

MINUTES
REGULAR CITY COUNCIL MEETING
CITY COUNCIL OF THE CITY OF YUMA, ARIZONA
CITY COUNCIL CHAMBERS, YUMA CITY HALL
ONE CITY PLAZA, YUMA, ARIZONA
AUGUST 4, 2021
5:30 p.m.

CALL TO ORDER

Deputy Mayor McClendon called the City Council meeting to order at 5:43 p.m.

INVOCATION/PLEDGE

Lt. Jonathan Herzog, The Salvation Army, gave the invocation. **Jeff Kramer**, Director of Engineering, led the City Council in the Pledge of Allegiance.

ROLL CALL

Councilmembers Present: Shelton, Morris, McClendon, Knight, Watts, Shoop, and Mayor Nicholls,
(Knight, Watts and Mayor Nicholls arrived at 5:55 pm)
Councilmembers Absent: None
Staffmembers Present: City Administrator, Philip A. Rodriguez
City Engineer, Jeffrey A. Kramer
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

Reading of National Purple Heart Day Proclamation

Mayor Nicholls read a proclamation declaring August 7, 2021, National Purple Heart Day. **Mayor Nicholls** encouraged the citizens of Yuma to show their appreciation for the sacrifices the Purple Heart recipients have made in defending our freedoms, to acknowledge their courage, and to show them the honor and support they have earned.

Marine Corps Air Station (MCAS)-Yuma Weapons and Tactics Instructor (WTI) Exercise

Col. Dudik and Col. Gillette presented a video for WTI 2-21; both thanked City Council and the community for the ongoing support.

Capt. Olsen, WTI Coordinator presented the following:

AST-3 Overview

- October 8th 2021 WTI students will conduct the following exercises simultaneously:
 - Non-Combatant Evacuation Operation (NEO) in Twentynine Palms, CA
 - Foreign Humanitarian Assistance (FHA) in Yuma
- The purpose is to provide WTI students with realistic training in conjunction with external government agencies that is consistent with a contingency mission they may execute in real-world operations.
 - The flight window will be from 4:00p.m.to 10:00p.m. on October 8th

- Yuma landing sites include:
 - Kiwanis Park
 - Crane Middle School
 - Yuma Regional Medical Center
 - Aux IV/Rolle
 - Arizona Western College

Safety Environment

- Aviation Safety: No ordnance will be carried on any aircraft/personnel and strict adherence to FAA Regulations
- Ground Safety: Site Commanders and Firefighting teams will be on-site at each zone to ensure the safety of all participants
- Environment: There will be minimal vehicle movement as to not damage the parks

Spectators

- Spectators are encouraged to attend event and asked to follow instructions and/or directions of local authorities and exercise personnel, for their own safety
- Role players will be in civilian clothes and wearing reflective belts

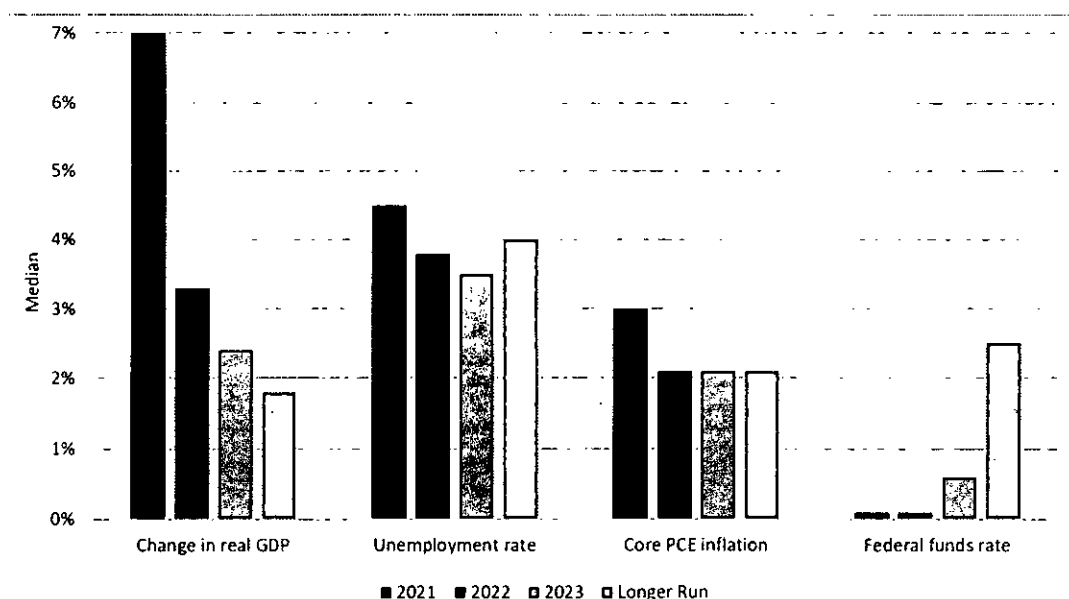
Capt. Olsen thanked City Council for their time and support.

Investment Strategy Update

Rodriguez introduced Linda Patterson, President, and Jason Headings, Senior Vice President, of Patterson & Associates, one of the City's investment management teams. **Patterson** presented on the City's investment portfolio as follows:

Patterson stated that this slide provides an overview of what is affecting the portfolio.

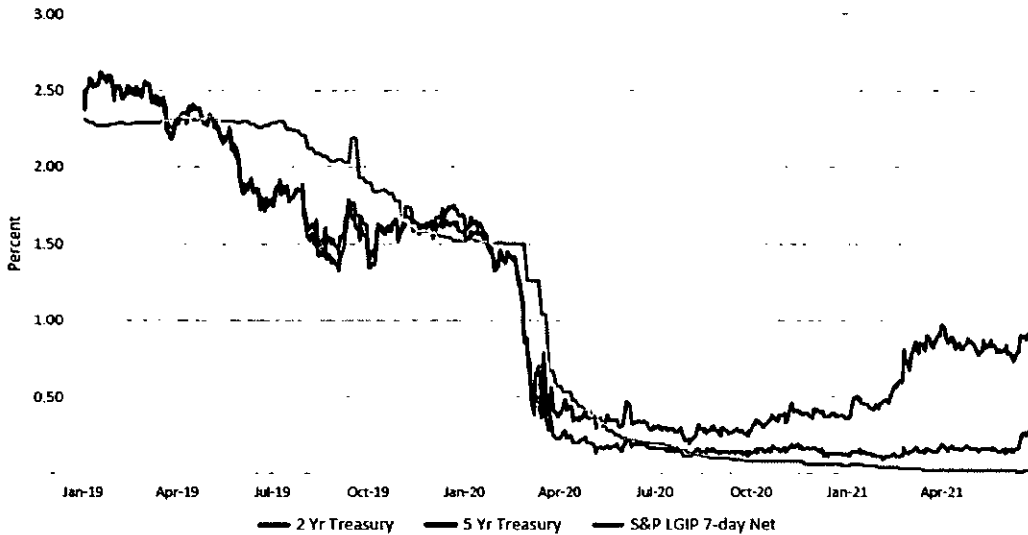
Federal Reserve Outlook:



- Change in real Gross Domestic Product (GDP):
 - The gross domestic product for the U.S. looks daunting; it looks like we are going backwards.
 - The Federal Reserve sees the GDP returning to normal after coming out of COVID
- Unemployment rate
 - The Federal Reserve watches inflation and unemployment
 - It is anticipated that the unemployment rate is going to stay where their target is, which is full employment for the United States
- Core Personal Consumption Expenditure (PCE) Inflation:
 - There is a great deal of uncertainty in the marketplace
 - There are three major things happening:
 - Federal Reserve
 - Keeping interest rates low for mortgages and business loans in an effort to get the economy started
 - COVID
 - The new Delta variant is creating questions such as what is going to happen; will businesses have to close again
 - Inflation
 - Is this a permanent situation or is this something that is transitory
 - The Federal Reserve is saying that inflation is transitory right now, not permanent
- Federal Funds Rate
 - The overnight rate that is holding liquid money down
 - Once the uncertainty of COVID is resolved, interest rates will rise again.
 - It is a great time to go out for bonds on the debt side; to use the low rates to issue debt or take out loans
 - It does hurt on the portfolio side; less interest earned

Historical Yields

LGIP rates remain anchored to Fed policy



- The green line shows money that is not invested but left totally liquid; money market fund equivalents
- Extending part of the portfolio to the blue earned a little more in the 2 year Treasury
- Extending even further to the 4-5 year Treasury earned roughly \$300,000 in interest over the past six months.
- Currently working with staff and the administrator to come up with a strategy that serves the City as best as possible

Current Total Portfolio

City of Yuma portfolio as of 06/30/2021

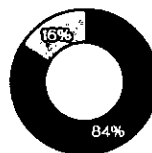
Your Portfolio Securities

\$ 63,629,871

Your Securities

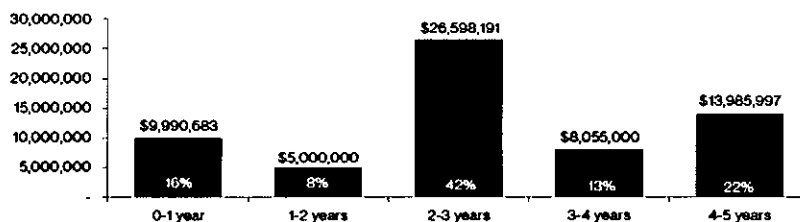
Weighted Average Maturity 2.8 years
Weighted Average Yield 0.50%
Estimated Annual Interest Income \$318,225

Your Asset Allocation



■ US Government Agencies
■ Commercial Paper

Your Maturity Distribution



- Current portfolio assets invested in securities amounts to \$63 million

- Weighted average maturity is 2.8 years; meaning the investments will be totally liquid in 2.8 years.
- The weighted average yield on the portfolio is 0.50%
- Patterson & Associates job is to help the City find the value available and to move those securities to increase the average earnings

Discussion

- This investment portfolio does not show up in the budget but rather in the annual financial report or CAFR. One of the goals is to have it correspond with the quarterly financial updates on revenues and expenditures in the format similar to the “historical yields” slide showing where those assets are sitting. **(Mayor Nicholls/Rodriguez)**
- The “Your Asset Allocation” shown in the above slide shows funds that are tied to operating funds, CIP funds, general funds, debt service etc. The “Your Maturity Distribution” graph shows how those funds are spread out over the years. 20% is kept totally liquid so the City would never be in a position where they could not meet a payroll or payables as they come up. **(Mayor Nicholls/Rodriguez/Patterson)**
- Updating the City’s investment policy will be discussed at the upcoming vision and goal-setting meeting.
- The City’s portfolio takes into account the City’s main objective of safety of the funds because they are public funds. The portfolio is made up of the very highest credit quality funds including the two major agencies Fannie Mae and Freddy Mac, which are full faith and credit of the United States Government. **(Shelton/Patterson)**
- Many variables come in to play in the decisions the Federal Reserve has to make when anticipating where the rates will go. **(Morris/Patterson)**
- Inflation rates are a set basket of goods that does not change over time. It takes years for the makeup of that basket to change. **(Mayor Nicholls/Patterson)**

With no further questions, **Mayor Nicholls** thanked Patterson for the information and discussion.

I. MOTION CONSENT AGENDA

Motion (McClendon/Knight): To approve the Motion Consent Agenda as recommended. Voice vote: **approved 7-0.**

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

Special/Joint City Council Worksession Minutes June 23, 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. Declare 87 firearms surplus and award bid for the sale of firearms to the highest responsive/responsible bidder for a total of \$16,405.00 to the following vendors: King's Firearms Online-\$6,635.00, Columbia, Tennessee; Sierra Auction-\$9,770.00, Phoenix, AZ. (RFB-21-193) (YPD/FIN)
3. Authorize the City Administrator to accept the Southwest Border Rural and Tribal Assistance Grant from the Institute of Intergovernmental Research on behalf of the Bureau of Justice Administration in an amount up to \$149,915.00. (YPD/Admin)
4. Authorize the City Administrator to declare surplus and transfer Operation Stonegarden grant-funded Mobile Data Computers (MDC's) to other law enforcement agencies in Yuma County. The receiving agencies will assume responsibility for reporting to the Arizona Department of Homeland Security regarding the transferred equipment. The approximate total value of the equipment is \$70,000.00. (YPD)
5. Approve the final plat of the Desert Sands Subdivision Unit 3. The property is located at the southeast corner of E. 45th Street and S. Avenue 8E Yuma, AZ. (P&NS)

II. RESOLUTION CONSENT AGENDA

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

Bushong displayed the following titles:

Resolution R2021-020

A resolution of the City Council of the City of Yuma, Arizona, authorizing and approving an Intergovernmental Agreement between the City of Yuma and Yuma County, Arizona, to utilize County Judicial Officers for the purposes of conducting initial appearances for the Municipal Court during weekends and City recognized holidays (IGA with Yuma County to provide a Justice Court Initial Appearance Master to preside over initial appearances for the Yuma Municipal Court on weekends and City of Yuma recognized holidays) (Muni. Court)

Resolution R2021-021

A resolution of the City Council of the City of Yuma, Arizona, ordering improvements for Municipal Improvement District No. 117, serving Desert Sands Subdivision Unit 2, to operate, maintain and repair landscaping improvements included within, near and adjacent to the retention and detention basins and parkings and parkways and related facilities together with appurtenant structures of Desert Sands Subdivision Unit 2, as more particularly described in this resolution, and declaring the landscape improvements to be of more than local or ordinary public benefit and the cost of the landscape improvements shall be assessed upon Municipal Improvement District No. 117; improvements shall be performed under Arizona Revised Statutes Title 48, Chapter 4, Article 2 (order landscape improvements for Municipal Improvement District (MID) No. 117 to serve Desert Sands Subdivision Unit 2) (DCD)

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

III. ADOPTION OF ORDINANCES CONSENT AGENDA

Mayor Nicholls declared a conflict of interest with regard to Ordinance O2021-028, turned the meeting over to Deputy Mayor McClendon, and left the dais.

Ordinance O2021-028 – Rezoning of Property: Northwest Corner of Avenue A and 11th Street (rezone approximately 3.13 acres from the Light Industrial (L-I) District to the Medium Density Residential (R-2) District) (PNS)

Hearing no questions from City Council, **Deputy Mayor McClendon** called for a motion.

Motion (Knight/Shelton): To adopt the Ordinance O2021-028 as presented.

Bushong displayed the following title:

Ordinance O2021-028

An ordinance of the City Council of the City of Yuma, Arizona, amending Chapter 154 of the Yuma City Code, rezoning certain property located in the Light Industrial (L-I) District to the Medium Density Residential (R-2) District, and amending the zoning map to conform with the rezoning (approximately 3.13 acres located at the northwest corner of Avenue A and 11th Street) (PNS)

Roll call vote: **adopted** 6-0-1. (Mayor Nicholls declared Conflict of Interest)

Mayor Nicholls returned to the dais.

Motion (Knight/McClendon): To adopt the Ordinances Consent Agenda as recommended with the exception of Ordinance O2021-028, which was addressed by a separate motion.

Bushong displayed the following title:

Ordinance O2021-012

An ordinance of the City Council of the City of Yuma, Arizona, amending Chapter 154 of the Yuma City Code, as amended, relating to zoning regulations, providing for the update to Corner Market regulations within the Infill Overlay District (expand the allowed uses for corner markets) (P&NS)

Ordinance O2021-020

An ordinance of the City Council of the City of Yuma, Arizona, amending Chapter 156 of the Yuma City Code, as amended, relating to erosion and sediment control within the city limits of the City of Yuma (to update code language to be in compliance with current requirements and processes) (Eng)

Ordinance O2021-021

An ordinance of the City Council of the City of Yuma, Arizona, amending Chapter 192 of the Yuma City Code, as amended, relating to stormwater runoff in new developments within the city limits of the City of Yuma (to update code language to be in compliance with current requirements and processes) (Eng)

Ordinance O2021-022

An ordinance of the City Council of the City of Yuma, Arizona, amending Title 19, Chapter 194 of the Yuma City Code, as amended, relating to illicit discharge detection and elimination within the city limits of the City of Yuma (to update code language to be in compliance with current requirements and processes) (Eng)

Ordinance O2021-023

An ordinance of the City Council of the City of Yuma, Arizona, amending, Title 21, Chapter 211 of the Yuma City Code, as amended, relating to traffic rules within the city limits of the City of Yuma (to update traffic control standards to current references and other minor editorial updates) (Eng)

Ordinance O2021-024

An ordinance of the City Council of the City of Yuma, Arizona, amending Title 21, Chapter 213 of the Yuma City Code, as amended, relating to bicycles, electric bicycles, electric scooters, electric miniature scooters, electric skateboards, motorized skateboards, motorized play vehicles and similar devices within the city limits of the City of Yuma (to remove inconsistencies and outdated processes) (City Atty)

Ordinance O2021-025

An ordinance of the City Council of the City of Yuma, Arizona, authorizing the City of Yuma to obtain a utility easement on private real property, hereafter described, from Yuma RV & Boat Storage, LLC, for the reason that such easement is required for the operation and maintenance of a public sewer line in Lot 1 of the Yuma RV & Boat Storage Lot Tie/Lot Split Plat (approve the acquisition of an easement for public sewer facilities) (Eng)

Ordinance O2021-026

An ordinance of the City Council of the City of Yuma, Arizona, accepting an easement over the described real property and authorizing and directing the execution of all necessary documents for transfer thereof (for the purpose of a dedicated pickup/drop-off lane and a multiuse pathway being constructed as part of a roadway improvement project along the west side of Avenue 10E south of 28th St.) (Eng)

Ordinance O2021-027

An ordinance of the City Council of the City of Yuma, Arizona, amending Chapter 154 of the Yuma City Code, rezoning certain property located in the Low Density Residential/Infill Overlay (R-1-6/IO) District to the General Commercial/Infill Overlay (B-2/IO) District and amending the zoning map to conform with the rezoning (approximately 8,364 sq. ft. for the property located at 1639 S. 6th Avenue) (P&NS)

Roll call vote: **adopted 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.

IV. APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING

Appointments

Motion (Shoop/McClendon): To appoint Douglas Allen as Finance Director, pursuant to the Yuma City Charter Article 6, Section 3 (d). Voice vote: **approved 7-0**.

Announcements

Knight, Watts, McClendon, Shoop, Morris and Mayor Nicholls 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.

V. SUMMARY OF CURRENT EVENTS

Rodriguez deviated briefly to clarify that the investment presentation given this evening represents about 30% of the City's investment cash. There will be opportunity to discuss ways that we can retire debt in the future.

Rodriguez congratulated City Clerk Lynda Bushong for receiving the President's Award of Distinction by the Arizona Municipal Clerk's Association on behalf of the entire state for her ongoing commitment and service to her profession.

Rodriguez reported the following events:

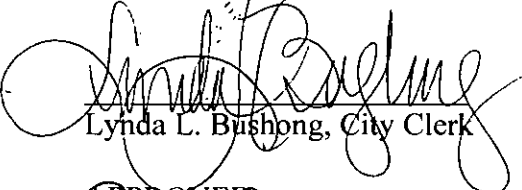
- August 5 – Yuma Union High School kick off first day of school session

Rodriguez welcomed back Yuma Fire Department personnel who were out fighting the wildfires in California

VI. CALL TO THE PUBLIC - No speakers at this time

VII. EXECUTIVE SESSION/ADJOURNMENT

Motion (Knight/Watts): To adjourn the meeting to Executive Session. Voice vote: **approved 7-0**. The meeting adjourned at 7:00 p.m.


Lynda L. Bushong, City Clerk

APPROVED:


Douglas J. Nicholls, Mayor

On Behalf of

Approved at the City Council Meeting of:
October 6th 2021
City Clerk: 