of the City Council of the City of Yuma, Arizona, authorizing the granting of a utility easement for the installation of new electrical facilities at City-owned property near the southeast corner of Maiden Lane and 2nd Street (approximately 1,232 square feet in the Northwest corner of Block 16) (Admn)

V. PUBLIC HEARING AND BUDGET RELATED ITEMS

MC 2024-071 – Public Hearing: Truth in Taxation, Main Street Mall and Off-Street Parking Maintenance District No.1, Levy for 12 Municipal Improvement Districts, and Final Budget Adoption for Fiscal Year 2025 (Conduct a combined public hearing on the proposed City of Yuma primary property tax levy (Truth-in-Taxation); the Main Street Mall and Off-Street Parking Maintenance District No. 1 expenditures and levy, as well as for the 12 Municipal Improvement Districts (MID) and the proposed revenues and expenditures (budget) for Fiscal Year 2025 pursuant to A.R.S. § 42-17104. The City of Yuma expenditure budget for Fiscal Year 2025 in the amount of \$521,167,546 which is comprised of a Capital Improvement Program Budget of \$222,418,219; 12 Maintenance Improvement Districts combined for \$672,094 and an Operating expenditure Budget of \$298,077,233; including Governmental and Enterprise operations. Following the close of the public hearing, City Council may open a special meeting to adopt the proposed budget resolution, which includes a 3% increase in solid waste fees) (Admn/Fin)

Mayor Nicholls opened the public hearing at 6:21 p.m.

Douglas Allen, Director of Finance, presented the overview of the Process of the final adoption of the budget:

BUDGET CALENDER

FY 2025		KEY BUDGET DATES
Date	Event	
April 8-11	Councilmember individual budget review sessions	
April 30	Worksession: Q3 Briefing, Proposed Budget presentation and CIP	
May 1	Placeholder: for City Council questions and/or discussion	
May 14	Worksession: Budget Update, Other Policy Considerations, MIDs	
May 15	Public Hearing: Capital Improvement Program (CIP)	
"	Motion: Tentative Budget Adoption - State Forms A-G	
May 21, 28	Publication: State Forms and TNT, if applicable in the Yuma Sun	
June 5	Resolution: City Council action regarding FY 2024, if applicable	
"	Resolution: Capital Improvement Program Adoption	
"	Public Hearing: Final Budget and Truth-in-Taxation, if applicable	
"	Resolution: Final FY 2025 Budget Adoption	
"	Ordinance: Introduction of Tax Levy Ordinance	
June 26	Ordinance: Adopt Tax Levies and Rates (General, Mall and MIDs)	
"	Resolution: Adopt Annual PSPRS Funding Policy	
"	Resolution: Designate City's CFO for the AELR	
		Updated: April 18, 2024

- The Public Hearing will be about both the Final Budget and Truth-in-Taxation

After Public Hearing by a motion:

- City Council may adjust Expenditures/Expenses among categories if the total is not increased, see Schedule A
- City Council may retain or reduce, not increase, levies rates as presented on Schedule B
- To start, staff has a requested motion for consideration
 - City Council to look at schedule G where a scrivener's error was discovered after posting

Adopt Final Budget

- Action after City Council's discussions and considerations
- Adopt FY 2025 Final Budget and Levy, as presented or as amended by City Council motions
- Levy is programed at maximum allowed

Property Levies

- June 5: Introduction of Levy Ordinance includes rates adopted with the Adopted FY 2025 Final Budget
- June 26: Adopt Levy Ordinance; then

Motion (Morris/McClendon): To close the Public Hearing. Voice vote: **approved** 7-0. The Public Hearing closed at 6:24 p.m.

Resolution R2024-018 – Fiscal Year 2025 – Fiscal Year 2029 Capital Improvement Program (Adopt a resolution approving the FY2025 – FY 2029 Capital Improvement Program, pursuant to the Yuma City Charter, Article XII, Section 11) (Eng)

Mayor Nicholls declared a conflict of interest on Resolution R2024-18 as his firms works on some of the CIP projects, turned the meeting over to **Deputy Mayor Morris**, and left the dais.

Discussion

- Projects the Parks and Recreation department would like to see happen, the funding is moved down to that specific project if it becomes available; that is the reason the job is not specifically identified. Having to go back and fix or rebuild to stay in compliance with new laws is not something anyone wants to do; things are being fixed now to not have to go back and fix them later. (**McClendon/Cowey**)
- The Master Plan presentation on June 25th will outline in detail the park revitalization program to replace restrooms, playground, and eventually ramada structures. With each of the projects there will be ADA compliance guidelines to follow; for example, the adult changing station in public restrooms are now mandatory and they are now being added to the existing park restrooms and will be in the newly built restrooms in the park revitalization program. (**McClendon/Urfer**)
- All the lettering on the Ocean-to-Ocean bridge will be coming down. The bulbs on the letters will be changed to LED lights, and each letter will be sand blasted and powder coated for a complete restoration. The design is close to being done and the bidding for the project is anticipated to start this summer. (**McClendon/Olea**)

Motion (Smith/Morales): to adopt the Capital Improvement Program, Resolution R2024-018 for Fiscal Years 2025 through 2029 as presented.

Bushong displayed the following title:

Resolution R2024-018

A resolution of the City Council of the City of Yuma, Arizona, adopting the Fiscal Year 2025 through Fiscal Year 2029 Capital Improvement Program (intent and decision to prioritize spending of limited resources on projects while also reflecting City Council's decision to not allocate the City's limited resources in other areas) (Eng)

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

Mayor Nicholls returned to the dais.

Doug Allen presented the following diagram regarding the correction of the scrivener's error:

REQUESTED AMENDMENT – Schedule G

City of Yuma, Arizona
Full-Time Employees and Personnel Compensation
Fiscal Year 2024-25

FUND	Full-Time Equivalent (FTE) *	Employee Salaries and Hourly Costs**	Retirement Costs***	Healthcare Costs****	Other Benefit Costs	Total Estimated Personnel Compensation
GENERAL FUND	732.13	58,042,252	7,913,063	8,194,747	4,966,687	\$79,116,749
SPECIAL REVENUE FUNDS						
Highway User Revenue Fund	47.50	3,156,978	387,311	517,748	396,764	4,458,801
City Road Tax Fund	24.80	1,767,822	216,465	253,144	185,209	2,422,640
Two Percent Tax Fund	30.98	2,562,162	284,811	337,153	249,346	3,433,472
Grants Fund	3.90	109,922	13,176	16,348	12,216	141,662
Mall Maintenance Fund	2.10	87,946	10,792	23,947	9,228	131,913
Total Special Revenue Funds	109.28	8,466,678	1,008,801	1,167,068	923,624	11,566,171
ENTERPRISE FUNDS						
Water Fund	96.99	6,191,975	758,201	1,004,903	634,277	8,589,356
Wastewater Fund	70.35	4,806,747	589,978	749,806	475,727	6,621,898
Sanitation Fund	16.95	1,190,714	146,032	166,142	160,218	1,663,106
Desert Hills Golf Course Fund	9.00	754,587	84,399	88,089	65,412	992,401
Yuma Reg Comm Sys Fund	8.30	28,495	89,372	104,675	56,825	279,367
Total Enterprise Funds	201.59	13,672,432	1,667,622	2,113,615	1,392,459	18,846,128
INTERNAL SERVICE FUNDS						
Equipment Maintenance Fund	18.00	1,043,535	128,046	167,648	102,576	1,441,805
Total Internal Service Funds	18.00	1,043,535	128,046	167,648	102,576	1,441,805
TOTAL ALL FUNDS	1,061.00	\$81,224,897	\$10,717,532	\$11,643,078	\$7,385,346	\$110,970,853

* Full-time employees only, including Elected Officials overflow positions
** Includes full-time, part-time, overtime and standby pay
*** Includes Soc Sec/Medicare
**** Health/dental/life insurance

SCHEDULE G
15

- Effective July 1, 2023, Desert Hills Golf Course Fund (DHGCF) dissolved into Two Percent Tax Fund (TPTF) as a cost center
- Schedules A-F reflected that change
- Schedule G contained a scrivener's error
- DHGCF continued reporting as a separate fund, not included in the TPTF
- Correction will not impact Total of All Funds
- Requested Consideration:
City Council motion to correct Schedule G for the Adopted Budget by deleting the DHGCF line and including the amounts in the TPTF

Motion (Shoop/Smith): To correct a scrivener's error on Schedule G of the Annual Budget by combining the Desert Hills Golf Course form the Enterprise Fund, to the Two Percent Tax of the Special Revenue funds. This will not change the Total All Funds.

Voice vote: **adopted** 7-0

VI. SPECIAL MEETING: DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION R2024-020 RELATING TO THE FY2025 FINAL BUDGET

Mayor Nicholls called the special meeting to order at 6:25 p.m.

Resolution R2024-020 Final Budget Adoption for Fiscal Year 2025 (Adopt the City of Yuma's final budget for Fiscal Year 2025 in the amount of \$521,167,546 which is comprised of a Capital Improvement Program Budget of \$222,418,219; 12 Maintenance Improvement Districts combined for \$672,094 and an Operating Expenditure Budget of \$298,077,233; including Governmental and Enterprise Operations. The adoption of the proposed budget resolution includes a 3% increase in solid waste fees and establishes the budgets for the Main Street Mall and Off-Street Parking Maintenance District No. 1) (Admn/Fin)

Mayor Nicholls declared a conflict of interest on the CIP Budget Adoption as his firm works on some of the CIP projects, turned the meeting over to **Deputy Mayor Morris**, and left the dais.

Motion (Morales/Smith): To adopt the Fiscal Year 2025 Annual Budget for the Capital Improvement Program in the amount of \$222,418,219.

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

Mayor Nicholls returned to the dais.

Councilmember McClendon declared a conflict of interest on the Visit Yuma Budget Adoption, due to being employed by Visit Yuma, and left the dais.

Motion (Morris/Shelton): To adopt the Fiscal Year 2025 Annual Budget for Visit Yuma in an amount not to exceed \$903,000.

Voice vote: **adopted** 6-0-1, **Councilmember McClendon** abstaining due to conflict of interest.

Councilmember McClendon returned to the dais.

Allen presented the following:

APPENDIX: PROPERTY LEVY – Scenarios

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Scenarios for Changes to FY 2024 Base	Rate for FY 2025	Change FY 2024	TNT Notice: Amount \$100,000 Home Value		Total Levy FY 2025	Decrease from Max Levy FY 2025	Increase from Levy FY 2024	Change to FY 2024 Base Levy (No New Construction)		Amount from New Construction
			FY 2025	Increase				Amount	%	
Max Levy (4%)	\$ 2.1526	\$ 0.0205	\$ 215.26	\$ 8.37	\$ 16,601,683	\$ -	\$ 875,852	\$ 636,201	4.05%	\$ 239,651
Same Rate (3%)	2.1321	-	213.21	6.32	16,443,580	(158,102)	717,749	480,381	3.05%	237,368
2% increase	2.1102	(0.0219)	211.02	4.13	16,274,681	(327,002)	548,850	313,920	2.00%	234,930
1% increase	2.0897	(0.0424)	208.97	2.08	16,116,579	(485,104)	390,748	158,100	1.01%	232,648
Same Base Levy (0%)	2.0689	(0.0632)	206.89	-	15,956,164	(645,519)	230,333	-	0.00%	230,333
Rate in Column B is applied FY 2024 tax base, plus new construction to derive amounts in Column F and H										

- The chart shows the different scenarios of the tax levy from a zero percent increase to a maximum of four percent increase. For example: if the levy stays the same in 2025 the tax rate will be lowered to 2.0689, the tax increase in the Truth in Taxation notice would be zero, the decrease from the maximum levy would be \$645,000 and there would still be an increase in the levy of \$230,000 due to new construction being taxed at that rate.

Discussion

- Taking into consideration the inflation and the current economy, while a 4% tax levy would typically be the recommendation a flat tax rate would be favored in order to not hit the community with a 3% increase on their tax rate. (**Morris/Allen**)
- The levy reflects the fact that everything is rising in cost and the City does not have unlimited funds to absorb all the increases across the board. This rate would create a balance between keeping things affordable and moderate for the community, but also recognizing that there are increases in expenses and everything that goes up affects our budget. (**Mayor Nicholls**)
- A 4% increase on a \$300,000 home is roughly \$25 annual increase, but not just one item on the bill is affected. When looking at a tax bill there are about 22 items on the bill that need to be considered. When voting for the tax increase, City Council needs to consider that there are 20 other items on a tax bill that are also rising in cost. A 2% or 3% tax increase is appropriate; a 4% increase is unreasonable. (**Morales**)
- As mentioned by Mayor Nicholls, the levy is the overall collection of taxes. If the rate is maintained at 3% like the year before, your property taxes will be the same amount as last year. If the property

has increased in value from the previous year, that is when the levy increases. The 3% rate stays the same, but the levy increases because the value of the property increases. (**Allen/Morris**)

- Another element for City Council to take into consideration when voting on the tax levy is the City's support of affordable housing. If an additional dwelling unit is built on a property, the value of the property will increase. When properties go up in value, property taxes go up, which means if someone is leasing a unit on their property, they will have to increase the monthly rent to cover the expense of the tax increase. (**Morales**)
- Carrying forward in the same fashion is smart. There is not a lot of opportunity to make a lot of changes when it comes to these types of tax rates; a 3% tax increase is reasonable. (**Smith**)
- Property tax is our most stable revenue source. Reducing the tax rate from 3% to 2% will not immediately cause a substantial impact to the operations budget, but it can be affected in the future. Last year the State Legislature took away the City's ability to tax rental properties, and there were also discussions of removing the grocery tax. If we lose those abilities and we are not collecting a suitable amount of property tax, there will be a substantial impact on the budget in the future. Keeping the 3% rate is moving in a positive direction without having to do budget cuts in other areas. (**McClendon/Simonton**)
- A lot of things can happen at the state level. Money that the City is expecting to be awarded might or might not be issued, it depends on the State's final budget. That is one reason to not rely on State Legislature funds. (**Mayor Nicholls**)

Motion (Morales/Morris): to adopt Resolution R2024-020, the Fiscal Year 2025 Annual Budget, in the amount of \$297,846,327 as amended, which excludes funding for Visit Yuma and the Capital Improvement Program, that were approved through prior motions and includes an amended primary levy rate of 2.1321, and to amend schedule B to reflect this rate.

Bushong displayed the following title(s):

Resolution R2024-020

A resolution of the City Council of the City of Yuma, Arizona, adopting estimates of proposed expenditures by the City of Yuma for the Fiscal Year 2025 beginning July 1, 2024, and ending June 20, 2025 (Tentative Annual Budget Fiscal Year 2025), which incorporates the budgets for each of the twelve Improvement Districts and the Main Street Mall and Off-Street Parking Maintenance District No. 1; and declaring that such shall constitute the adopted budget of the City of Yuma for Fiscal Year 2025; adopting a three percent increase in both the Residential Solid Waste fee and the Environmental Solid Waste fee; authorize one-time residual equity transfer to restate the Desert Hills Golf Course fund balance; declaring the necessity of Boards and Commissions; and authorizing employment of outside legal counsel (budget process provides the opportunity to match the needs of the City and available resources with the interest of gaining the maximum return on each dollar)

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

Mayor Nicholls reconvened the Regular City Council meeting at 7:00 p.m.

Ordinance O2024-022 – Adopt the Fiscal Year 2025 City of Yuma Primary Property Tax Levy, the Main Street Mall and Off-Street Parking Maintenance District No. 1 Property Tax Levy, and 12 Municipal Improvement District Tax Levies (Adopt the Fiscal Year 2025 Primary Property Tax Levy, the Main Street Mall and Off-Street Parking Maintenance District No. 1 Levies) (Admn/Fin)

Motion (Smith/Morales): To amend Ordinance O2024-022 to reflect the primary levy rate of 2.1321 and be introduced as amended.

Voice vote: **adopted** 7-0

Bushong displayed the following title(s)

Ordinance O2024-022

An ordinance of the City Council of the City of Yuma, Arizona, fixing, levying, and assessing primary property taxes upon property within the City of Yuma subject to taxation, each in a certain sum upon each one hundred dollars of valuation, sufficient to raise the amount estimated to be required in the annual budget for the Fiscal Year 2025 less the amounts estimated to be received from other sources of revenue and the unencumbered balances from the previous Fiscal Year, providing a general fund; and fixing, levying, and assessing upon property subject to taxation within the boundaries of each of the respective maintenance improvement districts numbered 100, 102, 104, 107, 108, 109, 110, 111, 112, 113, 115, 120 and also upon property subject to taxation within the boundaries of the Main Street Mall and Off Street Parking Maintenance District No. 1, each in a certain sum upon each one hundred dollars of valuation, sufficient to raise the amount estimated to be required for the operation, maintenance, repair and improvement of the facilities of said District, all for the fiscal Year beginning July 1, 2024 and ending June 30, 2025 as amended. (Fiscal Year 2025 Adopted Annual Budget is based in part upon an estimated primary property tax levy that is anticipated to raise \$16,601,516 in tax revenue)

VII. APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING

Appointments

Motion (Morales/McClendon): To appoint Ray Face to the to the Industrial Development Authority, with a term expiration of June 22, 2030. Voice vote: **approved** 7-0.

Motion (Morris/Smith): To appoint Sean Kerley to an unexpired term on the Residential Advisory Board with a term expiration of December 31, 2025; and Daniel Delint II and Edgar Garibay to expired terms on the Residential Advisory Board with term expirations of December 31, 2028. Voice vote: **approved** 7-0.

Motion (Smith/Morales): To appoint Andrew Scott to an unexpired term on the Water and Sewer Commission, with a term expiration of December 31, 2027. Voice vote: **approved** 7-0.

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.

Announcements

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

- EMS Week at City Hall
- Water Safety Day at the Valley Aquatic Center
- “Today in Yuma” Radio Show for Water Safety Wednesdays

- 47th Annual Peace Officer Memorial Day Service
- Attainable Housing Committee Kick Off Event
- Geocaching Mega Event Block Party Planning Roundtable
- Chamber of Commerce Member Mixer
- Arizona Tourism and Lodging Association
- Clean and Beautiful Commission Meeting
- Greater Yuma Economic Development Corporation (GYEDC) Board Meeting
- Yuma Metropolitan Planning Organization (YMPO) Board Meeting
- Sunrise Optimist Club Breakfast Meeting
- Arizona State University (ASU) Decision Center Sponsored by Helios
- Arizona Commerce Authority Board Meeting

Scheduling

Motion (Morales/Smith): To reschedule the City Council Worksession and City Council meeting originally scheduled for June 18th and 19th, 2024, to June 25th and 26th, 2024 respectively, due to the Juneteenth holiday. Voice vote: **approved** 7-0

Motion (Morris/Smith): To cancel the July 3rd, 2024, City Council meeting due to the Independence Day holiday. Voice vote: **approved** 7-0

VIII. SUMMARY OF CURRENT EVENTS

Simonton reported the following events:

- June 6 – Grand Opening of Fire Station 7
- Simonton reported on the new road markings recently painted in front of fire stations and the police department. The white X inside the large square is meant to let drivers know to not block that area to first responders.
- June 8 – Teen Party: Night Pool Party at Marcus Pool
- Simonton reminded the community that City Hall will be closed June 19th due to the Juneteenth holiday. Trash services will not be affected.

IX. CALL TO THE PUBLIC

Patricia Ribble, City resident, spoke regarding the fiber optic installation in the Orchard Garden RV Park Co-Op done by Allo Communications. **Ribble** states Allo has caused damage to the RV Park and they are not doing anything to repair the damages.

Bill Gibbs, City Resident, shared his concerns with **Ribble**. Allo has damaged artificial turf and tried to replace the turf with Bermuda grass. The cleanup work on the project as it stands now is unacceptable. Year-round residents are unhappy and seasonal residents will not be happy when they return.

Karen Watts, City resident and representative of the National Association for the Advancement of Colored People (NAACP) Yuma Chapter, thanked the City of Yuma Parks and Recreation Department for working closely with the NAACP along with the City of Yuma Fire Department and the Yuma Police Department to

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make their Juneteenth Celebration a safe event. **Watts** invited the community to attend the event on June 15, 2024, at Carver Park which will have free activities for the whole family to enjoy.

Alexis Liggett, non-resident, asked for the City Council's permission to add the City of Yuma programs and activities to the Classwallet website for Empowerment Scholarship Accounts (ESA) families to be able to view and participate in community activities. **Liggett** also thanked Randy Crist, Eric Urfer and City Council for their help and collaboration with the Inclusive Play Project and mentioned the We-Go-Swing has been in use at the West Wetlands Park for over a year now and has received positive feedback from the community.

The following people spoke regarding their concerns of censorship of the public by City Council:

- **Charlene Young**, City resident
- **Alea Hassin**, City resident
- **Layla Hassin**, City resident

X. EXECUTIVE SESSION/ADJOURNMENT

Motion (Moriss/Smith): To adjourn the meeting to Executive Session. Voice vote: **approved** 7-0. The meeting adjourned at 7:34 p.m.

Lynda L. Bushong, City Clerk

APPROVED:

Douglas J. Nicholls, Mayor

Approved at the City Council Meeting of:

City Clerk: _____