

**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 19, 2021**  
**5:30 p.m.**

**CALL TO ORDER**

**Deputy Mayor McClendon** called the City Council meeting to order at 5:31 p.m.

**INVOCATION/PLEDGE**

**Pastor Vince Harmon**, Christ Lutheran Church, gave the invocation. **Susan Cowey**, CIP Administrator, led the City Council in the Pledge of Allegiance.

**ROLL CALL**

Councilmembers Present:	Shelton, Morris, McClendon, Knight, Watts, and Shoop
Councilmembers Absent:	Mayor Nicholls
Staffmembers Present:	City Administrator, Philip A. Rodriguez City Engineer, Jeffrey A. Kramer Interim Finance Director, Barbara Goodrich Various Department Heads or their representative City Attorney, Richard W. Files City Clerk, Lynda L. Bushong

**FINAL CALL**

**Deputy Mayor McClendon** made a final call for the submission of Speaker Request Forms for agenda related items from members of the audience.

**PRESENTATIONS**

Nurses Month Proclamation

**Deputy Mayor McClendon** read a proclamation declaring May 6-12<sup>th</sup>, 2021, National Nurses week and invited the citizens of Yuma to join in honoring the registered nurses who care for all of the community.

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Annual Stormwater Update

**Kramer** presented the following information on the Annual Stormwater Update:

- A majority of the local stormwater runs into the Colorado River (River), which is one of Yuma's most valuable assets.
- The Colorado River is a regulatory waterway controlled by the Federal Government.
- The Clean Water Act was signed into law in 1972.
  - It has had two major amendments, one in 1987-Water Quality Act and a second one in 2015-Clean Water Rule
  - The Environmental Protection Agency enforces the law and then delegates that responsibility to the State; the State delegates it to local governments. This is done through the National Pollutant Discharge Elimination System.

- In the State of Arizona the Department of Environmental Quality, Arizona Pollutant Discharge Elimination System (AZPDES), regulates the surface water runoffs.
    - The regulations do not apply to any groundwater
- Yuma has been regulated as a “small municipality” since March 2003 due to the population being between 10,000-100,000 during that time.
  - This is a permanent designation.
- Yuma operates under an AZPDES Municipal Separate Storm Sewer System (MS4) permit.
  - The City’s five-year permit, which began September 29, 2016, will be up for renewal in 2021.
  - The permit is meant to protect the waters of the U.S. from pollutant discharge. The permit covers any surface waters, such as lakes, rivers, streams, canals, oceans, etc. which have any connection to interstate or foreign commerce
- City of Yuma Stormwater Regulations are established through the following ordinances:
  - Ordinance O2005-15
    - Regulates illicit discharges and illegal dumping into drainage system
  - Ordinance O2006-38
    - Regulates stormwater runoff from construction sites of one or more acres in size
    - Regulates City water and sewer line construction projects that disturb ½ acre or more
  - Ordinance O2007-78
    - Regulates post-construction stormwater runoff for sites with connection to the river
- In order to regulate the different aspects of stormwater runoff within the City, Yuma has developed and implemented a Stormwater Management Program (SWMP).
  - The SWMP regulates what is necessary to comply with the Arizona Pollutant Discharge Elimination System requirements and includes the following six Minimum Control Measures (MCMs) specified by the Arizona Department of Environmental Quality (ADEQ):
    1. Public education and outreach
    2. Public involvement and participation
    3. Illicit discharge detection and elimination
    4. Construction site runoff control
    5. Post-Construction site runoff control
    6. Good housekeeping for municipal operations/facilities
  - The MS4 permit requires the City to report annually on the items listed above.

#### Impact on Projects & Operations

- Differences between Directed Operations and Controlled Operations:
  - City Directed Operations
    - CIP Projects
    - Operations within streets/rights-of-way (Public Works)
    - Facilities, such as fleet maintenance, maintenance yards or treatment plants
  - City Controlled Operations are things the City oversees and/or permits, but do not actually control, such as private developments
    - Runoff from private development
    - Discharges from developed sites that may drain to the River
- Construction Runoff
  - At construction sites of one or more acres, the City requires the owner to implement a Stormwater Pollution Protection Plan (SWPPP) on their project

- Develop plans preventing stormwater pollution from leaving the site
- File for a permit with ADEQ
- Implement stormwater pollution prevention measures onsite
- Perform and document bi-weekly inspections and submit enforcement reports for approval and project finalization
  - City began more strict enforcement in July 2018 after receiving notice of violation from ADEQ for some shortcomings in City procedures
    - This violation was addressed and corrected
  - City initiated another step-up in enforcement on October 1, 2020
- Colorado River Impacts
  - ADEQ listed the Colorado River as impaired from the Yuma Main Canal crossing to the Mexico border in 2016 due to high selenium levels
    - Selenium is a metal that exist in the soil, it becomes loosened through erosion. Because it is a natural occurrence, it is a controlled runoff concern due to its toxicity for people. Selenium can cause loss of hair and nails, it may cause excessive tooth decay and it can cause decreased mental acuity if ingested in high enough concentrations.
  - Impact on MS4 Permit
    - Required implementation of measures to prevent exceedance of pollutants
    - One Additional Control Measure (ACM) was added to the City's permit and the City's SWMP was revised accordingly
- Additional Control Measure
  - The five best practices adopted include the following:
    - Delineate drainage area and an inventory of that area with discharge potential to the River
    - Reduce/prevent discharge of pollutants from construction sites into the River
    - Reduce/prevent discharge of pollutants from post-construction sites into the River
    - Education about reducing discharges in the River area
    - Implementing a surface water monitoring program
- ACM Compliance Efforts
  - Steps Yuma took to meet the ACM
    - Delineated the priority area and implemented some higher level of review and approvals in that area
    - Incorporated a plan review, site inspection and education for activities within priority area
    - Initiated visual monitoring in both wet and dry weather at stormwater outfalls to the impaired surface water segment
    - Initiated sampling and testing of priority area outlets.
- Priority Area
  - The Priority area goes from the River to Giss Parkway and from 22<sup>nd</sup> Avenue to Gila Street.
  - There are four stormwater outlets within these areas that discharge into the River:
    - Madison Avenue
    - 9<sup>th</sup> Avenue
    - 17<sup>th</sup> Avenue
    - 19<sup>th</sup> Avenue
  - In 2019 ADEQ asked the City to add a fifth monitoring location and the location selected is where the Yuma Valley Park discharges into the Thacker Lateral.

- Implemented an annual cleaning program to clean all of the catch basin and manholes in the priority area once every three years.
  - Joint effort of multiple departments
    - Engineering does the inspections and reporting
    - Utilities does the cleaning
    - Public Works cleans the four outlet areas twice a year
- Analytical Monitoring Program (AMP)
  - It took nearly three years to develop the AMP with ADEQ
    - It was approved by ADEQ on June 6, 2016
  - Yuma was the first designated small municipality in Arizona to be required to perform testing and to implement the AMP
  - Goals of Testing:
    - Prevent exceedance of selenium levels
    - Protect surface water quality standard
  - Impacts of the Analytical Monitoring Program
    - All samples collected for testing are sent to a certified laboratory in Phoenix for testing of selenium levels in the runoff
  - AMP started under consultant administration in January 2017, its cost averaged \$2,500 per year. The cost was reduced to under \$1,000 per year once the City took over the administration in late 2019-2020
    - From 2017-2019 there were 7 exceedances measured of the regulatory limit for selenium
    - In 2020, the exceedances of selenium doubled from seven to 15. If exceedances continue, ADEQ may require additional measures such as upstream testing to try to determine the sources of the pollutant
    - A flush of an outfall was experimented after seeing that the exceedances were not reducing as expected
    - It was confirmed through the experiment that the selenium concentration that was collected from the river is sediment that settled into the pipe during runoff during the course of a year, but did not flush out due to the shortage of rainwater
    - The conditions at the four priority area-system outlets were improved by clearing debris, laying back slopes to reduce erosion, and stabilizing the slopes and outlet surfaces with dumped riprap over filter fabric that Arizona Department of Transportation donated for this effort.
  - Ongoing Efforts
    - Stormwater documents and ordinances are reviewed annually and revised as needed. There will be future code amendments for minor updates to the existing stormwater ordinances.

### Discussion

- There are no fines for the selenium exceedances. However, ADEQ does make recommendations when the selenium exceedances are reported. The City is continuously finding ways to monitor the selenium levels, such as flushing in order to avoid any violations or remedial actions from ADEQ. **(Watts/Kramer)**
- The City's responsibility is only to monitor the discharge added into the river; the City does not monitor the river. **(Knight/Kramer)**

- The Yuma Flood Control District is leading the project to improve the stormwater system and retention basins in the City. There are some limitations when it comes to evaluating the streets that collect stormwater during heavy storms based on existing system capacity. (Shelton/Kramer)

## **I. MOTION CONSENT AGENDA**

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

### **A. Approval of minutes of the following City Council meeting:**

- Regular Council Meeting April 7, 2021

### **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 #12 Restaurant Liquor License application submitted by Ashley Morgan Simms, agent for Cafecito located at 176 S. Main Street. (LL21-04). (Admin/Clk)
3. Authorize the City Administrator to execute a contract for construction services for the 1<sup>st</sup> Avenue Waterline Replacement from Court Street to 1<sup>st</sup> Street to the lowest responsive and responsible bidder in the amount of \$173,917.69 to: Gutierrez Canales Engineering, Yuma, Arizona, (Bid #2021-20000008) (Eng)

## **II. RESOLUTION CONSENT AGENDA**

**Motion** (Knight/Watts): To adopt the Resolution Consent Agenda as presented.

**Bushong** displayed the following title:

### **Resolution R2021-010**

**A resolution of the City Council of the City of Yuma, Arizona, designating the Chief Fiscal Officer for officially submitting the Fiscal Year 2021 and Fiscal Year 2022 Expenditure Limitation Report to the Arizona Auditor General** (designating Philip A. Rodriguez as the Chief Fiscal Officer for the purpose of submitting the expenditure report) (Fin)

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

## **III. ADOPTION OF ORDINANCES CONSENT AGENDA**

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

**Bushong** displayed the following titles:

**Ordinance O2021-008**

**An ordinance of the City Council of the City of Yuma, Arizona, authorizing City of Yuma acceptance of a utility easement on private real property, hereafter described, from Terraces Retail, L.L.C., for the reason that such easement is required for the operation and maintenance of a public waterline in Lot 2 of the amended Terraces Lot Tie/Lot Split Plat (Approve a public utilities easement for the Terraces commercial property dedicated by Terraces Retail, L.L.C., a subsidiary of Elliott Homes, Inc.) (Eng)**

**Ordinance O2021-009**

**An ordinance of the City Council of the City of Yuma, Arizona, authorizing the City Administrator to execute a lease agreement between the City of Yuma and Yuma Private Industry Council for use of the Dr. Martin Luther King Jr. Neighborhood Center for the purpose of serving the needs of the citizens, particularly youth, in the Carver Park Neighborhood and surrounding communities (authorize the City Administrator to execute a lease agreement with Yuma Private Industry Council for use of the Dr. Martin Luther King, Jr. Neighborhood Center) (DCD)**

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

**IV. INTRODUCTION OF ORDINANCES**

**Bushong** displayed the following title:

**Ordinance O2021-010**

**An ordinance of the City Council of the City of Yuma, Arizona, authorizing the grant of a utility easement on City-owned real property, hereafter described, to Southwest Gas Corporation, for the reason that such easement is required for the continued operation and maintenance of an existing natural gas line located in Block 14, City of Yuma (from Madison Avenue to Main Street, between 2nd Street and 3rd Street, to replace an existing undefined easement) (Eng)**

**V. PUBLIC HEARINGS**

MC 2021-043 – Annexation Area No. ANEX-33710-2021: Las Palmas Apartments (consideration of annexation of property located at 248 S. Avenue B) (DCD)

**Deputy Mayor McClendon** opened the Public Hearing at 6:10 p.m.

**Amelia Griffin**, Associate Planner presented the following information:

Anex-33710-2020 Las Palmas Apartments: 248 S Avenue B

- The annexation area is located at 248 South Avenue B and the adjacent Avenue B right of way and a portion of the West main canal
- The annexation area is approximately 4.44 acres in size
- The City received an annexation request by the property owner Roberto Investments to annex the existing apartment complex
- Currently the annexation area is developed with 48 units-16 one bedroom and 32 studio apartments

- The 2010 census identifies 69 residents in the annexation area
- Upon annexation, the property will be an illegally established use with the zoning designation of Agriculture as the property does not currently conform with the current General Plan land use designation of Medium Density Residential
- It is staffs intent to update the land use designation through the overall General Plan update by designating this property with the High Density Residential land use designation
- Following successful completion of the update, the applicant can then pursue a rezoning to the High Density, Residential Zoning District
- City Council can expect an ordinance introduction on June 16, 2021 and annexation adoption on July 21, 2021

**Motion** (Knight/Shelton): To close the Public Hearing. Voice vote: **approved** 6-0; the Public Hearing closed at 6:15 p.m.

## **VI. BUDGET AND RELATED ITEMS**

MC 2021-044 – Public Hearing: FY 2022-FY 2026 Capital Improvement Program (CIP) (pursuant to Yuma City Charter, Article XIII, Section 11) (Eng)

**Deputy Mayor McClendon** opened the Public Hearing at 6:16 p.m.

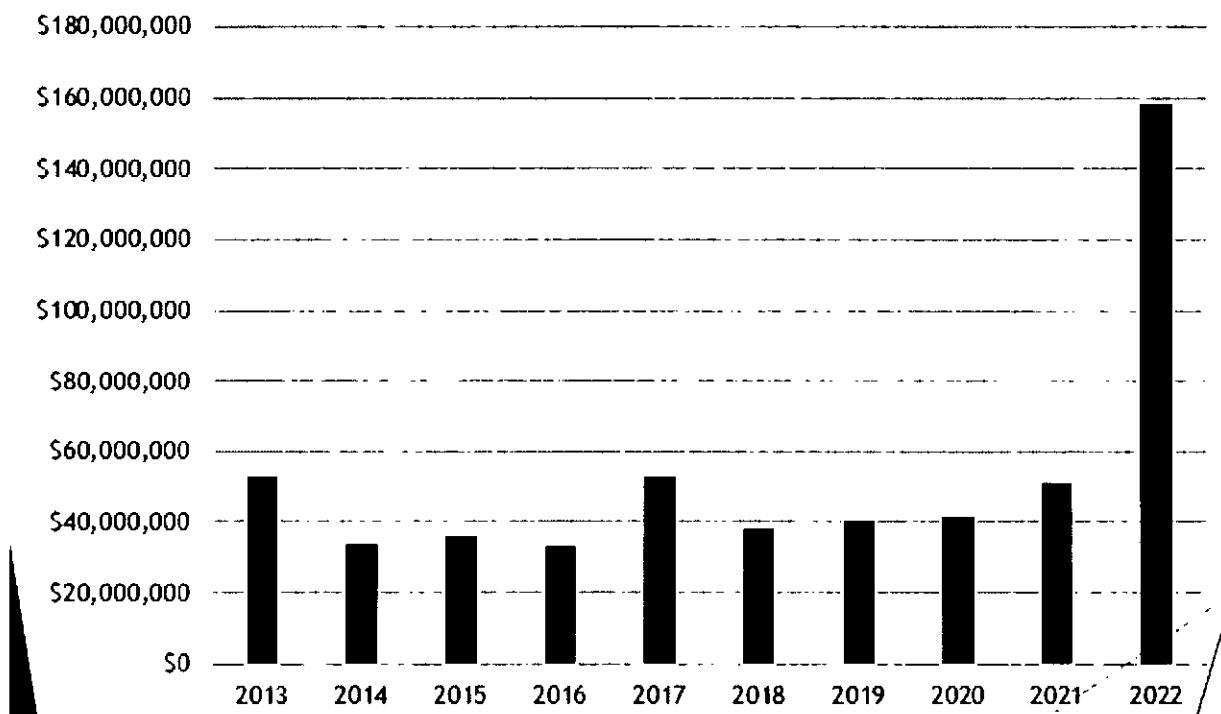
**Kramer** presented the following information:

### Proposed Fiscal Years 2022 - 2026 CIP

- What is a capital improvement in the City of Yuma?
  - A capital improvement is new construction or improvements to an existing asset, such as repaving a road or remodeling a building.
  - Major equipment purchases that have a minimum value of \$25,000 or greater are eligible to be considered a capital improvement
  - Items that increase functionality, extend useful life, improve major parts or technologies, or are going to make us more efficient or improve the quality of our services
- Program development overview:
  - January-April
    - Funding Projection
    - Fund Allocation
    - Capital Program Review
  - May-June
    - Proposed CIP is presented for Council and Public review
    - City Council Public Hearing
    - Council Consideration and Adoption
  - July-December
    - Capital Project Status Review
    - Priority Setting
    - Department Coordination

- FY 2022 CIP Schedule
  - Proposed 5-year CIP delivered to City Council on April 30, 2021
  - Proposed CIP Program made available to the public on May 3, 2021 including City website
  - Public Hearing May 19, 2021 Council Meeting
- Framework for FY2022- FY2026
  - The framework for this five-year CIP is something that represents the strategic initiatives and legislative policy for the next year based on the recently adopted Strategic Plan for FY2022
  - Each project in the CIP supports one of City Council's five Strategic Outcomes as adopted in the 2021-2025 Strategic Plan:
    1. **Safe and Prosperous** – Yuma is a safe and prosperous City that supports thriving businesses, access to education, and multi-generational opportunities
    2. **Active and Appealing** – Yuma plans and leverages its natural resources, public spaces and cultural amenities to support an active and appealing community
    3. **Connected and Engaged** – Yuma is connected and engaged through active communication, forward-looking partnerships, and ongoing public involvement
    4. **Unique and Creative** – Yuma is a unique and creative community, built on our shared history, sense of place, and civic pride
    5. **Respected and Responsible** – Yuma is a trusted steward of City resources; relied upon to provide premier services and regional leadership

- 10-Year CIP Allocation History

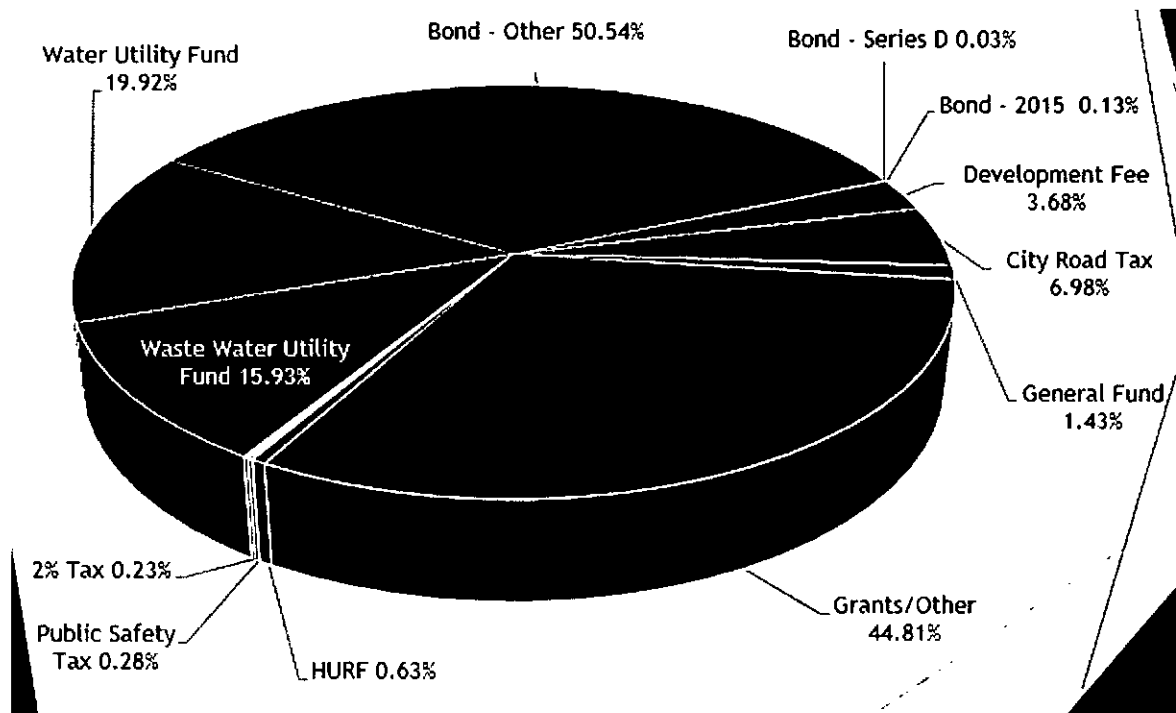


- Proposed CIP allocation for FY2022 totals \$158,300,018 (\$41,908,576 Grants)
- Compared to last year's CIP, it is almost three times as much.



- FY2022 CIP Funding Sources
  - Bonds
    - The City borrows money to fund capital projects. These bonds will be repaid using the following taxes and fees:
      - 2015 Excise Tax
      - 2007 Series D
      - Waste Water Revenue
  - Fees
    - The water and wastewater funds operate as Enterprise Funds. All revenues for these funds come from fees assessed to the system users. The City also assesses development fees on new construction which can be used to ensure that the quality of services for existing residents are not diminished due to the additional demands caused by growth:
      - Waste Water Utility
      - Water Utility
      - Impact & Development Fees
  - Other
    - The City actively pursues other funding, partnerships with private entities, and reimbursement of expenses to supplement our revenue streams:
      - Grants
      - Development Agreements
      - Reimbursements
      - Public-Private Partnerships (P3)
  - Taxes
    - The City collects a variety of transaction privilege (sales) taxes, including ½ percent for roadways, 0.2 percent for public safety and 2 percent for parks, heritage area and tourism. We also receive revenue from the state in the form of Highway User Revenue Funds (fuel taxes and vehicle registration fees) and Voter Approved Local Revenue (VALR):
      - City Road Tax
      - Two-Percent Tax-primarily supports parks, downtown and Riverfront
      - Highway User Revenue Funds (HURF)-primarily gas tax and vehicle registrations that come through the State
      - Public Safety Tax-10<sup>th</sup> of a percent
      - General Fund-variety of sources, including voter approved local revenues

- FY 2022 CIP Funding Sources:



- The largest single source bond funding is attributed to the expansion of the Desert Dunes Water Reclamation Facility, which is \$80 million of the \$158 million program
- The second largest source is grants or other proposed funding sources
- Funding Notes
  - Capital needs continue to exceed available resources
  - Estimates are subject to market changes and are provided as a basis for City Council decision-making and planning for the City's future
- CIP Program Name Changes
  - Several program name changes were implemented to better align program areas with owner departments and the budget. This summary helps track from prior year CIPs to the current CIP
    - Public Safety divided into Fire & Police
    - Transportation renamed Public Works
    - Wastewater Utility and Water Utility combined into Utilities
    - Yuma Crossing National Heritage Area (YCNHA) projects merged into General Government or Parks and Recreation

- FY2022 Project Summary by Program Area

Department	Project Count	Budget
Facilities Management (49.2% Grant)	11	\$1,422,300
Fire (57.3% Grant)	2	\$4,100,000
General Government (80.2% Grant)	7	\$23,390,288
Parks and Recreation (85.8% Grant)	9	\$6,101,000
Police (0.0% Grant)	3	\$2,850,000
Public Works (2.3% Grant)	15	\$12,826,000
Utilities (0.8% Grant)	31	\$107,610,430
<b>TOTAL (26.5% Grant)</b>	<b>78</b>	<b>\$158,300,018</b>

- There are 78 projects that make up the CIP budget

**Motion** (Knight/Watts): To close the Public Hearing. Voice vote: approved 6-0; the Public Hearing closed at 6:27 p.m.

Discussion

- \$8 million of the CIP budget was accounted for by the proposed American Rescue Plan. The proposed project is pending guidance from the Federal Government on restrictions and/or limitations. (Watts/Kramer)
- The Highway Safety Improvement Program Grant granted five street projects, which was a very detailed process as many factors were taken in consideration prior to approval of grant. Adding another intersection will be challenging as the location costs range from \$300,000 to \$350,000. (Watts/Kramer)
- The marquee is being included in the CIP in case there is a donation and/or sponsor that would provide the funding. (Shelton/Kramer)
- As part of the CIP update, the City has developed a 20-year Transportation Plan, Multimodal Bike Path, Traffic Control Stormwater, and Pavement Rehabilitation capacity enhancements, all with the support from City Council directive. The update included changes in its planning process, the development of a strategic plan, the adopted outcomes and strategic initiatives to support the CIP projects. (Knight/Kramer)
- About \$5 million worth of work from delayed projects are in progress; this includes about four miles of two-lane roadway, bicycle facilities and traffic signals along with pavement preservation. (Morris/Kramer)

Presentation: Proposed Annual Budget for Fiscal Year 2022

**Rodriguez** presented the following:

- The proposed annual budget for Fiscal Year 2022 has a theme: ‘Strengthening the Core’
  - The theme encompasses the City’s commitment to the community through the budget after a much difficult season that was felt worldwide
- Looking at the City’s existing assets, services, and existing program, the City is making sure that everything they are providing and everything that is being maintained is excellent for the community
  - This includes new playground or an updated playground, the roadways and deferred maintenance
- The City’s Vision statement is the following:
  - Yuma is a thriving, safe and prosperous community with opportunities powered by innovation, partnerships, collaboration and robust education. A unique place that all generations are proud to share
- Strategic Outcomes include the following:
  - Safe and Prosperous
  - Active & Appealing
  - Connected & Engaged
  - Unique & Creative
  - Respected & Responsible
- The Annual Budget is a combination of the following:
  - Strategic Plan-City’s highest priorities
  - Operational Needs-Operating Budget
  - Capital Needs-Capital Improvement Program
  - Community Input-Public Hearings
- FY 2022 Budget highlights include the following:
  - Safe and Prosperous
    - Build Fire Station 7
    - Expansion of the Desert Dunes Wastewater Treatment Plan
    - Increase last year’s 100% funding for street preservation by another 50% , this will include 40 additional miles of roadway with slurry sealing
  - Active & Appealing
    - Launch the East Mesa Park project to include the community input on amenities and attractions. The design of some of the amenities will happen in 2022 and will be presented before Council in 2023 for the full funding through the CIP
    - Begin addressing playground equipment replacement in existing parks
  - Connected & Engaged
    - Develop a target industry study to assist with economic development activities of Greater Yuma Economic Development Corporation and the State of Arizona Commerce Authority, including business recruitment, retention and expansion
  - Respected & Responsible
    - Pay the remaining unfunded Tier 1 and Tier 2 Public Safety Pension Retirement System (PSRPS) liability through the FY 2021 bond proceeds. Those bonds were traded and received a better interest rate
    - Fully fund the \$12 million contingency for the PSRPS bonds

- Explore a new Enterprise Resource Plan (ERP) that includes replacing outdated or inadequate software utilized Citywide
- Establish and fund a new Major Equipment Replacement Fund (MERF) and restart a vital program gone dormant
- Complete and open the Thomas F. Allt Utilities Complex on time and on budget
- City's Administrator's Proposed Budget
  - All Funds request for expenditures is \$522.4 million
  - Increase of \$273.4 million this current year, \$11.2 million slashed in spending throughout the year, in all saved the taxpayers \$72.2 million
    - \$122.4 million PSPRS unfunded liability and contingency reserves
    - \$80.0 million Desert Dunes Wastewater Plant Expansion
    - \$23.1 million America Rescue Plan Act (ARPA)
    - \$106.9 million increase Capital Improvement Program expenditures
    - \$25.1 million in grant funded projects
- There is around \$348.6 million in new revenue, see breakdown in the chart below:

**\$348.6 All Funds (in millions)**

**\$92.28 General Fund**

**\$8.3 Highway User Revenue Fund (HURF)**

**\$13.9 City Road Tax Fund**

**\$5.5 Public Safety Tax Fund**

**\$6.9 Two-Percent Tax Fund**

**\$48.0 Grant Fund**

**\$2.0 Capital Projects Fund**

**\$29.5 Water Fund**

**\$22.5 Wastewater Fund**

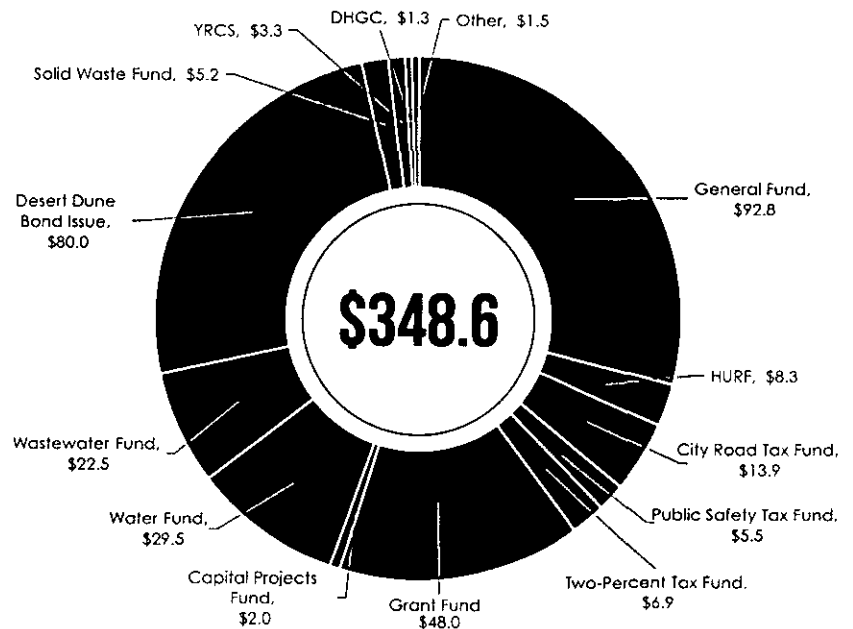
**\$80.0 \*Desert Dunes Bond Issue**

**\$5.2 Solid Waste Fund**

**\$3.3 Yuma Regional Communications Systems Fund (YRCS)**

**\$1.3 Desert Hills Golf Course Fund (DHGC)**

**\$1.5 Other**



The difference between revenues and expenses are planned uses of fund balance  
\* Does not include internal service funds or debt service funds

- \$522.4 million to be spent
- The way the expenditures work for the City is all revenue is assessed along with developmental fees and such. Any monies that are not spend in a fiscal year continue to accrue

**\$522.4 All Funds (in millions)**

**\$231.3 General Fund**

**\$10.8 Highway User Revenue Fund (HURF)**

**\$19.7 City Road Tax Fund**

**\$5.7 Public Safety Tax Fund**

**\$8.0 Two-Percent Tax Fund**

**\$48.0 Grant Fund**

**\$6.1 Capital Projects Fund**

**\$37.7 Water Fund**

**\$34.5 Wastewater Fund**

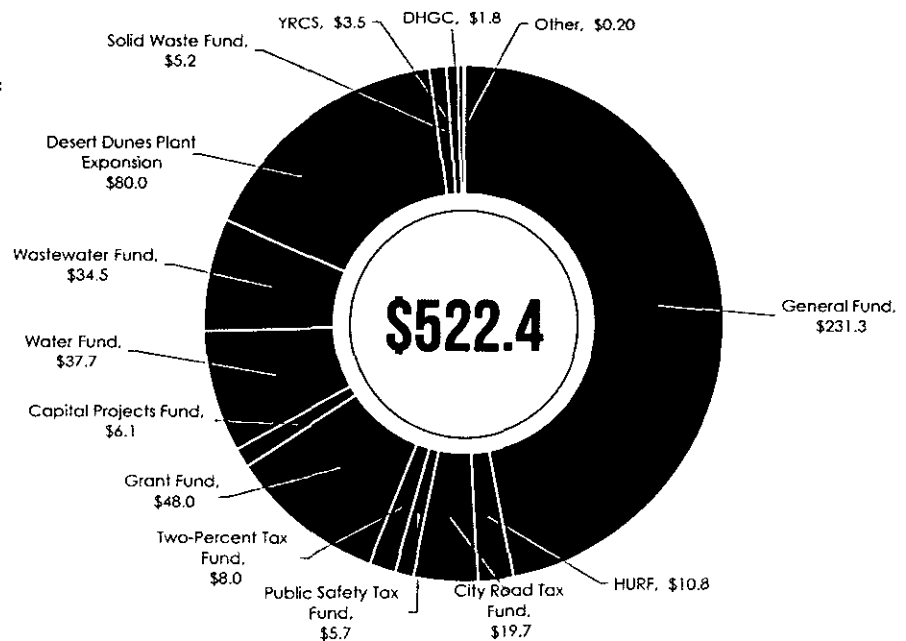
**\$80.0 \*Desert Dunes Plant Expansion**

**\$5.2 Solid Waste Fund**

**\$3.5 Yuma Regional Communications Systems Fund (YRCS)**

**\$1.3 Desert Hills Golf Course Fund (DHGC)**

**\$0.2 Other**

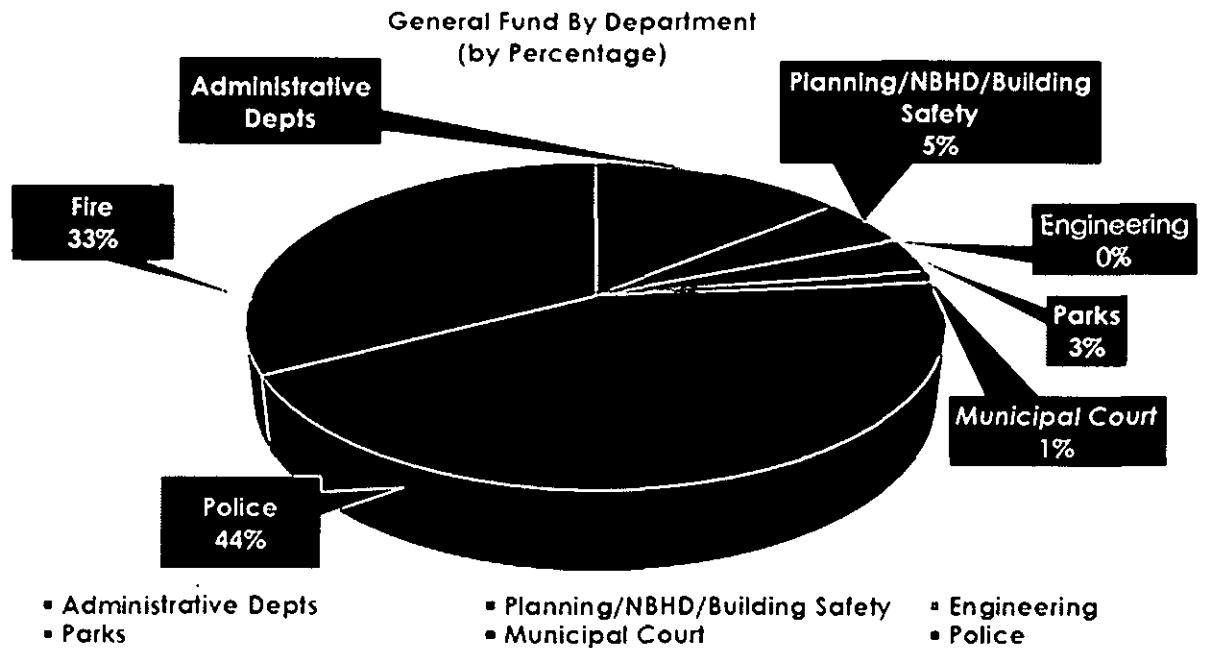


The difference between revenues and expenses are planned uses of fund balance

\* Does not include internal service funds or debt service funds

- Market Adjustments: All of the City's general employees that are under the Arizona State Retirement System (ASRS) are eligible for 3% market adjustment this year as follows:
  - Employees hired through December 31, 2020 – Receive increase July 30, 2021
  - Employees hired Jan 1, 2021 to June 30, 2021 – Receive increase January 28, 2022
  - Employees hired within FY 2022 may be eligible for market adjustments in FY 2023 pending budget authority
    - ASRS – 3%
    - Police – 3% Steps 1 – 6; 4% Steps 7 – 10
    - Fire – 3%
- Responsible Stewardship
  - The City's received the Budget Award by the Government Finance Officers Association (GFOA)
  - The GFOA recommend the City to start with no less than 16.7% of the General Fund Reserve, that percentage will cover two months of completely lost revenues.
  - Recommendations for the General Fund Reserve are as followed:
    - Increase to a 22% Target Fund Reserve - \$16,447,958
    - 3% Budget Stabilization Reserve - \$2,467,194 in case there is any type of revenue that is not performing as projected, this fund will help stabilize the revenue
    - Remaining Fund Balance - \$4,237,176, fund has not been allocated

- General Fund



- The General Fund accounts 77% for Police and Fire funding, not taking in consideration all of the support services on the backend, such as Human Resources, Legal and so forth.
- More than 3/4 of the General Fund expenditures is for Public Safety
- Below is a more detailed itemized list of the expenditures of the General Fund:

GENERAL FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
<b>Unassigned Fund Balance July 1,</b>	<b>\$ 20,975,222</b>	<b>\$ 20,767,220</b>	<b>\$ 18,005,394</b>	<b>\$ 28,958,149</b>	<b>\$ 161,655,109</b>
Sources:					
Estimated Revenues					
Estimated Revenues	74,251,152	77,749,025	73,553,244	79,992,795	82,239,789
PSPRS Pension Bond Proceeds	-	-	-	159,475,000	-
ARPA Revenue	-	-	-	-	14,801,661
AZ Legislative VALR Reduction	-	-	-	-	(4,200,000)
Capital Lease Issuance	168,585	1,217,974	-	-	-
<b>Total Sources</b>	<b>\$ 74,419,737</b>	<b>\$ 78,966,999</b>	<b>\$ 73,553,244</b>	<b>\$ 239,467,795</b>	<b>\$ 92,841,450</b>
<b>Total Sources Available</b>	<b>\$ 95,394,959</b>	<b>\$ 99,734,219</b>	<b>\$ 91,558,638</b>	<b>\$ 268,425,944</b>	<b>\$ 254,496,559</b>
Uses:					
Expenditures					
Personnel	60,513,927	55,265,086	99,799,906	54,275,654	60,817,241
PSPRS Pension/Issuance Costs/Reserve	-	-	-	37,098,790	122,376,210
Operating	9,142,217	10,186,445	9,095,577	10,454,180	12,987,855
ARPA Revenue Replacement	-	-	-	-	14,801,661
Capital Outlay	343,158	327,154	289,243	424,592	5,045,627
Capital Improvements	-	83,087	55,000	55,000	2,265,000
Debt Service	33,717	318,562	340,747	356,896	266,651
<b>Total Expenditures</b>	<b>70,033,019</b>	<b>66,180,335</b>	<b>109,580,473</b>	<b>102,665,112</b>	<b>218,560,245</b>
Transfers Out:					
Yuma Mall Maintenance Fund	104,969	108,746	121,478	88,055	125,563
Debt Service Fund	4,107,828	4,105,066	4,105,294	4,017,668	12,658,423
Equipment Replacement Fund	381,923	381,923	381,923	-	-
<b>Total Transfers Out</b>	<b>4,594,720</b>	<b>4,595,735</b>	<b>4,608,695</b>	<b>4,105,723</b>	<b>12,783,986</b>
<b>Total Uses</b>	<b>\$ 74,627,739</b>	<b>\$ 70,776,070</b>	<b>\$ 114,189,168</b>	<b>\$ 106,770,835</b>	<b>\$ 231,344,231</b>
<b>Ending fund Balance June 30,</b>	<b>\$ 20,767,220</b>	<b>\$ 28,958,149</b>	<b>\$ (22,630,530)</b>	<b>\$ 161,655,109</b>	<b>\$ 23,152,328</b>
Target Fund Reserve				22%	\$ 16,447,958
Budget Stabilization Reserve				3%	\$ 2,467,194
Remaining Fund Balance					\$ 4,237,176

- Under Sources there is a line item, Arizona Legislative Voter Approved Local Revenues Reduction, that is a \$4.2 million reduction
  - These are special revenues that need to be spent in a very specific way
  - The City is projecting that in order to get back to a FY2020 level, perhaps a bit higher, there will be enough revenue by 2021
- Highway User Revenue Fund (HURF)
    - The unassigned fund balance at the end of the year, if all goes as planned, is about \$1.7 million remaining in the HURF fund

HIGHWAY USERS REVENUE FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
Unassigned Fund Balance July 1,	\$ 5,795,439	\$ 6,321,925	\$ 5,221,619	\$ 5,113,820	\$ 4,165,876
Sources:					
Estimated Revenues	8,543,931	8,806,178	7,148,430	8,642,592	8,330,200
Total Sources	\$ 8,543,931	\$ 8,806,178	\$ 7,148,430	\$ 8,642,592	\$ 8,330,200
Uses:					
Expenditures					
Personnel	2,602,970	2,589,309	2,924,786	2,722,751	3,137,201
Operating	3,983,036	4,401,589	6,567,850	6,161,894	6,167,359
Capital Outlay	13,714	10,078	465,859	415,600	343,100
Capital Improvements	1,289,329	2,884,673	299,864	173,599	1,000,000
Total Expenditures	7,889,049	9,885,649	10,258,359	9,473,844	10,647,660
Transfers Out:					
Debt Service Fund	116,604	116,842	116,863	116,692	116,677
Equipment Replacement Fund	11,792	11,792	11,792	-	-
Total Transfers Out	128,396	128,634	128,655	116,692	116,677
Total Uses	\$ 8,017,445	\$ 10,014,283	\$ 10,387,014	\$ 9,590,536	\$ 10,764,337
Unassigned Fund Balance June 30,	\$ 6,321,925	\$ 5,113,820	\$ 1,983,035	\$ 4,165,876	\$ 1,731,740

- City Road Tax Fund
  - There is an unassigned fund balance of about \$3.7 million at the end of the next fiscal year.

CITY ROAD TAX FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
Unassigned Fund Balance July 1,	\$ 12,834,597	\$ 6,522,073	\$ 6,071,894	\$ 6,104,089	\$ 9,501,523
Sources:					
Estimated Revenues	11,761,153	13,050,314	11,163,048	13,377,223	13,910,956
Capital Lease Issuance	168,585	82,250	-	-	-
Total Sources	\$ 11,929,738	\$ 13,132,564	\$ 11,163,048	\$ 13,377,223	\$ 13,910,956
Uses:					
Expenditures					
Personnel	1,810,500	1,993,240	1,850,868	1,578,187	2,209,436
Operating	1,820,985	1,145,656	1,681,026	1,555,419	1,772,841
Capital Outlay	393,389	93,561	-	-	61,500
Capital Improvements	9,674,703	5,772,994	4,696,500	2,307,579	11,056,000
Debt Service	33,717	43,256	52,717	61,217	19,000
Total Expenditures	13,733,294	9,048,708	8,281,111	5,502,402	15,118,777
Transfers Out:					
Debt Service Fund	4,497,179	4,490,048	4,492,908	4,477,387	4,454,885
Improvement Districts	-	-	-	-	106,410
Equipment Replacement Fund	11,792	11,792	11,792	-	-
Total Transfers Out	4,508,971	4,501,840	4,504,700	4,477,387	4,561,295
Total Uses	\$ 18,242,265	\$ 13,550,548	\$ 12,785,811	\$ 9,979,789	\$ 19,680,072
Unassigned Fund Balance June 30,	\$ 6,522,070	\$ 6,104,089	\$ 4,449,131	\$ 9,501,523	\$ 3,732,408



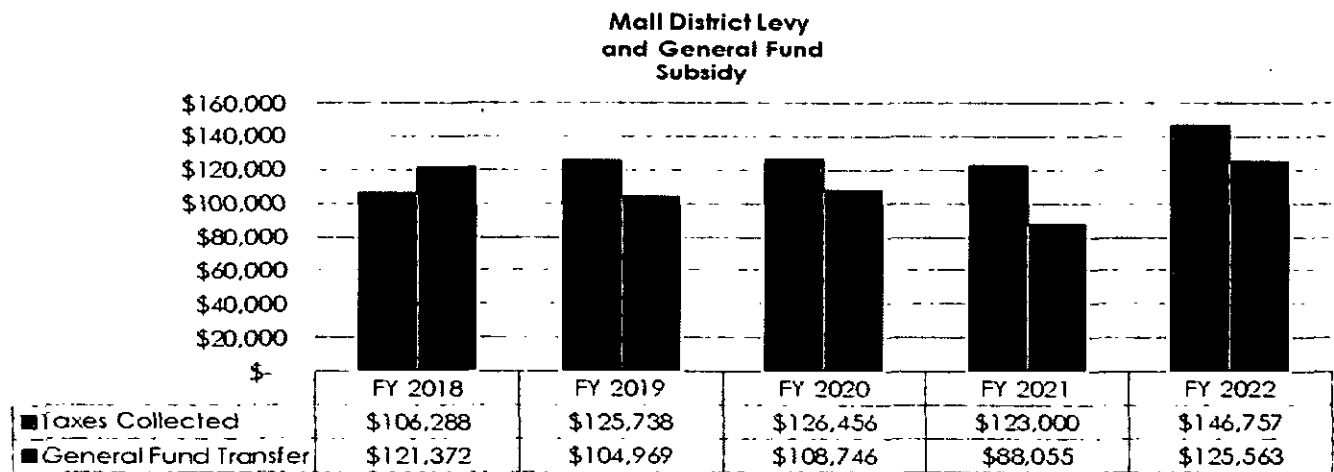
- The Public Safety Tax Revenue specifically for police and fire expenditures is expecting to increase again next year
  - If revenues come in as projected, it will bring the City \$3.29 million at the end of next year

PUBLIC SAFETY TAX FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
Unassigned Fund Balance July 1,	\$ 3,240,560	\$ 3,750,592	\$ 3,778,721	\$ 2,654,340	\$ 3,464,970
Sources:					
Estimated Revenues	4,664,252	4,935,356	4,368,850	5,325,000	5,518,000
Capital Lease Issuance	674,341	248,411	-	-	-
Total Sources	\$ 5,338,593	\$ 5,183,767	\$ 4,368,850	\$ 5,325,000	\$ 5,518,000
Uses:					
Expenditures					
Personnel	-	-	-	-	-
Operating	1,927,840	1,850,856	2,043,250	2,030,347	3,337,341
Capital Outlay	1,525,430	917,915	478,773	516,055	629,361
Capital Improvements	146,360	2,257,989	751,000	417,252	445,000
Debt Service	282,273	304,671	597,841	603,345	327,956
Total Expenditures	3,881,903	5,331,431	3,870,864	3,566,999	4,739,658
Transfers Out:					
Debt Service Fund	946,658	948,588	948,760	947,371	947,244
Total Transfers Out	946,658	948,588	948,760	947,371	947,244
Total Uses	\$ 4,828,561	\$ 6,280,019	\$ 4,819,624	\$ 4,514,370	\$ 5,686,902
Unassigned Fund Balance June 30,	\$ 3,750,592	\$ 2,654,340	\$ 3,327,948	\$ 3,464,970	\$ 3,296,068

- Two Percent Tax Fund
  - The 2% tax fund is the Hospitality Tax for bars, hotels and restaurants
    - The Hospitality Tax is set to expire in 2024
  - The 2% Tax fund requires expenditure of \$600,000 to the historic Yuma Crossing area (Heritage Area) located within the city limits; and \$400,000 to conventions and tourism

TWO PERCENT TAX FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
Unassigned Fund Balance July 1,	2,427,714	1,475,660	1,454,199	773,883	1,085,232
Sources:					
Estimated Revenues	6,817,042	6,641,047	5,385,527	6,380,675	6,944,300
Capital Lease Issuance	168,585	68,942	-	-	-
Total Sources	6,985,627	6,709,989	5,385,527	6,380,675	6,944,300
Uses:					
Expenditures					
Personnel	3,043,556	2,994,526	2,667,608	2,113,843	2,775,834
Operating	3,536,849	3,243,130	2,667,657	2,851,970	3,271,310
Capital Outlay	229,053	171,619	103,885	78,030	41,629
Capital Improvements	-	-	75,000	9,300	367,300
Debt Service	33,717	43,895	33,717	58,217	-
Total Expenditures	6,843,175	6,453,170	5,547,867	5,111,360	6,456,073
Transfers Out:					
Debt Service Fund	569,508	571,097	571,302	570,467	1,125,457
Desert Hills Golf Course Fund	250,000	250,000	250,000	250,000	400,000
Equipment Replacement Fund	274,998	137,499	137,499	137,499	-
Total Transfers Out	1,094,506	958,596	958,801	957,966	1,525,457
Total Uses	7,937,681	7,411,766	6,506,668	6,069,326	7,981,530
Unassigned Fund Balance June 30,	1,475,660	773,883	333,058	1,085,232	48,003

- Mall Maintenance Fund
  - Accounts for the collection and expenditure of a special property tax levied on properties located in the downtown mall
  - The district maintains the common areas of the downtown mall



- The plan failed to retain the larger retail outlets that eventually did move south in the City and the downtown area declined
- General Fund support has ranged from 41.7% to 53.3% annually over the last five years

MALL MAINTENANCE FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
Unassigned Fund Balance July 1,	\$ -	\$ -	\$ -	\$ -	\$ -
Sources:					
Estimated Revenues	125,738	126,456	117,500	123,000	146,757
Transfers In:					
General Fund	104,969	108,746	121,478	88,055	125,563
Total Transfers In	104,969	108,746	121,478	88,055	125,563
Total Sources	\$ 230,707	\$ 235,202	\$ 238,978	\$ 211,055	\$ 272,320
Uses:					
Expenditures					
Personnel	104,556	115,785	105,556	106,200	117,589
Operating	126,152	119,417	117,594	104,855	142,044
Debt Service	-	-	-	-	5,292
Capital Outlay	-	-	15,828	-	7,395
Total Expenditures	230,707	235,202	238,978	211,055	272,320
Total Uses	\$ 230,707	\$ 235,202	\$ 238,978	\$ 211,055	\$ 272,320
Unassigned Fund Balance June 30,	\$ -	\$ -	\$ -	\$ -	\$ -

- Maintenance Improvement Districts (MIDs)
  - FY 2022 will be the first year that residents will be assessed through a property tax to assist in the payment of the maintenance that the City Public Works Department provides in the right of ways and streetscape
  - The fund chart below shows that expenditures started accruing in FY 2021

Maintenance Improvement District	Proposed MID Property Tax Rate for FY 2022	Projected Revenues FY 2022	Proposed Expenditures FY 2022	City Road Fund Transfer	Cost per \$100,000 of Assessed Value
Driftwood Ranch	\$ 1.1209	\$ 14,000	\$ 14,000	\$ -	\$112.09
Livingston Ranch #2	1.1107	6,600	18,656	12,056	111.07
Saguaro # 3 & 4	0.8050	14,000	14,000	-	80.50
Park West # 4 & 5	1.1056	13,400	13,400	-	110.56
Desert Sky #1	1.1033	21,800	21,800	-	110.33
Araby North	-	-	13,137	13,137	N/A
Autumn Valley	-	-	14,000	14,000	N/A
Desert Sands	-	-	14,000	14,000	N/A
La Estancia	-	-	14,000	14,000	N/A
Terra Bella 2 - 5	-	-	14,000	14,000	N/A
Villa Serena	-	-	18,807	18,807	N/A
Carryover cost FY 2021	-	-	-	6,410	N/A
<b>Totals</b>		<b>\$ 69,800</b>	<b>\$ 169,800</b>	<b>\$ 106,410</b>	

- Debt Service Funds

- Debt Service Funds are used to account for payment of principal and interest on bonded debt paid from governmental fund resources
- Goal is to keep the balance of the balance as low as possible

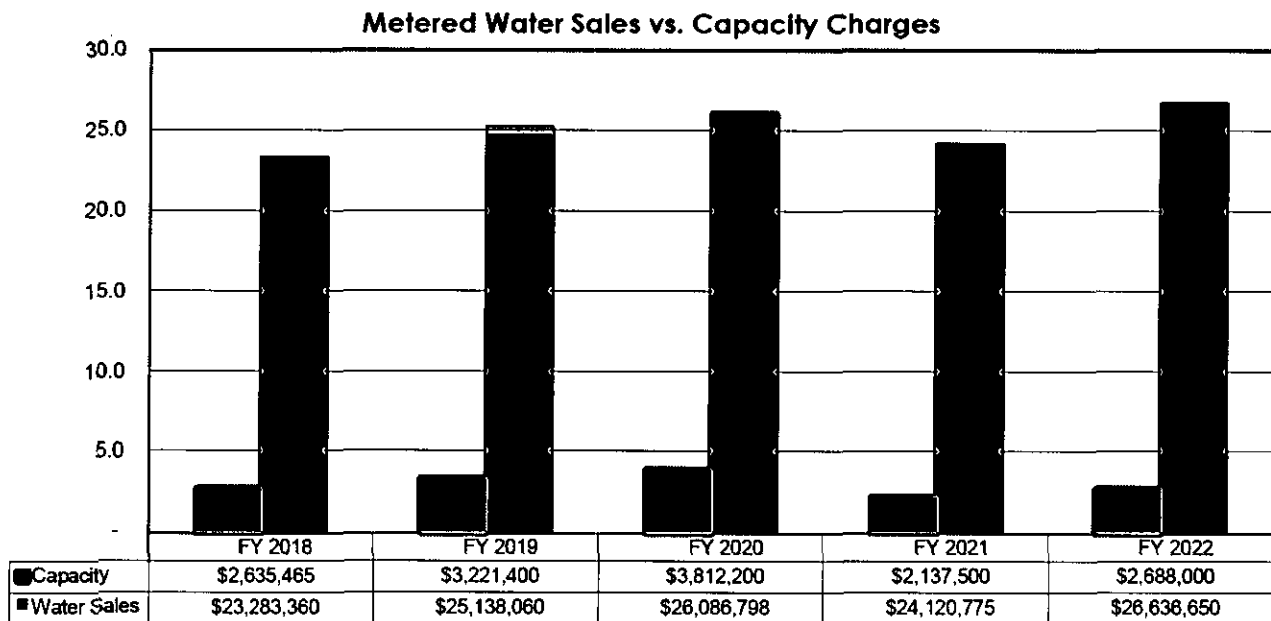
DEBT SERVICE FUNDS	Actual FY 2019	Actual FY 2020	ADJ Budget FY 2021	Estimate FY 2021	Budget FY 2022
Unassigned Fund Balance July 1,	\$ 2,680	\$ 1,039	\$ 3,827	\$ 1,048	\$ (3,001)
Sources:					
Estimated Revenues	10,302	5,199	-	-	-
Bond Proceeds					
Transfers In:					
General Fund	4,107,828	4,105,066	4,105,294	4,017,668	12,658,423
Desert Hills Golf Course Fund	2,099	2,103	2,104	2,100	2,100
Highway Users Revenue Fund	116,604	116,842	116,863	116,692	116,677
Road Tax Fund	4,497,179	4,490,048	4,492,908	4,477,387	4,454,885
Solid Waste Fund	165,034	165,370	165,400	165,158	165,136
Capital Projects Fund	555,252	555,955	555,955	555,141	-
Water Fund	59,546	59,667	59,678	59,591	59,583
Wastewater Fund	65,920	66,055	66,067	65,970	65,961
Two Percent Fund	569,508	571,097	571,302	570,467	1,125,457
Public Safety Tax	946,658	948,588	948,760	947,371	947,244
Total Transfers In	11,085,628	11,080,791	11,084,331	10,977,544	19,595,466
<b>Total Sources</b>	<b>\$ 11,095,930</b>	<b>\$ 11,085,990</b>	<b>\$ 11,084,331</b>	<b>\$ 10,977,544</b>	<b>\$ 19,595,466</b>
Uses:					
Expenditures					
Debt Service	11,095,231	11,085,981	11,069,931	10,981,593	19,595,466
<b>Total Uses</b>	<b>\$ 11,095,231</b>	<b>\$ 11,085,981</b>	<b>\$ 11,069,931</b>	<b>\$ 10,981,593</b>	<b>\$ 19,595,466</b>
Unassigned Fund Balance June 30,	\$ 3,379	\$ 1,048	\$ 18,227	\$ (3,001)	\$ (3,001)

- Capital Projects Fund

- The Capital Projects Fund accounts for the expenditures related to governmental capital improvement projects for which no operational governmental funds exist

CAPITAL PROJECTS FUND	Actual FY 2019	Actual FY 2020	ADJ Budget FY 2021	Estimate FY 2021	Budget FY 2022
Unassigned Fund Balance July 1,	\$ 16,488,464	\$ 11,325,792	\$ 8,847,288	\$ 9,806,284	\$ 10,617,052
Sources:					
Estimated Revenues	1,616,861	1,531,890	1,347,467	2,061,120	2,019,120
Total Sources	\$ 1,616,861	\$ 1,531,890	\$ 1,347,467	\$ 2,061,120	\$ 2,019,120
Uses:					
Expenditures					
Debt Service					
Capital Improvements	6,224,274	2,495,443	1,123,000	695,211	6,084,000
Transfers Out:					
Debt Service Fund	555,252	555,955	555,955	555,141	-
Total Transfers Out	555,252	555,955	555,955	555,141	-
Total Uses	\$ 6,779,526	\$ 3,051,398	\$ 1,678,955	\$ 1,250,352	\$ 6,084,000
Unassigned Fund Balance June 30,	\$ 11,325,799	\$ 9,806,284	\$ 8,515,800	\$ 10,617,052	\$ 6,552,172

- Enterprise Funds
  - Funds to be used not for the purpose of making profit
- Water Fund
  - The Water Fund records the financial activity of the City's water treatment and distribution system
  - The following chart provides five years of metered water sales versus capacity charges, including FY 2022 projections



- Revenues for FY 2022 are projected based on recent historical growth in new customers combined with increased consumption
- Revenues for FY 2022 are projected based on recent historical growth in new customers combined with increased consumption, in all the City would like to keep the fund of \$24.9 million intact as much as long as possible

REGULAR CITY COUNCIL MEETING MINUTES  
MAY 19, 2021

WATER FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
Unrestricted Fund Balance July 1,	\$ 21,839,371	\$ 28,315,301	\$ 29,545,015	\$ 33,384,394	\$ 33,387,848
Sources:					
Estimated Revenues	26,328,439	26,256,787	24,120,775	25,398,500	26,636,650
Total Sources	\$ 26,328,439	\$ 26,256,787	\$ 24,120,775	\$ 25,398,500	\$ 26,636,650
Uses:					
Expenditures					
Personnel	5,762,931	5,866,387	5,832,617	5,408,574	6,523,493
Operating	6,618,041	6,582,684	7,236,055	7,174,084	7,610,657
Capital Outlay	544,650	121,874	1,017,487	317,256	787,000
Debt Service	6,513,865	6,498,300	6,486,944	6,486,944	6,439,251
Capital Improvements	318,861	2,024,167	8,246,500	5,948,597	13,660,430
Total Expenditures	19,758,348	21,093,412	28,819,603	25,335,455	35,020,831
Transfers Out:					
Debt Service Fund	59,546	59,667	59,678	59,591	59,583
Water Transfer Fund	34,615	34,615	10,000	-	17,854
Total Transfers Out	94,161	94,282	69,678	59,591	77,437
Total Uses	\$ 19,852,509	\$ 21,187,694	\$ 28,889,281	\$ 25,395,046	\$ 35,098,268
Unrestricted Fund Balance June 30,	\$ 28,315,301	\$ 33,384,394	\$ 24,776,509	\$ 33,387,848	\$ 24,926,230

- Wastewater Fund

- The Utilities Department also operates the Wastewater Collection and Treatment System and accounts for them in the Wastewater Fund, this is an enterprise fund relying solely on charges to customers for funding
  - The City has a fairly robust fund balance there as well about \$21.8 million at the end of the fiscal year 2022

WASTEWATER FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
Unrestricted Fund Balance July 1,	\$ 24,243,131	\$ 25,641,272	\$ 25,051,642	\$ 29,470,050	\$ 30,194,780
Sources:					
Estimated Revenues	18,244,926	18,265,778	16,686,450	18,196,000	19,172,500
Capital Lease Issuance	91,922	91,922	-	-	-
Total Sources	\$ 18,244,926	\$ 18,265,778	\$ 16,686,450	\$ 18,196,000	\$ 19,172,500
Total Sources Available	\$ 42,488,057	\$ 43,907,050	\$ 41,738,092	\$ 47,666,050	\$ 49,367,280
Uses:					
Expenditures					
Personnel	4,425,751	4,722,678	4,808,072	4,463,513	5,279,032
Operating	5,961,132	5,991,969	6,445,539	6,267,555	6,728,632
Capital Outlay	339,806	138,968	316,350	344,844	269,152
Debt Service	2,032,931	2,038,833	2,024,894	2,048,840	2,022,768
Capital Improvements	4,021,245	1,478,498	3,923,000	4,280,548	13,124,000
Total Expenditures	16,780,865	14,370,945	17,517,855	17,405,300	27,423,584
Transfers Out:					
Debt Service Fund	65,920	66,055	66,067	65,970	65,961
Total Transfers Out	65,920	66,055	66,067	65,970	65,961
Total Uses	\$ 16,846,785	\$ 14,437,000	\$ 17,583,922	\$ 17,471,270	\$ 27,489,545
Unrestricted Fund Balance June 30,	\$ 25,641,272	\$ 29,470,050	\$ 24,154,170	\$ 30,194,780	\$ 21,877,735

- Solid Waste Fund-Trash and Recycling collection
  - There is approximately \$2.7 million fund balance at the end of 2022

SOLID WASTE FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
Unrestricted Fund Balance July 1,	\$ 1,179,616.0	\$ 1,553,686.8	\$ 1,436,279.0	\$ 2,154,572.4	\$ 2,673,556.3
Sources:					
Estimated Revenues	4,275,711	4,854,933	4,291,680	4,923,352	5,209,500
Total Sources	\$ 4,275,711	\$ 4,854,933	\$ 4,291,680	\$ 4,923,352	\$ 5,209,500
Uses:					
Expenditures					
Personnel	966,951	1,143,934	1,178,177	1,097,549	1,267,908
Operating	2,757,862	2,932,953	3,162,171	3,141,661	3,320,424
Capital Outlay	-	-	100,383	-	415,800
Total Expenditures	3,724,812	4,076,887	4,440,731	4,239,210	5,004,132
Transfers Out:					
Debt Service Fund	165,034	165,370	165,400	165,158	165,136
Equipment Replacement Fund	11,792	11,792	11,792	-	-
Total Transfers Out	176,826	177,162	177,192	165,158	165,136
Total Uses	\$ 3,901,638	\$ 4,254,049	\$ 4,617,923	\$ 4,404,368	\$ 5,169,268
Unrestricted Fund Balance June 30,	\$ 1,553,689	\$ 2,154,572	\$ 1,110,036	\$ 2,673,556	\$ 2,713,788

- Yuma Regional Communications System Fund-Dispatch and Communications
  - Self-sustaining fund
  - Supports all of public safety agencies

YUMA REGIONAL COMM. SYSTEM FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
Unassigned Fund Balance July 1,	\$ 1,734,500	\$ 2,001,260	\$ 2,149,857	\$ 2,659,281	\$ 2,244,032
Sources:					
Estimated Revenues	1,994,088	2,295,484	2,126,114	2,264,781	2,293,760
Total Sources	\$ 1,994,088	\$ 2,295,484	\$ 2,126,114	\$ 2,264,781	\$ 2,293,760
Uses:					
Expenditures					
Personnel	553,202	527,321	651,949	516,279	664,180
Operating	1,165,517	1,110,141	2,506,868	2,120,057	1,788,704
Capital Outlay	8,609	-	407	43,694	9,975
Total Expenditures	1,727,328	1,637,463	3,159,224	2,680,030	2,462,859
Total Uses	\$ 1,727,328	\$ 1,637,463	\$ 3,159,224	\$ 2,680,030	\$ 2,462,859
Unassigned Fund Balance June 30,	\$ 2,001,260	\$ 2,659,281	\$ 1,116,747	\$ 2,244,032	\$ 2,074,933

YUMA REG COMM. SYSTEM GRANT FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
Unassigned Fund Balance July 1,	\$ -	\$ -	\$ -	\$ -	\$ 384,248
Sources:					
Estimated Revenues	-	688,376	1,000,000	884,672	1,000,000
Total Sources	\$ -	\$ 688,376	\$ 1,000,000	\$ 884,672	\$ 1,000,000
Uses:					
Expenditures					
Operating	-	688,376	1,000,000	500,424	1,000,000
Total Expenditures	-	688,376	1,000,000	500,424	1,000,000
Total Uses	\$ -	\$ 688,376	\$ 1,000,000	\$ 500,424	\$ 1,000,000
Unassigned Fund Balance June 30,	\$ -	\$ -	\$ -	\$ 384,248	\$ 384,248

- Desert Hills Golf Course
  - **Rodriguez** proposed for the Desert Hills Golf Course Fund be pulled from the Enterprise Fund and be placed back into Parks and Recreation Program
    - Recommendation is made due to its difficulty ensuring any recoupment and reimbursement every year as a standalone business
  - Fund balance below show about \$2.3 million loss

DESERT HILLS GOLF COURSE FUND	Actual FY 2019	Actual FY 2020	ADJ Budget FY 2021	Estimate FY 2021	Budget FY 2022
Unrestricted Fund Balance July 1,	\$ (381,995)	\$ (688,138)	\$ (699,402)	\$ (1,121,958)	\$ (1,847,142)
Sources:					
Estimated Revenues	1,172,675	1,025,120	919,480	704,280	917,600
Transfers In:					
Two Percent Tax Fund	250,000	250,000	250,000	250,000	400,000
Total Transfers In	250,000	250,000	250,000	250,000	400,000
Total Sources	\$ 1,422,675	\$ 1,275,120	\$ 1,169,480	\$ 954,280	\$ 1,317,600
Uses:					
Expenditures					
Personnel	783,554	839,648	745,141	747,242	828,963
Operating	919,640	843,663	896,954	922,122	970,285
Capital Outlay	-	-	8,000	8,000	7,998
Total Expenditures	1,703,194	1,683,311	1,650,095	1,677,364	1,807,246
Transfers Out:					
Debt Service Fund	2,099	2,103	2,104	2,100	2,100
Equipment Replacement Fund	23,525	23,525	23,525	-	-
Total Transfers Out	25,624	25,628	25,629	2,100	2,100
Total Uses	\$ 1,728,818	\$ 1,708,939	\$ 1,675,724	\$ 1,679,464	\$ 1,809,346
Unrestricted Fund Balance June 30,	\$ (688,138)	\$ (1,121,958)	\$ (1,205,646)	\$ (1,847,142)	\$ (2,338,888)

- Equipment Maintenance Fund
  - The Equipment Maintenance Fund accounts for the operations of fleet maintenance in the city and is managed within the Public Works Department
- Insurance Reserve Fund
  - The Insurance Reserve Fund accounts for the insurance activity and risk retention of the city for liability and casualty issues
  - Casualty issues \$2.7 million fund balance

INSURANCE RESERVE FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
Unrestricted Fund Balance July 1,	\$ 3,205,513	\$ 2,605,536	\$ 3,223,607	\$ 3,266,770	\$ 3,885,217
Sources:					
Estimated Revenues	2,004,829	2,037,373	1,937,973	1,947,173	1,935,285
Total Sources	\$ 2,004,829	\$ 2,037,373	\$ 1,937,973	\$ 1,947,173	\$ 1,935,285
Uses:					
Expenditures					
Personnel	90,403	20,701	-	-	-
Operating	2,514,403	1,355,437	1,840,607	1,328,726	3,081,307
Total Expenditures	\$ 2,604,806	\$ 1,376,138	\$ 1,840,607	\$ 1,328,726	\$ 3,081,307
Total Uses	\$ 2,604,806	\$ 1,376,139	\$ 1,840,607	\$ 1,328,726	\$ 3,081,307
Unrestricted Fund Balance June 30,	\$ 2,605,536	\$ 3,266,770	\$ 3,320,973	\$ 3,885,217	\$ 2,739,195

- Workers Compensation Fund
  - The Workers Compensation Fund accounts for the workers compensation claims of its employees

WORKERS COMP FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
Unrestricted Fund Balance July 1,	\$ 3,781,608	\$ 3,876,407	\$ 4,073,534	\$ 3,966,970	\$ 4,125,570
Sources:					
Estimated Revenues	1,634,222	1,658,408	17,018	1,405,960	1,457,671
Total Sources	\$ 1,634,222	\$ 1,658,408	\$ 17,018	\$ 1,405,960	\$ 1,457,671
Uses:					
Expenditures					
Operating	1,539,423	1,567,846	1,235,360	1,247,360	1,235,360
Total Uses	\$ 1,539,423	\$ 1,567,846	\$ 1,235,360	\$ 1,247,360	\$ 1,235,360
Unrestricted Fund Balance June 30,	\$ 3,876,407	\$ 3,966,970	\$ 2,855,192	\$ 4,125,570	\$ 4,347,881

- American Rescue Plan Act (ARPA)
  - Coronavirus State and Local Fiscal Recovery Funds
    - City applied for funding on May 12, 2021, after receiving the Interim Final Rule on May 10, 2021
    - \$23.1 million was issued to the City by the Federal Government, it will be allocated in two installments:
      - ❖ First installment will be upon application approval
      - ❖ Second installment will be a year from first installment (2022)
    - Funding budgeted for expending authority
      - ❖ The General Fund shows a line item for ARPA funds, this is so that funds can be accessed for spending
      - ❖ The City will be writing a letter to the United States Treasury to request requirements for spending of such funds
- State of Arizona Flat Tax Proposal
  - Voter Approved Local Revenues are used to support ongoing operations (General Fund)
  - Cities and towns across Arizona have access to 15% of the income tax from what the State collects yearly
  - As part of the State budget, there is a flat tax proposal to lower the tax levy by no less than \$1.7 billion or no more than \$2.1 billion
  - \$4.2 million anticipated ongoing impact to the City if the proposal mentioned is approved
    - State Legislature is most likely to make a decision on the proposal in Fiscal Year 2022
    - If the \$4.2 million is taken away from the City, all of the savings that were accomplished will get wiped off when refinancing the bonds due to the \$4.2 million perpetuity
    - The Wayfair v. South Dakota decision removed sale tax break for online retail, now identical to brick and mortar
    - Rural economic growth is slower than urban growth
      - ❖ Rural Arizona is not seeing the type of growth the valley is and to evidence that we actually pulled the employment projections from the Arizona Office of Economic Opportunity as shown below only two counties (Maricopa and Pinal County) had positive growth, Greenlee County kept static and Yuma County projected negative share of the overall job growth in Arizona, even though 6400 jobs are to be added over the next eight years:



2019 - 2029 EMPLOYMENT PROJECTIONS - COUNTIES AS SHARE OF STATE							
	2019	2029	Numeric Change 2019-2029	% Change 2019-2029	2019 Empl. As % of AZ	2029 Empl. As % of AZ	Change In Share of Empl. 2019-2029
State of AZ	3,116,683	3,666,136	549,453	11.4			
Yuma Co.	73,788	80,234	6,446	8.5	2.37	2.19	0.18
Apache Co.	21,988	22,426	439	4.2	0.71	0.61	0.10
Cochise Co.	37,890	38,716	826	6.5	1.22	1.06	0.16
Coconino Co.	70,327	75,177	4,850	11.5	2.26	2.05	0.21
Gila Co.	18,305	19,593	1,288	5.6	0.59	0.53	0.06
Graham Co.	10,427	11,534	1,107	4.8	0.33	0.31	0.02
Greenlee Co.	5,692	6,612	920	8.3	0.18	0.18	0.00
La Paz Co.	6,526	7,207	681	6.1	0.21	0.20	0.01
Maricopa Co.	2,220,185	2,680,632	460,447	12.2	71.24	73.12	1.88
Mohave Co.	55,769	61,704	5,935	8.4	1.79	1.68	0.11
Navajo Co.	33,491	36,506	3,015	3.5	1.07	1.00	0.07
Pima Co.	407,056	447,456	40,400	10.7	13.06	12.21	0.85
Pinal Co.	68,637	80,912	12,275	8.2	2.20	2.21	0.01
Santa Cruz Co.	14,984	16,216	1,232	10.6	0.48	0.44	0.04
Yavapai Co.	71,872	81,155	9,283	10.4	2.31	2.21	0.10
Source: AZ Office of Economic Opportunity, Long Term Industry Projections, 2019 - 2029							

Continuing his presentation on the State of Arizona Flat Tax Proposal, **Rodriguez** stated that rural cities in Arizona are not doing as well as Maricopa County's share of employment

- Every city and town across the state is looking at an approximate 30% cut/loss of VALR revenues out of the income tax, which is significant
- Elected official opposition in Yuma County
  - Letter from the cities/town mayors and board of supervisor chair will be sent to the State with a proposed solution to increase the cities/towns percentage from 15% to 19%
- City Primary Property Tax
  - Proposal is to reduce the property tax rate as follows:
    - FY2021: \$2.3185
    - FY2022: \$2.2681
  - Also, proposal includes an increase the levy as follows:
    - FY2021: \$14,215,309
    - FY2022: \$14,808,556

#### Discussion

- Support of the Administrator's recommendation regarding the \$12 million Contingency Fund and transparency on budget presentation (**McClendon/Watts/Knight**)
- When looking at the five-year plan comparison for FY2021 and FY2022, the capacity fees, dropped in comparison to the projected revenue for those fiscal years. There are efforts to better develop the City's revenue projections through a revenue manual. (**Morris/Goodrich**)

#### **FINAL CALL**

**Deputy Mayor McClendon** 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.

#### **VII. APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING**

##### Council Appointed Positions/Committees

**Motion** (Morris/Knight): To appoint Wayne Gale to the Greater Yuma Port Authority. Voice vote: **approved 6-0.**

##### Board and Commission Appointments

**Motion** (Knight/Morris): To appoint Branden Freeman to the Planning and Zoning Commission with a term expiration of December 31, 2025. Voice vote: **approved 6-0.**

**Motion** (Watts/Knight): To appoint Keli Osborn to the Workers' Compensation Trust Board with a term expiration of December 31, 2025. Voice vote: **approved 6-0.**

##### Announcements

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

Scheduling - No future meetings were scheduled at this time.

#### **VIII. SUMMARY OF CURRENT EVENTS**

**Rodriguez** reported the following events:

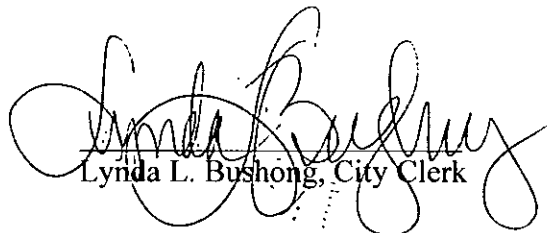
- One more day left on the traffic signal upgrade along 32<sup>nd</sup> Ave and 5 1/2E
- May 17-21 National Public Works and Emergency Medical Services week
  - Yuma Fire Department held its annual awards and recognition event May 17
- May 23-29 PACC is hosting the National Junior College Athletic Association Women's Softball Tournament

#### **IX. CALL TO THE PUBLIC**

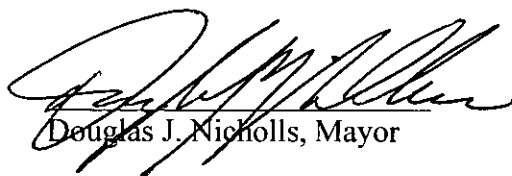
**Alex Osuna**, City resident, local artist, suggested that more programs to help the local youth be available with the purpose of getting youth involved in the arts, such as music or even sports.

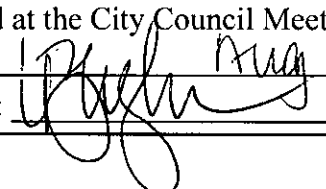
**X. EXECUTIVE SESSION/ADJOURNMENT**

There being no further business, **Deputy Mayor McClendon** adjourned the meeting at 8:14 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:  Aug 18-2021