

MINUTES
REGULAR CITY COUNCIL WORKSESSION
 CITY COUNCIL OF THE CITY OF YUMA, ARIZONA
 CITY COUNCIL CHAMBERS - YUMA CITY HALL
 ONE CITY PLAZA, YUMA, ARIZONA
May 14, 2024
5:30 p.m.

CALL TO ORDER

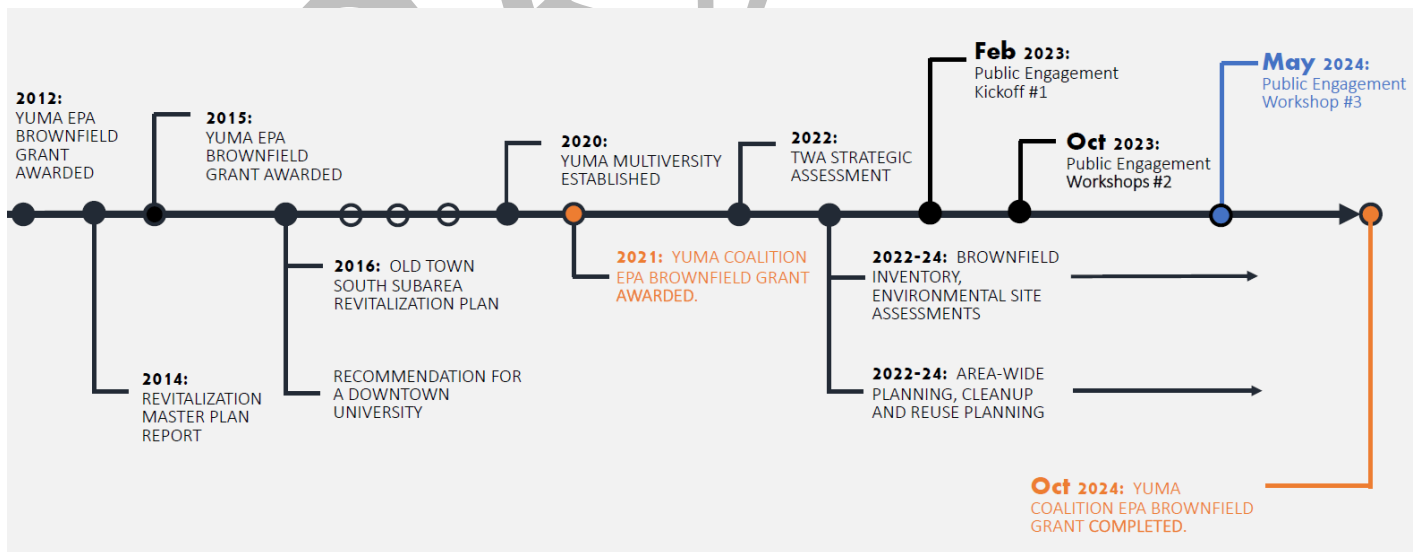
Mayor Nicholls called the Regular City Council Worksession to order at 5:40 p.m.

Councilmembers Present: Morales, Smith, Morris, Shoop, Shelton (telephonic), and Mayor Nicholls
 Councilmembers Absent: Knight (passed away 4/14/2024 – seat vacant)
 Staffmembers Present: Deputy City Administrator, Jenn Reichelt
 CIP Project Manager, Gibran Becerra
 Director of Finance, Douglas Allen
 Director of Parks and Recreation, Eric Urfer
 Director of Engineering, David Wostenberg
 Various department heads or their representatives
 City Attorney, Richard W. Files
 City Clerk, Lynda L. Bushong

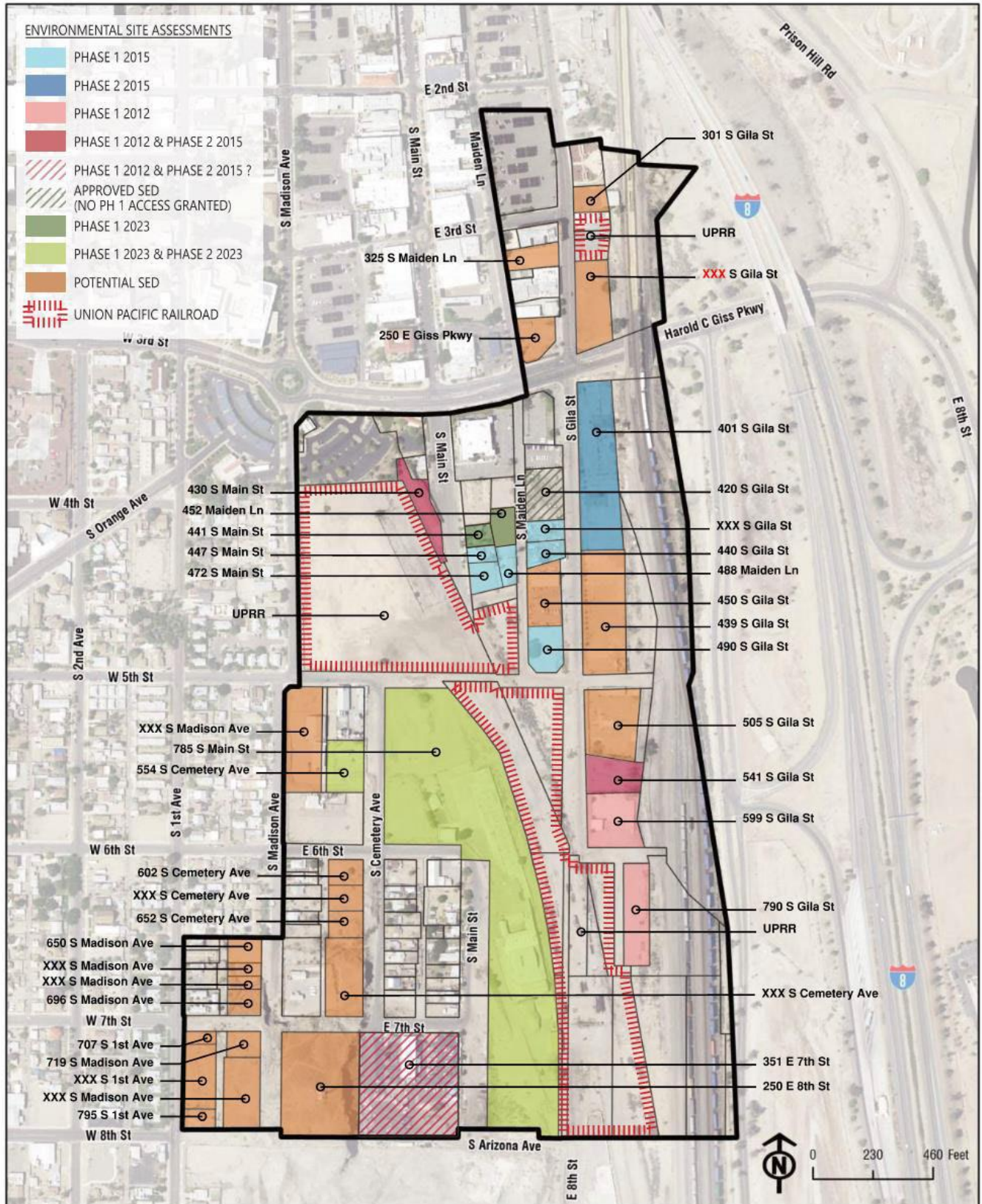
I. YUMA BROWNFIELDS COALITION ASSESSMENT GRANT – “BROWNFIELDS TO INNOVATION DISTRICT”

Becerra introduced **Craig Stoffel**, Landscape Architect and Project Manager with Ayres Associates, and **Jerry Cabrera**, President and CEO of Elevate Southwest, who provided the following results and recommendations for the Brownfields to Innovation District project:

- Timeline



- Elevate Southwest (ESW) – Formerly Yuma Multiversity
 - Mission: ESW strives to foster an advanced regional workforce that meets the needs of current and future employers through a regional process of collaboration and partnerships to elevate and advance post-secondary and higher education access and attainment in the Greater Yuma Region
- The Big Idea
 - **Support** Greater Yuma Region into a hub of excellence, fostering high-tech, sustainable innovation, and nurturing growth
 - **Establish** an integrated, region-wide entrepreneurship and incubator program, empowering visionary entrepreneurs to realize their dreams
 - **Shape and Operationalize** the Innovation District and Hub, creating an environment where ideas flourish into transformative products and services
 - **Develop** a comprehensive strategic plan for higher education, drawing insights from educators, industry leaders, government entities, and the public
 - **Enrich** industry-specific Career and Technical Education (CTE) offerings, internships, mentorship, and certificate programs
 - **Elevate STEM** (Science, Technology, Engineering, and Mathematics) education across all levels, focusing on college-level programs
- Project Evolution
 - Yuma Brownfields Assessment Coalition 2021-2024 – City of Yuma, Yuma County, Yuma Crossing National Heritage Area (YCNHA), ESW
 - Task 1: Project Implementation & Programmatic Activities
 - Task 2: Outreach & Community Engagement
 - Task 3: Brownfield Inventory, Environmental Site Assessment, and Quality Assurance
 - Task 4: Area-Wide Planning
 - Task 5: Cleanup and Reuse Planning
 - Task 6: Reporting
 - Task 2: Outreach and Community Engagement
 - May 2022: Onsite Project Kickoff, Stakeholder Engagements
 - February 2023: Kickoff & Informational Public Engagement
 - October 2023: Public Workshops and Tacos & Tunes Booth
 - May 2024: Public Presentations
 - Task 3: Environmental Inventory, Site Assessments
 - Site Eligibility Determinations
 - Environmental Site Analysis
 - Phase I – Historical Uses, Interviews, Site Walks and Inventory
 - Phase II – Sampling and Analysis Plans
 - Task 4: Area-Wide Planning
 - Site Redevelopment Potential and Visioning
 - Led by Community Input, Best Practices, and Environmental Conditions
 - Site Redevelopment Potential and Visioning: The Fleet Shop, San Luis



- Next Steps
 - Finalize area-wide planning and Innovation District Campus Master Plan summary
 - Complete Phase II Sampling and Analysis at San Luis Fleet Shop and Yuma Old Town South
 - Clean up and reuse plans for the three Phase II properties, including the former citrus packer site
 - Compile final report and recommendations
 - Grant completion October 2024

Discussion

- Grants and public-private partnerships (P3s) are being sought for construction of the buildings; bids are expected to be sent out this calendar year (**Morales/Cabrera**)
- The Innovation Hub is the spark to create interest in building out the whole project; once the first building nears completion, discussions will begin for the next building; along the way housing, entertainment, and other necessities will be taken into consideration (**Morris/Cabrera**)
- A decent buffer was provided between the railroad and the area being built, but the architectural and engineering plans will also address the need to protect against noise and vibration (**Shoop/Stoffel**)
- The map in the presentation was specifically for the brownfields area and did not include any properties outside of that area; the Innovation District boundaries are different from those of the brownfields area (**Mayor Nicholls/Stoffel**)

II. FY 2025 BUDGET AND DISCUSSION

Allen provided information and updates on the Proposed Fiscal Year (FY) 2025 Budget as follows:

Update and Annual Processes

- Budget Calendar

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

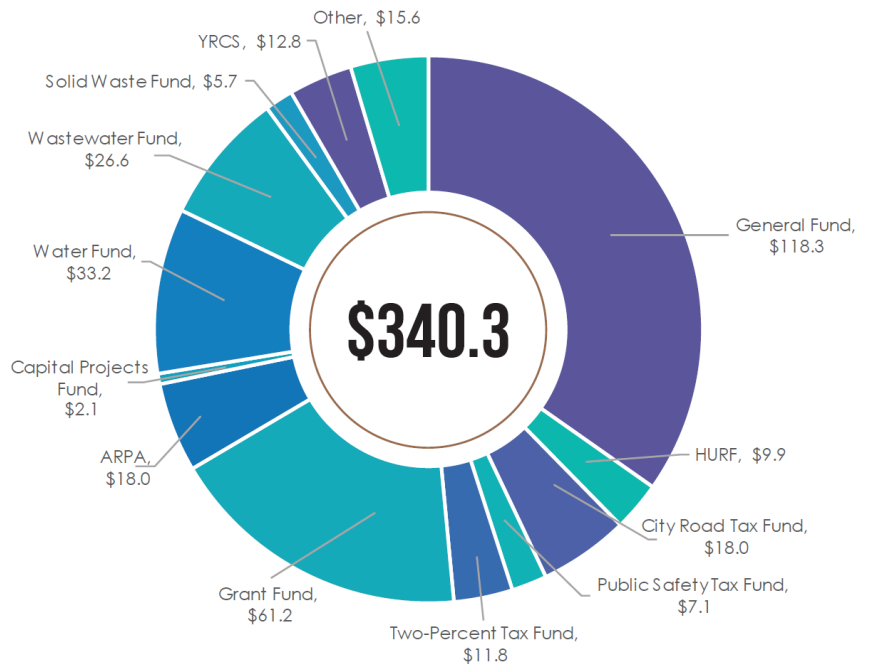
Updated: April 18, 2024

- Adoption of Budgets and Levies
 - Tentative Budget (Motion)
 - State Forms Schedules A-G
 - Published and notice of public hearing
 - Truth in Taxation (TNT), if applicable
 - Sets the maximum expenditure ceiling for FY 2025
 - Adjust among categories allowed if total not increased
 - Final Adopted Budget (Resolution)
 - State Forms Schedules A-G
 - Action after public hearing(s)
 - City Council may adjust among categories, if total not increased before final adoption
 - Property Tax Levies (Ordinance)
 - After public hearing and budget adoption
 - City Council can lower posted levies before introduction of ordinance, but cannot increase
 - Final adoption at later Regular City Council Meeting
 - Send to the County for final action third Monday in August
 - State Forms A-G
 - Proposed Budget (+/-)

FY 2025 REVENUES

\$340.3 All Funds

- \$118.3 General Fund
- \$9.9 HURF
- \$18 City Road Tax Fund
- \$7.1 Public Safety Tax Fund
- \$11.8 Two-Percent Tax Fund
- \$61.2 Grant Fund
- \$18 ARPA
- \$2.1 Capital Projects Fund
- \$33.2 Water Fund
- \$26.6 Wastewater Fund
- \$5.7 Solid Waste Fund
- \$12.8 YRCS
- \$15.6 Other

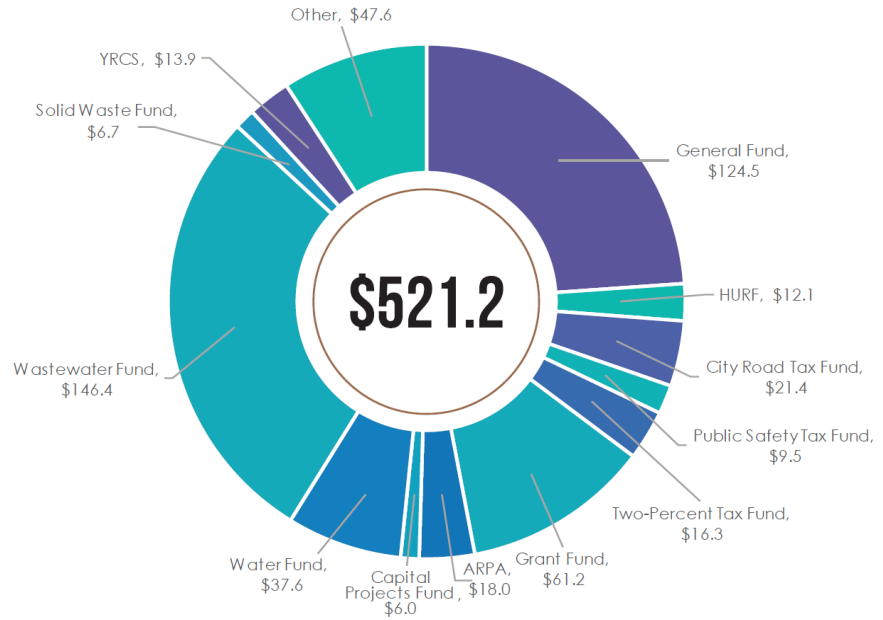


The difference between revenues and expenditures are planned uses of fund balance

FY 2025 EXPENDITURES

\$521.2 All Funds

- \$124.5 General Fund**
- \$12.1 HURF**
- \$21.4 City Road Tax Fund**
- \$9.5 Public Safety Tax Fund**
- \$16.3 Two-Percent Tax Fund**
- \$61.2 Grant Fund**
- \$18 ARPA**
- \$6 Capital Projects Fund**
- \$37.6 Water Fund**
- \$146.4 Wastewater Fund**
- \$6.7 Solid Waste Fund**
- \$13.9 YRCS**
- \$47.6 Other**



- Total Budget (Schedule A)

CITY OF YUMA, ARIZONA
SUMMARY SCHEDULE OF ESTIMATED REVENUES AND EXPENDITURES/EXPENSES
Fiscal Year 2025

Fiscal Year	Description	S c h	FUNDS							Total All Funds
			General Fund	Special Revenue Funds	Debt Service Fund	Capital Project Funds	ARPA Fund	Enterprise Funds Available	Internal Service Funds	
2024	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	107,273,080	99,891,603	21,486,656	17,974,730	20,537,035	192,038,542	13,470,596	472,672,242
2024	Actual Expenditures/Expenses**	E	89,270,813	58,272,727	21,576,656	3,268,407	2,738,937	89,332,950	9,037,835	273,498,325
2025	Fund Balance/Net Position at July 1***		35,413,503	28,449,840	2,022,937	16,862,587	-	152,069,444	31,158,238	265,976,550
2025	Primary Property Tax Levy	B	16,601,516	-	-	-	-	-	-	16,601,516
2025	Secondary Property Tax Levy	B	-	528,995	-	-	-	-	-	528,995
2025	Estimated Revenues Other than Property Taxes	C	101,559,394	107,956,330	750,000	2,088,475	18,040,898	78,328,500	14,286,100	323,009,697
2025	Other Financing Sources	D	-	-	-	-	-	-	-	-
2025	Other Financing (Uses)	D	-	-	-	-	-	-	-	-
2025	Interfund Transfers In	D	-	183,354	21,522,961	2,113,380	-	-	-	23,819,695
2025	Interfund Transfers Out	D	17,396,404	5,725,634	-	458,054	-	239,604	-	23,819,696
2025	Total Financial Resources Available		136,178,009	131,392,885	24,295,898	20,606,388	18,040,898	230,158,340	45,444,338	606,116,757
2025	Budgeted Expenditures/Expenses	E	124,484,257	121,554,302	21,522,961	15,143,000	18,040,898	204,571,299	15,850,829	521,167,546

EXPENDITURE LIMITATION COMPARISON

	2024	2025
1. Budgeted expenditures/expenses	\$ 472,821,492	\$ 521,167,546
2. Add/subtract: estimated net reconciling items	-	-
3. Budgeted expenditures/expenses adjusted for reconciling items	472,821,492	521,167,546
4. Less: estimated exclusions	325,592,436	353,809,831
5. Amount subject to the expenditure limitation	147,229,056	\$ 167,357,715
6. EEC expenditure limitation	\$ 160,820,335	\$ 168,185,019

* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

■ Tax Rates and Levies (Schedule B)

CITY OF YUMA, ARIZONA
TAX LEVY AND TAX RATE INFORMATION
Fiscal Year 2025

	2024	2025
1. Maximum Allowable Primary Property Tax Levy. A.R.S. 42-17051(A)	\$ 15,725,831	\$ 16,601,516
2. Amount Received from Primary Property Taxation in the 2022-2023 Fiscal Year in Excess of the Sum of that Year's Maximum Allowable Primary Property Tax Levy. A.R.S. 42-17102(A)(18).		
3. Property Tax Levy Amounts		
A. Primary Property Taxes	\$ 15,725,831	\$ 16,601,516
B. Secondary Property Taxes (City-wide)	-	-
C. Special Assessment Districts		
(1) Downtown Mall District	151,704	156,109
(2) Park West Units 4 and 5	24,812	27,551
(3) Cielo Verde Unit Three Phases 1 and 2	16,742	19,118
(4) Desert Sky Unit 1	63,519	73,262
(5) Saguaro Units 3 and 4	31,075	23,724
(6) Driftwood Ranch Units 1 and 2	24,837	22,516
(7) Livingston Ranch Unit No. 2	30,664	38,681
(8) Desert Sands Unit No. 1	34,768	36,506
(9) Villa Serena Unit No. 1	6,563	11,062
(10) Araby North Subdivision	5,417	6,399
(11) Autumn Valley Subdivision	2,519	3,112
(12) La Estancia Subdivision	49,081	58,070
(13) Cielo Verde Units 2B, 4 and 6	-	-
(14) Desert Sands Unit No. 2	-	-
(15) Desert Sands Unit No. 3	-	-
(16) Santana Sub Units 1-4	-	-
	20,773	38,246
	462,474	528,995
	\$ 16,188,305	\$ 17,130,511

CITY OF YUMA, ARIZONA
TAX LEVY AND TAX RATE INFORMATION
Fiscal Year 2025

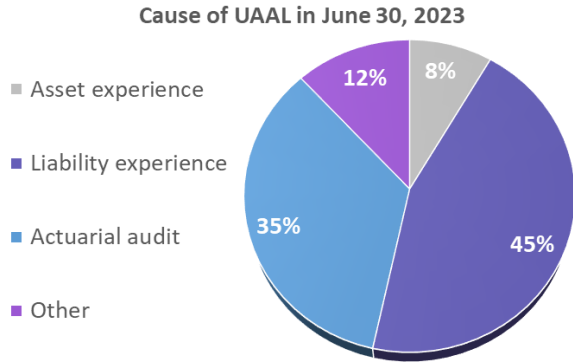
	2024	2025
5. Property Tax Rates		
A. City of Yuma Tax Rate		
(1) Primary Property Tax Rate**	\$ 2.1321	\$ 2.1526
(2) Secondary Property Tax Rate	-	-
(3) Total City of Yuma Tax Rate	2.1321	2.1526
B. Special Assessment Districts		
(1) Downtown Mall District	4.2500	4.2750
(2) Park West Units 4 and 5	0.7000	0.7000
(3) Cielo Verde Unit Three Phases 1 and 2	1.2245	1.2245
(4) Desert Sky Unit 1	1.6000	1.6000
(5) Saguaro Units 3 and 4	0.8000	0.5000
(6) Driftwood Ranch Units 1 and 2	0.7240	0.5000
(7) Livingston Ranch Unit No. 2	1.6000	1.6000
(8) Desert Sands Unit No. 1	1.6000	1.6000
(9) Villa Serena Unit No. 1	1.6000	1.8000
(10) Araby North Subdivision	1.6000	1.8000
(11) Autumn Valley Subdivision	1.6000	1.8000
(12) La Estancia Subdivision	1.6000	1.8000
(13) Cielo Verde Units 2B, 4 and 6	-	-
(14) Desert Sands Unit No. 2	-	-
(15) Desert Sands Unit No. 3	-	-
(16) Santana Sub Units 1-4	-	-
(17) Total Special Assessment Districts Tax Rates	1.6000	1.8000
D. Total Property Tax Rates	\$ 22.6306	\$ 23.1521

*Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

■ Next Steps

- May 14: Forms A-G represents the Proposed Budget as presented April 30
- May 14 and 15: Changes can be made before the Tentative Budget is adopted
- May 15: City Council's adopted Tentative Budget FY 2025 sets the ceiling
- June 5: Public hearing on the budget, tax levies, TNT if applicable
- June 5: After public hearings, City Council can make changes among categories, but total expenditures of Tentative Budget cannot be exceeded
- June 5: City Council adopts Final Budget FY 2025
 - Adopting Tentative or Final Budget does not set the property tax levy, which will take place on June 26
- Other Annual Resolutions
 - Public Safety Personnel Retirement System (PSPRS) Funding Policy for FY 2025
 - Arizona Revised Statutes (A.R.S.) § 38-863.01 requires a PSPRS Funding Policy to be adopted annually
 - In addition to paying the mandated estimated PSPRS Unfunded Actuarial Accrued Liability (UAAL) contribution rate, the City has:
 - Fully paid the estimated PSPRS UAAL in FY 2022
 - Established a PSPRS reserve to maintain a high funded ratio
 - June 26 Resolution (Consideration)
 - Continue using standard template provided by the Arizona League of Cities and Towns
 - Continue to amortize the UAAL contribution rate over the maximum years to not overcommit and allow for flexibility in the event of an economic downturn and resurgence of UAAL

- Include City Council’s prior actions that fully funded the PSPRS UAAL in July of 2022 and commitment to resolve the current estimated UAAL with the next actuarial report for June 30, 2024
- Recommended addition for the FY 2025 Funding Policy
 - Change in Conditions
 - Due to a change in several actuarial conditions in the Actuarial Valuation year ended June 30, 2023, the City’s funding ratio has eroded



Actuarial Valuation as of,	Funded Ratio		UAAL (Asset)
	Police	Fire	
June 30 , 2023	96.8%	95.9%	\$ 9,613,462
June 30 , 2022	100.1%	100.1%	(261,321)
June 30 , 2021	60.1%	58.5%	96,963,018
June 30 , 2020	43.6%	41.2%	132,247,364
June 30 , 2019	44.2%	41.4%	123,241,689

- Continued Commitment
 - City Administration will provide options for City Council consideration when the June 30, 2024, Actuarial Valuation is available in the third or fourth quarter of FY 2025
 - Budget authority to pay the UAAL is in FY 2025 and can be executed if that is City Council’s chosen action
 - The funding source will most likely need to be exempt from the expenditure limitation unless sufficient expenditure limitation capacity is available in the third or fourth quarter of FY 2025
- Annual Designation of the City’s Chief Fiscal Officer (CFO) for the Annual Expenditure Limitation Report (AELR)
 - A.R.S. § 41-1279.07(E) states “[t]he governing body of each political subdivision shall provide to the auditor general by July 31 each year the name of the chief fiscal officer designated by the governing body of the political subdivision to officially submit the current fiscal year's expenditure limitation report on behalf of the governing body. The governing body of the political subdivision shall notify the auditor general of any changes of individuals designated to file the required reports. The designated chief fiscal officer shall certify to the accuracy of the annual expenditure limitation report.”
 - June 26 Resolution (Consideration)
 - Designate the City’s Finance Director as the CFO for the purpose of submitting the AELR for FY 2025
 - This includes certifying accuracy and facilitating its preparation, audit, and filing
 - If there are changes in this designation, the Auditor General’s Office will need to be notified

- The Auditor General’s Office:
 - Recommends the designation of Chief Fiscal Officer be made by the governing body of each county, city, town and community college district on an annual basis
 - Provides a required resolution template to designate the Chief Fiscal Officer by governing body that must be uploaded via the Auditor General’s website
 - Specifies that the Chief Fiscal Officer designation is received by the Auditor General’s office by July 31st each year
 - Instructs that if there are any changes in the individual designated as the City’s Chief Fiscal Officer, a new designation resolution must be submitted

Municipal Improvement Districts

- Funds and Summary
 - The City has been creating Municipal Improvement Districts (MIDs) since 2017
 - FY 2022 was the first year that residents were assessed through a property tax to assist in the payment of the maintenance of the right-of-way and streetscape provided by Public Works
 - The City has 15 active MIDs with taxing authority in FY 2025, with the cost shared based on the property values of the district
 - So as not to overburden early home buyers, MIDs typically begin with a temporary loan from the City which is repaid over time as more homes are purchased and the tax base grows

Municipal Improvement Districts							Summary	
City ID No.	MID	Tax Authority No.	Budgeted Expenditures	Temporary Loan from City	Proposed Property Tax Rate	Assessed Property Valuation	Estimated Property Levy	
100	* Park West Units 4 and 5	3105701	\$ 18,000	\$ - -	\$ 0.7000	\$ 3,935,798	\$ 27,551	
102	Cielo Verde Unit Three Phases 1 & 2	3105501	12,140	- -	1.2245	1,561,280	19,118	
104	* Desert Sky Unit 1	3105601	62,500	28,545 ▼	1.6000	4,578,846	73,262	
107	Saguaro Units 3 & 4	3104701	21,140	- -	0.5000	4,744,715	23,724	
108	Driftwood Ranch Units 1 and 2	3104501	19,030	- -	0.5000	4,503,189	22,516	
109	* Livingston Ranch Unit No. 2	3104601	30,500	30,556 ▼	1.6000	2,417,534	38,681	
110	* Desert Sands Unit No. 1	3104901	34,768	- -	1.6000	2,281,630	36,506	
111	Villa Serena Unit No. 1	3105001	21,200	49,622 ▲	1.8000	614,574	11,062	
112	* Araby North Subdivision	3105101	12,243	33,077 ▼	1.8000	355,503	6,399	
113	Autumn Valley Subdivision	3105201	19,030	31,923 ▼	1.8000	172,885	3,112	
115	* La Estancia Subdivision	3105301	49,081	5,136 ▼	1.8000	3,226,115	58,070	
116	Cielo Verde Units 2B, 4 and 6	3105401	-	- -	-	914,947	-	
117	Desert Sands Unit No. 2	3106501	-	- -	-	1,235,776	-	
119	Desert Sands Unit No. 3	3106601	-	- -	-	582,306	-	
120	Santana Subdivision Units 1-4	3106401	82,440	108,857 ▲	1.8000	2,124,797	38,246	
	MIDs in Progress	-	170,918	- -	-	-	-	
	MID Contingency	-	119,104	- -	-	-	-	

* Denotes "Built-Out" ▼ = repaying ▲ = start-up

- Rates and Valuations

Municipal Improvement Districts					Assessment Rates and Levies		
City ID No.	MID	Direct Property Levy	Assessed Valuation or Units	Current Rate FY 2025	Prior Years Rates		
					FY 2024	FY 2023	FY 2022
100	* Park West Units 4 and 5	\$ 27,551	\$ 3,935,798	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 1.1056
102	Cielo Verde Unit Three Phases 1 & 2	19,118	1,561,280	1.2245	1.2245	1.2245	-
104	* Desert Sky Unit 1	73,262	4,578,846	1.6000	1.6000	1.3000	1.1033
107	Saguaro Units 3 & 4	23,724	4,744,715	0.5000	0.8000	0.8005	0.8050
108	Driftwood Ranch Units 1 and 2	22,516	4,503,189	0.5000	0.7240	0.7240	1.1209
109	* Livingston Ranch Unit No. 2	38,681	2,417,534	1.6000	1.6000	1.4000	1.1107
110	* Desert Sands Unit No. 1	36,506	2,281,630	1.6000	1.6000	1.6000	-
111	Villa Serena Unit No. 1	11,062	614,574	1.8000	1.6000	1.6000	-
112	* Araby North Subdivision	6,399	355,503	1.8000	1.6000	1.6000	-
113	Autumn Valley Subdivision	3,112	172,885	1.8000	1.6000	1.6000	-
115	* La Estancia Subdivision	58,070	3,226,115	1.8000	1.6000	1.6000	-
116	Cielo Verde Units 2B, 4 and 6	-	914,947	-	-	-	-
117	Desert Sands Unit No. 2	-	1,235,776	-	-	-	-
119	Desert Sands Unit No. 3	-	582,306	-	-	-	-
120	Santana Subdivision Units 1-4	38,246	2,124,797	1.8000	1.6000	-	-

* Denotes "Built-Out"

Municipal Improvement Districts		Assessed Valuations			
City ID No.	MID	Limited Property Assessed Valuation (LPV)			
		FY 2025	FY 2024	FY 2023	FY 2022
100	* Park West Units 4 and 5	\$ 3,935,798	\$ 3,544,631	\$ 2,205,714	\$ 1,211,984
102	Cielo Verde Unit Three Phases 1 & 2	1,561,280	1,367,267	991,435	-
104	* Desert Sky Unit 1	4,578,846	3,969,917	3,079,587	1,975,837
107	Saguaro Units 3 & 4	4,744,715	3,884,659	2,640,468	1,738,554
108	Driftwood Ranch Units 1 and 2	4,503,189	3,430,581	2,628,927	1,248,993
109	* Livingston Ranch Unit No. 2	2,417,534	1,916,519	1,196,013	594,198
110	* Desert Sands Unit No. 1	2,281,630	2,172,993	1,646,532	-
111	Villa Serena Unit No. 1	614,574	410,164	370,970	-
112	* Araby North Subdivision	355,503	338,571	199,880	-
113	Autumn Valley Subdivision	172,885	157,439	23,278	-
115	* La Estancia Subdivision	3,226,115	3,067,550	1,443,334	-
116	Cielo Verde Units 2B, 4 and 6	914,947	737,804	-	-
117	Desert Sands Unit No. 2	1,235,776	640,221	-	-
119	Desert Sands Unit No. 3	582,306	40,041	-	-
120	Santana Subdivision Units 1-4	2,124,797	1,298,305	-	-

* Denotes "Built-Out"

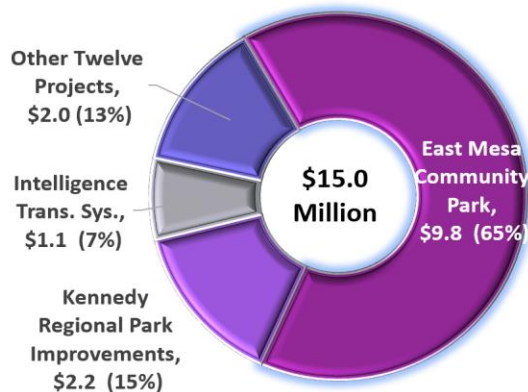
- Revenue, Expenditures and Fund Balance

Municipal Improvement Districts			Revenue, Expenditures and Fund Balance				
City ID No	MID	FY 2024 Beginning Balance**	FY 2024		FY 2025		FY 2025 Ending Balance**
			Revenue	Expenditure	Revenue	Expenditure	
100	* Park West Units 4 and 5	\$ 637	\$ 23,645	\$ 18,000	\$ 27,551	\$ 18,000	\$ 15,833
102	Cielo Verde Unit Three Phases 1 & 2	-	15,518	12,140	19,118	12,140	10,356
104	* Desert Sky Unit 1	(47,592)	70,786	62,500	73,262	62,500	(28,545)
107	Saguaro Units 3 & 4	14,511	28,205	21,140	23,724	21,140	24,160
108	Driftwood Ranch Units 1 and 2	32,847	23,032	17,127	22,516	19,030	42,238
109	* Livingston Ranch Unit No. 2	(38,216)	29,980	30,500	38,681	30,500	(30,556)
110	* Desert Sands Unit No. 1	26,253	33,687	17,384	36,506	34,768	44,294
111	Villa Serena Unit No. 1	(29,702)	10,117	19,900	11,062	21,200	(49,622)
112	* Araby North Subdivision	(20,874)	5,184	11,543	6,399	12,243	(33,077)
113	Autumn Valley Subdivision	372	2,652	19,030	3,112	19,030	(31,923)
115	* La Estancia Subdivision	(14,878)	45,834	45,080	58,070	49,081	(5,136)
116	Cielo Verde Units 2B, 4 and 6	-	-	-	-	-	-
117	Desert Sands Unit No. 2	-	-	-	-	-	-
119	Desert Sands Unit No. 3	-	-	-	-	-	-
120	Santana Subdivision Units 1-4	(6,071)	19,048	77,640	38,246	82,440	(108,857)
	MIDs in Progress	-	-	32,518	-	170,918	-
	MID Contingency	-	-	-	-	119,104	-

* Denotes "Built-Out" ** A negative fund balance (in brackets) represents a temporary loan repaid after district is built-out

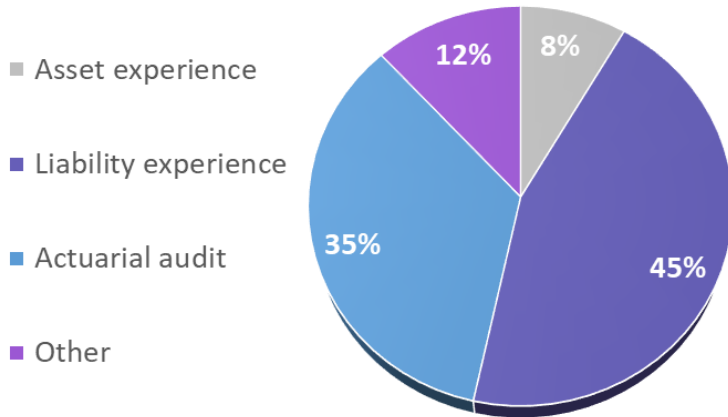
Policies and Other Considerations

- Future Considerations by Quarter
 - Quarter 1 / Quarter 2
 - American Rescue Plan Act (ARPA) Project Budget Amendment (Resolution)
 - Federal funding \$23 million; City Council approved projects (R2022-012); Management to propose amendment
 - Spent \$6 million; obligated \$2 million; balance \$15 million
 - Obligate by December 31, 2024 (FY 2025) – seven months
 - Spend by December 31, 2026 (FY 2026) – 31 months



- Model City Tax Code (MCTC) Two Tier Extension (Ordinance)
 - The City's Transaction Privilege Tax Code mirrors the MCTC
 - Various specific local options are available to cities
 - The local option for a Two-Tier Structure is in Yuma's code for retail items in excess of \$35,000
 - The Two-Tier Structure is due for extension
- Increase Capital Asset Thresholds for Equipment (Resolution)
 - Current = \$5,000 and above and useful life more than one year
 - Since the threshold was set in FY 2003, inflation and changes in technology have created a very labor intensive process
 - Equipment is 52% of total assets, but only 2% of total value
 - Substantial reporting efforts for nominal value
 - Equipment will still be tracked, but will not need to be accounted for and audited
- Quarter 2 / Quarter 3
 - Arizona State Retirement System (ASRS) Contribution Repayment Program (Resolution)
 - Deposit in ASRS "Prepayment Bucket" and earns interest with ASRS
 - City can move deposit to "Contribution Bucket" in lieu of payments whenever the City deems it most advantageous (no time limit)
 - Further details to be provided for City Council consideration
 - MTC Update (Ordinance)
 - An updated code is anticipated to be ready for cities to adopt
 - The updated MCTC will be provided for City Council consideration, when available
 - MCTC Local and Model Options
 - Various specific options are available for cities to adopt with the MCTC
 - Further information regarding these options will be provided for City Council consideration
- Quarter 3 / Quarter 4
 - PSPRS Unfunded Actuarial Liability (Motion)
 - City Council established a Reserve Fund with Resolution R2020-059
 - Q3/Q4 Reserve Fund estimated to be at \$14 million
 - Payment of the UAAL is not exempt from AELR, unless the source is exempt from AELR
 - More information will be provided to City Council when the 2024 valuation is available and AELR capacity is determined

Cause of UAAL in June 30, 2023



Asset experience: On a smoothed basis, “returns nearly met the 2022 assumed earnings rate”

Liability experience: “overall was unfavorable, driven by salary increases that were higher than expected” (overtime)

Actuarial audit: “independent actuarial audit was performed” results were implemented in the 2023 valuation

Other: “combination of all other factors that could impact liabilities year-over-year, with the primary sources being changes in benefits for continuing inactive”.

Looking forward: volatility in returns is dampened by smoothing; if based on market value, the funded ratio would be 95.0% instead of 96.8%.

Conclusion: “improve if assumptions are met and contributions at least equal to the rates” in City’s report

- Prop 207 Smart and Safe Arizona Act (Direction)
 - Allocation to municipalities based on employees enrolled in PSPRS
 - Estimated \$720,000 per year; assigned balance \$1.5 million in FY 2023
 - Exempt from AELR
 - Potential opportunity for PSPRS UAAL, more information to be provided for City Council’s consideration
- Opioid Settlement (Direction)
 - Not a grant, but financial reporting is similar
 - Restricted for opioid education, prevention, and treatment
 - \$240,647 in own Local Government Investment Pool (LGIP) account until used (no time limit)
 - Further information to be provided for City Council’s consideration and budget programming

III. REGULAR CITY COUNCIL MEETING AGENDA OF MAY 15, 2024

Motion Consent Agenda Item C.5 – Cooperative Purchase Agreement: Playground Equipment (authorize the purchase, delivery and installation of playground equipment and shade with Exerplay, Cedar Crest, New Mexico, utilizing the Mohave Educational Services Cooperative Purchase Agreement for an expenditure of \$238,811.94) (CPA-24-301) (Pks & Rec)

Discussion

- Approval of this item will authorize the purchase of equipment for Barkley Ranch Park and Kennedy Park; the shade structure at Barkley Ranch Park will cover the entire playground structure, and the new playground equipment at Kennedy Park will go under the existing shade structure (**Morales/Urfer**)
- The City is currently investigating who has responsibility for the retention basin by the Barkley Ranch Park to determine who needs to make repairs to the drainpipe and grass; the drainage issue will need to be corrected before the grass is addressed (**Morales/Wostenberg**)

Resolution R2024-013 – Intergovernmental Agreement: Arizona Game and Fish Commission (execute an Intergovernmental Agreement extending the current Community Fishing Program for the total not to exceed \$59,988 over the five-year agreement) (Pks & Rec)

Discussion

- This agreement includes ponds at the West Wetlands Park and the Pacific Avenue Athletic Complex; the pond at East Mesa Park will also be stocked with fish, but it will be roughly three years before the pond is ready for fish to be added (**Morris/Urfer**)

Ordinance O2024-016 – Rezoning of Property: 958 S. 3rd Avenue (rezone an approximately 7,000 square foot lot located at 958 S. 3rd Avenue from General Commercial/Infill Overlay (B-2/IO) to Transitional/Infill Overlay (TR/IO)) (ZONE-42266-2024) (Plng & Nbhd Svcs/Cmty Plng)

Deputy Mayor Morris declared a conflict of interest on Ordinance O2024-016.

MC 2024-062 – Public Hearing: Fiscal Year 2025 – Fiscal Year 2029 Capital Improvement Program (conduct a public hearing pursuant to the Yuma City Charter, Article XII, Section 11) (Eng)

Mayor Nicholls declared a conflict of interest on the Fiscal Year 2025 – Fiscal Year 2029 Capital Improvement Program (CIP) as his firm is involved in a variety of CIP projects.

EXECUTIVE SESSION/ADJOURNMENT

Motion (Morales/Morris): To adjourn the meeting to Executive Session. Voice vote: **adopted** 6-0. The meeting adjourned at 6:30 p.m.

Lynda L. Bushong, City Clerk

APPROVED:

Douglas J. Nicholls, Mayor

Approved at the City Council Meeting of: _____ City Clerk: _____
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