





**WE ARE A STRONG TEAM DEDICATED TO SERVING  
OUR COMMUNITY, BUILDING RELATIONSHIPS AND  
CREATING OPPORTUNITIES.**

## Honorable Mayor, City Council and Residents of Yuma

- The Proposed Fiscal Year 2023 Annual Budget (FY 2023):
  - includes the 5 year Capital Improvement Plan (CIP);
  - balanced and represents a responsible spending plan for the upcoming fiscal year; with
  - an eye to future needs as well.
- Significant work has gone into ensuring that the proposed budget is:
  - fiscally responsible,
  - advances the City Council's Vision and Strategic Plan, and
  - meets the needs of our growing community.
- One of the most important duties of the Mayor and Council is to adopt an annual budget for the City.
- The budget is a policy document that encompasses past trends and economic realities.
- It also provides a financial framework for implementing the Council's priority initiatives as expressed in the City's Strategic Plan.

## Economy and Financial Planning

- The City continues to break construction and development records, which indicates a strong and healthy local economy.
  - Compared to FY 2020, FY2021:
    - residential development up 5%;
    - commercial development up 20%;
    - Total building permits (all types) were up 7%
  - We are seeing the same upwards development trends in the current year FY 2022.
  - Construction and development growth is an excellent predictor of the local economy, but...
- The City is not creating an ongoing dependence on construction revenues
  - We are being conservative in our revenue goals, recognizing the impact of inflation, supply chain, and other global issues, which can affect the local economy.
  - The City is implementing a multi-year financial planning forecasting tool to ensure the responsible stewardship of the public's resources and to plan for unforeseeable future circumstances.



## American Rescue Plan Act (ARPA)

- On March 11, 2021, the federal government implemented ARPA
- The program provides support to local governments responding to the economic and public health impacts of COVID-19 impacts on local communities
- All expenditures must comply with U.S. Department of Treasury requirements
- Recipients must obligate the funds by December 31, 2024, and spend them by December 31, 2026.
- FY 2023 budget includes over \$23 million in ARPA federal funds
- April 2022, City Council adopted City's ARPA Project List
- Highlights of ARPA funded projects included in FY 2023:
  - development of the East Mesa Community Park
  - improvements to the Kennedy Regional Park and Skate Park,
  - construction of Fire Station 7,
  - playground replacements throughout the community,
  - rehabilitation of the Public Safety Track and
  - phase one of an Intelligent Transportation System.

## Major Projects in FY 2023 (non-ARPA)

- Implementing Priority Based Budgeting (PBB)
  - PBB aligns the City's budget with the strategic plan and allocates funds accordingly to find the greatest value to the community
  - PBB is expected to help the City understand programs, the value they offer, how much they cost, and how they reflect community priorities
- The expansion of the Desert Dunes Reclamation Facility
  - increases wastewater capacity to 6.6 million gallons per day
  - the City secured a competitive interest rate of 2.26% receiving \$86 million in bond proceeds
- A new multi-modal transportation center
  - the City received a RAISE grant to develop the Hotel Del Sol into the Yuma Region's first Multi-Modal Transportation Center (MMTC)
  - This transportation center will transform the lives of Yuma residents and help revitalize the historic downtown and the surrounding community
- Yuma Fire Station #7 Project,
  - avenue 8½E & Desert Springs Drive,
  - currently in the latter part of the design/development phase with plans being prepared for submittal
  - FY 2023 budget should see its start of construction.

## Team Yuma

- The FY 2023 proposed budget includes eight (8) new full-time employees
- These positions are in essential areas to ensure that our organization is able to continue to meet the growing needs of the community.
- New positions include:
  - Finance – Accountant
  - Public Works – Heavy Equipment Operator
  - Police – Video Analyst
  - Utilities – Waste Water Systems Supervisor and four (4) Water System Technicians
- Recognizing impacts of inflation on our community, we are recommending adjustments for:
  - Non-Step Employees: 4% increase in July 2022 + 2% in January 2023.
  - Step Plan Employees: in July 2022, the employee will be adjusted one-step (3-5% increase) and a 3% increase in January 2023.
- The City once again worked hard to keep medical and dental costs low
  - For plan options B and HDHP, employees will not see an increase to their monthly premiums and the City will be contributing an additional \$25 per month toward dependent care

## Team Yuma

- In order to be a strong team that is dedicated to serving the Yuma community, we must be able to recruit and retain quality employees
- By completing a Classification and Compensation Study, the City will:
  - Ensure market/internal structure alignment
  - Simplify classification structures
  - Identify paths for career progression
  - Address recruitment and retention needs
  - Review minimum qualifications to facilitate recruitment of talent
- The Proposed FY 2023 Annual Budget continues to advance the Council's Vision and Strategic Outcomes, provides for the continuation of quality services to the Yuma community, and improves capital assets while preserving fiscal stability.
- Finally, I look forward to working with the Council on the budget over the coming weeks.
- Please reach out if you have any questions or need additional information. Thank you for your commitment and service to the Yuma community.





## SAFE & PROSPEROUS

- Construction of Fire Station #7
- Expansion of the Desert Dunes Reclamation Facility
- Mill and replace the asphalt on the driving track at the Public Safety Training Facility
- Economic development funding for a small business loan program and targeted marketing efforts





## ACTIVE & APPEALING



- Construction of East Mesa Park (Phase 1)
- Complete improvements to the Kennedy Regional Park and Skate Park
- Citywide playground replacements
- Yuma Readiness Center HVAC and gym enhancements
- Improvements to East Wetlands Park



## CONNECTED & ENGAGED

- Redevelop the Hotel Del Sol into a regional multi-modal transportation center
- City's Intelligent Transportation System (Phase 1)
- Enhance the City's telephone system
- Technology upgrades to Room 190 in City Hall and the purchase of a portable audio conferencing system
- Funding to assist with startup costs for the Yuma Boys & Girls Club





## UNIQUE & CREATIVE



- Matching grant funds for the Yuma Multiversity and Yuma Spaceport
- Funding to kick start Yuma Spaceport initiative
- Revamping the City's current self-inspection program for roof, lathing and drywall nailing inspections





## RESPECTED & RESPONSIBLE

- Implement Priority Based Budgeting
- Complete a Classification and Compensation Study
- Implement new Asset Works software as a fleet management solution
- Repave the maintenance yard at Public Works and install a new awning for the Household Hazardous Waste area



# Total Revenue

## \$277.2 All Funds

**\$97.6 General Fund**

**\$9.6 Highway User Revenue Fund (HURF)**

**\$16.1 City Road Tax Fund**

**\$6.4 Public Safety Tax Fund**

**\$9.0 Two-Percent Tax Fund**

**\$40.7 Grant Fund**

**\$23.1 ARPA**

**\$2.1 Capital Projects Fund**

**\$31.1 Water Fund**

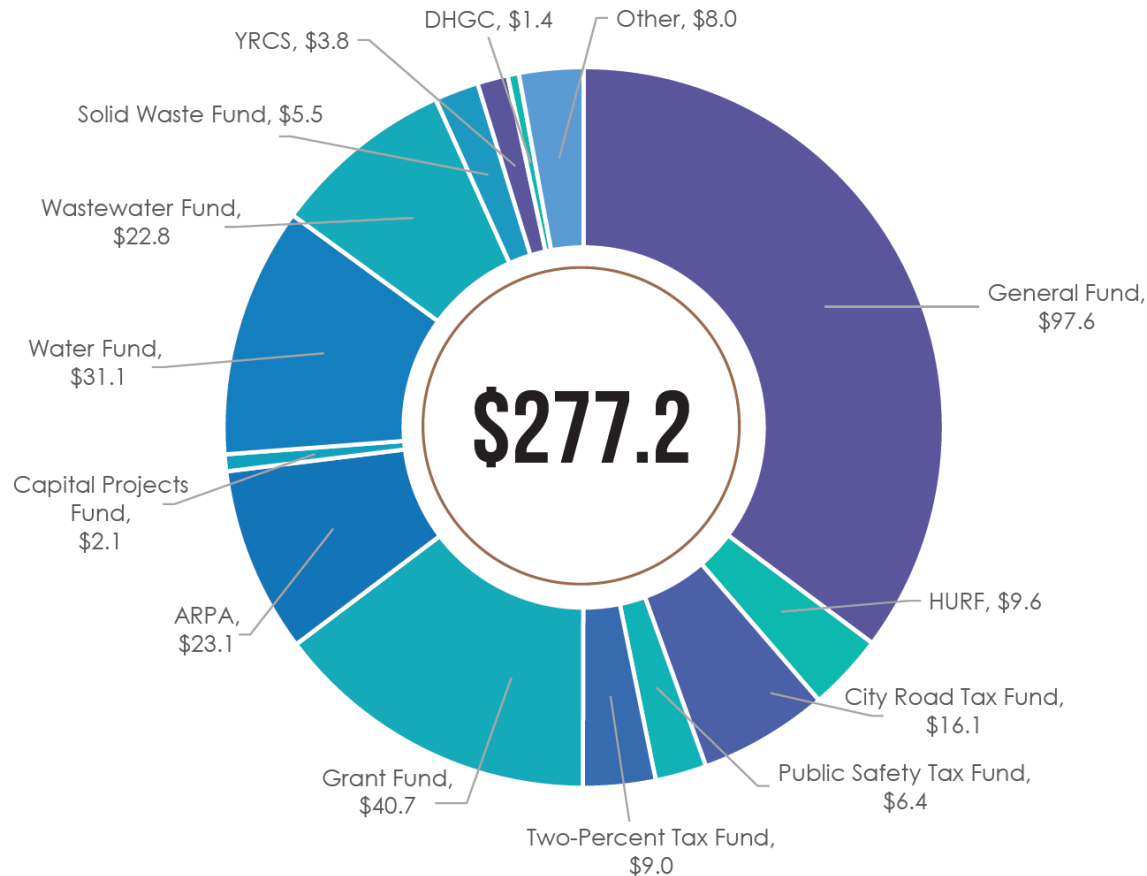
**\$22.8 Wastewater Fund**

**\$5.5 Solid Waste Fund**

**\$3.8 Yuma Regional Communications Systems Fund (YRCS)**

**\$1.4 Desert Hills Golf Course Fund (DHGC)**

**\$8.0 Other**



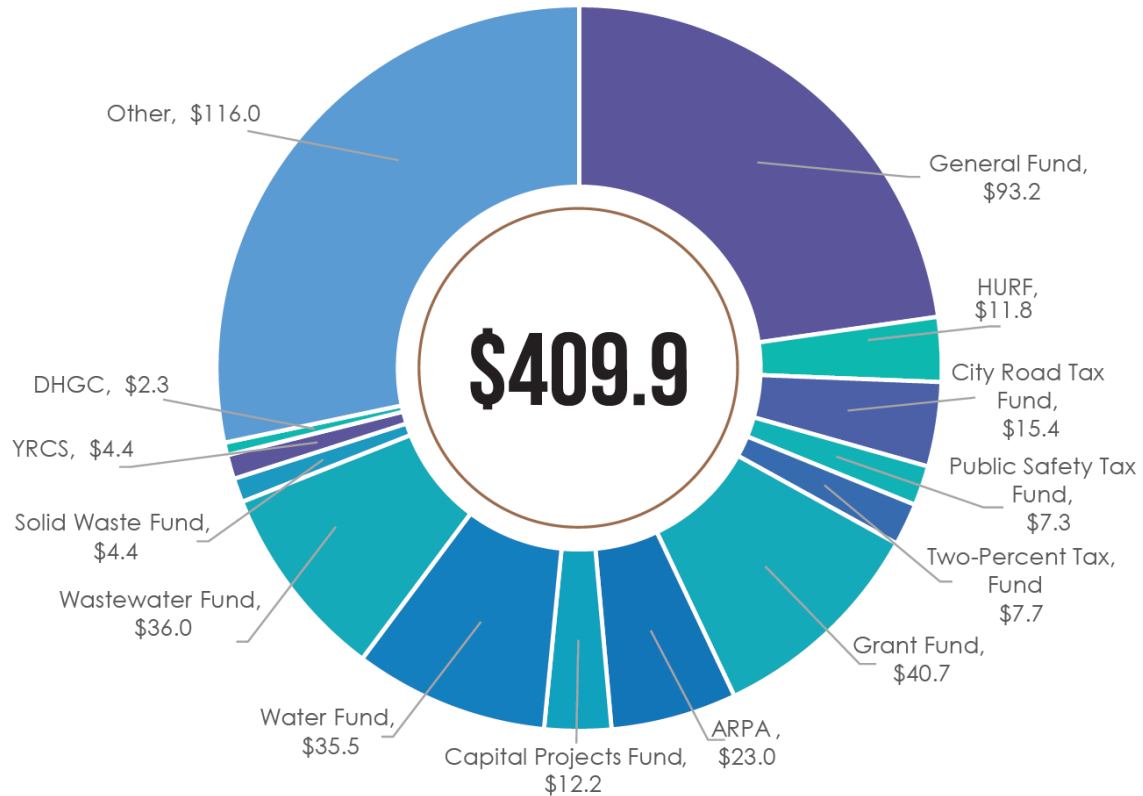
Does not include Transfers In & Out;  
Difference to Revenue is planned use of fund balance on one-time uses, such as Vehicles, CIP, Desert Dunes Wastewater Expansion

# Total Expenditures / Expenses

## \$409.9 All Funds

- \$93.2 General Fund
- \$11.8 Highway User Revenue Fund (HURF)
- \$15.4 City Road Tax Fund
- \$7.3 Public Safety Tax Fund
- \$7.7 Two-Percent Tax Fund
- \$40.7 Grant Fund
- \$23.0 ARPA
- \$12.2 Capital Projects Fund
- \$35.5 Water Fund
- \$36.0 Wastewater Fund
- \$4.4 Solid Waste Fund
- \$4.4 Yuma Regional Communications Systems Fund (YRCS)
- \$2.3 Desert Hills Golf Course Fund (DHGC)

## \$116.0 Other




Does not include Transfers In & Out;  
 Difference to Revenue is planned use of fund balance on one-time uses, such as Vehicles, CIP, Desert Dunes Wastewater Expansion

## Role of a Budget Document:

- Policy Document;
- Operations Guide;
- Financial Plan; and
- Communication Medium.

Budget-in-Brief page numbers are noted on next slides; “Exhibit” are not in the BIB.

The FY 2023 Proposed budget is designed with flexibility to adapt with anticipated and unforeseen changes during the Fiscal Year.

A  will appear at the end of some slides; “pause” for any Q or C’s

Information presented is the best and most current available at that time of printing; and is monitored to be updated as appropriate.



# Schedule from Proposed to Final Adoption

We are  
here



- Work session April 19<sup>th</sup>:
  - Quarterly Financial Update and Revenue Forecast
- **Work session May 3<sup>rd</sup>:**
  - Proposed Operating Budget
  - Recommended Amendments to Proposed Budget
  - Directives from Mayor and City Council
- Work session May 17<sup>th</sup>:
  - Capital Improvement Plan (CIP)
  - Operating Budget: Follow-up items
  - Introduction to the required PSPRS Funding Policy
- Regular session May 18<sup>th</sup>:
  - Adoption of the Proposed Budget and CIP, as modified =
  - “Tentative” Budget, Sets ceiling for budget authority
- Special / Regular session June 15<sup>th</sup>:
  - Adopt the “Final” Budget and CIP for FY 2023
  - *Public Hearing on TNT (if required)*
  - Adopt Budget Amendments for FY 2022
  - Adopt a PSPRS Funding Policy for FY 2023
  - Approve select FY 2023 purchases (such as vehicles)
- July 6<sup>th</sup>: Adoption of tax levies (City, MM, MID)

## FY 2023 (Adopt Budget, Levy)

- Adopt the FY 2023 budget
- Adopt tax rates and levies

## FY 2022 (Amend Budget)

- Amend the FY2022 budget
  - Consistent accounting practices
  - Budget like reports in ACFR & AELR
  - Better represent financial position and operations

Further information throughout the process

# Modify before Final Adopted Budget

- After the Proposed FY 2023 Budget Document is released,
  - Modifications and adjustments will be recommended
- Staff is tracking and will bring to City Council for consideration at the next available meeting

## Examples include:

- House cleaning items
- New and impactful information
  - Legislation
  - Revenue stability
  - Economic conditions
  - Change in cost estimates

## Preview

RECOMMENDED CHANGES TO BUDGETS			EXHIBIT C		
Purpose	FY 2022 Amended Budget		FY 2023 Proposed Budget		
	General Fund	ARPA	General Fund	Other	Total
<b>ARPA Projects</b> ARPA reported as separate fund in FY 2021 Audited Financial Statements	\$(14,801,661)	\$ 14,801,661	\$ -	\$ -	\$ -
<b>Water: Capacity</b> Double budgeted, Water and WW, CIP	-	-	-	(2,900,000)	(2,900,000)

## Effective FY2019

- State law requires a PSPRS funding policy to be adopted annually
- The AZ League of Cities and Towns has a template available
- Even though in FY2022 the City has fully funded the PSPRS liability and established a PSPRS reserve to maintain a 100% funded ratio, the City is still required to adopt the PSPRS funding policy

Note: the City's FY2023 contribution rate for the Unfunded Actuarial Accrued Liability (UAAL) is 0%

## Recommendation

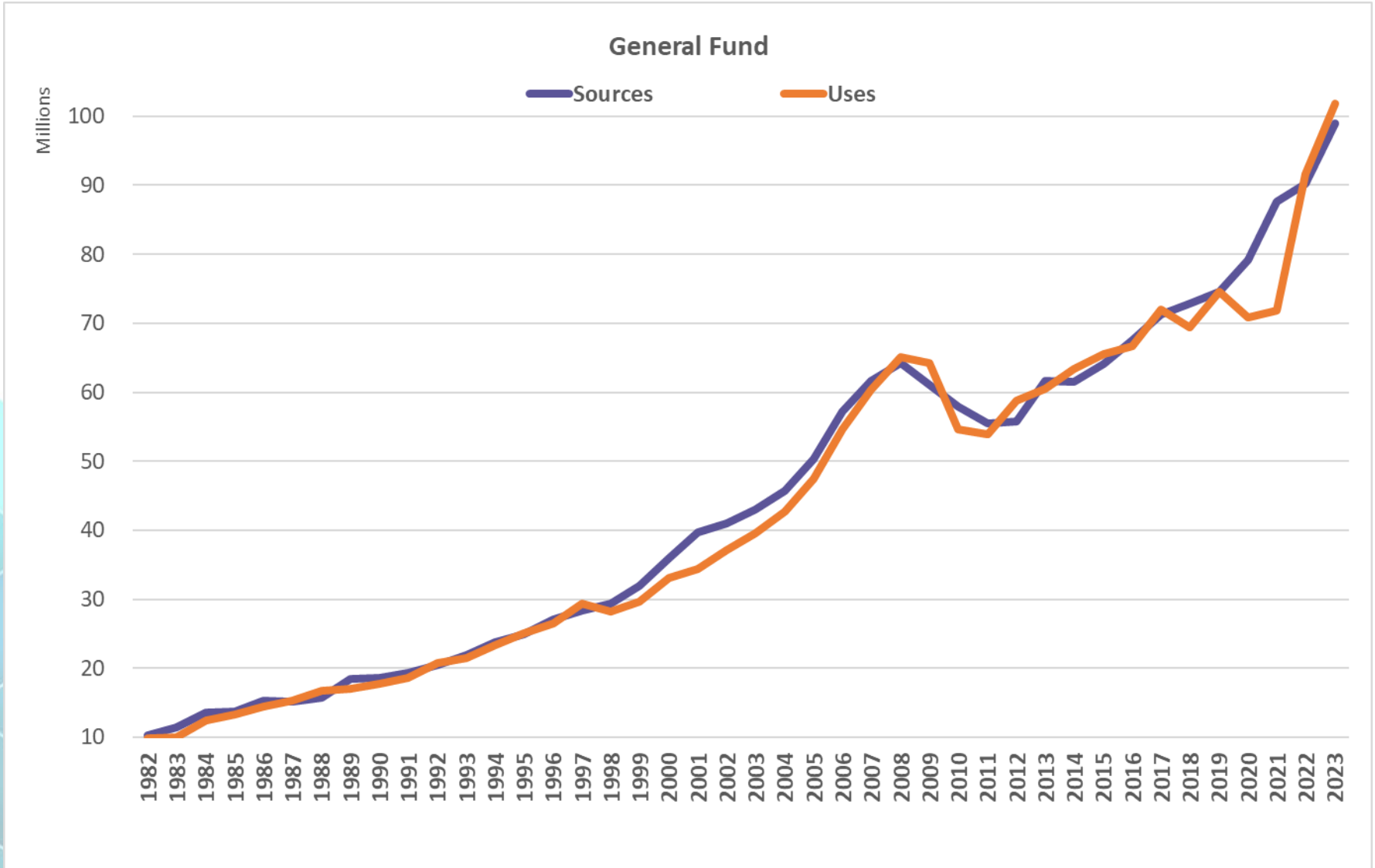
- Use the AZ League template and include adopting this policy with the annual budget process will ensure meeting compliance
- Amortize the UAAL contribution rate over the maximum years allowed to not over commit the City and allow for flexibility in the event of an economic downturn and the resurgence of an UAAL
- Include a section to highlight and document prior Council actions to fully fund the PSPRS liability in February 2021



## Getting a jump ahead

- Bring purchase orders and contracts for certain products to City Council for consideration as soon as budget is adopted
- Won't receive until after July 1
- Only if it is more advantageous to the City than to wait until July 1
  - Vehicles
  - Police supplies and equipment
  - Other purchases hindered by supply chain challenges

# EXECUTIVE SUMMARY



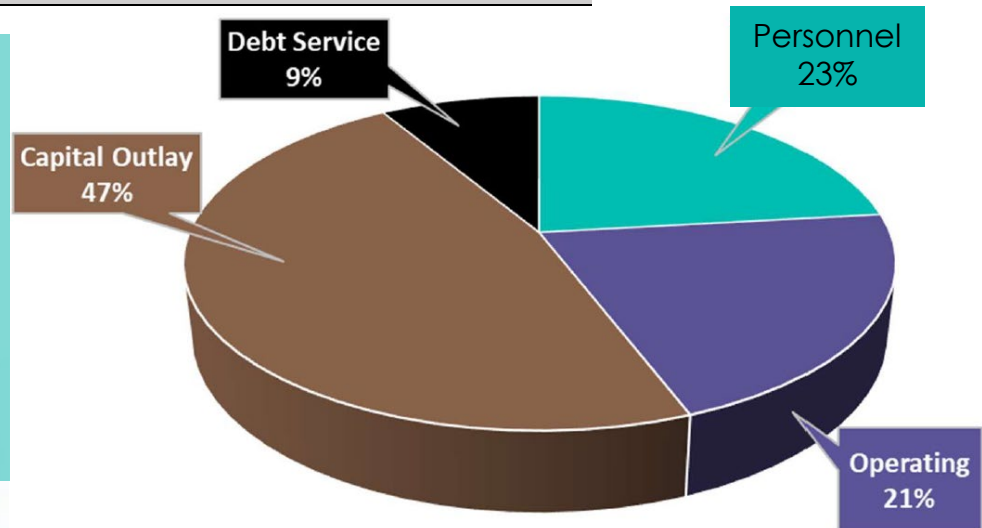
# Executive Summary – Total Budget

Information from page 12

Expenditures / Expenses	Amended Budget 2022	Budget FY 2023	Change	
			Amount	%
General Fund	\$ 81,385,197	\$ 93,206,029	\$ 11,820,832	15%
Water Fund	37,361,083	35,521,558	(1,839,525)	-5%
Waste Water	34,239,957	36,296,223	2,056,266	6%
Highway Users Revenue Fund	10,647,660	11,774,014	1,126,354	11%
City Road Tax	15,118,777	15,361,718	242,941	2%
Two Percent Tax Fund	6,453,250	7,754,957	1,301,707	20%
ARPA	14,801,661	23,071,661	8,270,000	56%
All Other Funds	179,657,896	186,993,917	7,336,021	4%
<b>Total Before PSPRS UAAL</b>	<b>\$ 379,665,481</b>	<b>\$ 409,980,077</b>	<b>\$ 30,314,596</b>	<b>8%</b>
PSPRS Unfunded Liability	122,376,210	-	(122,376,210)	-100%
<b>Total Expenditures / Expenses</b>	<b>\$ 502,041,691</b>	<b>\$ 409,980,077</b>	<b>\$ (92,061,614)</b>	<b>-18%</b>

Does not include interfund transfers

The total budget is \$409,980,077, which is \$92 million or 18% less than prior year total budget, and is \$30 million or 8% more net Public Safety Personnel Retirement System (PSPRS) Unfunded Actuarial Accrued Liability (UAAL).



# Exhibit A – Full Time Equivalents (FTE)

FULL TIME EQUIVALENTS ("FTE")					EXHIBIT A
Department	FY 2021	Actual FY 2022	Budget FY 2023	Chg + / -	Position Changes
Mayor and City Council*	0	0	0	0	
City Administration	60	26	26	0	
Building Safety	0	60	60	0	(2) provisional - Code Enforcement during FY 2022
City Attorney	10	11	10	(1)	Government Relations Associate
Engineering	27	28	28	0	
Finance	33	35	35	0	(+1) Accountant; (-1) Budget and Revenue Manager
Fire Department	137	138	138	0	
Human Resources	12	13	13	0	
Information Technology	32	32	31	(1)	IT Enterprise Systems Engineer
Municipal Court	21	24	26	2	Court Officers
Parks and Recreation	110	108	108	0	
Planning and Neighborhood Services	42	22	23	1	Housing Rehabilitation Specialist
Police Department	288	288	289	1	Video Analyst
Public Works	85	87	88	1	Heavy Equipment Operator
Utilities	137	143	148	5	4 - Water Systems Tech; 1 - W/WW Systems Supv
<b>Total FTEs</b>	<b>994</b>	<b>1015</b>	<b>1023</b>	<b>8</b>	

\*Elected Officials

# Exhibit D - Outside Agencies

Fund/Cognizant Department	Outside Agency by Function	Budget FY 2022	Estimate FY 2022	Budget FY 2023
<b>Economic Development</b>				
2% / Mayor & Council	Quartermaster Depot	\$ 150,000	\$ 150,000	\$ 150,000
2% / Mayor & Council	Visit Yuma	600,000	600,000	600,000
General / Mayor & Council	State & Federal Advocacy	207,000	207,000	207,000
General / Mayor & Council	GYEDC	232,000	232,000	232,000
General / Mayor & Council	GYEDC (One time FAA application match for Spaceport)	250,000	-	500,000
General / Mayor & Council	4FrontED	38,500	38,500	38,500
General / Mayor & Council	YCIPTA - Yuma County Intergovernmental Public Transportation Authority	200,000	200,000	-
General / Gen Government	YCIPTA - Yuma County Intergovernmental Public Transportation Authority	-	-	340,000
General / Gen Government	YCIPTA - Yuma County Intergovernmental Public Transportation Authority (one time payment)	-	-	455,000
General / Mayor & Council	Yuma Multiversity Campus Grants Match	30,000	-	30,000
HURF / Mayor & Council	Yuma Metropolitan Planning Organization	24,710	24,710	36,900
General / Mayor & Council	Greater Yuma Port Authority	50,000	50,000	50,000
<b>Health and Welfare</b>				
General / Gen Government	Catholic Services - Safe House	15,500	15,500	15,500
General / Gen Government	Amberly's Place	52,380	52,380	52,380
General / Gen Government	Crossroads Mission Detox	27,000	27,000	27,000
<b>Total</b>		<b>\$ 1,877,090</b>	<b>\$ 1,597,090</b>	<b>\$ 2,734,280</b>



# Executive Summary – Contingencies

CONTINGENCIES		
Purpose	Approval Authority	
	Administrative	City Council
A. Fuel (inflation)	\$ 629,238	\$ -
B. Vehicles (supply chain issues)	150,000	-
C. Equipment & Supplies	77,000	-
D. Health Insurance	78,000	-
E. Retirements (PTO payout)	670,000	-
F. Administrative Contingency	500,000	-
G. General Contingency	-	1,400,000
<b>Total</b>	<b>\$ 2,104,238</b>	<b>\$ 1,400,000</b>

**A-E: Specific Purpose Contingencies.** City Administrator and Finance Director when both have determined the specific criteria or service demand has been realized.

**F: Administrative Contingency.** City Administrator as needed to maintain continuity in City operations.

**G: General Contingency.** City Council action needed. Typically, called upon for unforeseen needs that fall short of declaring an emergency.

To assist in managing foreseeable risk and plan for the futures, the FY 2023 Proposed Budget includes a series of designated for contingencies to provide operational flexibility by adapting to economic factors, such as inflation, supply chain delays and labor markets.

These contingencies are designated for specific purposes and would only be utilized once specific criteria are met and / or service demands are realized. At fiscal year-end, all unencumbered contingencies revert to the General Fund balance and carried forward.

As part of budget adoption, it is recommended for Council to authorize single year authority as outlined above.

# Executive Summary – Pay Plans

CITY PAY PLANS						
PERSONNEL	FY 2021	FY 2022			FY 2023 (Proposed)	
	July / Nov	July / Dec	January	June	July	January
<b>Police and Fire Step Plan:</b> (Sworn and Front-line )	1 step 3.0%, 4.0% or 5%	1 step 3.0%, 4.0% or 5%	Base Adj 2.1% (1)	Cash Bonus \$ 3,000	1 step 3.0%, 4.0% or 5%	Range 3% (3)
<b>Police and Fire Open Range:</b> (Non-Sworn and Admin)	2.5% or LMS grade	3.0%	1.5% (2)	Cash Bonus \$ 1,500	4.0%	2% (4)
<b>Open Range Pay Plan:</b> (All Other City Staff)	2.5% or LMS grade	3.0%	1.5% (2)	\$ -	4.0%	2% (4)

(1) Step plan pay ranges were increased by 2.1%; all step employees received a 2.1% increase

(2) Open range pay grades and ranges were increased between 5.0% and 4.5%; employees received a 1.5% increase.  
After the grade increase, if an employee fell below the grade's minimum they were brought up to the minimum

(3) Step plan pay ranges are proposed to increase by 3.0%; all step employees would receive a 3.0% increase

(4) Open Range ranges are proposed to increase by 2.0%; all non-step employees would receive a 2.0% increase

Step increases vary

Police Officer	10 steps	3.0% for steps 2-6; and 5.0% for steps 7-10
Police Sergeant	6 steps	4.0% for steps 2-6
Firefighter	10 steps	3.0% for steps 2-10
Fire Engineer	9 steps	3.0% for steps 2-9
Fire Captain	8 steps	3.0% for steps 2-8

# Executive Summary – Tax Levy & TNT

Overall, **assessed values have increased 5.1%** compared to last year. This includes an increase of **3.4% to base properties** and **2.1% increase** of new construction.

TRUTH-IN-TAXATION OVERVIEW								
	FY 2021-22 (TY 2021)  Total	FY 2022-23 (Tax Year 2022)						
		Appreciation to Base	A) Stay at Same Base Levy (0% Increase)			B) Continue Maximum Levy (2% Increase)		
	Base		New Construction	Total	Base	New Construction	Total	
<b>Proposed 2022-23 Tax Levy</b>	-	-	\$ 14,808,556	\$ 296,882	\$ 15,105,438	\$ 15,105,049	\$ 302,838	\$ 15,407,888
<b>Total Assessed Valuation</b> Taxed on per \$100	\$ 652,905,803 6,529,058	\$ 22,331,091	675,236,894 6,752,369	13,537,689 135,377	688,774,583 6,887,746	675,236,894 6,752,369	13,537,689 135,377	688,774,583 6,887,746
<b>Primary Property Tax Rate</b>	<b>2.2681</b>		<b>2.1930</b>	2.1930	2.1930	<b>2.2370</b>	2.2370	2.2370
<b>Primary Tax Levy</b>	14,808,556		14,807,945	296,882	<b>15,104,827</b>	15,105,049	302,838	<b>15,407,888</b>
			\$ (611) 0.00%	difference due to rounding (need be same or lower or da		\$ 296,493 2.00%	TNT required	
<b>TNT (Truth-in-Taxation)</b>			Not to be Published			Required to Publish		Difference: Stay at Same Base vs. Continue at the Max
\$100,000 Home Value			\$ 219.30			\$ 223.70		
2022-23 Primary Property Tax Levy per \$100,000 Home Value if the Tax Rate was not adjusted in FY2023			219.30			219.30		\$303,060
Proposed 2022-23 Primary Property Tax Levy Increase(Decrease) per \$100,000 Home Value			-			4.40		

The City's maximum levy for FY 2023 is \$15,407,888. The recommended option (A) with **no tax increase would be \$303,000 under the maximum levy** the City would be allowed to assess.

# Executive Summary – Tax Levy & TNT

Overall, **assessed values have increased 5.1%** compared to last year. This includes an increase of **3.4% to base properties** and **2.1% increase** of new construction.

A) **The first option is the recommended option and built in the Proposed Budget FY 2023.** This option **lowers the tax rate (-3.3%)** but maintains the same base levy as last fiscal year, plus new construction. Since this is **not considered a tax levy increase**, a Truth-in-Taxation notice and public hearing on increasing the tax levy would not be required.

B) **The other option would be to continue at the maximum levy.** This option **lowers the property tax rate (-1.4%),** but due to increases in assessed values, **it would increase the tax levy by 2% for the existing tax base,** plus new construction. This option would require a Truth-in-Taxation notice and public hearing on increasing the Primary Property tax levy.

The City's maximum levy for FY 2023 is \$15,407,888. The recommended option (A) with **no tax increase would be \$303,000 under the maximum levy** the City would be allowed to assess.

# Exhibit B - Total by Department



TOTAL SOURCES, USES AND CHANGES IN FUND BALANCES											EXHIBIT B
REVENUES	General	Highway User Revenue	City Road Tax	Public Safety Tax	Two Percent	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	FY 2023 Total
Sales Tax	\$ 32,236,000	-	\$ 15,946,000	\$ 6,344,000	\$ 8,300,000	-	-	-	-	-	\$ 62,826,000
Property Tax	15,311,964	-	-	-	-	344,500	-	-	-	-	15,656,464
State Shared Revenue	36,377,000	9,500,000	-	-	-	-	-	-	6,727,000	-	52,604,000
ARPA Revenue	-	-	-	-	-	23,071,661	-	-	-	-	23,071,661
Other	15,172,637	41,500	115,010	12,000	751,300	40,712,457	2,063,870	-	57,872,915	6,280,253	123,021,942
<b>TOTAL REVENUES</b>	<b>\$99,097,601</b>	<b>\$ 9,541,500</b>	<b>\$16,061,010</b>	<b>\$ 6,356,000</b>	<b>\$ 9,051,300</b>	<b>\$64,128,618</b>	<b>\$ 2,063,870</b>	<b>\$ -</b>	<b>\$ 64,599,915</b>	<b>\$ 6,280,253</b>	<b>\$277,180,067</b>
EXPENDITURES / EXPENSES											
Police	\$ 28,658,829	-	-	\$ 2,106,060	-	\$ 3,160,823	1,000,000	-	-	\$ 881,525	\$ 35,807,237
Fire	16,557,402	-	-	2,298,425	-	1,870,506	-	-	-	574,992	21,301,325
Public Works	-	10,337,494	1,097,600	-	-	626,758	-	-	5,037,422	3,257,623	20,356,897
Utilities	-	-	-	-	-	-	-	-	25,042,702	372,900	25,415,602
Engineering	328,924	-	2,506,553	-	8,024	-	-	-	1,022,674	-	3,866,175
Parks and Recreation	8,050,924	-	-	-	4,190,985	4,590,858	-	-	1,615,074	-	18,447,841
Planning & Neighborhood Services	2,316,171	-	-	-	-	6,609,717	-	-	-	-	8,925,888
Building Safety	9,452,585	-	-	-	-	-	-	-	-	-	9,452,585
Mayor and Council	1,339,110	36,900	-	-	750,000	-	-	-	-	-	2,126,010
Municipal Court	2,492,124	-	-	-	-	100,000	-	-	-	-	2,592,124
City Administration	3,032,811	-	82,716	1,859	524,308	240,000	-	-	8,364	-	3,890,058
City Attorney	1,568,278	-	-	-	-	10,000	-	-	-	4,150,000	5,728,278
Information Technology	4,676,672	-	-	-	-	100,000	-	-	4,218,959	40,425	9,036,056
Finance	2,810,777	-	-	-	-	-	-	-	-	-	2,810,777
Human Resources	1,530,396	-	-	-	-	-	-	-	-	-	1,530,396
General Government	8,891,839	127,463	100,323	-	95,358	4,405,080	-	-	821,456	2,336,620	16,778,139
Intracity Cost Allocation	(5,210,709)	372,157	478,065	-	1,298,282	40,258	-	-	2,923,858	98,089	-
Debt Service	749,365	-	18,288	513,166	-	5,292	-	20,761,375	13,327,908	-	35,375,394
ARPA Projects	-	-	-	-	-	21,471,635	-	-	-	-	21,471,635
Capital Improvements	6,418,575	900,000	11,078,174	2,340,000	888,000	21,270,411	6,326,000	-	115,846,500	-	165,067,660
<b>TOTAL EXPENDITURES / EXPENSES</b>	<b>\$93,664,073</b>	<b>\$ 11,774,014</b>	<b>\$15,361,719</b>	<b>\$ 7,259,510</b>	<b>\$ 7,754,957</b>	<b>\$64,501,338</b>	<b>\$ 7,326,000</b>	<b>\$20,761,375</b>	<b>\$169,864,917</b>	<b>\$11,712,174</b>	<b>\$409,980,077</b>
OTHER SOURCES / USES											
Transfers in	-	-	-	-	-	\$ 137,962	-	\$ 20,761,375	\$ 800,000	-	\$ 21,699,337
Transfers out	(14,416,908)	(96,579)	(4,427,812)	(784,086)	(1,731,601)	-	-	-	(242,350)	-	(21,699,337)
Contingency	2,510,000	-	-	-	-	-	-	-	-	-	2,510,000
<b>TOTAL OTHER SOURCES / USES</b>	<b>(11,906,908)</b>	<b>(96,579)</b>	<b>(4,427,812)</b>	<b>(784,086)</b>	<b>(1,731,601)</b>	<b>137,962</b>	<b>-</b>	<b>20,761,375</b>	<b>557,650</b>	<b>-</b>	<b>2,510,000</b>
Net change in Fund Balances	(6,473,380)	(2,329,093)	(3,728,521)	(1,687,596)	(435,258)	(234,758)	(10,121,769)	(0)	(104,707,352)	(5,431,921)	(135,149,649)
Fund Balances - Beginning July 1	43,709,898	4,284,311	12,214,301	4,816,245	3,209,830	(206,556)	12,442,059	30,629	248,202,577	26,128,326	354,831,622
<b>Fund Balances - Ending June 30</b>	<b>37,236,517</b>	<b>1,955,218</b>	<b>8,485,780</b>	<b>3,128,649</b>	<b>2,774,572</b>	<b>(441,314)</b>	<b>2,320,290</b>	<b>30,629</b>	<b>143,495,226</b>	<b>20,696,405</b>	<b>219,681,973</b>
PRIOR YEAR BUDGET											
<b>Adjusted Budget FY 2022</b>	<b>\$81,385,197</b>	<b>\$ 10,647,660</b>	<b>\$15,118,777</b>	<b>\$ 4,739,658</b>	<b>\$ 6,603,250</b>	<b>\$ 63,302,046</b>	<b>\$ 5,934,000</b>	<b>\$ 27,923,356</b>	<b>\$ 153,811,445</b>	<b>\$10,200,092</b>	<b>\$379,665,481</b>



# Exhibit B - Total by Department (Continued)

TOTAL SOURCES, USES AND CHANGES IN FUND BALANCES						EXHIBIT B
REVENUES	General	Highway User Revenue	City Road Tax	Public Safety Tax	Two Percent	Special Revenue
A Sales Tax	\$ 32,236,000	-	\$ 15,946,000	\$ 6,344,000	\$ 8,300,000	-
B Property Tax	15,311,964	-	-	-	-	344,500
C State Shared Revenue	36,377,000	9,500,000	-	-	-	-
D ARPA Revenue	-	-	-	-	-	23,071,661
E Other	15,172,637	41,500	115,010	12,000	751,300	40,712,457
<b>TOTAL REVENUES</b>	<b>\$99,097,601</b>	<b>\$ 9,541,500</b>	<b>\$16,061,010</b>	<b>\$ 6,356,000</b>	<b>\$ 9,051,300</b>	<b>\$64,128,618</b>

TOTAL SOURCES, USES AND CHANGES IN FUND BALANCES					EXHIBIT B
REVENUES	Capital Projects	Debt Service	Enterprise	Internal Service	FY 2023 Total
A Sales Tax	-	-	-	-	\$ 62,826,000
B Property Tax	-	-	-	-	15,656,464
C State Shared Revenue	-	-	6,727,000	-	52,604,000
D ARPA Revenue	-	-	-	-	23,071,661
E Other	2,063,870	-	57,872,915	6,280,253	123,021,942
<b>TOTAL REVENUES</b>	<b>\$ 2,063,870</b>	<b>\$ -</b>	<b>\$ 64,599,915</b>	<b>\$ 6,280,253</b>	<b>\$277,180,067</b>

# Exhibit B - Total by Department (Continued)

EXPENDITURES / EXPENSES	General	Highway User Revenue	City Road Tax	Public Safety Tax	Two Percent	Special Revenue
1 Police	\$ 28,658,829	-	-	\$ 2,106,060	-	\$ 3,160,823
2 Fire	16,557,402	-	-	2,298,425	-	1,870,506
3 Public Works	-	10,337,494	1,097,600	-	-	626,758
4 Utilities	-	-	-	-	-	-
5 Engineering	328,924	-	2,506,553	-	8,024	-
6 Parks and Recreation	8,050,924	-	-	-	4,190,985	4,590,858
7 Planning & Neighborhood Services	2,316,171	-	-	-	-	6,609,717
8 Building Safety	9,452,585	-	-	-	-	-
9 Mayor and Council	1,339,110	36,900	-	-	750,000	-
10 Municipal Court	2,492,124	-	-	-	-	100,000
11 City Administration	3,032,811	-	82,716	1,859	524,308	240,000
12 City Attorney	1,568,278	-	-	-	-	10,000
13 Information Technology	4,676,672	-	-	-	-	100,000
14 Finance	2,810,777	-	-	-	-	-
15 Human Resources	1,530,396	-	-	-	-	-
16 General Government	8,891,839	127,463	100,323	-	95,358	4,405,080
17 Intracity Cost Allocation	(5,210,709)	372,157	478,065	-	1,298,282	40,258
18 Debt Service	749,365	-	18,288	513,166	-	5,292
19 ARPA Projects	-	-	-	-	-	21,471,635
20 Capital Improvements	6,418,575	900,000	11,078,174	2,340,000	888,000	21,270,411
<b>TOTAL EXPENDITURES / EXPENSES</b>	<b>\$93,664,073</b>	<b>\$ 11,774,014</b>	<b>\$15,361,719</b>	<b>\$ 7,259,510</b>	<b>\$ 7,754,957</b>	<b>\$64,501,338</b>
<b>OTHER SOURCES / USES</b>						
21 Transfers in	-	-	-	-	-	\$ 137,962
22 Transfers out	(14,416,908)	(96,579)	(4,427,812)	(784,086)	(1,731,601)	-
23 Contingency	2,510,000	-	-	-	-	-
<b>TOTAL OTHER SOURCES / USES</b>	<b>(11,906,908)</b>	<b>(96,579)</b>	<b>(4,427,812)</b>	<b>(784,086)</b>	<b>(1,731,601)</b>	<b>137,962</b>
24 Net change in Fund Balances	(6,473,380)	(2,329,093)	(3,728,521)	(1,687,596)	(435,258)	(234,758)
25 Fund Balances - Beginning July 1	43,709,898	4,284,311	12,214,301	4,816,245	3,209,830	(206,556)
<b>26 Fund Balances - Ending June 30</b>	<b>37,236,517</b>	<b>1,955,218</b>	<b>8,485,780</b>	<b>3,128,649</b>	<b>2,774,572</b>	<b>(441,314)</b>

# Exhibit B - Total by Department (Concluded)

EXPENDITURES / EXPENSES	Capital Projects	Debt Service	Enterprise	Internal Service	FY 2023 Total
1 Police	1,000,000	-	-	\$ 881,525	\$ 35,807,237
2 Fire	-	-	-	574,992	21,301,325
3 Public Works	-	-	5,037,422	3,257,623	20,356,897
4 Utilities	-	-	25,042,702	372,900	25,415,602
5 Engineering	-	-	1,022,674	-	3,866,175
6 Parks and Recreation	-	-	1,615,074	-	18,447,841
7 Planning & Neighborhood Services	-	-	-	-	8,925,888
8 Building Safety	-	-	-	-	9,452,585
9 Mayor and Council	-	-	-	-	2,126,010
10 Municipal Court	-	-	-	-	2,592,124
11 City Administration	-	-	8,364	-	3,890,058
12 City Attorney	-	-	-	4,150,000	5,728,278
13 Information Technology	-	-	4,218,959	40,425	9,036,056
14 Finance	-	-	-	-	2,810,777
15 Human Resources	-	-	-	-	1,530,396
16 General Government	-	-	821,456	2,336,620	16,778,139
17 Intracity Cost Allocation	-	-	2,923,858	98,089	-
18 Debt Service	-	20,761,375	13,327,908	-	35,375,394
19 ARPA Projects	-	-	-	-	21,471,635
20 Capital Improvements	6,326,000	-	115,846,500	-	165,067,660
<b>TOTAL EXPENDITURES / EXPENSES</b>	<b>\$ 7,326,000</b>	<b>\$20,761,375</b>	<b>\$169,864,917</b>	<b>\$11,712,174</b>	<b>\$409,980,077</b>
<b>OTHER SOURCES / USES</b>					
21 Transfers in	-	\$ 20,761,375	\$ 800,000	-	\$ 21,699,337
22 Transfers out	-	-	(242,350)	-	(21,699,337)
23 Contingency	-	-	-	-	2,510,000
<b>TOTAL OTHER SOURCES / USES</b>	<b>-</b>	<b>20,761,375</b>	<b>557,650</b>	<b>-</b>	<b>2,510,000</b>
24 Net change in Fund Balances	(10,121,769)	(0)	(104,707,352)	(5,431,921)	(135,149,649)
25 Fund Balances - Beginning July 1	12,442,059	30,629	248,202,577	26,128,326	354,831,622
<b>26 Fund Balances - Ending June 30</b>	<b>2,320,290</b>	<b>30,629</b>	<b>143,495,226</b>	<b>20,696,405</b>	<b>219,681,973</b>

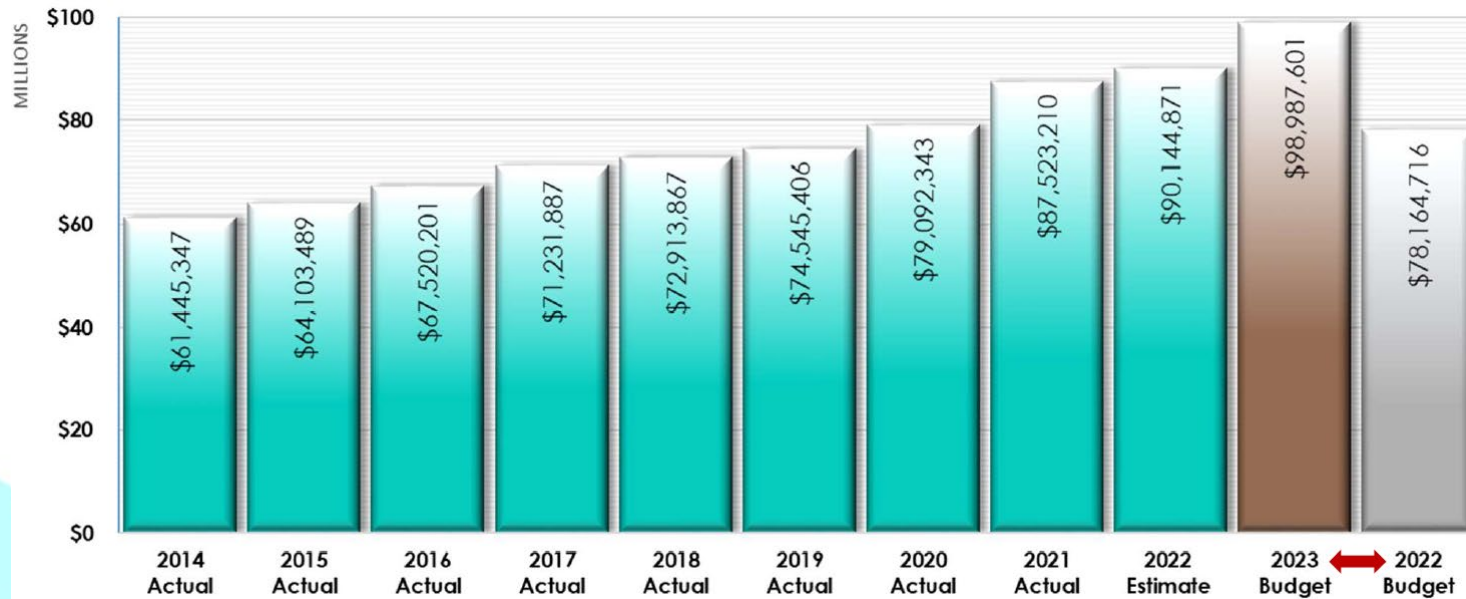
The General Fund is the main operating fund of the city. It accounts for all or a portion of nearly every department.

Its main revenue sources are general-purpose taxes such as property taxes, the 1% city sales tax and state shared revenues.

Other revenues include unrestricted charges such as business licenses, building permits and zoning fees.

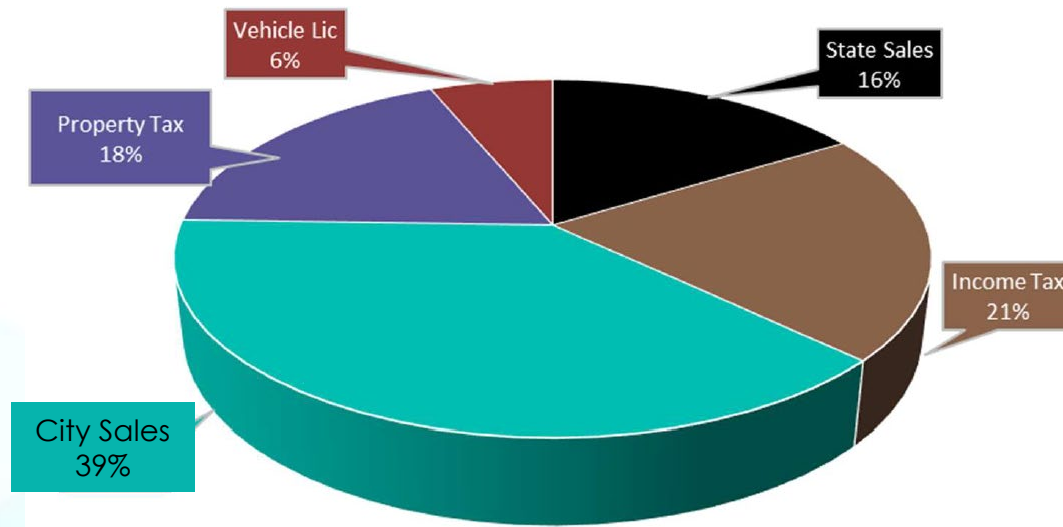
# Operating Sources

Information from page 14



State income tax (2-yr spike)

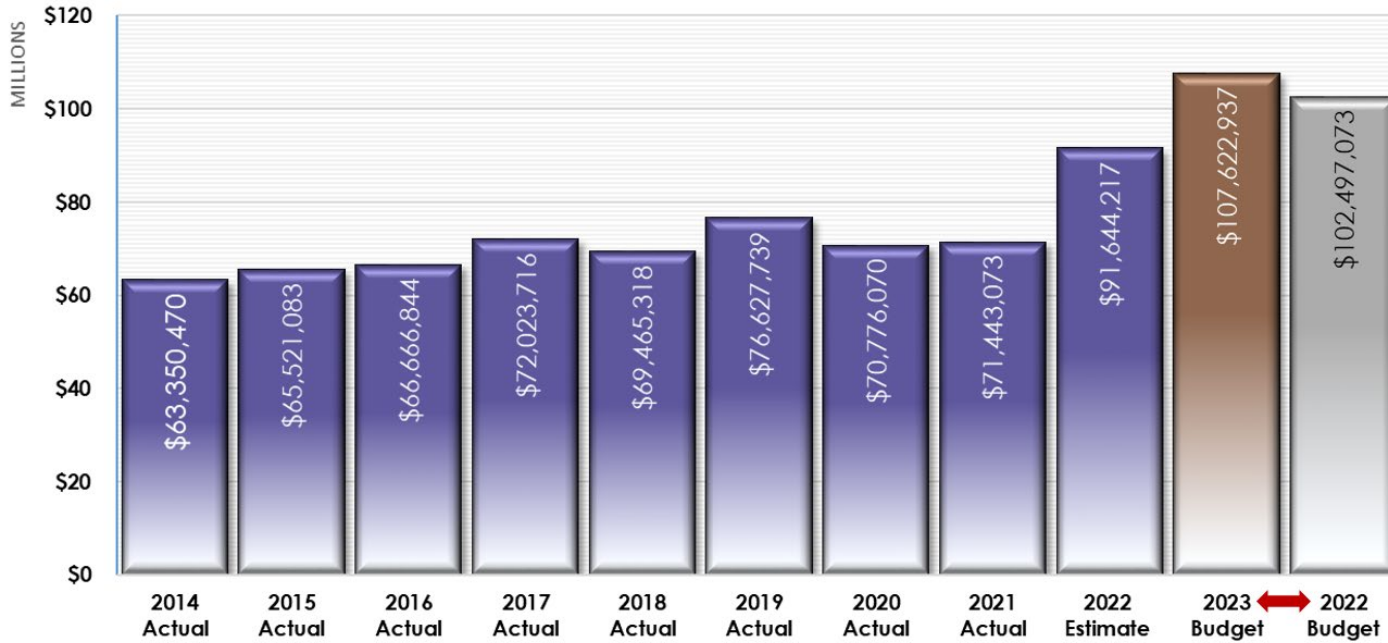
The General Fund revenues are budgeted at \$98,987,601. This is a 10% increase compared to the prior year estimates, and a 27% increase from the 2022 Budget. The leading revenue source is local sales tax at 39%



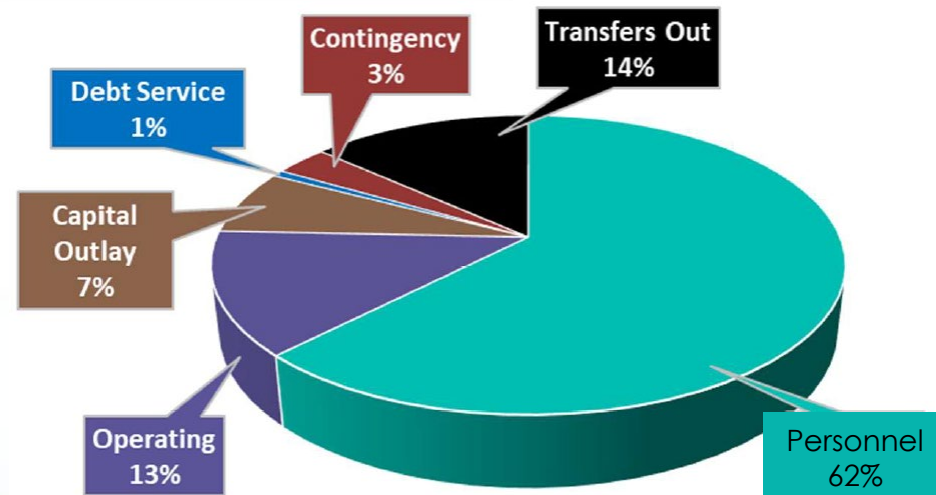


# Operating Uses

Information from page 13



The major operating fund of the City, General Fund, has a total expenditure and transfer out budget amount of **\$107,622,937**. The one time lump sum \$122 million PSPRS UAAL costs are not reflected in the totals.



# Expenditures by Department

Information from page 20

PD & FD services are not being reduced; PSPRS UAAL paid in FY2021 and FY2022 with lower contribution rate FY2023

General Fund Expenditures by Department	Actual FY 2021	Budget FY 2022	Estimate FY 2022	Budget FY 2023	Budget to Budget Difference
Mayor & City Council	\$ 849,830	\$ 1,331,119	\$ 1,323,425	\$ 1,339,110	0.6%
Municipal Court	2,059,678	2,235,171	2,206,238	2,492,124	11.5%
City Administration	7,960,446	2,797,540	2,614,055	3,066,963	9.6%
City Attorney	1,202,358	1,531,422	1,512,444	1,563,278	2.1%
Information Technology	2,881,295	4,118,599	3,780,764	5,029,675	22.1%
Finance	2,092,107	2,627,486	2,217,859	2,810,777	7.0%
Human Resources	1,142,050	1,372,287	1,278,899	1,530,396	11.5%
General Government	2,881,133	2,397,156	485,996	8,920,869	272.1%
Palanning & Neighborhood Services	3,156,481	1,956,558	1,878,365	1,845,527	-5.7%
Building Safety	336	8,101,234	8,054,815	9,244,869	14.1%
Engineering	391,639	395,227	412,378	328,924	-16.8%
Parks & Recreation	5,371,201	7,406,386	6,746,174	7,672,508	3.6%
Police	28,376,680	94,606,112	92,373,723	28,618,829	-69.7%
Fire	14,096,617	70,656,792	70,659,426	16,439,961	-76.7%
Intracity Cost Allocation	(5,210,709)	(5,210,709)	(5,210,709)	(5,210,709)	0.0%
	<u>\$ 67,251,142</u>	<u>\$ 196,322,380</u>	<u>\$ 190,333,852</u>	<u>\$ 85,693,101</u>	-56.4%

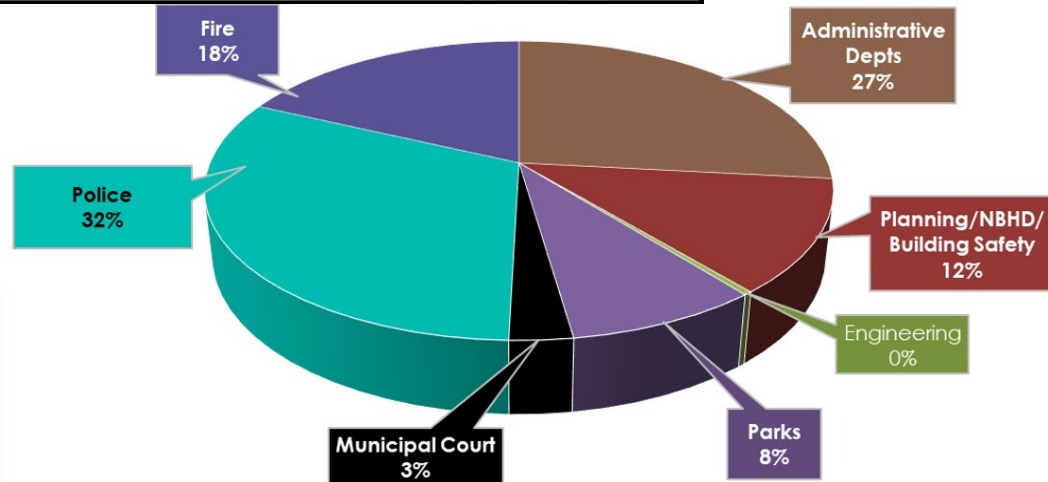
total excludes capital improvements

FY 2021, City issued \$159,475,000 in taxable bonds to pay PSPRS UAAL

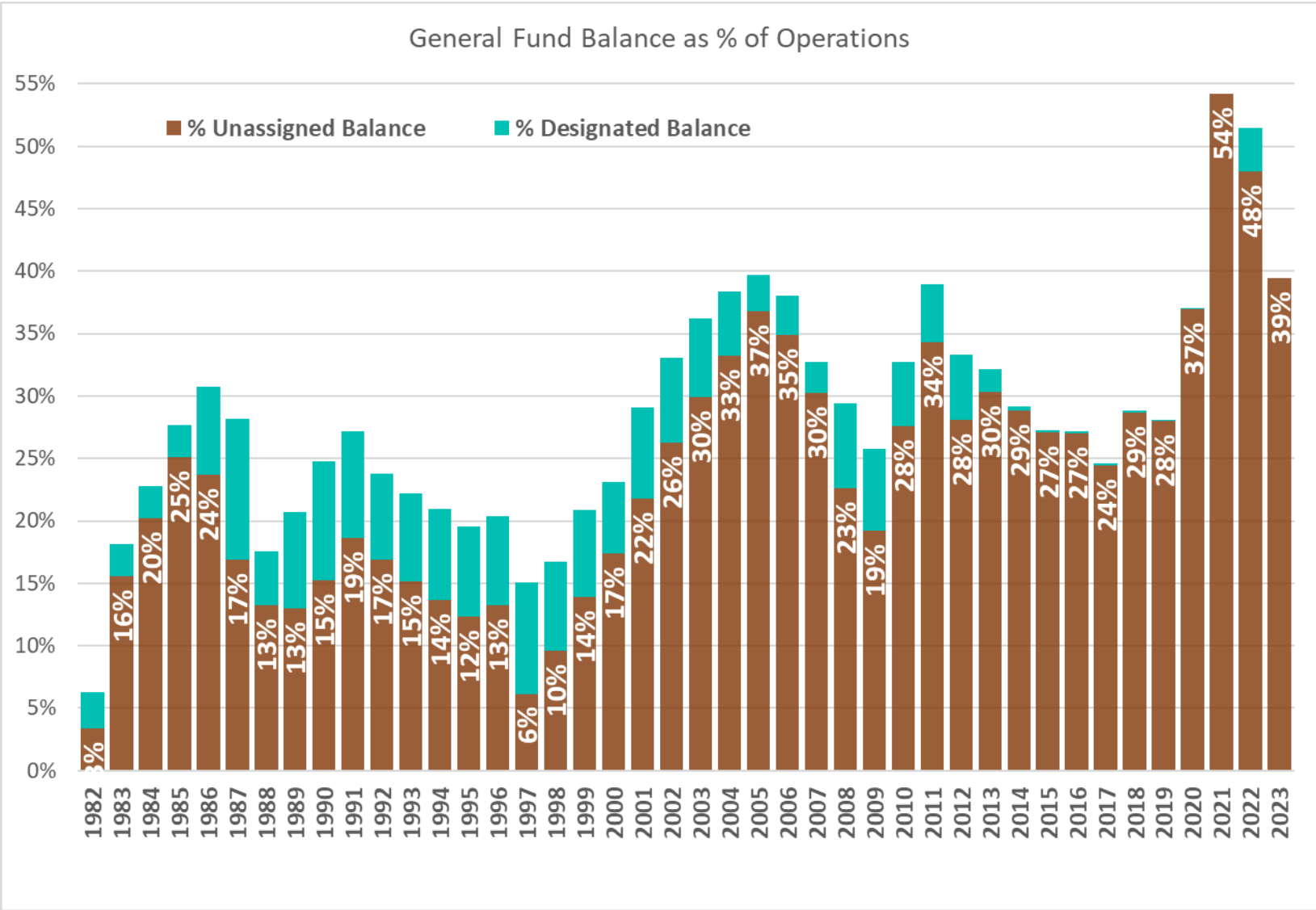
Debt payments are semi-annually, on July & January 15th

**City must remit funds to Fiscal Agent July 6th for the July payment.**

\*Essentially June 30; July 4<sup>th</sup> and a weekend.

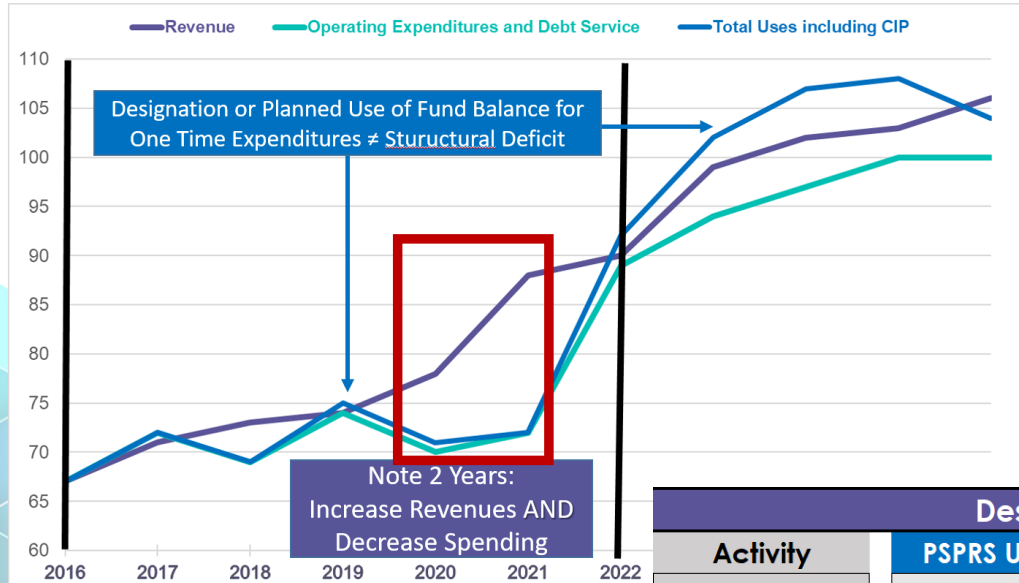


# Exhibit D - GF Fund Balances



# Designated Fund Balance

## Forecast – General Fund



**Recommendation:**

In the FY 2022 ACFR, enhance the fund balance designation program

Mechanics of program options can be provided at the Q1 Financial Update (October 2022)

Designated Balance Reconciliation				
Activity	PSPRS UAAL	CIP	Personnel	Total
<b>2021 Ending</b>	<b>\$ 122,386,492</b>	<b>\$ 238,392</b>	<b>\$ -</b>	<b>\$ 122,624,884</b>
2022 Additions	300,000	2,110,000	700,000	3,110,000
2022 Uses	(122,376,210)	(238,392)	-	(122,614,602)
2022 Change	(122,076,210)			
<b>2022 Ending</b>	<b>310,282</b>	<b>2,110,000</b>	<b>700,000</b>	<b>3,120,282</b>
2023 Additions	300,000	-	-	300,000
2023 Uses	-	(2,110,000)	(700,000)	(2,810,000)
2023 Change	300,000	2,110,000	700,000	3,110,000
<b>Ending</b>	<b>\$ 610,282</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 610,282</b>

**City held bond funds subject to arbitrage**





## **PROPOSED ANNUAL BUDGET**

Fiscal Year 2023



# General Fund



GENERAL FUND				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unassigned Fund Balance July 1,</b>	<b>\$ 29,236,186</b>	<b>\$ 47,882,402</b>	<b>\$ 47,882,402</b>	<b>\$ 43,511,448</b>
Sources:				
Estimated Revenues	\$ 87,523,210	\$ 82,364,716	\$ 90,144,871	\$ 98,987,601
PSPRS Pension Bond Proceeds	159,475,000	-	-	-
<b>Total Sources</b>	<b>\$ 246,998,210</b>	<b>\$ 78,164,716</b>	<b>\$ 90,144,871</b>	<b>\$ 98,987,601</b>
Uses:				
Expenditures				
Personnel	\$ 55,753,649	\$ 60,762,897	\$ 56,198,861	\$ 67,126,320
Operating	8,770,516	12,877,976	11,423,599	14,313,178
Operating Contingency (Budget only)	-	-	-	3,504,238
Capital Outlay	320,618	5,174,027	674,235	1,094,353
Capital Improvements	54,600	2,265,000	1,908,374	6,418,575
Debt Service	2,431,796	305,297	335,182	749,365
<b>Total Expenditures</b>	<b>\$ 67,331,180</b>	<b>\$ 81,385,197</b>	<b>\$ 70,540,251</b>	<b>\$ 93,206,029</b>
Transfers Out:				
Yuma Mall Maintenance Fund	\$ 93,473	\$ 125,563	\$ 117,653	\$ 137,962
Debt Service Fund	4,018,420	20,986,313	20,986,313	14,278,946
<b>Total Transfers Out</b>	<b>4,111,893</b>	<b>21,111,876</b>	<b>21,103,966</b>	<b>14,416,908</b>
<b>Total Uses</b>	<b>\$ 71,443,073</b>	<b>\$ 102,497,073</b>	<b>\$ 91,644,217</b>	<b>\$ 107,622,937</b>
PSPRS Pension/Issuance Costs/Reserve	\$ 35,000,000	\$ 122,376,210	\$ 122,376,210	\$ -
Change in Designated Fund Balance	121,908,921	(122,376,210)	(119,504,602)	(2,510,000)
<b>Unassigned Fund Balance June 30,</b>	<b>\$ 47,882,402</b>	<b>\$ 23,550,045</b>	<b>\$ 43,511,448</b>	<b>\$ 37,386,111</b>

The FY 2022 Budget contains budget amendment presented to Council for consideration with the FY 2023 Budget Ordinance.

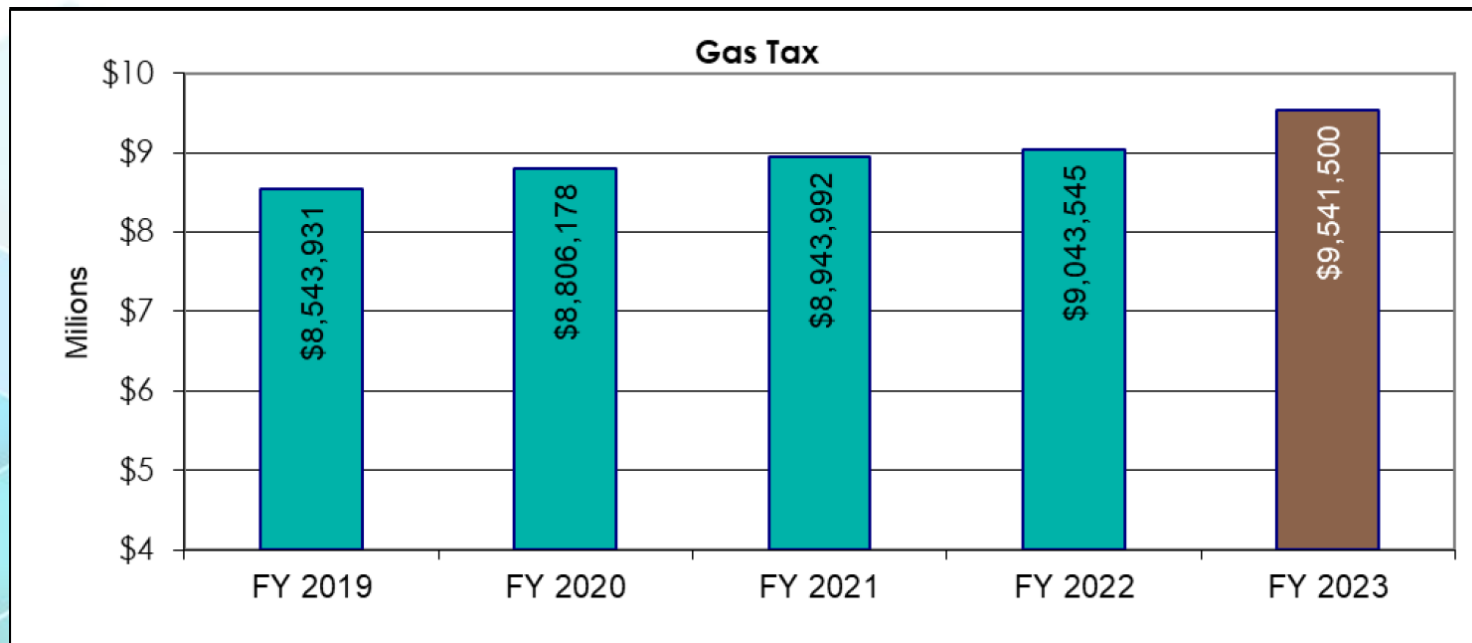
Planned Use of Fund balance for One Time Uses \$ (4,370,954) \$ (6,125,336)

# General Fund (Concluded)

ARIZONA AVENUE APARTMENTS				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unassigned Fund Balance July 1,</b>	\$ -	\$ -	\$ 88,450	\$ 198,450
Sources:				
Estimated Revenues	88,450	-	110,000	110,000
<b>Total Sources</b>	\$ 88,450	\$ -	\$ 110,000	\$ 110,000
Uses:				
Expenditures				
Operating	-	-	-	458,044
<b>Total Uses</b>	\$ -	\$ -	\$ -	\$ 458,044
<b>Unassigned Fund Balance June 30,</b>	\$ 88,450	\$ -	\$ 198,450	\$ (149,594)
<b>AZ Avenue Apartments were purchased in anticipation of road widening of AZ Avenue however the City now rents these apartments.</b>				

# Highway User Revenue Fund (HURF)

The Highway User Revenue Fund, commonly referred to as the “gas tax”, accounts for gasoline taxes collected by the state and shared with cities. 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 city’s population 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 and the Arizona League of Cities and Towns provide projections for this revenue.



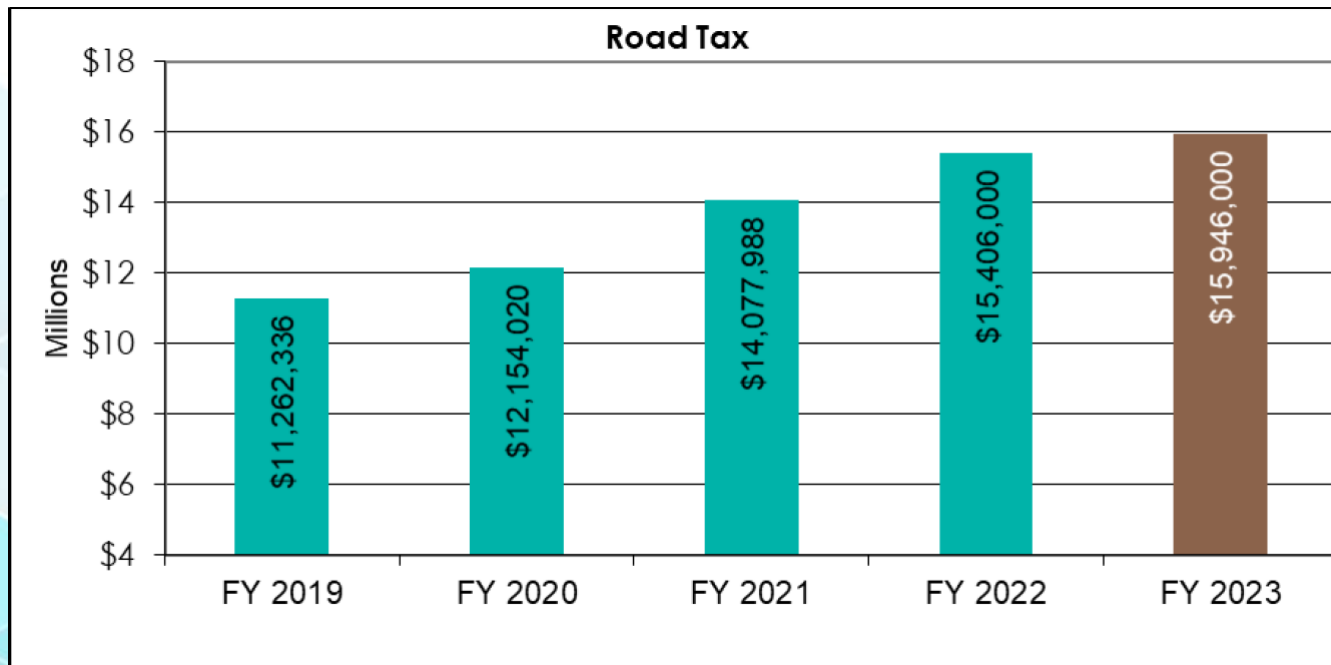
# Highway User Revenue Fund (HURF) Concluded



HIGHWAY USERS REVENUE FUND				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unassigned Fund Balance July 1,</b>	<b>\$ 5,113,788</b>	<b>\$ 5,221,619</b>	<b>\$ 4,562,776</b>	<b>\$ 4,284,311</b>
Sources:				
Estimated Revenues	8,943,992	8,330,200	9,043,545	9,541,500
<b>Total Sources</b>	<b>\$ 8,943,992</b>	<b>\$ 8,330,200</b>	<b>\$ 9,043,545</b>	<b>\$ 9,541,500</b>
Uses:				
Expenditures				
Personnel	\$ 2,734,685	\$ 3,137,201	\$ 2,987,629	\$ 3,500,809
Operating	6,228,072	6,136,281	6,107,947	6,667,983
Capital Outlay	226,971	374,178	14,246	705,222
Capital Improvements	188,531	1,000,000	95,511	900,000
<b>Total Expenditures</b>	<b>\$ 9,378,259</b>	<b>\$ 10,647,660</b>	<b>\$ 9,205,333</b>	<b>\$ 11,774,014</b>
Transfers Out:				
Debt Service Fund	\$ 116,745	\$ 116,677	\$ 116,677	\$ 96,579
Total Transfers Out	116,745	116,677	116,677	96,579
<b>Total Uses</b>	<b>\$ 9,495,004</b>	<b>\$ 10,764,337</b>	<b>\$ 9,322,010</b>	<b>\$ 11,870,593</b>
<b>Unassigned Fund Balance June 30,</b>	<b>\$ 4,562,776</b>	<b>\$ 2,787,482</b>	<b>\$ 4,284,311</b>	<b>\$ 1,955,218</b>

# City Road Tax Fund

The City Road Tax fund accounts for the collection and expenditure of a local one-half percent (.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.”



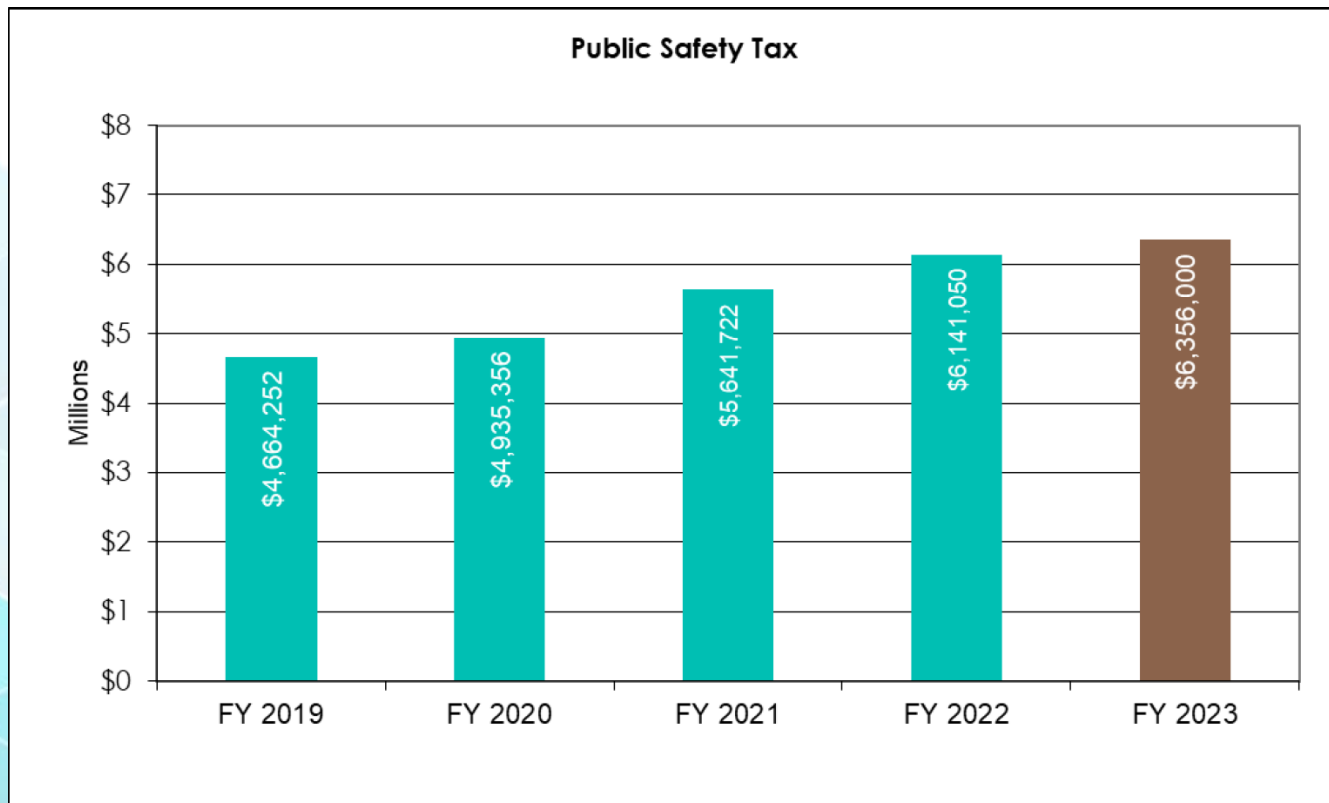


# City Road Tax Fund (Concluded)

CITY ROAD TAX				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unassigned Fund Balance July 1,</b>	<b>\$ 6,104,116</b>	<b>\$ 6,071,894</b>	<b>\$ 11,002,872</b>	<b>\$ 12,214,301</b>
Sources:				
Estimated Revenues	14,172,411	13,910,956	15,526,542	16,061,010
<b>Total Sources</b>	<b>\$ 14,172,411</b>	<b>\$ 13,910,956</b>	<b>\$ 15,526,542</b>	<b>\$ 16,061,010</b>
Uses:				
Expenditures				
Personnel	\$ 1,498,372	\$ 2,141,016	\$ 1,780,814	\$ 2,378,550
Operating	1,466,794	1,841,261	1,697,798	1,757,190
Capital Outlay	-	61,500	12,000	129,516
Capital Improvements	1,779,179	11,056,000	6,359,616	11,078,174
Debt Service	51,996	19,000	10,000	18,288
<b>Total Expenditures</b>	<b>\$ 4,796,341</b>	<b>\$ 15,118,777</b>	<b>\$ 9,860,228</b>	<b>\$ 15,361,718</b>
Transfers Out:				
Debt Service Fund	\$ 4,477,314	\$ 4,454,885	\$ 4,454,885	\$ 4,427,812
Improvement Districts	-	106,410	-	-
Total Transfers Out	4,477,314	4,561,295	4,454,885	4,427,812
<b>Total Uses</b>	<b>\$ 9,273,655</b>	<b>\$ 19,680,072</b>	<b>\$ 14,315,113</b>	<b>\$ 19,789,530</b>
<b>Unassigned Fund Balance June 30,</b>	<b>\$ 11,002,872</b>	<b>\$ 302,778</b>	<b>\$ 12,214,301</b>	<b>\$ 8,485,781</b>

# Public Safety Tax Fund

The Public Safety Tax fund accounts for a special two-tenths of one percent (.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.”



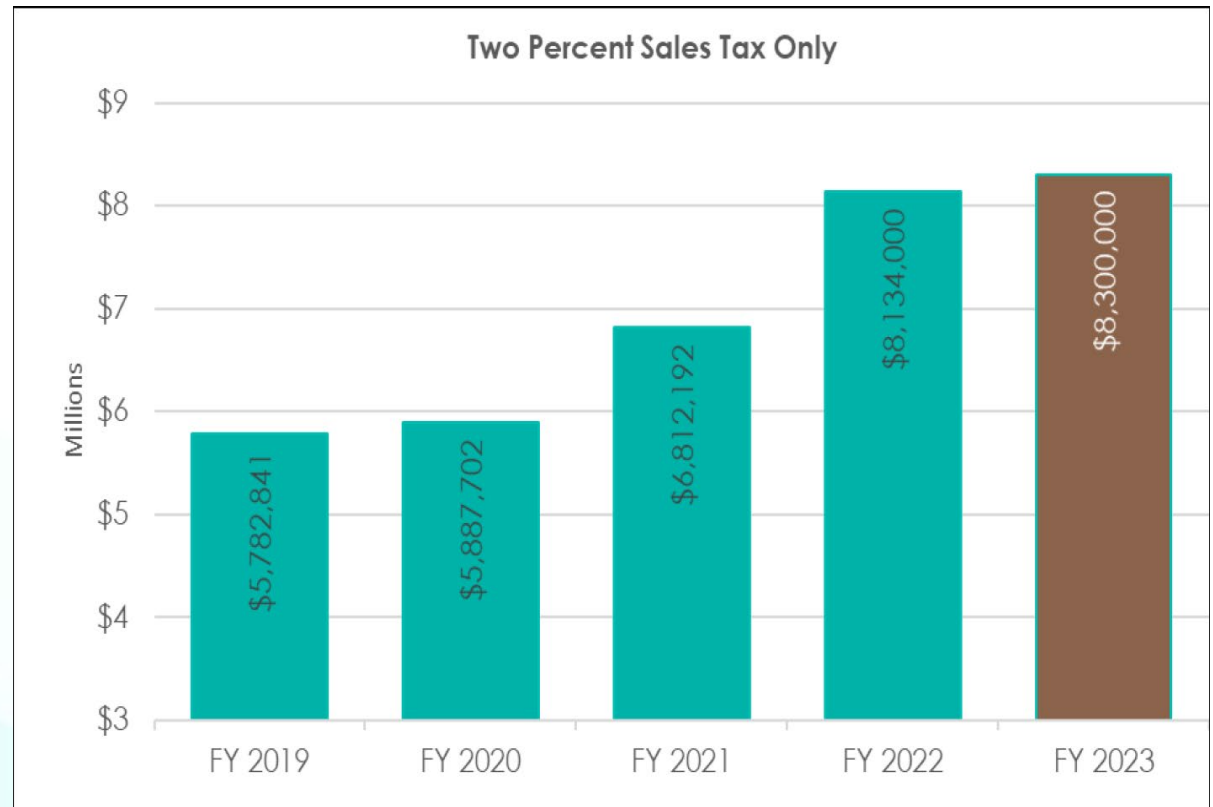
# Public Safety Tax Fund (Concluded)

PUBLIC SAFETY TAX FUND				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unassigned Fund Balance July 1,</b>	<b>\$ 2,654,338</b>	<b>\$ 3,778,721</b>	<b>\$ 4,296,025</b>	<b>\$ 4,816,246</b>
Sources:				
Estimated Revenues	5,641,722	5,518,000	6,141,050	6,356,000
<b>Total Sources</b>	<b>\$ 5,641,722</b>	<b>\$ 5,518,000</b>	<b>\$ 6,141,050</b>	<b>\$ 6,356,000</b>
Uses:				
Expenditures				
Operating	\$ 1,846,514	\$ 3,333,441	\$ 3,786,479	\$ 4,064,417
Capital Outlay	423,547	633,261	527,181	481,680
Capital Improvements	425,908	445,000	-	2,340,000
Debt Service	356,074	327,956	359,925	371,554
<b>Total Expenditures</b>	<b>\$ 3,052,043</b>	<b>\$ 4,739,658</b>	<b>\$ 4,673,585</b>	<b>\$ 7,259,510</b>
Transfers Out:				
Debt Service Fund	\$ 947,992	\$ 947,244	\$ 947,244	\$ 784,086
Total Transfers Out	947,992	947,244	947,244	784,086
<b>Total Uses</b>	<b>\$ 4,000,035</b>	<b>\$ 5,686,902</b>	<b>\$ 5,620,829</b>	<b>\$ 8,043,596</b>
<b>Unassigned Fund Balance June 30,</b>	<b>\$ 4,296,025</b>	<b>\$ 3,609,819</b>	<b>\$ 4,816,245</b>	<b>\$ 3,128,650</b>

# Two Percent Tax Fund

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.”



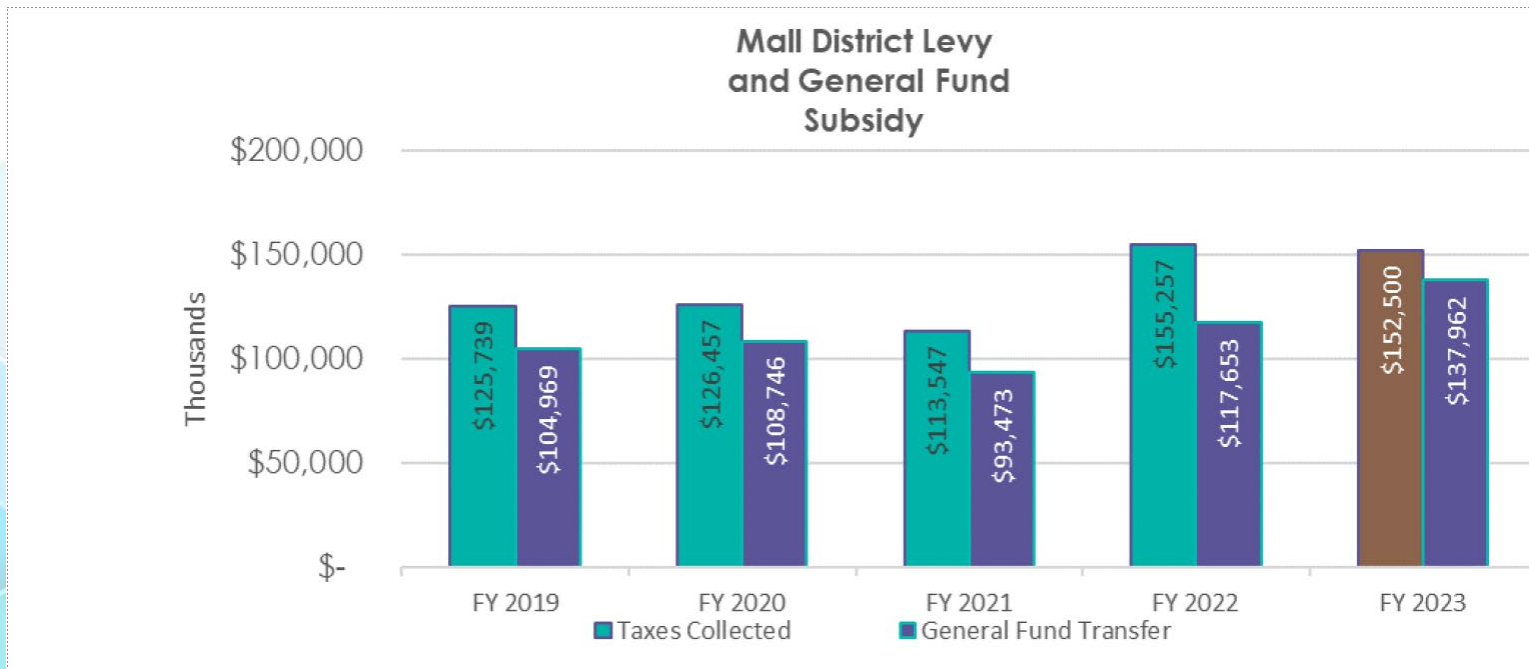
# Two Percent Tax Fund (Concluded)

TWO PERCENT TAX FUND				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unassigned Fund Balance July 1,</b>	\$ 773,876	\$ 1,454,199	\$ 1,950,278	\$ 3,209,830
Sources:				
Estimated Revenues	7,068,107	6,944,300	8,858,875	9,051,300
<b>Total Sources</b>	\$ 7,068,107	\$ 6,944,300	\$ 8,858,875	\$ 9,051,300
Uses:				
Expenditures				
Personnel	\$ 2,014,100	\$ 2,765,834	\$ 2,390,857	\$ 2,991,350
Operating	2,881,987	3,250,630	3,329,168	3,675,607
Capital Outlay	115,788	69,486	75,133	200,000
Capital Improvements	9,300	517,300	278,708	888,000
Debt Service	49,489	-	-	-
<b>Total Expenditures</b>	\$ 5,070,664	\$ 6,603,250	\$ 6,073,866	\$ 7,754,957
Transfers Out:				
Debt Service Fund	\$ 571,041	\$ 1,125,457	\$ 1,125,457	\$ 931,601
Desert Hills Golf Course Fund	250,000	400,000	400,000	800,000
Total Transfers Out	821,041	1,525,457	1,525,457	1,731,601
<b>Total Uses</b>	\$ 5,891,705	\$ 8,128,707	\$ 7,599,323	\$ 9,486,558
<b>Unassigned Fund Balance June 30,</b>	\$ 1,950,278	\$ 269,792	\$ 3,209,830	\$ 2,774,572
Revenues within this fund include 2% Sales Tax as well as revenues from park rentals and concessions				



# 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 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 Maintenance Fund (Concluded)

MALL MAINTENANCE FUND				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unassigned Fund Balance July 1,</b>	\$ -	\$ -	\$ -	\$ -
Sources:				
Estimated Revenues	\$ 113,547	\$ 146,757	\$ 155,257	\$ 152,500
Transfers In:				
General Fund	93,473	125,563	117,653	137,962
Total Transfers In	93,473	125,563	117,653	137,962
<b>Total Sources</b>	<b>\$ 207,020</b>	<b>\$ 272,320</b>	<b>\$ 272,910</b>	<b>\$ 290,462</b>
Uses:				
Expenditures				
Personnel	\$ 105,566	\$ 117,589	\$ 118,179	\$ 131,555
Operating	101,454	142,044	141,824	153,615
Capital Outlay	-	7,395	7,615	-
Debt Service	-	5,292	5,292	5,292
Total Expenditures	207,020	272,320	272,910	290,462
<b>Total Uses</b>	<b>\$ 207,020</b>	<b>\$ 272,320</b>	<b>\$ 272,910</b>	<b>\$ 290,462</b>
<b>Unassigned Fund Balance June 30,</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# Grants Fund (Not ARPA)

A variety of federal and state grants and entitlements are recorded in this fund. Individual grant funds included here are the HUD CDBG Entitlement, Community Redevelopment, and the Appropriated Grants Fund. The largest continuing grant is the Community Development Block Grant (CDBG). The city continues to seek grant funding for a number of transportation, communication and parks projects with related capital projects expenditures planned in the fund.

GRANT FUNDS				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unassigned Fund Balance July 1,</b>	<b>\$ (304,035)</b>	<b>\$ (553,894)</b>	<b>\$ (553,894)</b>	<b>\$ -</b>
Sources:				
Estimated Revenues	10,831,881	48,055,515	26,365,243	40,712,457
<b>Total Sources</b>	<b>\$ 10,831,881</b>	<b>\$ 48,055,515</b>	<b>\$ 26,365,243</b>	<b>\$ 40,712,457</b>
Uses:				
Expenditures				
Personnel	\$ 7,137,668	\$ 1,333,554	\$ 855,177	\$ 367,590
Operating	3,196,861	14,412,830	11,879,368	19,074,456
Capital Outlay	292,749	1,762,241	1,558,029	-
Capital Improvements	454,460	30,549,640	11,518,775	21,270,411
Total Expenditures	11,081,739	48,058,265	25,811,349	40,712,457
<b>Total Uses</b>	<b>\$ 11,081,739</b>	<b>\$ 48,058,265</b>	<b>\$ 25,811,349</b>	<b>\$ 40,712,457</b>
<b>Unassigned Fund Balance June 30,</b>	<b>\$ (553,894)</b>	<b>\$ (556,644)</b>	<b>\$ -</b>	<b>\$ -</b>

Negative fund balance is an outstanding reimbursement from Federal Funds

# America Rescue Plan Act(ARPA) Fund

On March 11, 2021, the federal government signed the American Rescue Plan Act (ARPA) into law. The program provides support to local governments in responding to the economic and public health impacts of COVID-19 and mitigate impacts on local communities. All expenditures must comply with U.S. Department of Treasury requirements. Recipients must obligate the funds by December 31, 2024, and spend them by December 31, 2026. In April 2022, the Council adopted by resolution the City's ARPA Project List, which outlines the City's intended uses for the funds.

AMERICAN RESCUE PLAN ACT				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unassigned Fund Balance July 1,</b>	\$ -	\$ -	\$ -	\$ -
Sources:				
Estimated Revenues	-	14,801,661	-	23,071,661
<b>Total Sources</b>	<b>\$ -</b>	<b>\$ 14,801,661</b>	<b>\$ -</b>	<b>\$ 23,071,661</b>
Uses:				
Expenditures				
Personnel	-	-	-	1,600,026
Operating	-	-	-	-
Capital Outlay	-	-	-	-
Capital Projects	-	14,801,661	-	21,471,635
Total Expenditures	-	14,801,661	-	23,071,661
<b>Total Uses</b>	<b>\$ -</b>	<b>\$ 14,801,661</b>	<b>\$ -</b>	<b>\$ 23,071,661</b>
<b>Unassigned Fund Balance June 30,</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# Debt Service Fund

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.

DEBT SERVICE FUNDS				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unassigned Fund Balance July 1,</b>	<b>\$ 5,003</b>	<b>\$ 3,827</b>	<b>\$ 4,836</b>	<b>\$ 30,629</b>
Sources:				
Estimated Revenues	\$ 374,306	\$ -	\$ 27,443	\$ -
Transfers In:				
General Fund	4,017,890	20,986,313	20,986,313	14,278,946
Desert Hills Golf Course Fund	2,101	2,101	2,101	1,738
Highway Users Revenue Fund	116,745	116,677	116,677	96,579
Road Tax Fund	4,477,314	4,454,885	4,454,885	4,427,812
Solid Waste Fund	321,025	165,136	165,136	136,692
Capital Projects Fund	555,242	-	-	-
Water Fund	59,592	59,583	59,583	49,320
Wastewater Fund	65,971	65,961	65,961	54,599
Two Percent Fund	571,041	1,125,457	1,125,457	931,601
Public Safety Tax	947,992	947,244	947,244	784,086
Total Transfers In	11,134,913	27,923,356	27,923,356	20,761,375
<b>Total Sources</b>	<b>\$ 11,509,219</b>	<b>\$ 27,923,356</b>	<b>\$ 27,950,799</b>	<b>\$ 20,761,375</b>
Uses:				
Expenditures				
Debt Service	11,509,386	27,923,356	27,925,006	20,761,375
<b>Total Uses</b>	<b>\$ 11,509,386</b>	<b>\$ 27,923,356</b>	<b>\$ 27,925,006</b>	<b>\$ 20,761,375</b>
<b>Unassigned Fund Balance June 30,</b>	<b>\$ 4,836</b>	<b>\$ 3,827</b>	<b>\$ 30,629</b>	<b>\$ 30,629</b>

Budget FY 2022 includes a proposed budget admendment to be brought to Council for consideration with FY 2023 Budget.



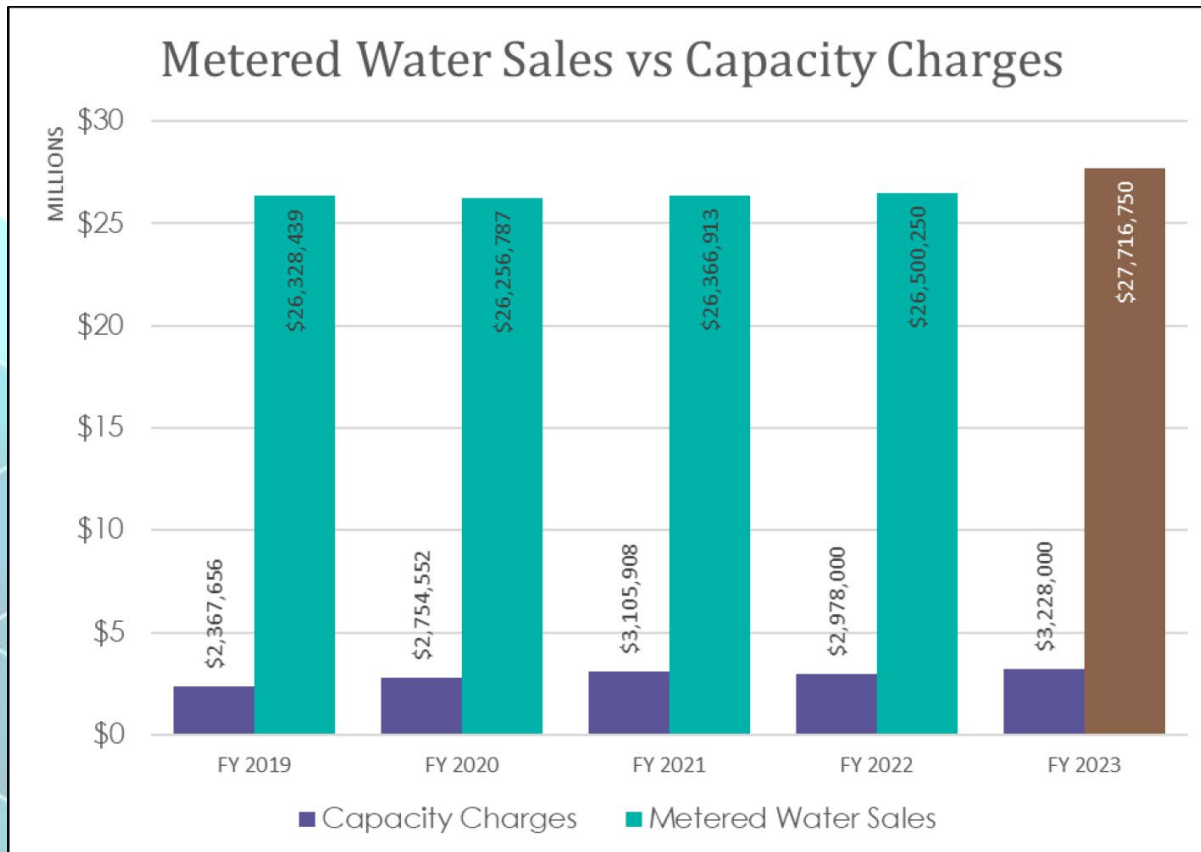
# Capital Projects Fund

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

CAPITAL PROJECTS FUND				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unassigned Fund Balance July 1,</b>	<b>\$ 9,806,283</b>	<b>\$ 11,136,911</b>	<b>\$ 11,136,911</b>	<b>\$ 12,442,059</b>
Sources:				
Estimated Revenues	2,239,375	2,019,120	2,118,780	2,063,870
<b>Total Sources</b>	<b>\$ 2,239,375</b>	<b>\$ 2,019,120</b>	<b>\$ 2,118,780</b>	<b>\$ 2,063,870</b>
Uses:				
Capital Outlay	-	-	-	4,859,639
Capital Improvements	353,505	5,934,000	813,632	7,326,000
Transfers Out:				
Debt Service Fund	555,242	-	-	-
Total Transfers Out	555,242	-	-	-
<b>Total Uses</b>	<b>\$ 908,747</b>	<b>\$ 5,934,000</b>	<b>\$ 813,632</b>	<b>\$ 12,185,639</b>
<b>Unassigned Fund Balance June 30,</b>	<b>\$ 11,136,911</b>	<b>\$ 7,222,031</b>	<b>\$ 12,442,059</b>	<b>\$ 2,320,290</b>

# Water Funds

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 Water Capacity Fund was created with the intent to track fees imposed on Developers as a condition precedent to granting a building permit.

These fees reflect the demands and costs associated with new development and will allow the City to meet its costs to provide the infrastructure necessary to provide services.

# Water Funds (Continued)

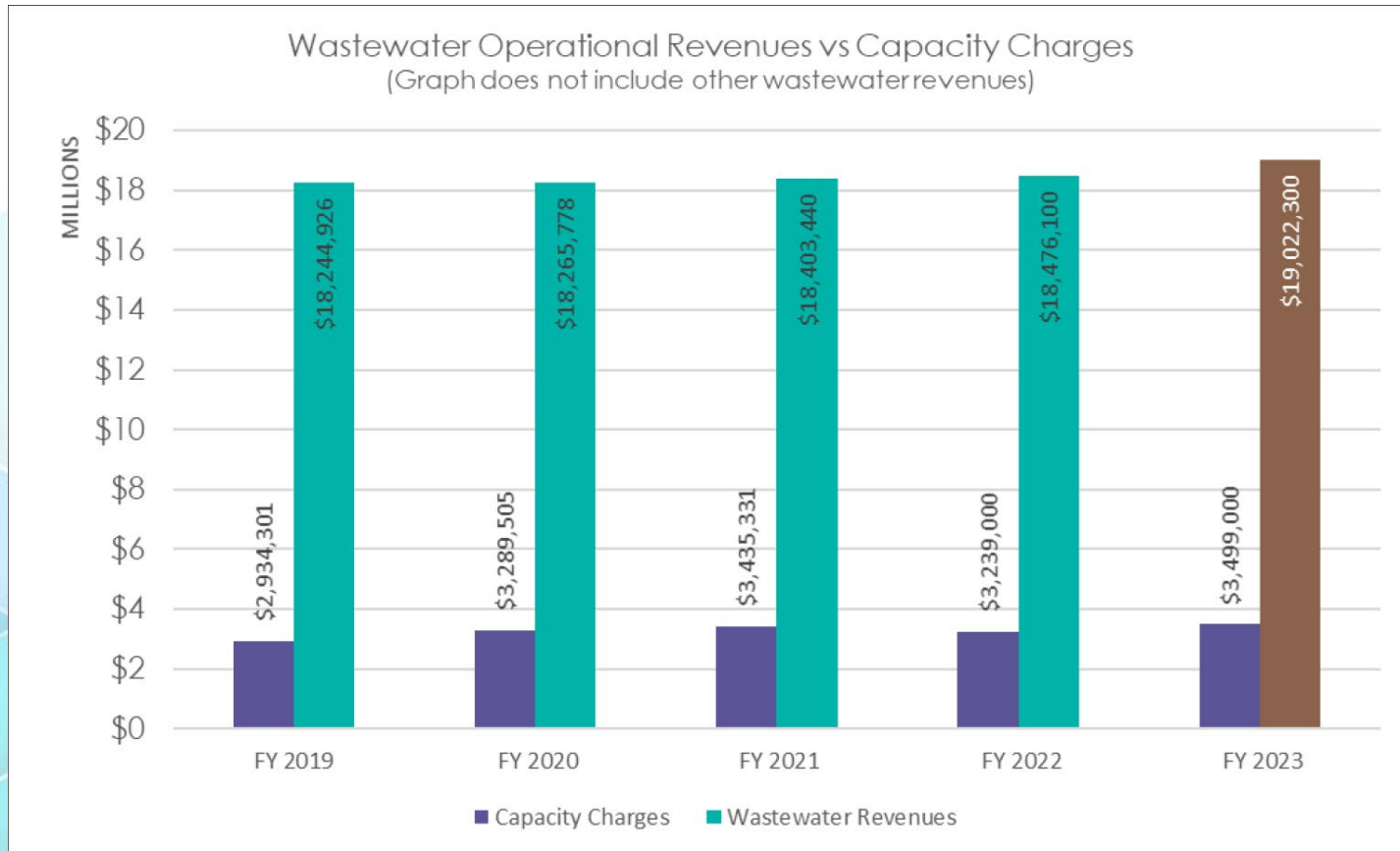
WATER FUND				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unrestricted Fund Balance July 1,</b>	<b>\$ 57,514,436</b>	<b>\$ 69,065,987</b>	<b>\$ 69,065,987</b>	<b>\$ 67,903,600</b>
Sources:				
Estimated Revenues	\$ 26,367,073	\$ 26,636,650	\$ 26,500,250	\$ 27,717,500
Estimated Capital Contributions	193,284	-	-	174,950
<b>Total Sources</b>	<b>\$ 26,560,357</b>	<b>\$ 26,636,650</b>	<b>\$ 26,500,250</b>	<b>\$ 27,892,450</b>
Uses:				
Expenditures				
Personnel	\$ 5,282,814	\$ 6,488,906	\$ 5,638,167	\$ 7,246,715
Operating	6,614,643	8,109,201	7,754,850	8,262,374
Capital Outlay	309,538	363,713	568,182	264,924
Debt Service	365,461	6,439,251	6,439,251	6,020,367
Capital Improvements	2,376,757	13,660,430	7,202,604	12,965,000
<b>Total Expenditures</b>	<b>\$ 14,949,214</b>	<b>\$ 35,061,501</b>	<b>\$ 27,603,054</b>	<b>\$ 34,759,380</b>
Transfers Out:				
Debt Service Fund	\$ 59,592	\$ 59,583	\$ 59,583	\$ 49,320
Water Transfer Fund	-	10,000	-	-
Total Transfers Out	59,592	69,583	59,583	49,320
<b>Total Uses</b>	<b>\$ 15,008,806</b>	<b>\$ 35,131,084</b>	<b>\$ 27,662,637</b>	<b>\$ 34,808,700</b>
<b>Unrestricted Fund Balance June 30,</b>	<b>\$ 69,065,987</b>	<b>\$ 60,571,553</b>	<b>\$ 67,903,600</b>	<b>\$ 60,987,350</b>

# Water Funds (Concluded)

WATER CAPACITY FUND				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unrestricted Fund Balance July 1,</b>	\$ 5,455,848	\$ 6,142,357	\$ 6,142,357	\$ 6,701,067
Sources:				
Estimated Revenues	3,105,910	2,688,000	2,978,000	3,228,000
<b>Total Sources</b>	\$ 3,105,910	\$ 2,688,000	\$ 2,978,000	\$ 3,228,000
Uses:				
Capital Outlay	-	-	-	-
Debt Service	2,419,401	2,419,290	2,419,290	762,178
Capital Improvements	-	-	-	-
<b>Total Uses</b>	\$ 2,419,401	\$ 2,419,290	\$ 2,419,290	\$ 762,178
<b>Unrestricted Fund Balance June 30,</b>	\$ 6,142,357	\$ 6,411,067	\$ 6,701,067	\$ 9,166,889

# Wastewater Funds

The Utilities Department also operates the Wastewater Collection and Treatment System and accounts for same 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.





# Wastewater Funds (Continued)

WASTEWATER FUND				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unrestricted Fund Balance July 1,</b>	<b>\$ 65,727,386</b>	<b>\$ 70,118,466</b>	<b>\$ 70,118,466</b>	<b>\$ 70,915,322</b>
Sources:				
Estimated Revenues	\$ 18,403,440	\$ 19,172,500	\$ 18,476,100	\$ 19,022,300
Estimated Capital Contributions	248,913	-	-	267,150
<b>Total Sources</b>	<b>\$ 18,652,353</b>	<b>\$ 19,172,500</b>	<b>\$ 18,476,100</b>	<b>\$ 19,289,450</b>
Uses:				
Expenditures				
Personnel	\$ 4,356,481	\$ 5,251,354	\$ 4,709,221	\$ 5,511,403
Operating	5,932,612	6,748,310	6,802,919	7,143,890
Capital Outlay	299,077	277,152	8,000	214,067
Debt Service	1,985,437	2,022,768	2,016,782	5,665,545
Capital Improvements	1,621,694	13,124,000	4,076,361	13,981,500
<b>Total Expenditures</b>	<b>\$ 14,195,302</b>	<b>\$ 27,423,584</b>	<b>\$ 17,613,283</b>	<b>\$ 32,516,405</b>
Transfers Out:				
Debt Service Fund	\$ 65,971	\$ 65,961	\$ 65,961	\$ 54,599
Total Transfers Out	65,971	65,961	65,961	54,599
<b>Total Uses</b>	<b>\$ 14,261,273</b>	<b>\$ 27,489,545</b>	<b>\$ 17,679,244</b>	<b>\$ 32,571,004</b>
<b>Unrestricted Fund Balance June 30,</b>	<b>\$ 70,118,466</b>	<b>\$ 61,801,421</b>	<b>\$ 70,915,322</b>	<b>\$ 57,633,767</b>

# Wastewater Funds (Concluded)

WASTEWATER CAPACITY FUND				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unrestricted Fund Balance July 1,</b>	<b>\$ 12,367,097</b>	<b>\$ 12,999,424</b>	<b>\$ 13,147,790</b>	<b>\$ 13,732,276</b>
Sources:				
Estimated Revenues	3,435,331	2,899,000	3,239,000	3,499,000
<b>Total Sources</b>	<b>\$ 3,435,331</b>	<b>\$ 2,899,000</b>	<b>\$ 3,239,000</b>	<b>\$ 3,499,000</b>
Uses:				
Expenditures				
Debt Service	2,654,638	6,816,373	2,654,514	879,818
Capital Improvements	-	-	-	2,900,000
<b>Total Uses</b>	<b>\$ 2,654,638</b>	<b>\$ 6,816,373</b>	<b>\$ 2,654,514</b>	<b>\$ 3,779,818</b>
<b>Unrestricted Fund Balance June 30,</b>	<b>\$ 13,147,790</b>	<b>\$ 9,082,051</b>	<b>\$ 13,732,276</b>	<b>\$ 13,451,458</b>

WASTEWATER REVENUE BOND - CAPITAL PROJECTS				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unrestricted Fund Balance July 1,</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 85,567,894</b>
Sources:				
Bond Proceeds	-	80,000,000	86,232,280	-
<b>Total Sources</b>	<b>\$ -</b>	<b>\$ 80,000,000</b>	<b>\$ 86,232,280</b>	<b>\$ -</b>
Uses:				
Capital Improvements	-	71,672,110	664,386	83,100,000
<b>Total Uses</b>	<b>\$ -</b>	<b>\$ 71,672,110</b>	<b>\$ 664,386</b>	<b>\$ 83,100,000</b>
<b>Unrestricted Fund Balance June 30,</b>	<b>\$ -</b>	<b>\$ 8,327,890</b>	<b>\$ 85,567,894</b>	<b>\$ 2,467,894</b>

The FY 2022 Budget contains budget amendment presented to Council for consideration with the FY 2023 Budget Ordinance.

# Yuma Regional Comm. 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 the County of Yuma and other city, local and regional emergency response agencies. The city and other emergency response agencies contribute to fund the operation of this system. Accordingly the fund is split between operational and funding from external sources.

YUMA REGIONAL COMM. SYSTEM FUND				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unassigned Fund Balance July 1,</b>	<b>\$ 2,472,405</b>	<b>\$ 2,149,857</b>	<b>\$ 3,201,640</b>	<b>\$ 1,941,840</b>
Sources:				
Estimated Revenues	2,928,486	3,293,760	2,694,142	3,763,940
<b>Total Sources</b>	<b>\$ 2,928,486</b>	<b>\$ 3,293,760</b>	<b>\$ 2,694,142</b>	<b>\$ 3,763,940</b>
Uses:				
Expenditures				
Personnel	457,947	664,180	593,449	698,892
Operating	1,741,305	2,788,704	3,350,518	3,658,196
Capital Outlay	-	9,975	9,975	33,425
Total Expenditures	2,199,251	3,462,859	3,953,942	4,390,513
<b>Total Uses</b>	<b>\$ 2,199,251</b>	<b>\$ 3,462,859</b>	<b>\$ 3,953,942</b>	<b>\$ 4,390,513</b>
<b>Unassigned Fund Balance June 30,</b>	<b>\$ 3,201,640</b>	<b>\$ 1,980,758</b>	<b>\$ 1,941,840</b>	<b>\$ 1,315,267</b>

# Solid Waste Fund

Until fiscal 2000, residential fees were limited to disposal of solid waste and other related expenses. A permanent solid waste collection fee was created in 2011.

**The residential collection fee is proposed to increase by 3%** from \$7.21 per month to \$7.43 per month resulting in an annual increase of \$2.64. The environmental fee is also proposed to increase by 3% from \$7.47 per month to \$7.70 per month resulting in an annual increase of \$2.76.

SOLID WASTE FUND				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unrestricted Fund Balance July 1,</b>	<b>\$ 545,976</b>	<b>\$ 1,436,279</b>	<b>\$ 1,148,490</b>	<b>\$ 1,687,624</b>
Sources:				
Estimated Revenues	5,022,686	5,209,500	5,178,500	5,500,000
<b>Total Sources</b>	<b>\$ 5,022,686</b>	<b>\$ 5,209,500</b>	<b>\$ 5,178,500</b>	<b>\$ 5,500,000</b>
Uses:				
Expenditures				
Personnel	\$ 1,103,842	\$ 1,267,908	\$ 1,180,037	\$ 1,391,302
Operating	2,995,304	3,320,424	3,293,393	3,489,520
Capital Outlay	-	415,800	800	437,565
<b>Total Expenditures</b>	<b>\$ 4,099,147</b>	<b>\$ 5,004,132</b>	<b>\$ 4,474,230</b>	<b>\$ 5,318,387</b>
Transfers Out:				
Debt Service Fund	\$ 321,025	\$ 165,136	\$ 165,136	\$ 136,692
Total Transfers Out	321,025	165,136	165,136	136,692
<b>Total Uses</b>	<b>\$ 4,420,172</b>	<b>\$ 5,169,268</b>	<b>\$ 4,639,366</b>	<b>\$ 5,455,079</b>
<b>Unrestricted Fund Balance June 30,</b>	<b>\$ 1,148,490</b>	<b>\$ 1,476,511</b>	<b>\$ 1,687,624</b>	<b>\$ 1,732,545</b>

Revenues include 3% rate increase per Ordinance plus new customers

# 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. 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, intended that golf revenues wholly support these operations.

DESERT HILLS GOLF COURSE FUND				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unrestricted Fund Balance July 1,</b>	\$ 73,147	\$ (699,402)	\$ (175,757)	\$ (247,044)
Sources:				
Estimated Revenues	\$ 1,002,351	\$ 917,600	\$ 1,290,725	\$ 1,427,075
Transfers In:				
Two Percent Tax Fund	250,000	400,000	400,000	800,000
<b>Total Sources</b>	<b>\$ 1,252,351</b>	<b>\$ 1,317,600</b>	<b>\$ 1,690,725</b>	<b>\$ 2,227,075</b>
Uses:				
Expenditures				
Personnel	\$ 782,524	\$ 828,963	\$ 757,949	\$ 896,512
Operating	708,915	1,108,649	993,965	1,316,724
Capital Outlay	7,715	7,998	7,998	125,000
<b>Total Expenditures</b>	<b>\$ 1,499,154</b>	<b>\$ 1,945,610</b>	<b>\$ 1,759,912</b>	<b>\$ 2,338,236</b>
Transfers Out:				
Debt Service Fund	\$ 2,101	\$ 2,101	\$ 2,101	\$ 1,738
Total Transfers Out	2,101	2,101	2,101	1,738
<b>Total Uses</b>	<b>\$ 1,501,254</b>	<b>\$ 1,947,711</b>	<b>\$ 1,762,013</b>	<b>\$ 2,339,974</b>
<b>Unrestricted Fund Balance June 30,</b>	<b>\$ (175,757)</b>	<b>\$ (1,329,513)</b>	<b>\$ (247,044)</b>	<b>\$ (359,944)</b>

Deficit is covered through Two Percent Fund loan and will be paid over time.



# Equipment Replacement Fund

The Equipment Replacement Fund accounts for the accumulation of resources from each department for the replacement of equipment.

In FY 2022 vehicles ordered were not received due to supply chain issues. Therefore vehicles ordered during FY 2022 have been carried forward to FY 2023. We expect this trend to continue through FY 2024.

EQUIPMENT REPLACEMENT FUND				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unrestricted Fund Balance July 1,</b>	<b>\$ 19,167,579</b>	<b>\$ 8,123,527</b>	<b>\$ 19,260,051</b>	<b>\$ 19,288,317</b>
Sources:				
Estimated Revenues	2,855,166	2,912,000	95,386	95,386
<b>Total Sources</b>	<b>\$ 2,855,166</b>	<b>\$ 2,912,000</b>	<b>\$ 95,386</b>	<b>\$ 95,386</b>
Uses:				
Expenditures				
Operating	2,421,602	23,499	-	23,499
Capital Outlay	341,092	2,985,036	67,120	2,256,367
Total Expenditures	2,762,694	3,008,535	67,120	2,279,866
<b>Total Uses</b>	<b>\$ 2,762,694</b>	<b>\$ 3,008,535</b>	<b>\$ 67,120</b>	<b>\$ 2,279,866</b>
<b>Unrestricted Fund Balance June 30,</b>	<b>\$ 19,260,051</b>	<b>\$ 8,026,992</b>	<b>\$ 19,288,317</b>	<b>\$ 17,103,837</b>
<b>Accumulated fund balance is designated for vehicle purchases over the next ten years.</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				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unrestricted Fund Balance July 1,</b>	\$ (282,226)	\$ (669,467)	\$ (78,262)	\$ 46,748
Sources:				
Estimated Revenues	2,855,166	2,912,000	2,912,000	2,965,000
<b>Total Sources</b>	\$ 2,855,166	\$ 2,912,000	\$ 2,912,000	\$ 2,965,000
Uses:				
Expenditures				
Personnel	1,083,284	1,253,584	1,159,834	1,283,781
Operating	1,567,918	1,621,306	1,627,156	1,661,907
Total Expenditures	2,651,202	2,874,890	2,786,990	2,945,688
<b>Total Uses</b>	\$ 2,651,202	\$ 2,874,890	\$ 2,786,990	\$ 2,945,688
<b>Unrestricted Fund Balance June 30,</b>	\$ (78,262)	\$ (632,357)	\$ 46,748	\$ 66,060

# 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 clearer. Premiums are charged to each fund based on liability exposure, infrastructure and other parameters.

INSURANCE RESERVE FUND				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unrestricted Fund Balance July 1,</b>	\$ 3,266,771	\$ 3,223,607	\$ 2,656,767	\$ 1,918,072
Sources:				
Estimated Revenues	1,927,762	1,935,285	1,761,367	1,761,367
<b>Total Sources</b>	\$ 1,927,762	\$ 1,935,285	\$ 1,761,367	\$ 1,761,367
Uses:				
Expenditures				
Operating	2,537,765	3,081,307	2,500,062	3,484,637
Total Expenditures	2,537,765	3,081,307	2,500,062	3,484,637
<b>Total Uses</b>	\$ 2,537,766	\$ 3,081,307	\$ 2,500,062	\$ 3,484,637
<b>Unrestricted Fund Balance June 30,</b>	\$ 2,656,767	\$ 2,077,585	\$ 1,918,072	\$ 194,802

# Workers' Comp 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				
Sources and Uses	ACTUAL FY 2021	ADJ BUDGET FY 2022	ESTIMATE FY 2022	BUDGET FY 2023
<b>Unrestricted Fund Balance July 1,</b>	<b>\$ 3,966,973</b>	<b>\$ 4,073,534</b>	<b>\$ 4,152,125</b>	<b>\$ 4,875,188</b>
Sources:				
Estimated Revenues	1,444,890	1,457,671	1,358,500	1,458,500
<b>Total Sources</b>	<b>\$ 1,444,890</b>	<b>\$ 1,457,671</b>	<b>\$ 1,358,500</b>	<b>\$ 1,458,500</b>
Uses:				
Expenditures				
Personnel	-	-	-	-
Operating	1,259,738	1,235,360	635,437	3,000,000
<b>Total Uses</b>	<b>\$ 1,259,738</b>	<b>\$ 1,235,360</b>	<b>\$ 635,437</b>	<b>\$ 3,000,000</b>
<b>Unrestricted Fund Balance June 30,</b>	<b>\$ 4,152,125</b>	<b>\$ 4,295,845</b>	<b>\$ 4,875,188</b>	<b>\$ 3,333,688</b>

We are  
here

- **Work session May 3<sup>rd</sup>:**
  - Proposed Operating Budget
  - Recommended Amendments to Proposed Budget
  - Directives from Mayor and City Council
- Work session May 17<sup>th</sup>:
  - Capital Improvement Plan (CIP)
  - Operating Budget: Follow-up items
  - Introduction to the required PSPRS Funding Policy
- Regular session May 18<sup>th</sup>:
  - Adoption of the Proposed Budget and CIP, as modified =
  - “Tentative” Budget, Sets ceiling for budget authority
- Special / Regular session June 15<sup>th</sup>:
  - Adopt the “Final” Budget and CIP for FY 2023
  - *Public Hearing on TNT (if required)*
  - Adopt Budget Amendments for FY 2022
  - Adopt a PSPRS Funding Policy for FY 2023
  - Approve select FY 2023 purchases (such as vehicles)
- July 6<sup>th</sup>: Adoption of tax levies (City, MM, MID)

# Exhibit C - Recommended Changes

RECOMMENDED CHANGES TO BUDGETS			EXHIBIT C		
Cost Center and Explanation	FY 2022 Amended Budget		FY 2023 Proposed Budget		
	General Fund	ARPA	General Fund	Other	Total
<b>ARPA Projects</b>	\$ (14,801,661)	\$ 14,801,661	\$ -	\$ -	\$ -
ARPA reported as separate fund in FY 2021 Audited Financial Statements					
<b>PSPRS Bond Payment</b>	8,327,890	-	-	-	-
Due by July 6th; within 30 days end of year Consistent with other 5 bond payments Better represents ending fund balance					
<b>Budget Office</b>					
City Administrator	(126,535)	-	-	-	-
Finance	126,535	-	-	-	-
Allocate Budget Office cost center from City Administrator's office back to the Finance Department (but as a cost center)					
<b>Total in Proposed Budget</b>	<b>(6,473,771)</b>	<b>14,801,661</b>	-	-	-



# Exhibit C - Recommended Changes (Continued)

RECOMMENDED CHANGES TO BUDGETS			EXHIBIT C		
Cost Center and Explanation	FY 2022 Amended Budget		FY 2023 Proposed Budget		
	General Fund	ARPA	General Fund	Other	Total
<b>Water: Capacity</b>	-	-	-	(2,900,000)	(2,900,000)
Double budgeted, Water and WW, CIP					
<b>Indirect Cost Plan Recover (Intracity Cost)</b>	5,210,709	-	5,210,709	-	5,210,709
Reclassify from contra-expenditure to revenue					
Avoids negative cost center and					
Consistent with other reporting and cities					
<b>Credit Card Fees</b>	70,000	-	70,000	-	70,000
Report as expenditure, not contra-revenue					
<b>Amounts not able to be absorbed by department:</b>					
Mid-year pay range adjustment (if fully staffed)	TBD	-	-	-	-
Vehicles (prices up, but delays in delivery)	TBD	-	-	-	-
Retirements (if fully staffed)	TBD	-	-	-	-
Leases (chronic)	TBD	-	-	-	-
Amount not to exceed available in June					
<b>Total Recommended Amendments</b>	<b>\$ (1,193,062)</b>	<b>\$ 14,801,661</b>	<b>5,280,709</b>	<b>(2,900,000)</b>	<b>2,380,709</b>
	Current Proposed Budget		93,206,029	316,774,048	<b>409,980,077</b>
	<b>Recommended Proposed Budget, as Amended</b>		<b>\$ 98,486,738</b>	<b>\$ 313,874,048</b>	<b>\$ 412,360,786</b>

# Exhibit C - Recommended Changes (Concluded)

RECOMMENDED CHANGES TO BUDGETS			EXHIBIT C		
Cost Center and Explanation	FY 2022 Amended Budget		FY 2023 Proposed Budget		
	General Fund	ARPA	General Fund	Other	Total
<b>ARPA Projects</b>	\$ (14,801,661)	\$ 14,801,661	\$ -	\$ -	\$ -
ARPA reported as separate fund in FY 2021 Audited Financial Statements					
<b>PSPRS Bond Payment</b>	8,327,890	-	-	-	-
Due by July 6th; within 30 days end of year					
Consistent with other 5 bond payments					
Better represents ending fund balance					
<b>Budget Office</b>					
City Administrator	(126,535)	-	-	-	-
Finance	126,535	-	-	-	-
Allocate Budget Office cost center from City Administrator's office back to the Finance Department (but as a cost center)					
<b>Total in Proposed Budget</b>	<b>(6,473,771)</b>	<b>14,801,661</b>	<b>-</b>	<b>-</b>	<b>-</b>

RECOMMENDED CHANGES TO BUDGETS			EXHIBIT C		
Cost Center and Explanation	FY 2022 Amended Budget		FY 2023 Proposed Budget		
	General Fund	ARPA	General Fund	Other	Total
<b>Water: Capacity</b>	-	-	-	(2,900,000)	(2,900,000)
Double budgeted, Water and WW, CIP					
<b>Indirect Cost Plan Recover (Intracity Cost)</b>	5,210,709	-	5,210,709	-	5,210,709
Reclassify from contra-expenditure to revenue					
Avoids negative cost center and					
Consistent with other reporting and cities					
<b>Credit Card Fees</b>	70,000	-	70,000	-	70,000
Report as expenditure, not contra-revenue					
<b>Amounts not able to be absorbed by department:</b>					
Mid-year pay range adjustment (if fully staffed)	TBD	-	-	-	-
Vehicles (prices up, but delays in delivery)	TBD	-	-	-	-
Retirements (if fully staffed)	TBD	-	-	-	-
Leases (chronic)	TBD	-	-	-	-
Amount not to exceed available in June					
<b>Total Recommended Amendments</b>	<b>\$ (1,193,062)</b>	<b>\$ 14,801,661</b>	<b>5,280,709</b>	<b>(2,900,000)</b>	<b>2,380,709</b>
Current Proposed Budget			93,206,029	316,774,048	409,980,077
<b>Recommended Proposed Budget, as Amended</b>			<b>\$ 98,486,738</b>	<b>\$ 313,874,048</b>	<b>\$ 412,360,786</b>

If City Council is inclined to accept these changes, staff will update the Proposed Budget and Post on the City website for public access + "Paper ready" for May 18<sup>th</sup> City Council meeting

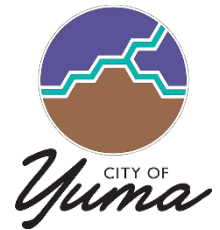


# PROPOSED BUDGET FY 2023

## Next Budget Meeting:

### Work session May 17<sup>th</sup>:

- Capital Improvement Plan (CIP)
  - Operating Budget: Follow-up items
  - Introduction to the required PSPRS Funding Policy
- 



May 3, 2022