



# PROPOSED ANNUAL BUDGET

Fiscal Year 2022



Fiscal Year 2022  
Proposed Budget in Brief



**STRENGTHENING  
THE CORE**

# VISION

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



## **SAFE & PROSPEROUS**

Yuma is a safe and prosperous city that supports thriving businesses, access to education, and multi-generational opportunities.



## **ACTIVE & APPEALING**

Yuma plans and leverages its natural resources, public spaces and cultural amenities to support an active and appealing community.



## **CONNECTED & ENGAGED**

Yuma is connected and engaged through active communication, forward-looking partnerships, and ongoing public involvement.



## **UNIQUE & CREATIVE**

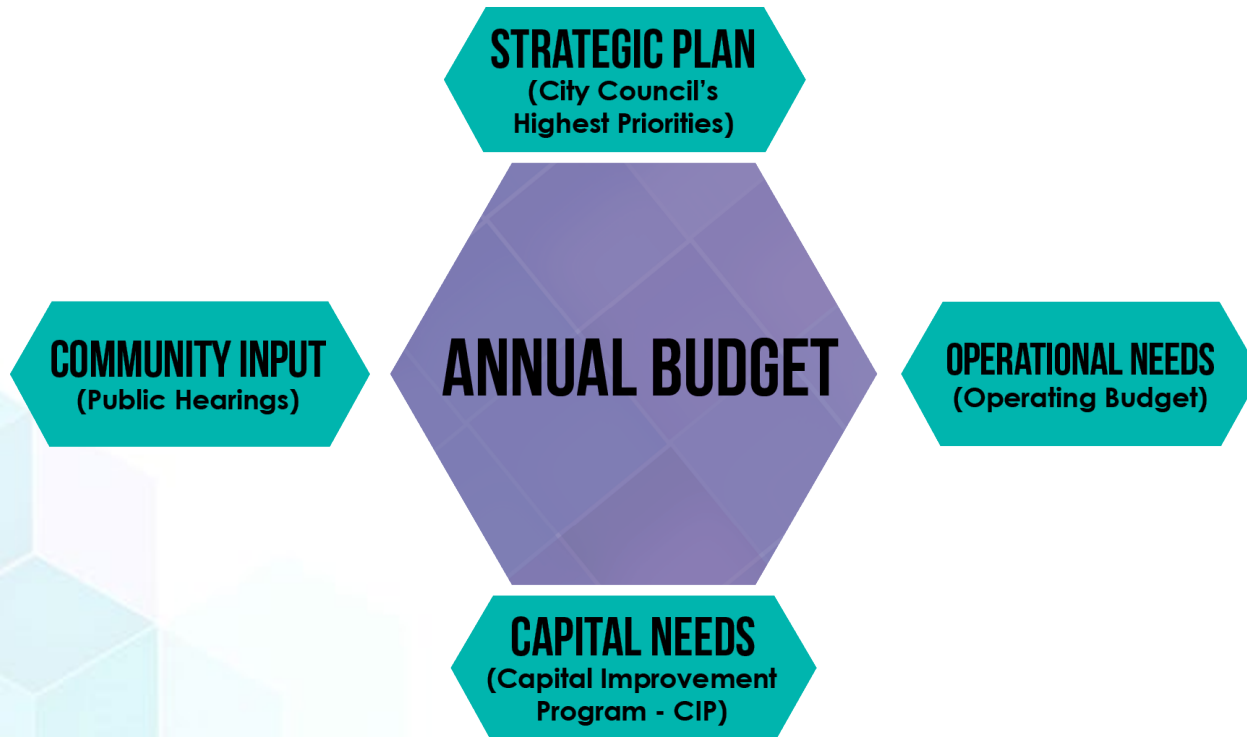
Yuma is a unique and creative community, built on our shared history, sense of place, and civic pride.



## **RESPECTED & RESPONSIBLE**

Yuma is a trusted steward of City resources; relied upon to provide premier services and regional leadership.

# CITY ADMINISTRATOR'S MESSAGE



# FY 2022 BUDGET HIGHLIGHTS



## SAFE & PROSPEROUS

- Build the much-needed Fire Station 7
- Expand Desert Dunes Wastewater Treatment Plant for current and future growth
- Increase funding for street preservation by another 50% in FY 2022 following the 100% funding increase in FY 2021 over previous years



## ACTIVE & APPEALING

- Launch the East Mesa community park project to include community input on amenities and attractions
- Begin addressing playground equipment replacement needs in existing parks



# FY 2022 BUDGET HIGHLIGHTS



## CONNECTED & ENGAGED

- Develop a target industry study to assist with economic development activities 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
- 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- Explore a new Enterprise Resource Plan (ERP) that includes replacing outdated or inadequate software utilized Citywide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

# FY 2022 BUDGET HIGHLIGHTS

## City Administrator's Proposed Budget

- All Funds request for expenditures is \$522.4 million
- Increase of \$273.4 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



# FY 2022 BUDGET HIGHLIGHTS

## \$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**

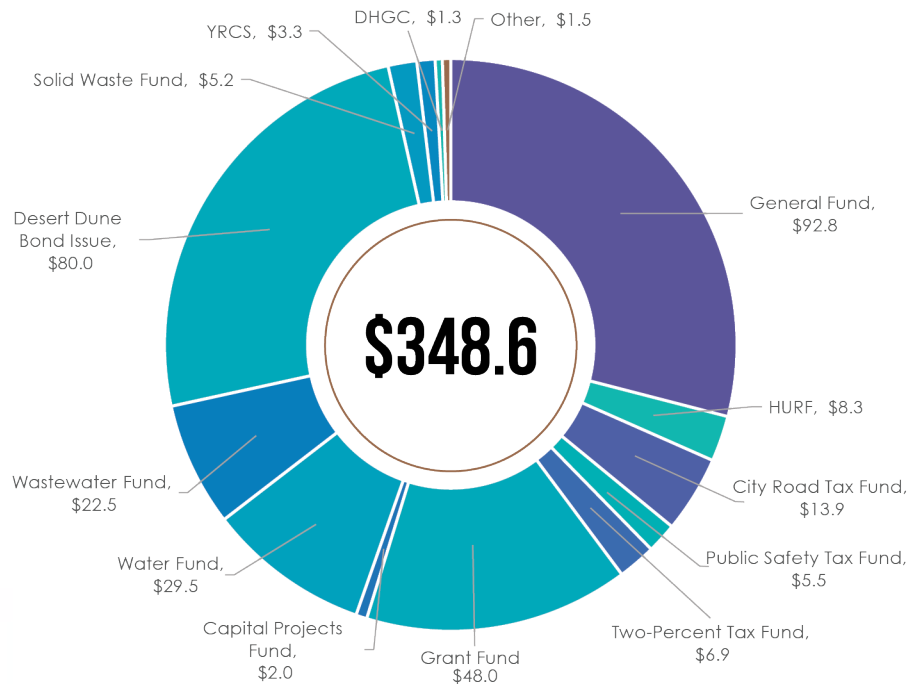
**\$80.0 \*Desert Dunes Bond Issue**

**\$5.2 Solid Waste Fund**

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

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

**\$1.5 Other**



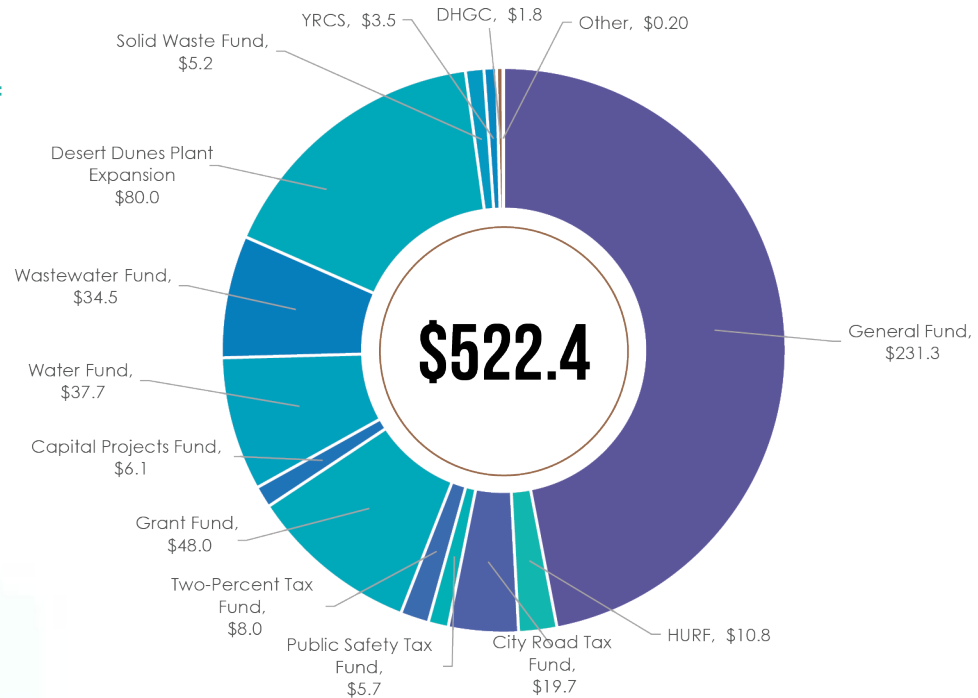
The difference between revenues and expenses are planned uses of fund balance

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

# FY 2022 BUDGET HIGHLIGHTS

## \$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

# TEAM YUMA

- Market Adjustments
  - 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 1 Step
- Fire – 1 Step

# RESPONSIBLE STEWARDSHIP

- 22% Target Fund Reserve - \$16,447,958
- 3% Budget Stabilization Reserve - \$2,467,194
- Remaining Fund Balance - \$4,237,176





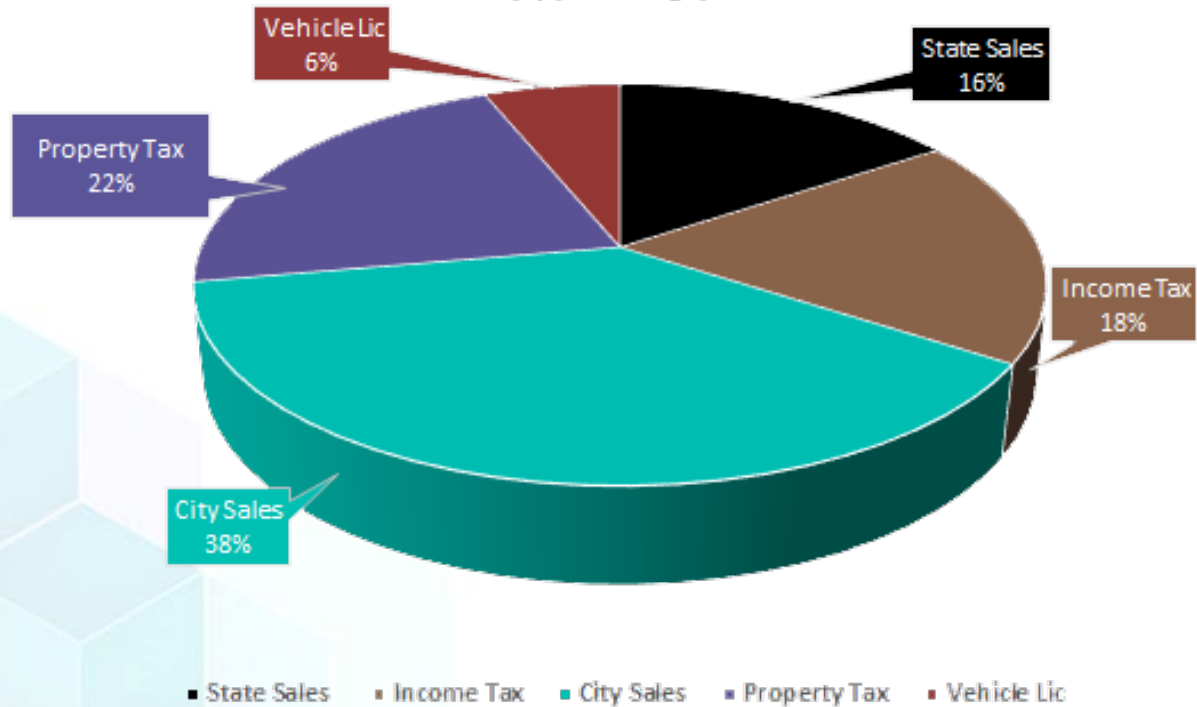
## GENERAL FUND

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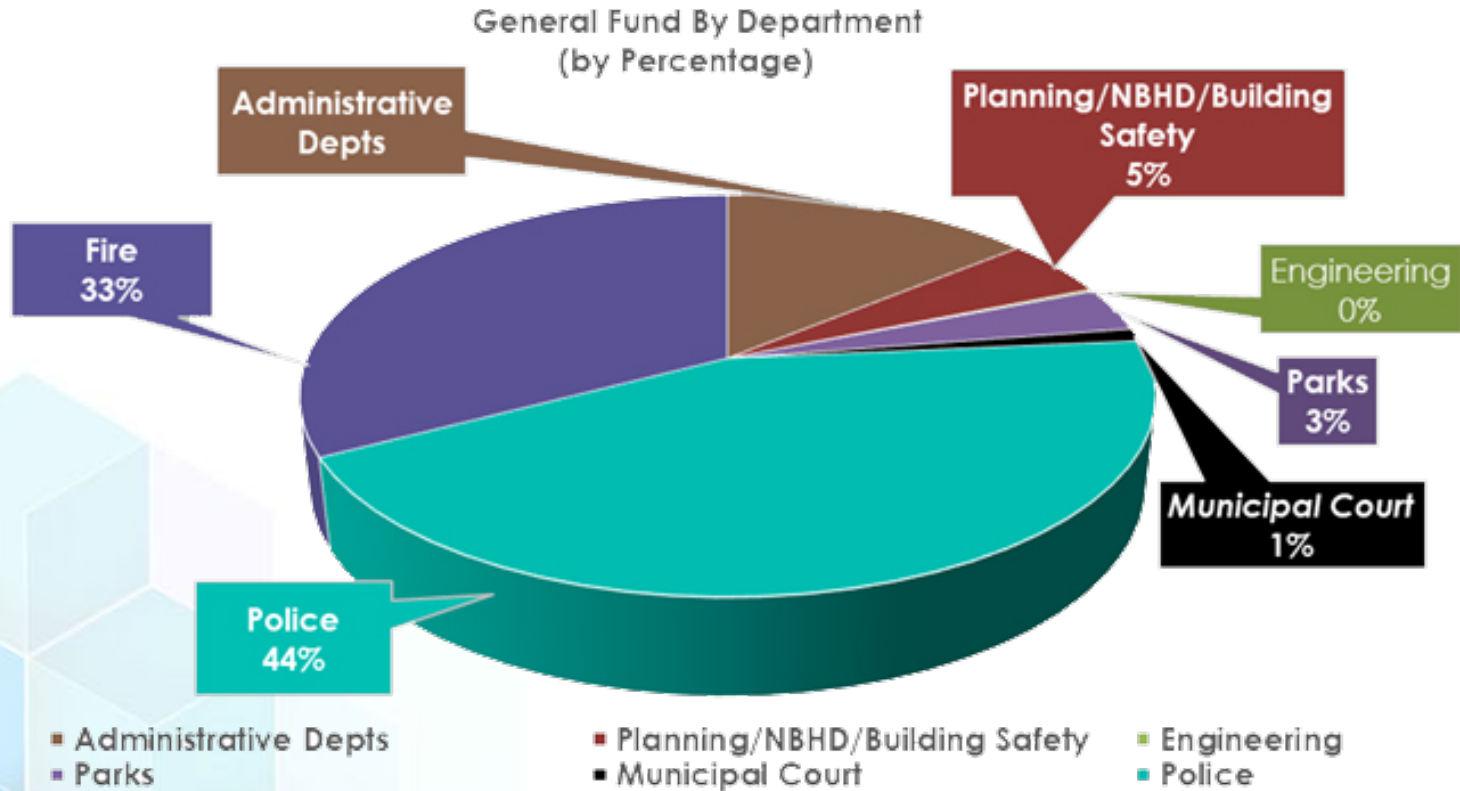


# General Fund

General Fund Major Revenue Sources  
(by percentage)



# General Fund



# 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>
			<b>Target Fund Reserve</b>	22%	\$ 16,447,958
			<b>Budget Stabilization Reserve</b>	3%	\$ 2,467,194
			<b>Remaining Fund Balance</b>		\$ 4,237,176





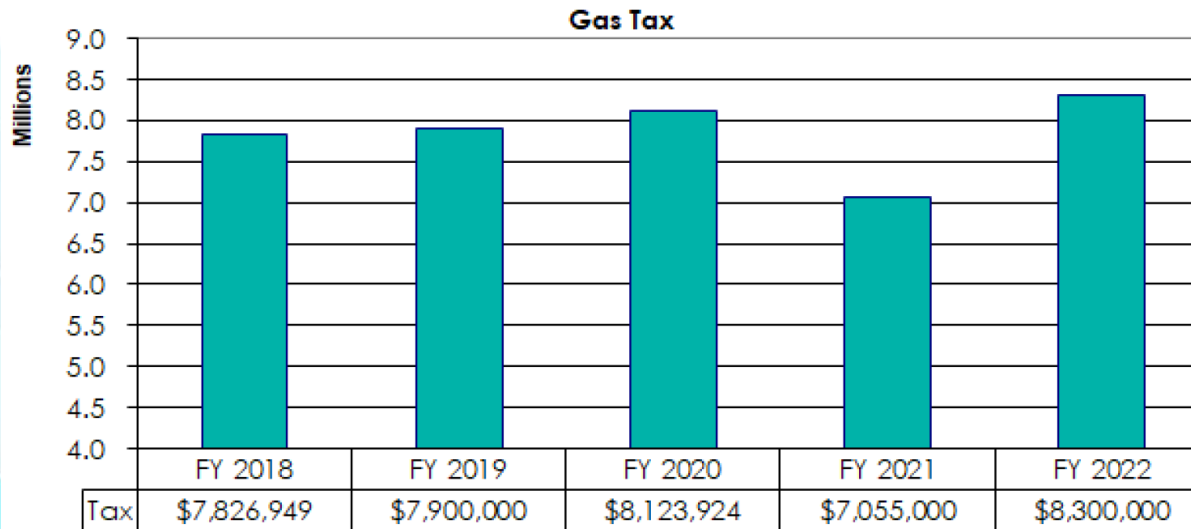
## **SPECIAL REVENUE FUNDS**



# Highway User Revenue Fund (HURF)

The Highway User Revenue Fund accounts for gasoline taxes collected by the state and returned to cities and towns through the Voter Approved Local Revenues (VALR). Of the tax collected statewide, 27.5% is allocated to cities and towns, one half of which is based on the same proportion as state sales tax and one half on the percentage of sales in “county of origin” and distributed based on the proportion to total city and town population in the county. This revenue source is restricted to highway and street purposes, whether it be maintenance or construction. The State of Arizona and the Arizona League of Cities and Towns provide projections for this revenue.

The graph below shows the trend in gas tax collection over five years, including the projection for FY 2022.



# Highway User Revenue Fund (HURF)

HURF Fund Expenditures by Division	Actual FY 2020	Budget FY 2021	Estimate FY 2021	Budget FY 2022
General Government	\$ -	\$ (103,838)	\$ -	\$ 63,913
Mayor and City Council	-	78,772	78,772	24,710
Curbs, Gutters, Sidewalks	376,870	548,489	477,458	628,127
Code Enforcement Storm	76,002	111,121	114,387	82,498
Drain Maintenance Street	326,904	294,811	292,887	273,841
Lighting Street Maintenance	655,524	1,073,185	1,070,650	1,084,333
Pavement Preservation	1,774,126	1,997,955	1,987,653	2,032,662
Street Sweeping	1,346,774	3,433,885	2,801,476	2,895,774
Retention Basin Maintenance	594,457	616,219	606,995	624,558
Traffic Signs and Striping	920,571	1,384,822	1,365,681	1,360,045
Information Technology	434,140	523,074	504,286	542,366
	-	-	-	34,833
<b>Total (excluding Capital Improvements)</b>	<b>\$ 6,505,368</b>	<b>\$ 9,958,495</b>	<b>\$ 9,300,245</b>	<b>\$ 9,647,660</b>

# Highway User Revenue Fund (HURF)

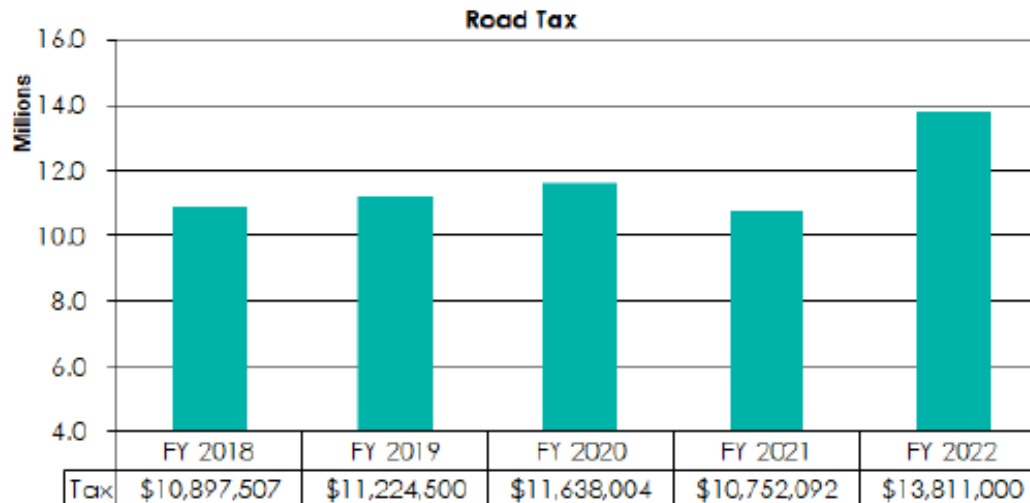
HIGHWAY USERS REVENUE FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
<b>Unassigned Fund Balance July 1,</b>	<b>\$ 5,795,439</b>	<b>\$ 6,321,925</b>	<b>\$ 5,221,619</b>	<b>\$ 5,113,820</b>	<b>\$ 4,165,876</b>
Sources:					
Estimated Revenues	8,543,931	8,806,178	7,148,430	8,642,592	8,330,200
<b>Total Sources</b>	<b>\$ 8,543,931</b>	<b>\$ 8,806,178</b>	<b>\$ 7,148,430</b>	<b>\$ 8,642,592</b>	<b>\$ 8,330,200</b>
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
<b>Total Expenditures</b>	<b>7,889,049</b>	<b>9,885,649</b>	<b>10,258,359</b>	<b>9,473,844</b>	<b>10,647,660</b>
Transfers Out:					
Debt Service Fund	116,604	116,842	116,863	116,692	116,677
Equipment Replacement Fund	11,792	11,792	11,792	-	-
<b>Total Transfers Out</b>	<b>128,396</b>	<b>128,634</b>	<b>128,655</b>	<b>116,692</b>	<b>116,677</b>
<b>Total Uses</b>	<b>\$ 8,017,445</b>	<b>\$ 10,014,283</b>	<b>\$ 10,387,014</b>	<b>\$ 9,590,536</b>	<b>\$ 10,764,337</b>
<b>Unassigned Fund Balance June 30,</b>	<b>\$ 6,321,925</b>	<b>\$ 5,113,820</b>	<b>\$ 1,983,035</b>	<b>\$ 4,165,876</b>	<b>\$ 1,731,740</b>

# City Road Tax Fund

The City Road Tax Fund accounts for the collection and expenditure of a local one-half percent (0.5%) transaction privilege tax approved by voters in 1994 for maintenance and construction of roadways. Pursuant to ballot language, expenditure in this fund is limited to “street and roadway improvements, including but not limited to widening, constructing, paving, repaving and reconstructing such streets and roadways and all appurtenances.” While some operating expenditures related to roadway maintenance, including but not limited to slurry seal, surface repair, and storm water retention basins, are recorded within the fund, the majority of the funds are used for major construction projects. A portion of these project expenditures pay debt payments related to the 2015 Series Refunded Bond Issue, the proceeds of which were already used for extremely large construction projects. The Capital Improvement Program also uses the fund for current or ongoing roadway construction projects.

The tax base for the Road Tax is the same as the one percent general tax. Its trends and method of projection are the same as that revenue.

The graph below shows five years of City Road Tax collected while the chart below that reflects City Road Tax with other sources of revenue included, as well as all expenditures.



# City Road Tax Fund

CITY ROAD TAX 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>\$ 12,834,597</b>	<b>\$ 6,522,073</b>	<b>\$ 6,071,894</b>	<b>\$ 6,104,089</b>	<b>\$ 9,501,523</b>
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	-	-	-
<b>Total Sources</b>	<b>\$ 11,929,738</b>	<b>\$ 13,132,564</b>	<b>\$ 11,163,048</b>	<b>\$ 13,377,223</b>	<b>\$ 13,910,956</b>
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
<b>Total Expenditures</b>	<b>13,733,294</b>	<b>9,048,708</b>	<b>8,281,111</b>	<b>5,502,402</b>	<b>15,118,777</b>
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	-	-
<b>Total Transfers Out</b>	<b>4,508,971</b>	<b>4,501,840</b>	<b>4,504,700</b>	<b>4,477,387</b>	<b>4,561,295</b>
<b>Total Uses</b>	<b>\$ 18,242,265</b>	<b>\$ 13,550,548</b>	<b>\$ 12,785,811</b>	<b>\$ 9,979,789</b>	<b>\$ 19,680,072</b>
<b>Unassigned Fund Balance June 30,</b>	<b>\$ 6,522,070</b>	<b>\$ 6,104,089</b>	<b>\$ 4,449,131</b>	<b>\$ 9,501,523</b>	<b>\$ 3,732,408</b>

# Public Safety Tax Fund

The Public Safety Tax Fund accounts for a special two-tenths of one percent (0.2%) transaction privilege tax approved by qualified voters in 1994 and renewed in 2010 for 25 years. The expenditure of these funds are limited to “acquire land for, and design, construct, renovate, improve, repair and equip public safety and criminal justice facilities; purchase public safety equipment, vehicles and communications systems and provide for other public safety capital purposes.” The dip in FY 2021 was in anticipation of reduced revenue due to the COVID-19 pandemic.

The graph below shows the five-year trend in Public Safety Tax revenues, including FY 2022 projections:



# Public Safety Tax Fund

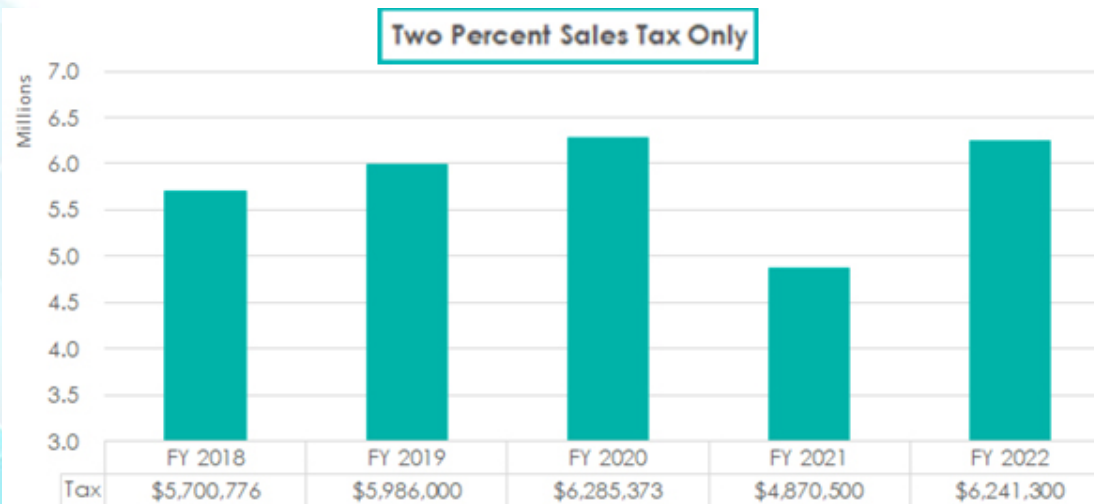
PUBLIC SAFETY TAX FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
<b>Unassigned Fund Balance July 1,</b>	<b>\$ 3,240,560</b>	<b>\$ 3,750,592</b>	<b>\$ 3,778,721</b>	<b>\$ 2,654,340</b>	<b>\$ 3,464,970</b>
Sources:					
Estimated Revenues	4,664,252	4,935,356	4,368,850	5,325,000	5,518,000
Capital Lease Issuance	674,341	248,411	-	-	-
<b>Total Sources</b>	<b>\$ 5,338,593</b>	<b>\$ 5,183,767</b>	<b>\$ 4,368,850</b>	<b>\$ 5,325,000</b>	<b>\$ 5,518,000</b>
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
<b>Total Uses</b>	<b>\$ 4,828,561</b>	<b>\$ 6,280,019</b>	<b>\$ 4,819,624</b>	<b>\$ 4,514,370</b>	<b>\$ 5,686,902</b>
<b>Unassigned Fund Balance June 30,</b>	<b>\$ 3,750,592</b>	<b>\$ 2,654,340</b>	<b>\$ 3,327,948</b>	<b>\$ 3,464,970</b>	<b>\$ 3,296,068</b>



# Two Percent Tax Fund

The Two Percent Tax Fund accounts for its namesake revenue source. Originally approved by voters in 1971, renewed by voters for 15 years in 1994 and in 2009, this transaction privilege tax applies to a smaller tax base of bars, hotels, and restaurants. Pursuant to the ballot language, the expenditures in this fund are limited to “pay the costs of acquisition, construction, operation, maintenance, promotion, administration, repair and reconstruction for citywide parks, recreation, arts and cultural activities, Yuma Art Center, City golf courses, the City’s baseball/recreation complex, existing Yuma Civic Center and necessary and appropriate service and administrative facilities appurtenant thereto.” In addition to these activities, the Two Percent 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.”

The graph below presents five years of 2% sales tax only, including FY 2022 projections, and illustrates steady growth experienced in the past 6 years. The estimated revenues in this fund decreased due to the COVID-19 pandemic but quickly rebounded as local bars, restaurants and hotels were able to reopen. Our revenue projections increased to our previous growth level for FY 2022.



# Two Percent Tax Fund

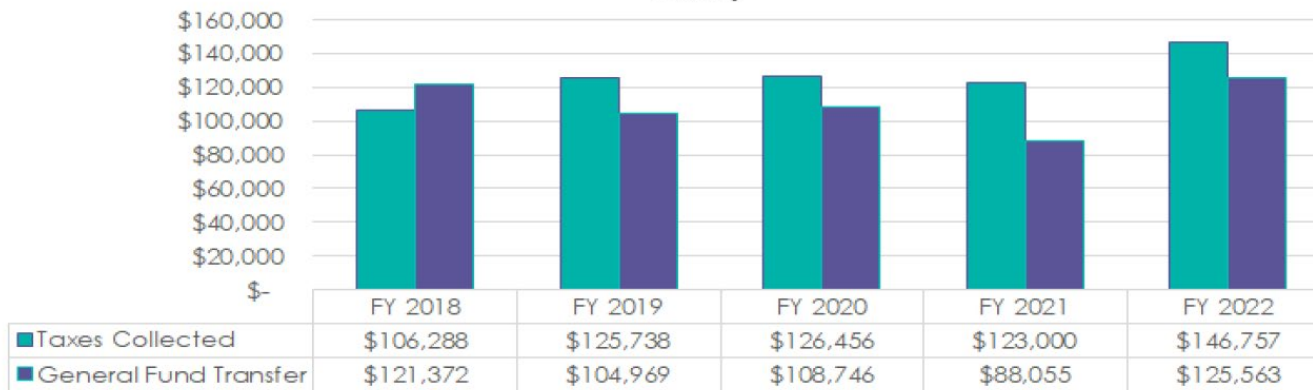
The graph below illustrates the revenues from all sources within the Two Percent Tax Fund, which includes the 2% Sales Tax as well as revenues generated from within the fund, and its expenditures.

TWO PERCENT TAX 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>2,427,714</b>	<b>1,475,660</b>	<b>1,454,199</b>	<b>773,883</b>	<b>1,085,232</b>
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	-	-	-
<b>Total Sources</b>	<b>6,985,627</b>	<b>6,709,989</b>	<b>5,385,527</b>	<b>6,380,675</b>	<b>6,944,300</b>
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	-
<b>Total Expenditures</b>	<b>6,843,175</b>	<b>6,453,170</b>	<b>5,547,867</b>	<b>5,111,360</b>	<b>6,456,073</b>
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	-
<b>Total Transfers Out</b>	<b>1,094,506</b>	<b>958,596</b>	<b>958,801</b>	<b>957,966</b>	<b>1,525,457</b>
<b>Total Uses</b>	<b>7,937,681</b>	<b>7,411,766</b>	<b>6,506,668</b>	<b>6,069,326</b>	<b>7,981,530</b>
<b>Unassigned Fund Balance June 30,</b>	<b>1,475,660</b>	<b>773,883</b>	<b>333,058</b>	<b>1,085,232</b>	<b>48,003</b>

# Mall Maintenance Fund

The 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 Parks and Recreation Department is responsible for the maintenance. The district was originally created in 1969 to finance improvements to the downtown business area in an effort to retain retail business as the city grew to the south.

**Mall District Levy  
and General Fund  
Subsidy**



# Mall Maintenance Fund

The plan failed to retain the larger retail outlets that eventually did move south in the city and the downtown area declined. To maintain the mall maintenance activities, the general fund subsidized the fund. In more recent years, however, new smaller retail developments have flourished. 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
<b>Unassigned Fund Balance July 1,</b>	\$ -	\$ -	\$ -	\$ -	\$ -
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
<b>Total Sources</b>	<b>\$ 230,707</b>	<b>\$ 235,202</b>	<b>\$ 238,978</b>	<b>\$ 211,055</b>	<b>\$ 272,320</b>
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
<b>Total Uses</b>	<b>\$ 230,707</b>	<b>\$ 235,202</b>	<b>\$ 238,978</b>	<b>\$ 211,055</b>	<b>\$ 272,320</b>
<b>Unassigned Fund Balance June 30,</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# Maintenance Improvement Districts

The City of Yuma has been creating Maintenance Improvement Districts (MID) since 2017. 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 proposed rates will be finalized with City Council at both the June 16, 2021 Truth in Taxation Public Hearing as well as the July 21, 2021 adoption of the City primary property tax rate and the Mall Maintenance District. The fund chart below shows that expenditures started accruing in FY 2021. As this is the first year these areas will be assessed and since many of the new residences have not yet been recorded on the County of Yuma's property roll's, the City is recommending that the Road Tax provide some support as the County property roll catches up to the built property. It is not unusual for a new property to take two to three years before it is recognized on the County Assessor's records.

The following table provides the detail of the proposed rate, the levy (revenue) that the rate is estimated to generate, the financial support budgeted from the Road Tax Fund and the proposed expenditures.

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. Long-term bonded debt of enterprise funds is recorded and paid directly from the fund. A discussion of debt activity is included in the Debt Management section.

The City has two types of long-term governmental debt. First is debt of the Yuma Municipal Property Corporation (MPC); these bond issues are represented below. Transfers from the operating funds benefiting from the infrastructure provided by the debt are made each year. Individual debt service funds included here are the 2015 MPC Senior Lien Excise Tax Revenue and Revenue Refunding Debt Service Fund, the 2015 MPC Senior Lien Road Tax and Subordinate Lien Excise Tax Revenue Refunding Debt Service Fund 2021 Refunding MPC Debt Service Fund, and the 2021 Public Safety Pension Bond Fund.

DEBT SERVICE FUNDS	Actual FY 2019	Actual FY 2020	ADJ Budget FY 2021	Estimate FY 2021	Budget FY 2022
<b>Unassigned Fund Balance July 1,</b>	<b>\$ 2,680</b>	<b>\$ 1,039</b>	<b>\$ 3,827</b>	<b>\$ 1,048</b>	<b>\$ (3,001)</b>
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>
<b>Unassigned Fund Balance June 30,</b>	<b>\$ 3,379</b>	<b>\$ 1,048</b>	<b>\$ 18,227</b>	<b>\$ (3,001)</b>	<b>\$ (3,001)</b>



# Capital Projects Fund

The Capital Projects Fund accounts for the expenditures related to governmental capital improvement projects for which no operational governmental funds exist. Revenues include anticipated or actual bond proceeds, developer deposits and development fees. Expenditures for capital projects of Enterprise Funds are recorded within those respective funds and displayed later in that section. A list of capital projects is included within the Capital Improvement Section of this document. Only projects funded through the aforementioned revenues are recorded within this fund. All other governmental capital projects are recorded directly within the operating fund that pays for the project.

A series of public meetings and presentations to Council occur with this portion of the budget (all funds inclusive). By charter, the Capital Improvement Program is developed separately from the operating budget; however, this budget is not independent, as capital projects rely on available revenues from the operating funds for their capital sources. Accordingly, operational needs of the departments come first in determining use of expendable resources. Fund balance at the end of a fiscal year represents unspent bond proceeds or other capital-directed revenues of the fund.

CAPITAL PROJECTS 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>\$ 16,488,464</b>	<b>\$ 11,325,792</b>	<b>\$ 8,847,288</b>	<b>\$ 9,806,284</b>	<b>\$ 10,617,052</b>
Sources:					
Estimated Revenues	1,616,861	1,531,890	1,347,467	2,061,120	2,019,120
<b>Total Sources</b>	<b>\$ 1,616,861</b>	<b>\$ 1,531,890</b>	<b>\$ 1,347,467</b>	<b>\$ 2,061,120</b>	<b>\$ 2,019,120</b>
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	-
<b>Total Uses</b>	<b>\$ 6,779,526</b>	<b>\$ 3,051,398</b>	<b>\$ 1,678,955</b>	<b>\$ 1,250,352</b>	<b>\$ 6,084,000</b>
<b>Unassigned Fund Balance June 30,</b>	<b>\$ 11,325,799</b>	<b>\$ 9,806,284</b>	<b>\$ 8,515,800</b>	<b>\$ 10,617,052</b>	<b>\$ 6,552,172</b>





## ENTERPRISE FUNDS

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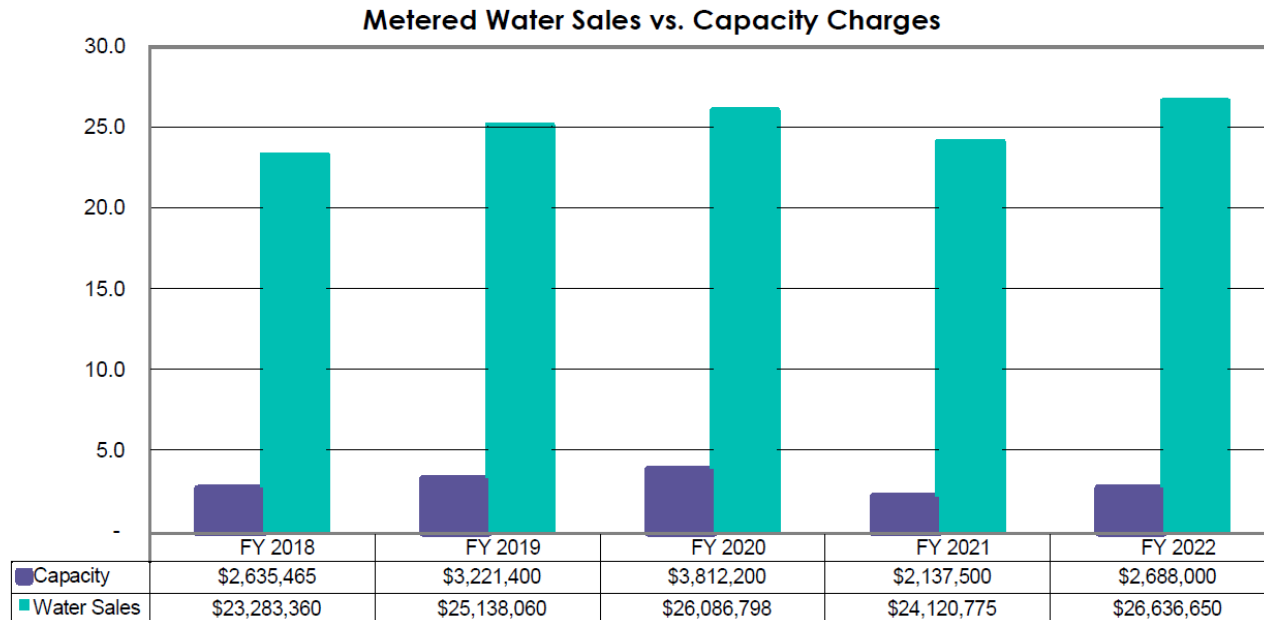




# Water Fund

The Water Fund records the financial activity of the City's water treatment and distribution system. The system is not tax supported but relies on a combination of charges for water and capacity fees for new development to maintain and expand its services to meet the needs of a growing city. This growth has come with the price of investing in water system infrastructure and plant capacity.

The following chart provides five years of metered water sales versus capacity charges, including FY 2022 projections. The term "capacity charges" includes system development fees. Revenues for FY 2022 are projected based on recent historical growth in new customers combined with increased consumption.



# Water Fund

WATER FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
<b>Unrestricted Fund Balance July 1,</b>	<b>\$ 21,839,371</b>	<b>\$ 28,315,301</b>	<b>\$ 29,545,015</b>	<b>\$ 33,384,394</b>	<b>\$ 33,387,848</b>
Sources:					
Estimated Revenues	26,328,439	26,256,787	24,120,775	25,398,500	26,636,650
<b>Total Sources</b>	<b>\$ 26,328,439</b>	<b>\$ 26,256,787</b>	<b>\$ 24,120,775</b>	<b>\$ 25,398,500</b>	<b>\$ 26,636,650</b>
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
<b>Total Expenditures</b>	<b>19,758,348</b>	<b>21,093,412</b>	<b>28,819,603</b>	<b>25,335,455</b>	<b>35,020,831</b>
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
<b>Total Transfers Out</b>	<b>94,161</b>	<b>94,282</b>	<b>69,678</b>	<b>59,591</b>	<b>77,437</b>
<b>Total Uses</b>	<b>\$ 19,852,509</b>	<b>\$ 21,187,694</b>	<b>\$ 28,889,281</b>	<b>\$ 25,395,046</b>	<b>\$ 35,098,268</b>
<b>Unrestricted Fund Balance June 30,</b>	<b>\$ 28,315,301</b>	<b>\$ 33,384,394</b>	<b>\$ 24,776,509</b>	<b>\$ 33,387,848</b>	<b>\$ 24,926,230</b>

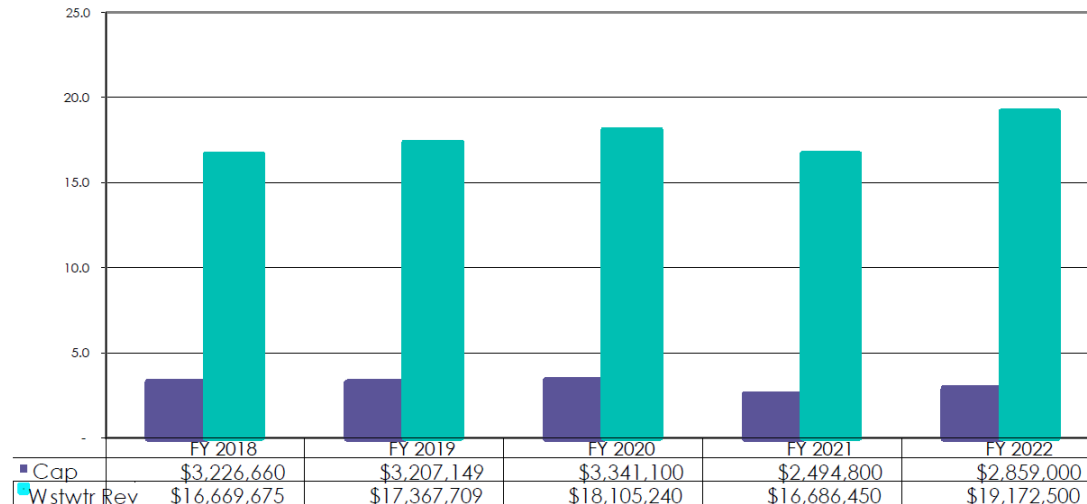
# Wastewater Fund

The Utilities Department also operates the Wastewater Collection and Treatment System and accounts for them in the Wastewater Fund. Like the Water Fund, this fund is an enterprise fund relying solely on charges to customers for funding. Through a series of rate charges and capacity fees, the system provides environmentally sound wastewater services. This system is also undergoing rapid expansion to meet the City's needs.

The increase in customer base for wastewater is similar to that of the Water Fund. Overall, there are fewer wastewater customers compared to water, as a number of water customers, particularly those outside the city limits, are not served by the wastewater system. Instead, they rely on septic systems. Over time, many of those customers are being brought into the system. The expansion of the system is not being caused by this type of customer, however, but by new population and the increasing numbers of new subdivisions.

The operations portion of the Wastewater Fund is presented first. As in the Water Fund, this fund transfers money to pay its portion of the debt recorded in governmental funds that benefit wastewater operations. For capital projects, both operational revenues and capacity charges pay for such projects.

**Wastewater Operational Revenues and Capacity Charges**  
(Graph does not include other wastewater revenues)



# Wastewater Fund

WASTEWATER FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
<b>Unrestricted Fund Balance July 1,</b>	<b>\$ 24,243,131</b>	<b>\$ 25,641,272</b>	<b>\$ 25,051,642</b>	<b>\$ 29,470,050</b>	<b>\$ 30,194,780</b>
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	-	-	-
<b>Total Sources</b>	<b>\$ 18,244,926</b>	<b>\$ 18,265,778</b>	<b>\$ 16,686,450</b>	<b>\$ 18,196,000</b>	<b>\$ 19,172,500</b>
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
<b>Total Uses</b>	<b>\$ 16,846,785</b>	<b>\$ 14,437,000</b>	<b>\$ 17,583,922</b>	<b>\$ 17,471,270</b>	<b>\$ 27,489,545</b>
<b>Unrestricted Fund Balance June 30,</b>	<b>\$ 25,641,272</b>	<b>\$ 29,470,050</b>	<b>\$ 24,154,170</b>	<b>\$ 30,194,780</b>	<b>\$ 21,877,735</b>

# Solid Waste Fund

Collection and disposal of residential solid waste is accounted for in this fund. Until FY 2000, residential fees were limited to disposal of solid waste and other related expenses. A permanent solid waste collection fee was created in FY 2011, changing what was classified as a special revenue fund (with General Fund subsidy) into an enterprise fund.

In FY 2000, the Environmental Solid Waste Fee was created to offset the ever-increasing costs of landfill disposal and to cover the City's neighborhood cleanup program, its recycling efforts and its household hazardous waste collection efforts. This fee pays for pass-through costs for landfill services and extra sanitation services such as the household hazardous waste days and Neighborhood Cleanup.

The residential collection fee is proposed to increase by 3% from \$7.00 per month to \$7.21 per month resulting in an annual increase of \$2.52. The environmental fee is also proposed to increase by 3% from \$7.25 per month to \$7.47 per month resulting in an annual increase of \$2.64.

# Solid Waste Fund

<b>SOLID WASTE FUND</b>	<b>ACTUAL FY 2019</b>	<b>ACTUAL FY 2020</b>	<b>ADJ BUDGET FY 2021</b>	<b>ESTIMATE FY 2021</b>	<b>BUDGET FY 2022</b>
<b>Unrestricted Fund Balance July 1,</b>	<b>\$ 1,179,616.0</b>	<b>\$ 1,553,688.8</b>	<b>\$ 1,436,279.0</b>	<b>\$ 2,154,572.4</b>	<b>\$ 2,673,556.3</b>
Sources:					
Estimated Revenues	4,275,711	4,854,933	4,291,680	4,923,352	5,209,500
<b>Total Sources</b>	<b>\$ 4,275,711</b>	<b>\$ 4,854,933</b>	<b>\$ 4,291,680</b>	<b>\$ 4,923,352</b>	<b>\$ 5,209,500</b>
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
<b>Total Expenditures</b>	<b>3,724,812</b>	<b>4,076,887</b>	<b>4,440,731</b>	<b>4,239,210</b>	<b>5,004,132</b>
Transfers Out:					
Debt Service Fund	165,034	165,370	165,400	165,158	165,136
Equipment Replacement Fund	11,792	11,792	11,792	-	-
<b>Total Transfers Out</b>	<b>176,826</b>	<b>177,162</b>	<b>177,192</b>	<b>165,158</b>	<b>165,136</b>
<b>Total Uses</b>	<b>\$ 3,901,638</b>	<b>\$ 4,254,049</b>	<b>\$ 4,617,923</b>	<b>\$ 4,404,368</b>	<b>\$ 5,169,268</b>
<b>Unrestricted Fund Balance June 30,</b>	<b>\$ 1,553,689</b>	<b>\$ 2,154,572</b>	<b>\$ 1,110,036</b>	<b>\$ 2,673,556</b>	<b>\$ 2,713,788</b>

# Yuma Regional Communication System Fund

The Yuma Regional Communications System Fund was created to account for the activities of the regional radio communication system, which includes the 800/700 MHz digital trunked radio system for use by the City's public safety agencies.

The system is designed to integrate and include interoperability capabilities for use by Yuma County and other city, local and regional emergency response agencies. The City of Yuma and other emergency-response agencies contribute to fund the operation of this system. Accordingly, the fund is split between operational funding and externally sourced funding.

YUMA REGIONAL COMM. SYSTEM 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>\$ 1,734,500</b>	<b>\$ 2,001,260</b>	<b>\$ 2,149,857</b>	<b>\$ 2,459,281</b>	<b>\$ 2,244,032</b>
Sources:					
Estimated Revenues	1,994,088	2,295,484	2,126,114	2,264,781	2,293,760
<b>Total Sources</b>	<b>\$ 1,994,088</b>	<b>\$ 2,295,484</b>	<b>\$ 2,126,114</b>	<b>\$ 2,264,781</b>	<b>\$ 2,293,760</b>
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
<b>Total Uses</b>	<b>\$ 1,727,328</b>	<b>\$ 1,637,463</b>	<b>\$ 3,159,224</b>	<b>\$ 2,680,030</b>	<b>\$ 2,462,859</b>
<b>Unassigned Fund Balance June 30,</b>	<b>\$ 2,001,260</b>	<b>\$ 2,459,281</b>	<b>\$ 1,116,747</b>	<b>\$ 2,244,032</b>	<b>\$ 2,074,933</b>

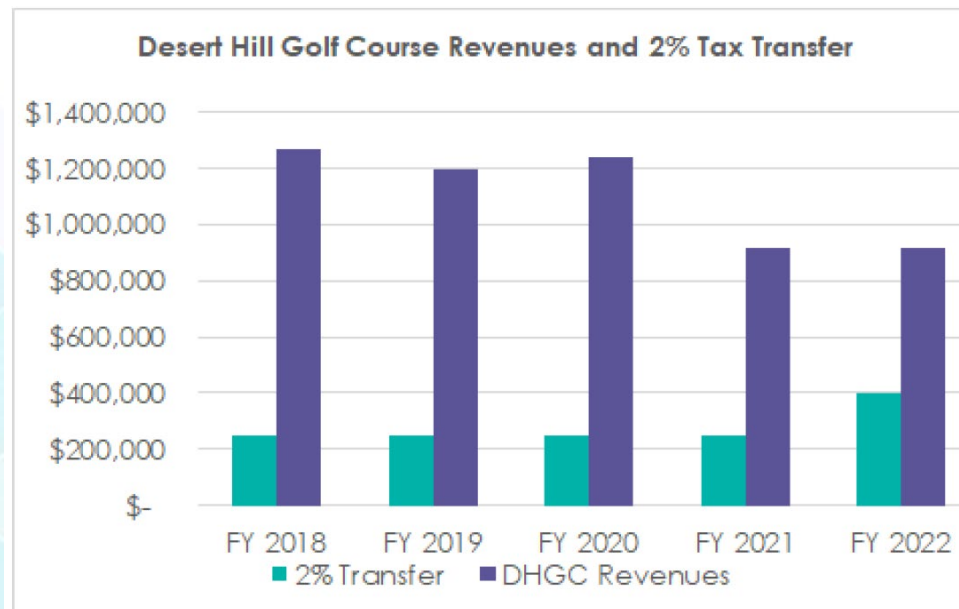
YUMA REG COMM. SYSTEM GRANT FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
<b>Unassigned Fund Balance July 1,</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 384,248</b>
Sources:					
Estimated Revenues	-	688,376	1,000,000	884,672	1,000,000
<b>Total Sources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



# Desert Hills Golf Course Fund

The Parks and Recreation Department operates the Desert Hills Golf Course and Desert Hills Par 3 and leases restaurant and bar operations at The Patio Restaurant.

The Two Percent Tax was used to construct the course in the 1970's and later to reconstruct the main clubhouse using bonds sold in 1995. The tax has also been used to subsidize course operations from time to time, but Council has long intended that golf revenues wholly support these operations. To this end, the transfer from the tax has been reduced over the years. The tax transfer for debt service related to the clubhouse reconstruction ended in fiscal 2010. In FY 2012 and FY 2014, new transfers from the Two Percent Tax fund were used to fund capital improvements to the golf courses and their clubhouses. For FY 2015, an additional transfer was budgeted to support operations. Also in FY 2015, the operation of the restaurant was outsourced, thus the reduction in revenues. Due to the continued decline in estimated revenues, mirroring a national trend in golf, the transfer from the 2% fund is increasing from \$250,000 to \$400,000.





# Desert Hills Golf Course Fund

DESERT HILLS GOLF COURSE FUND	Actual FY 2019	Actual FY 2020	ADJ Budget FY 2021	Estimate FY 2021	Budget FY 2022
<b>Unrestricted Fund Balance July 1,</b>	<b>\$ (381,995)</b>	<b>\$ (688,138)</b>	<b>\$ (699,402)</b>	<b>\$ (1,121,958)</b>	<b>\$ (1,847,142)</b>
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
<b>Total Sources</b>	<b>\$ 1,422,675</b>	<b>\$ 1,275,120</b>	<b>\$ 1,169,480</b>	<b>\$ 954,280</b>	<b>\$ 1,317,600</b>
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
<b>Total Uses</b>	<b>\$ 1,728,818</b>	<b>\$ 1,708,939</b>	<b>\$ 1,675,724</b>	<b>\$ 1,679,464</b>	<b>\$ 1,809,346</b>
<b>Unrestricted Fund Balance June 30,</b>	<b>\$ (688,138)</b>	<b>\$ (1,121,958)</b>	<b>\$ (1,205,646)</b>	<b>\$ (1,847,142)</b>	<b>\$ (2,338,888)</b>

# 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. All governmental and enterprise funds that benefit from these services are charged accordingly.

EQUIPMENT MAINTENANCE FUND	ACTUAL FY 2019	ACTUAL FY 2020	ADJ BUDGET FY 2021	ESTIMATE FY 2021	BUDGET FY 2022
<b>Unrestricted Fund Balance July 1,</b>	<b>\$ (577,134)</b>	<b>\$ (726,821)</b>	<b>\$ (669,467)</b>	<b>\$ (245,566)</b>	<b>\$ (249,329)</b>
Sources:					
Estimated Revenues	2,318,586	2,681,711	3,009,428	2,750,000	2,912,000
<b>Total Sources</b>	<b>\$ 2,318,586</b>	<b>\$ 2,681,711</b>	<b>\$ 3,009,428</b>	<b>\$ 2,750,000</b>	<b>\$ 2,912,000</b>
Uses:					
Expenditures					
Personnel	1,008,284	1,051,569	1,187,569	1,071,735	1,253,584
Operating	1,455,998	1,144,897	1,623,469	1,682,028	1,621,306
Capital Outlay	-	-	-	-	-
Total Expenditures	2,464,282	2,196,466	2,811,038	2,753,763	2,874,890
Transfers Out:					
Equipment Replacement Fund	3,991	3,991	3,991	-	-
Total Transfers Out	3,991	3,991	3,991	-	-
<b>Total Uses</b>	<b>\$ 2,468,273</b>	<b>\$ 2,200,457</b>	<b>\$ 2,815,029</b>	<b>\$ 2,753,763</b>	<b>\$ 2,874,890</b>
<b>Unrestricted Fund Balance June 30,</b>	<b>\$ (726,821)</b>	<b>\$ (245,566)</b>	<b>\$ (475,068)</b>	<b>\$ (249,329)</b>	<b>\$ (212,219)</b>

# Insurance Reserve Fund

The Insurance Reserve Fund accounts for the insurance activity and risk retention of the city for liability and casualty issues. Until 2004, these expenditures were accounted for within the General Fund. In 2005, an internal service fund was created for this activity. Use of such a fund makes administration of the city's risk management easier. Premiums are charged to each fund based on liability exposure, infrastructure and other parameters.

<b>INSURANCE RESERVE FUND</b>	<b>ACTUAL FY 2019</b>	<b>ACTUAL FY 2020</b>	<b>ADJ BUDGET FY 2021</b>	<b>ESTIMATE FY 2021</b>	<b>BUDGET FY 2022</b>
<b>Unrestricted Fund Balance July 1,</b>	<b>\$ 3,205,513</b>	<b>\$ 2,605,536</b>	<b>\$ 3,223,607</b>	<b>\$ 3,266,770</b>	<b>\$ 3,885,217</b>
Sources:					
Estimated Revenues	2,004,829	2,037,373	1,937,973	1,947,173	1,935,285
<b>Total Sources</b>	<b>\$ 2,004,829</b>	<b>\$ 2,037,373</b>	<b>\$ 1,937,973</b>	<b>\$ 1,947,173</b>	<b>\$ 1,935,285</b>
Uses:					
Expenditures					
Personnel	90,403	20,701	-	-	-
Operating	2,514,403	1,355,437	1,840,607	1,328,726	3,081,307
<b>Total Expenditures</b>	<b>\$ 2,604,805</b>	<b>\$ 1,376,138</b>	<b>\$ 1,840,607</b>	<b>\$ 1,328,726</b>	<b>\$ 3,081,307</b>
<b>Total Uses</b>	<b>\$ 2,604,806</b>	<b>\$ 1,376,139</b>	<b>\$ 1,840,607</b>	<b>\$ 1,328,726</b>	<b>\$ 3,081,307</b>
<b>Unrestricted Fund Balance June 30,</b>	<b>2,605,536</b>	<b>3,266,770</b>	<b>3,320,973</b>	<b>3,885,217</b>	<b>2,739,195</b>

# Workers Compensation Fund

The Workers Compensation Fund accounts for the workers compensation claims of its employees. Charges to operating funds are very similar to insurance charges paid to an external insurance company.

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



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# American Rescue Plan Act (ARPA)

- Coronavirus State and Local Fiscal Recovery Funds
- Received Interim Final Rule May 10, 2021
- City applied for funding May 12, 2021
- City allocation: \$23.1 Million
- Funding budgeted for expenditure authority

# State of Arizona Flat Tax Proposal

- Voter Approved Local Revenues (VALR) are used to support ongoing operations (General Fund)
- \$4.2 million anticipated ongoing impact to the City
  - Federal funding is all one-time money
  - *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

# 10 Year Employment Projections

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

Source: AZ Office of Economic Opportunity,  
Long Term Industry Projections, 2019-2029



# State of Arizona Flat Tax Proposal

- \$1.7 - \$2.1 billion income tax cut by creating a flat tax
- Translates to \$250 million + in lost revenues for cities and towns (General Fund)
- Single largest cut to cities and towns in the state's history
- **Cities wants to be held harmless** Under this proposal, every AZ city/town would lose approximately 30% of their Voter Approved Local Revenue (VALR) (income tax)
- Cuts would affect public safety most
- Elected official opposition in Yuma County
  - Letter from the cities/town mayors and board of supervisor chair
  - A proposed solution is to increase cities/towns percentage from 15% to approximately 19%

# City Primary Property Tax

- Reduced rate
  - FY 2021: \$2.3185
  - FY 2022: \$2.2681
- Increased levy
  - FY 2021: \$14,215,309
  - FY 2022: \$14,808,556



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# Next Steps

May 20, 2021

- FY 2022 Budget and CIP roundtable

June 2, 2021

- Adopt FY 2022 – FY 2026 Capital Improvement Program
- Motion to approve the FY 2022 Expenditure Limit

June 16, 2021

- Combined Truth in Taxation and Expenditures (Budget) Hearing
- Adopt Final Fiscal Year 2022 Budget after combined hearing
- Introduce Primary Property Tax Rate and Tax Levy Ordinance
- Introduce Mall and Maintenance Improvement District Rates
- Introduce Solid Waste fee increases

July 21, 2021

- Adopt Tax Rate and Tax Levy Ordinance

