

MINUTES
REGULAR CITY COUNCIL MEETING
CITY COUNCIL OF THE CITY OF YUMA, ARIZONA
CITY COUNCIL CHAMBERS, YUMA CITY HALL
ONE CITY PLAZA, YUMA, ARIZONA
MAY 6, 2020
5:30 p.m.

CALL TO ORDER

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

INVOCATION/PLEDGE

Councilmember Morris gave the invocation. **Rick Power**, Video Operations Manager, led the City Council in the Pledge of Allegiance.

ROLL CALL

Councilmembers Present:	Shelton, Morris, Watts, Knight, McClendon, Shoop, and Mayor Nicholls
Councilmembers Absent:	None
Staffmembers Present:	City Administrator, Philip A. Rodriguez Deputy City Administrator, Jay Simonton Director of Finance, Lisa Marlin Various Department Heads or their representative City Attorney, Richard W. Files City Clerk, Lynda L. Bushong

FINAL CALL

Mayor Nicholls noted that members of the public who wished to speak on any agenda item should have signed up by emailing the City Clerk's Office by 4:30 p.m. as stated on the meeting agenda.

PRESENTATIONS

Proposed Yuma City Charter Amendments

Russ Clark, Chairman of the Charter Review Committee, presented the proposed Yuma City Charter amendments as follows:

- Articles I through III – No recommendations
- Article IV, Section 4
 - There shall be a primary and general election held in the City of Yuma ~~in every odd numbered year.~~ The **City of Yuma** ~~primary and general elections~~ shall **hold all primary and general elections** ~~be held~~ in accordance with state law.
- Article IV, Section 6
 - The City Council, by ordinance, shall direct the City Clerk to make available to all candidates for any City office a petition form for nomination at a primary election. The nomination form must contain the signatures of qualified electors of the City aggregating not less than three percent (3%) nor more than five percent (5%) of the total number of valid ballots cast at the last preceding general municipal election. The petitions ~~shall~~ **may** be presented to the City Clerk **in accordance with state law** ~~not earlier than one hundred twenty (120) days nor later than ninety (90) days before the date set for the primary election.~~

- The City Clerk shall certify the petition indicating that the required number of signatures of qualified electors has been obtained and such certification shall cause the candidate's name to be printed on the ballot.
- Article V – No recommendations
 - Article VI, Section 2
 - Elections for mayor and councilmembers shall be held in **accordance with state law** ~~odd numbered years~~. A mayor and three councilmembers shall be elected, commencing with the elections held in **2022** ~~1973~~, and three councilmembers shall be elected two years thereafter.
 - Article VI, Section 3(c)
 - *City attorney*. ~~From on and after January 1, 1971, t~~ There shall be a city attorney who shall be appointed and ~~his~~ **their** compensation fixed by the **mayor and city council administrator** ~~with the approval of the city council~~. The city attorney shall serve as the chief legal advisor to the city council, the city administrator, and all city departments, offices and agencies. ~~He~~ **The city attorney** shall represent the City in all legal proceedings, and shall perform any other duties prescribed by this charter, law or ordinance. The city council shall have control of all litigation of the city, and may employ other attorneys to take charge of any litigation or to assist the city attorney therein, and may provide for the payment for such additional legal services and all proper service or work done on behalf of the city in connection with its legal matters. The city attorney shall serve at the pleasure of the ~~city administrator~~ **mayor and city council**.
 - Article VI, Section 14(a)
 - ~~From and after January 1, 1998, t~~ The Mayor shall receive compensation ~~of \$12,000 a year~~ **equal to 60% of the compensation provided to the Yuma County Board of Supervisors** and each Councilmember shall receive compensation ~~of \$3,600 a year~~ **equal to 30% of the compensation provided to the Yuma County Board of Supervisors**.
 - Article VII – No recommendations
 - Article VIII, Section 2
 - The City Administrator or Acting City Administrator may be removed with or without cause at any regular or special meeting by a vote of four or more members of the city council. In the event of ~~his~~ **the City Administrator's** removal, the city council may at its discretion pay the city administrator any sum not exceeding ~~two~~ **six** months salary as severance pay.
 - Articles IX and X – No recommendations
 - Article XI, Section 3
 - (a) There shall be a Municipal Judge who shall be elected from the City at large **in accordance with state law**. Commencing with the elections held in 1973, and at the biennial elections held every four (4) years thereafter, a Municipal Judge shall be elected who shall serve a term of four (4) years. On and after January 1, 1995, at such time as City Council shall deem necessary, other Municipal Judges shall be elected, at staggered elections, for a term of four years. The Municipal Judges shall receive at stated times a compensation to be fixed by ordinance by the City Council, which compensation shall not be increased or diminished after their election or during their term of office.
 - Articles XII through XVII – No recommendations
 - Recommendation to City Council
 - To adopt a policy mandating that a review of the charter take place no less often than every four years.

Discussion

- The salaries of County Supervisors are set by state legislation, with two ranges based on the size of the county (**Shoop/Clark**)
- The phrase ‘in accordance with state law’ is used in Articles IV and VI to ensure that the charter remains current with the State’s election laws; there is uncertainty as to when the new State law will go into effect regarding which years elections will take place (**Shoop/Files/Mayor Nicholls/Clark**)
- An adjustment to Councilmember terms will likely be necessary, in some cases lengthening the term from four to five years, in order to comply with the new election law (**Shoop/Mayor Nicholls**)
- The recommendations presented today will be voted on by City Council at a later date to decide whether they are placed on the ballot (**Shelton/Mayor Nicholls**)

Mayor Nicholls thanked the Charter Review Committee members – Russ Clark, Bill Regenhardt, Barbara Hengl Beam, John Courtis, Doug Jennings, Art Morales, Jeffrey Polston, Jennifer Tobin, and Russel McCloud – for their time and effort in going through the Charter article by article to complete the review.

I. MOTION CONSENT AGENDA

Motion Consent Agenda Item B.4 – Guarantor Letter and related Documents: Greater Yuma Port Authority (GYPA) Loan Refinancing (the City will act as Guarantor, on a pro-rata share basis, along with the City of San Luis and Yuma County) (Admin)

Mayor Nicholls declared a potential conflict of interest on Motion Consent Agenda Item B.4, turned the meeting over to Deputy Mayor Watts, and left the dais.

Motion (Knight/McClendon): To approve Motion Consent Agenda Item B.4. Voice vote: **approved** 6-0-1, Mayor Nicholls abstaining due to potential conflict of interest.

Mayor Nicholls returned to the dais.

Motion Consent Agenda Item B.3 – Request for Qualifications (RFQ): Landscape Maintenance Services (one-year contract with the option to renew for four additional one-year periods for an estimated annual amount of \$247,034 with APV Curbing Landscape and Masonry, Arbor Tech Tree & Landscape Services, and JSA Company) (Public Works)

Discussion

- While this RFQ was put out just for Public Works for the maintenance of retention basins and rights-of-way, the contract may be expanded or a similar contract may be put into place in the future for maintenance of the City’s parks (**Shoop/Simonton**)
- Since the contract will be used to service Maintenance Improvement Districts (MID), the funds will be reimbursed to the City when the costs are recovered via a special assessment on the property tax for those within the MIDs being serviced (**Knight/Simonton**)
- Employees who were previously tasked with the maintenance that will be covered by this contract may have been moved to other areas of Public Works such as street maintenance where there is a need for additional employees (**Knight/Simonton**)

Motion Consent Agenda Item B.6 – Intergovernmental Agreement Amendment No. 6: Bureau of Reclamation – Colorado Water Delivery (to extend the current contract to October 1, 2027)

Discussion

- The City has been in negotiations with the Bureau of Reclamation (BOR) for several years now, and this extension will keep the current water delivery contract in place until a new contract can be finalized. (**Shelton/Simonton**)
- There is no disadvantage to continuing the current agreement with BOR, which has been a beneficial agreement for the City (**Shelton/Simonton**)

Motion (Knight/Shelton): To approve the Motion Consent Agenda as recommended with the exception of Item B.4. Voice vote: **approved** 7-0.

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

Regular Council Worksession	September 3, 2019
Regular Council Worksession	November 19, 2019
Regular Council Worksession	December 17, 2019
Regular Council Meeting	April 1, 2020
Regular Council Meeting	April 15, 2020

B. Approval of Staff Recommendations:

1. Executive Sessions may be held at the next regularly scheduled Special Worksession, Regular Worksession and City Council Meeting for personnel, legal, litigation and real estate matters pursuant to A.R.S. § 38-431.03 Section A (1), (3), (4), and (7). (City Atty)
2. Approve a new Series #4 Wholesaler Liquor License application submitted by Mark Christopher Jessen, agent for Yaquiana Investments LLC located at 3050 S. Avenue 7E. (LL20-05) (Admin/Clerk)
3. Authorize the City Administrator to execute a one-year contract with the option to renew for four additional one-year periods, one period at a time, depending on the appropriation of funds and satisfactory performance, at an estimated annual amount of \$247,034.00, with the following landscape contractors: APV Curbing Landscape and Masonry; Yuma, Arizona; Arbor Tech Tree & Landscaping Services; Yuma, Arizona and JSA Company; Yuma, Arizona. (RFQ #2020-20000098) (Public Works)
4. Pulled for separate consideration; see above.
5. Approve the assignment and assumption of the Parcel B Land and Improvements Lease from Sixteen & Four, LLC to MAN3MP-DB, LLC. (City Atty)

6. Authorize the City Administrator to execute Amendment No. 6 to the Colorado River Water Delivery Contract 14-06-W-106 with the United States Department of Interior—Bureau of Reclamation, which extends the current contract to October 1, 2027. (Admin)

II. RESOLUTION CONSENT AGENDA

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

Bushong displayed the following titles:

Resolution R2020-017

A resolution of the City Council of the City of Yuma, Arizona, authorizing and designating the City Administrator to act as the City's agent for public assistance, to execute and file applications for public assistance in the appropriate State offices, and to provide information to Federal and State authorities for the purpose of obtaining disaster relief and emergency assistance during the COVID-19 public health emergency (required to apply for reimbursement under Category B of the Department of Homeland Security's Federal Emergency Management Agency's Public Assistance Program) (Admin)

Resolution R2020-018

A resolution of the City Council of the City of Yuma, Arizona, authorizing and approving the terms and authorizing the Mayor to execute an Intergovernmental Agreement with the City of San Luis relating to future annexations (establishes future annexation areas for each community and areas of cooperation relating to annexations for a term of 10 years with two five-year renewal options) (Admin)

Resolution R2020-019

A resolution of the City Council of the City of Yuma, Arizona, authorizing and approving a Development Agreement permitting the deferral of City of Yuma Development Fees and Water and Sanitary Sewer Capacity Charges for Livingston Ranch Unit 2 Subdivision (effective for a period of three years from the date of execution upon the collection of a \$500 administrative fee) (Engineering)

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

III. ADOPTION OF ORDINANCES CONSENT AGENDA

Motion (Knight/Watts): To adopt the Ordinances Consent Agenda as recommended.

Bushong displayed the following title:

Ordinance O2020-011

An ordinance of the City Council of the City of Yuma, Arizona, amending Chapter 154 of the Yuma City Code, rezoning certain properties located in the Agriculture (AG) District to the Light Industrial (L-I) District and amending the zoning map to conform with the rezoning (approximately 18.34 acres of property located at the northwest corner of Arizona Avenue and 34th Street) (DCD/Planning)

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

APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING

Appointments

Motion (Knight/McClendon): To appoint Melissa M. Lovett to the Housing Authority of the City of Yuma with a term expiration of December 31, 2025. Voice vote: **approved** 7-0.

Motion (Shoop/Watts): To appoint Pat Riley Sr. to the Library Board of Trustees with a term expiration of June 30, 2023. Voice vote: **approved** 7-0.

Announcements

Knight, Shelton, McClendon, Deputy Mayor Watts, Morris, and Mayor Nicholls reported on events and meetings they have attended during the last two weeks and upcoming events of note.

Scheduling

Motion (Knight/Shelton): To schedule a Special Council Worksession/Budget Roundtable on May 12th and May 14th, 2020, at 5:30 p.m., to be posted according to Arizona Open Meeting Law. Voice vote: **approved** 7-0.

Rodriguez suggested that the meetings take place in City Hall Council Chambers so the public is able to watch if they wish.

IV. SUMMARY OF CURRENT EVENTS

Rodriguez reported the following events:

- May 3-9 – Drinking Water Week
- May 3-9 – 51st Annual Professional Municipal Clerk's Week

V. PRESENTATIONS

Fiscal Year 2020 9+3 Financial Report

Rodriguez presented the Fiscal Year 2020 9+3 Financial Report as follows:

- As discussed at the City Council Retreat in February, quarterly financial reports will be completed in a 3+9, 6+6, and 9+3 format
 - This provides the benefit of showing where the City is currently with expenditures and revenues and also what is expected for the remainder of the fiscal year
- Each fund has its own parameters as far as revenue source and expenditure limits
- Prior to the COVID-19 pandemic, all funds were tracking ahead of last fiscal year and the City was in a very positive position

Revenues – Major Funds
Q3 (January-March) Year Over Year

Revenue Source	Fund	Jan-Mar 2020	Jan-Mar 2019	Variance
City Sales Tax (1%)	General	\$ 6,654,612	6,102,529	552,083
Property Tax	General	574,461	605,424	(30,963)
State Sales Tax	General	2,725,155	2,432,536	292,619
State Revenue Sharing	General	3,165,231	2,891,339	273,892
Vehicle License Tax	General	1,098,550	999,635	98,915
Gasoline Tax	HURF	2,273,816	2,121,344	152,472
Road Tax (.5%)	Road Tax	3,326,740	3,050,746	275,994
Public Safety Tax (.2%)	Road Tax	1,330,244	1,219,883	110,360
Two-Percent Tax	Two-Percent Tax	1,717,875	1,508,983	208,892
Water Usage Fees	Water	5,613,064	5,053,524	559,540
Wastewater Usage Fees	Wastewater	3,882,060	3,335,923	546,137
Solid Waste Fees	Solid Waste	1,219,770	1,048,865	170,905

All figures unaudited. Excludes prior year carryforward revenues and/or expenditures.

Q1-Q3 (July-March) Year Over Year

General Fund

	FY 2020	FY 2019	Variance
Total Revenues	\$ 54,385,216	51,014,375	3,370,841
Total Expenditures	51,192,829	50,472,778	720,114
	3,192,324	541,597	2,650,727

Two-Percent Tax Fund

	FY 2020	FY 2021	Variance
Total Revenues	\$ 5,194,256	4,750,479	443,777
Total Expenditures	4,943,051	5,104,465	(161,414)
	251,205	353,986	605,191

Desert Hills Golf Fund

	FY 2020	FY 2019	Variance
Total Revenues	\$ 918,782	941,452	(22,670)
Total Expenditures	1,241,631	1,269,267	(27,636)
	(322,849)	(327,815)	4,966

Highway User Revenue Fund

	FY 2020	FY 2021	Variance
Total Revenues	\$ 6,103,949	5,631,734	472,215
Total Expenditures	5,811,399	4,709,029	1,102,370
	292,550	922,705	(630,155)

Grants Fund

	FY 2020	FY 2019	Variance
Total Revenues	\$ 1,993,851	2,474,573	(480,722)
Total Expenditures	2,404,063	2,585,143	(181,080)
	(410,212)	(110,570)	(299,642)

Water Fund

	FY 2020	FY 2021	Variance
Total Revenues	\$ 20,408,850	20,508,091	(99,241)
Total Expenditures	10,819,363	10,773,990	45,373
	9,589,487	9,734,101	(144,614)

Note: Revenues are often behind expenditures as grants are reimbursable in nature

Road Tax Fund

	FY 2020	FY 2019	Variance
Total Revenues	\$ 9,423,515	8,407,120	1,016,395
Total Expenditures	6,315,973	10,939,122	(4,623,149)
	3,107,542	(2,532,002)	5,639,544

Capital Projects Fund

	FY 2020	FY 2021	Variance
Total Revenues	\$ 874,311	857,686	16,625
Total Expenditures	1,836,237	3,804,012	(1,967,775)
	(961,926)	(2,946,326)	1,984,400

Note: Revenues are comprised of Development Fees

Wastewater Fund

	FY 2020	FY 2019	Variance
Total Revenues	\$ 14,926,040	15,216,202	(290,162)
Total Expenditures	9,075,339	9,650,388	(575,049)
	5,850,701	5,565,814	284,887

Public Safety Tax Fund

	FY 2020	FY 2021	Variance
Total Revenues	\$ 3,628,634	3,950,202	(321,568)
Total Expenditures	2,766,833	2,723,654	43,179
	861,801	1,226,548	(634,747)

Note: Both revenues and expenditures contain \$647,341 in leases

Radio Communications Fund

	FY 2020	FY 2019	Variance
Total Revenues	\$ 2,369,028	1,746,044	622,984
Total Expenditures	1,736,789	1,279,868	457,103
	632,239	466,358	165,881

Note: Radio-specific grant funds are included here

Solid Waste Fund

	FY 2020	FY 2021	Variance
Total Revenues	\$ 3,397,472	3,042,826	354,646
Total Expenditures	2,789,529	2,599,933	189,596
	607,943	442,893	165,050

All figures unaudited. Excludes prior year carryforward revenues and/or expenditures.

Fiscal Year 2021 Proposed Annual Budget

Rodriguez presented the Fiscal Year 2021 Proposed Annual Budget as follows:

- Budget Highlights
 - Municipalities of all sizes anticipate a revenue shortfall this year due to the COVID-19 pandemic
 - 96% of all cities report that budget shortfalls are the result of unanticipated revenue declines, with 43% also citing unanticipated expenditure increases
 - Local leaders are reporting immediate economic impact of loss of revenue from permitting fees, service fees, utility fees, sales taxes, state intergovernmental aid, property taxes, and income taxes
 - Though there has been movement toward the ability for other cities to be involved in the Coronavirus Aid, Relief, and Economic Stability (CARES) Act, currently cities under 500,000 residents will not receive direct funding
 - Only 36 of America's 19,000 cities, towns, and villages have a population greater than 500,000
 - That equals less than 0.5% of all municipalities and only represents 14% of the country's total population
 - Of the municipalities of similar size to the City, 63% anticipate having to cut public services
 - No budget preparation is happening in America right now that does not include some sort of rerouting or realignment of services by municipalities
 - More than half of all cities of all sizes reported that police will be affected by these budget challenges
 - The City is not looking at negatively impacting police or public safety in any way
 - Furloughs and layoffs are being considered by municipalities of all sizes
 - Budget: State of Arizona
 - From January through early March, the State of Arizona was discussing possible uses for a \$1 billion budget surplus

- From mid-March to today, plans are being developed to address a likely \$1 billion budget shortfall
 - Budgets: Arizona Cities and Towns
 - Many Arizona cities and towns have looked at furloughs and layoffs, and several cities have stated they do not plan to reopen public facilities until fall or later
 - Budget: City of Yuma
 - Budget process began December 2019, and the proposed budget was 75% complete by early March
 - Entire proposed budget was significantly amended to include a shift from surplus to shortfall
 - The annual budget consists of the Capital Improvement Program (CIP), Operating Budget, and Tax Levy
- Budget in Brief
 - \$51.4 million proposed CIP Budget FY 2021
 - 45% of the CIP projects are scheduled to be recovered through grants, reimbursements, or public-private partnerships
 - The public hearing for the CIP budget will be held on May 20th
 - Decline in spending forecast at \$11.2 million across all funds, excluding grants
 - While projecting revenues is an important part of the budget, the City can control spending but has little to no control over revenues
 - A Plan for Recovery
 - Despite the expected decline in revenues and uptick in needed expenditures, the City has a plan for recovery
 - Public Safety - 12 new positions will be added to YPD Patrol and Investigations divisions, and the City will take financial responsibility for nine previously grant funded YFD positions
 - Street Preservation Projects – Funding for street preservation projects will increase by 100% in FY 2021
 - Team Yuma – Frontline Focus Group will be formed to track monthly financial statements and provide a recommendation regarding the implementation of the employee market adjustment in about six months
 - Health insurance premiums increasing by an average of 13.1%; the City will absorb 100% of the increase to Plan B and the High Deductible Health Plan and 84% of the increase to Plan A
 - Financial Stewardship – An 18% Target Fund Reserve and a 2% Budget Stabilization Reserve will be included in the General Fund
 - Operational Enhancements – Additional funds will be allocated for software programs for the Finance and Purchasing divisions to improve staff efficiencies and accessibility to the public
 - Budget Schedule
 - May 1 – Submit proposed CIP to City Council
 - May 4 – Submit Draft Budget to City Council
 - May 5 – Finance Director's Operating Budget Verification
 - May 6 – Submit Proposed Annual Budget to City Council
 - May 7-13 – Possible Budget Roundtables
 - May 20 – CIP Public Hearing and request for City Council approval

- May 28 & June 8 – Truth in Taxation Notices
- June 3 – Request City Council approval of Operating Budget
- June 17 – Truth in Taxation Public Hearing, introduction of ordinance adopting tax levy, final request for City Council approval of Operating Budget
- July 15 – Final request for City Council adoption of tax levy
- Phase 4 of the CARES Act is still being negotiated
 - There is a possibility of a modified Community Development Block Grant formula that would award 70% of the municipal bank directly to cities with a population of 50,000 or more

Fiscal Year 2021 Revenues and Expenditures		
Fund	Revenues	Expenditures
All Funds	\$ 219.6 million	\$ 249.3 million
General Fund	73.6 million	78.6 million
Highway User Revenue Fund (HURF)	7.1 million	10.7 million
City Road Tax Fund	11.2 million	14.7 million
Public Safety Tax Fund	4.4 million	4.9 million
Two-Percent Tax Fund	5.4 million	6.5 million
Grant Fund	42.3 million	42.3 million
Capital Projects Fund	1.3 million	1.7 million
Water Fund	26.6 million	33.4 million
Wastewater Fund	19.8 million	24.7 million
Solid Waste Fund	3.1 million	4.6 million
Yuma Regional Communications System (YRCS)	3.1 million	4.2 million
Desert Hills Golf Course (DHGC)	1.2 million	1.7 million

Discussion

- Revenue estimates were calculated by taking the estimates provided by the Arizona League of Cities and Towns before the pandemic hit and applying an economic model based on anticipated job losses and the overall economic outlook (**Mayor Nicholls/Rodriguez/Marlin**)
- The 20% Fund Balance referred to in past budgets has been converted to a Target Fund Reserve of 18% and a Budget Stabilization Reserve of 2% to allow the City to act more quickly if revenues do not meet expectations (**Watts/Marlin/Rodriguez**)
- While there has been some discussion amongst Arizona cities and towns as well as the private sector regarding extending budget deadlines, there has not been any response from the State that an extension will be granted (**Shelton/Rodriguez**)
- Previous CIP books did not list the project delivery method; an explanation will be provided those that are listed as to Be Determined in the current CIP book, though some may not be able to be determined until the projects are more fully fleshed out (**Morris/Rodriguez/Kramer**)
- The grants portion of the CIP funding is not as predictable or trackable as revenues such as sales tax; if for some reason the grant funds are not received, the project will not proceed unless and until other funding can be obtained (**Morris/Rodriguez**)

VI. CALL TO THE PUBLIC – There were no speakers scheduled at this time.

VII. EXECUTIVE SESSION/ADJOURNMENT

Motion (Knight/Morris): To adjourn the meeting to Executive Session. Voice vote: **approved** 7-0. The meeting adjourned at 7:11 p.m.

Lynda L. Bushong, City Clerk

APPROVED:

Douglas J. Nicholls, Mayor

DRAFT